



**Special Meeting of the Board of Directors of
San Diego Community Power (Community Power)**

Thursday, November 21, 2024
5:00 p.m.

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

**Director McCann will be participating remotely from:
Courtyard Marriott Oxnard Ventura
600 E. Esplanade Drive
Oxnard, CA 93036**

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

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

1. Providing oral comments during a meeting. Anyone attending in person desiring to address the Board of Directors is asked to fill out a speaker's slip and present it to the Clerk of the Board. To provide remote comments during the meeting, join the Zoom meeting by computer, mobile phone, or dial-in number. On Zoom video conference by computer or mobile phone, use the "Raise Hand" feature. This will notify the moderator that you wish to speak during a specific item on the agenda or during non-agenda Public Comment. Members of the public will not be shown on video but will be able to speak when called upon. If joining the meeting using the Zoom dial-in number, you can raise your hand by pressing *9. Comments will be limited to three (3) minutes.

AGENDA – BOARD OF DIRECTORS – SAN DIEGO COMMUNITY POWER

2. Written Comments. Written public comments must be submitted prior to the start of the meeting to clerkoftheboard@sdcommunitypower.org. Please indicate a specific agenda item when submitting your comment. All written comments received prior to the meeting will be provided to Members of the Board. In the discretion of the Chair, the first ten (10) submitted comments shall be stated into the record of the meeting. Comments read at the meeting will be limited to the first 400 words. Comments received after the start of the meeting will be collected, sent to the Members of Board, and be part of the public record.

If you have anything that you wish to be distributed to the Board, please send it to clerkoftheboard@sdcommunitypower.org.

The public may participate using the following remote options:

Teleconference Meeting Webinar <https://zoom.us/j/94794075133>

Telephone (Audio Only) (669) 900-6833 or (346) 248-7799 | Webinar ID: 947 9407 5133

WELCOME

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

SPECIAL PRESENTATIONS AND INTRODUCTIONS

- Introduction of New Community Power Staff
- Recognition of Director Kellie Hinze for her Service to Community Power and its Ratepayers

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

PUBLIC COMMENTS

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

CONSENT CALENDAR

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

1. Approve October 24, 2024, Meeting Minutes

AGENDA – BOARD OF DIRECTORS – SAN DIEGO COMMUNITY POWER

2. Receive and File Treasurer's Report for Period Ending August 31, 2024
3. Receive and File Update on Programs
4. Receive and File Update on Power Resources
5. Receive and File Update on Customer Operations
6. Receive and File Update on Human Resources
7. Receive and File Update on Marketing, Public Relations, and Local Government Affairs
8. Receive and File Update on Regulatory and Legislative Affairs
9. Approve Contract for Managed Charging (V1G) Software Procurement with Optiwatt in a not to exceed value of \$420,000 over Two Years, and authorize the Chief Executive Officer to Execute the Contract

REGULAR AGENDA

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

10. Approve Fiscal Year End 2023-24 Financial Audit

Recommendation: Approve Fiscal Year End 2023-24 Financial Audit.

11. Presentation and Update on Clean Energy Prepayment Financing

Recommendation: Receive and file Presentation and Update on Clean Energy Prepayment Financing.

12. Consider Amendments to Existing San Diego Community Power Board and Committee Compensation and Reimbursement Policy; and, if Approved, Make Amendments Effective January 1, 2025

Recommendation: Adopt Resolution No. 2024-10, Amending San Diego Community Power (Community Power) Board and Committee Compensation and Reimbursement Policy effective January 1, 2025.

13. 2023 Power Source Disclosure Program Annual Reports and Power Content Label; and Adoption of Resolution No. 2024-11, Approving the Submission and Attesting to the Accuracy of Community Power's 2023 Power Source Disclosure Annual Reports for PowerOn and Power100 and the 2023 Power Content Label

Recommendation: Adopt Resolution 2024-11 approving the submission and attesting to the accuracy of SDCP's 2023 Power Source Disclosure annual reports for PowerOn and Power100 and the 2023 Power Content Label

14. 2026-2028 Strategic Plan Process Overview

Recommendation: Receive and file Strategic Plan Process Overview.

CHIEF EXECUTIVE OFFICER REPORT

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

DIRECTOR COMMENTS

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

ADJOURNMENT

The San Diego Community Power Board of Directors will adjourn to a regular meeting scheduled on Thursday, December 12, 2024.

Compliance with the Americans with Disabilities Act

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

Availability of Board Documents

Copies of the agenda and agenda packet are available at <https://sdcommunitypower.org/resources/meeting-notes/>. Late-arriving documents related to a Board meeting item which are distributed to a majority of the Members prior to or during the Board meeting are available for public review as required by law. Public records, including

agenda-related documents, can be requested electronically at clerkoftheboard@sdcommunitypower.org or by mail to SDCP, PO BOX 12716, San Diego, CA 92112. The documents may also be posted on the Community Power's website. Such public records are also available for inspection, by appointment, at San Diego Community Power by contacting clerkoftheboard@sdcommunitypower.org to arrange an appointment.



**SAN DIEGO COMMUNITY POWER (COMMUNITY POWER)
BOARD OF DIRECTORS**

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

**SPECIAL MEETING MINUTES
October 24, 2024**

WELCOME

CALL TO ORDER

Chair LaCava, City of San Diego called the Community Power Board of Directors special meeting to order at 5:00 p.m.

ROLL CALL

PRESENT: Chair LaCava, City of San Diego; Director McCann, City of Chula Vista (arrived at 5:26 p.m.); Director Hinze, City of Encinitas (arrived at 5:26 p.m.); Director Aguirre, City of Imperial Beach; Director Parent, City of La Mesa; and Director Yamane, City of National City

ABSENT: Vice Chair Lawson-Remer, County of San Diego

Staff Present: Chief Executive Officer Burns; Chief Financial Officer Dr. Washington; Counsel Norvell; Data Analytics Manager Hanke; Senior Program Manager Treadwell; Clerk of the Board Hernandez; and Assistant Clerk of the Board Vences

PLEDGE OF ALLEGIANCE

Chair LaCava led the Pledge of Allegiance.

SPECIAL PRESENTATIONS AND INTRODUCTIONS

Chair LaCava acknowledged the Kumeyaay Nation and all the original stewards of the land.

- **Introduction of New San Diego Community Power Staff**

Chair LaCava welcomed new employee Marissa Van Sant, Senior Program Manager to introduce herself.

- **Recognition of Director Colin Parent for his Service to Community Power and its Ratepayers**

Chair LaCava recognized Director Colin Parent for his service to Community Power.

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

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

PUBLIC COMMENTS

There were no public comments.

CONSENT CALENDAR

1. **Approve September 26, 2024, Meeting Minutes**
2. **Receive and File Treasurer's Report for Period Ending July 31, 2024**
3. **Receive and File Update on Programs**
4. **Receive and File Update on Power Resources**
5. **Receive and File Update on Human Resources**
6. **Receive and File Update on Marketing, Public Relations, and Local Government Affairs**
7. **Receive and File Update on Community Advisory Committee**
8. **Receive and File Update on Regulatory and Legislative Affairs**
9. **Receive and File Update on IT and Data Analytics**
10. **Approve a contract with Precision NRG with a not-to-exceed amount of \$575,870 through March 2026 for Refrigeration Equipment Supplier Services and authorize execution by the Chief Executive Officer**

There were no public comments on Consent Item Nos. 1-10.

Motioned by Director Aguirre and seconded by Director Parent to approve Consent Calendar Item Nos. 1 through 10. The motion carried 4/0 as follows:

AYES: Chair LaCava, Director Aguirre, Director Parent, and Director Yamane
 NOES: None
 ABSTAINED: None
 ABSENT: Vice Chair Lawson-Remer, Director Hinze, and Director McCann

MEETING MINUTES – BOARD OF DIRECTORS – COMMUNITY POWER – OCTOBER 24, 2024

CONSENT CALENDAR - CONTINUED

11. Approve Amendment to the Revolving Credit Agreement with JP Morgan to Increase the Credit Facility from \$150,000,000 to \$250,000,000

There were no public comments on Consent Item No. 11.

Motioned by Director McCann and seconded by Director Aguirre to approve Consent Calendar Item No. 11. The motion carried unanimously as follows:

AYES: Chair LaCava, Director McCann, Director Hinze, Director Aguirre, Director Parent, and Director Yamane
NOES: None
ABSTAINED: None
ABSENT: Vice Chair Lawson-Remer

REGULAR AGENDA

12. Community Advisory Committee Quarterly Report

Community Advisory Committee Chair Vasilakis provided a quarterly report on Community Advisory Committee.

There were no public comments on Item No. 12.

The Board received and filed the Community Advisory Committee Quarterly Report.

13. Adoption of Resolution No. 2024-08, Authorizing Execution of an Energy Prepayment Transaction, Related Documents, and ‘Form of’ Documents Subject to Maximum Issuance Amount, Limitation on Fees, and Minimum Required Savings

Chief Financial Officer Washington provided a presentation on Energy Prepayment Transaction.

There were no public comments on Item No. 13.

After Board member discussion, Director Yamane motioned and seconded by Director Aguirre to adopt Resolution No. 2024-08, approving parameters under which an energy prepayment transaction can be completed; authorizing and approving documents or “form of” documents supporting the prepay transaction; and directing California Community Choice Financing Authority (CCCFA) to make payments to service providers for issuance costs from prepay bond proceeds. The motion carried unanimously as follows:

AYES: Chair LaCava, Director McCann, Director Hinze, Director Aguirre, Director Parent, and Director Yamane
NOES: None
ABSTAINED: None
ABSENT: Vice Chair Lawson-Remer

14. Fiscal Year End 2023-24 Financial Audit Progress Report Presentation

Chief Financial Officer Washington, and Brett Bradford from Pimenti & Brinker LLP presented the Fiscal Year End 2023-24 Financial Audit Progress Report.

There were no public comments on Item No. 14.

After Board member discussion, the Fiscal Year End 2023-24 Financial Audit Progress Report was received and filed.

15. Update on Customer Operations

Data Analytics Manager Hanke provided an update on Customer Operations.

There were no public comments on Item No. 15.

After Board member discussion, update on update on Customer Operations was received and filed.

16. Program Update on Flexible Load Strategy

Senior Program Manager Treadwell provided an update on Update on Flexible Load Strategy.

There were no public comments on Item No. 16.

After Board member discussion, update on Flexible Load Strategy was received and filed.

CHIEF EXECUTIVE OFFICER REPORT

CEO Burns reported on Community Power's ongoing efforts and recent activities and events.

DIRECTOR COMMENTS

None.

ADJOURNMENT

Community Power Board meeting adjourned at 5:56 p.m. to the next special Board meeting scheduled on Thursday, November 21, 2024, at 5:00 p.m.

Maricela Hernandez, MMC, CPMC
Clerk of the Board



SAN DIEGO COMMUNITY POWER Staff Report – Item 2

To: San Diego Community Power Board of Directors
From: Eric W. Washington, Chief Financial Officer/Treasurer
Via: Karin Burns, Chief Executive Officer
Subject: Treasurer's Report for Period Ending 8/31/2024
Date: November 21, 2024

RECOMMENDATION

Receive and File Treasurer's Report for Period Ending 8/31/2024.

BACKGROUND

San Diego Community Power (Community Power) maintains its accounting records on a full accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) as applicable to governmental enterprise funds.

Community Power has prepared its year-to-date financial statements for the two-month period ended August 31, 2024, along with budgetary comparisons.

Community Power additionally reports monthly metrics during its Board meetings as part of its Update on Back-Office Operations. As part of the Treasurer's Report, certain key metrics related to risk are presented during Financial and Risk Management Committee (FRMC) meetings.

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

ANALYSIS AND DISCUSSION

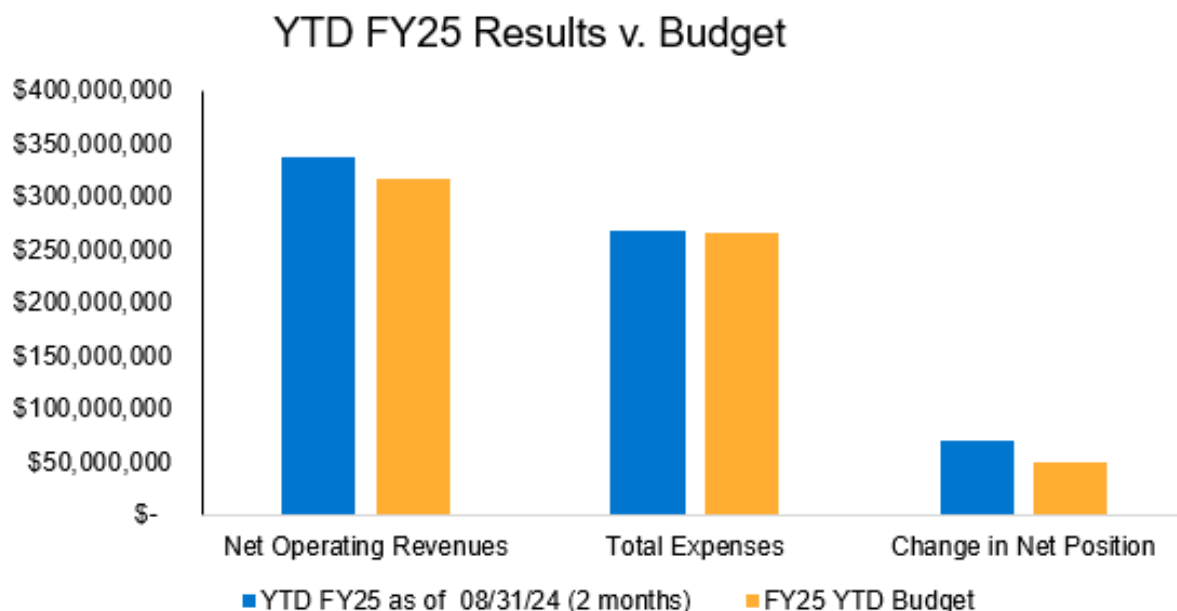
Actual financial results for the period ended 8/31/24: \$336.4 million in net operating revenues were reported compared to \$316.0 million budgeted for the period. \$266.8 million in total expenses were reported (including \$246.9 million in energy costs) compared to \$266.5 million budgeted for the period (including \$241.6 million budgeted for energy costs). After expenses, Community Power's change in net position of \$69.6 million was reported year-to-date for Fiscal Year 2024-25. The following is a summary of the actual results compared to the Fiscal Year 2024-25 Budget.

Table 1: Budget Comparison Versus Actual Result

Budget Comparison					
	YTD FY25 as of 08/31/24 (2 months)	FY25 YTD Budget	Budget Variance (\$)	Budget (%)	
Net Operating Revenues	\$ 336,392,539	\$ 316,009,772	\$ 20,382,767	106%	
Total Expenses	\$ 266,811,587	\$ 266,480,527	\$ 331,060	100%	
Change in Net Position	\$ 69,580,952	\$ 49,529,245	\$ 20,051,707	40%	

- Net operating revenues finished \$20.4 million (or 6.0 percentage points) over the budget primarily due to lower-than-expected uncollectible accounts and slightly higher-than-expected customer load.
- Operating expenses finished \$331.0 thousand (or 0.1 percentage points) over the budget due to a combination of higher-than-expected resource adequacy costs and hedging activities.

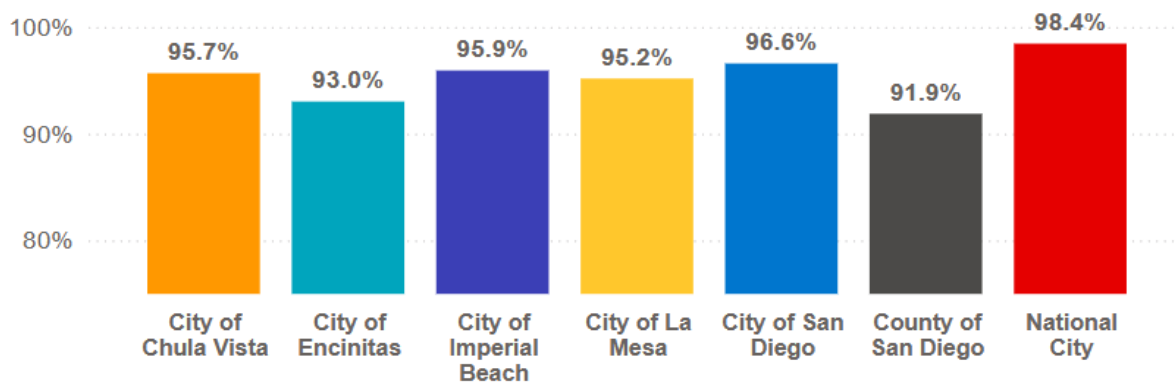
Figure 1: Budget Comparison versus Actual Results



For the two-month period ending 8/31/24, Community Power contributed \$69,580,952 to its net position compared to the expected contribution of \$49,529,245 per the Fiscal Year 2024-25 budget. Total Community Power reserves at the end of the period were \$346,251,829 based on unrestricted cash and cash equivalents, and total available liquidity (including lines of credit) was \$450,251,829. Community Power has a total Fiscal Year 2024-25 year-end reserve target of \$556,027,397 which is equivalent to 180-days of total operating expenses as set in Community Power's Reserve Policy and Strategic Goals.

Figure 2: Participation Rates as of 11/1/2024

Participation by Jurisdiction



Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	98,656	94,389	95.7%
City of Encinitas	Power100	28,633	26,635	93.0%
City of Imperial Beach	PowerOn	10,911	10,467	95.9%
City of La Mesa	PowerOn	29,433	28,014	95.2%
City of San Diego	PowerOn	623,847	602,571	96.6%
County of San Diego	PowerOn	190,161	174,716	91.9%
National City	PowerOn	19,481	19,179	98.4%
Total		1,001,122	955,971	95.5%

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

Staff are also presenting the state of Community Power Arrearages related to financial risk for FRMC consideration and for regular review. Additional metrics can be added by request. The below arrearage data includes Community Power Receivables aged 120+ Days as of 8/1/2024.

Figure 3: State of Community Power Arrearages as of 11/01/2024

Balances over 120 days

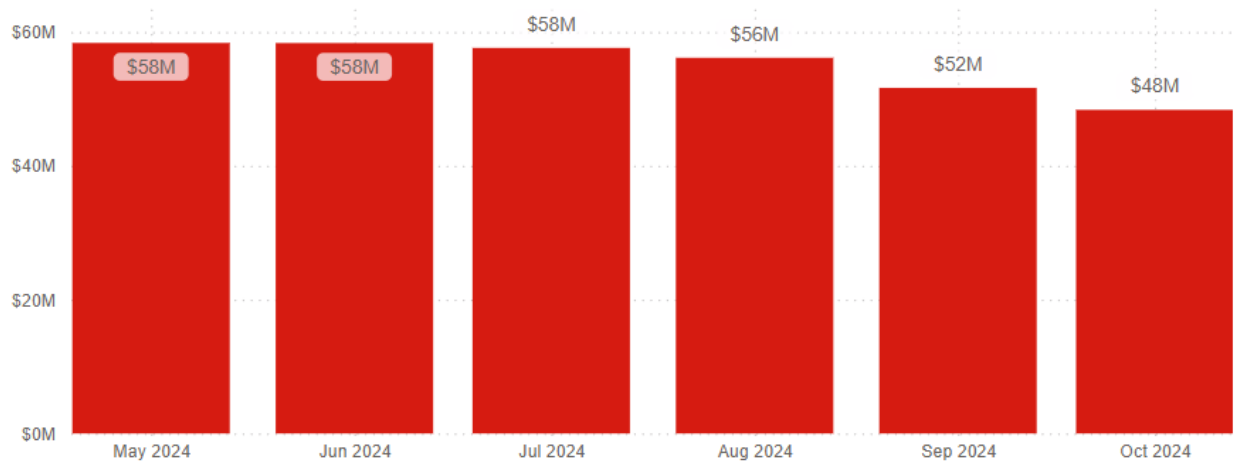
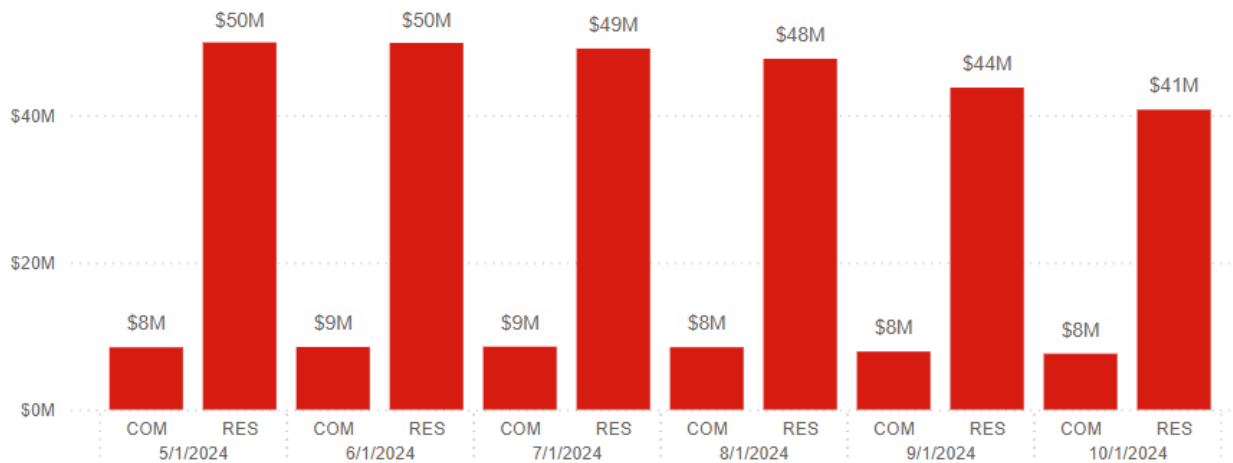


Figure 4: State of Community Power Arrearages Residential vs Commercial as of 11/01/2024

Balances over 120 days - RES vs COM



COMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

Attachment A: 2024 Year-to-Date Period Ended 8/31/24 Financial Statements



ITEM 2

ATTACHMENT A



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
San Diego Community Power

Management is responsible for the accompanying special purpose operating fund and capital investment program fund budgetary comparison schedules of San Diego Community Power (SDCP), a California Joint Powers Authority, for the period ended August 31, 2024, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

These special purpose statements are prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of SDCP.

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

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

Maher Accountancy

San Rafael, CA
October 16, 2024

**SAN DIEGO COMMUNITY POWER
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Two Months Ended August 31, 2024**

	2024/25 YTD Budget	2024/25 YTD Actual	2024/25 YTD Budget Variance (Under) Over	2024/25 YTD Actual/ Budget %	2024/25 Annual Budget	2024/25 Budget Remaining
REVENUES AND OTHER SOURCES						
Gross Ratepayer Revenues	330,900,285	\$ 342,182,285	11,282,000	103%	\$ 1,233,400,000	\$ 891,217,715
Less: Uncollectible Customer Accounts	(14,890,513)	(5,988,190)	8,902,323	40%	(55,500,000)	(49,511,810)
Grant Revenue	-	176,250	176,250		-	(176,250)
Other Income	-	22,194	22,194		-	(22,194)
Total Revenues and Other Sources	<u>316,009,772</u>	<u>336,392,539</u>	<u>20,382,767</u>		<u>1,177,900,000</u>	<u>841,507,461</u>
OPERATING EXPENSES						
Cost of Energy	241,581,292	246,907,679	5,326,387	102%	1,073,700,000	826,792,321
Professional Services and Consultants	4,128,205	3,072,284	(1,055,921)	74%	24,800,000	21,727,716
Personnel Costs	3,166,595	2,266,599	(899,996)	72%	18,600,000	16,333,401
Marketing and Outreach	513,642	408,729	(104,913)	80%	3,000,000	2,591,271
General and Administration	1,678,126	402,828	(1,275,298)	24%	7,400,000	6,997,172
Total Operating Expenses	<u>251,067,860</u>	<u>253,058,119</u>	<u>1,990,259</u>		<u>1,127,500,000</u>	<u>874,441,881</u>
Operating Income (Loss)	<u>64,941,912</u>	<u>83,334,420</u>	<u>18,392,508</u>		<u>50,400,000</u>	<u>(32,934,420)</u>
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	-	1,633,402	1,633,402		-	(1,633,402)
Interest and Related Expenses	(212,667)	(186,870)	25,797	88%	(1,300,000)	(1,113,130)
Transfer to Capital Investment Program	(15,200,000)	(15,200,000)	-	100%	(15,200,000)	-
Total Non-Operating Revenues (Expenses)	<u>(15,412,667)</u>	<u>(13,753,468)</u>	<u>1,659,199</u>		<u>(16,500,000)</u>	<u>(2,746,532)</u>
NET CHANGE	<u>\$ 49,529,245</u>	<u>\$ 69,580,952</u>	<u>\$ 20,051,707</u>		<u>\$ 33,900,000</u>	<u>\$ (35,680,952)</u>

**SAN DIEGO COMMUNITY POWER
CAPITAL INVESTMENT PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
Two Months Ended August 31, 2024**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Budget Remaining</u>
REVENUES AND OTHER SOURCES			
Transfer in from Operating Fund	<u>\$ 15,200,000</u>	<u>\$ 15,200,000</u>	<u>\$ -</u>
 EXPENDITURES AND OTHER USES			
Program expenditures (CIP)	<u>16,400,000</u>	<u>115,183</u>	<u>(16,284,817)</u>
Net increase (decrease) in fund balance	<u><u>\$ (1,200,000)</u></u>	15,084,817	
Fund balance at beginning of period		<u>3,492,291</u>	
Fund balance at end of period		<u><u>\$ 18,577,108</u></u>	



ACCOUNTANTS' COMPILATION REPORT

Management
San Diego Community Power

Management is responsible for the accompanying financial statements of San Diego Community Power (a California Joint Powers Authority) which comprise the statement of net position as of August 31, 2024, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

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

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

Maher Accountancy

San Rafael, CA
October 16, 2024

SAN DIEGO COMMUNITY POWER
STATEMENT OF NET POSITION
As of August 31, 2024

ASSETS

Current assets	
Cash and cash equivalents - unrestricted	\$ 346,521,829
Cash and cash equivalents - restricted	500,000
Accounts receivable, net of allowance	172,878,376
Accrued revenue	94,346,057
Prepaid expenses	27,603,620
Other receivables	12,061,161
Deposits	12,673,491
Investments	481,575
Total current assets	<u>667,066,109</u>
Noncurrent assets	
Cash and cash equivalents - restricted	1,147,000
Investments	20,545,709
Capital assets, net of depreciation and amortization	674,445
Total noncurrent assets	<u>22,367,154</u>
Total assets	<u><u>689,433,263</u></u>

LIABILITIES

Current liabilities	
Accrued cost of electricity	213,423,171
Accounts payable	466,730
Other accrued liabilities	1,586,277
State surcharges payable	472,283
Deposits - energy suppliers	3,623,000
Lease liabilities	588,053
Total current liabilities	<u>220,159,514</u>
Noncurrent liabilities	
Bank note payable	8,500,000
Deposits - energy suppliers	624,000
Lease liabilities	87,034
Total noncurrent liabilities	<u>9,211,034</u>
Total liabilities	<u><u>229,370,548</u></u>

NET POSITION

Restricted for security collateral	1,647,000
Unrestricted	458,415,715
Total net position	<u><u>\$ 460,062,715</u></u>

SAN DIEGO COMMUNITY POWER
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Two Months Ended August 31, 2024

OPERATING REVENUES

Electricity sales, net	\$ 336,194,095
Grant revenue	176,250
Other income	22,194
Total operating revenues	<u>336,392,539</u>

OPERATING EXPENSES

Cost of electricity	246,907,679
Contract services	3,295,098
Staff compensation	2,266,599
Other operating expenses	595,263
Depreciation and amortization	85,399
Total operating expenses	<u>253,150,038</u>
Operating income	<u>83,242,501</u>

NON-OPERATING REVENUES (EXPENSES)

Investment income	1,633,402
Interest and financing expense	(195,570)
Nonoperating revenues (expenses), net	<u>1,437,832</u>

CHANGE IN NET POSITION

	84,680,333
Net position at beginning of year	375,382,382
Net position at end of year	<u><u>\$ 460,062,715</u></u>

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS
Two Months Ended August 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 249,817,533
Receipts from wholesale sales	26,085,981
Other operating receipts	176,250
Payments to suppliers for electricity	(207,210,088)
Payments for goods and services	(7,854,649)
Payments for staff compensation and benefits	(2,219,137)
Payments for deposits and collateral	(432,000)
Payments of state surcharges	(528,942)
Net cash provided by operating activities	<u>57,834,948</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Proceeds from bank note	<u>8,500,000</u>
Net cash provided (used) by non-capital financing activities	<u>8,218,717</u>

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Payments of lease liabilities	(102,780)
-------------------------------	-----------

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	1,669,869
Purchase of investments	<u>(20,894,035)</u>
Net cash provided (used) by investing activities	<u>(19,224,166)</u>

Net change in cash and cash equivalents	46,726,719
Cash and cash equivalents at beginning of year	<u>301,442,110</u>
Cash and cash equivalents at end of year	<u><u>\$ 348,168,829</u></u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 346,521,829
Restricted cash - current	500,000
Restricted cash - noncurrent	<u>1,147,000</u>
Cash and cash equivalents	<u><u>\$ 348,168,829</u></u>

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS (continued)
Two Months Ended August 31, 2024

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

Operating income	\$ 83,242,501
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization expense	85,399
(Increase) decrease in:	
Accounts receivable, net	(69,366,211)
Accrued revenue	(17,482,634)
Prepaid expenses	7,414,780
Other receivables	(6,342,019)
Deposits	(511,292)
Increase (decrease) in:	
Accrued cost of electricity	65,306,856
Accounts payable	(4,259,864)
Other accrued liabilities	236,092
State surcharges payable	(56,659)
Deposits - energy suppliers	(432,000)
Net cash provided by operating activities	<u><u>\$ 57,834,948</u></u>



SAN DIEGO COMMUNITY POWER Staff Report – Item 3

To: San Diego Community Power Board of Directors

From: Colin Santulli, Director of Programs

Via: Karin Burns, Chief Executive Officer

Subject: Update on Programs

Date: November 21, 2024

RECOMMENDATION

Receive and file updates on customer energy programs.

BACKGROUND

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

ANALYSIS AND DISCUSSION

Updates on customer energy programs are detailed below.

Commercial Programs

Commercial Application Assistance Pilot

Please refer to [Item 3](#) of the October 2024 Board staff report for the most recent update on this program.

Efficient Refrigeration Pilot Program

Please refer to [Item 3](#) of the October 2024 Board staff report for the most recent update on this program.

FLEXmarket Pilot

Please refer to [Item 3](#) of the March 2024 Board staff report for the most recent update on this program.

Residential Programs

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

Status: On November 13, 2024, at their Business Meeting, the CEC approved the proposed awards for program administrators (“PA”) in which the County of Los Angeles was selected to be the PA of the EBD DI program for the Southern region. The EBD DI program will equitably electrify homes throughout southern California with the direct support of a network of southern California public agencies and community-based organizations, including Community Power.

Next steps: The County of Los Angeles is expected to execute an agreement with the CEC by the end of 2024. Staff anticipate seeking approval from the Board for an agreement between Community Power and the County of Los Angeles to support the development of the program in Community Power’s service territory in Q1 CY 2025.

Flexible Load Programs

Distributed Energy Resources Management System (“DERMS”) Procurement

Please refer to [Item 3](#) of the October 2024 Board staff report for the most recent update on this program.

Managed Charging Pilot

Status: Staff selected a Managed Charging (V1G) software provider and are negotiating a Software as a Solution (“SaaS”) agreement with this vendor.

Next Steps: Staff anticipate bringing the vendor agreement to the Board for approval in November 2024.

Solar and Energy Storage

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

Status: As of October 2024, GRID Alternatives (“GRID”), the pilot implementer, has enrolled 29 projects, with 21 located in the Transformative Climate Communities project area. Most projects remain in the pre-contract phases, while two have advanced to implementation. One project recently completed its solar system installation following roof repair work facilitated by the pilot, while another project, awaiting solar installation since 2016, is scheduled for a full roof replacement to complete the installation.

GRID partnered with four licensed solar contractors to carry out roof repair and re-roofing work, including A & J’s Professional Roofing Inc, Mr. Handyman, San Diego Roofing Specialist, and Sunline Energy.

Next steps: GRID will continue to process enrolled projects through the implementation phase and complete roof repair work. Staff plan on bringing an update on the pilot in Q1 CY 2025.

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

Please refer to [Item 2](#) of the December 2023 Board staff report for the most recent update on this program. Staff anticipate bringing an item to the Board by Q1 CY 2025 to update the tariff with support for virtual and aggregation versions of NBT.

Solar Battery Savings Program

Status: The Solar Battery Savings Program began enrolling contractors and battery manufacturers in July 2024 and began accepting applications on July 29, 2024. The program currently has 51 approved contractors participating and 14 approved battery manufacturers. Applicants have submitted over 2,000 applications, including 500 within the first 24 hours. Over 1,600 have been approved. 58% of projects are Net Energy Metering projects; while 42% of projects are Solar Billing Plan (Net Billing Tariff). The program officially stopped accepting applications on Friday, November 8, 2024. Applications have been received from all jurisdictions within Community Power’s service territory.

Next Steps: Staff are continuing to finalize review of applications submitted and look to make improvements for future program funding cycles.

Solar for Our Communities

Status: Staff submitted a Tier 2 Advice Letter to the California Public Utilities Commission (“CPUC”) pursuant to Decision 24-05-065¹, updating Community Power’s Disadvantaged Communities Green Tariff on September 27, 2024.

Next Steps: Staff will present awarded bids to the Board for approval prior to submitting executed Power Purchase Agreements (“PPAs”) to the CPUC via a Tier 2 Advice Letter for approval on February 25, 2025. Projects are expected to come online by 2026 and 2027.

San Diego Regional Energy Network (“SDREN”)

SDREN Formation

Status: The San Diego Regional Energy Network (“SDREN”) Business Plan Application was submitted to the California Public Utilities Commission (“CPUC”) on January 5, 2024, in partnership with the County of San Diego. On August 1, 2024, the CPUC voted to approve SDREN, providing funding for the various program offerings included in the [SDREN Business Plan Application](#). Since SDREN’s approval, Staff have worked on completing CPUC requirements as directed in the [SDREN Decision](#). Specifically, Staff

¹ CPUC Decision 24-05-065 at 170-171 (Ordering Paragraph (“OP”) 3) and 173-174 (OP 9)

have filed an updated cost effectiveness forecast for the Market Access Program and submitted a joint cooperation memo with SDG&E. Staff will complete the last requirement of posting implementation plans by early December. Additionally, Staff have continued to prepare for the launch of the SDREN programs to include hiring staff and developing a schedule to release solicitations for program implementers.

Next Steps: Staff will release a total of 5 solicitations for program implementers based on the following schedule (which is subject to change):

January 2025 - Phase 1 (3 programs, 1 portfolio wide administrative support)

1. Administrative, Regulatory, and Reporting Support
2. Cross-Cutting sector programs
 - a. Workforce, Education and Training sector programs (2 programs)
 - b. Codes and Standards (1 program)

March 2025 - Phase 2 (4 programs)

3. Residential sector programs (2 programs)
4. Public sector programs (2 programs)

May 2025 - Phase 3 (3 programs)

5. Commercial sector programs (3 programs)

AD-HOC COMMITTEE AND/OR SUBCOMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

N/A



SAN DIEGO COMMUNITY POWER Staff Report – Item 4

To: San Diego Community Power Board of Directors
From: Byron Vosburg, Chief Commercial Officer
Via: Karin Burns, Chief Executive Officer
Subject: Update on Power Resources
Date: November 21, 2024

RECOMMENDATION

Recommendation to receive and file update on Power Resources.

BACKGROUND

Staff provides the updates below to the Board of Directors regarding SDCP's power energy procurement activities.

ANALYSIS AND DISCUSSION

Power Services Staffing

Building out a team of experienced, knowledgeable energy professionals has long been a top priority and allows SDCP not only to solicit, negotiate, and administer contracts for energy supply effectively, but also to monitor market activity, manage risk, bring in-house several activities that have historically been completed by consultants, and to dedicate additional resources to local and distributed energy procurement and development efforts. The SDCP Power Services team is now twelve people strong. The Power Services team has two open positions currently, and is excited to continue stable, prudent growth through 2024.

Portfolio Updates

On October 2, 2024, SDCP executed an administrative amendment to the Financially Settled Toll and Energy Storage Agreement with MRP Pacifica Marketing LLC for the Border Project ("First Amendment"). This First Amendment adjusted the Expected Commercial Operation Date from June 1, 2026 to January 1, 2026 as well as clarified the MW capacity listed under Facility Description.

Long-term Renewable Energy Solicitations

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

In pursuit of long-term contracts for renewable energy and storage, over the past 24 months, staff have released several RFOs and RFPs. Recent solicitations include an RFP for CAISO Cluster 15 projects in August 2024, which will serve to select renewable and storage projects that SDCP is most interested in being studied by the CAISO. Staff has shortlisted select projects after review with the Energy Contracts Working Group (ECWG) and intends to execute exclusivity agreements with the projects by the December CAISO deadline for LSE’s to submit their commercial interest points. Staff also issued an “All-Source RFO” in September 2024 with an emphasis on clean, firm resources to meet MTR requirements and enhance SDGP’s portfolio. Staff is currently assessing submitted projects using SDCP’s Energy Project Evaluation Criteria.

Staff remain in negotiations for additional resources that are expected to be online between 2025 and 2029. Staff and the ECWG evaluate all RFI/RFO/RFP submissions prior to entering negotiations with selected participants. Assuming that Staff and shortlisted developer(s) can agree to mutually agreeable contracts consistent with terms authorized by the ECWG, Staff then review draft terms with the SDCP Board for approval and authorization to execute the relevant documents.

Local Development

SDCP’s rolling Local RFI remains open and, in the last twelve months, has yielded eight Board-approved contracts for local generation and storage facilities. SDCP also released an RFO for distributed renewable energy resources (DERs) which focuses on a broad range of distribution-level renewable projects within San Diego County. Staff are working with shortlisted bidders and hope to present the resulting PPAs to the Board in the coming months. Additional ongoing local initiatives include a Feed-in-Tariff Program revamp and expansion, expected early next year, and continued collaboration with member agency staff and other local agencies to identify strategic opportunities to further infill development.

As Program Administrators of the CPUC's Disadvantaged Communities Green Tariff (DAC-GT) program, SDCP completed its first round of solicitation this year and are working with shortlisted bidders and hope to present the resulting PPAs to the Board in the coming months.

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

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

Short-Term RPS Procurement

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

Market Update

Due to limited resource availability in the broader Western Interconnection, lingering supply chain impacts that have delayed development of new-build energy resources, and recent implementation of tariffs and duties on foreign imports, the market for renewable energy and resource adequacy (RA) resources continues to be exceptionally tight and expensive. Staff are working with developers, industry groups, the CPUC, and CA Governor's Office and legislators to i) develop near-term solutions while also actively procuring short-term energy and capacity products and long-term energy resources to meet SDCP's portfolio needs practically and cost-effectively, and ii) to establish a portfolio of resources that will provide value to SDCP and California's clean, reliable energy needs into the future.

Despite a relatively warm summer, near-term California power markets remain soft due to declining power and gas markets throughout the US, and robust renewable generation, all of which have so far offset the impacts of drought in the Pacific Northwest and resource scarcity throughout WECC.

COMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

N/A

SAN DIEGO COMMUNITY POWER

Staff Report – Item 5

To: San Diego Community Power Board of Directors

From: Lucas Utouh, Senior Director of Data Analytics and Customer Operations

Via: Karin Burns, Chief Executive Officer

Subject: Update on Customer Operations

Date: November 21, 2024

RECOMMENDATION

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

BACKGROUND

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

ANALYSIS AND DISCUSSION

A) Enrollment Update

As of October 25, 2024, Community Power is serving a cumulative total count of **955,971** active accounts.

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

B) Customer Participation Tracking

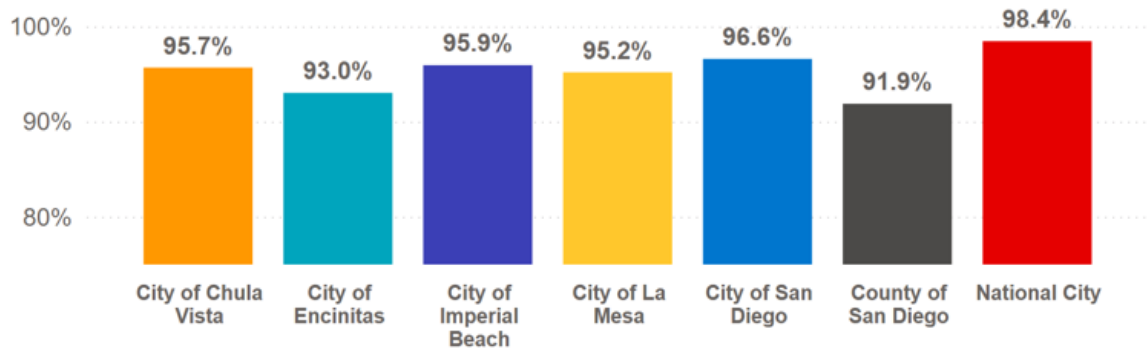
With the roll out of PowerBase and Power100 Green+ in July 2024, staff has worked with Calpine to completely recalibrate and revamp our customer participation statistics as we no longer have just two service options but four, and customers are able to elect their participation in any of the service options, provided they meet the eligibility criteria. The below charts summarize these actions accordingly as of October 25, 2024:

**Enrolled
Accounts**
955,971

**Participation
Rate**
95.5%

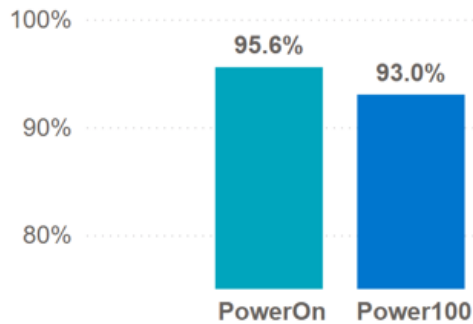
Participation

Participation by Jurisdiction

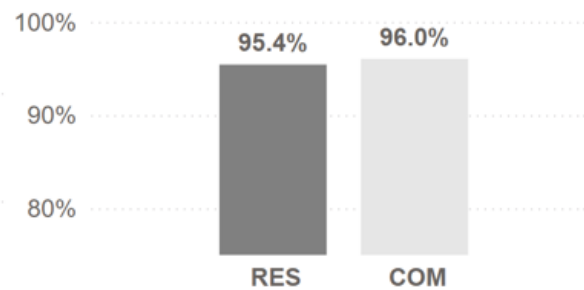


Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	98,656	94,389	95.7%
City of Encinitas	Power100	28,633	26,635	93.0%
City of Imperial Beach	PowerOn	10,911	10,467	95.9%
City of La Mesa	PowerOn	29,433	28,014	95.2%
City of San Diego	PowerOn	623,847	602,571	96.6%
County of San Diego	PowerOn	190,161	174,716	91.9%
National City	PowerOn	19,481	19,179	98.4%
Total		1,001,122	955,971	95.5%

Participation by Default Service Option



Residential vs Commercial Participation

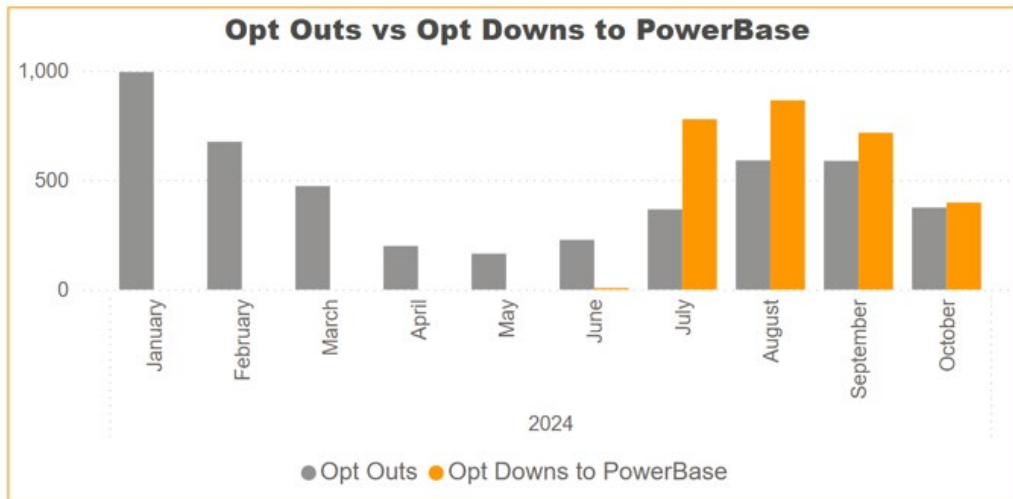


Service Option

PowerBase		PowerOn		Power100		Power100 Green+	
Enrolled	2,612	Enrolled	919,201	Enrolled	34,157	Enrolled	1
Participation	0.3%	Participation	96.2%	Participation	3.6%	Participation	0.0%

Service Option Enrollment Summary

Jurisdiction	Service Option Default	Enrolled Accounts	Power Base Enrolled	Power Base %	PowerOn Enrolled	PowerOn %	Power 100 Enrolled	Power 100 %	Power100 Green+ Enrolled	Power100 Green+ %
City of Chula Vista	PowerOn	94,389	222	0.2%	93,261	98.8%	906	1.0%		
City of Encinitas	Power100	26,635	90	0.3%	439	1.6%	26,106	98.0%		
City of Imperial Beach	PowerOn	10,467	22	0.2%	10,366	99.0%	79	0.8%		
City of La Mesa	PowerOn	28,014	84	0.3%	27,669	98.8%	261	0.9%		
City of San Diego	PowerOn	602,571	1,378	0.2%	595,196	98.8%	5,996	1.0%	1	0.0%
County of San Diego	PowerOn	174,716	789	0.5%	173,150	99.1%	777	0.4%		
National City	PowerOn	19,179	27	0.1%	19,120	99.7%	32	0.2%		
Total		955,971	2,612	0.3%	919,201	96.2%	34,157	3.6%	1	0.0%

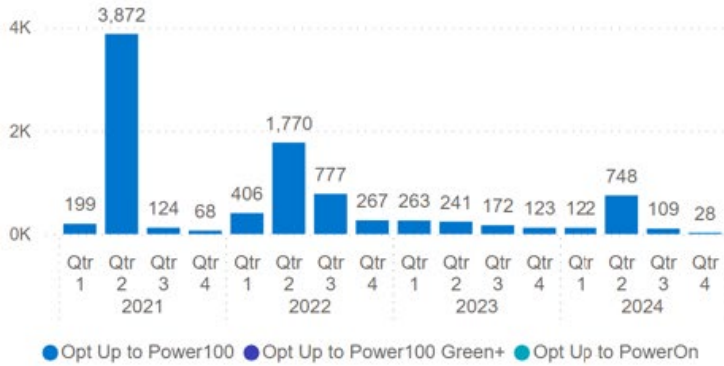


Opt Up History

Total Opt Ups
9,289

Opt Ups Current*
8,112

Opt Ups Quarterly



Opt Ups Monthly

Last 4 Months



Opt Ups by Jurisdiction

Jurisdiction	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
City of Chula Vista	710	175	61	5	30	9	4	994
City of Encinitas	18	1	1		1	1	1	23
City of Imperial Beach	60	29	11	2	3			105
City of La Mesa	155	120	19	3	1	2	1	301
City of National City			12	17	7			36
City of San Diego	3,316	2,895	488	75	128	80	19	7,001
County of San Diego	4		207	20	578	17	3	829
Total	4,263	3,220	799	122	748	109	28	9,289

Opt Ups by Customer Class

Customer Class	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
Commercial	4,256	296	232	47	609	17	7	5,464
Residential	7	2,924	567	75	139	92	21	3,825
Total	4,263	3,220	799	122	748	109	28	9,289

Opt Ups by Method

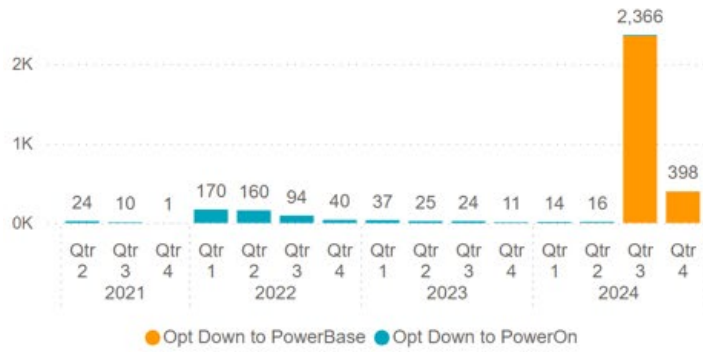
Opt Method	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
CSR	4,232	1,372	301	52	679	46	12	6,694
IVR	4	85	84	23	9	5	3	213
Web	27	1,763	414	47	60	58	13	2,382
Total	4,263	3,220	799	122	748	109	28	9,289

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

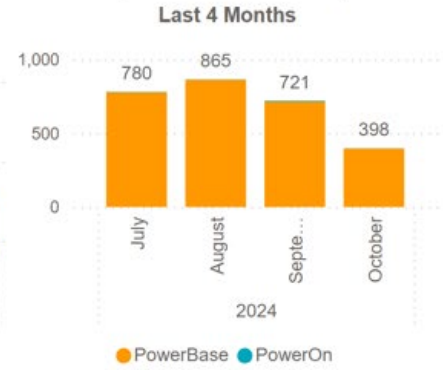
Opt Down History

Total Opt Downs	Opt Downs Current*
3,390	3,109

Opt Downs Quarterly



Opt Downs Monthly



Opt Downs by Jurisdiction

Jurisdiction	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
City of Chula Vista		2	4			206	32	244
City of Encinitas	35	429	74	12	10	80	18	658
City of Imperial Beach		1				25	1	27
City of La Mesa		4				74	16	94
City of National City					1	26	1	28
City of San Diego		28	13	2	3	1,248	205	1,499
County of San Diego			6		2	707	125	840
Total	35	464	97	14	16	2,366	398	3,390

Opt Downs by Customer Class

Customer Class	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
Commercial	34	23	9	2		429	33	530
Residential	1	441	88	12	16	1,937	365	2,860
Total	35	464	97	14	16	2,366	398	3,390

Opt Downs by Method

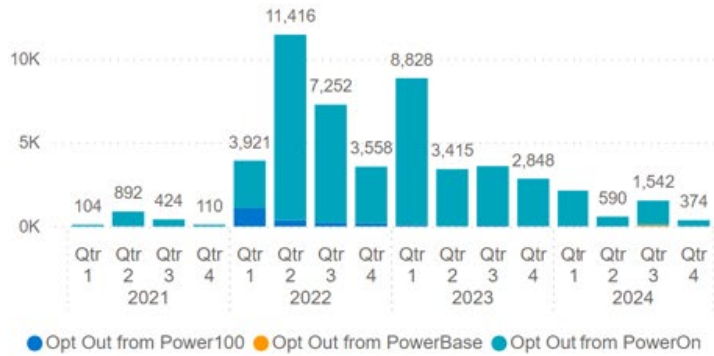
Opt Method	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
CSR	31	311	65	10	10	1,811	286	2,524
IVR	4	26	3	1		204	29	267
Web		127	29	3	6	351	83	599
Total	35	464	97	14	16	2,366	398	3,390

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

Opt Out History

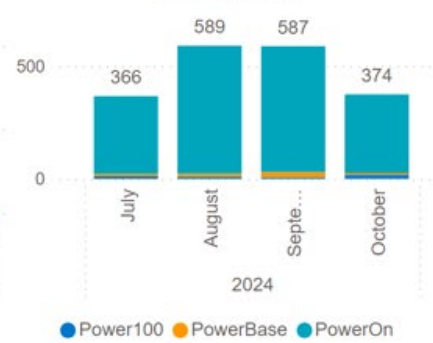
Total Opt Outs	Opt Outs Current*
51,006	45,114

Opt Outs Quarterly



Opt Outs Monthly

Last 4 Months



Opt Outs by Jurisdiction

Jurisdiction	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
City of Chula Vista	267	3,466	747	120	55	141	38	4,834
City of Encinitas	66	1,872	230	39	10	34	17	2,268
City of Imperial Beach	32	343	99	25	8	17	4	528
City of La Mesa	84	1,269	235	39	21	42	14	1,704
City of National City			285	22	11	23	8	349
City of San Diego	1,079	19,196	3,185	529	226	628	145	24,988
County of San Diego	2	1	13,904	1,364	259	657	148	16,335
Total	1,530	26,147	18,685	2,138	590	1,542	374	51,006

Opt Outs by Customer Class

Customer Class	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
Commercial	1,492	535	1,689	120	32	97	26	3,991
Residential	38	25,612	16,996	2,018	558	1,445	348	47,015
Total	1,530	26,147	18,685	2,138	590	1,542	374	51,006

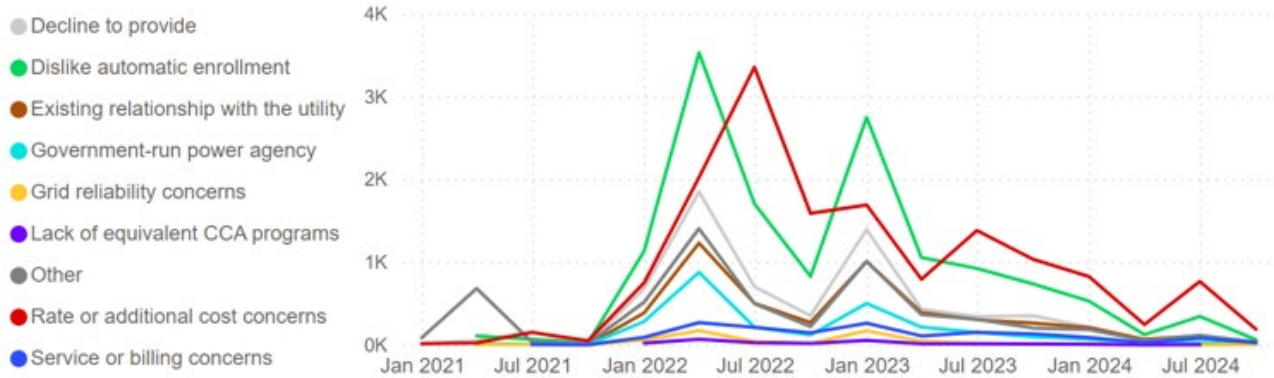
Opt Outs by Method

Opt Method	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
CSR	1,104	6,966	4,706	591	188	474	139	14,168
IVR	102	4,887	3,789	508	150	403	89	9,928
Web	324	14,294	10,190	1,039	252	665	146	26,910
Total	1,530	26,147	18,685	2,138	590	1,542	374	51,006

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

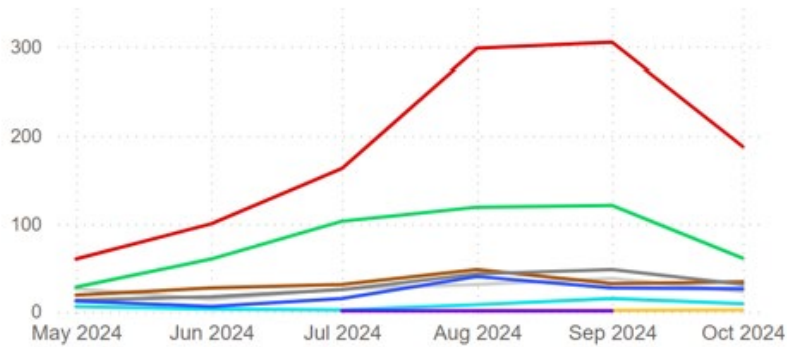
Opt Out Reason Summary

Opt Outs by Reason Quarterly



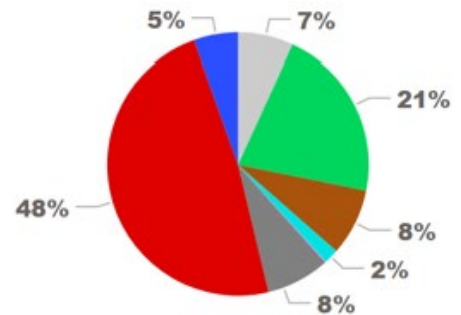
Opt Outs by Reason Monthly

Last 6 Calendar Months



Opt Out Reason Distribution

Last 6 Calendar Months

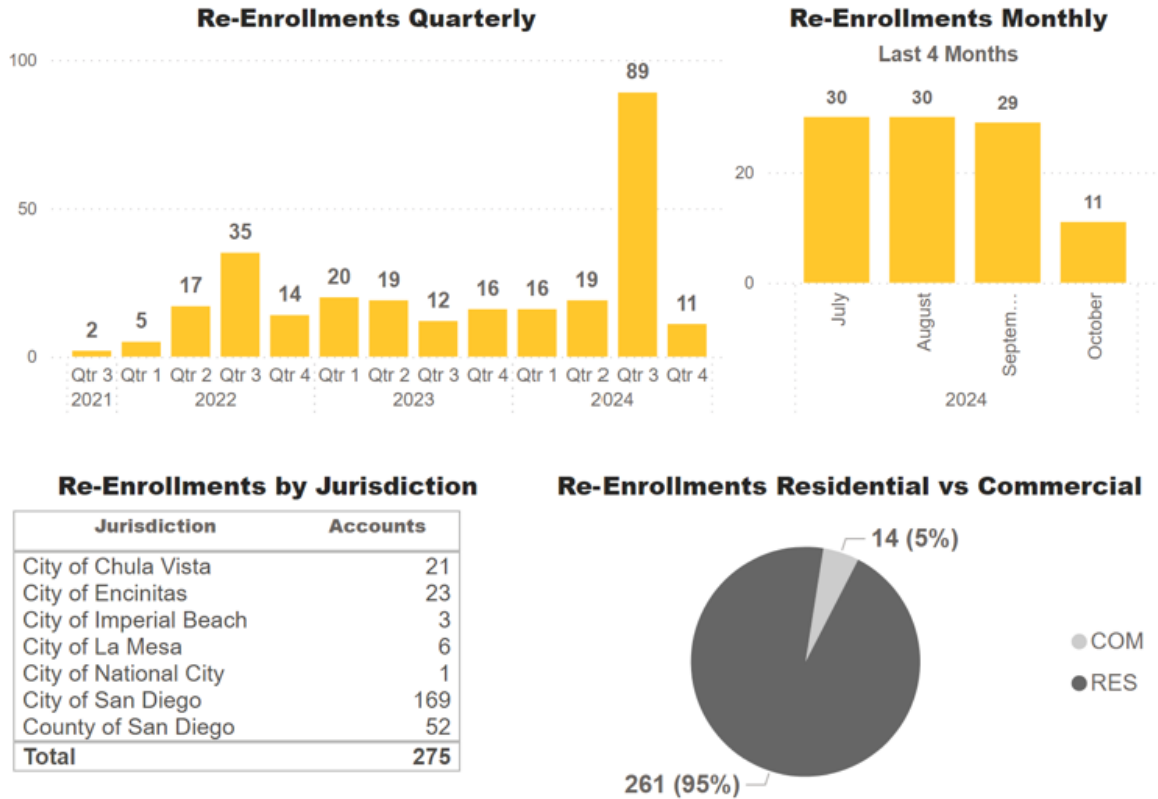


Opt Outs by Reason Table

Opt Out Reason	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
Decline to provide	228	3,584	2,519	214	62	95	23	6,725
Dislike automatic enrollment	204	7,191	5,459	529	123	343	61	13,910
Existing relationship with the utility	2	2,389	1,968	209	67	111	34	4,780
Government-run power agency	24	1,491	961	67	13	25	9	2,590
Grid reliability concerns	7	293	252	14	1	1	2	570
Lack of equivalent CCA programs		131	90	7	1	3		232
Other	819	2,637	1,884	185	51	116	31	5,723
Rate or additional cost concerns	240	7,713	4,898	825	245	766	188	14,875
Service or billing concerns	6	718	654	88	27	82	26	1,601
Total	1,530	26,147	18,685	2,138	590	1,542	374	51,006

Re-Enrollment Requests

Excludes closed accounts



The Phase 4 mass enrollment process in National City and the Unincorporated County of San Diego for Non-Net Energy Metering (NEM) customers completed in May 2023. Net Energy Metering (NEM) customers were enrolled from April 2023 through March 2024 based on their true-up date. Mass enrollment for all customer accounts within National City and the Unincorporated County of San Diego concluded on April 1, 2024.

C) Contact Center Metrics

As expected, call volumes rose in July as summer rates came into effect as of June 1, 2024, and customers started seeing increased bills as a function of the Winter to Summer price differential and have remained high throughout the month of August and September as expected within the Summer season. Our Public Affairs Team put out Summer season and bill saving tips communication and has been running a social media campaign around Summer energy conservation that assisted in providing our customers with resources and tips to reduce higher bills. With the transition to Winter pricing effective as of 11/1/2024, we are expecting for call volumes to decline and pick back up modestly in January as a function of holiday lighting bills being received by customers.

The chart below summarizes contact made by customers into the Contact Center broken down by month through October 25th, 2024:



Interactive Voice Response (IVR) and Service Level Agreement (SLA) Metrics								
	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
Total Calls to IVR	2,289	47,118	52,977	12,198	8,646	15,964	2,469	141,661
Total Calls Connected to Agents	1,401	30,174	34,173	7,792	5,519	9,508	1,892	90,459
Avg Seconds to Answer	20.00	11.50	6.75	15.67	9.00	17.67	15.00	12.58
Avg Call Duration (Minutes)	8.5	9.8	9.6	9.4	8.7	10.4	9.8	9.4
Calls Answered within 60 Seconds (75% SLA)	96.23%	95.50%	97.57%	92.85%	96.92%	82.35%	90.69%	95.11%
Abandon Rate	0.57%	0.36%	0.19%	0.57%	0.30%	1.66%	1.05%	0.47%



Customer Service Emails								
	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
Emails Received	272	2,894	2,116	371	196	423	88	6,360
Emails answered or escalated within 24 hours	257	2,821	2,107	371	196	423	88	6,263
Completion %	94%	96%	100%	100%	100%	100%	100%	98%

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

As of this latest reporting month, Community Power has 10 Dedicated Customer Service Representatives staffed at the Contact Center and 1 Supervisor. Robust Quality Assurance (QA) procedures are firmly in place to ensure that customers are getting a world-class customer experience when they contact Community Power.

AD-HOC COMMITTEE AND/OR SUBCOMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

N/A





SAN DIEGO COMMUNITY POWER Staff Report – Item 6

To: San Diego Community Power Board of Directors

From: Chandra Pugh, Director of People

Via: Karin Burns, Chief Executive Officer

Subject: Update on Human Resources

Date: November 21, 2024

RECOMMENDATION

Receive and File the Update on Human Resources.

BACKGROUND

Human Resources (HR) has been working on the following priorities:

Hiring:

This month, Community Power welcomes Data Engineer Ethan Toth and Marketing Manager Desiree Daughtry.

Desiree has over 15 years of marketing experience, delivering integrated, data-driven strategies that drive action. With a background in workforce development, Desiree brings unique experience aligning multiple customer programs under a single entity in a way that closely mirrors the needs of SDREN.

Ethan worked for the last 5 years at Moss Adams Business Solutions Consulting Group, where he worked on data and software engineering projects for Fortune 500 companies. In consulting, he worked with a wide range of clients, projects and data types.

Ethan brings a depth of experience in building data pipelines, cloud-based solutions, and AWS infrastructure, which will be key to the Data Analytics team as the Enterprise Data Platform is built.

Open positions:

- Origination Manager – offer pending
- Sr. Cyber Security Analyst -offer pending
- Assistant General Counsel
- Director of Portfolio Management
- IT Systems Analyst

- Finance Manager SD REN
- Associate Director, IT and Data Analytics

HR Information Systems

The organization continues to offer competitive benefits for our employees even as rates are trending higher. Our next open enrollment for the 2025 annual plan begins November 18th.

DISCUSSION AND ANALYSIS

N/A

COMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS:

N/A



SAN DIEGO COMMUNITY POWER

Staff Report – Item 7

To: San Diego Community Power Board of Directors

From: Jen Lebron, Director of Public Affairs

Via: Karin Burns, Chief Executive Officer

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

Date: November 21, 2024

RECOMMENDATION

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

BACKGROUND

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

ANALYSIS AND DISCUSSION

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

Recent and Upcoming Public Engagement Events

CLEAResult Energy Forum
Latinx in Sustainability
Encinitas Green Building Ordinance Training
AARP – California Advocacy Council
Sherman Heights Community Center Community Clean Energy Grant Ribbon Cutting
Native American Health and Wellness Conference
California Public Utilities Commission Small and Diverse Business Expo
Encinitas Library
San Diego Regional Chamber of Commerce Circle of Influence Reception
LEAN Energy National CCA Conference
Mt. Hope Hispanic Heritage Energy Resiliency Hub
Power Network Workshop at Cafe-X
Harvard Kennedy School Alumni Association Panel

NEXUS Climate Conference
Asian Business Association Annual Dinner
Association of Women in Water, Energy & Environment Conference
San Diego Green Drinks
Imperial Beach Spooktacular Trunk or Treat
National City Chamber
Movie in the Park – Augua Caliente County Park
Power Network Workshop – Spring Valley
Halloween at Liberty Station
Lesley K. McAllister Symposium on Climate and Energy Law
Groundwork San Diego “Understanding Your Bill” Energy Workshop
Asian Business Association
Jackie Robinson YMCA’s Community Health & Resource Fair
California Efficiency + Demand Management Council Fall Conference
Urban Land Institute (ULI) Sustainability & Urban Resilience Forum
MAAC Electric Vehicle Day
San Diego Regional Chamber of Commerce Legislative Lounge
North San Diego Business Chamber’s Health and Wellness Fair
Tribal Climate and Health Summit
Chula Vista Chamber of Commerce First Friday Breakfast
Cuyamaca College Water Conservation Garden Anniversary
Black Chamber of Commerce Post-Election Panel
Chula Vista Community Collaborative Monthly Meeting
La Mesa Farmer’s Market
Circulate San Diego Momentum Awards
County of San Diego Tribal Flag Raising
Imperial Beach Collaborative
Sun Coast Farmer’s Market
La Mesa Environmental Sustainability Commission
SDSU Sustainable Places & Practices Class Presentation
Power Association of California Southern California Reception

Marketing, Communications and Outreach

Community Power, the Energy Policy Initiatives Center (EPIC), the San Diego Regional Climate Collaborative and San Diego Gas & Electric launched the San Diego Regional Energy Academy on November 7, 2024. The free, three-day program is designed to serve as a resource to educate and support local leaders as they aim to reach regional climate resilience goals. The 32-member inaugural cohort includes sustainability nonprofit leaders, energy industry professionals and representatives from local elected officials’ offices.

The Public Affairs team will lead the efforts for a press conference and ribbon cutting at the Vikings Energy Farm on November 20, 2024. The project will provide Community Power with 50 MW of solar coupled with 150 MW/600 MWh of battery energy storage and will allow for the shift of daytime solar production to late afternoon and evening hours,

providing on-peak energy while benefiting the local community.

The Community Engagement division of the Public Affairs Department received more than 30 responses for its open solicitation for participation in the Power Network. The Power Network provides a pathway for community-based organizations to work with Community Power and help spread the word about programs and projects that can have an impact on the communities we serve.

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

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

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

Local Government Affairs

Community Power continues to meet with and work with local governments and tribal nations throughout the greater San Diego region. With the election results called in Community Power's member agencies, the local government affairs team is reaching out to new elected officials to inform them about the benefits Community Power offers to their constituents.

AD-HOC COMMITTEE AND/OR SUBCOMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

N/A



SAN DIEGO COMMUNITY POWER Staff Report – Item 8

To: San Diego Community Power Board of Directors

From: Laura Fernandez, Director of Regulatory & Legislative Affairs
Aisha Cervantes-Cissna, Senior Policy Manager
Patrick Welch, Senior Legislative Manager
Stephen Gunther, Regulatory Manager
Dean Kinports, Senior Strategic Policy Manager

Via: Karin Burns, Chief Executive Officer

Subject: Update on Regulatory and Legislative Affairs

Date: November 21, 2024

RECOMMENDATION

Receive and file the update on regulatory and legislative affairs.

BACKGROUND

Staff will provide regular updates to the Board of Directors regarding SDCP regulatory and legislative engagement.

ANALYSIS AND DISCUSSION

A) Regulatory Updates

Provider of Last Resort

On October 24, 2024, the California Public Utilities Commission (CPUC) issued a [Scoping Memo and Ruling](#) in Phase 2 of the Provider of Last Resort (POLR) proceeding, which will determine the requirements and process to enable a non-investor-owned utility (IOU) load-serving entity (LSE) to serve as the POLR.

The scope of Phase 2 is organized into threshold questions and two primary topic areas. The threshold questions include whether any non-IOU LSE is interested in and able to accept POLR responsibilities, and foundational jurisdictional questions, which will be addressed prior to delving into primary topics. The two primary topic areas are: 1) the regulatory framework for non-IOU POLRs; and 2) the development of the joint application for a non-IOU LSE to serve as POLR.

Opening Comments on the threshold questions are due January 10 and Reply Comments are due January 24, 2025, with an expected resolution on threshold questions in Q2 of 2025.

Rulemaking to Modernize the Electric Grid for a High Distributed Energy Resource Future

On October 17, 2024, the CPUC issued a [Ruling](#) seeking comments regarding the [Future Grid Study \(FGS\) Report](#), which reports on distribution operational needs and distribution system operator (DSO) roles and responsibilities for Track 2 of the proceeding. The Gridworks report summarizes workshops held in Track 2 regarding: (1) the operational needs necessary to efficiently operate a high distributed energy resources (DER) grid, unlock opportunities for DERs to provide grid services, limit market power, reduce ratepayer costs, increase equity, support grid resiliency, and meet State policy objectives; and (2) identifying the gaps and barriers in achieving the needs identified above within the current DSO (utilities), along with potential solutions to overcome the barriers. Comments are due December 6, 2024, and reply comments are due January 10, 2025.

Disconnections

Disconnection Cap Ruling

On August 21, 2024, the CPUC released the [Administrative Law Judge's Ruling on Disconnection Caps](#) (Ruling). In 2020, the CPUC established the following residential disconnection rate caps, which are set to expire at the end of 2024: 3% for SDG&E, 3.5% for PG&E, 4% for SCE, and 2% for SoCalGas. The Ruling ultimately seeks to determine the future of these caps. Accordingly, the Ruling directed the IOUs to include a narrative and data demonstrating how extending and changing the caps on the number of customers they disconnect will affect the accrual of residential uncollectibles and residential customer bill arrearages. Other parties were also able to provide their own comments and data.

Opening comments on the Ruling were filed on September 20, 2024, by [SDG&E](#), [Pacific Gas and Electric](#) (PG&E), [Southern California Edison](#) (SCE), and [Southern California Gas](#) (SoCalGas). These comments are summarized in Item 3 of the October 10, 2024, [Community Advisory Committee Agenda Packet](#).

Reply comments were filed on October 4, 2024. Reply comment highlights are provided below:

- [Utility Consumers Action Network \(UCAN\)](#): UCAN critiqued the IOUs' lack of response to the Ruling; particularly as it relates to forecasting how a disconnection cap would affect uncollectibles. They reiterated a previous recommendation that the CPUC require IOU shareholders to pay for uncollectibles as opposed to other utility ratepayers as a way to address the issue in a way that doesn't lead to bill

increases. UCAN also addresses gaps in the IOUs' arguments and data and states that the CPUC needs to have more data before lifting disconnection caps.

- **The Utility Reform Network (TURN)**: TURN states that the CPUC “should reject the IOUs’ unsupported assertion that increased disconnection caps will necessarily reduce arrearages” (TURN reply comments at page 3). Additionally, TURN notes that several IOUs said they likely wouldn’t be able to disconnect the volume of customers that would materialize from eliminating or increasing the cap. Finally, TURN recommends that the CPUC continue to reduce disconnection rates until the CPUC “has evidence to [...] conclude that a lower but non-zero disconnection rate cap leads to higher arrearage amounts” (TURN reply comments at page 4). TURN indicates a study with stakeholder input could help the CPUC arrive at this determination.
- **Public Advocates Office (PAO)**: Similar to UCAN and TURN, PAO proposes that the CPUC study factors driving arrearages and disconnections prior to adjusting the disconnection caps and highlights that IOU requests to remove the caps are not supported by evidence.

Disconnection Cap Decision

On November 7, 2024, the CPUC adopted the [Interim Decision Extending Disconnection Rate Caps](#) (Decision).

The Decision concludes that the large utilities (SDG&E, PG&E, SCE, and SoCalGas) shall maintain the current disconnection caps until a final decision on the matter can be issued. The current cap for SDG&E is 3%. The CPUC noted that there are many important, interrelated considerations that warrant further deliberation prior to reaching a decision on disconnection caps. The CPUC also indicated more data, and information would need to be gathered and analyzed as part of the deliberation process. The Decision indicates a final decision on disconnection caps will be issued by July 1, 2025.

Two parties filed opening comments on the Proposed Decision (PD) on October 16, 2024:

- **CalCCA**
 - Supports the CPUC’s proposal to extend caps through July 31, 2025;
 - Asks the CPUC to order a third-party study and report analyzing the root causes of disconnections and the effectiveness of programs and strategies to prevent disconnections and manage arrearages; and
 - Asks the CPUC to allow 45 days for parties to submit proposals for the scope of the aforementioned study, and allow parties to comment on said proposals.
- **UCAN**
 - Recommends cap be extended for 2 years to allow an assessment of the caps’ effects;

- Recommends extending the IOUs' disconnection reporting requirements indefinitely to enable analyses of consumer and IOU behaviors after protections end; and
- States the CPUC will not have enough data on disconnection caps to make a final decision in July of 2025.

Two reply comments were filed on the PD on October 21, 2024. Associated highlights include:

- [The Utility Reform Network \(TURN\), Center for Accessible Technology \(CforAT\), and National Consumer Law Center \(NCLC\)](#)
 - The parties agree with the opening comments of UCAN and CalCCA, and say that the CPUC should extend the current caps “for a duration of time required for a comprehensive study and evaluation to take place, and should only take further action on the basis of such a study and evaluation.”
- [SCE](#)
 - SCE supports the PD as written and asks the CPUC to decline all of UCAN's proposed changes.

The final decision declined to incorporate the requests from these comments; however, the CPUC indicated it may revisit these recommendations later on in the proceeding.

General Rate Case Phase 1 Proposed Decision

On October 18, the CPUC issued a [Proposed Decision](#) (PD) on SDG&E's and SoCalGas's Phase 1 General Rate Case. The PD authorizes a revenue requirement for SDG&E of \$2.198 billion, which is \$150 million below the requested amount and an increase of \$183.1 million (9.1%) above the 2023 authorized revenue requirement. Post Test Year (PTY) adjustments to the revenue requirement of just under 4% per year in 2025, 2026, and 2027 are authorized for SDG&E, which is well under half of the PTY increases requested by SDG&E.

The estimated bill impact for a typical SDG&E residential customer is an increase of 2.7% per month for CARE and non-CARE customers located in inland and/or coastal climate zones using either 400 kWh or 700 kWh per month.

SDCP and Clean Energy Alliance (CEA) were active participants in this proceeding and litigated a few discrete issues, namely related to the proposed additions at the Miramar Energy Facility. SDCP and CEA's primary objective was to ensure that the proposed enhancements to the facility constituted a significant overhaul of the facility, meaning that it should be bundled customers who would be responsible for the associated costs, and that departed (CCA) customers should not be responsible for those costs. Ultimately, the CPUC denied the upgrades at the Miramar facility, so the CPUC did not take up the question of cost allocation. The CPUC's decision to deny the upgrades at the Miramar

facility is a victory for CCA/SDCP customers since the costs associated with the upgrades will not be included in rates for CCA customers.

In its next rate case, SDG&E is directed to provide the number of Planned Investment Projects related to electric distributions operation and maintenance (O&M) and capital investments started and completed annually since 2023 along with their unit costs, the number of future capacity projects started and completed annually since 2023 along with their unit costs, and information regarding the age of transformers in service, the number of new installations and replacements per year, and other reliability data that may impact transformer maintenance, including data required by Decision 16-01-008.

Regarding its Electric Distribution Wildfire Mitigation and Vegetation Management, SDG&E is directed to provide information on the number of miles of electric lines underground and covered conductor installed in high-fire threat districts and to coordinate its risk analysis for its Wildfire Mitigation Plans with its Risk Assessment and Mitigation Phase in its next rate case.

This matter may be heard as early as the December 5, 2024, Commission meeting. Comments on the PD are due November 7 and reply comments are due November 12.

2025 Energy Resource Recovery Account (ERRA) Forecast

On October 8, SDCP and CEA (the Joint CCAs) filed an [Opening Brief](#) in the ERRA forecast proceeding. In this brief, the Joint CCAs note that the current allocation methodology for Procurement O&M costs only recovers these costs from the Portfolio Allocation Balancing Account (PABA), creating a mismatch when SDG&E's Procurement Group performs activities like scheduling non-PABA resources at the California Independent System Operator (CAISO). The Joint CCAs also note that the current approach allocates to unbundled (CCA) customers substantial costs of activities that only benefit bundled customers. Instead, the Joint CCAs propose an alternative proposal to change the allocation of Procurement O&M costs, which would result not only in a more equitable distribution of these costs between bundled and unbundled customers but also a distribution that minimizes cost shifts. The Joint CCAs also argue that SDG&E should be required to forecast resource adequacy (RA) sales in line with the methodology the Commission ordered in its 2024 ERRA Forecasting proceeding.

On October 11, the Joint CCAs filed a [reply brief](#) in the proceeding and reiterated similar points as were made in the opening brief.

On October 14, SDCP and CEA filed a [response](#) to an ALJ ruling which posed a number of questions related to the high RA Market Price Benchmark (MPB). In this response, SDCP and CEA noted that the high RA MPB reflects facts the Commission knows well: System RA capacity is scarce, and the market price of such capacity has increased

sharply within the past several years. SDCP and CEA argue that no special procedural or substantive considerations are necessary in this proceeding. SDCP and CEA also argue that the Commission should continue to preclude the consideration of revisions to the RA MPB methodology that PG&E and SDG&E have disguised as ratepayer mitigation measures.

2025 Energy Resource Recovery Account (ERRA) Forecast – October Update

On October 21, SDG&E filed its October Update in the 2025 ERRA forecast proceeding. SDG&E projects a combined total decrease in revenue requirement of \$687.4 million compared to current rates. For unbundled customers, SDG&E's October Update states that its system average delivery plus power charge indifference adjustment (PCIA) rates will decrease 4.0 cents per kWh, or -21.3%. SDG&E also states that the total bundled system average rate will decrease 1.7 cents per kWh, or -5.2%.

Resource Adequacy

Track 2 Proposed Decision

On October 29, 2024, the CPUC issued a [Proposed Decision](#) in Track 2 of the resource adequacy (RA) proceeding regarding the planning reserve margin (PRM), central procurement entity (CPE) framework for local RA, and unforced capacity (UCAP) methodology.

The Commission agreed with parties that additional vetting and further analysis of the issues raised by parties is needed before adopting the 2026 PRM, which will be taken up in Track 3 of the proceeding. Energy Division had initially proposed an 18.5% PRM, and after additional analysis Staff recommended a 26.5% PRM from January through May and a 23.5% PRM from June through December – all of which are higher than the 17% PRM adopted in recent years. As such, the Proposed Decision directs the following:

- Energy Division is authorized to undertake a further revision of the 2026 PRM analysis and distribute it to the service list in this proceeding in early December 2024.
- Energy Division will conduct workshops and may solicit informal comments. Parties will have an opportunity to submit formal comments.
- The Commission will consider the revised PRM analysis in Track 3.
- Energy Division is authorized to update the LOLE study every two years for consideration in the RA proceeding.
- 0.1 loss of load expectation (LOLE) reliability standard is currently used by Energy Division in its RA LOLE modeling and will continue to be used going forward.

- As Energy Division conducts its PRM calibration analyses, Energy Division is authorized to conduct an optional stress test analysis to set a single annual or multiple PRMs, as necessary.

Similarly, the Proposed Decision also directs further analysis of the UCAP methodology, which accounts for historical unavailability of a resource's capacity value, to be completed for Track 3 of the proceeding. Energy Division is directed to coordinate with CAISO to develop a UCAP accreditation methodology for thermal power plants and battery electric storage systems for consideration in advance of the 2028 RA compliance year and to submit a revised UCAP proposal in Track 3 of this proceeding.

Lastly, the Proposed Decision makes several changes to the CPE framework for local RA requirements. The CPE framework only applies to PG&E and SCE service areas, while the CCAs in SDG&E's service area still have local RA obligations, therefore the reforms are not applicable to SDCP.

Opening Comments are due on November 18, 2024, and Reply Comments are due on November 25, 2024.

Track 3 Scoping Memo and Ruling

On November 4, 2024, the Assigned Commissioner issued a [Scoping Memo and Ruling](#) for Track 3 in the RA proceeding. Track 3 is expected to conclude by the end of June 2025. Issues in scope include:

- Adoption of 2026-2028 Local Capacity Requirements (LCR)
- Adoption of the 2026 Flexible Capacity Requirements (FCR)
- Planning Reserve Margin (PRM) for 2026
- Slice of Day (SOD) Framework
 - The Commission will consider time-sensitive modifications to the SOD framework, which has begun full implementation for the 2025 RA compliance year.
- Unforced Capacity (UCAP) Evaluations
- Refinements to the California Energy Commission's (CEC) incentive-based supply-side demand response (DR) qualifying capacity proposal.
- Synchronization of Integrated Resource Planning (IRP) data collection with CPE data requirements

As noted above, a Proposed Decision in Track 2 is pending and expected to be heard at the December 5, 2024, CPUC business meeting, and once that decision is finalized a further amended scoping ruling may be issued if necessary.

B) State Legislative Activities Update

Governor Newsom Issues Executive Order to Curb Electric Costs

Executive Order (EO) [N-5-24](#) was [announced](#) by the Governor on October 30. It follows the 2024 legislative session in which the cost of electricity was a main policy focus. Electric rates have risen faster than the pace of inflation due primarily to wildfire mitigation, transmission and distribution investments and rooftop solar incentives, [according to](#) the CPUC's Public Advocates Office. The Legislature passed one piece of affordability legislation – [AB 3264 \(Petrie-Norris\)](#) - that focuses on increased transparency for ratepayer costs. Two other pieces of affordability legislation were not passed. [AB 3121 \(Petrie-Norris\)](#) would have returned ratepayer funds from certain customer programs and [SB 1003 \(Dodd\)](#) would have improved the oversight of wildfire mitigation spending.

The Governor's EO picks up where the Legislature left off on electric affordability issues and re-surfaces key considerations ahead of the 2025 legislative session, which begins on December 2. Specifically, the EO orders the following:

- The CPUC will examine the “benefits and costs to electric ratepayers of programs it oversees” that “may be unduly adding to electric rates, or whose funding might more appropriately come from a source other than ratepayers.” San Diego Regional Energy Network (SDREN) programs are funded by ratepayers and overseen by the CPUC.
- The CEC is likewise tasked with examining ratepayer programs it oversees.
- The CPUC is asked to take immediate action to return funds in the form of a credit to ratepayers from underperforming programs.
- The CPUC is further requested to examine the possibility of increasing the effectiveness of the biannual California Climate Credit, which has returned on average \$71 to ratepayers.
- The Office of Energy Infrastructure Safety is asked to examine what improvements can be made to ensure wildfire investments are cost effective.

Governor Newsom Calls Another Special Session of the Legislature

At the end of the regular legislative session (August 30), Governor Newsom called a special session of the Legislature to address gas pricing issues. That special session concluded in mid-October. In response to the November election, Governor Newsom [called another special session](#), this time to “safeguard California values and fundamental rights.” The new special session will begin on December 2 and run concurrent to the regular 2025 legislative session.

The [proclamation](#) calling the special session focuses on providing additional funding for the California Department of Justice and state executive agencies to take legal and administrative action to “mitigate the impacts of actions by the incoming” Administration. Special sessions are limited to the topics in the proclamation and in this case, the focus is on funding state operations that would likely support a broad array of government activity on any number of topics. Energy is not specifically mentioned in the proclamation.

C) Federal Activities Update

The current Congress reconvenes on November 12. It is not clear what energy issues, if any, the Congress will attempt to tackle before the end of the year. Newly elected and re-elected members will be sworn into the new Congress on January 3, 2025.

AD-HOC COMMITTEE AND/OR SUBCOMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

N/A



SAN DIEGO COMMUNITY POWER

Staff Report – Item 9

To: San Diego Community Power Board of Directors

From: Rachel Zook, Vehicle-Grid Integration Program Manager
Tim Treadwell, Senior Program Manager

Subject: Approval of Contract for Managed Charging (V1G) Software Procurement with Optiwatt in a not to exceed value of \$420,000 over Two Years, and Authorize the Chief Executive Officer to Execute Contract

Date: November 21, 2024

RECOMMENDATION

Approve contract for Managed Charging (V1G) Software Procurement with Optiwatt in a not to exceed value of \$420,000 over two years, and authorize the Chief Executive Officer to execute the contract.

BACKGROUND

Flexible load programs are needed to meet California’s ambitious clean energy goals. These programs help coordinate the power available from renewable resources with customer demand. With the increased adoption of electric vehicles (“EVs”), it’s critical to include a managed charging, or V1G, program as part of SDCP’s Flex Load Strategy. Managed charging allows EVs to charge at various power levels and within different timeframes. For example, with managed charging, an EV driver could plug in their vehicle when they get home from work at 5pm and be confident that it won’t start charging until midnight, when the super off-peak time period begins, and that it will be sufficiently charged by the time they need it the following morning.

The potential benefits of managed charging include:

- Delivering cost savings to customers through time-of-use (“TOU”) optimization
- Providing operational savings to SDCP by reducing resource adequacy (“RA”) obligations
- Minimizing the need for distribution infrastructure upgrades
- Avoiding adding to grid strain during peak time periods
- Integrating renewable energy resources into the grid

At the April 2024 Board of Directors meeting, staff presented the Vehicle-Grid Integration (“VGI”) Strategy to be implemented via a portfolio of programs. The strategy included the Managed Charging Pilot as the first of these VGI programs.

ANALYSIS AND DISCUSSION

Managed Charging (V1G) Software

To implement a Managed Charging Pilot, SDCP must procure a managed charging, or V1G, software solution. This platform will incorporate various data points, including customer driving schedules and TOU rate structures, to optimize EV charging. Once launched, this platform will help SDCP customers enrolled in the pilot reduce their EV charging costs, allow SDCP to assess the value of shifting EV charging load, and reduce grid strain during peak hours.

Procurement Process

Staff released a Managed Charging (V1G) Software RFP on July 29, 2024, posting the solicitation on Community Power's procurement page, conducting direct outreach to solution providers, and promoting the procurement through professional networks. A full procurement timeline is found in Figure 1.

Description	Date
Release of RFP	7/29/24
Deadline for Written Questions	8/1/24 at 5:00 PM PT
Responses to Questions Provided	8/9/24
Deadline for Proposal Submission	8/27/24 at 5:00 PM PT
Interviews/Demonstrations	Week of 9/23/24
Execution of Contract	November 2024
Commencement of Work	December 2024

Figure 1 – Managed Charging (V1G) Software Procurement Timeline

Eight proposals were received in response to the solicitation. Bids were scored based on the proposer's qualifications and experience, demonstration of past success, approach to the services, commercial terms and pricing, and alignment with SDCP's functional and non-functional requirements. The top three scoring bidders were then invited for virtual interviews and product demonstrations with staff from the Programs team.

Based on the results of the procurement process, staff recommends selecting Optiwatt as SDCP's managed charging (V1G) software provider and executing a two-year SaaS contract with two optional one-year extensions. Optiwatt was selected due to:

- Platform Features—advanced event scheduling features, data analytics tools, incentive payment processing, and customization options
- Relevant Program Experience—involvement in several successful managed charging programs in the U.S. and Canada, including programs with California CCAs and municipal utilities; in-depth understanding of California markets and baselining methodologies
- Customer Experience—over 80,000 EVs under management and a highly-rated app with over 3,000 customer reviews
- Product Demo—live demonstration of proposed managed charging software solution demonstrated Optiwatt's existing system capabilities and ability to customize based on client needs and preferences
- Pricing—reasonable platform and per-device fees, as well as savings in marketing costs from the high volume of users Optiwatt already has in SDCP territory

NEXT STEPS

Board approval of the Optiwatt SaaS agreement, followed by contract execution and platform implementation beginning in Q4 2024.

FISCAL IMPACT

The managed charging software agreement with Optiwatt has a not to exceed value of \$420,000 over two years. This includes approximately \$150,000 of incentive funding that will be passed through to customers via Optiwatt.

ATTACHMENTS

Attachment A: Software as a Solution Agreement for Managed Charging (V1G) Services with Optiwatt, Inc.



ITEM 9

ATTACHMENT A

SAAS SERVICES ORDER FORM

Customer: San Diego Community Power	Contact: Rachel Zook
Address: 815 E St, Ste 12716, San Diego, CA 92101	Phone: (619) 732-8438
	E-Mail: rzook@sdcommunitypower.org
Services: <i>Optiwatt provides managed charging services to residential electric vehicle drivers for electric utility service providers. (the "Service(s)").</i>	
Services Fees: Variable, based on the Price List shown in Exhibit A, subject to the terms of Exhibit A.	Initial Service Term: Two (2) Years, with the option for up to two (2) one-year extensions
Implementation Services: Optiwatt will use commercially reasonable efforts to provide Customer the services described in the Statement of Work ("SOW") attached as Exhibit A hereto ("Implementation Services"), and Customer shall pay Optiwatt the Implementation Fee in accordance with Exhibit A and the terms herein.	

SAAS SERVICES AGREEMENT

This SaaS Services Agreement ("Agreement") is entered into on this 22nd day of November, 2024 (the "Effective Date") between Optiwatt, Inc with a place of business at 1212 Broadway Plaza, Suite 2100, Walnut Creek, CA 94596 ("Optiwatt"), and the Customer listed above ("Customer" or "SDCP"), individually referred to as "a Party" and collectively referred to as "the Parties." This Agreement includes and incorporates the above Order Form, as well as the attached Terms and Conditions and contains, among other things, warranty disclaimers, liability limitations and use limitations. There shall be no force or effect to any different terms of any related purchase order or similar form, unless otherwise expressly agreed in writing by the Parties.

Optiwatt, Inc:

[San Diego Community Power]:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

TERMS AND CONDITIONS

1.1 Termination

This Agreement will continue in effect from the Effective Date until 24 months after the Effective Date or superseded by a Master Service Agreement (MSA) between the parties. On expiration of this Agreement, the provisions of this Agreement which by their terms are meant to survive shall so survive, including without limitation the terms of the Sections entitled Confidentiality, Intellectual Property, Liability, and Miscellaneous.

2. Confidentiality

2.1 The Parties acknowledge that certain information and materials exchanged during the Term of this Agreement, including this Agreement, may contain proprietary and Confidential Information of the disclosing Party. **“Confidential Information”** means and includes any and all non-public information of the disclosing Party including, without limitation, trade secrets, analyses, compilations, forecasts, studies, techniques, plans, designs, cost data, pricing data, financial data, SDCP utility customer information, SDCP utility customer data, total load data, non-public information regarding features, functionality and performance of the Services, Optiwatt proprietary information, and employee information, disclosed by the disclosing Party to the receiving Party which relates in any manner, directly or indirectly, to the disclosing Party and/or its business, whether such information is disclosed in writing, verbally, electronically, or otherwise. For the purposes of this Agreement, Confidential Information shall include Customer data, which refers to all data and information provided, collected, or produced on Customer’s behalf in connection with the Services provided under this Agreement; including, but not limited to, confidential personally identifiable information or SDCP utility customer data protected under California privacy laws, billing data, usage data, enrollment information, contact history, and any other confidential or proprietary information that relates to current, prospective, or former SDCP utility customers. For avoidance of doubt, Confidential Information includes (i) any information disclosed in written form and clearly marked “Confidential” and (ii) information which would reasonably be considered proprietary, trade secret, and confidential.

2.2 Notwithstanding the foregoing, Confidential Information does not include information that (i) is known to the receiving Party at the time of disclosure to the receiving Party as demonstrated by dated electronic or written records of the receiving Party; (ii) is or becomes generally known through no wrongful act of the receiving Party; (iii) has been rightfully received by a Party from a third party authorized to make such disclosure without restriction; (iv) has been approved for release by written authorization of the disclosing Party; or (v) produced or disclosed pursuant to applicable laws, regulations, subpoena, or court order, provided the receiving Party has given the disclosing Party prompt notice of such request so that the disclosing Party has an opportunity to defend, limit or protect such production or disclosure.

2.3 During the Term, each Party may be given access to the other Party’s Confidential Information. The receiving Party of the Confidential Information agrees to: (i) protect the disclosing Party’s Confidential Information in a reasonable and appropriate manner to the same extent it protects the confidentiality of its own Confidential Information of like kind, but in no event less than a reasonable manner; and (ii) use and reproduce disclosing Party’s Confidential Information only as necessary to perform its obligations and exercise its rights pursuant to this Agreement. The receiving Party may share the disclosing Party’s Confidential Information with its employees and third parties that assist the receiving Party in its performance of its obligations and the exercise of its rights pursuant to the Agreement and who are subject to non-disclosure obligations no less restrictive than those set forth herein. The receiving Party shall maintain the secrecy of Confidential Information that is not deemed a trade secret, customer information, or customer data for the Term, plus five (5) years. The receiving Party shall maintain confidential customer information, Customer Data, and any Trade Secrets in perpetuity or as long as the trade secret is protected under the applicable trade secret laws.

2.4 As required by subpoena, the California Public Records Act, or other legal or regulatory law/process, the Parties may be required to disclose Confidential Information. Compliance with a subpoena, request under the California Public Records Act, or other legal or regulatory process shall not constitute a breach of this Agreement. If either Party is required to disclose any Confidential Information, the disclosing Party shall notify the other Party in writing as promptly as feasible so that the other Party may, if it so chooses and at its own expense, challenge the disclosure or seek a protective order. The Party challenging the disclosure or seeking a protective order shall be responsible for any costs or attorneys’ fees awarded to a prevailing litigant seeking the records in the event that a court awards such costs or fees against the Party maintaining the records. However, disclosure pursuant to a legal requirement shall not constitute a breach of this section.

2.5 NOTWITHSTANDING ANY OF THE FOREGOING, OPTIWATT AGREES THAT IT WILL NOT ACCESS AND/OR USE ENROLLED AND PARTICIPATING SDCP EV MANAGED CHARGING CUSTOMER’S UTILITY CUSTOMER CONFIDENTIAL INFORMATION FROM CUSTOMER, OR FROM CUSTOMER’S UTILITY CUSTOMERS PROVIDED FOR THE SERVICES UNDER THIS AGREEMENT, FOR ANY PURPOSE OTHER THAN PROVIDING SERVICES UNDER THIS AGREEMENT.

3 Intellectual Property

3.1 For the avoidance of doubt, both Optiwatt and SDCP understand and agree that there will be no work-for-hire development activities completed as part of the Agreement (Optiwatt is merely configuring its existing technology and solution). Optiwatt is the exclusive owner of the technology it

uses in connection with the Agreement, and any revisions, modifications and enhancements thereto, and any other specifications, documentation, ideas, know-how, techniques, processes, inventions, machine learning algorithms or other intellectual property that Optiwatt may develop, conceive or deliver. Optiwatt hereby grants to SDCP a non-exclusive and non-transferable license during the term to use the technology and services provided by Optiwatt in connection with this Agreement, and to sublicense this license to its members, without incurring any fees other than those set forth in the "Fees and Payment Terms" section above. All rights in and to the Optiwatt technology not expressly granted to SDCP hereunder are reserved by Optiwatt. Optiwatt shall defend, indemnify, and hold harmless SDCP and its officers, directors, employees, and agents (each, a "Customer Indemnitee") from and against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees, resulting from any third-party claim, suit, action, or proceeding alleging that SDCP's use of the technology licensed hereunder in compliance with this Agreement infringes a U.S. intellectual property right.

4 Liability

4.1 OTHER THAN WITH RESPECT TO INTELLECTUAL PROPERTY CLAIMS, BODILY INJURY OF A PERSON, GROSS NEGLIGENCE, FRAUD, OR WILLFUL MISCONDUCT, NEITHER PARTY WILL BE LIABLE TO ANY OTHER PARTY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, AND NEITHER PARTY'S TOTAL LIABILITY ARISING OUT OF THIS AGREEMENT WILL EXCEED THE AMOUNT PAYABLE TO OPTIWATT UNDER THIS AGREEMENT.

5 Warranties

1. Optiwatt warrants that the Services will perform substantially in accordance with and in the manner described in Exhibit B-Service Level Agreement. This warranty shall be in effect during Initial Service Term, and any extension thereof, provided that: (a) the Services are not modified, changed, or altered by anyone other than Optiwatt, unless authorized by Optiwatt in writing; (b) the error or defect is not caused by SDCP, its agents, servants, employees, or contractors, or any third parties; (c) SDCP promptly notifies Optiwatt of the error or defect after it is discovered; and (d) all Fees due at the time to Optiwatt have been paid.

5.1 Optiwatt warrants that the Services are legally owned by, or have been developed by Optiwatt or that Optiwatt is authorized to distribute the Services.

5.2 Each party represents and warrants that (a) it has the full right, power and authority to enter this Agreement, and (b) it will comply with all applicable laws, rules and regulations pertaining

to its performance under this Agreement. NO OTHER WARRANTIES ARE MADE AND ARE EXPRESSLY DISCLAIMED, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

6 Miscellaneous

This Agreement is the complete statement of the agreement of the Parties with regard to the subject matter hereof and may be modified only by a writing signed by both Parties. In the event of a conflict or inconsistency between the terms of this Agreement and any Statement of Work, the terms of this Agreement will take precedence unless the terms of the Statement of Work are expressly intended to alter or override the terms of the Agreement. Each party may use its standard business forms or other communications to administer transactions under this Agreement, but use of such forms is for the Parties' convenience only and does not alter or supplement the provisions of this Agreement. Neither Party may assign this Agreement without the other Party's written consent, except in the event of a reorganization, merger, consolidation, or sale of all or substantially all of its assets related to this Agreement, in which event no consent will be required, except that any such assignment will be required to comply with all obligations under this Agreement. The relationship between the Parties is solely that of independent contractors and not that of an agency, partnership, or joint venture. No waiver shall be deemed a waiver of any prior or subsequent default hereunder. If any part of this Agreement is held unenforceable, the validity of the remaining provisions shall not be affected. The Agreement will be governed by the laws of California, without reference to conflict of law principles. Venue shall be in San Diego County, California. The Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

EXHIBIT A

Statement of Work

Introduction

This Statement of Work Agreement (“Agreement”) is between Optiwatt, Inc. located at 1212 Broadway Plaza, Suite 2100, Walnut Creek, California 94596 (“Optiwatt”) and San Diego Community Power located at 815 E St, Ste 12716, San Diego, California 92101 (“SDCP”), and is effective as of November 22, 2024 (the “Effective Date”). Optiwatt and SDCP may henceforth be referred to as the Parties. The term of this agreement shall be two (2) years starting on the Effective Date and terminating two (2) years after the Effective Date with an option for up to two (2) one-year extensions upon mutual written agreement.

This Agreement outlines Optiwatt’s commitment to provide SDCP the software, insights, tools, and personnel resources required to enroll, manage the charging of, and analyze data from light duty electric vehicles (EVs). Additional work related to this scope may be added through addendums to this Agreement.

The Agreement is organized as follows:

- I. Software**
- II. Program Services**
- III. Fee & Payment Schedule**
- IV. Implementation Schedule**

I. Software

Summary

Optiwatt will provide SDCP access to the following software:

- 1. EV Managed Charging Consumer Platform (App/Web):** A web and phone-based application used for customer authentication, data inputs, connecting EVs, setting charging preferences and schedules, incentive management, notifications, and charging insights.
- 2. EV Managed Charging Utility Platform:** The primary SDCP cloud-based application used for SDCP team day-to-day management of the EV Managed Charging program, which is connected to the EV Managed Charging Consumer Platform. The utility platform is used to run demand response events; optimize charging load to peak events, wholesale prices, power supply, and emergency events; and to achieve SDCP’s broader supply, grid management, carbon emissions reduction, and strategic objectives. The utility platform includes core EV managed charging technology, software, and self-service features including a utility load management portal, EV data dashboard, and others.

Software Details

1. EV Managed Charging Consumer Platform (App/Web)

The managed charging pilot will leverage Optiwatt’s telematics-based charging application for electric vehicle owners (the “Optiwatt App”) that is available for free to SDCP customers on iOS, Android, and the web. Information on the Optiwatt App is available at:

- Apple App Store: <https://apps.apple.com/us/app/optiwatt-tesla-ev-charging/id1536047033>
- Google Play Store: <https://play.google.com/store/apps/details?id=com.getoptiwatt.optiwatt>
- Mobile or Desktop Browser: <https://optiwatt.com>

SDCP's target for this two-year pilot is 1,000 vehicles. [REDACTED]

Should SDCP seek to enroll additional customers, they will enroll via the Apple App Store, Google Play Store, or a co-branded landing page owned and operated by Optiwatt.

The key EV Managed Charging Consumer Platform features include:

- 1. Customer Setup and Configuration Features:** Enables customers to
 - a. Sign up for the platform, creating their username and password;
 - b. Enter relevant data including home address, devices, utility/CCA confirmation, etc.
 - c. Select, connect, and authenticate their EV
 - d. Select and connect their rate plan
 - e. Set their desired state of charge, charging schedule, trips, and charging preferences to "Save Money" or "Save the Planet" or both.
- 2. Program Education, Validation, and Enrollment:** Provides educational information on the SDCP Managed Charging program including program frequently asked questions (FAQs); Enables customers to enroll in the program, attest to program terms and conditions, and confirm their eligibility.
- 3. Incentive Processing Functionality:** Enables eligible customers to receive enrollment and ongoing performance incentives via multiple channels managed by Optiwatt. [REDACTED]
[REDACTED] Optiwatt will also provide incentive tracking and reporting on incentive status, recipients, and totals disbursed through the program.
- 4. Notifications & Opt-Out Functionality:** Enables push notifications to customers and allows customers to opt out of events (i.e. customer can choose to charge their vehicle during a no-charge period).
- 5. Charging and Performance Insights:** Provides customers with personalized EV charging costs and money savings insights, environmental impact insights, charge forecasts, and more.

2. EV Managed Charging Utility Platform (Core Functionality, Integrations, Utility Portal, Reporting & Analytics)

Optiwatt will provide a turnkey EV managed charging solution to optimize the charging of connected EVs based on various inputs, including but not limited to time of use rates, peak events, wholesale prices, power generation mix, and emergency events.

Upon project kickoff, Optiwatt will work with the SDCP team to define the specific pilot goals and produce a Solution Configuration Design Document (see Program Activation section) that describes the desired outcomes, key success metrics, and how they will be achieved. After understanding these parameters, Optiwatt will configure the platform (if and

as necessary) to support SDCP’s objectives. This includes incorporating any custom business logic and Portal configuration requirements (e.g. user accounts, permissions, reporting, dashboards, API access, etc.).

[Redacted]

[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]

The key EV Managed Charging platform features include:

- 1. Core EV Management Charging Functionality: [Redacted]
- 2. Integrations: [Redacted]

3. **Optiwatt APIs:**

4. **Utility Portal:**

5. **Reporting & Analytics:**

6. **EV Telematics Charging Data**


Standard report formats can be found here:

II. Program Services

Summary

Optiwatt and SDCP will design and deploy an EV Managed Charging pilot that uses telematics-based vehicle connections to provide aggregate EV charging data and to directly manage EV charging in SDCP's territory. This load will be optimized to align with SDCP's strategic objectives while adhering to customers' preferences, schedules, and individual charging needs.

Optiwatt will provide the following program services to support SDCP's EV Managed Charging pilot:

1. Program Activation
 2. Ongoing Program Management & Training
 3. Customer Support
 4. Marketing Services
 5. Optional Ongoing Managed Services
- 

Program Services Details

1. Program Activation

Optiwatt will host a kick-off meeting to align on pilot objectives, key project milestones, and tasks. Optiwatt will then design, configure, and test the program, solution, incentives, customer experience, etc. to achieve the pilot objectives and needs. The result of the Program Activation is a Project Design Document that:

- Lists program priorities
 - Lists success criteria that measure those priorities
- Describes a mutually agreed upon solution configuration design to inform implementation, including:
 - Clarifying load shifting strategy
 - Baseline methodology
 - Incentive structure
 - Customer enrollment processes
 - Customer support and coordination between SDCP and Optiwatt.
 - Marketing collaboration and coordination
- Provides customer offerings, including the eligibility criteria required for customers to participate in the offering

This document is used to memorialize the decisions made by the solution configuration design team and is to be used as a reference for the teams creating the enrollment flows, marketing material, and engineering required to configure the solution.

2. Ongoing Project Management & Training

Optiwatt will provide a Client Success Manager and fully-staffed Client Success team to support SDCP through the setup and deployment of the software including the following tasks:

1. Ongoing Project Support: Conduct recurring calls, performance reviews, program coordination, specific data requests, troubleshooting program issues or challenges, and ensuring pilot success. The Optiwatt team will work with SDCP staff to set up an ongoing cadence for check-ins that is convenient for both teams.
2. Reporting: Providing program, marketing, customer, EV charging, driving, and load management data monthly via configured reports
3. Customer Validation and Enrollment: Validating customer eligibility via SDCP shapefiles and eligibility criteria and then enrolling customers via an SDCP-branded form, including attestation to pilot terms and conditions.
4. Incentive Processing - Informing enrollment and performance-based incentives and payment methods.
5. Training - If necessary, Optiwatt will also provide up to two (2) training sessions on the use of Optiwatt platform's functionality for SDCP personnel, including technical or customer-facing staff.

3. Customer Support:

[REDACTED]

4. Marketing Services and Coordination

To support customer enrollment beyond Optiwatt's existing eligible customer base, Optiwatt will provide marketing services to help drive eligible EV enrollments in the EV managed charging program. [REDACTED]

[REDACTED]

SDCP Marketing Responsibilities:

[REDACTED]

[REDACTED]

5. Ongoing Managed Services

For complex solution configurations and operational tasks, as well as tasks that SCDP does not want to self-serve, Optiwatt will provide managed services to configure solution/platform features or to deploy program operational tasks.

[REDACTED]

[REDACTED]

III. Fee and Payment Schedule

Agreement Value

This agreement has a not to exceed value of \$420,000 over two years from the date of contract execution, with options for two one-year extensions.

Program Fees

Professional Services & Ongoing Program Management Fees

[Redacted]

EV Managed Charging Fees:

These fees are additive at each breakpoint and inline with the calculation methodology requested in the SDCP Fee Schedule. [Redacted]

EVs	Fee to Optiwatt
[Redacted]	[Redacted]
[Redacted]	[Redacted]

[Redacted]

[Redacted]

[Redacted]

[REDACTED]

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Additional Payment Terms:

SDCP will pay Optiwatt within thirty (30) days after SDCP’s receipt of the applicable invoice. All fees and expenses are payable in accordance with this Agreement. SDCP shall be responsible for payment of all taxes, fees, duties, and other governmental charges arising from the payment of fees or any other amounts owed to Optiwatt under this SOW (excluding Optiwatt income or similar taxes).

Incentive Processing Budget:

[REDACTED]

[REDACTED]

IV. Implementation Schedule

Optiwatt and SDCP will work together to develop the final implementation schedule during the program design stage. The schedule will be reviewed as part of the normal program management plan and updated accordingly. Within ten (10) business days after contract execution, Optiwatt will provide a draft solution configuration design document (SCDD) including key solution and pilot configurations aligned with SDCP's stated objectives for SDCP to review, redline, and approve. Optiwatt will provide SDCP with a draft detailed implementation schedule within five (5) business days of the final SCDD approval that SDCP will review and approve within five (5) business days of receipt.

7 EXHIBIT B

SERVICE LEVEL AGREEMENT

8 1. Definitions

For the purposes of this SLA, the following definitions shall apply:

- a. “Outage” means when the Services are affected by a Priority 1 (Critical) and Priority 2 (Serious) issue.
- b. “Response” means Optiwatt’s (i) acknowledgement that it has received the Support Request; and (ii) technical assessment of the issue and proposed course of action for resolution based on the information provided by SDCP.
- c. “Response Time” means the target time period for Optiwatt to provide a response to SDCP, with such period commencing upon Optiwatt’s receipt of SDCP’s Support Request.
- d. “Uptime Service Level” shall mean the uptime service level described in Section 3 (Uptime Service Levels) of this SLA.
- e. “Severity Level” means the level of severity of a reported issue, as determined by Optiwatt at its sole discretion:
 - i. “Priority 1 (Urgent)” means a problem that renders the Services unfit for use and/or unable to be utilized for all users.
 - ii. “Priority 2 (High)” means a problem that produces intermittent loss of function or degraded performance that affects all users of the Services. Operation can continue in a restricted fashion.
 - iii. “Priority 3 (Medium)” means a problem that impedes but does not prevent one or more users from accomplishing the desired function.
 - iv. “Priority 4 (Low)” means a minor problem that does not impede users from accomplishing any desired function.
- f. “SLA” means this Service Level Agreement.
- g. “Target Resolution Time” means the time targeted by Optiwatt to resolve the problem, with such time period commencing upon Optiwatt’s Response.

9 2. Service Scope

This SLA covers the services described in the Statement of Work [Exhibit A] (collectively, the “Services”). The scope of coverage under this SLA expressly excludes the performance and availability of any of services connected to the Services provided by Optiwatt’s third-party suppliers. Third-party services that connect to the Services are subject to their respective service level agreements set for in the applicable third-party supplier’s terms of service.

If a third-party service fails to comply with the service levels contained in the third-party supplier’s terms of service, SDCP may be eligible to receive those remedies set out in the third-party supplier’s terms of service and must request such remedies directly from the third-party supplier. SDCP’s sole and exclusive remedy in the event of a third-party service failure will be the remedies set forth in the third-party supplier’s terms of service.

COMPANY IS NOT RESPONSIBLE FOR ANY DELAYS OR OTHER DAMAGE RESULTING FROM PROBLEMS BEYOND COMPANY’S REASONABLE CONTROL AND COMPANY DISCLAIMS ALL LIABILITY FOR DISRUPTIONS OR DAMAGES RESULTING FROM SERVICES PROVIDED BY ITS THIRD-PARTY SUPPLIERS.

10 3. Uptime Service Levels

The Services will be available and operable 24/7/365 at least 99.9% of the time, calculated on a monthly basis as follows:

$$(((\text{[hours in the month]} - \text{[hours of Outage rounded up to the nearest 10 minutes]}) / \text{[hours in the month]}) * 100.$$

The calculation of Uptime Service Level availability shall not include Force Majeure Events, Scheduled Maintenance or Downtime, Emergency Maintenance, or maintenance otherwise requested by SDCP.

11 4. Response and Resolution Service Levels

Optiwatt will provide technical support to SDCP on weekdays during the hours of 9:00 am through 5:00 pm PT, with the exclusion of federal holidays. SDCP shall immediately notify SDCP of any problem, defect, malfunction, error, or other technical issue SDCP experiences with the Services (“Support Request”). SDCP may initiate a Support Request at any time by emailing clientsupport@optiwatt.com or filing a ticket through the support link inside the application. Optiwatt will provide support via phone, email, or through the web-based support portal.

Upon receipt and acknowledgement of such Support Request, Optiwatt shall endeavor to respond and resolve the reported issue in accordance with the following schedule:

Priority Level

Priority Level	Response Time During Support Hours	Target Resolution Time
Priority 1 (Urgent)	30 minutes	Up to 2 hours
Priority 2 (High)	60 minutes	Up to 4 hours
Priority 3 (Medium)	120 minutes - 1 business day	Up to 3 business days
Priority 4 (Low)	2 business days	Up to 5 business days

The level of priority of a reported issue shall be determined by Optiwatt at its sole discretion. If extended delays are expected or anticipated, Optiwatt will promptly update SDCP. The response and resolution service levels set out above are guidelines and non-binding statements by Optiwatt. The parties agree to cooperate in good faith to investigate any service disruption.

12 5. Maintenance

Optiwatt reserves the right to perform regularly scheduled system maintenance, upgrades, and enhancements (“Scheduled Maintenance”). Scheduled Maintenance may temporarily prevent the Services from being accessed or used. Optiwatt shall provide at least twenty-four (24) hours notice to SDCP of any Scheduled Maintenance. Scheduled Maintenance shall not constitute an Outage for the purposes of calculating Uptime Service Level compliance.

Optiwatt further reserves the right to perform unscheduled, emergency maintenance as necessary (“Emergency Maintenance”). Emergency Maintenance may temporarily prevent the Services from being accessed or used. Optiwatt will make efforts to provide prompt notice to SDCP of any Emergency Maintenance. Emergency Maintenance shall not constitute an Outage for the purposes of calculating Uptime Service Level compliance.

13 6. Bug Fixes

Optiwatt will fix any bug, defect, or malfunction of the Services at no additional charge that Optiwatt becomes aware of or that has been reported by any entity to Optiwatt, whether or not SDCP has reported such bug, defect, or malfunction. Whether a reported issue with the Services constitutes a bug, defect, or malfunction shall be determined by Optiwatt at its sole discretion. The foregoing obligation shall only apply to bugs, defects, or malfunctions related to a release (version) of the Services made available to SDCP.

147. Security Breach Notifications

Optiwatt shall provide notice to SDCP of any actual security incident affecting Optiwatt's computer systems upon discovery and reasonable determination that a security incident has occurred in accordance with Optiwatt's Security Incident Response Policy. Optiwatt will reasonably cooperate with SDCP in connection with the investigation and remediation of such a security incident.

158. Service Credits

If the Services do not meet the Uptime Service Level, upon SDCP's request and Optiwatt's reasonable investigation, Optiwatt will credit to SDCP a percentage of the monthly fees charged for the affected month ("Service Level Credit"), calculated as follows:

Uptime Percentage	Credit Percentage
99.97%-99.98%	1%
99.5%-99.96%	3%
<99.5%	5%

If the Services experience an Outage resulting in a loss of DER control during a peak demand window (defined as hour ending 16:00 to hour ending 22:00) on any weekday of the affected month, Optiwatt will provide a 5x multiplier on credits owed to SDCP based on the table above.

As a condition of Optiwatt's obligation to provide the Service Level Credit, SDCP must request such Service Level Credit within forty-five (45) days following any disruption of the Services ("Credit Request"). Such Credit Requests must be emailed to clientsupport@optiwatt.com and contain a sufficient description of the disruption including the date, time, and duration of the disruption. The Service Level Credit will appear as a credit on the next SDCP invoice (or, if such Service Level Credit accrues in the final billing period of the term hereof, Optiwatt shall promptly refund such amount to the SDCP), unless Optiwatt determines within thirty (30) days of request that credit is not owed. If there is a dispute in the validity of a Credit Request, the parties will make a good faith effort to resolve it. If resolution cannot be reached, parties agree to the arbitration process outlined herein.

Failure of SDCP to submit a Credit Request to Optiwatt within forty-five (45) days following any disruption of the Services shall result in SDCP's forfeiture of its right to receive a Service Level Credit for the period in which the disruption occurred. Except as otherwise provided in this SLA, Service Level Credits may not be redeemed for cash.

169. Service Level Exclusions

Uptime Service Level availability and the Optiwatt's obligations with respect to the other service measures set forth herein may be subject to limitations, delays, and other problems inherent to the general use of the internet and other public networks or caused by SDCP, authorized users, third-party suppliers, or other third parties. The following shall not be deemed to have failed to meet an Uptime Service Level or other Optiwatt obligation under this SLA if the failure, disruption, or malfunction was due to:

- Scripts, data, applications, software, equipment, networks, systems, or services under SDCP's control or another third party's control, including Optiwatt's third-party suppliers;
- SDCP's lack of availability or untimely response time to service disruptions that require its participation for source identification and/or resolution;
- SDCP's negligence, recklessness, wrongful actions, acts, omissions, or breach of its material obligations under this SLA, the SaaS Agreement, or any other agreement between SDCP and Optiwatt;
- SDCP's failure to comply with applicable law;
- An act or omission taken by Optiwatt or its third-party suppliers resulting from a request or direction of SDCP;

- f. Scheduled Maintenance or Emergency Maintenance taken to prevent a disruption of the Services;
- g. Optiwatt's blocking of data communications or other services in accordance with its policies; or
- h. Other events, delays, or damages caused by circumstances beyond the Optiwatt's reasonable control including, but not limited to: natural disasters (e.g. lightning, earthquakes, hurricanes, floods); utility outages, internet outages, spam attacks, virus attacks, and cyber attacks; wars, riots, terrorist activities, and civil commotions; explosions and fires; embargoes, strikes and labor disputes; national and global epidemics and pandemic; and governmental decrees (collectively, a "Force Majeure Event").

17 10. Customer Support

Optiwatt shall respond to direct SDCP customer inquiries no later than two (2) business days after the inquiry is received. Unless otherwise agreed to, SCDP and Optiwatt are to provide at least two (2) options for customer contact (email and phone). Unless otherwise agreed to, Optiwatt shall provide SDCP with the process to document customer issues, escalations, and resolutions for Optiwatt to resolve.

Customer Average Hold Time (AHT) when calling into the Optiwatt managed call-center shall not exceed 5 minutes. The maximum hold time shall not exceed 15-minutes. If an agent is unavailable, the customer will be proactively notified upfront after 30 seconds and given the option to receive a call back by the end of the day.

EXHIBIT C - Vehicle OEM Integrations

The following table represents our current and planned vehicle OEM integrations. [REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Exhibit D: Functional & Non Functional Requirements

Requirement	Use Case Description
Functional	
Program participant reporting	Collect and store attributes, as available, on program participants: <ul style="list-style-type: none"> - Name - Email - Premise ID (Optiwatt Home ID) - Premise address - Lat / Long - Account number - Meter ID - Rate category - Vehicle make, model, year - Feeder location - Census Tract/DAC designation
Multiple asset, single customer enrollment	System shall allow a single customer to have multiple assets
Multiple asset, single meter enrollment	System shall allow a single meter to be associated with multiple assets
Charge session data	Collect and store charging session data for each asset (start/stop times, duration, start/stop SOC, kWh delivered)
Monitoring and control	Provide real-time monitoring and control of EV charging
Customer preferences	Allow customer to specify desired SOC, specific departure times and charging preference (save \$ or save the planet)
Charge schedule automation	Automated charge schedule based on: <ul style="list-style-type: none"> - Customer specified constraints (SOC and departure time) - Customer rate schedule - Program business rules - Other external systems (e.g. DERMS, MIDAS, CAISO Market Price)
Reporting and data	Participant reporting and data visualization tools
Notification systems	Participant alerts and notification system
Participant enrollment	Streamlined enrollment process (online or mobile)
Dedicated customer support	Offer multiple channels (phone, email, chat) for customer support and inquiries
Forecasting	Ability to forecast day-ahead load shifting at an hourly level
Non-functional	
Secure user authentication and authorization	Users (program participants) must be able to log in securely and manage their charging settings
Regular system backups and disaster recovery plan	Ensure data integrity and system uptime with regular backups and a disaster recovery plan
Network monitoring and performance	Continuously monitor network performance and take proactive

optimization	measures to prevent disruptions
Secure data storage and access controls	Implement robust security measures to protect user data and comply with industry standards

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SAN DIEGO COMMUNITY POWER

Staff Report – Item 10

To: San Diego Community Power Board of Directors

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

Via: Karin Burns, Chief Executive Officer

Subject: Approve Fiscal Year End 2023-24 Financial Audit

Date: November 21, 2024

RECOMMENDATION

Board of Directors Approval of the Fiscal Year End 2023-24 Financial Audit.

BACKGROUND

On October 1, 2019, the founding members of San Diego Community Power (Community Power) adopted the Joint Powers Agreement (JPA) which was amended and restated on December 16, 2021.

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

Section 5.4 of the JPA specifies the Board shall appoint a Treasurer who shall function as the combined offices of Treasurer and Auditor and shall strictly comply with the statutes related to the duties and responsibilities specified in Section 6505.5 of the Act. The section further specifies that the Treasurer shall cause an independent audit(s) of the finances of Community Power to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act.

Section 7.2.2 of the JPA additionally specifies that the Community Power Board shall contract with a certified public accountant to make an annual audit of the financial statements of Community Power, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

On July 1, 2021, Community Power entered into a professional services agreement with Pisenti & Brinker to perform its annual audit for FY 2020-21. On July 1, 2022, Community Power exercised an option in the professional services agreement to extend the term from June 30, 2022, to June 30, 2023, to conduct its annual audit for FY 2021-22.

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

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

On October 17, 2024, Pisenti & Brinker provided the Finance and Risk Management Committee (FRMC) with a progress report presentation for the Fiscal Year End 2023-24 Financial Audit that provided the preliminary results. Subsequently, on October 24, 2024, the Board was similarly provided with a progress report presentation.

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

ANALYSIS AND DISCUSSION

Pisenti & Brinker's audit results will be presented to the Board on November 21, 2024, to receive and file the final the June 30, 2024, Fiscal Year End Audited Financial Statements.

COMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

Attachment A: Audited Financial Statements for Fiscal Year Ended June 30, 2024

Attachment B: Report to the Board of Directors

ITEM 10

ATTACHMENT A

SAN DIEGO COMMUNITY POWER
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 & 2023
WITH REPORT OF
INDEPENDENT AUDITORS

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Independent Auditor's Report

To the Board of Directors
San Diego Community Power

Report on the Audits of the Financial Statements

Opinion

We have audited the accompanying financial statements of San Diego Community Power (SDCP), which comprise the statements of net position as of June 30, 2024 and 2023, the related statements of revenue, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SDCP as of June 30, 2024 and 2023, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SDCP and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SDCP's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.


In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SDGP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SDGP's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in cursive script that reads "Pisenti & Brinkman LLP".

Santa Rosa, California
November 5, 2024

**SAN DIEGO COMMUNITY POWER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

The purpose of management's discussion and analysis (MD&A) is to help stakeholders and other readers understand what the financial statements and notes in this report say about San Diego Community Power's (SDCP) financial health and why it has changed since last year. It contains information drawn from other parts of the report, accompanied by explanations informed by the finance staff's knowledge of SDCP's finances.

Overview of the Financial Statements

SDCP's financial report contains basic financial statements, which include:

- The *Statements of Net Position* include all of SDCP's assets, liabilities, and net position and provides information about the nature and amount of resources and obligations at a specific point in time.
- The *Statements of Revenues, Expenses, and Changes in Net Position* report all of SDCP's revenue and expenses for the years shown.
- The *Statements of Cash Flows* report the cash provided and used by operating activities, as well as other sources and uses, such as capital and non-capital and investing activities.
- The notes to the Basic Financial Statements provide additional details and information related to the basic financial statements.

**SAN DIEGO COMMUNITY POWER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

Financial Summary

SDCP'S NET POSITION

	2024	2023	2022
Current assets	\$ 533,740,155	\$ 300,522,958	\$ 165,105,688
Noncurrent assets:			
Capital assets, net	1,258,843	1,032,334	-
Other noncurrent assets	1,147,000	5,032,000	15,950,000
Total noncurrent assets	2,405,843	6,064,334	15,950,000
Total assets	536,145,998	306,587,292	181,055,688
Current liabilities	159,813,660	83,699,768	106,666,913
Noncurrent liabilities	949,956	36,875,193	31,857,823
Total liabilities	160,763,616	120,574,961	138,524,736
Net position			
Restricted for security collateral	1,647,000	2,147,000	2,500,000
Unrestricted	373,735,382	183,865,331	40,030,952
Total net position	\$ 375,382,382	\$ 186,012,331	\$ 42,530,952

The table shows that as of June 30, 2024, SDCP's total net position was approximately \$375,382,000, an increase of \$189,400,000 or 102% compared with June 30, 2023. Most of the increase in net position was concentrated in increases in cash and cash equivalents, as a result of SDCP's operating surplus discussed below.

SDCP's Changes in Net Position

	2024	2023	2022
Operating revenues	\$ 1,264,369,520	\$ 891,178,064	\$ 386,237,698
Nonoperating revenues - investments	9,384,873	433,366	14,603
Total income	1,273,754,393	891,611,430	386,252,301
Operating expenses	1,082,692,389	746,131,125	328,966,597
Nonoperating expenses	1,691,953	1,998,926	706,115
Total expenses	1,084,384,342	748,130,051	329,672,712
Change in net position	\$ 189,370,051	\$ 143,481,379	\$ 56,579,589

Increases in electricity sales accounted for most of the increase in total income. The cost of electricity, a component of operating expenses, increased by approximately 45% from fiscal year 2023 to fiscal year 2024.

**SAN DIEGO COMMUNITY POWER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

Detailed Analysis

Current assets increased from \$300,500,000 at the end of fiscal year 2023 to \$533,700,000 at the end of fiscal year 2024. This increase was due to operating surpluses as well as the timing in paying operating expenses. Current assets at the end of fiscal year 2024 were primarily comprised of cash and cash equivalents of \$300,300,000, accounts receivable of \$103,500,000, and accrued revenue of \$76,900,000.

Capital assets are reported net of depreciation and amortization. See Note 4 to the basic financial statements for detail of changes for fiscal years 2024 and 2023. Capital assets held by SDCP include furniture, equipment, and intangible right-of-use lease assets.

Other noncurrent assets include certain restricted cash and cash equivalents of \$1,147,000 at the end of fiscal year 2024 and \$2,147,000 at the end of fiscal year 2023.

The largest component of current liabilities is the cost of electricity delivered to customers that is not yet paid by SDCP at the end of the fiscal year. Current liabilities for the cost of energy increased each year due to changes in payment terms of certain energy products, as well as the prices of those products.

Noncurrent liabilities consist of supplier security deposits, the long-term portion of lease payments for SDCP's office premises and long-term portion of the bank note payable. Most of the decrease in noncurrent liabilities is the result of retiring SDCP's bank note payable as described in the next section.

Operating revenues increased each year from fiscal years 2022 to 2024, primarily from increased load resulting from territory expansions and increases in electricity rates charged to customers. SDCP decreased the rates they charge to customers effective January 2024, but its sales volume was greater during the first half of the year before the change went into effect. The result was that overall revenues increased during fiscal year 2024. SDCP also receives revenues from sources other than retail customer sales. These sources include liquidated damage revenue resulting from supplier noncompliance with contract provisions and grant income used to assist with various customer programs. Revenue from liquidated damages increased from fiscal year 2023 to fiscal year 2024 primarily due to delays in the operations of certain energy supplier facilities and other contractual shortfalls.

**SAN DIEGO COMMUNITY POWER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

Detailed Analysis (continued)

Investment income increased each year due to changes in market interest rates as well as increases in invested assets.

Operating expenses increased from fiscal year 2023 to fiscal year 2024, due to increased prices for certain products in the energy markets and expansion of its territory. In April 2023, SDCP expanded into National City as well as the unincorporated County of San Diego. Providing service to these additional customers, as well as providing service for full year to the customers enrolled prior to fiscal year 2023, accounted for much of the increased revenue in fiscal year 2024. For all the years presented, the largest expense was the cost of electricity. SDCP procures energy from a variety of sources to minimize this risk and maintain a balanced renewable power portfolio.

Significant Capital Asset and Long-Term Financing Activity

SDCP does not own assets used for electric generation or distribution. Included in capital assets are office equipment, such as computers, furniture, and lease assets.

Assets that are leased by SDCP, such as office premises, are recorded in the Statement of Net Position with a related liability for future obligations.

During fiscal year 2024, SDCP repaid its bank note of \$35,730,000, reducing its outstanding financing debt to \$0.

Currently Known Facts, Decisions, or Conditions

SDCP is a community-owned organization that provides affordable clean energy and invests in the community to create an equitable and sustainable future for the San Diego region. The agency's vision is to be a global leader inspiring innovative solutions to climate change by powering our communities with 100% clean affordable energy while prioritizing equity, sustainability, and high-quality jobs.

In July 2024, SDCP introduced two new rate products to meet customer needs. Power100 Green+ and PowerBase, the two new products, are designed for companies that want to meet rigorous environmental standards or customers who want the lowest electricity rates possible, respectively.

SDCP also launched its Solar Battery Savings Program as a pilot with \$11,500,000 million in funding in the summer of 2024. Shortly thereafter, the California Public Utilities Commission approved SDCP and the County of San Diego's joint effort to establish a regional energy network, called "SDREN" that is poised to bring \$124,300,000 million in energy efficiency programs to the region through 2027.

**SAN DIEGO COMMUNITY POWER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

Currently Known Facts, Decisions, or Conditions (continued)

The agency is continuing to evolve from a public agency startup to a San Diego institution. In the next year, program launches, and additional power purchase agreements will serve as foundational elements to provide our customers with the opportunity to take part in the clean energy transition while keeping rates competitive.

SDCP remains on track to meet its 100% renewable energy goal by 2035. With the ongoing expansion of local energy projects, continued focus on affordability and partnerships with regional stakeholders, SDCP is well-positioned to serve as a national leader in community choice energy and climate action.

Requests for Information

This financial report is designed to provide SDCP's board members, stakeholders, customers, and creditors with a general overview of SDCP's finances and to demonstrate SDCP's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to the finance department at P.O. Box 12716, San Diego, CA 92112-3716.

BASIC FINANCIAL STATEMENTS

SAN DIEGO COMMUNITY POWER
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents - unrestricted	\$ 299,795,110	\$ 65,683,880
Cash and cash equivalents - restricted	500,000	-
Accounts receivable, net of allowance	103,512,165	110,513,731
Accrued revenue	76,863,423	78,792,784
Prepaid expenses	35,018,400	30,527,498
Other receivables	5,888,858	233,715
Deposits	12,162,199	14,771,350
Total current assets	<u>533,740,155</u>	<u>300,522,958</u>
Noncurrent assets		
Cash and cash equivalents - restricted	1,147,000	2,147,000
Capital assets, net of depreciation and amortization	1,258,843	1,032,334
Deposits	-	2,885,000
Total noncurrent assets	<u>2,405,843</u>	<u>6,064,334</u>
Total assets	<u>536,145,998</u>	<u>306,587,292</u>
LIABILITIES		
Current liabilities		
Accrued cost of electricity	148,116,316	77,345,343
Accounts payable	4,726,594	510,812
Other accrued liabilities	1,141,121	3,794,647
State surcharges payable	528,942	500,589
Deposits - energy suppliers	4,055,000	630,000
Interest and finance costs payable	281,283	552,054
Lease liabilities	964,404	366,323
Total current liabilities	<u>159,813,660</u>	<u>83,699,768</u>
Noncurrent liabilities		
Bank note payable	-	35,730,000
Deposits - energy suppliers	624,000	624,000
Lease liabilities	325,956	521,193
Total noncurrent liabilities	<u>949,956</u>	<u>36,875,193</u>
Total liabilities	<u>160,763,616</u>	<u>120,574,961</u>
NET POSITION		
Restricted for security collateral	1,647,000	2,147,000
Unrestricted	373,735,382	183,865,331
Total net position	<u>\$ 375,382,382</u>	<u>\$ 186,012,331</u>

**SAN DIEGO COMMUNITY POWER
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Electricity sales, net	\$ 1,252,787,768	\$ 891,178,064
Grant revenue	983,500	-
Other income	10,598,252	-
Total operating revenues	<u>1,264,369,520</u>	<u>891,178,064</u>
OPERATING EXPENSES		
Cost of electricity	1,047,553,476	720,327,704
Contract services	19,750,534	15,957,376
Staff compensation	11,399,388	6,726,270
Other operating expenses	3,261,424	2,866,222
Depreciation and amortization	727,567	253,553
Total operating expenses	<u>1,082,692,389</u>	<u>746,131,125</u>
Operating income	<u>181,677,131</u>	<u>145,046,939</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	9,384,873	433,366
Interest and financing expense	(1,691,953)	(1,998,926)
Nonoperating revenues (expenses), net	<u>7,692,920</u>	<u>(1,565,560)</u>
CHANGE IN NET POSITION	189,370,051	143,481,379
Net position at beginning of year	186,012,331	42,530,952
Net position at end of year	<u>\$ 375,382,382</u>	<u>\$ 186,012,331</u>

**SAN DIEGO COMMUNITY POWER
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 1,264,068,317	\$ 801,265,394
Receipts of supplier security deposits	37,126,179	47,431,731
Other operating receipts	11,581,752	10,964,074
Payments to suppliers for electricity	(998,801,579)	(753,820,919)
Payments for goods and services	(22,030,135)	(16,547,960)
Payments for staff compensation and benefits	(11,066,586)	(6,302,492)
Payments for deposits and collateral	(15,783,943)	(80,254,418)
Payments of state surcharges	(2,321,269)	(1,899,237)
Net cash provided by operating activities	<u>262,772,736</u>	<u>836,173</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Proceeds from bank notes	-	55,910,000
Principal payments - loans and advances from cities	-	(5,517,741)
Principal payments - bank note	(35,730,000)	(51,520,082)
Interest and related expense payments	(1,909,624)	(1,560,734)
Net cash used by non-capital financing activities	<u>(37,639,624)</u>	<u>(2,688,557)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments of lease liabilities	(604,328)	(235,232)
Payments to acquire capital assets	(71,550)	(91,588)
Net cash used by capital and related financing activities	<u>(675,878)</u>	<u>(326,820)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	<u>9,153,996</u>	<u>433,366</u>
Net change in cash and cash equivalents	233,611,230	(1,745,838)
Cash and cash equivalents at beginning of year	67,830,880	69,576,718
Cash and cash equivalents at end of year	<u>\$ 301,442,110</u>	<u>\$ 67,830,880</u>
Reconciliation to the Statement of Net Position		
Cash and cash equivalents (unrestricted)	\$ 299,795,110	\$ 65,683,880
Restricted cash - current	500,000	-
Restricted cash - noncurrent	1,147,000	2,147,000
Cash and cash equivalents	<u>\$ 301,442,110</u>	<u>\$ 67,830,880</u>

SAN DIEGO COMMUNITY POWER
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2024 AND 2023

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

	<u>2024</u>	<u>2023</u>
Operating income	\$ 181,677,131	\$ 145,046,939
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization expense	727,567	253,553
(Increase) decrease in:		
Accounts receivable, net	7,001,566	(60,126,741)
Accrued revenue	1,929,361	(31,853,169)
Prepaid expenses	(4,490,902)	(26,066,190)
Other receivables	(5,424,266)	(233,715)
Deposits	5,494,151	(7,965,293)
Increase (decrease) in:		
Accrued cost of electricity	70,770,973	20,113,838
Accounts payable	4,287,328	(185,693)
Other accrued liabilities	(2,653,526)	3,054,641
State surcharges payable	28,353	168,003
Deposits - energy suppliers	3,425,000	(41,370,000)
Net cash provided by operating activities	<u>\$ 262,772,736</u>	<u>\$ 836,173</u>

**SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

San Diego Community Power (SDCP) is a California Joint Powers Authority created on October 1, 2019. As of June 30, 2024, parties to its Joint Powers Agreement consist of the following local governments:

<u>County</u>	<u>Cities</u>	
San Diego (Unincorporated)	Chula Vista	La Mesa
	Encinitas	National City
	Imperial Beach	San Diego

SDCP is separate from and derives no financial support from its members. SDCP is governed by a Board of Directors whose membership is composed of elected officials or other representatives of the member governments.

A core function of SDCP is to provide electric service that includes the use of renewable sources under the Community Choice Aggregation Program under California Public Utilities Code Section 366.2.

SDCP began its energy delivery operations in March 2021. Electricity is acquired from commercial suppliers and delivered through existing physical infrastructure and equipment managed by San Diego Gas and Electric.

BASIS OF ACCOUNTING

SDCP's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

SDCP's operations are accounted for as a governmental enterprise fund and are reported using the economic resources measurement focus and the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned, and expenses are recognized at the time related liabilities are incurred. Enterprise fund-type operating statements present increases (revenues) and decreases (expenses) in total net position. Reported net position is segregated into three categories, if applicable – net investment in capital assets, restricted and unrestricted.

When both restricted and unrestricted resources are available for use, it is SDCP's policy to use restricted resources first, then unrestricted resources as they are needed.

**SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CASH AND CASH EQUIVALENTS

For the purpose of the Statements of Cash Flows, SDCP defines cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with an original maturity of three months or less. The Statements of Net Position presents restricted cash balances separately. Restricted cash reported on the Statements of Net Position includes collateral related to a bank line of credit, as well as a required minimum balance to be maintained in one of its bank accounts.

PREPAID EXPENSES

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid expenses.

DEPOSITS

Contracts to purchase energy may require SDCP to provide a supplier with advanced payments or security deposits. Security deposits are generally held for the term of the contract and are classified as current or noncurrent assets depending on the length of the time the deposits will be outstanding.

CAPITAL ASSETS AND DEPRECIATION

SDCP's policy is to capitalize furniture and equipment valued over \$5,000 that is expected to be in service for over one year. Depreciation is computed according to the straight-line method over estimated useful lives of three years for electronic equipment, and five years for furniture. Leasehold improvements are depreciated over the lesser of seven years or the length of the original lease term. SDCP does not own any electric generation assets.

LEASE ASSETS AND LEASE LIABILITIES

SDCP recognizes an asset and liability when it enters into certain leasing arrangements. The leased assets are amortized over the term of the leases. The lease liabilities are the present value of payments expected to be paid to the lessors during the terms of the lease. SDCP's only leased assets and liabilities relate to its office premises.

DEPOSITS - ENERGY SUPPLIERS

Various energy contracts entered into by SDCP require the supplier to provide SDCP with a security deposit. These deposits are generally held for the term of the contract or until the completion of certain benchmarks. Deposits are classified as current or noncurrent depending on the length of time the deposits will be held.

**SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

NET POSITION

Net position is presented in the following components:

Restricted: This component of net position consists of restraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted: This component of net position consists of net position that does not meet the definition “restricted.”

OPERATING AND NONOPERATING REVENUE

Operating revenues include revenue derived from the provision of energy to retail and wholesale customers, program-related grants, and liquidated damages resulting from counterparties who are unable to fulfill certain contractual obligations.

Investment income is considered nonoperating revenue.

REVENUE RECOGNITION

SDCP recognizes revenue according to the accrual basis. This includes invoices issued to customers during the reporting period and electricity estimated to have been delivered but not yet billed. Management estimates that a portion of the billed amounts will be uncollectible. Accordingly, an allowance for uncollectible accounts has been recorded.

OPERATING AND NONOPERATING EXPENSES

Operating expenses include the costs of electricity, services, administrative expenses, and depreciation of capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

ELECTRICAL POWER PURCHASED

During the normal course of business, SDCP purchases electrical power from numerous suppliers. Electricity costs include the cost of energy and capacity arising from bilateral contracts with energy suppliers as well as generation credits and load and other charges arising from SDCP’s participation in the California Independent System Operator’s (CAISO) centralized market. The cost of electricity and capacity is recognized as “Cost of Electricity” in the Statements of Revenues, Expenses and Changes in Net Position.

**SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ELECTRICAL POWER PURCHASED (CONTINUED)

To comply with the State of California's Renewable Portfolio Standards (RPS) and self-imposed benchmarks, SDCP acquires RPS eligible renewable energy evidenced by Renewable Energy Certificates (Certificates) recognized by the Western Renewable Energy Generation Information System (WREGIS). SDCP obtains Certificates with the intent to retire them and does not sell or build surpluses of Certificates with a profit motive.

SDCP purchases capacity commitments from qualifying generators to comply with the California Public Utilities Commission's Resource Adequacy Program. The goals of the Resource Adequacy Program are to provide sufficient resources to the CAISO to ensure the safe and reliable operation of the electrical grid in real-time and to provide appropriate incentives for the siting and construction of new resources needed for reliability in the future.

STAFFING COSTS

SDCP fully pays employees semi-monthly and fully pays its obligation for health benefits and contributions to its defined contribution retirement plan each month. SDCP is not obligated to provide post-employment healthcare or other fringe benefits and, accordingly, no related liability is recorded in these financial statements. SDCP provides compensated time off, and the related liability is recorded in these financial statements.

INCOME TAXES

SDCP is a joint powers authority under the provision of the California Government Code and is not subject to federal or state income or franchise taxes.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RECLASSIFICATIONS

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation of the current-year financial statements. These reclassifications did not result in any change in previously reported net position or change in net position or change in net position.

SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

2. CASH AND CASH EQUIVALENTS

SDCP maintains its cash in accounts at River City Bank (RCB) in Sacramento, CA and at JP Morgan Chase in New York, NY. SDCP's deposits are subject to California Government Code Section 16521 which requires that its banks collateralize public funds in excess of the Federal Deposit Insurance Corporation limit of \$250,000 by 110%.

In June 2024, SDCP revised its investment policy that prioritizes safety of principal, liquidity, return on investments and standard of care. Additionally, the policy defined acceptable investment types, prohibited investment types, diversification and risk. SDCP additionally monitors its banking risk exposure on an ongoing basis.

3. ACCOUNTS RECEIVABLE

Accounts receivable were as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Accounts receivable from customers	\$ 141,912,165	\$ 132,721,648
Allowance for uncollectible accounts	<u>(38,400,000)</u>	<u>(22,207,917)</u>
Net accounts receivable	<u><u>\$ 103,512,165</u></u>	<u><u>\$ 110,513,731</u></u>

The majority of account collections occur within the first few months after a customer is invoiced. SDCP estimates that a portion of the billed accounts will not be collected. SDCP continues collection efforts on accounts in excess of *de minimis* balances regardless of the age of the account. Although collection success generally decreases with the age of the receivable, SDCP continues to have success in collecting older accounts. The allowance for uncollectible accounts at the end of a year includes amounts billed during the current and prior fiscal years. Amounts estimated to be uncollectible are reported as a reduction in electricity sales on the Statement of Revenues, Expenses, and Changes in Net Position.

SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning balance	Increases	Ending balance
Capital assets being depreciated and amortized:			
Furniture and equipment	\$ 163,138	\$ -	\$ 163,138
Lease assets	1,122,749	954,076	2,076,825
Total capital assets being depreciated and amortized:	<u>1,285,887</u>	<u>954,076</u>	<u>2,239,963</u>
Less accumulated depreciation and amortization:			
Furniture and equipment	(4,055)	(35,299)	(39,354)
Lease assets	(249,498)	(692,268)	(941,766)
Total accumulated depreciation and amortization	<u>(253,553)</u>	<u>(727,567)</u>	<u>(981,120)</u>
Total capital assets, net of depreciation and amortization	<u>\$ 1,032,334</u>	<u>\$ 226,509</u>	<u>\$ 1,258,843</u>

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning balance	Increases	Ending balance
Capital assets being depreciated and amortized:			
Furniture and equipment	\$ -	\$ 163,138	\$ 163,138
Lease assets	-	1,122,749	1,122,749
Total capital assets being depreciated and amortized:	<u>-</u>	<u>1,285,887</u>	<u>1,285,887</u>
Less accumulated depreciation and amortization:			
Furniture and equipment	-	(4,055)	(4,055)
Lease assets	-	(249,498)	(249,498)
Total accumulated depreciation and amortization	<u>-</u>	<u>(253,553)</u>	<u>(253,553)</u>
Total capital assets, net of depreciation and amortization	<u>\$ -</u>	<u>\$ 1,032,334</u>	<u>\$ 1,032,334</u>

SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

5. DEBT

BANK NOTE PAYABLE

In May 2020, SDCP arranged to borrow up to \$35,000,000 through a revolving credit agreement from River City Bank (RCB) to provide cash for working capital before sufficient revenue was collected from customers. In March 2022, the agreement was amended and the amount available to SDCP increased to \$50,000,000. During 2023, SDCP terminated this agreement and retired its debt to RCB and entered into a new revolving credit agreement with JPMorgan (JPM) to borrow up to \$150,000,000. In October 2024, SDCP amended its credit agreement with JPM to increase the borrowing limit to \$250,000,000. As security, SDCP assigned a security interest in all customer accounts receivable, revenues, debt service reserve accounts, and cash collateral accounts. Principal can be drawn as needed and interest is accrued on the outstanding balance. SDCP borrowed a total of \$35,730,000 from JPM during 2023. The stated maturity date is February 28, 2028, with interest payable each month. The interest rate at June 30, 2023, was computed at the One-Month CME Term SOFR plus 1.525-1.600% per annum depending on the utilized balance. In the event of default, the note becomes immediately due and payable. In addition to borrowings, SDCP issues Standby Letters of Credit secured by the line of credit agreement that reduces the available portion of the line but is not considered debt to SDCP. During 2024, the bank note balance was fully repaid.

Note and loan principal activity and balances were as follows for the following direct borrowings:

	Beginning	Additions	Payments	Ending
Year ended June 30, 2024				
Bank note payable - JPM	<u>\$ 35,730,000</u>	<u>\$ -</u>	<u>\$ (35,730,000)</u>	\$ -
Amounts due within one year				-
Amounts due after one year				<u>\$ -</u>
Year ended June 30, 2023				
Bank note payable - JPM	\$ -	\$ 35,730,000	\$ -	\$ 35,730,000
Bank note payable - RCB	31,340,082	20,180,000	(51,520,082)	-
Loans payable	5,000,000	-	(5,000,000)	-
Total	<u>\$ 36,340,082</u>	<u>\$ 55,910,000</u>	<u>\$ (56,520,082)</u>	35,730,000
Amounts due within one year				-
Amounts due after one year				<u>\$ 35,730,000</u>

**SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

6. LEASES

Lease assets and lease liabilities are reported in accordance with Governmental Accounting Standards Board Statement No. 87 (GASB 87).

PROPERTY LEASES

In November 2022, SDCP entered into a 24-month non-cancelable lease for its office premises. This lease will not be renewed when it expires. In order to accommodate additional staff, SDCP entered into a separate 24-month non-cancelable lease in October 2023. This lease includes an option to renew the lease for an additional year.

Rental payments for SDCP's office space were \$610,000 and \$268,000 for the fiscal years ended June 30, 2024 and 2023, respectively.

As of June 30, 2024, future minimum lease payments were projected as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ended June 30,			
2025	\$ 964,404	\$ 51,044	\$ 1,015,448
2026	325,956	3,950	329,906
Total	<u>\$ 1,290,360</u>	<u>\$ 54,994</u>	<u>\$ 1,345,354</u>

7. DEFINED CONTRIBUTION RETIREMENT PLAN

The San Diego Community Power Plan (Plan) is a defined contribution retirement plan established by SDCP to provide benefits at retirement to its employees. The Plan is administered by Empower Retirement. As of June 30, 2024, there were 56 plan members. SDCP is required to contribute 10% of annual covered payroll to the Plan and contributed \$864,000 and \$476,000 during the fiscal years ended June 30, 2024 and 2023, respectively. The Plan includes vesting provisions intended to encourage employee retention. Plan provisions and contribution requirements are established and may be amended by the Board of Directors.

**SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

8. RISK MANAGEMENT

SDCP is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. During the year, SDCP purchased insurance policies from investment-grade commercial carriers to mitigate risks that include those associated with earthquakes, theft, general liability, errors and omissions, cybersecurity, and property damage. There were no significant reductions in coverage compared to the prior year. SDCP has general liability coverage of \$10,000,000 with a deductible of \$100,000. From time to time, SDCP may be party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and SDCP's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on SDCP's financial position or results of operations.

SDCP maintains a comprehensive risk management framework to identify and mitigate credit, liquidity, market, operational, regulatory, and other risks associated with participation in the California energy market. The framework employs credit risk strategies, including a preference for transacting with investment-grade counterparties, establishing credit limits, and securing collateral when necessary. To address market risks, SDCP utilizes hedging strategies, netting arrangements, and liquidity monitoring. Internal controls and compliance mechanisms are in place to manage operational and regulatory risks, ensuring adherence to legal and market regulations. Risk monitoring and oversight are continuously performed through frequent reporting, with key risks communicated promptly to stakeholders. This integrated approach enables SDCP to maintain a balanced risk profile while adapting to evolving market conditions.

**SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

9. PURCHASE COMMITMENTS

In the ordinary course of business, SDCP enters into various power purchase agreements in order to acquire renewable and other energy and electric capacity. The price and volume of purchased power may be fixed or variable. Variable pricing is generally based on the market price of electricity at the date of delivery. Variable volume is generally associated with contracts to purchase energy from as-available resources such as solar, wind, and hydro-electric facilities.

The following table represents the expected, undiscounted, contractual obligations outstanding as of June 30, 2024:

Year ending June 30,	
2025	\$ 802,300,000
2026	578,400,000
2027	486,800,000
2028	561,500,000
2029	554,600,000
2030-2047	<u>6,909,700,000</u>
Total	<u>\$ 9,893,300,000</u>

10. FUTURE GASB PRONOUNCEMENTS

The requirements of the following GASB Statements are effective for years ending after June 30, 2024:

GASB has approved GASB Statement No. 102, *Certain Risk Disclosures*, and GASB Statement No. 103, *Financial Reporting Model Improvements*.

Management is evaluating the effect of implementation of these statements.

SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

11. SUBSEQUENT EVENT

In October 2024, SDCP became a member of a joint powers agreement (JPA) through the California Community Choice Financing Authority (CCCFA). CCCFA was formed as a conduit issuer to assist its members by undertaking the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds on behalf of one or more of the members by issuing or incurring bonds and entering into related contracts with its members. Any debt or liability incurred by CCCFA on behalf of a member to prepay for renewable energy is not a debt or liability of that member. Furthermore, the assets of CCCFA in the form of prepaid energy or reserves held by the respective bond trustees for any prepayment transaction undertaken on behalf of a member does not constitute an asset or reserve of that member. CCCFA has not yet issued any bonds whose proceeds related to financing energy purchases for SDCP. The financial statements of CCCFA are available online at <http://www.cccfa.org/key-documents.html>.

ITEM 10

ATTACHMENT B

San Diego Community Power

Report to the Board of Directors

Year Ended June 30, 2024




PISENTI & BRINKER LLP
Certified Public Accountants & Advisors

To the Board of Directors
San Diego Community Power
815 E Street
San Diego, CA 92112

We are pleased to present this report related to our audit of the financial statements of San Diego Community Power ("SDCP") as of and for the year ended June 30, 2024. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for SDCP's financial reporting process.

This report is intended solely for the information and use of the Financial and Risk Management Committee, Board of Directors and management of SDCP and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to San Diego Community Power.



Santa Rosa, California
November 5, 2024

cc: Eric Washington, CFO

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REQUIRED COMMUNICATIONS

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated October 30, 2024. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated August 26, 2024 regarding the planned scope and timing of our audit and identified significant risks, if any.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by SDCP. SDCP did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant or Unusual Transactions

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Management's Judgments and Accounting Estimates

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.

Audit Adjustments and Uncorrected Misstatements

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Departure From the Auditor's Standard Report

Reporting – Expected Other-Matter Paragraph

Accounting principles generally accepted in the United States of America and the Governmental Accounting Standards Board require that the management's discussion and analysis be presented to supplement the financial statements. We do not express an opinion or provide any assurance on the information. In light of this matter, we will include an other-matter paragraph in the auditor's report. This matter will not modify the opinion. Below is the paragraph included in the auditor's report:

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing SDCP's audited financial statements is to read the information and consider whether its content or manner of its presentation is materially inconsistent with the financial information covered by our auditor's report or whether it contains a material misstatement of fact. We read SDCP's Board of Directors meeting packet materials. We did not identify material inconsistencies with the audited financial statements.

Observations About the Audit Process

Disagreements With Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements

Consultations With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Observations About the Audit Process (continued)

Significant Issues Discussed With Management

No significant issues arising from the audit were discussed or the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Shared Responsibilities: AICPA Independence

The American Institute of Certified Public Accountants (AICPA) regularly emphasizes that auditor independence is a joint responsibility and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with AICPA independence rules. For Pimenti & Brinker LLP (the Firm) to fulfill its professional responsibility to maintain and monitor independence, management, Board of Directors, and the Firm each play an important role.

Our Responsibilities

- AICPA rules require independence both of mind and in appearance when providing audit and other attestation services. The Firm is to ensure that the AICPA's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

SDCP's Responsibilities

- Timely inform the Firm, before the effective date of transactions or other business changes, of the following:
 - New affiliates, directors, or officers.
- Understand and conclude on the permissibility, prior to SDCP's, officers, directors, or persons in a decision-making capacity, engaging in business relationships with the Firm.
- Not entering into relationships resulting in close family members of the Firm covered persons, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the Company.

Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of SDCP, are attached as Exhibit A.

SIGNIFICANT ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following summarizes the significant accounting estimates reflected in SDCP's June 30, 2024 financial statements.

Significant Accounting Estimates

Accrued Revenue

Accounting policy/ Management's estimation process	Management's estimate of accrued revenue includes historical trends and anticipated energy usage.
Basis for our conclusion on the reasonableness of the estimate	We tested management's estimate analytically and determined management's estimate to be reasonable in relation to the financial statements taken as a whole.

Cost of Electricity

Accounting policy/ Management's estimation process	Management's estimate of accrued cost of electricity includes historical trends and anticipated energy usage.
Basis for our conclusion on the reasonableness of the estimate	We tested management's estimate through subsequent disbursements and analytical procedures and determined management's estimate to be reasonable in relation to the financial statements taken as a whole.

Allowance for Uncollectible Accounts

Accounting policy/ Management's estimation process	Management's estimate of the allowance for uncollectible accounts includes historical collection trends and anticipated future collections.
Basis for our conclusion on the reasonableness of the estimate	We evaluated the key factors and assumptions used to develop the estimate in determining that the allowance is reasonable in relation to the financial statements taken as a whole.

EXHIBIT A

**Significant Written Communications Between Management and
Our Firm**

November 5, 2024

Pisenti & Brinker LLP
3562 Round Barn Circle, Suite 200
Santa Rosa, CA 95403

This representation letter is provided in connection with your audit of the basic financial statements of San Diego Community Power ("SDCP") as of and for the years ended June 30, 2024 and 2023 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, that as of November 5, 2024:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated October 30, 2024, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.

7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.
9. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
10. Deposit risk has been properly and fully disclosed.
11. The government has properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in the debt agreements related to significant default or termination events with finance-related consequences and significant subjective acceleration clauses in accordance with GASB Statement No. 88.
12. Components of net position (restricted and unrestricted) are properly classified and, if applicable, approved.
13. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance.
14. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

15. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within SDCP from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
16. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.
17. We have disclosed to you the results of our assessment of risk that the basic financial statements may be materially misstated as a result of fraud.

18. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud.
19. We have no knowledge of allegations of fraud or suspected fraud affecting SDCP's basic financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the basic financial statements.
20. We have no knowledge of any allegations of fraud or suspected fraud affecting SDCP's basic financial statements received in communications from employees, former employees, analysts, regulators, short sellers or others.
21. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
22. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements. We have not consulted legal counsel concerning litigation or claims.
23. We have disclosed to you the identity of all of SDCP's related parties and all the related-party relationships and transactions of which we are aware.
24. We are aware of no significant deficiencies in internal control over financial reporting, including significant deficiencies or material weaknesses, in the design or operation of internal controls that could adversely affect SDCP's ability to record, process, summarize and report financial data.
25. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
26. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
27. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts.
28. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

29. There are no:

- a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
- b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB 62.
- c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB 62.

Required Supplementary Information

30. With respect to the Management's Discussion and Analysis presented as required by the Governmental Accounting Standards Board to supplement the basic financial statements:

- a. We acknowledge our responsibility for the presentation of such required supplementary information.
- b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
- c. The methods of measurement or presentation have not changed from those used in the prior period.


Eric Washington (Nov 7, 2024 09:29 PST)

Eric W. Washington
Chief Financial Officer


Michael Maher (Nov 7, 2024 09:31 PST)

Michael Maher,
Maher Accountancy

EXHIBIT B

Recent Accounting Pronouncements

RECENT ACCOUNTING PRONOUNCEMENTS

The following accounting pronouncements have been issued as of November 5, 2024 but are not yet effective and may affect the future financial reporting by SDCP.

Pronouncement	Summary
GASB Statement No. 102, <i>Certain Risk Disclosure</i>	GASB Statement No. 102, Certain Risk Disclosures, is effective for fiscal years beginning July 1, 2024. The objective of this Statement is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.
GASB Statement No. 103, <i>Financial Reporting Model Improvements</i>	GASB Statement No. 103, Financial Reporting Model Improvements, is effective for fiscal years beginning July 1, 2025. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.



SAN DIEGO COMMUNITY POWER Staff Report – Item 11

To: San Diego Community Power Board of Directors

From: Eric Washington, Chief Financial Officer/Treasurer

Via: Karin Burns, Chief Executive Officer

Subject: Presentation and Update on Clean Energy Prepayment Financing

Date: November 21, 2024

RECOMMENDATION

Receive and file Presentation and Update on Clean Energy Prepayment Financing.

BACKGROUND

On October 1, 2019, the founding members of San Diego Community Power (Community Power) adopted the Joint Powers Agreement (JPA), amended and restated on December 16, 2021.

Section 3.2.12 of the JPA specifies that the Community Power Board of Directors (Board) may, at its discretion, adopt rules, regulations, policies, bylaws, and procedures governing the operation of Community Power.

Further, section 3.2.7 of the JPA states that Community Power at the discretion of the Board may incur debts, liabilities, and obligations, including but not limited to loans from private lending sources under its temporary borrowing powers authorized by law under Government Code Section 53850 et seq. and authority under the Act.

Finally, section 3.2.8 of the JPA states that Community Power, at the discretion of the Board, may issue revenue bonds and other forms of indebtedness and, per section 3.2.9, may apply for, accept, and receive all licenses, permits, grants, loans, or other aids from any federal, state, or local public agency.

Municipal electric, gas utilities, and tax-exempt entities such as community choice aggregators (CCAs) in the United States (US) can prepay for a supply of electricity or natural gas from a taxable (corporate) entity and fund that prepayment with tax-exempt municipal bonds. These entities must sell that commodity to retail end-users within their traditional service area.

Prepayment transactions are legal and codified in US Tax Law. Since the first natural gas prepayments were made in the early 1990s, the Internal Revenue Service (IRS) issued

rules allowing tax-exempt prepayments, and Congress enacted legislation specifically allowing the transactions (National Energy Policy Act of 2005; Section 1327).

Since then, over 90 municipal prepayment transactions totaling over \$50 billion have been completed in the US—over 95% of these were for natural gas, which is easier to “prepay” because the commodity is homogenous and easy to store.

Prepayments have saved utility ratepayers (natural gas, electricity from gas-fired power plants, and energy from renewable power projects) billions of dollars in reduced rates and energy charges and are anticipated to continue to do so over the 30-year life of the transactions.

On November 7, 2023, Community Power requested bids from qualified and experienced firms to provide a full range of municipal advisory services necessary for Community Power to evaluate, structure, and execute prepayment transactions. Shortly after, on December 18, 2023, Community Power agreed with PFM Financial Advisors LLC (PFM) to provide these services.

Next, on February 15, 2024, the Finance and Risk Management Committee received a Clean Energy Prepayment Financing Presentation. It discussed Community Power’s interest in pursuing a prepayment transaction, given the potential savings it can generate. Subsequently, on February 22, 2024, the Board received a similar Presentation on Clean Energy Prepayment Financing.

Then, on April 19, 2024, Community Power issued two requests for proposals (RFPs) for the prepaid transaction for legal services related to bond, tax, and disclosure counsel and for underwriter services to structure an energy prepayment program. These services are critical to completing a prepayment transaction.

On August 22, 2024, the Community Power Board of Directors approved Chapman and Cutler LLP to facilitate the capacity of Disclosure Counsel services.

Through the RFPs issued on April 19, 2024, Community Power also recommended Orrick, Herrington & Sutcliffe LLP to facilitate the capacity of Tax and Bond Counsel services. This agreement would be directly with the Bond Issuer.

On September 26, 2024, the Community Power Board of Directors approved the California Community Choice Finance Financing Authority (CCCFA) as an associate member and the conduit issuer of prepaid bonds on Community Power’s behalf.

On October 11, 2024, the CCCFA Board of Directors admitted Community Power as an associate member during a special meeting.

Finally, on October 24, 2024, the Community Power Board of Directors adopted Resolution No. 2024-08, authorizing execution of an energy prepayment transaction,

related documents, and 'form of' documents subject to maximum issuance amount, limitation on fees, and minimum required savings.

ANALYSIS AND DISCUSSION

On November 5, 2024, staff executed the bond purchase agreement including bond pricing consistent with the timeline previously presented to the Board. Final closing is scheduled for November 20, 2024, and staff are presenting an update on the terms of prepaid agreement.

- **Nov 7, 2023:** RFP was issued for Municipal Financial Advisor (MFA)
- **Dec 28, 2023:** PFM was selected as MFA
- **Feb 15, 2024:** FRMC Prepaid Financing Presentation
- **Feb 22, 2024:** Board Presentation Prepaid Financing Presentation
- **Apr 19, 2024:** RFP issued for underwriter and legal services (bond, tax, disclosure)
- **Aug 22, 2024:** Legal counsel agreement with Chapman & Cutler for disclosure services approved
- **Sep 19, 2024:** FRMC – Presentation and potential recommendation for Board approval of Resolution for Bond Issuer
- **Sep 26, 2024:** Board – Presentation and approval of Resolution for Bond Issuer, California Community Choice Financing Authority (CCCFA)
- **Oct 11, 2023:** CCCFA board approves SDCP as an associate member
- **Oct 17, 2024:** FRMC – Presentation and recommendation for Board approval on prepay Resolution to authorize prepay transaction parameters and documents
- **Oct 24, 2024:** Board – Presentation and approval on prepay Resolution to authorize prepay transaction parameters and documents
- **Nov 5, 2024:** Execute bond purchase agreement and Bond pricing (bond pricing date)
- **Nov 20, 2024:** Scheduled closing date

Additionally, staff are including as attachments the final attachments from Resolution No. 2024-08 that show the changes from the 'form of documents' to the final documents.

COMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

- Attachment A: Power Supply Contract between San Diego Community Power and the Issuer;
- Attachment B: Custodial Agreement by and among San Diego Community Power, the Issuer, MSCG, the Prepaid Supplier, and a custodial bank to be named therein;
- Attachment C: Form of Limited Assignment Agreement, by and among San Diego Community Power, the counterparty to the power purchase agreement described therein, and MSCG;
- Attachment D: Letter Agreement by and among San Diego Community Power, the Prepaid Supplier, and MSCG regarding matters relating to Assignment Agreements;
- Attachment E: Prepaid Energy Project Administration Agreement relating to the Project, by and between San Diego Community Power and the Issuer; and
- Attachment F: Memorandum of Understanding between San Diego Community Power and the Issuer indemnifying the Issuer against specific rating fees.
- Attachment G: Appendix A to the Official Statement



ITEM 11

ATTACHMENT A

POWER SUPPLY CONTRACT

between

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

and

SAN DIEGO COMMUNITY POWER

Dated as of November 5, 2024

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Exhibit A-2 -	EPS Energy Period Monthly Projected Quantities
Exhibit A-3 -	Annual Quantity
Exhibit B -	Notices
Exhibit C -	Form of Remarketing Election Notice
Exhibit D -	Form of Federal Tax Certificate
Exhibit E -	Form of Opinion of Counsel to Purchaser
Exhibit F -	Monthly Discount
Exhibit G -	Form of Closing Certificate
Exhibit H -	Form of Remediation Certificate

POWER SUPPLY CONTRACT

This Power Supply Contract (hereinafter “Agreement”) is made and entered into as of November 5, 2024 (the “Execution Date”), by and between California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 *et seq.* of the California Government Code, as amended) (“Issuer”) and San Diego Community Power, a California joint powers authority (“Purchaser”).

W I T N E S S E T H:

WHEREAS, Issuer has planned and developed a project to acquire long-term Energy supplies from Energy Prepay IV, LLC (“Prepay LLC”) pursuant to a Prepaid Energy Sales Agreement (as amended, restated, supplemented or otherwise modified from time to time, the “Prepaid Agreement”) to meet a portion of the Energy supply requirements of Purchaser through an energy prepayment project (the “Clean Energy Project”); and

WHEREAS, Issuer will finance the prepayment under the Prepaid Agreement, and the other costs of, the Clean Energy Project by issuing the Bonds; and

WHEREAS, Purchaser is a joint powers authority organized pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code and a community choice aggregator pursuant to the provisions of Section 366.2 of the California Public Utilities Code with authority to sell electricity to retail electric consumers within its service area; and

WHEREAS, Purchaser is agreeable to purchasing a portion of its Energy requirements from Issuer under the terms and conditions set forth in this Agreement and Issuer is agreeable to selling to Purchaser such supplies of Energy under the terms and conditions set forth in this Agreement; and

WHEREAS, concurrently with the execution of this Agreement, Purchaser has assigned to Prepay LLC certain Assigned Rights and Obligations, including the right to receive Assigned Product, which Assigned Product will be delivered to Issuer under the Prepaid Agreement and then resold by Issuer hereunder; and

WHEREAS, as a condition precedent to the effectiveness of the Parties’ obligations under this Agreement, Issuer shall have entered into the Prepaid Agreement and shall have issued the Bonds.

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Issuer and Purchaser (the “Parties” hereto; each is a “Party”) agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Defined Terms. The following terms, when used in this Agreement and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“Affiliate” means, with respect to either Party, any entity which is a direct or indirect parent or subsidiary of such Party or which directly or indirectly (i) owns or controls such Party, (ii) is owned or controlled by such Party, or (iii) is under common ownership or control with such Party. For purposes of this definition, “control” of an entity means the power, directly or indirectly, either to (a) vote 50% or more of the securities having ordinary voting power for the election of directors or Persons performing similar functions or (b) direct or cause the direction of the management and policies, whether by contract or otherwise.

“Agreement” has the meaning specified in the preamble and shall include exhibits, recitals and attachments referenced herein and attached hereto and all amendments, supplements and modifications hereto and thereto.

“Annual Quantity” means, with respect to each Contract Year of the Delivery Period, the quantity (in MWh) of Assigned Product for such Contract Year as set forth on Exhibit A-3; provided that the Annual Quantity for any Contract Year shall be reduced by the aggregate amount of any quantities of Base Energy required to be remarketed under this Agreement for any given Contract Year.

“Annual Refund” means the annual refund, if any, provided to Purchaser and calculated pursuant to the procedures specified in Section 3.2(b).

“Applicable Rating Agencies” means, at any given time, each Rating Agency then rating the Bonds.

“Assigned Delivery Point” has the meaning specified in the applicable Assignment Agreement.

“Assigned Energy” has the meaning specified in the applicable Assignment Agreement; provided that any Assigned Energy shall be EPS Compliant Energy as set forth in the Assignment Letter Agreement.

“Assigned Paygo Quantity” means any Assigned Products delivered under this Agreement in excess of the Annual Quantity for any Contract Year.

“Assigned PPA” has the meaning specified in the Participant Custodial Agreement.

“Assigned PPA Index Adder” means the amount (in \$/MWh) specified in Exhibit A-2 for each Month of the Delivery Period.

“Assigned Product” means, as applicable, PCC1 Product, Long-Term PCC1 Product, PCC2 Product, Assigned Energy, Assigned RECs and any other product included in an Assignment Agreement.

“Assigned RECs” means any RECs to be delivered to MSCG or Prepay LLC pursuant to any Assigned Rights and Obligations.

“Assigned Rights and Obligations” means a portion of Purchaser’s rights and obligations under a power purchase agreement assigned pursuant to an Assignment Agreement.

“Assignment Agreement” means the Initial Assignment Agreement and any subsequent assignment agreement entered into consistent with the Assignment Letter Agreement.

“Assignment Letter Agreement” means that certain Letter Agreement, dated as of the date hereof, by and among MSCG, Prepay LLC, Issuer and Purchaser.

“Assignment Period” has the meaning specified in the applicable Assignment Agreement.

“Available Discount” means, for each Reset Period, the amount, expressed in cents per MWh (rounded down to the nearest one-half cent), determined by the Calculation Agent pursuant to the Re-Pricing Agreement for such Reset Period. The Available Discount shall equal the sum of the Monthly Discount and any anticipated Annual Refunds for the applicable Reset Period.

“Balancing Authority” has the meaning specified in the CAISO Tariff.

“Base Energy” means Firm (LD) Energy.

“Billing Date” has the meaning specified in Section 14.1(b).

“Billing Statement” has the meaning specified in Section 14.1(b).

“Bond Closing Date” means the first date on which the Bonds are issued pursuant to the Bond Indenture.

“Bond Indenture” means (i) the Trust Indenture to be entered into prior to the commencement of the Delivery Period between Issuer and the Trustee, as supplemented and amended from time to time in accordance with its terms, and (ii) any trust indenture entered into in connection with the commencement of any Interest Rate Period after the initial Interest Rate Period between Issuer and the Trustee containing substantially the same terms as the indenture described in clause (i) and which is intended to replace the indenture described in clause (i) as of the commencement of such Interest Rate Period.

“Bonds” means the bonds issued pursuant to the Bond Indenture.

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a Federal Reserve Bank Holiday, (iii) any other day on which commercial banks in either New York,

New York or the State of California are authorized or required by Law to close, or (iv) any other day excluded pursuant to the Bond Indenture.

“CAISO” means California Independent System Operator or its successor.

“CAISO Tariff” means CAISO’s FERC-approved tariff, as modified, amended or supplemented from time to time.

“Calculation Agent” has the meaning specified in the Re-Pricing Agreement.

“California Long-Term Contracting Requirements” means the long-term contracting requirement set forth in the Clean Energy and Pollution Reduction Act of 2015 (SB 350), California Public Utilities Code section 399.13(b), and CPUC Decision 17-06-026 and CPUC Decision 18-05-026, as may be modified by subsequent decision of the California Public Utilities Commission or by other Law.

“CCA Revenues” means all charges received for, and all other income and receipts derived by Purchaser from, the operation of its CCA System, including income derived from the sale of electric energy by its CCA System.

“CCA System” means Purchaser’s community choice aggregation program that provides electric energy supply service to retail customers located within its service area.

“Claiming Party” has the meaning specified in Section 11.1.

“Claims” means all claims or actions, threatened or filed, that directly or indirectly relate to the indemnities provided herein, and the resulting losses, damages, expenses, attorneys’ fees, experts’ fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

“Clean Energy Project” has the meaning specified in the recitals.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commercially Reasonable” or “Commercially Reasonable Efforts” means, with respect to any purchase or sale or other action required to be made, attempted or taken by a Party under this Agreement, such efforts as a reasonably prudent Person would undertake for the protection of its own interest under the conditions affecting such purchase or sale or other action, including without limitation, the amount of notice of the need to take such action, the duration and type of the purchase or sale or other action, the competitive environment in which such purchase or sale or other action occurs, and the risk to the Party required to take such action.

“Contract Price” means (i) with respect to Monthly Projected Quantities, (A) the Day-Ahead Average Price, minus (B) the Monthly Discount; and (ii) with respect to Monthly Excess Quantities and Assigned Paygo Quantities, the Day-Ahead Average Price. For the avoidance of doubt, the Contract Price for Assigned Energy is inclusive of any amounts due in respect of other Assigned Products.

“Contract Quantity” means (i) with respect to Assigned Energy, the Annual Quantity of Assigned Energy for each Contract Year of the Delivery Period; and (ii) with respect to Base Energy, the Hourly Quantity of Base Energy set forth in Exhibit A-1 for any Month, as such Exhibits A-1 and A-2 shall be updated from time to time in accordance with Section 6.2.

“Contract Year” means each period of 12 Months from January 1 until December 31 during the Delivery Period.

“Day-Ahead Average Price” means, for any Assigned Energy in any EPS Energy Period, the result of (i) (x) the sum of the Day-Ahead Market Prices for each Pricing Interval in a Month divided by (y) the number of Pricing Intervals in such Month plus (ii) the Assigned PPA Index Adder for the relevant Month. As used in this definition, “Pricing Interval” means each unit of time for which CAISO establishes a separate price.

“Day-Ahead Market Price” means The Day Ahead Market or Locational Marginal Price for the Energy Delivery Point for each applicable hour as published by CAISO, or as such price may be corrected or revised from time to time by such independent system operator or other entity in accordance with its rules.

“Default Rate” means, as of any date of determination, the lesser of (a) the sum of (i) the rate of interest per annum quoted in The Wall Street Journal (Eastern Edition) under the “Money Rates” section as the “Prime Rate” for such date of determination, plus (ii) one percent per annum, or (b) if a lower maximum rate is imposed by applicable Law, such maximum lawful rate.

“Delivery Hours” means each Hour commencing at 00:00 (PPT) on the first day of the Delivery Period, and each Hour thereafter during the Delivery Period.

“Delivery Period” means the period beginning on January 1, 2025 and ending on December 31, 2054; provided that the Delivery Period shall end immediately upon the effective termination date of the Prepaid Agreement or early termination of this Agreement pursuant to Article XVII hereof.

“Delivery Point” means (i) the applicable Assigned Delivery Point(s) for Assigned Energy and (ii) the applicable Energy Delivery Point for Base Energy (as set forth in Exhibits A-1 and A-2).

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in MWhs.

“Energy Delivery Point” has the meaning specified in Exhibit A-1.

“EPS” means California’s Emissions Performance Standards, as set forth in Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law.

“EPS Compliant Energy” means Energy that Purchaser can contract for and purchase in compliance with EPS requirements that are applicable to Purchaser.

“EPS Energy Period” means the Initial EPS Energy Period and any subsequent Assignment Period established by a future assignment of a power purchase agreement consistent with the Assignment Letter Agreement.

“Execution Date” has the meaning specified in the preamble.

“Federal Tax Certificate” means the executed Federal Tax Certificate delivered by Purchaser in the form attached as Exhibit D.

“FERC” means the Federal Energy Regulatory Commission and any successor thereto.

“Firm (LD)” means, with respect to the obligation to deliver Energy, that either Party shall be relieved of its obligations to sell and deliver or purchase and receive without liability only to the extent that, and for the period during which, such performance is prevented by Force Majeure.

“Force Majeure” means an event or circumstance which prevents one Party from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the Execution Date, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (i) the loss of Purchaser’s markets; (ii) Purchaser’s inability economically to use or resell the Energy purchased hereunder; (iii) the loss or failure of Issuer’s supply except if such loss or failure results from curtailment by a Transmission Provider; or (iv) Issuer’s ability to sell the Energy at a higher price. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (a) such Party has contracted for firm transmission with such Transmission Provider for the Energy to be delivered to or received at the Delivery Point and (b) such curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the Transmission Provider’s tariff; *provided*, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that Force Majeure as defined in the first sentence hereof has occurred. Notwithstanding the foregoing or anything to the contrary herein, (I) any invocation of Force Majeure by Prepay LLC under the Prepaid Agreement shall constitute Force Majeure in respect of Issuer hereunder; (II) to the extent that (x) a PPA Supplier fails to deliver any Assigned Energy and claims force majeure with respect to such failure to deliver or (y) a PPA Supplier otherwise is unable to deliver any portion of the Annual Quantity due to an event that would be considered Force Majeure under this Agreement if it affected Issuer directly, then such event shall be deemed to constitute Force Majeure in respect of Issuer hereunder; and (III) to the extent that an Assignment Agreement is terminated early, such termination shall constitute Force Majeure with respect to Issuer until the earlier of (A) the commencement of an “Assignment Period” under a replacement Assignment Agreement, (B) the commencement of the delivery of EPS Compliant Energy procured by MSCG

consistent with the Assignment Letter Agreement or (C) the end of the second Month following the Month in which such early termination occurs.

“Government Agency” means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

“Hour” means each 60-minute period commencing at 00:00 PPT during the Delivery Period. The term “Hourly” shall be construed accordingly.

“Hourly Quantity” means, with respect to each Delivery Hour during the Delivery Period, the quantity (in MWh) of Base Energy set forth on Exhibit A-1 for the Month in which such Delivery Hour occurs (as such Exhibit A-1 may be updated from time to time in accordance with Section 6.2).

“Initial Assignment Agreement” means that certain Limited Assignment Agreement, dated on or around the Bond Closing Date, by and among Purchaser, Prepay LLC and the Initial PPA Supplier.

“Initial EPS Energy Period” means the “Assignment Period” as defined in the Initial Assignment Agreement.

“Initial PPA Supplier” means MSCG.

“Initial Reset Period” means the period beginning on January 1, 2025 and ending on September 30, 2032.

“Interest Rate Period” has the meaning specified in the Bond Indenture.

“Issuer” has the meaning specified in the preamble.

“Issuer Default” has the meaning specified in Section 17.1.

“Law” means any statute, law, rule or regulation or any judicial or administrative interpretation thereof having the effect of the foregoing enacted, promulgated, or issued by a Government Agency whether in effect as of the Execution Date or at any time in the future.

“Long-Term PCC1 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1, and the California Long-Term Contracting Requirements, to be delivered to MSCG, Prepay LLC or any successors thereto pursuant to any Assigned Rights and Obligations.

“Minimum Discount” means no less than \$5.50 per MWh for each Reset Period after the Initial Reset Period. Such amount is inclusive of any projected Annual Refund.

“Month” means, during the Delivery Period, a calendar month. The term “Monthly” shall be construed accordingly.

“Monthly Discount” means (i) for the Initial Reset Period, an amount (when taken together with any Annual Refund) that is not less than the Minimum Discount and is specified in Exhibit F, which Exhibit F shall be provided by Issuer to Purchaser on the Bond Closing Date, and (ii) for each subsequent Reset Period, a portion of the Available Discount for such Reset Period determined by the Calculation Agent pursuant to the Re-Pricing Agreement and set forth in an updated Exhibit F provided by Issuer after such determination.

“Monthly Excess Quantity” means, for any Month, the amount, if any, by which the total quantity (in MWh) of Assigned Product delivered under an Assigned PPA in such Month exceeds the Monthly Projected Quantity for such Assigned PPA for such Month.

“Monthly Projected Quantity” means, with respect to each Assigned PPA and each Month of the Assignment Period for each Assigned PPA, the quantity (in MWh) of Assigned Product for such Month as set forth on Exhibit A-2 for such Assigned PPA (as such Exhibit A-2 may be updated from time to time in accordance with Section 6.2).

“MSCG” means Morgan Stanley Capital Group Inc., a Delaware corporation.

“MWh” means megawatt-hour.

“Non-Priority Energy” means Energy that is not Priority Energy.

“Participant Custodial Agreement” means that certain Custodial Agreement, dated as of the Bond Closing Date, by and among Purchaser, Issuer, Prepay LLC, MSCG and the Participant Custodian.

“Participant Custodian” means U.S. Bank Trust Company, National Association, a national banking association.

“Party” has the meaning specified in the recitals.

“PCC1 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1 to be delivered to MSCG, Prepay LLC or any successors thereto pursuant to any Assigned Rights and Obligations.

“PCC2 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 2 to be delivered to MSCG, Prepay LLC or any successors thereto pursuant to any Assigned Rights and Obligations.

“Person” means any individual, limited liability company, corporation, partnership, joint venture, trust, unincorporated organization or Government Agency.

“Portfolio Content Category 1” means any Renewable Energy Credit associated with the generation of electricity from an “Eligible Renewable Energy Resource” consisting of the portfolio content set forth in California Public Utilities Code Section 399.16(b)(1), as may be amended from time to time or as further defined or supplemented by Law.

“Portfolio Content Category 2” means any Renewable Energy Credit associated with the generation of electricity from an Eligible Renewable Energy Resource consisting of the portfolio content set forth in California Public Utilities Code Section 399.16(b)(2), as may be amended from time to time or as further defined or supplemented by Law.

“Potential Remarketing Event” has the meaning specified in Section 3.4(b).

“PPA Supplier” means the Initial PPA Supplier and any subsequent supplier who enters into an Assignment Agreement consistent with the terms of the Assignment Letter Agreement.

“PPT” means Pacific Prevailing Time.

“Prepaid Agreement” has the meaning specified in the recitals.

“Prepay LLC” has the meaning specified in the recitals.

“Priority Energy” means the Contract Quantity to be purchased by Purchaser under this Agreement, together with Energy that Purchaser is obligated to take under a long-term agreement, which Energy either (i) has been purchased by Purchaser or a joint action agency in a prepayment transaction using the proceeds of bonds, notes, or other obligations, the interest on which is excluded from gross income for federal income tax purposes, or (ii) is generated using capacity that was constructed using the proceeds of bonds, notes, or other obligations, the interest on which is excluded from gross income for federal income tax purposes (provided that, with respect to clause (ii), Priority Energy shall not include Energy that is generated using capacity that was wholly or partially financed through the monetization of renewable tax credits, whether such monetization is accomplished through a tax equity investment or otherwise, or that is generated from federally owned and operated hydroelectric facilities, including through the United States Army Corps of Engineers and the United States Bureau of Reclamation, and marketed by the Bonneville Power Administration or the Western Area Power Administration).

“Project Participant” has the meaning specified in the Bond Indenture.

“Purchaser” has the meaning specified in the preamble.

“Purchaser Default” has the meaning specified in Section 17.2.

“Purchaser’s Statement” has the meaning specified in Section 14.1(a).

“Qualifying Use Requirements” means, with respect to any Energy delivered under this Agreement, such Energy is used (i) for a “qualifying use” as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii), (ii) in a manner that will not result in any “private business use” within the meaning of Section 141 of the Code, and (iii) in a manner that is consistent with the Federal Tax Certificate attached as Exhibit D.

“Rating Agency” has the meaning specified in the Bond Indenture.

“Re-Pricing Agreement” means the Re-Pricing Agreement, dated as of the Bond Closing Date, by and between Issuer and Prepay LLC.

“Remarketing Election Deadline” means, for any Reset Period, the last date and time by which the Purchaser may provide a Remarketing Election Notice, which shall be 4:00 p.m. PPT on the 10th day of the Month (or, if such day is not a Business Day, the next succeeding Business Day) prior to the first delivery Month of a Reset Period with respect to which a Potential Remarketing Event has occurred.

“Remarketing Election Notice” has the meaning specified in Section 3.4(b).

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

“Reset Period” means each “Reset Period” under the Re-Pricing Agreement.

“Reset Period Notice” has the meaning specified in Section 3.4(a).

“RPS” means the renewable energy program and policies established by California State Senate Bills 1038 (2002), 1078 (2002), 107 (2008), X-1 2 (2011), 350 (2015), and 100 (2018) as codified in, inter alia, California Public Utilities Code Sections 399.11 through 399.31 and California Public Resources Code Sections 25740 through 25751, as such provisions are amended or supplemented from time to time.

“Schedule”, “Scheduled” or “Scheduling” means the actions of Issuer, Purchaser and/or their designated representatives, including each Party’s Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity of Energy to be delivered during any given portion of the Delivery Period at a specified Delivery Point.

“Transmission Provider(s)” means any entity or entities transmitting or transporting Energy on behalf of Issuer or Purchaser to or from the Delivery Point.

“Trustee” means U.S. Bank Trust Company, National Association, a national banking association, and its successors as Trustee under the Bond Indenture.

“Voided Remarketing Election Notice” has the meaning specified in Section 3.4(b).

“WREGIS” means the Western Renewable Energy Generation Information System or its successor.

Section 1.2 Definitions; Interpretation. References to “Articles,” “Sections,” “Schedules” and “Exhibits” shall be to Articles, Sections, Schedules and Exhibits, as the case may be, of this Agreement unless otherwise specifically provided. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word “include” or “including”, when following

any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the scope of such general statement, term or matter. Any reference herein to any agreement or document includes all amendments, supplements or restatements to and of such agreement or document as may occur from time to time, and any reference to a party to any such agreement includes all successors and assigns of such party thereunder permitted by the terms hereof and thereof.

ARTICLE II

EXECUTION DATE AND DELIVERY PERIOD; NATURE OF CLEAN ENERGY PROJECT

Section 2.1 Execution Date; Delivery Period. Unless this Agreement is terminated pursuant to Article XVII, delivery of Energy under this Agreement shall commence and continue for the Delivery Period.

Section 2.2 Termination Due to Failure to Issue Bonds. Each Party shall have a right to terminate this Agreement with the effect that this Agreement shall be of no further force or effect and the Parties shall have no rights or obligations hereunder if the Bonds are not issued on or before the Prepayment Outside Date (as defined in the Prepaid Agreement).

Section 2.3 Nature of Clean Energy Project. Purchaser acknowledges and agrees that Issuer will meet its obligations to provide Energy to Purchaser under this Agreement exclusively through its purchase of long-term supplies of Energy from Prepay LLC pursuant to the Clean Energy Project and that Issuer is financing its purchase of such long-term supplies through the issuance of the Bonds.

Section 2.4 Pledge of this Agreement. Purchaser acknowledges and agrees that Issuer will pledge its right, title, and interest under this Agreement and the revenues to be received under this Agreement to secure Issuer’s obligations under the Bond Indenture.

ARTICLE III

SALE AND PURCHASE

Section 3.1 Sale and Purchase of Energy. Issuer agrees to sell and deliver or cause to be delivered to Purchaser, and Purchaser agrees to purchase and take or cause to be taken from Issuer, in each case, on a Firm (LD) basis, the Contract Quantity of Energy pursuant to the terms and conditions set forth in this Agreement. The Parties acknowledge and agree that Issuer’s delivery obligation for (i) Assigned Products will be measured on an annual basis and (ii) Base Energy will be measured on an Hourly basis, as reflected in the definition of Contract Quantity and further set forth in the terms of this Agreement.

Section 3.2 Payments.

(a) For each MWh of Assigned Product delivered to Purchaser, Purchaser shall pay Issuer the applicable Contract Price, provided that (x) Issuer shall owe a payment to Purchaser

to the extent that the Contract Price for Energy delivered is negative and (y) Purchaser's payment of the Retained Payment Amount (as defined in the Participant Custodial Agreement) to the Participant Custodian consistent with the terms of the Participant Custodial Agreement shall satisfy Purchaser's obligations hereunder with respect to Monthly Excess Quantities and Assigned Paygo Quantities, as applicable.

(b) During the term of this Agreement, promptly following completion of the annual audit of Issuer's financial statements at the end of each fiscal year (currently the twelve-month period ending December 31), Issuer shall compare its revenues (as determined in accordance with the Bond Indenture) and expenses under the Clean Energy Project for that fiscal year. If this annual comparison demonstrates that such revenues exceeded such expenses during the applicable fiscal year and there are amounts on deposit in the fund established by the Bond Indenture available for such purpose, then Issuer shall make refunds to Purchaser in the amount available after making allowances for any necessary and appropriate reserves and contingencies (including but not limited to amounts deemed reasonably necessary by Issuer to fund any working capital reserve and to reserve or account for unfunded liabilities, including future sinking fund or other principal amortization of the Bonds). As of the Execution Date, the projected Annual Refund for (i) the period from January 1, 2025 through and including October 31, 2026 is \$1.723/MWh and (ii) the period from November 1, 2026 until the end of the Initial Reset Period is \$1.389/MWh.

Section 3.3 No Obligation to Take Base Energy. Notwithstanding anything to the contrary in this Agreement, Purchaser shall not be required to purchase and receive any Base Energy hereunder, and Issuer shall cause Prepay LLC to remarket any portion of the Contract Quantity that is Base Energy pursuant to the provisions of Exhibit C to the Prepaid Agreement.

Section 3.4 Reset Period Remarketing.

(a) Reset Period Notice. For each Reset Period, Issuer shall provide to Purchaser, at least ten (10) days prior to the Remarketing Election Deadline, formal written notice setting forth (i) the duration of such Reset Period, (ii) the Estimated Available Discount (as defined in the Re-Pricing Agreement) for such Reset Period, and (iii) the applicable Remarketing Election Deadline (a "Reset Period Notice"). Issuer may thereafter update such notice at any time prior to the Remarketing Election Deadline and may extend the Remarketing Election Deadline in its sole discretion in any such update.

(b) Remarketing Election. If the Reset Period Notice (or any update thereto) indicates that the Available Discount in such notice is not at least equal to the Minimum Discount for that Reset Period, then: (i) a "Potential Remarketing Event" shall be deemed to exist, and (ii) Purchaser may, not later than the Remarketing Election Deadline, issue a written notice in the form attached hereto as Exhibit C (a "Remarketing Election Notice") to Issuer, Prepay LLC and the Trustee electing for all of Purchaser's Energy that would otherwise be delivered hereunder to be remarketed during the applicable Reset Period; *provided*, however, if the actual Available Discount, as finally determined under the Re-Pricing Agreement, is equal to or greater than the Minimum Discount, then Issuer may, in its sole discretion, elect by written notice to Purchaser to treat such Remarketing Election Notice as void (a "Voided Remarketing Election Notice"). For the avoidance of doubt, in the event that Purchaser issues a Remarketing Election Notice (other than a Voided Remarketing Notice), any rights and obligations assigned to Prepay LLC or MSCG,

as applicable, under the Initial Assignment Agreement or a subsequent Assignment Agreement including, without limitation, the right to receive Assigned Energy, shall revert to Purchaser as of the end of the Initial Reset Period or the then-current Reset Period, as applicable.

(c) Final Determination of Available Discount. The Parties acknowledge and agree that the final Available Discount for any Reset Period following the Initial Reset Period will be determined on the applicable Re-Pricing Date (as defined in the Re-Pricing Agreement), and that such Available Discount may differ from the estimate or estimates of such Available Discount provided to Purchaser prior to the applicable Remarketing Election Deadline. Accordingly, the Parties agree that:

(i) the Available Discount for any Reset Period will not be less than the Minimum Discount applicable to such Reset Period, unless Issuer has provided notice of a Potential Remarketing Event to Purchaser in accordance with Section 3.4(b); and

(ii) if Purchaser receives notice of a Potential Remarketing Event and has not provided a Remarketing Election Notice prior to the applicable Remarketing Election Deadline, Purchaser shall be deemed to have elected to continue to purchase and receive its Contract Quantity at a Contract Price that reflects the Monthly Discount portion of the Available Discount as finally determined on the applicable Re-Pricing Date, plus Purchaser's right to its share of Annual Refunds, if any, and all delivery and purchase obligations under this Agreement shall continue in full force and effect for the applicable Reset Period.

(d) Resumption of Deliveries. Notwithstanding the issuance of any Remarketing Election Notice for a Reset Period, Purchaser will (i) remain obligated to purchase the Contract Quantities hereunder for each subsequent Reset Period, unless Purchaser issues a new valid Remarketing Election Notice (other than a Voided Remarketing Election Notice) for any such Reset Period in accordance with Section 3.4(b) and (ii) not make any new commitment to purchase Priority Energy during such Reset Period to the extent any such commitment could reasonably be expected to cause, during any portion of the Delivery Period after such Reset Period, Purchaser's aggregate obligations to purchase Priority Energy (including its obligation to purchase Priority Energy hereunder) to exceed Purchaser's expected aggregate requirements for Energy that will be used (A) for a "qualifying use" as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii) and (B) in a manner that will not result in any "private business use" within the meaning of Section 141 of the Code.

(e) Reduction of Contract Quantity. The Parties recognize and agree that the Contract Quantity may be reduced in a Reset Period pursuant to the re-pricing methodology described in the Re-Pricing Agreement if necessary to achieve a successful remarketing of the Bonds. The Parties agree further that if, pursuant to the Re-Pricing Agreement, Issuer and the Calculation Agent determine in connection with the establishment of any new Reset Period that: (i) such Reset Period will be the final Reset Period and (ii) such Reset Period will end prior to the end of the original Delivery Period, then (A) Issuer will notify Purchaser, (B) the Delivery Period will be deemed to be modified so that it ends at the end of such Reset Period, and (C) the Contract Quantity for the last Month in such Reset Period may be reduced as provided in the Re-Pricing Agreement.

ARTICLE IV FAILURE TO DELIVER OR TAKE ENERGY

Notwithstanding anything herein to the contrary, neither Purchaser nor Issuer shall have any liability or other obligation to one another for any failure to Schedule, take, or deliver Assigned Product.

ARTICLE V TRANSMISSION AND DELIVERY; COMMUNICATIONS

Section 5.1 Delivery of Energy. All Assigned Energy delivered under this Agreement shall be Scheduled at the applicable Assigned Delivery Point and in accordance with the terms of the applicable Assignment Agreement. All other Assigned Product shall be delivered consistent with the terms of the applicable Assignment Agreement. Except as set forth in the two foregoing sentences, Purchaser and Issuer shall have no liability or obligations under this Article V with respect to Assigned Product.

Section 5.2 Scheduling. Scheduling of Assigned Energy shall be in accordance with the applicable Assignment Agreement.

Section 5.3 Title and Risk of Loss. Title to the Energy delivered under this Agreement and risk of loss shall pass from Issuer to Purchaser at the Assigned Delivery Point. The transfer of title and risk of loss for all Assigned Product other than Assigned Energy shall be in accordance with the applicable Assignment Agreement; provided that all Assignment Agreements shall provide for the transfer of Renewable Energy Credits in accordance with WREGIS.

Section 5.4 PCC1 Product, Long-Term PCC1 Product, and PCC2 Product. To the extent that any Assigned Product is PCC1 Product, Long-Term PCC1 Product, or PCC2 Product the following provisions apply:

(a) Eligibility. Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Clean Energy Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Clean Energy 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]**. As used above, "Seller" means "Issuer", Buyer means "Purchaser", and any other capitalized terms not otherwise defined herein shall have the meaning specified in the Assignment Agreement.

(b) Transfer of Renewable Energy Credits. Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public

Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. **[STC REC-1, Non-modifiable. D.11-01-025]**. As used above, “Seller” means “Issuer”, Buyer means “Purchaser”, and any other capitalized terms not otherwise defined herein shall have the meaning specified in the Assignment Agreement.

(c) Tracking of RECs in WREGIS. 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]**. As used above, “Seller” means “Issuer”, Buyer means “Purchaser”, and any other capitalized terms not otherwise defined herein shall have the meaning specified in the Assignment Agreement.

(d) Governing Law. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. **[STC 17, Non-Modifiable. (Source: D.07-11-025, Attachment A) D.08-04-009]**

(e) Issuer Representations and Warranties.

Issuer represents and warrants:

- (i) Issuer has the right to sell the Assigned Product from the Applicable Project;
- (ii) Issuer has not sold the Assigned Product or any REC or other attributes of the Assigned Product to be transferred to Purchaser to any other person or entity;
- (iii) the Energy component of the Assigned Product produced by the Applicable Project for PCC2 Product and purchased by Issuer for resale to Purchaser hereunder is not being sold by Issuer back to the Applicable Project or PPA Supplier;
- (iv) Assigned Energy and Assigned RECs to be purchased and sold pursuant to this Agreement are not committed to another party;
- (v) the Assigned Product is free and clear of all liens or other encumbrances;
- (vi) Issuer will deliver to Purchaser all Assigned Energy and associated RECs generated by the Applicable Project for PCC2 Product in compliance with the requirements set forth in California Public Utilities Code 399.16(b)(2) and the California RPS compliance requirements for Portfolio Content Category 2 as set forth in CPUC Decision 11-12-052, if applicable;

- (vii) Issuer will deliver to Purchaser all Assigned Energy and associated RECs generated by the Applicable Project for PCC2 Product in compliance with the requirements set forth in California Public Utilities Code 399.16(b)(2) and the California RPS compliance requirements for Portfolio Content Category 2 as set forth in CPUC Decision 11-12-052, if applicable;
- (viii) Issuer will deliver to Purchaser all Assigned Energy and associated RECs generated by the Applicable Project for Long-Term PCC1 Product in compliance with the California Long-Term Contracting Requirements, if applicable;
- (ix) the Assigned Product supplied to Purchaser under this Agreement that is Long-Term PCC1 Product will be sourced solely from Applicable Projects that have an Assignment Period of ten (10) years or more in length, or otherwise in compliance with the California Long Term Contracting Requirements; and
- (x) Issuer will cooperate and work with Purchaser, the CEC, and/or the CPUC to provide any documentation required by the CPUC or CEC to support the Product's classification as Portfolio Content Category 1 or Portfolio Content Category 2, as applicable, as set forth in California Public Utilities Code Section 399.16(b)(1) or 399.16(b)(2), as applicable, and compliance with the California Long-Term Contracting Requirements, if applicable.

Issuer further represents and warrants to Purchaser that, to the extent that the PCC1 Product sold by Issuer is a resale of part or all of a contract between Issuer and one or more third parties, Issuer represents, warrants and covenants that the resale complies with the following conditions in (i) through (iv) below during the Assignment Period and throughout the generation period:

- (i) the original upstream third-party contract(s) meets the criteria of California Public Utilities Code Section 399.16(b)(1);
- (ii) this Agreement transfers only electricity and RECs that have not yet been generated prior to the Assignment Period;
- (iii) the electricity transferred by this Agreement is transferred to Purchaser in real time; and
- (iv) if the Applicable Project has an agreement to dynamically transfer electricity to a California balancing authority, the transactions implemented under this Agreement are not contrary to any condition imposed by a balancing authority participating in the dynamic transfer arrangement.

Issuer further represents and warrants to Purchaser that, to the extent that the PCC2 Product sold by Issuer is a resale of part or all of a contract between Issuer and one or more third parties, Issuer represents, warrants and covenants that the resale

complies with the following conditions in (i) through (v) below during the Assignment Period and throughout the generation period:

- (i) the original upstream third-party contract(s) meets the criteria of California Public Utilities Code Section 399.16(b)(2);
- (ii) this Agreement transfers only electricity and RECs that have not yet been generated prior to the Assignment Period;
- (iii) this Agreement transfers the original arrangement for substitute electricity (e.g., source and quantity);
- (iv) this Agreement retains the scheduling of the substitute electricity into a California balancing authority as set out in the original firming and shaping transaction; and
- (v) this Agreement continues to provide incremental electricity scheduled into a California balancing authority.

(f) Subsequent Changes in Law. In the event that the qualifications or requirements of the RPS program, PCC1 Product, PCC2 Product or the California Long-Term Contracting Requirements change, Issuer shall take commercially reasonable actions to meet the amended qualifications or requirements of the RPS Law, PCC1 Product, PCC2 Product or the California Long-Term Contracting Requirements but will not be required to incur any unreimbursed costs to comply with the RPS Law, PCC1, PCC2 or the California Long-Term Contracting Requirements, collectively.

(g) Limitations. Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree as follows:

- (i) Issuer has relied exclusively upon the representations and warranties of each respective seller set forth in the Assignment Agreements in making the representations and warranties set forth in this Section 5.4 and has not performed any independent investigation with respect thereto;
- (ii) Prepay LLC has agreed under the Prepaid Agreement to terminate or cause MSCG to terminate the applicable Assignment Period in the event that any representation or warranty in this Section 5.4 proves to be incorrect in any respect; and
- (iii) Purchaser agrees that its sole recourse for any breach of the provisions of this Section 5.4 shall be the termination of the applicable Assignment Period and Purchaser shall have no other recourse against Issuer or remedies under this Agreement.

Section 5.5 Deliveries within CAISO or Another Balancing Authority. The Parties acknowledge that Energy delivered by Issuer at a Delivery Point within CAISO or another Balancing Authority will be delivered in accordance with the CAISO Tariff and rules of the

Balancing Authority as applicable. Scheduling such Energy in accordance with the requirements of the applicable Energy into the applicable Balancing Authority shall constitute delivery of such Energy to Purchaser hereunder.

Section 5.6 Assigned Products. Notwithstanding anything to the contrary herein, the Parties shall have no liability under this Article V with respect to any Assigned Products.

ARTICLE VI PARTIAL ASSIGNMENTS OF PPAS

Section 6.1 Future PPA Assignments. In connection with the expiration or termination of an EPS Energy Period, each of the Parties agrees to satisfy its obligations under the Assignment Letter Agreement, including but not limited to (a) Purchaser's obligation to exercise Commercially Reasonable Efforts to assign a portion of Purchaser's rights and obligations under a power purchase agreement under which Project Participant is purchasing EPS Compliant Energy to MSCG or Prepay LLC pursuant to an Assignment Agreement and (b) the Parties' obligations to cooperate in good faith with MSCG and Prepay LLC with respect to any proposed assignments.

Section 6.2 Updates to Exhibits A-1 and A-2.

(a) To the extent that an EPS Energy Period terminates early, the Parties shall update (i) Exhibit A-1 to reflect an increase in the Hourly Quantities and (ii) Exhibit A-2 to reflect a decrease in the Monthly Projected Quantities associated with the relevant Assigned PPA, in each case, in an amount equal to the Assigned Energy associated with the EPS Energy Period that terminated or expired. For the avoidance of doubt, any updates to Exhibits A-1 and A-2 due to an early termination of an EPS Energy Period shall be effective as of the earlier of (A) the commencement of an Assignment Period under a replacement Assignment Agreement or (B) the start of the third Month following the Month in which such early termination occurs.

(b) In connection with the execution of any subsequent Assignment Agreement, the Parties shall update Exhibits A-1 and A-2 to reflect any changes in the Hourly Quantities of Base Energy and Monthly Projected Quantities of Assigned Energy and any other changes in connection therewith.

ARTICLE VII USE OF ENERGY

Section 7.1 Tax Exempt Status of the Bonds. Purchaser acknowledges that the Bonds will be issued with the intention that the interest thereon will be exempt from federal taxes under Section 103 of the Code. Accordingly, Purchaser agrees that it will (a) provide such information with respect to its CCA System as may be requested by Issuer in order to establish the tax-exempt status of the Bonds, and (b) act in accordance with such written instructions as Issuer may provide from time to time in order to maintain the tax-exempt status of the Bonds. Purchaser further agrees that it will not at any time take any action, or fail to take any action, that would adversely affect the tax-exempt status of the Bonds.

Section 7.2 Priority Energy. Subject to Section 7.5(a), Purchaser agrees to take the Contract Quantities to be delivered under this Agreement (a) in priority over and in preference to all Non-Priority Energy; and (b) on at least a *pari passu* and non-discriminatory basis with other Priority Energy.

Section 7.3 Remarketing Sales.

(a) Remarketing of Assigned Product. If notwithstanding Purchaser's compliance with Section 7.2, a quantity of Assigned Product less than the Annual Quantity is delivered hereunder in any Contract Year for any reason other than Force Majeure, then MSCG shall be deemed to remarket such undelivered quantity of Assigned Product consistent with Section 5(a) of Exhibit C to the Prepaid Agreement. For the avoidance of doubt, Purchaser will not have any payment obligation with respect to Assigned Energy that is remarketed pursuant to the foregoing sentence.

(b) Remarketing of Base Energy. Consistent with Section 3.3, to the extent any portion of the Contract Quantity is Base Energy, Issuer shall cause Prepay LLC to remarket or purchase such Energy for the account of Prepay LLC under the remarketing provisions of the Prepaid Agreement, and Issuer shall credit against the amount owed by Purchaser for such Contract Quantities the amounts received from Prepay LLC for such remarketing services, less all directly incurred costs or expenses, including but not limited to remarketing administrative charges paid to Prepay LLC under the Prepaid Agreement, but in no event shall the amount of such credit be more than the Contract Price. For the avoidance of doubt, Purchaser will not have any payment obligation with respect to Base Energy that is remarketed pursuant to the foregoing sentence.

(c) Prepay LLC Remarketing Fees. Purchaser shall not in any case have an obligation to make a payment to Issuer with respect to any Remarketing Fee (as defined in the Prepaid Agreement) charged by Prepay LLC under the Prepaid Agreement.

Section 7.4 Qualifying Use. Subject to Section 7.5, Purchaser agrees that, without limiting Purchaser's other obligations under this Article VII, it will use all of the Energy purchased under this Agreement in compliance with the Qualifying Use Requirements. Purchaser agrees that it will provide such additional information, records and certificates as Issuer may reasonably request to confirm Purchaser's compliance with this Section 7.4.

Section 7.5 Remediation. To the extent that (a) all or a portion of the Contract Quantity is remarketed under Section 7.3(a) or Section 7.3(b) and (b) Purchaser is not otherwise in default under this Agreement, then:

(a) Prepay LLC shall be obligated under the remarketing provisions of the Prepaid Agreement to purchase the remarketed Energy for its own account at the applicable price specified in Exhibit C to the Prepaid Agreement (the proceeds of any such purchases, "Disqualified Remarketing Proceeds"), which Disqualified Remarketing Proceeds are for the benefit of Purchaser in that such proceeds reduce its payment obligations hereunder;

(b) Purchaser shall (i) exercise Commercially Reasonable Efforts to use an amount equivalent to such Disqualified Remarketing Proceeds to purchase Non-Priority Energy and use such Non-Priority Energy in compliance with the Qualifying Use Requirements in order

to remediate such Disqualified Remarketing Proceeds and (ii) apply its purchases of Non-Priority Energy to remediate Disqualified Remarketing Proceeds under this Agreement prior to remediating such proceeds under any other contract that provides for the purchase of Priority Energy;

(c) in order to track compliance with Purchaser's obligations under Section 7.5(b) above, Purchaser shall deliver a Remediation Certificate in the form of Exhibit H hereto to Issuer and Prepay LLC by the tenth (10th) day of the Month subsequent to any relevant Non-Priority Energy purchases (which may include purchases of Energy from CAISO to the extent such Energy is used in compliance with the Qualifying Use Requirements);

(d) for Disqualified Remarketing Proceeds remediated under this Section 7.5, Issuer shall pay Purchaser any portion of Monthly Discount associated with such Disqualified Remarketing Proceeds and available for distribution under the Bond Indenture on the last Business Day of the Month following the Month in which Purchaser provides a certificate under clause (c) evidencing such remediation; and

(e) to the extent any Disqualified Remarketing Proceeds are not remediated within twelve (12) Months of the date on which such proceeds were received by Issuer, then Prepay LLC shall be obligated under the Prepaid Agreement to exercise Commercially Reasonable Efforts to remediate such Disqualified Remarketing Proceeds under the Prepaid Agreement and Purchaser's ability to remediate such remarketing proceeds shall be subject to Prepay LLC's successful remediation of such proceeds through sales to other purchaser(s);

provided that, for the avoidance of doubt, to the extent Special Tax Counsel (as defined in the Bond Indenture) determines at any time that Purchaser has failed to exercise Commercially Reasonable Efforts to obtain EPS Compliant Energy for delivery hereunder consistent with the Assignment Letter Agreement, then Purchaser shall not be entitled to remediate any Disqualified Remarketing Proceeds related to the resulting remarketing of Base Energy by Prepay LLC.

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES; ADDITIONAL COVENANTS

Section 8.1 Representations and Warranties of the Parties. As a material inducement to entering into this Agreement, each Party, with respect to itself, hereby represents and warrants to the other Party as of the Execution Date as follows:

(a) for Issuer as the representing Party, Issuer is a joint powers authority organized pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code;

(b) for Purchaser as the representing Party, Purchaser is a joint powers authority organized pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code and a community choice aggregator pursuant to the provisions of Section 366.2 of the California Public Utilities Code, duly organized and validly existing under the Laws of the State of California;

(c) it has all requisite power and authority to conduct its business, to own its properties and to execute, deliver and perform its obligations under this Agreement;

(d) there is no litigation, action, suit, proceeding or investigation pending or, to the best of such Party's knowledge, threatened, before or by any Government Agency, which could reasonably be expected to materially and adversely affect the performance by such Party of its obligations under this Agreement or that questions the validity, binding effect or enforceability hereof, any action taken or to be taken by such Party pursuant hereto, or any of the transactions contemplated hereby;

(e) the execution, delivery and performance of this Agreement by such Party has been duly authorized by all necessary action on the part of such Party and does not require any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party;

(f) this Agreement has been duly executed and delivered on behalf of such Party by an appropriate officer or authorized Person of such Party and constitutes the legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights generally and by general principles of equity;

(g) the execution, delivery and performance of this Agreement by such Party shall not violate any provision of any Law, decree or other legal or regulatory determination applicable to it;

(h) the execution, delivery and performance by such Party of this Agreement, and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its financial obligations under this Agreement, shall not result in any violation of any term of any material contract or agreement applicable to it, or any of its charter or bylaws or of any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, Law or ordinance applicable to it or any of its properties or to any obligations incurred by it or by which it or any of its properties or obligations are bound or affected, or of any determination or award of any arbitrator applicable to it, and shall not conflict with, or cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets, except with respect to Issuer, the lien of the Bond Indenture;

(i) to the best of the knowledge and belief of such Party, no consent, approval, order or authorization of, or registration, declaration or filing with, or giving of notice to, obtaining of any license or permit from, or taking of any other action with respect to, any Government Agency is required in connection with the valid authorization, execution, delivery and performance by such Party of this Agreement or the consummation of any of the transactions contemplated hereby other than those that have been obtained; and

(j) it enters this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by both Parties, considers this Agreement a legally enforceable contract.

Section 8.2 Warranty of Title. Issuer warrants that it will have the right to convey and will transfer good and merchantable title to all Energy sold under this Agreement and delivered by it to Purchaser, free and clear of all liens, encumbrances, and claims.

Section 8.3 Disclaimer of Warranties. EXCEPT FOR THE WARRANTIES EXPRESSLY MADE BY ISSUER IN THIS ARTICLE VIII, ISSUER HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Section 8.4 Continuing Disclosure. Purchaser agrees to provide to Issuer: (a) such financial and operating information as may be requested by Issuer including its most recent audited financial statements for use in Issuer's offering documents for the Bonds; and (b) annual updates to such information and statements to enable Issuer to comply with its continuing disclosure undertakings under Rule 15(c)2-12 of the United States Securities and Exchange Commission. Failure by Purchaser to comply with its agreement to provide such annual updates shall not be a default under this Agreement, but any such failure shall entitle Issuer or an owner of the Bonds to take such actions and to initiate such proceedings as may be necessary and appropriate to cause Purchaser to comply with such agreement, including without limitation the remedies of mandamus and specific performance.

ARTICLE IX TAXES

Issuer shall (i) be responsible for all ad valorem, excise and other taxes assessed with respect to Energy delivered pursuant to this Agreement upstream of the Delivery Point, and (ii) indemnify Purchaser and its Affiliates for any such taxes paid by Purchaser or its Affiliates. Purchaser shall (i) be responsible for all such taxes assessed at or downstream of the Delivery Point, and (ii) indemnify Issuer and its Affiliates for any such taxes paid by Issuer or its Affiliates.

ARTICLE X DISPUTE RESOLUTION

Section 10.1 Arbitration. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope of this agreement to arbitrate, shall be determined by final, non-appealable binding arbitration in San Francisco, California before three arbitrators. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures. Within 15 days after the commencement of arbitration, each of the Parties shall select one person to act as arbitrator, and the two so-selected arbitrators shall select a third arbitrator (the "chairperson") within 30 days of the commencement of the arbitration. If either Party is unable or fails to select one person to act as arbitrator, such arbitrator shall be appointed by JAMS. If the Party-selected arbitrators are unable or fail to agree upon a chairperson, the chairperson shall be appointed by JAMS. The chairperson shall be a person who has experience in renewable energy-related transactions, and none of the arbitrators shall have been previously employed by either Party or have any direct pecuniary interest in either Party or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by each of the Parties. The Parties shall maintain

the confidential nature of the arbitration proceeding and any award, including any hearing(s), except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator(s) shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. In any arbitration arising out of or related to this Agreement, the arbitrators shall award to the prevailing Party, if any, the costs and attorneys' fees reasonably incurred in seeking to enforce the application of this Section 10.1 and by the prevailing party in connection with the arbitration. Notwithstanding the foregoing provisions of this Section 10.1, any costs incurred by a Party in seeking judicial enforcement of any written decision of the arbitrators shall be chargeable to and borne exclusively by the Party against whom such court order is obtained. The award shall be final and binding on the Parties and judgment upon any award may be entered in any court of competent jurisdiction.

Section 10.2 Judicial Reference.

(a) Judicial Reference. Without limiting the provisions in Section 10.1, if Section 10.1 is ineffective or unenforceable, any dispute between the Parties arising out of or in connection with this Agreement or its performance, breach, or termination (including the existence, validity and interpretation of this Agreement and the applicability of any statute of limitation period) (each, a "Dispute") shall be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure ("CCP"), or their successor sections (a "Reference Proceeding"), which shall constitute the exclusive remedy for the resolution of any Dispute. As a condition precedent to initiating a Reference Proceeding with respect to any Dispute, the Parties shall comply with the provisions of Section 10.2(b).

(b) Notice of Dispute. Prior to initiating the Reference Proceeding, a Party (the "Disputing Party") shall provide the other Party (the "Responding Party") with a written notice of each issue in dispute, a proposed means for resolving each such issue, and support for such position (the "Notice of Dispute"). Within 10 days after receiving the Notice of Dispute, the Responding Party shall provide the Disputing Party with a written notice of each additional issue (if any) with respect to the dispute raised by the Notice of Dispute, a proposed means for resolving every issue in dispute, and support for such position (the "Dispute Response"). Thereafter, the Parties shall meet to discuss the matter and attempt in good faith to reach a negotiated resolution of the dispute. If the Parties do not resolve the dispute by mutual agreement within 60 days after receipt of the Dispute Response, (the "Negotiation Period"), then either Party may provide to the other Party written notice of intent for judicial reference (the "Impasse Notice") in accordance with the further provisions of this Section 10.2.

(c) Applicability; Selection of Referees.

(i) The Party that provides the Impasse Notice shall nominate one (1) referee at the same time it provides the Impasse Notice. The other Party shall nominate one referee within 10 days of receiving the Impasse Notice. The two (2) referees (the “Party-Appointed Referees”) shall appoint a third referee (the “Third Referee”, together with the Party-Appointed Referees, the “Referees”). The Party-Appointed Referees shall be competent and experienced in matters involving the electric energy business in the United States, with at least 10 years of electric industry experience as a practicing attorney. The Third Referee shall be an active or retired California state or federal judge. Each of the Party-Appointed Referees and the Third Referee shall be impartial and independent of either Party and of the other referees and not employed by any of the Parties in any prior matter.

(ii) If the Party-Appointed Referees are unable to agree on the Third Referee within 45 days from delivery of the Impasse Notice, then the Third Referee shall be appointed pursuant to CCP Section 640(b) in an action filed in the Superior Court of California, County of San Francisco (the “Court”), and with due regard given to the selection criteria above. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the Parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP Section 170.6, each Party shall have one (1) peremptory challenge to the referee selected by the Court.

(d) Discovery; Proceedings.

(i) The Parties agree that time is of the essence in conducting the Reference Proceeding. Accordingly, the referees shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within 20 days after the date of selection of the Third Referee, (ii) if practicable, try all issues of law or fact within 180 days after the date of the conference, and (iii) report a statement of decision within 20 days after the matter has been submitted for decision.

(ii) Discovery and other pre-hearing procedures shall be conducted as agreed to by the Parties, or if they cannot agree, as determined by the Third Referee after discussion with the Parties regarding the need for discovery and other pre-hearing procedures.

(iii) Any matter before the Referees shall be governed by the substantive law of California, its Code of Civil Procedure, Rules of Court, and Evidence Code, except as otherwise specifically agreed by the Parties and approved by the Referees. Except as expressly set forth herein, the Third Referee shall determine the manner in which the Reference Proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the Reference Proceeding. The Reference Proceeding, including the trial, shall be conducted at a neutral location selected by the Parties, or if not agreed by the Parties, by the Third Referee, in San Francisco, California.

(iv) All proceedings and hearings conducted before the referees, except for trial, shall be conducted without a court reporter, except that when any Party so requests, a court reporter will be used at any hearing conducted before the referees, and the referees will be provided a courtesy copy of the transcript. The Party making such a request shall have the obligation to arrange for and pay the court reporter.

(e) Decision. The referees shall render a written statement of decision setting forth findings of fact and conclusions of law. The decision shall be entered as a judgment in the court in accordance with the provisions of CCP Sections 644 and 645. The decision shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the Court. The Parties intend this general reference agreement to be specifically enforceable in accordance with the CCP.

(f) Expenses. Each Party shall bear the compensation and expenses of its respective Party-Appointed Referee, own counsel, witnesses, consultants and employees. All other expenses of judicial reference shall be split equally between the Parties.

ARTICLE XI FORCE MAJEURE

Section 11.1 Applicability of Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and such Party (the “Claiming Party”) gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations with respect to this Agreement (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall mitigate the Force Majeure with all reasonable dispatch. For the duration of the Claiming Party’s non-performance (and only for such period), the non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

Section 11.2 Settlement of Labor Disputes. Notwithstanding anything to the contrary herein, the Parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the Party experiencing such disturbance, and the failure of a Party to settle such strikes, lockouts or other industrial disturbances shall not prevent the existence of Force Majeure or of reasonable dispatch to remedy the same.

ARTICLE XII GOVERNMENTAL RULES AND REGULATIONS

Section 12.1 Compliance with Laws. This Agreement shall be subject to all present and future Laws of any Government Agency having jurisdiction over this Agreement or the transactions to be undertaken hereunder, and neither Party has knowingly undertaken or will knowingly undertake or knowingly cause to be undertaken any activity that would conflict with such Laws; *provided*, however, that nothing herein shall be construed to restrict or limit either Party’s right to object to or contest any such Law, or its application to this Agreement or the

transactions undertaken hereunder, and neither acquiescence therein or compliance therewith for any period of time shall be construed as a waiver of such right.

Section 12.2 Contests. Excluding all matters involving a contractual dispute between the Parties, no Party shall contest, cause to be contested or in any way actively support the contest of the equity, fairness, reasonableness or lawfulness of any terms or conditions set forth or established pursuant to this Agreement, as those terms or conditions may be at issue before any Government Agency in any proceeding, if the successful result of such contest would be to preclude or excuse the performance by either Party of this Agreement or any provision hereunder.

Section 12.3 Defense of Agreement. Excluding all matters involving a contractual dispute between the Parties, each Party shall hereafter defend and support this Agreement before any Government Agency in any proceeding, if the substance, validity or enforceability of all or any part of this Agreement is hereafter directly challenged or if any proposed changes in regulatory practices or procedures would have the effect of making this Agreement invalid or unenforceable or would otherwise materially affect the rights or obligations of the Parties under this Agreement.

ARTICLE XIII ASSIGNMENT

The terms and provisions of this Agreement shall extend to and be binding upon the Parties and their respective successors, assigns, and legal representatives; *provided*, however, that, subject to Section 18.14, neither Party may assign this Agreement or its rights and interests, in whole or in part, under this Agreement without the prior written consent of the other Party. Prior to assigning this Agreement, Purchaser shall deliver to Issuer (i) written confirmation from each of the Applicable Rating Agencies, *provided* that such agency has rated and continues to rate the Bonds, that the assignment will not result in a reduction, qualification, or withdrawal of the then-current ratings assigned by the Applicable Rating Agencies to the Bonds; or (ii) written confirmation from each of the Applicable Rating Agencies, that the assignee has an outstanding long-term senior, unsecured, unenhanced debt rating equivalent to or higher than the ratings assigned by the Applicable Rating Agencies to the Bonds. Whenever an assignment or a transfer of a Party's interest in this Agreement is requested to be made with the written consent of the other Party, the assigning or transferring Party's assignee or transferee shall expressly agree to assume, in writing, the duties and obligations under this Agreement of the assigning or transferring Party. Upon the agreement of a Party to any such assignment or transfer, the assigning or transferring Party shall furnish or cause to be furnished to the other Party a true and correct copy of such assignment or transfer and assumption of duties and obligations.

ARTICLE XIV PAYMENTS

Section 14.1 Monthly Statements.

(a) No later than the fifth (5th) day of each Month during the Delivery Period (excluding the first (1st) Month of the Delivery Period) and the first (1st) Month following the end of the Delivery Period, Purchaser shall deliver to Issuer a statement (a "Purchaser's Statement")

listing any amounts due to Purchaser in connection with this Agreement with respect to the prior Month(s).

(b) No later than the tenth (10th) day of each Month during the Delivery Period (excluding the first (1st) Month of the Delivery Period) and the first (1st) Month following the end of the Delivery Period (the “Billing Date”), Issuer shall deliver a statement (a “Billing Statement”) to Purchaser indicating (i) the total amount due to Issuer for Energy delivered in the prior Month, (ii) any other amounts due to Issuer or Purchaser in connection with this Agreement with respect to the prior Month(s), and (iii) the net amount due to Issuer or Purchaser; provided that invoicing for Monthly Excess Quantities and Assigned Paygo Quantities shall occur under the Participant Custodial Agreement. Additionally, if a Participant Monthly Statement (as defined in the Participant Custodial Agreement) for an Assigned PPA has not been delivered by the tenth (10th) day of the Month following deliveries, Issuer shall provisionally prepare or cause to be prepared a Billing Statement for this Agreement that assumes all of the Monthly Projected Quantities were delivered under the applicable Assigned PPA for such Month, and any subsequent resettlements required with respect thereto shall occur under the Participant Custodial Agreement.

(c) Upon request by either Party, the other Party shall deliver such supporting documentation of the foregoing as such requesting Party may reasonably request.

Section 14.2 Payment.

(a) If the Billing Statement indicates an amount due from Purchaser, then Purchaser shall remit such amount to the Trustee for the benefit of the Issuer by wire transfer (pursuant to the Trustee’s instructions for amounts due under this Agreement, provided that amounts due from Purchaser with respect to Monthly Excess Quantities and Assigned Paygo Quantities, as applicable, shall be paid pursuant to the terms of the Participant Custodial Agreement), in immediately available funds, on or before the twentieth (20th) day of the Month following the most recent Month to which such Billing Statement relates, or if such day is not a Business Day, the preceding Business Day. If the Billing Statement indicates an amount due from Issuer, then Issuer shall remit such amount to Purchaser by wire transfer (pursuant to Purchaser’s instructions), in immediately available funds, on or before the twenty-eighth (28th) day of the Month following the most recent Month to which such Billing Statement relates, or if such day is not a Business Day, the following Business Day.

(b) If Purchaser fails to issue a Purchaser’s Statement with respect to any Month, Issuer shall not be required to estimate any amounts due to Purchaser for such Month, provided that Purchaser may include any such amount on subsequent Purchaser’s Statements issued within the next sixty (60) days. The sixty (60) day deadline in this subsection (b) replaces the two (2) year deadline in Section 14.5(b) with respect to any claim by any non-delivering Party of inaccuracy in any estimated invoice issued or payment made pursuant to this subsection (b).

Section 14.3 Payment of Disputed Amounts; Correction of Index Price.

(a) If Purchaser disputes any amounts included in the Issuer’s Billing Statement, Purchaser shall (except in the case of manifest error) nonetheless pay any amount required by the Billing Statement in accordance with Section 14.2 without regard to any right of

set-off, counterclaim, recoupment or other defenses to payment that Purchaser may have; *provided*, however, that Purchaser shall have the right, after payment, to dispute any amounts included in a Billing Statement or otherwise used to calculate payments due under this Agreement pursuant to Section 14.5. If Issuer disputes any amounts included in the Purchaser's Statement, Issuer may withhold payment to the extent of the disputed amount; *provided*, however, that interest shall be due at the Default Rate for any withheld amount later found to have been properly due.

(b) If a value published for any rate or index used or to be used in this Agreement is subsequently corrected and the correction is published or announced by the Person responsible for that publication or announcement within thirty (30) days after the original publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than thirty (30) days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount shall, not later than three (3) Business Days after the effectiveness of that notice, pay, subject to any other applicable provisions of this Agreement, to the other Party that amount, together with interest on that amount at the Default Rate for the period from and including the day on which a payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.

Section 14.4 Late Payment. If Purchaser fails to remit the full amount payable within one (1) Business Day of when due, interest on the unpaid portion shall accrue from the date due until the date of payment at the Default Rate.

Section 14.5 Audit; Adjustments.

(a) A Party shall have the right, at its own expense, upon reasonable notice to the other Party and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other Party to the extent reasonably necessary, but only to such extent, to verify the accuracy of any statement, charge, payment, or computation made under this Agreement. This right to examine, audit, and obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Agreement.

(b) Each Purchaser's Statement and each Billing Statement shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such Purchaser's Statement or Billing Statement is objected to in writing, with adequate explanation and/or documentation, within two (2) years after the applicable Month of Energy delivery.

(c) All retroactive adjustments shall be paid in full by the Party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. If the Parties are unable to agree upon any retroactive adjustments requested by either Party within the time period specified in Section 14.5(b), then either Party may pursue any remedies available with respect to such adjustments at law or in equity. Retroactive adjustments for payments made based on an incorrect Billing Statement shall bear interest at the Default Rate from the date such payment was made.

Section 14.6 Netting; No Set-Off. The Parties shall net all amounts due and owing, including any past due amounts (which, for the avoidance of doubt, shall include any accrued interest), arising under this Agreement such that the Party owing the greater amount shall make a single payment of the net amount to the other Party in accordance with this Article XIV. Notwithstanding the foregoing, payment for all amounts set forth in a Billing Statement provided to Purchaser shall be made without set-off or counterclaim of any kind.

Section 14.7 Source of Purchaser's Payments. Purchaser covenants and agrees to make payments due hereunder from CCA Revenues, and only from such CCA Revenues, as an operating expense of its CCA System; *provided*, however, that Purchaser may apply any legally available monies to the payment of amounts due hereunder.

Section 14.8 Rate Covenant. Purchaser hereby covenants and agrees that it will establish, fix, prescribe, maintain, and collect rates, fees, and charges from the customers of its CCA System so as to provide CCA Revenues sufficient to enable Purchaser to pay any other amounts legally payable from CCA Revenues, and to maintain any required reserves for Purchaser's CCA System. Purchaser further covenants and agrees that it shall not furnish or supply Energy services free of charge to any Person, except any such service free of charge that Purchaser is supplying on the date hereof as has been specifically identified by Purchaser to Issuer in writing, and it shall promptly enforce the payment of any and all accounts owing to Purchaser for the sale of Energy to its customers. Notwithstanding anything herein to the contrary, Purchaser shall not be obligated to make any payments hereunder except from CCA Revenues.

Section 14.9 Pledge of CCA Revenues. Purchaser shall not grant any lien on or security interest in, or otherwise pledge or encumber, the CCA Revenues if the terms or effect of such lien, pledge or other encumbrance results in such lien, pledge or other encumbrance having priority over the obligations of Purchaser to pay the Contract Price, which obligations constitute operating expenses of Purchaser.

Section 14.10 Financial Responsibility. In the event the Issuer receives notice from Prepay LLC pursuant to Section 2.12 of the Receivables Purchase Provisions that it requires adequate assurance of performance from the Issuer, Issuer shall provide notice thereof to Purchaser and Purchaser shall (a) notify the Issuer of its agreement to provide such adequate assurance within forty-eight (48) Hours but at least one (1) Business Day of Purchaser's receipt of such notice and (b) provide such adequate assurance to Issuer within seventy-two (72) Hours but at least two (2) Business Days of Purchaser's receipt of such notice. Adequate assurance shall mean sufficient security in the form and for a term reasonably specified by Prepay LLC pursuant to Section 2.12 of the Receivables Purchase Provisions, including but not limited to a standby irrevocable letter of credit, a prepayment, a deposit to an escrow account, or a performance bond or guaranty by a creditworthy entity. In the event Issuer is entitled to demand adequate assurance of performance under this Section 14.10, Issuer may demand at a minimum a prepayment by Purchaser of an amount equal to (i) the amount owed by Purchaser with respect to all Energy delivered by Issuer to Purchaser as of the date of the demand for adequate assurance of performance, plus (ii) the amount, as determined and adjusted from time to time by Issuer (with the input of Prepay LLC pursuant to the Receivables Purchase Provisions (as defined in the Bond Indenture)) in a Commercially Reasonable manner, expected to be owed by Purchaser with respect to the Energy to be delivered by Issuer to Purchaser during the remainder of the then-

current Month and the following Month. The Parties agree that in the event Purchaser fails to provide such adequate assurance as demanded, Issuer shall have the right to suspend its performance under this Agreement, including the making of deliveries of Energy to Purchaser, immediately upon written notice and shall not be obligated to restore such performance until the later of (A) the first day of the Month after such demand has been satisfied, and (B) the completion of the term of deliveries to any replacement sales customer to which Prepay LLC has remarketed the Energy on behalf of Issuer.

ARTICLE XV [RESERVED]

ARTICLE XVI NOTICES

Any notice, demand, or request required or authorized by this Agreement to be given by one Party to the other Party (or to a third party) shall be in writing and shall either be sent by electronic means, courier, or personally delivered (including overnight delivery service) to each of the notice recipients and addresses specified in Exhibit B for the receiving Party. Any such notice, demand, or request shall be deemed to be given (i) on the date it is delivered by electronic means or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon ten (10) days' prior written notice to the other Party, to change its list of notice recipients and addresses in Exhibit B. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, a Party may at any time notify the other Party that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective.

ARTICLE XVII DEFAULT; REMEDIES; TERMINATION

Section 17.1 Issuer Default. Each of the following events shall constitute an "Issuer Default" under this Agreement:

(a) any representation or warranty made by Issuer in this Agreement proves to have been incorrect in any material respect when made; or

(b) Issuer fails to perform, observe or comply with any covenant, agreement or term contained in this Agreement, and such failure continues for more than thirty (30) days following the earlier of (i) receipt by Issuer of notice thereof or (ii) an officer of Issuer obtaining actual knowledge of such default.

Section 17.2 Purchaser Default. Each of the following events shall constitute a "Purchaser Default" under this Agreement:

(a) Purchaser fails to pay when due any amounts owed to Issuer pursuant to this Agreement and such failure continues for one (1) Business Day following the earlier of (i) receipt by Purchaser of notice thereof or (ii) an officer of Purchaser becoming aware of such default;

(b) Purchaser (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency Law or other similar Law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its of assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days thereafter; (viii) causes or is subject to any event with respect to it which, under the applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (vii); or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

(c) any representation or warranty made by Purchaser in this Agreement proves to have been incorrect in any material respect when made; or

(d) Purchaser fails to perform, observe or comply with any covenant, agreement or term contained in this Agreement, and such failure continues for more than fifteen (15) days following the earlier of (i) receipt by Purchaser of notice thereof or (ii) an officer of Purchaser becoming aware of such default.

Section 17.3 Remedies Upon Default.

(a) Termination. If at any time an Issuer Default or a Purchaser Default has occurred and is continuing, then the non-defaulting Party may do any or all of the following (i) by notice to the defaulting Party specifying the relevant Issuer Default or Purchaser Default, as applicable, terminate this Agreement effective as of a day not earlier than the day such notice is deemed given under Article XVI and/or (ii) declare all amounts due to the non-defaulting Party under this Agreement or any part thereof immediately due and payable, and the same shall thereupon become immediately due and payable, without notice, demand, presentment, notice of dishonor, notice of intent to demand, protest or other formalities of any kind, all of which are hereby expressly waived by the defaulting Party; *provided*, however, this Agreement shall automatically terminate and all amounts due to the non-defaulting Party hereunder shall

immediately become due and payable as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition that upon the occurrence of a Purchaser Default specified in Section 17.2(b)(iv) or, to the extent analogous thereto, Section 17.2(b)(viii). In addition, during the existence of an Issuer Default or a Purchaser Default, as applicable, the non-defaulting Party may exercise all other rights and remedies available to it at Law or in equity, including without limitation mandamus, injunction and action for specific performance, to enforce any covenant, agreement or term of this Agreement.

(b) Additional Remedies. In addition to the remedies set forth in Section 17.3(a) (and without limiting any other provisions of this Agreement), during the existence of any Purchaser Default, Issuer may suspend its performance hereunder and discontinue the supply of all or any portion of the Energy otherwise to be delivered to Purchaser by it under this Agreement. If Issuer exercises its right to suspend performance under this Section 17.3(b), Purchaser shall remain fully liable for payment of all amounts in default and shall not be relieved of any of its payment obligations under this Agreement. Deliveries of Energy may only be reinstated, at a time to be determined by Issuer, upon (i) payment in full by Purchaser of all amounts then due and payable under this Agreement and (ii) payment in advance by Purchaser at the beginning of each Month of amounts estimated by Issuer to be due to Issuer for the future delivery of Energy under this Agreement for such Month. Issuer may continue to require payment in advance from Purchaser after the reinstatement of Issuer's supply services under this Agreement for such period of time as Issuer in its sole discretion may determine is appropriate. In addition, and without limiting any other provisions of or remedies available under this Agreement, if Purchaser fails to accept from Issuer any Energy tendered for delivery under this Agreement, Issuer shall have the right to sell such Energy to third parties on any terms that Issuer, in its sole discretion, determines are appropriate.

(c) Effect of Early Termination. As of the effectiveness of any termination date in accordance with clause (i) of Section 17.3(a), (i) the Delivery Period shall end, (ii) the obligation of Issuer to make any further deliveries of Energy to Purchaser under this Agreement shall terminate, and (iii) the obligation of Purchaser to receive deliveries of Energy from Issuer under this Agreement will terminate. Neither this Agreement nor the Delivery Period may be terminated for any reason except as specified in this Article XVII. Without prejudice to any payment obligation in respect of periods prior to termination, no payments will be due from either Party in respect of periods occurring after the effective termination date of this Agreement.

Section 17.4 Termination of Prepaid Agreement. Purchaser acknowledges and agrees that (i) in the event an Energy Delivery Termination Event occurs under and as defined in the Prepaid Agreement for any reason prior to the end of the Delivery Period, this Agreement shall terminate on the Energy Delivery Termination Date (which date shall be the last date upon which deliveries are required under the Prepaid Agreement, subject to all winding up arrangements) and (ii) Issuer's obligation to deliver Energy under this Agreement shall terminate upon the termination of deliveries of Energy to Issuer under the Prepaid Agreement. Issuer shall provide notice to Purchaser of any early termination date of the Prepaid Agreement. The Parties recognize and agree that, in the event that the Prepaid Agreement terminates because of a Failed Remarketing (as defined in the Bond Indenture) of the Bonds that occurs in the first Month of a Reset Period, Issuer shall deliver Energy under this Agreement for the remainder of such first Month, and, notwithstanding anything in this Agreement to the contrary, no Monthly Discount or

Annual Refunds shall be associated with such deliveries and the Contract Price shall be adjusted accordingly.

Section 17.5 Limitation on Damages. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS HEREIN PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. 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. 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 WITHOUT LIMITATION THE NEGLIGENCE OF EITHER PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THIS AGREEMENT ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT, AND THE LIQUIDATED DAMAGES CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS. IN DETERMINING THE APPROPRIATE MEASURE OF DAMAGES THAT WOULD MAKE THE PARTIES WHOLE, THE PARTIES HAVE THOROUGHLY CONSIDERED, INTER ALIA, THE UNCERTAINTY OF FLUCTUATIONS IN COMMODITY PRICES, THE ABILITY AND INTENTION OF THE PARTIES TO HEDGE SUCH FLUCTUATIONS, THE BARGAINED-FOR ALLOCATION OF RISK, THE KNOWLEDGE, SOPHISTICATION AND EQUAL BARGAINING POWER OF THE PARTIES, THE ARMS-LENGTH NATURE OF THE NEGOTIATIONS, THE SPECIAL CIRCUMSTANCES OF THIS TRANSACTION, THE ACCOUNTING AND TAX TREATMENT OF THE TRANSACTION BY THE PARTIES, AND THE ENTERING INTO OF OTHER TRANSACTIONS IN RELIANCE ON THE ENFORCEABILITY OF THE LIQUIDATED DAMAGES PROVISIONS CONTAINED HEREIN.

ARTICLE XVIII MISCELLANEOUS

Section 18.1 Indemnification Procedure. With respect to each indemnification included in this Agreement, the indemnity is given to the fullest extent permitted by applicable Law and the following provisions shall be applicable. The indemnified Party shall promptly notify the indemnifying Party in writing of any Claim and the indemnifying Party shall have the right to assume its investigation and defense, including employment of counsel, and shall be obligated to pay related court costs, attorneys' fees and experts' fees and to post any appeals bonds; *provided*, however, that the indemnified Party shall have the right to employ at its expense separate counsel and participate in the defense of any Claim. The indemnifying Party shall not be liable for any settlement of a Claim without its express written consent thereto. In order to prevent double

recovery, the indemnified Party shall reimburse the indemnifying Party for payments or costs incurred in respect of an indemnity with the proceeds of any judgment, insurance, bond, surety or other recovery made by the indemnified Party with respect to a covered event.

Section 18.2 Deliveries. Contemporaneously with this Agreement (unless otherwise specified): Each Party shall deliver to the other Party evidence reasonably satisfactory to it of (i) such Party's authority to execute, deliver and perform its obligations under this Agreement and (ii) the appropriate individuals who are authorized to sign this Agreement on behalf of such Party;

(a) as of the date hereof, Purchaser shall deliver to Issuer a fully executed Federal Tax Certificate in the form attached hereto as Exhibit D;

(b) on the Bond Closing Date, Purchaser shall deliver to Issuer an opinion of counsel to Purchaser in the form attached hereto as Exhibit E;

(c) on the Bond Closing Date, Purchaser shall deliver to Issuer a Closing Certificate in substantially the form set forth hereto as Exhibit G.

Section 18.3 Entirety; Amendments. This Agreement, including the exhibits and attachments hereto, constitutes the entire agreement between the Parties and supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof. There are no prior or contemporaneous agreements or representations affecting the same subject matter other than those expressed herein. Except for any matters that, in accordance with the express provisions of this Agreement, may be resolved by oral agreement between the Parties, no amendment, modification, supplement or change hereto shall be enforceable unless reduced to writing and executed by both Parties.

Section 18.4 Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLE THAT WOULD DIRECT THE APPLICATION OF ANOTHER JURISDICTION'S LAW.

Section 18.5 Non-Waiver. No waiver of any breach of any of the terms of this Agreement shall be effective unless such waiver is in writing and signed by the Party against whom such waiver is claimed. No waiver of any breach shall be deemed a waiver of any other subsequent breach.

Section 18.6 Severability. If any provision of this Agreement, or the application thereof, shall for any reason be invalid or unenforceable, then to the extent of such invalidity or unenforceability, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, but rather shall be enforced to the maximum extent permissible under applicable Law, so long as the economic and legal substance of the transactions contemplated hereby is not affected in any materially adverse manner as to either Party.

Section 18.7 Exhibits. Any and all Exhibits referenced in this Agreement are hereby incorporated herein by reference and shall be deemed to be an integral part hereof.

Section 18.8 Winding Up Arrangements. All indemnity and confidentiality obligations, audit rights, and other provisions specifically providing for survival shall survive the expiration or termination of this Agreement. The expiration or termination of this Agreement shall not relieve either Party of (a) any unfulfilled obligation or undischarged liability of such Party on the date of such termination or (b) the consequences of any breach or default of any warranty or covenant contained in this Agreement. All obligations and liabilities described in the preceding sentence of this Section 18.8, and applicable provisions of this Agreement creating or relating to such obligations and liabilities, shall survive such expiration or termination.

Section 18.9 Relationships of Parties. The Parties shall not be deemed to be in a relationship of partners or joint venturers by virtue of this Agreement, nor shall either Party be an agent, representative, trustee or fiduciary of the other. Neither Party shall have any authority to bind the other to any agreement. This Agreement is intended to secure and provide for the services of each Party as an independent contractor.

Section 18.10 Immunity. Each Party represents and covenants to and agrees with the other Party that it is not entitled to and shall not assert the defense of sovereign immunity or governmental immunity with respect to its obligations or any Claims under this Agreement, and each hereby waives any such defense of sovereign or governmental immunity to the full extent permitted by Law.

Section 18.11 Rates and Indices. If the source of any publication used to determine the index or other price used in the Contract Price should cease to publish the relevant prices or should cease to be published entirely, an alternative index or other price will be used based on the determinations made by Issuer and Prepay LLC under Section 18.11 of the Prepaid Agreement. Issuer shall provide Purchaser the opportunity to provide its recommendations and other input to Issuer for Issuer's use in the process for selecting such alternative index or other price under Section 18.11 of the Prepaid Agreement.

Section 18.12 Limitation of Liability. Notwithstanding anything to the contrary herein, all obligations of Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of Issuer, payable solely from the Trust Estate (as such term is defined in the Bond Indenture) as and to the extent provided in the Bond Indenture, including with respect to Operating Expenses (as such term is defined in the Bond Indenture). Issuer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Bond Indenture) and other assets pledged under the Bond Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Bond Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Bond Indenture.

Section 18.13 Counterparts. This Agreement may be executed and acknowledged in multiple counterparts and by the Parties in separate counterparts, each of which shall be an original and all of which shall be and constitute one and the same instrument.


Section 18.14 Third Party Beneficiaries; Rights of Trustee. Purchaser acknowledges and agrees that (a) Issuer will pledge and assign its rights, title and interest in this Agreement and the amounts payable by Purchaser under this Agreement to secure Issuer's obligations under the Bond Indenture, (b) the Trustee shall be a third-party beneficiary of this Agreement with the right to enforce Purchaser's obligations under this Agreement, (c) the Trustee or any receiver appointed under the Bond Indenture shall have the right to perform all obligations of Issuer under this Agreement, and (d) in the event of any Purchaser Defaults under Section 17.2(a), (i) Prepay LLC may, to the extent provided for in, and in accordance with, the Receivables Purchase Provisions (as defined in the Bond Indenture), take assignment from Issuer of receivables owed by Purchaser to Issuer under this Agreement, and shall thereafter have all rights of collection with respect to such receivables, and (ii) if such receivables are not so assigned, the Commodity Swap Counterparty (as defined in the Bond Indenture) shall have the right to pursue collection of such receivables to the extent of any non-payment by Issuer to the Commodity Swap Counterparty that was caused by Purchaser's payment default. Pursuant to the terms of the Bond Indenture, Issuer has irrevocably appointed the Trustee as its agent to issue notices and as directed under the Bond Indenture, to take any other actions that Issuer is required or permitted to take under this Agreement. Purchaser may rely on notices or other actions taken by Issuer or the Trustee and Purchaser has the right to exclusively rely on any notices delivered by the Trustee, regardless of any conflicting notices that it may receive from Issuer.

Section 18.15 Waiver of Defenses. Purchaser waives all rights to set-off, counterclaim, recoupment and any other defenses that might otherwise be available to Purchaser with regard to Purchaser's obligations pursuant to the terms of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Power Supply Contract to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

[Separate Signature Page(s) Attached]

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: 
Name: Garth Salisbury
Title: Treasurer/Controller

SAN DIEGO COMMUNITY POWER

By: _____
Name: _____
Title: _____

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

SAN DIEGO COMMUNITY POWER

By: 
Name: Eric W. Washington
Title: Chief Financial Officer/Treasurer

EXHIBIT A-1
BASE ENERGY HOURLY QUANTITIES

[To be attached.]

Exhibit A-1

Project Participant	SDCP	
Delivery Point	SP15 EZ GEN HUB	
CAISO Energy Delivery Hours	Monday through Sunday HE 0100 through 2400 (24 Hours)	
Contract Index Price	CAISO SP15 Day Ahead Index for Hour Ending 01 through Hour Ending 24	
Delivery Period	Hourly Quantity (MW)	Monthly Quantity (MWh)
January-25	40.0	29,760.0
February-25	40.0	26,880.0
March-25	40.0	29,720.0
April-25	40.0	28,800.0
May-25	40.0	29,760.0
June-25	40.0	28,800.0
July-25	40.0	29,760.0
August-25	40.0	29,760.0
September-25	40.0	28,800.0
October-25	40.0	29,760.0
November-25	40.0	28,840.0
December-25	40.0	29,760.0
January-26	23.8	17,707.2
February-26	23.8	15,993.6
March-26	23.8	17,683.4
April-26	23.8	17,136.0
May-26	23.8	17,707.2
June-26	23.8	17,136.0
July-26	23.8	17,707.2
August-26	23.8	17,707.2
September-26	23.8	17,136.0
October-26	23.8	17,707.2
November-26	42.0	30,282.0
December-26	42.0	31,248.0
January-27	70.0	52,080.0
February-27	70.0	47,040.0
March-27	70.0	52,010.0
April-27	70.0	50,400.0
May-27	70.0	52,080.0
June-27	70.0	50,400.0
July-27	70.0	52,080.0
August-27	70.0	52,080.0

September-27	70.0	50,400.0
October-27	70.0	52,080.0
November-27	70.0	50,470.0
December-27	70.0	52,080.0
January-28	70.0	52,080.0
February-28	70.0	48,720.0
March-28	70.0	52,010.0
April-28	70.0	50,400.0
May-28	70.0	52,080.0
June-28	70.0	50,400.0
July-28	70.0	52,080.0
August-28	70.0	52,080.0
September-28	70.0	50,400.0
October-28	70.0	52,080.0
November-28	70.0	50,470.0
December-28	70.0	52,080.0
January-29	70.0	52,080.0
February-29	70.0	47,040.0
March-29	70.0	52,010.0
April-29	70.0	50,400.0
May-29	70.0	52,080.0
June-29	70.0	50,400.0
July-29	70.0	52,080.0
August-29	70.0	52,080.0
September-29	70.0	50,400.0
October-29	70.0	52,080.0
November-29	70.0	50,470.0
December-29	70.0	52,080.0
January-30	70.0	52,080.0
February-30	70.0	47,040.0
March-30	70.0	52,010.0
April-30	70.0	50,400.0
May-30	70.0	52,080.0
June-30	70.0	50,400.0
July-30	70.0	52,080.0
August-30	70.0	52,080.0
September-30	70.0	50,400.0
October-30	70.0	52,080.0
November-30	70.0	50,470.0
December-30	70.0	52,080.0
January-31	70.0	52,080.0
February-31	70.0	47,040.0
March-31	70.0	52,010.0
April-31	70.0	50,400.0
May-31	70.0	52,080.0
June-31	70.0	50,400.0
July-31	70.0	52,080.0

August-31	70.0	52,080.0
September-31	70.0	50,400.0
October-31	70.0	52,080.0
November-31	70.0	50,470.0
December-31	70.0	52,080.0
January-32	70.0	52,080.0
February-32	70.0	48,720.0
March-32	70.0	52,010.0
April-32	70.0	50,400.0
May-32	70.0	52,080.0
June-32	70.0	50,400.0
July-32	70.0	52,080.0
August-32	70.0	52,080.0
September-32	70.0	50,400.0
October-32	76.0	56,544.0
November-32	76.0	54,796.0
December-32	76.0	56,544.0
January-33	76.0	56,544.0
February-33	76.0	51,072.0
March-33	76.0	56,468.0
April-33	76.0	54,720.0
May-33	76.0	56,544.0
June-33	76.0	54,720.0
July-33	76.0	56,544.0
August-33	76.0	56,544.0
September-33	76.0	54,720.0
October-33	76.0	56,544.0
November-33	76.0	54,796.0
December-33	76.0	56,544.0
January-34	76.0	56,544.0
February-34	76.0	51,072.0
March-34	76.0	56,468.0
April-34	76.0	54,720.0
May-34	76.0	56,544.0
June-34	76.0	54,720.0
July-34	76.0	56,544.0
August-34	76.0	56,544.0
September-34	76.0	54,720.0
October-34	76.0	56,544.0
November-34	76.0	54,796.0
December-34	76.0	56,544.0
January-35	76.0	56,544.0
February-35	76.0	51,072.0
March-35	76.0	56,468.0
April-35	76.0	54,720.0
May-35	76.0	56,544.0
June-35	76.0	54,720.0

July-35	76.0	56,544.0
August-35	76.0	56,544.0
September-35	76.0	54,720.0
October-35	76.0	56,544.0
November-35	76.0	54,796.0
December-35	76.0	56,544.0
January-36	76.0	56,544.0
February-36	76.0	52,896.0
March-36	76.0	56,468.0
April-36	76.0	54,720.0
May-36	76.0	56,544.0
June-36	76.0	54,720.0
July-36	76.0	56,544.0
August-36	76.0	56,544.0
September-36	76.0	54,720.0
October-36	76.0	56,544.0
November-36	76.0	54,796.0
December-36	76.0	56,544.0
January-37	76.0	56,544.0
February-37	76.0	51,072.0
March-37	76.0	56,468.0
April-37	76.0	54,720.0
May-37	76.0	56,544.0
June-37	76.0	54,720.0
July-37	76.0	56,544.0
August-37	76.0	56,544.0
September-37	76.0	54,720.0
October-37	76.0	56,544.0
November-37	76.0	54,796.0
December-37	76.0	56,544.0
January-38	76.0	56,544.0
February-38	76.0	51,072.0
March-38	76.0	56,468.0
April-38	76.0	54,720.0
May-38	76.0	56,544.0
June-38	76.0	54,720.0
July-38	76.0	56,544.0
August-38	76.0	56,544.0
September-38	76.0	54,720.0
October-38	76.0	56,544.0
November-38	76.0	54,796.0
December-38	76.0	56,544.0
January-39	76.0	56,544.0
February-39	76.0	51,072.0
March-39	76.0	56,468.0
April-39	76.0	54,720.0
May-39	76.0	56,544.0

June-39	76.0	54,720.0
July-39	76.0	56,544.0
August-39	76.0	56,544.0
September-39	76.0	54,720.0
October-39	76.0	56,544.0
November-39	76.0	54,796.0
December-39	76.0	56,544.0
January-40	76.0	56,544.0
February-40	76.0	52,896.0
March-40	76.0	56,468.0
April-40	76.0	54,720.0
May-40	76.0	56,544.0
June-40	76.0	54,720.0
July-40	76.0	56,544.0
August-40	76.0	56,544.0
September-40	76.0	54,720.0
October-40	76.0	56,544.0
November-40	76.0	54,796.0
December-40	76.0	56,544.0
January-41	76.0	56,544.0
February-41	76.0	51,072.0
March-41	76.0	56,468.0
April-41	76.0	54,720.0
May-41	76.0	56,544.0
June-41	76.0	54,720.0
July-41	76.0	56,544.0
August-41	76.0	56,544.0
September-41	76.0	54,720.0
October-41	76.0	56,544.0
November-41	76.0	54,796.0
December-41	76.0	56,544.0
January-42	76.0	56,544.0
February-42	76.0	51,072.0
March-42	76.0	56,468.0
April-42	76.0	54,720.0
May-42	76.0	56,544.0
June-42	76.0	54,720.0
July-42	76.0	56,544.0
August-42	76.0	56,544.0
September-42	76.0	54,720.0
October-42	76.0	56,544.0
November-42	76.0	54,796.0
December-42	76.0	56,544.0
January-43	76.0	56,544.0
February-43	76.0	51,072.0
March-43	76.0	56,468.0
April-43	76.0	54,720.0

May-43	76.0	56,544.0
June-43	76.0	54,720.0
July-43	76.0	56,544.0
August-43	76.0	56,544.0
September-43	76.0	54,720.0
October-43	76.0	56,544.0
November-43	76.0	54,796.0
December-43	76.0	56,544.0
January-44	76.0	56,544.0
February-44	76.0	52,896.0
March-44	76.0	56,468.0
April-44	76.0	54,720.0
May-44	76.0	56,544.0
June-44	76.0	54,720.0
July-44	76.0	56,544.0
August-44	76.0	56,544.0
September-44	76.0	54,720.0
October-44	76.0	56,544.0
November-44	76.0	54,796.0
December-44	76.0	56,544.0
January-45	76.0	56,544.0
February-45	76.0	51,072.0
March-45	76.0	56,468.0
April-45	76.0	54,720.0
May-45	76.0	56,544.0
June-45	76.0	54,720.0
July-45	76.0	56,544.0
August-45	76.0	56,544.0
September-45	76.0	54,720.0
October-45	76.0	56,544.0
November-45	76.0	54,796.0
December-45	76.0	56,544.0
January-46	76.0	56,544.0
February-46	76.0	51,072.0
March-46	76.0	56,468.0
April-46	76.0	54,720.0
May-46	76.0	56,544.0
June-46	76.0	54,720.0
July-46	76.0	56,544.0
August-46	76.0	56,544.0
September-46	76.0	54,720.0
October-46	76.0	56,544.0
November-46	76.0	54,796.0
December-46	76.0	56,544.0
January-47	76.0	56,544.0
February-47	76.0	51,072.0
March-47	76.0	56,468.0

April-47	76.0	54,720.0
May-47	76.0	56,544.0
June-47	76.0	54,720.0
July-47	76.0	56,544.0
August-47	76.0	56,544.0
September-47	76.0	54,720.0
October-47	76.0	56,544.0
November-47	76.0	54,796.0
December-47	76.0	56,544.0
January-48	76.0	56,544.0
February-48	76.0	52,896.0
March-48	76.0	56,468.0
April-48	76.0	54,720.0
May-48	76.0	56,544.0
June-48	76.0	54,720.0
July-48	76.0	56,544.0
August-48	76.0	56,544.0
September-48	76.0	54,720.0
October-48	76.0	56,544.0
November-48	76.0	54,796.0
December-48	76.0	56,544.0
January-49	76.0	56,544.0
February-49	76.0	51,072.0
March-49	76.0	56,468.0
April-49	76.0	54,720.0
May-49	76.0	56,544.0
June-49	76.0	54,720.0
July-49	76.0	56,544.0
August-49	76.0	56,544.0
September-49	76.0	54,720.0
October-49	76.0	56,544.0
November-49	76.0	54,796.0
December-49	76.0	56,544.0
January-50	76.0	56,544.0
February-50	76.0	51,072.0
March-50	76.0	56,468.0
April-50	76.0	54,720.0
May-50	76.0	56,544.0
June-50	76.0	54,720.0
July-50	76.0	56,544.0
August-50	76.0	56,544.0
September-50	76.0	54,720.0
October-50	76.0	56,544.0
November-50	76.0	54,796.0
December-50	76.0	56,544.0
January-51	76.0	56,544.0
February-51	76.0	51,072.0

March-51	76.0	56,468.0
April-51	76.0	54,720.0
May-51	76.0	56,544.0
June-51	76.0	54,720.0
July-51	76.0	56,544.0
August-51	76.0	56,544.0
September-51	76.0	54,720.0
October-51	76.0	56,544.0
November-51	76.0	54,796.0
December-51	76.0	56,544.0
January-52	76.0	56,544.0
February-52	76.0	52,896.0
March-52	76.0	56,468.0
April-52	76.0	54,720.0
May-52	76.0	56,544.0
June-52	76.0	54,720.0
July-52	76.0	56,544.0
August-52	76.0	56,544.0
September-52	76.0	54,720.0
October-52	76.0	56,544.0
November-52	76.0	54,796.0
December-52	76.0	56,544.0
January-53	76.0	56,544.0
February-53	76.0	51,072.0
March-53	76.0	56,468.0
April-53	76.0	54,720.0
May-53	76.0	56,544.0
June-53	76.0	54,720.0
July-53	76.0	56,544.0
August-53	76.0	56,544.0
September-53	76.0	54,720.0
October-53	76.0	56,544.0
November-53	76.0	54,796.0
December-53	76.0	56,544.0
January-54	76.0	56,544.0
February-54	76.0	51,072.0
March-54	76.0	56,468.0
April-54	76.0	54,720.0
May-54	76.0	56,544.0
June-54	76.0	54,720.0
July-54	76.0	56,544.0
August-54	76.0	56,544.0
September-54	76.0	54,720.0
October-54	76.0	56,544.0
November-54	76.0	54,796.0
December-54	76.0	56,544.0

EXHIBIT A-2
EPS ENERGY PERIOD MONTHLY PROJECTED QUANTITIES

[To be attached.]

Exhibit A-2

Project Participant	SDCP	
Delivery Point	SP15 EZ GEN HUB	
Pricing Intervals	Monday through Sunday HE 0100 through 2400 (24 Hours)	
Day-Ahead Average Price	Day-Ahead Average Price for SP15 (which by definition, includes the Index Adder)	
Delivery Period	Monthly Quantity (MWh)	Index Adder (\$/MWh)
January-25	-	55.00
February-25	-	55.00
March-25	-	55.00
April-25	-	55.00
May-25	-	55.00
June-25	-	87.90
July-25	-	88.11
August-25	-	141.08
September-25	-	140.53
October-25	-	89.38
November-25	-	55.00
December-25	-	55.00
January-26	-	55.00
February-26	-	55.00
March-26	-	55.00
April-26	-	55.00
May-26	-	55.00
June-26	-	112.50
July-26	-	110.65
August-26	-	199.68
September-26	-	198.75
October-26	-	112.79
November-26	-	39.00
December-26	-	39.00
January-27	-	39.00
February-27	-	39.00
March-27	-	39.00
April-27	-	39.00
May-27	-	39.00
June-27	-	39.00
July-27	-	39.00
August-27	-	39.00

September-27	-	39.00
October-27	-	39.00
November-27	-	39.00
December-27	-	39.00
January-28	-	39.00
February-28	-	39.00
March-28	-	39.00
April-28	-	39.00
May-28	-	39.00
June-28	-	39.00
July-28	-	39.00
August-28	-	39.00
September-28	-	39.00
October-28	-	39.00
November-28	-	39.00
December-28	-	39.00
January-29	-	39.00
February-29	-	39.00
March-29	-	39.00
April-29	-	39.00
May-29	-	39.00
June-29	-	39.00
July-29	-	39.00
August-29	-	39.00
September-29	-	39.00
October-29	-	39.00
November-29	-	39.00
December-29	-	39.00
January-30	-	39.00
February-30	-	39.00
March-30	-	39.00
April-30	-	39.00
May-30	-	39.00
June-30	-	39.00
July-30	-	39.00
August-30	-	39.00
September-30	-	39.00
October-30	-	39.00
November-30	-	39.00
December-30	-	39.00
January-31	-	39.00
February-31	-	39.00
March-31	-	39.00
April-31	-	39.00
May-31	-	39.00
June-31	-	39.00
July-31	-	39.00

August-31	-	39.00
September-31	-	39.00
October-31	-	39.00
November-31	-	39.00
December-31	-	39.00
January-32	-	39.00
February-32	-	39.00
March-32	-	39.00
April-32	-	39.00
May-32	-	39.00
June-32	-	39.00
July-32	-	39.00
August-32	-	39.00
September-32	-	39.00
October-32	-	39.00
November-32	-	39.00
December-32	-	39.00
January-33	-	39.00
February-33	-	39.00
March-33	-	39.00
April-33	-	39.00
May-33	-	39.00
June-33	-	39.00
July-33	-	39.00
August-33	-	39.00
September-33	-	39.00
October-33	-	39.00
November-33	-	39.00
December-33	-	39.00
January-34	-	39.00
February-34	-	39.00
March-34	-	39.00
April-34	-	39.00
May-34	-	39.00
June-34	-	39.00
July-34	-	39.00
August-34	-	39.00
September-34	-	39.00
October-34	-	39.00
November-34	-	39.00
December-34	-	39.00
January-35	-	39.00
February-35	-	39.00
March-35	-	39.00
April-35	-	39.00
May-35	-	39.00
June-35	-	39.00

July-35	-	39.00
August-35	-	39.00
September-35	-	39.00
October-35	-	39.00
November-35	-	39.00
December-35	-	39.00
January-36	-	39.00
February-36	-	39.00
March-36	-	39.00
April-36	-	39.00
May-36	-	39.00
June-36	-	39.00
July-36	-	39.00
August-36	-	39.00
September-36	-	39.00
October-36	-	39.00
November-36	-	39.00
December-36	-	39.00
January-37	-	39.00
February-37	-	39.00
March-37	-	39.00
April-37	-	39.00
May-37	-	39.00
June-37	-	39.00
July-37	-	39.00
August-37	-	39.00
September-37	-	39.00
October-37	-	39.00
November-37	-	39.00
December-37	-	39.00
January-38	-	39.00
February-38	-	39.00
March-38	-	39.00
April-38	-	39.00
May-38	-	39.00
June-38	-	39.00
July-38	-	39.00
August-38	-	39.00
September-38	-	39.00
October-38	-	39.00
November-38	-	39.00
December-38	-	39.00
January-39	-	39.00
February-39	-	39.00
March-39	-	39.00
April-39	-	39.00
May-39	-	39.00

June-39	-	39.00
July-39	-	39.00
August-39	-	39.00
September-39	-	39.00
October-39	-	39.00
November-39	-	39.00
December-39	-	39.00
January-40	-	39.00
February-40	-	39.00
March-40	-	39.00
April-40	-	39.00
May-40	-	39.00
June-40	-	39.00
July-40	-	39.00
August-40	-	39.00
September-40	-	39.00
October-40	-	39.00
November-40	-	39.00
December-40	-	39.00
January-41	-	39.00
February-41	-	39.00
March-41	-	39.00
April-41	-	39.00
May-41	-	39.00
June-41	-	39.00
July-41	-	39.00
August-41	-	39.00
September-41	-	39.00
October-41	-	39.00
November-41	-	39.00
December-41	-	39.00
January-42	-	39.00
February-42	-	39.00
March-42	-	39.00
April-42	-	39.00
May-42	-	39.00
June-42	-	39.00
July-42	-	39.00
August-42	-	39.00
September-42	-	39.00
October-42	-	39.00
November-42	-	39.00
December-42	-	39.00
January-43	-	39.00
February-43	-	39.00
March-43	-	39.00
April-43	-	39.00

May-43	-	39.00
June-43	-	39.00
July-43	-	39.00
August-43	-	39.00
September-43	-	39.00
October-43	-	39.00
November-43	-	39.00
December-43	-	39.00
January-44	-	39.00
February-44	-	39.00
March-44	-	39.00
April-44	-	39.00
May-44	-	39.00
June-44	-	39.00
July-44	-	39.00
August-44	-	39.00
September-44	-	39.00
October-44	-	39.00
November-44	-	39.00
December-44	-	39.00
January-45	-	39.00
February-45	-	39.00
March-45	-	39.00
April-45	-	39.00
May-45	-	39.00
June-45	-	39.00
July-45	-	39.00
August-45	-	39.00
September-45	-	39.00
October-45	-	39.00
November-45	-	39.00
December-45	-	39.00
January-46	-	39.00
February-46	-	39.00
March-46	-	39.00
April-46	-	39.00
May-46	-	39.00
June-46	-	39.00
July-46	-	39.00
August-46	-	39.00
September-46	-	39.00
October-46	-	39.00
November-46	-	39.00
December-46	-	39.00
January-47	-	39.00
February-47	-	39.00
March-47	-	39.00

April-47	-	39.00
May-47	-	39.00
June-47	-	39.00
July-47	-	39.00
August-47	-	39.00
September-47	-	39.00
October-47	-	39.00
November-47	-	39.00
December-47	-	39.00
January-48	-	39.00
February-48	-	39.00
March-48	-	39.00
April-48	-	39.00
May-48	-	39.00
June-48	-	39.00
July-48	-	39.00
August-48	-	39.00
September-48	-	39.00
October-48	-	39.00
November-48	-	39.00
December-48	-	39.00
January-49	-	39.00
February-49	-	39.00
March-49	-	39.00
April-49	-	39.00
May-49	-	39.00
June-49	-	39.00
July-49	-	39.00
August-49	-	39.00
September-49	-	39.00
October-49	-	39.00
November-49	-	39.00
December-49	-	39.00
January-50	-	39.00
February-50	-	39.00
March-50	-	39.00
April-50	-	39.00
May-50	-	39.00
June-50	-	39.00
July-50	-	39.00
August-50	-	39.00
September-50	-	39.00
October-50	-	39.00
November-50	-	39.00
December-50	-	39.00
January-51	-	39.00
February-51	-	39.00

March-51	-	39.00
April-51	-	39.00
May-51	-	39.00
June-51	-	39.00
July-51	-	39.00
August-51	-	39.00
September-51	-	39.00
October-51	-	39.00
November-51	-	39.00
December-51	-	39.00
January-52	-	39.00
February-52	-	39.00
March-52	-	39.00
April-52	-	39.00
May-52	-	39.00
June-52	-	39.00
July-52	-	39.00
August-52	-	39.00
September-52	-	39.00
October-52	-	39.00
November-52	-	39.00
December-52	-	39.00
January-53	-	39.00
February-53	-	39.00
March-53	-	39.00
April-53	-	39.00
May-53	-	39.00
June-53	-	39.00
July-53	-	39.00
August-53	-	39.00
September-53	-	39.00
October-53	-	39.00
November-53	-	39.00
December-53	-	39.00
January-54	-	39.00
February-54	-	39.00
March-54	-	39.00
April-54	-	39.00
May-54	-	39.00
June-54	-	39.00
July-54	-	39.00
August-54	-	39.00
September-54	-	39.00
October-54	-	39.00
November-54	-	39.00
December-54	-	39.00

EXHIBIT A-3
ANNUAL QUANTITY

[To be attached.]

Exhibit A-3

Participant	SDCP
Delivery Period	Annual Quantity (MWh)
2025	350,400
2026	235,151
2027	613,200
2028	614,880
2029	613,200
2030	613,200
2031	613,200
2032	628,134
2033	665,760
2034	665,760
2035	665,760
2036	667,584
2037	665,760
2038	665,760
2039	665,760
2040	667,584
2041	665,760
2042	665,760
2043	665,760
2044	667,584
2045	665,760
2046	665,760
2047	665,760
2048	667,584
2049	665,760
2050	665,760
2051	665,760
2052	667,584
2053	665,760
2054	665,760

EXHIBIT B
NOTICES

IF TO ISSUER: California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901
notices@cccfa.org and invoices@cccfa.org

IF TO PURCHASER: Eric Washington
Chief Financial Officer & Treasurer
815 E Street, Suite 12716
San Diego, CA 92112
Email: ewashington@sdcommunitypower.org

EXHIBIT C
FORM OF REMARKETING ELECTION NOTICE

[____], 20[__]

Energy Prepay IV, LLC
c/o Morgan Stanley & Co.
JP Morgan Chase Tower
600 Travis Street, Suite 3700
Houston, TX 77002
Email: SDCP_2024F_ms_notices@morganstanley.com
With a mandatory copy to:
Email: msdoc-misc-notices@morganstanley.com

U.S. Bank Trust Company, National Association
2 Concourse Parkway, Suite 800
Atlanta, Georgia 30328
Attention: Mark Hallam

To the Addressees:

The undersigned, duly authorized representative of San Diego Community Power, a California joint powers authority (the "Purchaser"), is providing this notice (the "Remarketing Election Notice") pursuant to the Power Supply Contract, dated as of November 5, 2024 (the "Supply Contract"), between California Community Choice Financing Authority and the Purchaser. Capitalized terms used herein shall have the meanings set forth in the Supply Contract.

Pursuant to Section 3.4(b) of the Supply Contract, the Purchaser has elected to have its Contract Quantity for the applicable Reset Period remarketed beginning as of the commencement of such Reset Period. The resumption of deliveries in any future Reset Period shall be in accordance with Section 3.4(d) of the Supply Contract.

Given this [____] day of [____], 20[____].

SAN DIEGO COMMUNITY POWER

By: _____
Printed Name:
Title:

EXHIBIT D

FORM OF FEDERAL TAX CERTIFICATE

This Federal Tax Certificate is executed in connection with the Power Supply Contract dated as of November 5, 2024 (the “Supply Contract”), by and between California Community Choice Financing Authority (“Issuer”) and San Diego Community Power, a California joint powers authority (“Purchaser”). Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Supply Contract or in the Bond Indenture.

WHEREAS Purchaser acknowledges that Issuer is issuing the Bonds to fund the prepayment price under the Prepaid Agreement; and

WHEREAS the Bonds are intended to qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended; and

WHEREAS Purchaser’s use of Energy acquired pursuant to the Supply Contract and certain funds and accounts of Purchaser will affect the Bonds’ qualification for such tax exemption.

NOW, THEREFORE, PURCHASER HEREBY CERTIFIES AS FOLLOWS:

1. Purchaser is a community choice aggregator organized as a joint powers authority under the laws of the State of California. As a community choice aggregator, the Purchaser is a load-serving entity providing electricity to customers within the boundaries of cities and/or counties that have elected to participate in Purchaser’s community choice aggregation program. For purposes of this Certificate, the term “service area” of the Purchaser means the boundaries of the cities and/or counties that have elected to participate in the Purchaser’s community choice aggregation program, as well as any other area recognized as the service area of the Purchaser under state or federal law.
2. Purchaser will resell all of the Energy acquired pursuant to the Supply Contract to its retail Energy customers within its service area, with retail sales in all cases being made pursuant to regularly established and generally applicable tariffs or under authorized requirements contracts.
3. From [____, ____] to [____, 202__] the annual average amount of Energy purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser is [_____] MWh. Over the term of the Supply Contract, the Purchaser expects the annual average amount of Energy purchased (other than for resale) by customers of the Purchaser who are located within the service area of the Purchaser to be at least [_____] MWh. The maximum annual amount of Energy in any year being acquired pursuant to the Supply Contract is [_____] MWh. The annual average amount of Energy which Purchaser otherwise has a right to acquire as of the Bond Closing Date (including rights to capacity to generate electricity, whether owned, leased or otherwise contracted for) is [_____] MWh. The sum of (a) the maximum amount of Energy in any year being acquired pursuant to the Supply Contract, and (b) the amount of Energy that Purchaser otherwise has a right to acquire (including rights to capacity to generate electricity, whether owned, leased or otherwise contracted for) in the year described in the foregoing clause

(a), is [] MWh. Accordingly, the amount of Energy to be acquired under the Supply Contract by Purchaser, supplemented by the amount of Energy otherwise available to Purchaser as of the Bond Closing Date, during any year does not exceed []% of the expected annual average amount of Energy to be purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser.

3. In the event of the expiration or termination of an EPS Energy Period, Purchaser agrees to comply with its obligations under the Assignment Letter Agreement, including but not limited to its obligations to (a) exercise Commercially Reasonable Efforts to assign a portion of Purchaser's rights and obligations under a power purchase agreement under which Purchaser is purchasing EPS Compliant Energy to MSCG or Prepay LLC pursuant to an Assignment Agreement and (b) cooperate in good faith with Issuer, MSCG and Prepay LLC with respect to any proposed assignments.

4. Purchaser expects to pay for Energy acquired pursuant to the Supply Contract solely from funds derived from its operations as a community choice aggregator. Purchaser expects to use current CCA Revenues of its CCA System to pay for current Energy acquisitions. Neither the Purchaser nor any person who is a related party to the Purchaser will hold any funds or accounts in which monies are set aside and invested and which are reasonably expected to be used to pay for Energy more than one year after such monies are set aside. No portion of the proceeds of the Bonds will be used directly or indirectly to replace funds of Purchaser or any persons who are related Persons to Purchaser that are or were intended to be used for the purpose for which the Bonds were issued.

_____, 2024

By: _____
[Name]
[Title]

EXHIBIT E
FORMS OF OPINION OF COUNSEL TO PURCHASER

[INSERT SDCP LETTERHEAD]

[____], 2024

California Community Choice Financing Authority
San Rafael, California

Morgan Stanley & Co. LLC
New York, NY

Re: California Community Choice Financing Authority Clean Energy Project Revenue
Bonds, 2024 Series F

Ladies and Gentlemen:

I am general counsel to San Diego Community Power, a California joint powers authority (“SDCP”). This opinion is being provided in connection with the issuance by the California Community Choice Financing Authority (the “Issuer”) of its Clean Energy Project Revenue Bonds, 2024 Series F. This opinion is rendered in connection with the Bond Purchase Contract, dated November 5, 2024 (the “Bond Purchase Contract”), by and between Morgan Stanley & Co. LLC, as underwriter, and the Issuer. Capitalized terms used herein shall have the meanings given to them in the Bond Purchase Contract.

In rendering this opinion, I have examined or reviewed copies of such records and other documents as I have deemed necessary and relevant for purposes of this opinion. In my examination, I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as originals, and the conformity of all original documents submitted to me as copies. In basing the opinion set forth in this letter on “my knowledge”, the words “my knowledge” signify that no facts have come to my attention that would give me actual knowledge or actual notice that such opinion is not accurate. Except as otherwise stated in this opinion, I have undertaken no investigation or verification of such matters.

The opinion or conclusions herein may be affected by actions taken or omitted or events occurring after the date hereof. I have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to my attention after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. In reviewing the documents and matters referred to above, I have assumed the due and legal execution and delivery thereof by, and the validity against, any parties other than SDCP. I have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in such documents. I have further assumed compliance with all covenants and agreements contained in such documents.

Based upon and subject to the foregoing and in reliance thereon, as of the date hereof, to my knowledge, after due inquiry, there is no legislation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to my knowledge, threatened against SDCP, affecting the existence of SDCP or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the execution and delivery of the Power Supply Contract, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of SDCP or any authority for the execution and delivery of the Power Supply Contract, nor, to my knowledge, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Power Supply Contract.

I express no opinion as to any matter other than as expressly set forth above, and I express no opinion on the laws of any jurisdiction other than the State of California and the United States of America. I disclaim any obligation to update this letter.

Very truly yours,

[_____]
General Counsel

[____], 2024

To the Addressees on
Schedule I attached hereto

We have acted as counsel to San Diego Community Power, a California joint powers authority (the “Project Participant”) in connection with the issuance by the California Community Choice Financing Authority (the “Issuer”) of its Clean Energy Project Revenue Bonds, 2024 Series F (the “Bonds”). This opinion is rendered pursuant to the Bond Purchase Contract, dated November 5, 2024 (the “Bond Purchase Contract”), by and between Morgan Stanley & Co. LLC, as underwriter (the “Underwriter”) and the Issuer.

In rendering this opinion, we have examined executed copies of the following documents in the form approved by the Board of Directors of the Project Participant pursuant to Project Participant Resolution (collectively, the “Project Participant Documents”):

- (a) Resolution No. 2024-[] adopted by the Board of Directors of the Project Participant on [], 2024 (the “Project Participant Resolution”);
- (b) Power Supply Contract between the Project Participant and the Issuer;
- (c) Custodial Agreement by and among the Project Participant, Energy Prepay IV, LLC (the “Energy Supplier”), Morgan Stanley Capital Group Inc. (“MSCG”) and U.S. Bank Trust Company, National Association, as custodian;
- (d) Limited Assignment Agreement by and among the Project Participant, the Energy Supplier and MSCG, as seller under the power purchase agreement to which such assignment relates;
- (e) Letter Agreement by and among the Project Participant, the Issuer, the Energy Supplier and MSCG regarding matters relating to Limited Assignment Agreements; and
- (f) Project Administration Agreement relating to the Clean Energy Project, by and between the Project Participant and the Issuer;

We have also reviewed copies of such records and other documents as we have deemed necessary and relevant for purposes of this opinion. In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity of all original documents submitted to us as copies.

As to factual matters, we have relied solely upon our review of the foregoing, the representations and warranties of the Project Participant contained in the Project Participant Documents, the Preliminary Official Statement, the Official Statement, the joint powers agreement of the Project Participant, and various certificates and other documents furnished to us by authorized officers of the Project Participant. In basing the opinions set forth in this letter on “our knowledge”, the words “our knowledge” signify that, in the course of our representation, no facts have come to our attention that would give us actual knowledge or actual notice that any such opinions or other matters are not accurate. Except as otherwise stated in this opinion, we have undertaken no investigation or verification of such matters.

We are of the opinion that:

1. The Project Participant is a joint powers authority created and existing under the laws of the State of California (the “State”), specifically the Joint Exercise of Powers Act, constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended and supplemented from time to time (the “Act”), and has full legal right, power and authority under the Act to (a) enter into, execute and deliver the Project Participant Documents, and (b) carry out and consummate the transactions contemplated by the Project Participant Documents.

2. By all necessary official action, the Project Participant has duly authorized all necessary action to be taken by it for (a) the adoption of the Project Participant Resolution, (b) the approval, execution and delivery of, and the performance by the Project Participant of the obligations on its part, contained in the Project Participant Documents, and (c) the consummation by it of all other transactions contemplated by the Preliminary Official Statement, the Official Statement and the Project Participant Documents.

3. The Project Participant Resolution was duly and validly adopted by the Project Participant in compliance with all applicable procedural requirements of the Project Participant and in compliance with the Act, and the Project Participant Resolution is in full force and effect and has not been amended.

4. The Project Participant Documents have been duly authorized, executed and delivered by the Project Participant, and constitute legal, valid and binding obligations of the Project Participant enforceable against the Project Participant in accordance with their respective terms, except to the extent limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws and equitable principles of general application relating to or affecting the enforcement of creditors’ rights.

5. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Project Participant of its obligations under the Project Participant Documents have been obtained.

6. The execution and delivery of the Project Participant Documents and compliance by the Project Participant with the provisions thereof, under the circumstances contemplated therein, will not conflict with or constitute on the part of the Project Participant a material breach of or a default under any agreement or instrument to which the Project Participant is a party, or violate any existing law, administrative regulation, court order, or consent decree to which the Project Participant is subject.

7. To our knowledge, the statements contained in the Preliminary Official Statement as of its date and in the Official statement under the captions [“INTRODUCTION – THE PROJECT PARTICIPANT,” “COMMUNITY CHOICE AGGREGATORS,” in the second paragraph under the caption “LITIGATION,” and in Appendix A – “THE PROJECT PARTICIPANT – San Diego Community Power”] are true and correct in all material respects.

Notwithstanding anything to the contrary contained above, the foregoing opinion is expressly made subject to the following exceptions, qualifications, and assumptions:

- (i) We express no opinion with respect to the validity or enforceability of any provisions of the Project Participant Documents or any other documents that may be read to require the Project Participant to indemnify any party.

- (ii) We express no opinion with respect to regulatory compliance by the Project Participant under any applicable law, including the California Public Utilities Code, as amended or supplemented from time to time, as determined by any governmental authority, including the California Public Utilities Commission, regarding the purchase of Energy by the Project Participant under the Power Supply Contract.
- (iii) We express no opinion as to the enforceability of provisions waiving, directly or indirectly, expressly or impliedly, defenses to obligations or rights granted by law, where such waivers are prohibited by law or are against public policy.
- (iv) Our opinion as to enforceability is limited by standards of good faith, fair dealing, materiality, and reasonableness that may be applied by a court to the exercise of certain rights and remedies; limitations based on statutes or on public policy limiting a person's right to waive the benefit of statutory provisions or of a common law right; and limitations releasing a party from or indemnifying a party against liability for its own wrongful or negligent act when such release or indemnification is contrary to public policy.
- (v) Our opinion is limited to the matters stated herein and no opinion may be inferred or implied beyond the matters expressly stated herein. The opinions expressed in this letter are given solely for your use and benefit in connection with the transactions referred to herein and no other person may use or rely on this opinion letter, nor may it be used or relied upon in any other transaction which is not related to transactions referred to herein, without our prior express written consent. This opinion is provided to you as a legal opinion only and not as a warranty or guarantee with respect to the matter described herein or in the documents referred to herein.
- (vi) The scope of this opinion is limited to those issues and parties specifically considered herein and no further or more expansive opinion is implied or should be inferred from any opinion expressed herein. On such basis, any variation or difference in the facts upon which this opinion is based might affect our conclusions in an adverse manner and make them inaccurate.

This opinion is rendered solely for the use and benefit of the parties listed on Schedule I hereto and may not be relied upon other than in connection with the transactions contemplated by the Project Participant Documents, or by any other person or entity for any purpose whatsoever, nor may this opinion be quoted in whole or in part or otherwise referred to in any document or delivered to any other person or entity, without the prior written consent of the undersigned.

Respectfully submitted,

[]

EXHIBIT F

MONTHLY DISCOUNT

Monthly Discount:	From January 1, 2025 through and including October 31, 2026: \$13.945 per MWh and from November 1, 2026 until the end of the Initial Reset Period: \$11.15/MWh.
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EXHIBIT G
FORM OF CLOSING CERTIFICATE

CLOSING CERTIFICATE OF PURCHASER

_____, 2024

Re: California Community Choice Financing Authority
 Clean Energy Project Revenue Bonds

The undersigned _____ of San Diego Community Power, a California joint powers authority (the "*Purchaser*"), hereby certifies as follows in connection with the Power Supply Contract dated as of November 5, 2024 (the "*Agreement*") between the Purchaser and California Community Choice Financing Authority ("*Issuer*") and the issuance and sale by Issuer of the above-referenced bonds (the "*Bonds*") (capitalized terms used and not defined herein shall have the meanings given to them in the Agreement):

1. Purchaser is a community choice aggregator, duly created and validly existing as a joint powers authority, and is in good standing, under the laws of the State of California (the "*State*"), and has the corporate power and authority to enter into and perform its obligations under the Agreement.

2. By all necessary official action on its part, the Purchaser has duly authorized and approved the execution and delivery of, and the performance by the Purchaser of the obligations on its part contained in the Agreement, and such authorization and approval has not been amended, supplemented, rescinded or modified in any respect since the date thereof.

3. The Agreement constitutes the legal, valid and binding obligation of the Purchaser.

4. The authorization, execution and delivery of the Agreement and compliance with the provisions on the Purchaser's part contained therein (a) will not conflict with or constitute a breach of or default under (i) any instrument relating to the organization, existence or operation of Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State relating to Purchaser and its affairs, and (b) will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Purchaser pursuant to any of the foregoing.

5 The Purchaser is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Purchaser is a party or to which the Purchaser or any of its property or

assets are subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Purchaser under any of the foregoing.

6. Payments to be made by the Purchaser under the Agreement shall constitute operating expenses of the Purchaser's CCA System (as defined in the Agreement) payable solely from the revenues and other available funds of Purchaser's CCA System as a cost of purchased electricity. The application of the revenues and other available funds of the Purchaser's CCA System to make such payments is not subject to any prior lien, encumbrance or other restriction.

7. No litigation, proceeding or tax challenge is pending or, to its knowledge, threatened, against the Purchaser in any court or administrative body which would (a) contest the right of the officials of the Purchaser to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Purchaser, (c) contest the validity, due authorization and execution of the Agreement or (d) attempt to limit, enjoin or otherwise restrict or prevent the Purchaser from executing, delivering and performing the Agreement, nor to the knowledge of the Purchaser is there any basis therefor.

8. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Purchaser of its obligations under the Agreement have been duly obtained.

9. The representations and warranties of the Purchaser contained in the Agreement were true, complete and correct on and as of the date thereof and are true, complete and correct on and as of the date hereof.

10. The statements and information with respect to the Purchaser contained in the Official Statement dated _____, 2024 with respect to the Bonds, including Appendix B thereto (the "*Official Statement*"), fairly and accurately describe and summarize the financial and operating position of the Purchaser for the periods shown therein, and such statements and information did not as of the date of the Official Statement and do not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements and information, in the light of the circumstances under which they were made, not misleading.

11. No event affecting the Purchaser has occurred since the date of the Official Statement which should be disclosed therein in order to make the statements and information with respect to the Purchaser contained therein, in light of the circumstances under which they were made, not misleading in any material respect.

IN WITNESS WHEREOF the undersigned has executed this Certificate on and as of the date first written above.

SAN DIEGO COMMUNITY POWER

By _____

Name:

Title:

EXHIBIT H

FORM OF REMEDIATION CERTIFICATE

[____], 20__

[_____]

Energy Prepay IV, LLC
c/o Morgan Stanley & Co.
JP Morgan Chase Tower
600 Travis Street, Suite 3700
Houston, TX 77002
Email: SDCP_2024F_ms_notices@morganstanley.com
With a mandatory copy to:
Email: msdoc-misc-notices@morganstanley.com

Re: Power Supply Contract with California Community Choice Financing Authority: Section 7.5 Remediation

To the addressees:

The undersigned, duly authorized representative of San Diego Community Power, a California joint powers authority (“Purchaser”), hereby certifies as follows in connection with the Power Supply Contract, dated as of November 5, 2024 (the “Contract”), between Purchaser and California Community Choice Financing Authority and remediation of Disqualified Remarketing Proceeds pursuant to Section 7.5 of the Contract. Capitalized terms used herein shall have the meanings set forth in the Contract.

Set forth as Attachment 1 hereto is a copy of Purchaser’s invoice for the Month of [____] for purchases of Energy from [____] ***[NOTE: Insert reference to supplier.]*** pursuant that certain [____] ***[NOTE: Insert reference to applicable supply agreement.]***, and all of such Energy was used in compliance with the Qualifying Use Requirements.

In witness whereof the undersigned has executed this Certificate on and as of the date first written above.

SAN DIEGO COMMUNITY POWER

By _____
[Name]
[Title]

ITEM 11

ATTACHMENT B

CUSTODIAL AGREEMENT

This Custodial Agreement (this “Agreement”) is made and entered into as of November 20, 2024, by and among California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 *et seq.* of the *California Government Code*, as amended) (defined below) (the “Issuer”), San Diego Community Power, a California joint powers authority (“Participant”), Morgan Stanley Capital Group Inc., a Delaware corporation (“MSCG”), Energy Prepay IV, LLC, a Delaware limited liability company (“Prepay LLC”), and U.S. Bank Trust Company, National Association, a national banking association, (the “Custodian” and together with the Issuer, Participant, Prepay LLC and MSCG, the “Parties”, and each individually, a “Party”).

RECITALS:

WHEREAS, the Issuer is issuing its Clean Energy Project Revenue Bonds, 2024 Series F (Green Bonds) (Term Rate) (the “Bonds”) pursuant to the Trust Indenture, dated as of November 1, 2024 (the “Bond Indenture”) between Issuer and U.S. Bank Trust Company, National Association, a national banking association, in its capacity as trustee under the Bond Indenture (the “Trustee”); and

WHEREAS, Prepay LLC and Issuer are entering into that certain Prepaid Energy Sales Agreement, dated as of November 5, 2024 (the “Prepaid Agreement”); and

WHEREAS, in connection with the execution of the Prepaid Agreement, Prepay LLC and MSCG are entering into an Energy Management Agreement, dated as of November 5, 2024 (the “Energy Management Agreement”); and

WHEREAS, in connection with the execution of the Prepaid Agreement, Issuer and Participant are entering into a Power Supply Contract, dated as of November 5, 2024 (the “Power Supply Contract” and together with the Prepaid Agreement and the Energy Management Agreement, the “Prepay Supply Contracts”); and

WHEREAS, in connection with or subsequent to the execution of the Prepay Supply Contracts, MSCG, Issuer and Participant may enter into one or more Limited Assignment Agreements (the “Assignment Agreements”) pursuant to which Participant partially assigns its rights and obligations under its power supply contracts (“Assigned PPAs”) for redelivery of energy and other specified products pursuant to the Prepay Supply Contracts; and

WHEREAS, the Parties propose to enter into this Agreement in order to administer payments to be received by the sellers under the Assigned PPAs (each, individually, a “PPA Seller” and collectively the “PPA Sellers”, and which definitions shall include any new PPA Seller identified by MSCG’s delivery of an updated Exhibit A consistent with Section 3(c)).

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

Section 1. Defined Terms.

(a) Any capitalized term used herein and not otherwise defined herein (including in the recitals) shall have the meaning assigned to such term in the Power Supply Contract. The following additional terms, when used in this Agreement (including the preamble or recitals to this Agreement) and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“Assigned Product Price” has the meaning specified in Exhibit A, as may be updated from time to time consistent with the terms hereof.

“Assignment Period” has the meaning specified in Exhibit A, as may be updated from time to time consistent with the terms hereof.

“Custodial Agreement Payment Date” means the last Business Day preceding the PPA Monthly Statement Payment Date.

“Delivered Product Payment Amount” means, in respect of each PPA Monthly Statement, an amount equal to the lesser of (a) the Monthly Projected Quantity under the relevant Assigned PPA for such Month multiplied by the Assigned Product Price for such Assigned PPA, and (b) the actual quantity of Assigned Product reflected in such Monthly PPA Invoice multiplied by the Assigned Product Price then in effect under the relevant Assigned PPA, minus the face amount of any Receivable (as defined in the Prepaid Agreement) that is delivered by PPA Assignee to the Custodian pursuant to Section 4(e); provided that, notwithstanding the foregoing or anything to the contrary herein, there shall be no Delivered Product Payment Amount or any other obligations of PPA Assignee with respect to Monthly Excess Quantities or Assigned Paygo Quantities.

“Issuer Negative Pricing Payment Amount” means the positive difference, if any, for any Month of an Assignment Period between (a) amounts due from Issuer to Participant under Section 3.2(a) of the Power Supply Contract with respect to negatively priced Energy and (b) amounts due from Participant to Issuer under Section 3.2(a) of the Power Supply Contract with respect to positively priced Energy.

“Monthly Gross Amount” means, in respect of each PPA Monthly Statement, an amount equal to the total net amount due to the applicable PPA Seller in respect of such PPA Monthly Statement and shall consist of the following components: (a) the Delivered Product Payment Amount and (b) the Retained Payment Amount (if such amount is a positive number for such Month).

“PPA Assignee” means MSCG or, to the extent that MSCG is a PPA Seller under the applicable Assigned PPA, Prepay LLC, in each case, in its capacity as the limited assignee under the applicable Assignment Agreement.

“PPA Assignee Resettlement Amount” means, in respect of any PPA Monthly Statement that (a) is delivered after the delivery of the Billing Statement under the Power Supply Contract for such Month and (b) reflects a quantity of Assigned Product less than the Monthly Projected Quantity was delivered in such Month under the relevant Assigned PPA, an amount

equal to the product of (x) the Monthly Projected Quantity for such Month minus the quantity of Assigned Products actually delivered under the Assigned PPA in such Month, multiplied by (y) the Initial Assigned PPA Market Price during the Initial EPS Energy Period and the Day-Ahead Average Price during any EPS Energy Period subsequent to the Initial EPS Energy Period; provided that, notwithstanding the foregoing or anything to the contrary herein, there shall be no PPA Assignee Resettlement Amount or any other obligations of PPA Assignee with respect to Monthly Excess Quantities or Assigned Paygo Quantities.

“PPA Monthly Statement” means the monthly consolidated invoice delivered to PPA Assignee and Participant consistent with the terms of the applicable Assignment Agreement.

“PPA Monthly Statement Payment Date” means the last Business Day on which payment with respect to a PPA Monthly Statement may be made before any incremental interest arises thereon or any default or breach arises under the Assigned PPA.

“Prepay LLC Prepay Payment Date” means the payment due date for amounts due from Prepay LLC to Issuer under the Prepaid Agreement as set forth in Section 14.2(a) thereof.

“Provisional Payment” has the meaning specified in the Prepaid Agreement.

“Retained Payment Amount” means, in respect of each PPA Monthly Statement, an amount equal to all amounts owed to the applicable PPA Seller for such Month, less (b) the sum of the Delivered Product Payment Amount and the PPA Assignee Resettlement Amount, if any; provided that, to the extent the Retained Payment Amount is negative in any Month, then the absolute value of such amount shall represent an amount to be paid by the Custodian to Participant pursuant to Section 4(c)(ii) hereof; provided furthermore that all amounts due with respect to Monthly Excess Quantities and Assigned Paygo Quantities shall be Participant’s sole responsibility as a portion of the Retained Payment Amount.

(b) Except where expressly provided otherwise, any reference herein to any agreement or document includes all amendments, supplements or restatements to and of such agreement or document as may occur from time to time in accordance with its terms and the terms hereof, and any reference to a party to any such agreement includes all successors and assigns of such party thereunder permitted by the terms hereof and thereof.

Section 2. Appointment of Custodian. Participant, Prepay LLC and MSCG hereby appoint U.S. Bank Trust Company, National Association as Custodian under this Agreement, with such rights and obligations as are specifically set forth herein. The Custodian hereby accepts such appointment under the terms and conditions set forth herein.

Section 3. Payment Instructions to Custodian; Assigned PPA Exhibits.

(a) No later than seven days following Participant’s receipt of a PPA Monthly Statement from a PPA Seller, Participant shall deliver a statement to the other Parties hereto listing the following: the Delivered Product Payment Amount, the Retained Payment Amount, the Monthly Gross Amount, the PPA Monthly Statement Payment Date, the Custodial Agreement Payment Date, the PPA Assignee Resettlement Amount, if any, the Monthly Excess Quantities, if any, the Assigned Paygo Quantities reflected in such PPA Monthly Statement and any Issuer

Negative Pricing Payment Amount for such Month (such notice from the Participant, the “Participant Monthly Statement”), as determined, in each case, based on the relevant PPA Monthly Statement for such Month. The Parties agree to exercise commercially reasonable efforts to implement a test billing period for a period of at least two Months prior to the effectiveness of any Assignment Agreement after the Initial Assignment Agreement.

(b) PPA Assignee shall notify Participant and each other Party promptly following Participant’s delivery of a Participant Monthly Statement if PPA Assignee believes any information included on such PPA Monthly Statement is incorrect. Following receipt and verification of the information included in any such notice from PPA Assignee, Participant shall, to the extent appropriate and in consultation with PPA Assignee, issue a corrected PPA Monthly Statement to all Parties.

(c) Exhibit A to this Agreement sets forth certain information regarding the Assigned PPAs as of the date hereof, including the Assignment Periods and Assigned Product Prices for each Assigned PPA, the PPA Sellers thereunder and the payment instructions for payments to the PPA Sellers. MSCG shall deliver an updated Exhibit A to each of the other Parties hereto to reflect any changes to the information set forth therein, including due to the expiration, extension or termination of an Assignment Period or the commencement of a new Assignment Period.

Section 4. Assigned PPA Payments Account.

(a) Custodial Account. With respect to payments required to be made by PPA Assignee and Participant to the PPA Sellers under the Assigned PPAs, there is hereby established with the Custodian at its office located at 777 E. Wisconsin Ave. Milwaukee, WI 53202-5300, the custodial account listed below (the “Assigned PPA Payments Account”) and all payments made by PPA Assignee and Participant hereunder shall be wired to such Assigned PPA Payments Account:

U.S. Bank Trust Company, National Association
ABA: 091000022
FBO: U.S. Bank Trust Company, National Association
Acct: 091000022
FFC: 277915013 – CCCFA (SDCP Proj) 2024F PPA Cust
Address: 777 E. Wisconsin Av.
Milwaukee, WI 53202-5300

(b) PPA Assignee and Participant Monthly Payments.

(i) PPA Assignee shall make payment of the Delivered Product Payment Amount and any PPA Assignee Resettlement Amount into the Assigned PPA Payments Account on the Custodial Agreement Payment Date for each Month of any Assignment Period; provided that, to the extent that (i) the Delivered Product Payment Amount and any PPA Assignee Resettlement Amount are due and (ii) PPA Assignee pays some portion of such amounts but less than the total amount due, PPA Assignee’s partial payment shall be applied first to the Delivered Product Payment Amount.

(ii) For each Month of any Assignment Period for which the Retained Payment Amount is a positive number, Participant shall make payment of such amount into the Assigned PPA Payments Account on the Custodial Agreement Payment Date. For each Month of any Assignment Period for which the Retained Payment Amount is a negative number, Participant shall have no payment obligation for such Month with respect to the Retained Payment Amount and the Custodian will pay the absolute value of such amount to Participant consistent with Section 4(c)(ii).

(iii) For each Month, if any, of an Assignment Period for which there is an Issuer Negative Pricing Payment Amount, Participant shall make payment of such amount into the Assigned PPA Payments Account on the Custodial Agreement Payment Date; provided that, notwithstanding the foregoing, Participant shall have no payment obligation hereunder with respect to an Issuer Negative Pricing Payment Amount to the extent that PPA Assignee receives such amount from the PPA Seller pursuant to the terms of the applicable Assignment Agreement.

(c) Transfers by Custodian.

(i) For any Month in an Assignment Period for which the Retained Payment Amount is a positive number, the Custodian shall withdraw the amounts on deposit in the Assigned PPA Payments Account to make payment of the Monthly Gross Amount on the PPA Monthly Statement Payment Date by a single wire transfer to the applicable PPA Seller of the amounts received from each of PPA Assignee and Participant.

(ii) For any Month in an Assignment Period for which the Retained Payment Amount is a negative number, the Custodian shall withdraw amounts on deposit in the Assigned PPA Payments Account (A) first to make payment of the Monthly Gross Amount to the applicable PPA Seller in respect of each PPA Monthly Statement on the relevant PPA Monthly Statement Payment Date pursuant to the payment instructions set forth on Exhibit A; and (B) immediately thereafter to make payment of the absolute value of such Retained Payment Amount to Participant pursuant to the payment instructions set forth on Exhibit B. If the amounts on deposit in the Assigned PPA Payments Account are insufficient to pay the entirety of either such amounts, the Custodian shall apply the amounts available in the order specified in the preceding sentence.

(iii) For any Month in an Assignment Period for which an Issuer Negative Pricing Payment Amount is due from Participant, the Custodian shall, after application of amounts on deposit in the Assigned PPA Payments Account pursuant to clause (i) or (ii) above, as applicable, withdraw amounts on deposit in the Assigned PPA Payments Account to make payment of the Issuer Negative Pricing Payment Amount to PPA Assignee.

(d) Amounts deposited in the Assigned PPA Payments Account shall be held in trust for the benefit of Participant until applied as set forth in Section 4(c) and Section 14, as applicable, and there is hereby granted to Participant a lien on and security interest in the Assigned PPA Payments Account pending such application. Except for any amounts due and payable to Participant pursuant to Section 4(c)(ii), the Custodian shall not be required to comply with any orders, demands, or other instructions from Participant with respect to the Assigned PPA Payments

Account, including, without limitation, items presented for payment, or any order or instruction directing the disposition of funds or other assets held in or credited to the Assigned PPA Payments Account, and Participant agrees that, except as set forth in Section 4(c)(ii), prior to the termination of this Agreement in accordance with the terms hereof, it shall have no right to direct the disposition of funds or other assets held in or credited to the Assigned PPA Payments Account, or to withdraw or otherwise obtain funds or other assets held in or credited to the Assigned PPA Payments Account, whether by order or instruction to the Custodian or otherwise.

(e) With respect to each PPA Monthly Statement, to the extent PPA Assignee has purchased Receivables (as defined in the Prepaid Agreement) for amounts owed by Participant for the Month to which such PPA Monthly Statement relates, PPA Assignee may, at its option, (i) notify the Custodian that it intends to transfer all or any portion of such Receivables to the PPA Seller, and (ii) reduce the Delivered Product Payment Amount by the face amount of such Receivables to be transferred. To the extent PPA Assignee has notified the Custodian of its intent to transfer any such Receivables, PPA Assignee shall cause such Receivables to be transferred to the PPA Seller not later than the relevant PPA Monthly Statement Payment Date.

Section 5. Provisional Payments Account.

(a) Custodial Account. With respect to Provisional Payments required to be made by Prepay LLC to Issuer under the Prepaid Agreement, as reflected in the Billing Statement which shall be delivered by Prepay LLC to each of the parties hereof consistent with Section 14.1(b) of the Prepaid Agreement, there is hereby established with the Custodian at its office located at 777 E. Wisconsin Av. Milwaukee, WI 53202-5300, the following custodial account listed below (the “Provisional Payments Account”) and all payments made by Prepay LLC hereunder shall be wired to such Provisional Payments Account:

U.S. Bank Trust Company, National Association
ABA: 091000022
FBO: U.S. Bank Trust Company, National Association
Acct: 091000022
FFC: 277915013 – CCCFA (SDCP Proj) 2024F PPA Cust
Address: 777 E. Wisconsin Av.
Milwaukee, WI 53202-5300

(b) Prepay LLC Monthly Payments. For each Month of the Delivery Period, Prepay LLC shall make payment of the Provisional Payment, if any, due under the Prepaid Agreement for such Month into the Provisional Payments Account on or before the Prepay LLC Prepay Payment Date for each Month of the Delivery Period. The Parties acknowledge and agree that any Provisional Payment due shall be reflected in the Billing Statement delivered by Prepay LLC under Section 14.1(b) of the Prepaid Agreement, which Prepay LLC has agreed to deliver to each of the parties hereunder.

(c) Transfers by Custodian; Segregation and Application of Discount Dollars.

(i) Upon receipt of any Provisional Payment under Section 5(b), the Custodian shall promptly (x) withdraw the portion of such Provisional Payment that represents the

Net Participant Price (as defined in the Prepaid Agreement) that would otherwise be payable by Participant to Issuer with respect thereto under the Power Supply Contract, as reflected in the Billing Statement delivered by Prepay LLC pursuant to Section 14.1(b) of the Prepaid Agreement and (y) and transfer such amount to the Issuer.

(ii) The portion of any Provisional Payment in excess of the Net Participant Price (such portion, the “Discount Dollars”) shall be segregated by the Custodian and applied as set forth below:

(A) to the extent that (I) there is a positive balance of Discount Dollars being held by the Custodian and (II) any Participant Monthly Statement reflects that Monthly Excess Quantities were delivered under an Assigned PPA for any given Month, the Custodian shall withdraw \$5.50 per MWh of Monthly Excess Quantities on the relevant PPA Monthly Statement Payment Date and transfer such amount to Participant pursuant to the payment instructions set forth for payments to Participant on Exhibit A; and

(B) Prepay LLC shall notify the Custodian and each of the other Parties hereto if less than the Annual Quantity is delivered under the Prepay Supply Contracts for any Contract Year, and, promptly following receipt of any such notice, the Custodian shall transfer any remaining Discount Dollars to the Trustee for deposit in Energy Remarketing Reserve Fund under and as defined in the Bond Indenture.

Section 6. Custodian. The Custodian shall have (a) no liability under any agreement other than this Agreement and (b) no duty to inquire as to the provisions of any agreement other than this Agreement and the Assigned PPAs. The Custodian may rely upon and shall not be liable for acting or refraining from acting upon any written notice, document, instruction or request furnished to it hereunder in accordance with the terms hereof and believed by it to be genuine and to have been signed or presented by the proper Party or Parties. The Custodian shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document, notice, instruction or request. The Custodian shall have no duty to solicit or compel any payments which may be due to it, or to take any action to compel PPA Assignee or Participant to make the deposits required under Section 4. The Custodian shall not be liable for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines that the Custodian’s gross negligence or willful misconduct was the primary cause of any loss to any other Party hereto. In connection with the execution of any of its powers or the performance of any of its duties hereunder, the Custodian may consult with counsel, accountants and other skilled persons selected and retained by it. The Custodian shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons, provided the Custodian exercised due care and good faith in the selection of such person. The permissive rights and powers of the Custodian to take actions enumerated under this Agreement shall not be construed as duties. In the event that the Custodian shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any Party hereto which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be directed otherwise in writing by all of the other Parties hereto or by

a final order or judgment of a court of competent jurisdiction. The Custodian may interplead all of the assets held hereunder into a court of competent jurisdiction or may seek a declaratory judgment with respect to certain circumstances, and thereafter be fully relieved from any and all liability or obligation with respect to such interpleaded assets or any action or non-action based on such declaratory judgment. Anything in this Agreement to the contrary notwithstanding, in no event shall the Custodian be liable for special, indirect, incidental, consequential, or punitive damages, losses or penalties of any kind whatsoever (including but not limited to lost profits), regardless of the form of action. The Custodian may engage and act through agents and attorneys and shall not be liable for the misconduct or negligence of any such agent or attorney appointed with due care. The Custodian shall not be liable for any action taken by it in good faith in accordance with instruction received in accordance with this Agreement, or for the application of funds by or other actions or omissions of other persons. The Custodian shall be responsible only for funds actually received by it for deposit into the Assigned PPA Payments Account, and the Custodian shall not be obliged to advance or risk its own funds to make any payments required hereunder. The Custodian shall have only those duties expressly set forth in this Agreement and no implied duties shall be read into this Agreement against the Custodian. The Parties hereto acknowledge and agree that the Custodian is not a fiduciary by virtue of accepting and carrying out its obligations under this Agreement and has not accepted any fiduciary duties, responsibilities or liabilities with respect to its services hereunder. The Custodian shall not be responsible for the perfection of any security interest granted hereunder.

Section 7. Succession. The Custodian may resign and be discharged from its duties or obligations hereunder by giving not less than 45 days' advance notice in writing of such resignation to the other Parties hereto specifying a date when such resignation shall take effect; and such resignation shall take effect upon the day specified in such notice unless a successor shall not have been appointed by the other Parties hereto on such date, in which event such resignation shall not take effect until a successor is appointed. The other Parties hereto shall use their commercially reasonable efforts to make such appointment in a timely fashion, provided that any custodian appointed in succession to the Custodian shall be a bank or trust company organized under the laws of any state or a national banking association and shall have capital stock, surplus and undivided earnings aggregating at least \$50,000,000 and shall be a bank with trust powers or trust company willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Agreement. Any corporation or association into which the Custodian may be merged or converted or with which it may be consolidated, or any corporation or association to which all or substantially all of the Custodian's corporate trust line of business may be transferred, shall be the Custodian under this Agreement without further act. Notwithstanding the foregoing, if no appointment of a successor Custodian shall be made pursuant to the foregoing provisions of this Section 7 within 45 days after the Custodian has given written notice to the other Parties of its resignation as provided in this Section 7, the Custodian may, in its sole discretion, apply to any court of competent jurisdiction to appoint a successor Custodian. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Custodian.

Section 8. Fees. Prepay LLC agrees to pay the Custodian reasonable compensation for the services to be rendered hereunder, which compensation shall be \$1,250 for each year that this Agreement is in effect. The parties hereto acknowledge that this provision shall survive the resignation or removal of the Custodian or the termination of this Agreement.

Section 9. Reimbursement. The Issuer, MSCG, Prepay LLC and Participant agree, jointly and severally (subject to the second proviso of this Section 9), to reimburse the Custodian and its directors, officers, agents and employees for any and all loss, liability or expense (including the fees and expenses of in-house or outside counsel and experts and their staffs and all expense of document location, duplication and shipment) arising out of or in connection with (a) its acting as the Custodian under this Agreement, except to the extent that such loss, liability or expense is finally adjudicated to have been caused primarily by the gross negligence or willful misconduct of the Custodian or such director, officer, agent or employee seeking reimbursement, or (b) its following any instructions or other directions from MSCG, Prepay LLC or Participant, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof; provided, however, that any amounts due under this Section 9 shall not duplicate any other amounts due under this Agreement, including without limitation amounts due under Section 15 hereof; provided further, however, that, notwithstanding the joint and several nature of the obligations under this Section 9, any amounts due under clause (b) of this sentence resulting from instructions or directions that are not expressly provided for in this Agreement and are given to the Custodian by only one Party shall be the sole obligation of such Party. The Parties hereto acknowledge that this provision shall survive the resignation or removal of the Custodian or the termination of this Agreement.

Section 10. Taxpayer Identification Numbers; Tax Matters. MSCG, Prepay LLC and Participant represent that their correct taxpayer identification numbers assigned by the Internal Revenue Service or any other taxing authority is set forth on the signature page hereof. Any tax returns or reports required to be prepared and filed in connection with the Assigned PPA Payments Account will be prepared and filed by Participant, and the Custodian shall have no responsibility for the preparation and/or filing of any tax return with respect to any income earned on the Assigned PPA Payments Account. In addition, any tax or other payments required to be made pursuant to such tax return or filing shall be paid by Participant. The Custodian shall have no responsibility for making such payment unless directed to do so in writing by the appropriate authorized Party and fully indemnified to the Custodian's satisfaction.

Section 11. Notices.

(a) Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another Party shall be in writing and shall either be sent by email transmission or other Electronic Means (defined below), courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses specified in Exhibit B for the receiving Party. Any such notice, demand, or request shall be deemed to be given (i) when delivered by email transmission or other Electronic Means (defined below), or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service); provided that, if a Party delivers a notice, demand or request by any means other than email transmission, such notice shall not be effective unless and until the Party also delivers a copy thereof to the other Parties' email address specified in Exhibit B. Each Party shall have the right, upon 10 days' prior written notice to the other Parties, to change its list of notice recipients and addresses in Exhibit B. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods, such as electronic mail. Notwithstanding the foregoing, any Party may at any time notify the others that any notice, demand, statement or request to it must be provided by email transmissions for a specified period

of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective.

(b) Exhibit A shall include each PPA Seller's notice and payment information as set forth in the Assigned PPAs, and MSCG and Participant promptly shall cause such information to be updated to the extent there are any changes to such information under the Assigned PPAs.

(c) The Custodian shall have the right to accept and act upon instructions or directions given pursuant to this Agreement, or any other document reasonably relating to the matters described herein, delivered using Electronic Means (defined below); provided, however, that each party giving directions to the Custodian hereunder shall provide to a Responsible Officer of the Custodian an incumbency certificate, substantially in the form attached hereto as Exhibit C, listing persons with the authority to provide such instructions or directions (each an "Authorized Officer") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended, with written notice to a Responsible Officer of the Custodian, whenever a person is to be added or deleted from the listing. If a party elects to give the Custodian directions or instructions using Electronic Means (defined below) and the Custodian in its discretion elects to act upon such directions, the Custodian's understanding of such directions shall be deemed controlling. The parties understand and agree that the Custodian cannot determine the identity of the actual sender of such directions and that the Custodian shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided by a party to a Responsible Officer of the Custodian have been sent by such Authorized Officer. The party giving such instructions shall be solely responsible for ensuring that only Authorized Officers transmit such directions to the Custodian and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys issued by the Custodian as confidential and with extreme care. The Custodian shall not be liable for any losses, costs or expenses arising directly or indirectly from the Custodian's reliance upon and compliance with such directions notwithstanding that such directions conflict or are inconsistent with a subsequent written direction. The party giving such directions agrees: (i) to assume all risks arising out of the use of Electronic Means (defined below) to submit directions to the Custodian, including without limitation the risk of the Custodian acting on unauthorized directions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions to the Custodian and that there may be more secure methods of transmitting directions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Custodian immediately upon learning of any compromise or unauthorized use of the security procedures.

(d) As used herein, "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Custodian, or another method or system specified by the Custodian as available for use in connection with its services hereunder.

Section 12. Miscellaneous.

(a) The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all of the Parties hereto.

(b) Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by any Party, except as provided in Section 7, without the prior written consent of the other Parties.

(c) 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 NEW YORK, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLE THAT WOULD DIRECT THE APPLICATION OF THE LAWS ANOTHER JURISDICTION; PROVIDED, HOWEVER, THAT THE AUTHORITY OF PARTICIPANT TO ENTER INTO AND PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

(d) EACH PARTY HERETO IRREVOCABLY WAIVES ANY OBJECTION ON THE GROUNDS OF VENUE, FORUM NON-CONVENIENS OR ANY SIMILAR GROUNDS AND IRREVOCABLY CONSENTS TO SERVICE OF PROCESS BY MAIL OR IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW AND CONSENTS TO THE EXCLUSIVE JURISDICTION OF (A) THE COURTS OF THE STATE OF NEW YORK LOCATED IN THE BOROUGH OF MANHATTAN, (B) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK OR (C) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA IN ANY OTHER STATE WHERE AN OFFICE OF THE CUSTODIAN IS LOCATED. THE PARTIES FURTHER HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY LAWSUIT OR JUDICIAL PROCEEDING ARISING OR RELATING TO THIS AGREEMENT.

(e) No Party to this Agreement shall be liable to any other Party hereto for losses due to, or if it is unable to perform its obligations under the terms of this Agreement because of, acts of God, fire, war, terrorism, floods, strikes, electrical outages, equipment or transmission failure, or other causes reasonably beyond its control; provided that a Party affected by any such event shall exercise commercially reasonable efforts to resume performance as quickly as possible.

(f) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. All signatures of the Parties to this Agreement may be transmitted by facsimile or by digital pdf transmission, and such facsimile or pdf will, for all purposes, be deemed to be the original signature of such Party whose signature it reproduces, and will be binding upon such Party. All signatures of the parties to this Agreement may be transmitted by facsimile or by digital pdf transmission under the terms set forth in this Section 12(f). The parties agree that the electronic signature of a party to this Agreement, including all acknowledgements, authorizations, directions, waivers and consents thereto (or any amendment or supplement thereto) shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from

electronic files. For purposes hereof, “electronic signature” means a manually signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the Internet as a pdf (portable document format) or other replicating image attached to an e mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature. Paper copies or “printouts”, if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

(g) The Custodian shall not be under any obligation to invest or pay interest on funds held hereunder.

(h) Issuer shall have only such duties under this Agreement as are expressly set forth herein as duties on its part to be performed, and no implied duties shall be read into this Agreement against Issuer.

(i) Nothing in this Agreement is intended to create any liabilities between Issuer, Prepay LLC, MSCG and Participant. This Agreement is intended solely to allocate payments that are actually made by Prepay LLC, MSCG and Participant in respect of amounts owed for physically settled energy under the Assigned PPAs and the Prepay Supply Contracts.

Section 13. Compliance with Court Orders. In the event that any amount held by the Custodian hereunder shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court affecting the property deposited under this Agreement, the Custodian is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing are binding upon it, whether with or without jurisdiction, and in the event that the Custodian obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties hereto or to any other person, firm or corporation, by reason of such compliance notwithstanding that such writ, order or decree may be subsequently reversed, modified, annulled, set aside or vacated.

Section 14. Term; Winding Up. This Agreement will expire concurrently with the receipt of written notice from Participant, with a copy to the other Parties, that the Power Supply Contract has terminated in accordance with its terms. Following the Custodian’s payment of any Monthly Gross Amount due in respect of the final Month of power deliveries prior to such a termination, any remaining balance in the Assigned PPA Payments Account shall be paid to Participant.

Section 15. Indemnification. The Issuer, MSCG, Prepay LLC and Participant, jointly and severally, agree to protect, indemnify, defend and hold harmless, the Custodian, and its affiliates, and each person who controls the Custodian (and each of their respective directors, officers, agents and employees) from and against all claims, damages, losses, liabilities, actions, suits, costs, judgments and expenses (including, without limitation, court costs and reasonable

attorneys' fees) arising from its acting as Custodian hereunder (including, for the avoidance of doubt, any costs, expenses and reasonable attorneys' fees incurred in enforcing any payment obligation of an indemnifying Party), except for any claim, damage, loss, liability, action, suit, cost, judgment or expense resulting from the gross negligence or willful misconduct of the Custodian; provided, however, that any amounts due under this Section 15 shall not duplicate any other amounts due under this Agreement, including without limitation amounts due under Section 9 hereof. The obligations of this Section 15 shall survive any resignation or removal of the Custodian and the termination of this Agreement. In addition, notwithstanding anything herein to the contrary, the Custodian shall have all of the rights (including the indemnification rights), benefits, privileges and immunities under this Agreement as are granted to the Trustee under the Bond Indenture, all of which are incorporated, mutatis mutandis, into this Agreement.


Section 16. USA PATRIOT Act. The Issuer, MSCG, Prepay LLC and Participant acknowledge that the Custodian is subject to federal laws, including the Customer Identification Program ("CIP") requirements under the USA PATRIOT Act and its implementing regulations, pursuant to which the Custodian must obtain, verify and record information that allows the Custodian to identify MSCG, Prepay LLC and Participant. Accordingly, prior to opening the Assigned PPA Payments Account described in Section 4 of this Agreement, the Custodian will ask the Issuer, MSCG, Prepay LLC and Participant to provide certain information including but not limited to name, physical address, tax identification number and other information that will help the Custodian identify and verify the Issuer, MSCG, Prepay LLC and Participant's identities, such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information. The Issuer, MSCG, Prepay LLC and Participant agree that the Custodian cannot open any account hereunder unless and until the Custodian verifies the Issuer's MSCG, Prepay LLC and Participant's identities in accordance with its CIP.

Section 17. Limitation of Liability. Notwithstanding anything to the contrary herein, all obligations of the Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of the Issuer, payable solely from the Trust Estate (as such term is defined in the Bond Indenture) as and to the extent provided in the Bond Indenture, including with respect to Operating Expenses (as such term is defined in the Bond Indenture). The Issuer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Bond Indenture) and other assets pledged under the Bond Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of the Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. The Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Bond Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Bond Indenture.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the date first written above.

SAN DIEGO COMMUNITY POWER

By: 
Name: Eric W. Washington
Title: Chief Financial Officer/Treasurer
Taxpayer ID Number: _____

MORGAN STANLEY CAPITAL GROUP INC.

By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

ENERGY PREPAY IV, LLC

By: Morgan Stanley Capital Group Inc., its
Manager

By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION

By: _____
Name: _____
Title: _____

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY


By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the date first written above.

SAN DIEGO COMMUNITY POWER

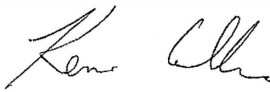
By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

MORGAN STANLEY CAPITAL GROUP
INC.

By:  _____
Name: Brent Masucci
Title: Vice President
Taxpayer ID Number: 13-3200368

ENERGY PREPAY IV, LLC

By: Morgan Stanley Capital Group Inc., its
Manager

By:  _____
Name: Kevin Collins
Title: Authorized Signatory
Taxpayer ID Number: 13-3200368

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION

By: _____
Name: _____
Title: _____

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY

By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the date first written above.

SAN DIEGO COMMUNITY POWER

By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

MORGAN STANLEY CAPITAL GROUP
INC.


By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

ENERGY PREPAY IV, LLC

By: Morgan Stanley Capital Group Inc., its
Manager

By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION

By:  _____
Name: Lauren Costales
Title: Vice President

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY

By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the date first written above.

SAN DIEGO COMMUNITY POWER

By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

MORGAN STANLEY CAPITAL GROUP
INC.

By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

ENERGY PREPAY IV, LLC

By: Morgan Stanley Capital Group Inc., its
Manager

By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION

By: _____
Name: _____
Title: _____

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY


By:  _____
Name: Garth Salisbury
Title: Treasurer/Controller
Taxpayer ID Number: 86-1626329

EXHIBIT A

ASSIGNED PPAS

1. The EEI Master Power Purchase and Sale Agreement dated January 21, 2021, between PPA Buyer and PPA Seller, as amended by that First Amendment to Master Power Purchase and Sale Agreement dated as of February 8, 2021 between PPA Buyer and PPA Seller, as amended and supplemented by (i) that certain Confirmation Bundled Renewable Energy (PCC2), dated on or around November 20, 2024 between PPA Buyer and PPA Seller and (ii) that certain PCC2 & Import Energy Confirmation, dated on or around November 20, 2024.
 - **Assigned Product Price:** CAISO SP15 Day Ahead Index for Hour Ending 01 through Hour Ending 24
 - **Assignment Period:** January 1, 2025 – October 31, 2026
 - **Payment Instructions for Payments to PPA Seller:**
BNK : Northern Trust International NY
ABA: 026001122
ACCT: 102897-20010
FBO: Morgan Stanley Capital Group Inc.

EXHIBIT B

NOTICE INFORMATION

PPA Buyer:

Eric Washington
Chief Financial Officer & Treasurer
815 E Street, Suite 12716
San Diego, CA 92112
Email: ewashington@sdcommunitypower.org

PPA Buyer Payment Information:

Bank Name: River City Bank
Bank Routing Number: 121133416
Account Number: 5093687892
Account Address: 815 E Street, Unit 12716, San Diego, CA 92112
Account Type: Public Fund Custom DDA – Operating Account

Issuer:

California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901
Email: 2024seriesFnotices@cccfa.org

Issuer Payment Information:

U.S. Bank Trust Company, National Association
ABA: 091000022
FBO: U.S. Bank Trust Company, National Association
Acct: 180121167365
FFC: 277915013 - CCCFA (SDCP Proj) 2024F PPA Cust
Address: 777 E. Wisconsin Av.
Milwaukee, WI 53202-5300

MSCG:

Morgan Stanley Capital Group Inc.
1585 Broadway
New York, NY 10036-8293
Email: SDCP_2024F_ms_notices@morganstanley.com

Prepay LLC:

Energy Prepay IV, LLC
c/o Morgan Stanley & Co.
JP Morgan Chase Tower
600 Travis Street, Suite 3700
Houston, TX 77002
Email: SDCP_2024F_ms_notices@morganstanley.com
With a mandatory copy to:

Email: msdoc-misc-notices@morganstanley.com

Custodian:

U.S. Bank Trust Company, National Association

2 Concourse Parkway, Suite 800

Atlanta, Georgia 30328

Attention: Mark Hallam

Email: Mark.Hallam@usbank.com

EXHIBIT C

FORM OF CERTIFICATE OF INCUMBENCY

The undersigned, a duly authorized officer of [____], in connection with the Custodial Agreement by and among California Community Choice Financing Authority (“Issuer”), San Diego Community Power, a California joint powers authority (“Participant”), Morgan Stanley Capital Group Inc., a Delaware corporation (“MSCG”), Energy Prepay IV, LLC, a Delaware limited liability company (“Prepay LLC”), and U.S. Bank Trust Company, National Association (the “Custodian”) dated as of November 20, 2024 (the “Custodial Agreement”), HEREBY CERTIFIES that the persons whose names, titles and signatures appear below are duly qualified and acting representatives of [____] (“Authorized Representatives”) on the date hereof. Each holds the office set forth beside his/her name, and the signature appearing opposite his/her name is the genuine signature of such Authorized Representative. Only those individuals, or such additional individuals as the undersigned may designate prior to written notice to the Custodian in the future, shall execute and deliver any written instructions, confirmations or certificates on behalf of [____] in connection with the Custodial Agreement. Custodian shall not be obligated to accept any written instructions, confirmations or certificates executed by an individual other than those listed below or so designated in the future.

NAME	TITLE	PHONE NO.	SIGNATURE

Capitalized terms used herein and not otherwise defined shall have the meaning assigned in the Custodial Agreement.

[____] acknowledges that Custodian will accept notices by Electronic Means only if [____] acknowledges and assumes all risks relating to the use of such notices. [____] hereby acknowledges and assumes all risks relating to the sending of notices by Electronic Means.

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed for
and on behalf of [_____] this ____ day of _____.

[NAME OF PARTY]

By: _____

Name:

Title:

ITEM 11

ATTACHMENT C

LIMITED ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this “**Agreement**”) is entered into as of November 20, 2024 (“**Assignment Agreement Effective Date**”) by and among Morgan Stanley Capital Group Inc., a Delaware corporation (“**PPA Seller**”), San Diego Community Power, a California joint powers authority (“**PPA Buyer**”), and Energy Prepay IV, LLC, a Delaware limited liability company (“**Prepay LLC**”).

RECITALS

WHEREAS, PPA Buyer and PPA Seller are parties to that certain PPA as defined in Appendix 1 hereto (the “**PPA**”);

WHEREAS, in connection with a prepaid electricity transaction entered into between California Community Choice Financing Authority (“**Issuer**”), and Prepay LLC, and with effect from and including the Assignment Period Start Date (as defined below), PPA Buyer wishes to transfer by partial assignment to Prepay LLC, and Prepay LLC wishes to accept the transfer by partial assignment of, the Assigned Rights and Obligations (as defined below) for the duration of the Assignment Period (as defined below); and

THEREFORE, in consideration of the premises above and the mutual covenants and agreements herein set forth, PPA Seller, PPA Buyer and Prepay LLC (the “**Parties**” hereto; each is a “**Party**”) agree as follows:

AGREEMENT

1. Definitions.

The following terms, when used in this Agreement and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“**Agreement**” has the meaning specified in the first paragraph above.

“**Assigned Delivery Point**” has the meaning specified in Appendix 1.

“**Assigned Products**” means all Products under and as defined in the PPA.

“**Assigned Rights and Obligations**” means (i) the rights of PPA Buyer under the PPA to receive the Assigned Products in each Month during the Assignment Period, as such rights may be limited or further described in Appendix 1, and (ii) the Delivered Product Payment Obligation, which right and obligation are transferred and conveyed to Prepay LLC hereunder.

“**Assignment Early Termination Date**” has the meaning specified in Section 5(b).

“**Assignment Period**” has the meaning specified in Section 5(a).

“Assignment Period End Date” means 11:59:59 p.m. pacific prevailing time on October 31, 2026.

“Assignment Period Start Date” means January 1, 2025.

“Business Day” has the meaning specified in the Prepaid Agreement.

“Claims” means all claims or actions, threatened or filed, and the resulting losses, damages, expenses, attorneys’ fees, experts’ fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, in each case arising under, in respect of or related in any way to the PPA or any transaction thereunder, except for the Delivered Product Payment Obligation.

“Custodian” means U.S. Bank Trust Company, National Association.

“Day-Ahead Average Price” has the meaning specified in Appendix 1.

“Delivered Product Payment Obligation” has the meaning specified in Section 3(a).

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours (MWh).

“Government Agency” means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

“Issuer” has the meaning specified in the first paragraph of this Agreement.

“Month” means a calendar month.

“MWh” has the meaning specified in the Prepaid Agreement.

“Person” means any individual, corporation, partnership, joint venture, trust, unincorporated organization, or Government Agency.

“PPA Buyer” has the meaning specified in the first paragraph of this Agreement.

“PPA Seller” has the meaning specified in the first paragraph of this Agreement.

“Prepaid Agreement” means that certain Prepaid Energy Sales Agreement dated as of November 5, 2024 by and between Prepay LLC and Issuer.

“Prepay LLC” has the meaning specified in the first paragraph of this Agreement.

“**Prepay Power Supply Contract**” means that certain Power Supply Contract dated November 5, 2024 by and between PPA Buyer and Issuer.

“**Receivables**” has the meaning given to such term in Section 3(e).

“**Retained Rights and Obligations**” has the meaning specified in Section 3.

2. Transfer and Undertakings.

(a) PPA Buyer hereby assigns, transfers and conveys to Prepay LLC all right, title and interest in and to the rights of PPA Buyer under the PPA to receive delivery of the Assigned Products during the Assignment Period. In connection with this assignment, PPA Buyer hereby delegates to Prepay LLC the Assigned Rights and Obligations during the Assignment Period.

(b) PPA Seller hereby consents and agrees to PPA Buyer’s assignment, transfer and conveyance of all right, title and interest in and to the Assigned Products and, subject to Section 3, the delegation of the Assigned Rights and Obligations to Prepay LLC and the exercise and performance by Prepay LLC of the Assigned Rights and Obligations during the Assignment Period.

(c) Prepay LLC hereby accepts such assignment, transfer and conveyance of PPA Buyer’s right, title and interest in and to the Assigned Products during the Assignment Period, and PPA Buyer’s delegation of the Assigned Rights and Obligations during the Assignment Period and agrees to perform any such Assigned Rights and Obligations due from it during the Assignment Period to the extent expressly set forth in this Agreement.

3. Limited Assignment.

The Parties acknowledge and agree that (i) the Assigned Rights and Obligations include only a portion of PPA Buyer’s rights and obligations under the PPA, and that all rights and obligations arising under the PPA that are not expressly included in the Assigned Rights and Obligations shall be “**Retained Rights and Obligations**”, and (ii) the Retained Rights and Obligations include all rights and obligations of PPA Buyer arising during the Assignment Period except the rights and obligations expressly included in the Assigned Rights and Obligations. In this regard:

(a) **Limited to Delivered Product Payment Obligation.** Prepay LLC’s sole payment obligation hereunder will be to pay the Floating Price Payments into the Custodial Account as such terms are defined in and described on Appendix 1 (the “**Delivered Product Payment Obligation**”). Prepay LLC and PPA Buyer each agree to instruct the Custodian to pay PPA Seller for the Assigned Products delivered during each Month of the Assignment Period on each applicable payment date under the PPA. PPA Buyer shall remain responsible for any payment obligations under the PPA during the Assignment Period, including in the event that either (i) Prepay LLC does not make the payments into the Custodial Account as described above or (ii) the Custodian does not make the payments to the PPA Seller from the Custodial Account as described above.

(b) **Retained Rights and Obligations.** Any Claims (other than the Delivered Product Payment Obligation or a failure to perform the same) arising or existing in connection with or related to the PPA, whether related to performance by PPA Seller, PPA Buyer or Prepay LLC, and whether arising before, during or after the Assignment Period, in each case excluding the Delivered Product Payment Obligation, will be included in the Retained Rights and Obligations and any such Claims will be resolved exclusively between PPA Seller and PPA Buyer in accordance with the PPA.

(c) **Scheduling.** All scheduling of Energy (including Assigned Products) and other communications related to the PPA shall take place between PPA Buyer and PPA Seller pursuant to the terms of the PPA; provided that (i) PPA Buyer and PPA Seller will provide copies of all billing statements and generation reports delivered during the Assignment Period to Prepay LLC and Issuer contemporaneously upon delivery of such statements and reports to the other party to the PPA; (ii) title to Assigned Products will pass to Prepay LLC upon delivery by PPA Seller at the Assigned Delivery Point in accordance with the PPA; (iii) immediately thereafter, title to such Assigned Products will pass to Issuer and then to PPA Buyer upon delivery by Prepay LLC at the same point where title is passed to Prepay LLC pursuant to clause (ii) above; and (iv) PPA Buyer will be deemed to be acting as Prepay LLC's agent with regard to scheduling Assigned Products.

(d) **Amendments.** PPA Buyer and PPA Seller will provide written notice (including copies thereof) of any proposed or actual amendment, waiver, supplement, modification, or other changes to the PPA to Prepay LLC prior to the effectiveness thereof, and the Parties hereby acknowledge and agree that an amendment, waiver, supplement, modification or other change will not have any effect on Prepay LLC's rights or obligations under this Agreement unless Prepay LLC receives prior written notice thereof.

(e) **Setoff of Receivables.** Pursuant to the Prepaid Agreement, Prepay LLC has agreed to purchase the rights to payment of the net amounts owed by PPA Buyer under the Prepay Power Supply Contract ("**Receivables**") in the case of non-payment by PPA Buyer. To the extent any such Receivables relate to Assigned Products purchased by Prepay LLC pursuant to the Assigned Rights and Obligations, Prepay LLC may, provided that Prepay LLC has notified PPA Seller in writing (with a copy to PPA Buyer) (a "**Receivables Setoff Notice**") that the amount of any such Receivables is true and accurate, transfer such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) to PPA Seller and apply the face amount of such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) as a reduction to any Delivered Product Payment Obligations; provided, however, that at no time shall PPA Seller be required to pay Prepay LLC for any amounts by which such Receivables exceed any Delivered Product Payment Obligations then due and owed to PPA Seller. The amount of any Receivables set forth in a Receivables Setoff Notice shall be final and binding unless PPA Buyer shall have provided PPA Seller and Prepay LLC a written notice within two (2) Business Days of its receipt of a Receivables Setoff Notice containing conclusive evidence that such amount is incorrect and asserting what PPA Buyer has determined is the correct amount of Receivables. If any dispute arises therefrom, Prepay LLC shall still be entitled to set-off the amount of Receivables set forth in its Receivables Setoff Notice as provided above, and any such dispute as to the correct amount of Receivables shall be settled exclusively between PPA Buyer and PPA Seller with no liability to

Prepay LLC, provided that at all times, PPA Buyer remains liable to PPA Seller for all amounts due and owing under the PPA.

4. Forward Contract.

The Parties acknowledge and agree that this Agreement is intended to constitute a “forward contract” and that the Parties is intended to constitute “forward contract merchants” within the meaning of the United States Bankruptcy Code.

5. Assignment Period; Assignment Early Termination.

(a) **Assignment Period.** The “Assignment Period” shall begin on the Assignment Period Start Date and extend through and including the Assignment Period End Date; provided that in no event shall the Assignment Period extend past an Assignment Early Termination Date.

(b) **Early Termination.** An “Assignment Early Termination Date” will occur under the following circumstances and as of the dates specified below:

i. the assignment of the Prepay Power Supply Contract by PPA Buyer or Issuer pursuant to Article XIII thereof, which Assignment Early Termination Date shall occur immediately as of the time of such assignment;

ii. the suspension, expiration, or termination of performance of the PPA by either PPA Buyer or PPA Seller for any reason other than the occurrence of Force Majeure under and as defined in the PPA, which Assignment Early Termination Date shall occur immediately as of the time of PPA Seller’s last performance under the PPA following such suspension, expiration, or termination;

iii. the election of Prepay LLC in its sole discretion to declare an Assignment Early Termination Date as a result of (a) any event or circumstance that would give either PPA Buyer or PPA Seller the right to terminate or suspend performance under the PPA (regardless of whether PPA Buyer or PPA Seller exercises such right) or (b) the execution of an amendment, waiver, supplement, modification or other change to the PPA that adversely affects the Assigned Rights and Obligations or Prepay LLC’s rights or obligations under this Agreement (provided that Prepay LLC shall not have a right to terminate under this clause (b) to the extent that Prepay LLC (i) receives prior notice of such change and (ii) provides its written consent thereto), which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by Prepay LLC to PPA Buyer and PPA Seller;

iv. termination or suspension of deliveries for any reason other than force majeure under the Prepaid Agreement or Prepay Power Supply Contract, which Assignment Early Termination Date shall occur immediately as of the time of the last deliveries under the relevant contract following such suspension or termination;

v. the election of PPA Seller or PPA Buyer in its sole discretion to declare an Assignment Early Termination Date if Prepay LLC fails to pay when due any amounts

owed to PPA Seller in respect of any Delivered Product Payment Obligation and such failure continues for five Business Days following receipt by Prepay LLC of written notice thereof, which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by PPA Seller or PPA Buyer, as applicable, to Prepay LLC, and with a copy to PPA Buyer or PPA Seller, as applicable; and

vi. the election of PPA Seller or PPA Buyer in its sole discretion to declare an Assignment Early Termination Date if either (a) an involuntary case or other proceeding is commenced against Prepay LLC seeking liquidation, reorganization or other relief with respect to it or its debts under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar law now or hereafter in effect or seeking the appointment of a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed, or an order or decree approving or ordering any of the foregoing is entered and continued unstayed and in effect, in any such event, for a period of 60 days, or (b) Prepay LLC commences a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar law or any other case or proceeding to be adjudicated as bankrupt or insolvent, or Prepay LLC consents to the entry of a decree or order for relief in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, files a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or consents to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of Prepay LLC or any substantial part of its property, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due, which Assignment Early Termination Date shall occur upon the earliest date set forth in a written notice of such election delivered by PPA Seller or PPA Buyer, as applicable, to Prepay LLC, and with a copy to PPA Buyer or PPA Seller, as applicable.

(c) **Reversion of Assigned Rights and Obligations.** The Parties acknowledge and agree that upon the occurrence of an Assignment Early Termination Date, the Assigned Rights and Obligations will revert from Prepay LLC to PPA Buyer. Any Assigned Rights and Obligations that would become due for payment or performance on or after such Assignment Early Termination Date shall immediately and automatically revert from Prepay LLC to PPA Buyer, provided that (i) Prepay LLC shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Products delivered to Prepay LLC prior to the Assignment Early Termination Date, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the occurrence of the Assignment Early Termination Date.

6. Representations and Warranties.

(a) **Copy of PPA.** As of the Assignment Agreement Effective Date, each of PPA Seller and PPA Buyer represents and warrants to Prepay LLC that a true, complete, and correct copy of the PPA is attached hereto as Appendix 3.

(b) **No Default.** As of the Assignment Agreement Effective Date, each of PPA Seller and PPA Buyer represents and warrants to Prepay LLC that no event or circumstance exists (or would exist with the passage of time or the giving of notice) that, to its knowledge, would give either of them the right to terminate the PPA or suspend performance thereunder.

(c) **Other.** As of the Assignment Agreement Effective Date, each of PPA Buyer and PPA Seller represents and warrants to each other and to Prepay LLC that:

i. it has made no prior transfer (whether by way of security or otherwise) of any interest in the Assigned Rights and Obligations; and

ii. to its knowledge, all obligations of PPA Buyer and PPA Seller under the PPA required to be performed on or before the Assignment Period Start Date have been fulfilled.

(d) **Representations.** Each Party represents to each of the other Parties:

i. **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.

ii. **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance.

iii. **No Violation or Conflict.** Such execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its obligations under this Agreement, will not result in any violation of, or conflict with: (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination or award of any arbitrator applicable to it; or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any Government Agency, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.

iv. **Consents.** All consents, approvals, orders or authorizations of, registrations, declarations, filings or giving of notice to, obtaining of any licenses or permits from, or taking of any other action with respect to, any Person or Government Agency that are required to have been obtained by such Party with respect to this

Agreement and the transactions contemplated hereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

v. **Obligations Binding.** Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

vi. **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement; it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by all Parties, considers this Agreement a legally enforceable contract. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement.

vii. **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement. It is also capable of assuming, and assumes, the risks of this Agreement.

viii. **Status of Parties.** None of the other Parties is acting as a fiduciary for or an adviser to it in respect of this Agreement.

7. Counterparts.

This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by email), each of which will be deemed an original.

8. Costs and Expenses.

The Parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation, and execution of this Agreement.

9. Amendments.

No amendment, modification, or waiver in respect of this Agreement will be effective unless in writing and executed by each of the Parties.

10. Notices.

Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another shall be in writing, except as otherwise expressly provided herein. It shall be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses for each of the other Parties designated in Appendix 2 hereto. Any such notice, demand, or request shall be deemed to be given (i) when sent by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon 10 days' prior written notice to the other Parties, to change its address at any time, and to designate that copies of all such notices be directed to another Person at another address. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, a Party may at any time notify the other Parties that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during such time shall be ineffective.

11. Governing Law, Waiver of Jury Trial, Arbitration.

(a) **Governing Law.** This Agreement and the rights and duties of the Parties under this Agreement will be governed by and construed, enforced and performed in accordance with the laws of the State of New York, without reference to any conflicts of law provisions that would direct the application of another jurisdiction's laws; provided, however, that the authority of PPA Buyer to enter into and perform its obligations under this Agreement shall be determined in accordance with the laws of the State of California.

(b) **Waiver of Right to Trial by Jury.** Each Party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Agreement.

(c) **Arbitration.** Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope of this Agreement to arbitrate, shall be determined by final, non-appealable binding arbitration in San Francisco, California before three (3) arbitrators. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures. Within fifteen (15) days after the commencement of arbitration, each of Prepay LLC and PPA Buyer, on the one hand, and PPA Seller, on the other hand, shall select one (1) person to act as arbitrator, and JAMS shall appoint one (1) person to act as an arbitrator (for such an arbitration, Prepay LLC, PPA Buyer and PPA Seller are the "**Arbitration Parties**"), provided that if the arbitration pertains to matters and disputes solely as between PPA Buyer and Prepay LLC, and PPA Seller is neither asserting nor defending a claim in relation thereto, then each of Prepay LLC and PPA Buyer shall select one (1)

person to act as arbitrator, and JAMS shall appoint one (1) person to act as an arbitrator (for such an arbitration, only Prepay LLC and PPA Buyer are the “**Arbitration Parties**”). The JAMS appointed arbitrator shall serve as the chairperson (the “**chairperson**”). If any of the Arbitration Parties are unable or fail to select one (1) person to act as arbitrator, such arbitrator shall be appointed by JAMS. The chairperson shall be a person who has experience in renewable energy-related transactions, and none of the arbitrators shall have been previously employed by any Arbitration Party or have any direct pecuniary interest in any Arbitration Party or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by all of the Arbitration Parties. The Arbitration Parties shall maintain the confidential nature of the arbitration proceeding and any award, including any hearing(s), except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator(s) shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Arbitration Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. The responsibility for compensation and expenses of the three (3) arbitrators and all other expenses charged by JAMS shall be shared equally between or among the Arbitration Parties, as the case may be. In any arbitration arising out of or related to this Agreement, the arbitrators shall award to the prevailing Arbitration Party or Arbitration Parties, if any, the costs and attorney’s fees reasonably incurred in seeking to enforce the application of this Section 11(c) by the prevailing party in connection with the arbitration, and the non-prevailing Arbitration Party or Arbitration Parties shall also be liable to the prevailing Arbitration Party or Arbitration Parties for the compensation and expenses of the three arbitrators and all costs charged by JAMS. Notwithstanding the foregoing provisions of this Section 11(c), any costs incurred by an Arbitration Party in seeking judicial enforcement of any written decision of the arbitrators shall be chargeable to and borne exclusively by the Arbitration Party against whom such court order is obtained. The award shall be final and binding on the Arbitration Parties and judgment upon any award may be entered in any court of competent jurisdiction.

(d) **Judicial Reference.** Without limiting the provisions in Section 11(c), if Section 11(c) is deemed ineffective or unenforceable in any respect, any dispute between the Parties arising out of or in connection with this Agreement or its performance, breach, or termination (including the existence, validity and interpretation of this Agreement and the applicability of any statute of limitation period) (each, a “**Dispute**”) shall be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure (“**CCP**”), or their successor sections (a “Reference Proceeding”), which shall constitute the exclusive remedy for the resolution of any Dispute. As a condition precedent to initiating a Reference Proceeding with respect to any Dispute, the Parties shall comply with the provisions of Section 11(d)i.

i. **Notice of Dispute.** Prior to initiating the Reference Proceeding, a Party (the “**Disputing Party**”) shall provide the other Parties (the “**Responding Parties**”); and together with the Disputing Party, the “**Dispute Parties**”) with a written notice of each

issue in dispute, a proposed means for resolving each such issue, and support for such position (the “**Notice of Dispute**”). Within 10 days after receiving the Notice of Dispute, the Responding Parties shall provide the Disputing Party with a written notice of each additional issue (if any) with respect to the dispute raised by the Notice of Dispute, a proposed means for resolving every issue in dispute, and support for such position (the “**Dispute Response**”). If the Notice of Dispute makes no claim or assertion against one of the Responding Parties, and such Responding Party, in making its Dispute Response does not make or assert a claim against either the Disputing Party or the other Responding Party and states that it has no interest in the Dispute, then such Responding Party shall not participate in the resolution of the Dispute and shall not be a “**Dispute Party**” for purposes of this Section 11(d). Thereafter, the Dispute Parties shall meet to discuss the matter and attempt in good faith to reach a negotiated resolution of the dispute. If the Dispute Parties do not resolve the dispute by unanimous agreement within sixty (60) days after receipt of the Dispute Response, then any Dispute Party may provide to the other Dispute Party(ies) written notice of intent for judicial reference (the “**Impasse Notice**”) in accordance with the further provisions of this Section 11(d).

ii. Applicability; Selection of Referees. Within 10 days of the delivery of an Impasse Notice, each of Prepay LLC and PPA Buyer, on the one hand, and PPA Seller, on the other hand, shall nominate one (1) referee, provided that if PPA Seller is not a Dispute Party, then each of Prepay LLC and PPA Buyer shall nominate (1) referee, and PPA Seller will not nominate a referee. The two (2) referees (the “**Party-Appointed Referees**”) shall unanimously appoint one (1) additional referee (the “**Additional Referee**”, together with the Party-Appointed Referees, the “**Referees**”). The Party-Appointed Referees shall be competent and experienced in matters involving the electric energy business in the United States, with at least ten (10) years of electric industry experience as a practicing attorney. The Additional Referee shall be an active or retired California state or federal judge (the “**Head Referee**”). Each of the Party-Appointed Referees and the Additional Referee shall be impartial and independent of each of the Dispute Parties and of the other referees and not employed by any of the Dispute Parties in any prior matter.

(A) If the Party-Appointed Referees are unable to agree on the Additional Referee within 45 days from delivery of the Impasse Notice, then the Additional Referee shall be appointed pursuant to CCP Section 640(b) in an action filed in the Superior Court of California, County of San Francisco (the “**Court**”), and with due regard given to the selection criteria above. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the Dispute Parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP Section 170.6, each of PPA Buyer and Prepay LLC, on the one hand, and PPA Seller, on the other hand, shall have one (1) preemptory challenge to the referee selected by the Court, provided that if PPA Seller is not a Dispute Party, then each of Prepay LLC and PPA Buyer shall have one (1) preemptory challenge to the referee selected by the Court.

iii. Discovery; Proceedings.

(A) The Dispute Parties agree that time is of the essence in conducting the Reference Proceeding. Accordingly, the Referees shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within 20 days after the date of selection of the Head Referee, (ii) if practicable, try all issues of law or fact within 180 days after the date of the conference, and (iii) report a statement of decision within 20 days after the matter has been submitted for decision.

(B) Discovery and other pre-hearing procedures shall be conducted as agreed to by the Dispute Parties, or if they cannot agree, as determined by the Head Referee after discussion with the Dispute Parties regarding the need for discovery and other pre-hearing procedures.

(C) Except as expressly set forth herein, the Head Referee shall determine the manner in which the Reference Proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the Reference Proceeding. The Reference Proceeding, including the trial, shall be conducted at a neutral location selected by the Dispute Parties, or if not agreed by the Dispute Parties, by the Head Referee, in San Francisco, California.

(D) All proceedings and hearings conducted before the Referees, except for trial, shall be conducted without a court reporter, except that when any Dispute Party so requests, a court reporter will be used at any hearing conducted before the Referees, and the Referees will be provided a courtesy copy of the transcript. The Dispute Party making such a request shall have the obligation to arrange for and pay the court reporter.


iv. Decision. The Referees shall render a written statement of decision setting forth findings of fact and conclusions of law. The decision shall be entered as a judgment in the court in accordance with the provisions of CCP Sections 644 and 645. The decision shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the Court. The Dispute Parties intend this general reference agreement to be specifically enforceable in accordance with the CCP.

(e) Expenses. The Dispute Parties shall bear the compensation and expenses of its respective own counsel, witnesses, consultants and employees. The responsibility for compensation and expenses of the Referees and all other expenses of judicial reference shall be shared equally between or among the Dispute Parties, as the case may be.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first set forth above.

MORGAN STANLEY CAPITAL GROUP INC.

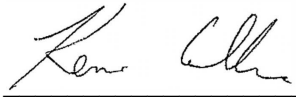
By: 
Name: Brent Masucci
Title: Vice President

SAN DIEGO COMMUNITY POWER

By: _____
Name: _____
Title: _____

ENERGY PREPAY IV, LLC

By: Morgan Stanley Capital Group Inc., its Manager


By: 
Name: Kevin Collins
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first set forth above.

MORGAN STANLEY CAPITAL GROUP INC.

By: _____
Name: _____
Title: _____

SAN DIEGO COMMUNITY POWER

By:  _____
Name: Eric W. Washington
Title: Chief Financial Officer/Treasurer

ENERGY PREPAY IV, LLC

By: Morgan Stanley Capital Group Inc., its Manager

By: _____
Name: _____
Title: _____

Appendix 1

Assigned Rights and Obligations

PPA: The EEI Master Power Purchase and Sale Agreement dated January 21, 2021, between PPA Buyer and PPA Seller, as amended by that First Amendment to Master Power Purchase and Sale Agreement dated as of February 8, 2021 between PPA Buyer and PPA Seller, as amended and supplemented by (i) that certain Confirmation Bundled Renewable Energy (PCC2), dated November 20, 2024 between PPA Buyer and PPA Seller and (ii) that certain PCC2 & Import Energy Confirmation, dated November 20, 2024 (each of (i) and (ii), a “**PPA Transaction Confirmation**”).

Assigned Delivery Point: The “Delivery Point” as defined in each of the PPA Transaction Confirmations.

Floating Price Payments. Prepay LLC has separately agreed with the PPA Buyer and the Custodian (pursuant to the Custodial Agreement dated November 20, 2024, among PPA Buyer, Issuer, Prepay LLC, PPA Seller and the Custodian (the “**Custody Agreement**”)) to pay into the custodial account specified in the Custody Agreement (the “**Custodial Account**”) for Assigned Products delivered in each Month of the Assignment Period at the Day-Ahead Average Price (“**Floating Price Payments**”). Prepay LLC agrees for the benefit of the PPA Seller to pay the Floating Price Payments into the Custodial Account, and Prepay LLC’s payment obligations under this Agreement are limited to making such payments into the Custodial Account, for application as provided in the Custody Agreement. PPA Buyer and PPA Seller each acknowledge and agree that the making of Floating Price Payments into the Custodial Account by Prepay LLC shall not entitle (i) PPA Seller for payments in excess of the Contract Price for Assigned Products delivered hereunder or (ii) PPA Buyer to pay less than the Contract Price for Assigned Products delivered hereunder. PPA Buyer and Prepay LLC each acknowledge and agree that the making of Floating Price Payments into the Custodial Account by Prepay LLC shall not entitle (i) Prepay LLC to any payments from PPA Seller under the PPA or (ii) affect the Custodian’s obligation to pay the net amount due to PPA Seller pursuant to the terms of the PPA on or before the applicable payment date in the PPA. At all times the PPA Buyer shall remain obligated for the payment of all amounts owing under the terms of the PPA under each invoice.

Day-Ahead Average Price: The result of (i) (x) the sum of the Day-Ahead Market Prices for each Pricing Interval in a Month divided by (y) the number of Pricing Intervals in such Month plus (ii) the Index Adder (as set forth in the table immediately below) for the relevant Month. As used in this definition, “**Pricing Interval**” means each unit of time for which CAISO establishes a separate price. As used in this definition, “**Day-Ahead Market Price**” means the Day-Ahead Market or Locational Marginal Price for TH_SP15_GEN-APND (or any successor aggregated pricing node for SP 15) for each applicable hour as published by CAISO, or as such price may be corrected or revised from time to time by CAISO in accordance with its rules. For the avoidance of doubt, the Day-Ahead Average Price can be a negative number.

Month	Index Adder (\$/MWh)
January-25	55.00

Month	Index Adder (\$/MWh)
February-25	55.00
March-25	55.00
April-25	55.00
May-25	55.00
June-25	87.90
July-25	88.11
August-25	141.08
September-25	140.53
October-25	89.38
November-25	55.00
December-25	55.00
January-26	55.00
February-26	55.00
March-26	55.00
April-26	55.00
May-26	55.00
June-26	112.50
July-26	110.65
August-26	199.68
September-26	198.75
October-26	112.79

Further Information: For each Month of the Assignment Period, PPA Seller agrees that the monthly invoices it delivers under Section 6.1 of the PPA shall separately list the separate pricing components relevant for the determination of the amounts due under each such invoice.

Appendix 2

Notice Information

PPA Seller:

As set forth in the PPA

PPA Buyer:

As set forth in the PPA

Prepay LLC:

Energy Prepay IV, LLC
c/o Morgan Stanley & Co.
JP Morgan Chase Tower
600 Travis Street, Suite 3700
Houston, TX 77002

With a mandatory copy to:

Email:

msdoc-misc-notices@morganstanley.com and
SDCP_2024F_ms_notices@morganstanley.com

Appendix 3

Copy of PPA

[To be attached.]

MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This *Master Power Purchase and Sale Agreement* (“*Master Agreement*”) is made as of the following date: January 21, 2021 (“Effective Date”). The *Master Agreement*, together with the exhibits, schedules and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the “Agreement.” The Parties to this *Master Agreement* are the following:

Morgan Stanley Capital Group Inc.

(“Party A”)

All Notices:

Attn: Commodities Department – 3rd Floor
Address: 1585 Broadway
New York, NY 10036

Phone:
E-mail:
Duns: 130198013
Federal Tax ID Number: 13-3200368

Invoices:

Attn: Manager, Power Ops
Address:
Phone: (914) 225-4379
Facsimile: (914) 225-9306
E-Mail:

Scheduling:

Attn: 24 hour Scheduling
Address:
Phone: 24 hour Scheduling
(914) 225-1500
Western Pre-scheduling
(914) 225-1496
Eastern Pre-scheduling
(914) 225-1509

Facsimile: (914) 225-9310
E-Mail:

San Diego Community Power, a California joint powers authority

(“Party B”)

All Notices:

Attn: Chief Executive Officer
San Diego Community Power
815 E Street, Suite 12716
San Diego, CA 92112

Phone: (619) 236-6563
E-mail: bcarnahan@sdcommunitypower.org
Duns: 117548142
Federal Tax ID Number: 85-0824464

Invoices:

Attn: Michael Maher
Phone: (415) 526-3020
Email: mmaher@maher CPA.com

Scheduling:

Tenaska Power Services CO.
Attn: Kara Whillock, Tenaska Power Services Co.
Phone: 972-333-6122
Email: kwhillock@tnsk.com
Day Ahead: (817) 303-1115
Real Time: (817) 303-1852
Facsimile: (817) 303-1104

Confirmations:

Attn: Operations - Confirmations
Address:
Phone: (914) 225-4300
Facsimile: (914) 750-0408
E-mail: Commodconfsny@morganstanley.com

Options Exercise Line:

Phone: (914) 225-1501

Payments:

Attn: Manager, Power Ops
Address:
Phone: (914) 225-4379
Facsimile: (914) 225-9306
E-Mail:

Wire Transfer:

BNK: Northern Trust International NY
ABA: 026001122
ACCT: 102897-20010
Other Details:

Credit and Collections:

Attn: Credit Manager - Commodities
Address:
Phone: (212) 762-2680
Facsimile: (212) 762-0344
E-Mail: Commodity@morganstanley.com

With additional Notices of an Event of Default to:
Attention: Morgan Stanley Capital Group Inc.
Address: 1585 Broadway
New York, NY 10036-8293
Attention: Close-out Notices
Phone: N/A
Facsimile: *With a mandatory copy to:*
Facsimile No.: (212) 507-4622

Confirmations:

Attn: Chief Executive Officer
San Diego Community Power
815 E Street, Suite 12716
San Diego, CA 92112
Phone: (619) 236-6563
E-mail: bcarnahan@sdcommunitypower.org

Payments:

Attn: Michael Maher
Phone: (415) 526-3020
Email: mmaher@mahercpa.com

Wire Transfer:

BNK: River City Bank
ABA: 121133416
ACCT: 5093687892

Credit and Collections:

Attn: Michael Maher
Phone: (415) 526-3020
Email: mmaher@mahercpa.com

With additional Notices of an Event of Default to:
Attn: Ryan Baron, Best Best & Krieger LLP
Address: 18101 Von Karman Ave., Suite 1000,
Irvine CA 92612
Phone: (949) 263-6568
E-Mail: ryan.baron@bbklaw.com

The Parties hereby agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

Party A Tariff Tariff: Market-Based Rate Tariff Dated: 11/8/1994 Docket Number: ER94-1384-000

Party B Tariff N/A

Article Two

Transaction Terms and Conditions ☒ Optional provision in Section 2.4. If not checked, inapplicable.

Article Four

Remedies for Failure to Deliver or Receive ☐ Accelerated Payment of Damages. If not checked, inapplicable.

Article Five

Events of Default; Remedies ☒ Cross Default for Party A:

☐ Party A: _____ Cross Default Amount \$ _____

☒ Other Entity: Morgan Stanley Cross Default Amount \$10,000,000

☒ Cross Default for Party B:

☒ Party B: San Diego Cross Default Amount \$10,000,000

Community Power

☐ Other Entity: _____ Cross Default Amount \$ _____

5.6 Closeout Setoff

☒ Option A (Applicable if no other selection is made.)

☐ Option B - Affiliates shall have the meaning set forth in the Agreement unless otherwise specified as follows: _____

☐ Option C (No Setoff)

Article 8

Credit and Collateral Requirements 8.1 **Party A Credit Protection:**

(a) Financial Information:

☐ Option A

☐ Option B Specify: _____

☒ Option C Specify: (1) The annual report containing audited consolidated financial statements for such fiscal year of Party B as soon as practicable after demand, but in no event later than 180 days after the end of each annual period and such request will be deemed to have been filled if such financial statements are available at <https://www.sdcommunitypower.org/>, and (2) quarterly unaudited financial statements for Party B as soon as practicable upon demand, but in no event later than 90 days after the applicable quarter. In all cases the statements shall be for the most recent accounting period and shall be prepared in

accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements. The first quarterly audited statement will be provided within 90 days after the fiscal quarter during which Party A begins deliveries under a Transaction. Party B's fiscal year ends June 30.

(b) Credit Assurances:

☒ Not Applicable
☐ Applicable

(c) Collateral Threshold:

☒ Not Applicable
☐ Applicable

If applicable, complete the following:

Party B Collateral Threshold: \$_____; provided, however, that Party B's Collateral Threshold shall be zero if an Event of Default or Potential Event of Default with respect to Party B has occurred and is continuing.

Party B Independent Amount: \$_____

Party B Rounding Amount: \$_____

(d) Downgrade Event:

☒ Not Applicable
☐ Applicable

If applicable, complete the following:

☐ It shall be a Downgrade Event for Party B if Party B's Credit Rating falls below _____ from S&P or _____ from Moody's or if Party B is not rated by either S&P or Moody's.

☐ Other:
Specify: _____

(e) Guarantor for Party B: N/A _____

Guarantee Amount: _____

8.2 Party B Credit Protection:

(a) Financial Information:

☐ Option A
☐ Option B Specify: Financial statements for Morgan Stanley
☒ Option C Specify: The annual report containing audited consolidated financial statements for such fiscal year of Morgan Stanley, a Delaware Corporation, as soon as

practicable after demand, but in no event later than 180 days after the end of each annual period of Morgan Stanley and unaudited quarterly financials within 90 days after the end of each quarter of Morgan Stanley, and such request will be deemed to have been filled if such financial statements are available at www.morganstanley.com or at www.sec.gov. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements.

(b) Credit Assurances:

☒ Not Applicable
☐ Applicable

(c) Collateral Threshold:

☒ Not Applicable
☐ Applicable

If applicable, complete the following:

Party A Collateral Threshold: _____; provided, however, that Party A's Collateral Threshold shall be zero if an Event of Default with respect to Party A has occurred and is continuing or if a Downgrade Event occurs for Party A.

Party A Independent Amount:

Party A Rounding Amount: \$

(d) Downgrade Event:

☒ Not Applicable
☐ Applicable

If applicable, complete the following:

☐ It shall be a Downgrade Event for Party A if Party A's Guarantor's Credit Rating falls below _____ from S&P or from Moody's or if Party A is not rated by either S&P or Moody's.

☐ Other:
Specify:

(e) Guarantor for Party A:

Guarantee Amount:

Article 10

Confidentiality

☒ Confidentiality Applicable

If not checked, inapplicable.

Schedule M

- ☐ Party A is a Governmental Entity or Public Power System
☒ Party B is a Governmental Entity or Public Power System
☐ Add Section 3.6. If not checked, inapplicable
☐ Add Section 8.4. If not checked, inapplicable. Collateral description as follows:

Other Changes

This Master Power Purchase and Sale Agreement and the associated Collateral Annex incorporate, by reference, the changes published in the EEI Errata, Version 1.1, dated July 18, 2007.

1) Section 1.1 is amended by adding the following at the end of the definition of "Affiliate":

“; provided, however, that in the case of Party A, the term “Affiliate” shall not include Morgan Stanley Derivative Products Inc. Notwithstanding the foregoing, the Parties hereby agree and acknowledge that with respect to Party B, the public entities designated as members or participants under the Joint Powers Agreement creating Party B shall not constitute or otherwise be deemed an “Affiliate” for the purposes of this Master Agreement or any Confirmation executed in connection therewith.”

2) Section 1.4 is amended by deleting the first sentence and replacing it to read as follows: *““Business Day” means any day except a Saturday, Sunday, the Friday immediately following the Thanksgiving holiday or a Federal Reserve Holiday.”*

3) Section 1.12 is amended by deleting the word “issues” and replacing it with “issuer”.

4) Section 1.23 shall be amended by: a) adding at the end of the first sentence before the period “, which includes acts of terror”; b) inserting in the thirteenth line before the phrase “foregoing factors” the word “two.”

5) Section 1.23(ii) is amended in the second sentence by inserting the following text after the word “hereunder”: *“or to obtain the Product at a more advantageous price or under more advantageous terms and conditions.”*

6) Section 1.24 is amended by adding before the period at the end thereof the following: *“in accordance with Section 5.2”*.

7) Section 1.27 is amended by deleting the phrase “or a foreign bank with a U.S. branch” and replacing it with the phrase *“or a U.S. branch of a foreign bank.”*

8) Section 1.50 (Recording) Delete the reference to “Section 2.4” and replace it with “Section 2.5”.

9) Section 1.51 is amended by (i) inserting the phrase “for delivery” in the second line after the word “purchases” and before the phrase “at the Delivery Point” and (ii) deleting the phrase “at Buyer’s option” from the

fifth line and replacing it with the phrase “absent a purchase” (Buyer shall have no obligation to enter into actual replacement transactions).

10) Section 1.52 shall be deleted in its entirety and replaced with the following:

““S&P” means S&P Global Ratings, acting through Standard & Poor’s Financial Services LLC (or any successor thereto).”

11) Section 1.53 is amended by:

(i) deleting the phrase “at the Delivery Point” from the second line;

(ii) deleting the phrase in line 5 “at the Seller’s option” and replacing it with “absent a sale”; and

12) Section 1.56 is amended by deleting the words “pursuant to Section 5.2” and by adding before the period at the end thereof the following: “, as determined in accordance with Section 5.2.”

13) Section 1.60 is amended by inserting the words “in writing” immediately following the words “agreed to”.

The following definitions are added to Section 1:

“Joint Powers Agreement” means the Joint Powers Agreement, effective as of October 1, 2019, as amended, providing for the formation of Party B, as such agreement may be further amended or amended and restated.”

“Member” means the city, county or joint powers authority which is a member of Party B.

14) In Section 2.1, delete the first sentence in its entirety and replace with the following: “A Transaction, or an amendment, modification or supplement thereto, shall be entered into only upon a writing signed by both Parties.”

15) In Section 2.1, the last sentence is deleted in its entirety and replaced with the following:

“Each Party agrees not to contest, or assert any defense to, the validity or enforceability of the Transaction entered into in accordance with this Master Agreement based on any lack of authority of the Party or any lack of authority of any employee of the Party to enter into a Transaction; provided, however, Party A acknowledges that no employee of Party B may amend or otherwise materially modify this Master Agreement or a Transaction, or enter into a new Transaction, without the approval of the board of Party B, which may be granted on a prospective basis, and that evidence of such approval, including a certified incumbency setting forth the name and signatures of employees of Party B with authority to act on behalf of Party B, will be provided pursuant to Section 10.13.”

16) Section 2.1 is amended by deleting the word “A” in the first line and replacing it with “Subject to Section 2.3, a”.

17) Section 2.2 is amended by deleting “(including any Confirmation

accepted in accordance with Section 2.3) ” from the second sentence.

18) Section 2.3 is deleted in its entirety and replaced with the following:

“2.3 Confirmation. A Transaction shall be entered into only by a written confirmation signed by both Parties (“Confirmation”). Notwithstanding anything to the contrary in this Master Agreement, the Master Agreement and any and all Confirmations may not be amended or modified except by an instrument in writing signed by both of the Parties.”

19) Section 2.4 is amended by deleting the words “either orally or” in the seventh line thereof.

20) Section 2.5 is amended by adding the following sentence at the end of the remaining text:

“In the event that there is a dispute as to one or more details of the trade economics of the relevant Transaction, each Party will make available to the other Party the relevant portion of the recorded conversation in a reasonable format (provided that the requesting Party shall pay any costs associated with transmittal of the recording) within ten (10) Business Days of such request; provided that such recorded conversation (X) has been solely between personnel or representatives of the Parties or their Affiliates, and (Y) is subject to appropriate confidentiality protections reasonably acceptable to the recording Party.”

21) Section 3.3 is hereby amended by adding at the end thereof:

“The non-Claiming Party shall have until the end of the next Business Day to notify the Claiming Party that it objects to or disputes the existence of Force Majeure.”

22) Section 4.3 is added as following: “Section 4.3 Mitigation. Each Party has a duty to mitigate damages under this Agreement and will use commercially reasonable efforts to minimize any damages it may incur resulting from the other Party’s performance or nonperformance hereunder.”

23) In Section 5.1(a), change “three (3) Business Days” to “five (5) Business Days”.

24) In Section 5.1(b), delete the words “or repeated”.

25) In Section 5.1(c), change “three (3) Business Days” to “ten (10) days”.

26) In Section 5.1(g), delete the phrase “or becoming capable at such time of being declared,” on the eighth line of the Section, and add the following at the end of the Section: “provided, however, that no default or event of default shall be deemed to have occurred under this Section 5.1(g) to the extent that any applicable cure period or grace period is available;”.

27) Delete Section 5.1(g)(ii) and replace it with “(ii) a default by such Party or any other party specified in the Cover Sheet for such Party in making on the due date therefore one or more payments under such agreements or instruments, individually or collectively, in an aggregate amount of not less than the applicable Cross Default Amount (as specified

in the Cover Sheet), after giving effect to any applicable notice requirement or grace period.”

28) Add a new Section 5.1(g)(iv), which states as follows: “(iv) Upon an Event of Default by Party A, if Party B elects to terminate this Agreement then all Transactions subject to this Agreement will terminate.”

29) Section 5.1(h)(ii) is amended by deleting the phrase “and such failure shall not be remedied within three (3) Business Days after written notice” in the third and fourth line thereof.

30) Section 5.1 is further amended by replacing the period at the end of subsection (h) with a semicolon, and adding new subsections which read as follows:

“(i) revocation or suspension by the Federal Energy Regulatory Commission of Party A’s authorization to make sales at market-based rates, and Party A is unable to reinstate such authorization within ninety (90) days.

(j) Either Party: (i) commits an Event of Default under or otherwise defaults under one or more of the Security Documents (as defined below) and such Event of Default or default continues after giving effect to any applicable notice requirement or cure or grace period; or (ii) disaffirms, disclaims or repudiates any Security Document; or

(k) A Party suffering or being the subject of a default, event of default, termination event, breach or other similar condition or event (howsoever expressed) that has not been remedied within the applicable grace periods under any other agreement or instrument (including, without limitation, commodity and financial derivative agreements or transactions) between a Party or one of its Affiliates and the other Party or one of its Affiliates, where the result of such event has been the termination and liquidation of transactions and the acceleration of amounts due thereunder.”

31) Section 5.2 is amended by changing in line 3 “right (i) to” to “right to (i)”.

32) Section 5.3 is amended by inserting the phrase “plus, at the option of the Non-Defaulting Party, any cash or other form of security then available to the Defaulting Party pursuant to Article Eight,” between the words “that are due to the Non-Defaulting Party,” and “plus any and all other amounts” in the sixth line thereof.

33) Section 5.3 is amended by inserting before the first line thereof the following new sentence:

“A Party shall determine the Settlement Amount for each Terminated Transaction as of the relevant Early Termination Date, or if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable.”

34) Section 5.3 is amended by adding the following text at the end thereof:

“Notwithstanding anything herein to the contrary, if the Non-Defaulting Party’s Gains exceed its Losses plus Costs over all Settlement Amounts

associated with the Terminated Transactions such that the net result of all such Settlement Amounts would indicate an amount owing to the Defaulting Party, then the net of all such Settlement Amounts shall be \$0.00; provided, however, that if the Non-Defaulting Party has declared an Early Termination Date under (i) Section 5.1 (d), (ii) Section 5.1 (g), or (iii) Section 5.1 (h) (each such event, a “Defaulting Party Credit Event”) the Settlement Amount shall not be deemed to be zero dollars (\$0.00) and shall be equal to the amount originally calculated by the Non-Defaulting Party. If the Non-Defaulting Party owes the Defaulting Party a Settlement Amount with respect to a Transaction that is terminated due to a Defaulting Party Credit Event, then, notwithstanding the usual payment schedule for that Transaction, the Non-Defaulting Party may elect to pay the Defaulting Party such Settlement Amount in equal monthly installments over the remaining term of the Terminated Transaction by providing written notice to the Defaulting Party. The Non-Defaulting Party shall provide the Defaulting Party with a written explanation of the method for payment of the Termination Payment and the method shall ensure that the Defaulting Party receives a payment each month through the end of the term of each Terminated Transaction in a manner reasonably designed to replicate as closely as possible the payment streams under each such Terminated Transaction.”

35) In Section 5.7, delete from line 5 “ten (10)” and replacing it with “twenty (20).”

36) A new Section 5.8 is added, which states:

“It is expressly agreed that neither Party shall be required to enter into a replacement transaction in order to determine the market price.”

37) Section 6.3 is amended by (i) deleting the words “two (2)” and inserting the words “five (5)” in the fifth sentence, and (ii) deleting the words “twelve (12)” and inserting the words “twenty-four (24)” in the first sentence.

38) Section 7.1 shall be amended by:

a) deleting in the fifteenth line the words “UNLESS EXPRESSLY HEREIN PROVIDED,”;

b) adding “SET FORTH IN THIS AGREEMENT” after “INDEMNITY PROVISION” and before “OR OTHERWISE,” in the fifth sentence;

c) adding in the nineteenth line the words “PROVIDED, HOWEVER, NOTHING IN THIS SECTION SHALL AFFECT THE ENFORCEABILITY OF THE PROVISIONS OF THIS AGREEMENT EXPRESSLY ALLOWING FOR SPECIAL DAMAGES, INCLUDING BUT NOT LIMITED TO REMEDIES FOR FAILURE TO DELIVER/RECEIVE IN SECTIONS 4.1 AND 4.2, AND CALCULATION AND PAYMENT OF THE TERMINATION PAYMENT IN SECTIONS 5.2 AND 5.3.” immediately after the words “ANY INDEMNITY PROVISIONS SET FORTH IN THIS AGREEMENT OR OTHERWISE”; and

d) adding at the end of the last sentence the words “AND ARE NOT

PENALTIES.”

39) A new Section 8.5. “UCC Waiver,” is added as follows:

“Section 8.5: Section 8 and Schedule M of the Agreement and the Security Documents set forth the entirety of the agreement of the Parties regarding credit, collateral and adequate assurances. Except as expressly set forth in the options elected by the Parties in respect of Sections 8.1 and 8.2, and in Schedule M and in the Security Documents, neither Party:

(a) has or will have any obligation to post margin, provide letters of credit, pay deposits, make any other prepayments or provide any other financial assurances, in any form whatsoever;

(b) or will have reasonable grounds for insecurity with respect to the creditworthiness of a Party that is complying with the relevant provisions of Section 8 of this Agreement;

and all implied rights relating to financial assurances arising from Section 2-609 of the Uniform Commercial Code or case law applying similar doctrines, are hereby waived.”

40) After Section 10.2(xii) add the following:

“(xiii) it is an “eligible commercial entity” within the meaning of Section 1a (17) of the Commodity Exchange Act, as amended by the Commodity Futures Modernization Act of 2000 (the “Commodity Exchange Act”);

(xiv) it is an “eligible contract participant” within the meaning of Section 1a (18) of the Commodity Exchange Act;”

41) Section 10.2(viii) is hereby amended by adding at the end thereof:

“; it is understood that information and explanations of the terms and conditions of each such Transaction shall not be considered investment or trading advice or a recommendation to enter into that Transaction, and the other Party is not acting with respect to any communication (written or oral) as a “municipal advisor,” as such term is defined in Section 975 of the U.S. Dodd-Frank Wall Street Reform & Consumer Protection Act; no communication (written or oral) received from the other Party shall be deemed to be an assurance or guarantee as to the expected results of that Transaction; and the other Party is not acting as a fiduciary for or an adviser to it in respect of that Transaction;”

42) Section 10.5 is hereby amended by deleting the words from the beginning of clause (ii) through the words prior to “provided, however” and replacing them with “(ii) transfer or assign this Agreement to an Affiliate of such Party so long as (x) such Affiliate’s creditworthiness is equal to or higher than that of such Party or the Guarantor, if any, for such Party, or (y) the obligations of such Affiliate are guaranteed by such Party or its Guarantor, if any, in accordance with a guaranty agreement in form and substance satisfactory to the other Party, and (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets of such Party whose creditworthiness is equal to or higher than that of such Party or its Guarantor, if any”.

43) In Section 10.6 change “NEW YORK” to “CALIFORNIA”.

44) Section 10.6 shall be amended by:

(i) deleting the last sentence, which states, “EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.”; and (ii) adding the following after the last line: “(a) EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HEREBY (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. (b) “EACH PARTY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL COURTS LOCATED IN RIVERSIDE, CALIFORNIA, FOR ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY TRANSACTION, AND EXPRESSLY WAIVES ANY OBJECTION IT MAY HAVE TO SUCH JURISDICTION OR THE CONVENIENCE OF SUCH FORUM.”

The Parties intend for the waiver in clause (a) above to be enforced to the fullest extent permitted under applicable law as in effect from time to time. To the extent that the waiver in clause (a) above is not enforceable at the time that any action or proceeding is filed in a court of the State of California by or against any Party in connection with any of the transactions contemplated by this Agreement, then (i) the court shall, and is hereby directed to, make a general reference pursuant to California Code of Civil Procedure Section 638 to a referee (who shall be a single active or retired judge) to hear and determine all of the issues in such action or proceeding (whether of fact or of law) and to report a statement of decision, provided that at the option of any Party, any such issues pertaining to a “provisional remedy” as defined in California Code of Civil Procedure Section 1281.8 shall be heard and determined by the court, and (ii) the Parties shall share equally all fees and expenses of any referee appointed in such action or proceeding. Each Party shall bear the compensation and expenses of its own counsel, witnesses, consultants and employees. All other expenses of judicial reference shall be split equally between the Parties.

45) Section 10.7 is amended by deleting from the sixth line the phrase “at the close of business”.

46) Section 10.8 shall be amended by:

a) adding at the end of the second to last sentence: “and the rights of either Party pursuant to (i) Article 5, (ii) Section 7.1, (iii) Section 10.11 (iv) Waiver of Jury Trial provisions, if applicable, (v) the obligation of

either Party to make payments hereunder, (vi) Section 10.6 (vii) Section 10.13 and (viii) Section 10.4 shall also survive the termination of the Agreement or any Transaction.”; and

b) adding the following to the end thereof: “This Master Agreement may be signed in any number of counterparts with the same effect as if the signatures to counterparty were upon a single instrument. Delivery of an executed signature page of this Master Agreement and any Confirmation by facsimile or electronic mail transmission shall be effective as delivery of a manually executed signature page.”

47) Section 10.9 shall be amended by (i) insert the words “certified and authenticated copies of, or originals at the option of the Party providing the records” after the word “examine” in line 2, and (ii) changing “twelve (12)” to “twenty-four (24)” in the last sentence.

48) Section 10.10 shall be amended by adding the following after the last sentence of Section 10.10:

“Each Party further agrees that, for purposes of this Agreement, the other Party is not a “utility” as such term is used in 11 U.S.C. Section 366, and each Party waives and agrees not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding wherein such Party is a debtor. In any such proceeding, each Party further waives the right to assert that the other Party is a provider of last resort.”

49) Section 10.11 is deleted in its entirety and replaced with the following:

“10.11 Confidentiality. If the Parties have elected on the Cover Sheet to make this Section 10.11 applicable to this Master Agreement, neither Party shall disclose the terms or conditions of a Transaction under this Master Agreement or the completed Cover Sheet to, or any annex to, this Master Agreement to a third party (other than the Party’s employees, lenders, counsel, accountants or advisors, or any such representatives of a Party’s Affiliates (all collectively referred to as “Representatives”) who have a need to know such information and who the Party is satisfied will keep such terms confidential) except in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding or request by a regulatory authority and in the event that any disclosure is requested or required by the regulatory authority or a government body by interrogatory, request for information or documents, subpoena, deposition, civil investigative demand or applicable law, the Party subject to such request or requirement may disclose to the extent so requested or required but shall promptly notify the other Party, prior to such disclosure, if such Party's counsel determines that such notice is permitted by law, so that the other Party may seek an appropriate protective order or waive compliance with the provisions of this Section 10.11. Failing the entry of a protective order or the receipt of a waiver hereunder, that Party may disclose that portion of the Confidential Information as requested or required. In any event, a Party will not oppose action by the other to obtain an appropriate protective order or other reliable assurance that confidential treatment

will be accorded the Confidential Information; provided, however, each Party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure. Each Party shall be liable for breach of any confidentiality obligation pursuant to this Master Agreement by such Representatives. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation. The Parties agree and acknowledge that nothing in this Section 10.11 prohibits a Party from disclosing any one or more of the commercial terms of a Transaction (other than the name of the other Party unless otherwise agreed to in writing by the Parties) to any industry price source for the purpose of aggregating and reporting such information in the form of a published energy price index. The Parties agree and acknowledge that nothing in this Section 10.11 prohibits a Party from disclosing any one or more of the commercial terms of a Transaction to a credit rating agency provided that such rating agency has agreed to maintain the confidentiality of the commercial terms disclosed. Party A and Party B acknowledge and agree that the Master Agreement and any Confirmations executed in connection therewith are subject to the requirements of the California Public Records Act (Government Code Section 6250 et seq.). Party B acknowledges that Party A may submit information to Party B that the other party considers confidential, proprietary, or trade secret information pursuant to the Uniform Trade Secrets Act (Cal. Civ. Code section 3426 et seq.), or otherwise protected from disclosure pursuant to an exemption to the California Public Records Act (Government Code Sections 6254 and 6255). Party A acknowledges that Party B may submit to Party A information that Party B considers confidential or proprietary or protected from disclosure pursuant to exemptions to the California Public Records Act (Government Code sections 6254 and 6255). In order to designate information as confidential, the disclosing party must clearly stamp and identify the specific portion of the material designated with the word "Confidential". The parties agree not to over-designate material as confidential. Over-designation would include stamping whole agreements, entire pages or series of pages as Confidential that clearly contain information that is not confidential. Upon request or demand of any third person or entity not a party to this Agreement ("Requestor") for production, inspection and/or copying of information designated by a Party as confidential information (such designated information, the "Confidential Information" and the disclosing Party, the "Disclosing Party"), the Party receiving such request (the "Receiving Party") as soon as practical, shall notify the Disclosing Party that such request has been made as specified in the Cover Sheet. The Disclosing Party shall be solely responsible for taking whatever legal steps are necessary to protect information deemed by it to be Confidential Information and to prevent release of information to the Requestor by the Receiving Party. If the Disclosing Party takes no such action after receiving the foregoing notice from the Receiving Party, the Receiving Party shall be permitted to comply with the Requestor's demand and is not required to defend against it. Notwithstanding anything herein to the contrary, if, upon the advice of its counsel that disclosure is required under the California Public Records Act, Party B may disclose this Agreement or any information designated as Confidential Information by Seller whether or not advance written notice has been provided."

50) The following Mobile-Sierra clause shall be added as a new Section 10.12:

“10.12 Standard of Review/Modifications.

(a) 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 or any Transaction entered into thereunder, whether proposed by a Party (to the extent that any waiver in subsection (b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting sua sponte, shall be the *Mobile Sierra* “public interest” application of the “just and reasonable” 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) and clarified by *Morgan Stanley Capital Group Inc. v. Public Utility District No. 1 of Snohomish County*, Nos. 06-1457, 128 S.Ct. 2733 (2008) and consistent with the order of the Supreme Court in *NRG Power Marketing, LLC, et al., v. Maine Public Utilities Commission et al.* No. 08-674, 130 S.Ct. 693 (2010) (“NRG Order”). As to all other persons, the Parties intend and agree that the same standard applies, to the maximum degree permitted under the NRG Order.

(b) In addition, and notwithstanding the foregoing subsection (a), 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 this subsection (b) shall not apply, provided that, consistent with the foregoing subsection (a), 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 section (a).”

51) The following shall be added as a new Section 10.13:

“Physical Transactions. The Parties understand and agree that the Transactions under this Agreement are physical transactions for deferred delivery, and that the Parties contemplate making or taking physical delivery of electric energy. Party B is a commercial entity engaged in the business of delivering electric energy to its retail load and routinely makes or takes delivery of electric energy in order to

provide service to its retail electric customers.”

52) The following shall be added as a new Section 10.14:

“Imaged Agreement. Any original executed Agreement, Confirmation or other related document may be photocopied and stored on computer tapes and disks (the “Imaged Agreement”). The Imaged Agreement, if introduced as evidenced on paper, the Confirmation, if introduced as evidence in automated facsimile form, the Recording, if introduced as evidence in its original form and as transcribed onto paper, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the Parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the Recording, the Confirmation or the Imaged Agreement (or photocopies of the transcription of the Recording, the Confirmation or the Imaged Agreement) on the basis that such were not originated or maintained in documentary form under the hearsay rule, the best evidence rule or other rule of evidence.”

53) The following shall be added as a new Section 10.15:

“Section 10.15 U.S. Resolution Stay.

The Parties agree that (i) to the extent that prior to the date hereof the Parties hereto have adhered to the 2018 ISDA U.S. Resolution Stay Protocol (the “Protocol”), the terms of the Protocol are incorporated into and form a part of this Agreement, and for such purposes this Agreement shall be deemed a Protocol Covered Agreement and each party shall be deemed to have the same status as Regulated Entity or Adhering Party as applicable to it under the Protocol; (ii) to the extent that prior to the date hereof the Parties have executed a separate agreement the effect of which is to amend the qualified financial contracts between them to conform with the requirements of the QFC Stay Rules (the “Bilateral Agreement”), the terms of the Bilateral Agreement are incorporated into and form a part of this Agreement and for such purposes each party shall be deemed to have the same status as “Covered Entity”, “Counterparty Entity” or “Client Entity” (or other similar term) as applicable to it under the Bilateral Agreement; or (iii) if clause (i) and clause (ii) do not apply, the terms of Section 1 and Section 2 and the related defined terms (together, the “Bilateral Terms”) of the form of bilateral template entitled “Full-Length Omnibus (for use between U.S. G-SIBs and Corporate Groups)” or the “Agency Version of Omnibus Agreement (for use with U.S. G-SIBs)”, as applicable, published by ISDA on November 2, 2018 (currently available on the 2018 ISDA U.S. Resolution Stay Protocol page at www.isda.org), the effect of which is to amend the qualified financial contracts between the Parties thereto to conform with the requirements of the QFC Stay Rules, are hereby incorporated into and form a part of this Agreement, and for such purposes this Agreement shall be deemed a “Covered Agreement,” Party A shall be deemed a “Covered Entity” and Party B shall be deemed a “Counterparty Entity” (or “Client Entity” for the Agency version, as applicable). In the event that, after the date of this Contract, all Parties

hereto become adhering Parties to the Protocol, the terms of the Protocol will replace the terms of this section. In the event of any inconsistencies between this Agreement and the terms of the Protocol, the Bilateral Agreement or the Bilateral Terms (each, the “QFC Stay Terms”), as applicable, the QFC Stay Terms will govern. Terms used in this paragraph without definition shall have the meanings assigned to them under the QFC Stay Rules. For purposes of this paragraph, references to “this Agreement” include any related credit enhancements entered into between the Parties, directly or indirectly through an agent, or provided by one to the other. In addition, the Parties agree that the terms of this paragraph shall be incorporated into any related covered affiliate credit enhancements, as applicable, with all references to Party A replaced by references to the covered affiliate support provider.

“QFC Stay Rules” means the regulations codified at 12 C.F.R. 252.2, 252.81–8, 12 C.F.R. 382.1-7 and 12 C.F.R. 47.1-8, which, subject to limited exceptions, require an express recognition of the stay-and-transfer powers of the FDIC under the Federal Deposit Insurance Act and the Orderly Liquidation Authority under Title II of the Dodd Frank Wall Street Reform and Consumer Protection Act and the override of default rights related directly or indirectly to the entry of an affiliate into certain insolvency proceedings and any restrictions on the transfer of any covered affiliate credit enhancements.”

54) The following new Section shall be added as Section 10.16:

“Index Transactions. If the Contract Price for a Transaction is determined by reference to a third-party information source, then the following provisions shall be applicable to such Transaction:

(i) Market Disruption. If a Market Disruption Event occurs during a Determination Period, the Floating Price for the affected Trading Day(s) shall be determined by reference to the Floating Price specified in the Transaction for the first Trading Day thereafter on which no Market Disruption Event exists; provided, however, if the Floating Price is not so determined within three (3) Business Days after the first Trading Day on which the Market Disruption Event occurred or existed, then the Parties shall negotiate in good faith to agree on a Floating Price (or a method for determining a Floating Price), and if the Parties have not so agreed on or before the twelfth Business Day following the first Trading Day on which the Market Disruption Event occurred or existed, then the Floating Price shall be determined in good faith by taking the average of two dealer quotes obtained from dealers of the highest credit standing that are not Affiliates of either Party. Notwithstanding the foregoing and subject to time limitations set forth in Sub-Section (ii) below, if the Parties have determined a Floating Price pursuant to this Sub-Section (i) and at a later date the responsible Price Source announces or publishes the relevant Floating Price, then such Floating Price shall be treated as a corrected price pursuant to Sub-Section (ii) below.”

“Determination Period” means each calendar month, a part or all of which, is within the Delivery Period of a Transaction.

“Exchange” means, in respect of a Transaction, the exchange or

principal trading market specified in the relevant Transaction.

“Floating Price” means a Contract Price specified in a Transaction that is based upon a Price Source.

“Market Disruption Event” means, with respect to any Price Source, any of the following events: (a) the failure of the Price Source to announce or publish the specified Floating Price or information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading in the relevant options contract or commodity on the Exchange or in the market specified for determining a Floating Price; (c) the temporary or permanent discontinuance or unavailability of the Price Source; (d) the temporary or permanent closing of any Exchange specified for determining a Floating Price; or (e) a material change in the formula for or the method of determining the Floating Price.

“Price Source” means, in respect of a Transaction, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the specified price (or prices from which the specified price is calculated) specified in the relevant Transaction.

“Trading Day” means a day in respect of which the relevant Price Source published the Floating Price.

(ii) Corrections to Published Prices. For purposes of determining a Floating Price for any day, if the price published or announced on a given day and used or to be used to determine a relevant price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within three (3) years of the original publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than thirty (30) days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount will, not later than three (3) Business Days after the effectiveness of that notice, pay, subject to any applicable conditions precedent, to the other Party that amount, together with interest at the Interest Rate for the period from and including the day on which payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.

(iii) Calculation of Floating Price. For purposes of calculating a Floating Price, all numbers shall be rounded to four (4) decimal places. If the fifth (5th) decimal number is five (5) or greater, then the fourth (4th) decimal number shall be increased by one (1), and if the fifth (5th) decimal number is less than five (5), then the fourth (4th) decimal number shall remain unchanged.”

55) The following new Section shall be added as Section 10.17:

“Generally Accepted Accounting Principles. Any reference to “generally accepted accounting principles” shall mean, with respect to an entity and its financial statements, generally accepted accounting principles, consistently applied, adopted or used in the jurisdiction of the entity whose financial statements are being considered for the purposes of this

Agreement, including Government Accounting Standards Board for Party B.”

56) The following new Section shall be added as Section 10.18:

No Recourse Against Constituent Members of Party B. Party B 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.*) and is a public entity separate from its constituent members. Party B will solely be responsible for all of its debts, obligations and liabilities accruing and arising out of this Agreement. Party A will have no rights and will not make any claims, take any actions or assert any remedies against any of Party B’s constituent members, or the officers, directors, advisors, contractors, consultants or employees of Party B or Party B’s constituent members, in connection with this Agreement.

SCHEDULE M

57) Schedule M is amended, with respect to Party A, as follows:

- (a) Paragraph A is amended by deleting the term “Act” and replacing it with the following:

“Act” means the Joint Exercise of Powers Act of California (Government Code Section 6500 *et seq.*).”

- (b) The text of Section 3.4 within Section D of Schedule M shall be deleted in its entirety and replaced with the following:

“Section 3.4 Reserved.”

- (c) The following definitions will be added to Schedule M:

“Account Control Agreement” means the Account Control Agreement among the Collateral Agent, Depository Bank, and Party B, dated February 13, 2020.

“Collateral Agent” has the meaning given it in the Security Documents.

“Depository Bank” has the meaning given it in the Security Documents.

“Intercreditor and Collateral Agency Agreement” means the Intercreditor and Collateral Agency Agreement, dated February 13, 2020, among the Collateral agent, Party B and the PPA Providers party thereto from time to time. Party A has joined the Intercreditor and Collateral Agency Agreement as a PPA Provider.

“Minimum Credit Rating” has the meaning given it in Section 3.6.

“PPA Providers” has the meaning given it in the Security Documents.

“Secured Account” means the Lockbox Account (as that term is defined in the Security Agreement).

“Secured Creditors” has the meaning given it in the Security Documents.

“Security Agreement” means the Security Agreement, dated February 13, 2020, among Party B and the Collateral Agent.

“Security Documents” means, collectively, the Intercreditor and Collateral Agency Agreement, the Security Agreement and the Account Control Agreement.

- (d) The “Special Fund” definition in Schedule M shall be deleted in its entirety and replaced with:

“Special Fund” means the Secured Account.

- (e) In Paragraph F of Schedule M, the text of Section 8.4 shall be deleted in its entirety and replaced with the following:

“Section 8.4 Party B Security. As credit protection to Party A, and as a condition to the effectiveness of the Confirmation, Party A and Party B have entered into the Security Documents, and such Security Documents have been duly executed and delivered by the Parties and by all third party signatories as contemplated therein and shall be in full force and effect. Party A shall have the rights and remedies specified in the Security Documents and Party B shall comply with its duties, obligations and responsibilities as specified therein.”

- (f) In Paragraph G, the text following the colon shall be deleted in its entirety and replaced with the following:

“NOTWITHSTANDING THE FOREGOING, IN RESPECT OF THE APPLICABILITY OF THE ACT AS HEREIN PROVIDED, THE LAWS OF THE STATE OF CALIFORNIA SHALL APPLY.”

SCHEDULE P: PRODUCTS AND RELATED DEFINITIONS

58) The following shall be added at the end of Schedule P:

"If the Parties agree to a service level/product defined by reference to a different agreement (*e.g.*, the MAPP Restated Agreement, the WSPP Agreement, ERCOT Guides) for a particular Transaction, then, unless the Parties expressly state and agree that all the terms and conditions of such other agreement will apply, such reference to a service level/product shall be as defined by such other agreement, including if applicable, the regional reliability requirements and guidelines as well as the specific excuses for performance, Force Majeure, Uncontrollable Forces, or other such excuses applicable to such other agreement, to the extent inconsistent with the terms of this Agreement, but all other terms and conditions of this Agreement remain applicable."

59) The following shall be added at the end of Schedule P:


"“CAISO Energy” means with respect to a Transaction, a Product under which the Seller shall sell and the Buyer shall purchase a quantity of energy equal to the hourly quantity without Ancillary Services (as defined in the California Independent System Operator (“CAISO”) Tariff) that is or will be scheduled as a schedule coordinator to schedule coordinator transaction pursuant to the applicable tariff and protocol provisions of the CAISO tariff, as amended from time to time for which the only excuse for failure to deliver or receive is an “Uncontrollable Force” as defined in the CAISO Tariff.”

60) The following shall be added at the end of Schedule P:


"“West Firm” or “WSPPC-Firm” means with respect to a Transaction, a Product defined by the WSPP Agreement as amended, in Service Schedule C as Firm Capacity/Energy Sale or Exchange Service.”

IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed as of the Effective Date.

**MORGAN STANLEY
CAPITAL GROUP INC.**

By: 
Name: Jamila Burrell
Authorized Signatory
Title: _____

**San Diego Community Power, a California joint powers
authority**

By: 
Name: Bill Carnahan
Title: Interim Chief Executive Officer

DISCLAIMER: This Master Power Purchase and Sale Agreement was prepared by a committee of representatives of Edison Electric Institute (“EEI”) and National Energy Marketers Association (“NEM”) member companies to facilitate orderly trading in and development of wholesale power markets. Neither EEI nor NEM nor any member company nor any of their agents, representatives or attorneys shall be responsible for its use, or any damages resulting therefrom. By providing this Agreement EEI and NEM do

not offer legal advice and all users are urged to consult their own legal counsel to ensure that their commercial objectives will be achieved and their legal interests are adequately protected.

**PCC2 & IMPORT ENERGY CONFIRMATION
BETWEEN
MORGAN STANLEY CAPITAL GROUP INC.
AND
SAN DIEGO COMMUNITY POWER**

This confirmation letter (“Confirmation”) confirms the transaction between Morgan Stanley Capital Group Inc., a Delaware Corporation (“Morgan Stanley” or “Seller”) and San Diego Community Power, a California joint powers authority (“SDCP” or “Buyer”), each individually a “Party” and together the “Parties,” dated as of November 20, 2024 (the “Confirmation Effective Date”) in which Seller agrees to deliver the Product for sale to Buyer on the terms set forth in this Confirmation (the “Transaction”). This Transaction is governed by the EEI Master Power Purchase and Sale Agreement dated January 21, 2021, as amended by that First Amendment to Master Power Purchase and Sale Agreement dated as of February 8, 2021, together with any and all exhibits, schedules or supplements thereto or incorporated therein by reference, each in force and effect from time to time between the Parties (collectively, the “Master Agreement”), as amended and supplemented by this Confirmation, under the following terms and conditions. The definitions and provisions contained in this Confirmation, the Master Agreement, the RA Requirements (as defined herein), and in the tariffs and/or protocols of the California Independent System Operator (“CAISO”) as amended from time to time (the “CAISO Tariff” or the “Tariff”), shall apply to this Confirmation and are incorporated by reference; provided that, to the extent that this Confirmation is inconsistent with any provision of the Master Agreement, this Confirmation shall govern the rights and obligations of the Parties with respect to this Transaction. Consistent with Section 2.2 of the Master Agreement, this Confirmation, together with all other transactions, confirmations and the Master Agreement, form a single integrated agreement between the Parties and are not separate contracts. This Confirmation supersedes and replaces any prior oral or written confirmation or agreement, including broker confirmations, regarding this Transaction.

**ARTICLE 1
IMPORT RA AND PCC2 PRODUCT**

1.1. Contract Price, Hourly Contract Quantity, Delivery Profile, Delivery Term and Delivery Point

- (a) Product: “Product” means Project Energy and associated Green Attributes (including, RECs) produced by the Project(s), which Project Energy is shaped and firmed with substitute energy to provide Incremental Energy that is delivered by Seller to Buyer at the Delivery Point in accordance with the terms of this Confirmation (“Portfolio Content Category 2” or “PCC2”), which Incremental Energy shall be delivered in accordance with the Hourly Contract Quantity and Delivery Profile. This Product satisfies (1) the requirements of Section 399.16(b)(2) of the California Public Utilities Code, as applicable to the Project Energy, Incremental Energy and RECs transferred hereunder, and (2) the RA Requirements, as applicable to the Incremental Energy transferred hereunder. Incremental Energy deliveries associated with the Product cannot be curtailed by Seller or Buyer for economic reasons. In addition, the following provisions are applicable to the Product:
 - i. The Project Energy is shaped and firmed with substitute energy to provide Incremental Energy that will be scheduled into a California balancing authority after the Start Date, but within the same calendar year the Project Energy is generated.

- ii. The Project Energy generated by the Project is not being sold back to the generator at the same time, is available to Buyer pursuant to the terms of this Confirmation and is not in practice already committed to another party.
- iii. The initial contract for Incremental Energy is acquired no earlier than the date this Confirmation is executed and no later than before the initial date of generation of the Project Energy.
- iv. The Incremental Energy is sourced and scheduled from the Balancing Area Authority of the Generation Source outside all the metered boundaries of all California balancing authority areas.

Delivery Term: The Delivery Term for Incremental Energy is from and including Hour Ending (“**HE**”) 0100 on June 1, 2025 through and including HE 2400 on October 31, 2025 and from and including Hour Ending (“**HE**”) 0100 on June 1, 2026 through and including HE 2400 on October 31, 2026. The Delivery Term for Green Attributes and RECs, continues through the date that all RECs transacted under this Confirmation have been delivered from Seller to Buyer in accordance with this Confirmation, but in any case no later than April 15 following each calendar year in which the RECs are created unless the Parties mutually agree to a different date or a later date is necessary in light of delays caused by Governmental Authorities or WREGIS through no fault, negligence or delay or Seller.

Generation Period: The generation period for Project Energy begins on January 1 of each calendar year during the Delivery Term and continues through the date that all Project Energy equal to the quantity of Incremental Energy required to be delivered under this Confirmation has been generated, but in any case no later than December 31, 2025 for the 2025 calendar year and October 31, 2026 for the 2026 calendar year (the “**Generation Period**”).

(b) **Incremental Energy Hourly Contract Quantity and Delivery Profile:**

Month of Delivery Term	2025 Year of Delivery Term and Hourly Quantity (MW)	2026 Year of Delivery Term and Hourly Quantity (MW)	Delivery Profile (Hour Endings)
June	50	50	HE17-22
July	50	50	HE17-22
August	50	50	HE01-06, HE17-24
September	50	50	HE01-06, HE17-24
October	50	50	HE17-22

- (c) **Delivery Point:** Incremental Energy shall be delivered to Nevada Oregon Border (NOB) (“**NOB**”), north to south (“**NOB N-S**”), which is an Intertie. The Parties may subsequently agree to an alternate Delivery Point in writing, provided a transmission path is specified to such other Delivery Point and such other Delivery Point is an Intertie.
- (d) **Delivery Profile:** For each day of the Delivery Term, excluding Sundays and NERC Holidays, Seller shall deliver to Buyer the Incremental Energy in the Hourly Contract

Quantity consistent with the Delivery Profile set forth in the table in Section 1.1(b) (“Table 1.1(b)”) (the “Minimum Monthly Delivery Quantity”).

- (e) Contract Price: The Contract Price is an aggregation of three components, as further described in Section 1.2(c).
- (f) Passage of Title: Seller represents and warrants that Seller holds the rights to the Product free and clear of all liens and encumbrances, that the Product has not been sold or committed to any other entity for any other purpose or use, and that Seller agrees that any Product delivered to Buyer under this Confirmation shall be free and clear of all liens and encumbrances subject to the terms and conditions contained herein.
- (g) Transmission and Agreed Transmission Path: Under this Confirmation and pursuant to Section 10 of the WSPP Agreement, the agreed transmission path for deliveries to the Delivery Point will be from the Generation Source (as listed in Exhibit A) to Big Eddy and Big Eddy to NOB (each, an “Agreed Transmission Path”).

For the purposes of Section 10 of the WSPP Agreement, “firm transmission” means Firm Transmission (as defined herein).

For the purposes of the Cap and Trade Regulations, the foregoing agreed upon transmission path shall constitute a “continuous physical transmission path” which shall provide for “direct delivery of electricity” (as such terms are defined in the Cap and Trade Regulations).

- (h) Incremental Energy: Seller shall schedule and deliver Incremental Energy into the CAISO Balancing Authority in compliance with 399.16(b)(2) of the Public Utilities Code, in accordance with this Transaction, and in accordance with the RA Requirements. Incremental Energy shall be sourced and scheduled from the Balancing Authority Area of the Generation Source outside of all California Balancing Authorities. Incremental Energy shall be scheduled into a California Balancing Authority within the same calendar year as the Project Energy is generated pursuant to the terms of this Confirmation.

Seller will perform all scheduling and tagging requirements for Incremental Energy scheduled under this Transaction. These services will be performed consistent with all applicable CAISO and WECC scheduling protocols. Buyer will take title to Incremental Energy at the Delivery Point and authorizes Seller to deliver Incremental Energy to CAISO at the Delivery Point as agent on Buyer’s behalf. Seller will be importer of record of the Incremental Energy into California and must include on the e-tag the Project(s) CEC RPS identification number or numbers, when possible, as described in WREGIS Operating Rules and Training Documents, updated from time to time so that Seller is able to receive e-tags in WREGIS. Seller shall match RECs with e-tags in WREGIS before transferring to Buyer whenever possible.

Seller represents and warrants to Buyer that for each hour during the Delivery Term, Seller will have Firm Transmission on the last segment immediately preceding the CAISO balancing authority to deliver the Incremental Energy into the CAISO balancing authority. Seller represents and warrants to Buyer that the amount of Incremental Energy shown on e-Tags delivered to Buyer shall not exceed the amount in aggregate over the course of each

calendar year of Project Energy delivered to Buyer, as demonstrated by Seller's matching of RECs with e-tags in WREGIS.

- (i) Eligibility Requirements. If an applicable governmental or regulatory authority having jurisdiction determines that Product delivered or to be delivered under and in accordance with the terms of this Transaction does not or will not meet or satisfy the Eligibility Requirements set forth in Section (1) of the definition thereof, then:
 - a) if the determination is prior to delivery of any Product hereunder, then (i) Buyer may terminate this Confirmation upon notice to Seller, and (ii) upon such termination, if any, the Parties will have no obligation to deliver or purchase Product that is not then delivered; and
 - b) if the determination is after delivery of any Product hereunder, the Parties will have no further liability (other than settlement obligations) to each other for any prior delivery of Product except in the event and to the extent that the failure to meet or satisfy the Eligibility Requirements set forth in Section (1) of the definition thereof is a result of a Buyer Eligibility Default or a Seller Eligibility Default; provided, however, that if the failure to satisfy the Eligibility Requirements is with respect to the California RPS, Buyer shall return and re-convey the REC associated with such Product along with the Green Attributes attributable to the Project Energy to Seller unused and without retiring such RECs, and without any encumbrance of any nature and kind whatsoever, and Seller shall refund to Buyer any REC Price previously paid therefore and attributable to the RECs and Green Attributes associated with such Product, in either case within ten (10) Business Days after Buyer has delivered written notice of such failure to meet or satisfy the Eligibility Requirements and re-conveyed the REC associated with the Product; and
 - c) Each Party will use commercially reasonable efforts to do or cause or permit to be done, everything in its direct control which would or would reasonably be expected to cause each of the Eligibility Requirements or elements or components thereof to be met or satisfied, and neither Party will do or omit to do, or cause or permit to be done, anything in its direct control which would or would reasonably be expected to cause any one or more of the Eligibility Requirements or elements or components thereof not to be met or satisfied.

1.2. Special Conditions

- (a) Generally Accepted Utility Practice: All scheduling and tagging shall be in accordance with Generally Accepted Utility Practice.
- (b) External Resource: Incremental Energy delivered pursuant to this Confirmation will not be sourced from resources internal to the CAISO Balancing Authority Area.
- (c) Contract Price Components: The Parties acknowledge that the Contract Price is a per megawatt hour aggregation of the following components:
 - (i) LMP Index for the Hourly Contract Quantity of Incremental Energy delivered at the Delivery Point ("Incremental Energy Price");

- (ii) For each year and month set forth in the “Minimum Monthly Delivery Quantity Minimum Hours” table below (the “MMDQ Table”), \$151.59/MWh payable for each hour in the “Hours” column of the MMDQ Table corresponding to such year and month in such table, representing the \$32.00/kw-month price for the Hourly Contract Quantity of forward availability commitment supporting Seller’s right to Incremental Energy from the Generation Source, converted to \$/MWh throughout the Delivery Term (“Energy Availability Premium”) as applicable, provided that the Energy Availability Premium shall not be payable for any HE17 hour and provided further that the “Hours” in the MMDQ Table shall not include, take into account or apply HE17 hours in calculating or determining payments to be made pursuant to this Confirmation in respect of such Hours; and
- (iii) For each MWh of Green Attributes (including RECs) generated by the Project(s) and delivered to Buyer in accordance with this Confirmation, the price shall be: \$55.00/MWh in 2025 and 2026 (“REC Price”).

Minimum Monthly Delivery Quantity Minimum Hours		
YEAR	MONTH	Hours
2025	June	125
2025	July	130
2025	August	338
2025	September	325
2025	October	135
2026	June	130
2026	July	130
2026	August	338
2026	September	325
2026	October	135

The Parties hereby acknowledge and agree that Seller may deliver more Incremental Energy than the Minimum Monthly Delivery Quantity Minimum Hours set forth in the MMDQ Table (“Additional Monthly Quantity”) during any calendar month. The Incremental Energy Price and REC Price shall be due and payable on the quantity of Product actually delivered in accordance with this Confirmation during any calendar month of the Delivery Term, and the Energy Availability Premium shall be due and payable for each hour of each Minimum Monthly Delivery Quantity Minimum Hours amount set forth in the MMDQ Table made available under this Confirmation; provided, however, (1) for certainty and subject to Section 1.2(c)(ii), no Energy Availability Premium shall be due and payable for any such Additional Monthly Quantity and (2) the Incremental Energy Price and REC Price shall continue to be due and payable for any such Additional Monthly Quantity. Notwithstanding anything in this Agreement to the contrary, the maximum quantity of Product that Seller may deliver under this Agreement shall be 350,400 MWh of Product in 2025 and 173,720 MWh of Product in 2026.

Notwithstanding and without limiting Section 4.2 of the Master Agreement, in determining the Sales Price there will be no obligation or requirement to attribute or include a value attributable to the availability component or the Green Attributes.

(d) Additional Seller Representations: Seller represents and warrants to Buyer as follows:

- (i) Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement: (i) the Project(s) 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]
- (ii) Seller further represents and warrants to Buyer that, to the extent that the Product sold by Seller is a resale of part or all of a contract between Seller and one or more third parties, Seller represents, warrants and covenants that the resale complies with the following conditions in (i) through (v) below as of the Confirmation Effective Date and throughout the Generation Period: (i) the original upstream third-party contract(s) meets the criteria of California Public Utilities Code Section 399.16(b)(2), (ii) this Confirmation transfers only electricity and RECs that have not yet been generated prior to the Confirmation Effective Date, (iii) this Confirmation transfers the original arrangement for substitute electricity (e.g., source and quantity), (iv) this Confirmation retains the scheduling of the substitute electricity into a California balancing authority as set out in the original firming and shaping transaction; and (v) this Confirmation continues to provide incremental electricity scheduled into a California balancing authority.
- (iii) Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. [STC REC -1]
- (iv) Seller hereby provides and conveys all Green Attributes associated with all electricity generation from the Project(s) to Buyer as part of the Product being delivered. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Project(s), and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Project(s). [STC2]
- (v) For the purposes of STC REC-1 and STC 6, “commercially reasonable efforts” shall not require Seller to incur more than \$10,000 in aggregate direct or indirect costs, including lost profits and out-of-pocket costs and expenses to comply with such change in law. Where any other section of this Confirmation requires a Party to use “commercially reasonable efforts”, such efforts shall likewise not require Seller to expend more than \$10,000 in aggregate direct or indirect costs, including

lost profits and out-of-pocket costs and expenses to comply with such “commercially reasonable efforts” obligation.

- (vi) Seller has the right to sell the Product from the Project(s);
- (vii) Seller has not sold the Product to any other person or entity;
- (viii) the Product meets the requirements set forth in PUC Code 399.16(b)(2) and the RPS compliance requirements for Portfolio Content Category 2 as set forth in CPUC Decision 11-12-052;
- (ix) Seller will exercise commercially reasonable efforts to cooperate and work with Buyer, the CEC, and/or the CPUC to provide any documentation required by the CPUC or CEC to support the Product’s classification as a Portfolio Content Category 2 Product as set forth in California Public Utilities Code Section 399.16(b)(2);
- (x) the facilities comprising the Designated Facilities are each external to the CAISO Balancing Authority Area;
- (vii) as of the Confirmation Effective Date, the forward availability commitment supporting Seller’s right to Energy from the Generation Source which is subject to this Confirmation is surplus to the expected resource requirements of the Generation Source’s host balancing authority area and is not committed to another balancing authority area (*i.e.* no double-counting);
- (viii) throughout the Delivery Term, Seller will not commit the resources necessary to support Seller’s right to Energy from the Generation Source which is subject to this Confirmation to a third party or other balancing authority area;
- (ix) the Incremental Energy may be scheduled and delivered from any of the Generation Sources, at Seller’s discretion;
- (x) the Incremental Energy sold to Buyer hereunder has been sold once and only once by Seller;
- (xi) throughout the Delivery Term, Incremental Energy to be delivered hereunder will be delivered to the Delivery Point using Firm Transmission on the last segment immediately preceding the CAISO balancing authority;
- (xii) throughout the Delivery Term, Seller’s Incremental Energy delivery obligation is and will be supported (backed) each hour by operating reserves (including required contingency reserves and sufficient balancing reserves) in the Generation Source’s host balancing authority area necessary to ensure there is sufficient energy available for Seller to meet its obligation throughout the applicable operating hour; and
- (xiii) Each Designated Facility that is a biomass facility uses biomass that would otherwise be disposed of utilizing open burning, forest accumulation, landfill (uncontrolled, gas collection with flare, gas collection with engine), spreading or

composting, and as such is compliant with the California emissions performance standard in accordance with CPUC D.07-01-039.

For greater certainty, Seller's performance (and failure to perform) hereunder is and remains subject to the terms of the Product and the Master Agreement.

ARTICLE 2 SCHEDULING COORDINATOR SERVICE

2.1. Scheduling Coordinator Services

- (a) Seller: Morgan Stanley
- (b) Buyer: SDCP
- (c) Seller shall provide the Scheduling Coordinator Services as set forth below.

2.2. Overview

The purpose of Article 2 is for Morgan Stanley to perform the required scheduling coordinator functions for the "resource" (as such term is used by the CPUC in D. 20-06-028). Although D.20-06-028 required the Buyer to take responsibility for ensuring that energy associated with an import RA contract is bid into, and delivered to, the CAISO markets, the CPUC's decision also permitted the Buyer to designate another party to act on its behalf as a Scheduling Coordinator to bid and deliver the energy into the CAISO markets.

Morgan Stanley is a Scheduling Coordinator recognized by CAISO pursuant to the CAISO Tariff and has the requisite experience, skill and capability to perform the scheduling obligations assumed by it in providing the Scheduling Coordinator Services (as defined below). In providing the Scheduling Coordinator Services, Morgan Stanley will perform, and assume all costs, risks and liabilities associated with performing, the scheduling responsibilities defined below for the limited purpose of submitting Bid(s) and physically scheduling and delivering Incremental Energy to Buyer from the Delivery Point to the Sink as required and contemplated by the system resource adequacy requirements of CPUC D.20-06-028 and the system resource adequacy requirements established by CAISO pursuant to the CAISO Tariff.

2.3. Scheduling Coordinator Services

Morgan Stanley agrees to assume the scheduling functions required to schedule and deliver the Incremental Energy to Buyer at and from the Delivery Point to the Sink, being an Aggregated Pricing Node in the CAISO Balancing Authority Area, as set forth below ("Scheduling Coordinator Services"):

- (a) For each hour in which Incremental Energy is to be delivered to the Delivery Point, consistent with the Hourly Contract Quantity and Delivery Profile, Morgan Stanley will Bid or Self-Schedule (as such terms are defined in the CAISO Tariff) the Incremental Energy into the CAISO Day Ahead Market and Real-Time Market; provided, if Morgan Stanley submits Bid(s) (other than Self-Schedule) such Bid(s) for each hour that is an Availability Assessment Hour, Morgan Stanley's Bid(s) shall be at a price between negative \$150/MWh and \$0/MWh ("Bidding Requirement") until the Minimum Monthly Delivery Quantity for the Delivery Profile has been met.

- (b) Working with CAISO and Buyer to set up Resource ID (MSCG_NOB_I_F_IMS010) associated with Morgan Stanley’s SCID for purposes of undertaking the services in paragraph (a) above (“RA Resource ID”), which shall be set up as a CAISO system resource;
- (c) Submitting a monthly and annual Supply Plan using the RA Resource ID (MSCG_NOB_I_F_IMS010) for each month of the Delivery Term on or prior to the deadline in the CAISO Tariff;
- (d) Undertaking all scheduling and tagging requirements in accordance with Generally Accepted Utility Practice from the Delivery Point to the Sink, including inserting the following in each NERC E-Tag:
 - (i) Morgan Stanley’s Scheduling Coordinator PSE in the “physical path” at and from the Delivery Point to the Sink,
 - (ii) Buyer’s PSE in the “market path” at the Delivery Point,
 - (iii) Buyer’s PSE as the last PSE in the “physical path”,
 - (iv) RA Resource ID (MSCG_NOB_I_F_IMS010) in the Misc (Token/Value) field in “physical path” at and from the Delivery Point to the Sink,
 - (v) A CAISO Aggregated Pricing Node as the Sink; and
- (e) performing such other ancillary requirements under the CAISO Tariff to give effect to the foregoing.

A sample NERC E-Tag is attached hereto as Exhibit C for informational purposes. Actual NERC E-Tags generated for deliveries hereunder may vary from the sample attached as Exhibit C due to changes in Generation Source, CAISO or WECC tagging practices or otherwise as required to be consistent with Generally Accepted Utility Practice.

2.4. Seller’s Scheduling Contacts

	Phone	Fax
Pre-scheduler:	604.658.8116	604.695.8809
Real-Time:	604.658.8120	

2.5. Buyer’s Identifiers

Buyer’s SCID: SDCP

Buyer’s PSE: SDCP01

2.6. Special Conditions

- (a) Resource Adequacy Plan: Buyer shall submit (or cause to be submitted) a monthly and annual Resource Adequacy Plan (“RA Plan”), as required by the CAISO Tariff, that

explicitly identifies the Delivery Profile hours as the temporal constraint/limitation and such RA Plan shall otherwise match the Supply Plan submitted by Morgan Stanley.

- (b) CAISO Acceptance/Rejection: Morgan Stanley shall be entitled to retain any and all revenues received from (and if prices are negative, liable for all payments to) CAISO as a result of CAISO accepting the Bid(s) (including Self-Schedule(s)) submitted by Morgan Stanley. If, in any hour of the Delivery Term, CAISO rejects the Bid(s) (including Self-Schedule) submitted by Morgan Stanley in the CAISO Day Ahead Market and Real-Time Market, then:
 - (i) if Morgan Stanley Self-Schedules or Bids in accordance with the Bidding Requirement, the Parties agree to treat such rejection by CAISO as Uncontrollable Force such that each Party shall be excused from their respective obligation to sell and deliver or purchase and receive the Incremental Energy for that hour, and
 - (ii) if Morgan Stanley does not Bid in accordance with the Bidding Requirement, the Parties agree to treat such rejection by CAISO as a failure to deliver by Seller, no Energy Availability Premium shall be due for such hour, and, unless Seller is otherwise excused from its delivery obligations, Buyer shall be entitled to such remedies as are provided hereunder and in the Master Agreement.
- (c) Energy Adjustment: For each month of the Delivery Term, and in consideration of Morgan Stanley retaining any and all revenues received as a result of any CAISO awards from the Bid(s) (including or Self-Schedule(s)) submitted by Morgan Stanley (among other things), Morgan Stanley will credit Buyer the Energy Adjustment. “Energy Adjustment” the LMP Index for each MWh of the Incremental Energy delivered to Buyer in such month pursuant to this Confirmation.

ARTICLE 3 GENERAL PROVISIONS

3.1 RECs Tracking Obligations

Seller shall use WREGIS to transfer RECs to Buyer and conform to the definition and attributes required for compliance with the RPS, as set forth in CPUC D.08-08-028, and as may be modified by subsequent decision of the CPUC or by subsequent legislation, but in no event shall RECs be transferred that do not contain the California RPS Certification Number. Throughout the Delivery Term, following generation of the Project Energy, Seller shall, at its sole cost and expense, take all actions and execute all documents or instruments necessary to ensure that all WREGIS Certificates associated with the Project Energy delivered hereunder are issued and tracked for purposes of satisfying the requirements of the California Renewable Portfolio Standard for Buyer. Seller shall comply with all Applicable Law, including, without limitation, the WREGIS Operating Rules, regarding the certification and transfer of such WREGIS Certificates to Buyer and Buyer shall be given sole title to all such WREGIS Certificates.

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]

The transfer of RECs to Buyer under WREGIS shall be deemed to transfer all of the Green Attributes associated with the Project Energy hereunder. In the event a future edition of the CEC

Eligibility Guidebook or WREGIS Operating Rules establishes or eliminates a delivery, matching and/or transfer process for the RECs or their attributes, such as e-tags and the WREGIS e-Tag Summary report, Seller shall be responsible for meeting such requirements so that the transferred RECs contain all attributes of the Product before being transferred to Buyer.

Upon either Party's receipt of notice from WREGIS that a transfer of WREGIS Certificates was not recognized, that Party will immediately notify the other Party, providing a copy of such notice, and both Parties will cooperate in taking such actions as are necessary and commercially reasonable to cause such transfer to be recognized and completed. Each Party agrees to provide copies of its applicable reports to the extent reasonably necessary for WREGIS to verify the accuracy of any fact, statement, charge or computation made pursuant hereto if requested by the other Party.

3.2 RPS Adjustment

After Seller completes delivery of RECs under this Confirmation, if required by the California Air Resources Board ("CARB") for Seller to claim RPS Adjustment for the Incremental Energy delivered into the CAISO Balancing Authority under this Confirmation and upon timely request by Seller, Buyer agrees to provide a written attestation that the RECs received from Seller under this Confirmation have been placed in Buyer's WREGIS retirement subaccount in accordance with California RPS Program requirements. Buyer shall retire such RECs by the deadline specified in the effective CARB's Cap and Trade regulations for the same year the RPS Adjustment is claimed by Seller for compliance with the CARB Cap and Trade regulations. Buyer agrees to perform other administrative actions reasonably necessary to allow Seller to claim the RPS Adjustment, which do not impact Buyer's use of the RECs for Buyer's RPS compliance requirements.

3.3 Good Faith Negotiations

In the event that any Incremental Energy associated with the Generation Sources does not meet or satisfy the Eligibility Requirements as a result of a Force Majeure or for any other reason except a Buyer Eligibility Default or a Seller Eligibility Default, subject to Buyer's termination right in Section 1.1(i)(a), the Parties will negotiate in good faith to revise or amend this Agreement as appropriate to meet applicable requirements so that such Incremental Energy would meet or satisfy the Eligibility Requirements, in a manner consistent with the intent of the Parties as set out in this Agreement. Further, in the event that any Incremental Energy to be delivered pursuant to this Agreement is not eligible or does not qualify for the California RPS program in force and effect as of the date of delivery (or such replacement thereof or successor thereto as may be adopted and implemented by the Energy Commission or the California Public Utilities Commission from time to time) or does not satisfy any applicable eligibility criteria or requirements thereof in force and effect at the time of delivery which are not already Eligibility Requirements pursuant to this Agreement, then the Parties will negotiate in good faith to revise or amend this Agreement as appropriate to meet applicable requirements so that such Incremental Energy would be eligible and qualify for the California RPS program (or such replacement thereof or successor thereto as may be adopted and implemented by the Energy Commission or the California Public Utilities Commission from time to time) as of the time of delivery; however, if the Parties are unable to

agree to any such revisions or amendments to this Agreement, it will remain in full force and effect in accordance with its terms.

3.4 Uncontrollable Force/Force Majeure

The Parties agree that Product delivery requirements may be excused due to Force Majeure. The Parties agree, for the purposes of Section 10 of the WSPP Agreement, Section 3.3 of the Master Agreement and the definition of Force Majeure, that:

- (a) any limitation, interruption or curtailment on the applicable Agreed Transmission Path, at the Delivery Point or from the Delivery Point to Sink by the transmission provider pursuant to the applicable OATT or transmission service contract (including CAISO pursuant to the CAISO Tariff), by or at the direction of WECC or any applicable NERC-recognized regional reliability coordinator, including for unscheduled flow mitigation, planned outage(s) and full or partial de-rate(s), whether or not known or anticipated as of the Confirmation Effective Date, will be considered Uncontrollable Force and Force Majeure,
- (b) a limitation, interruption or curtailment described in paragraph (a) may result in Bid(s), schedule(s) or E-Tag(s) not being submitted or created, as applicable, for one or more hours depending on the timing and circumstances of the qualifying limitation, interruption or curtailment, Generally Accepted Utility Practice and requirements and practices pursuant to CAISO Tariff,
- (c) if and to the extent any of the events or circumstances described in paragraphs (a) and (b) above prevents (i) delivery of the Hourly Contract Quantity of Incremental Energy from the Generation Source to Sink for any hour(s) of the Delivery Term or (ii) Bid(s), schedule(s) or E-Tag(s) being submitted or created, as applicable, by Morgan Stanley for any hour(s) of the Delivery Term, subject to Section 1.2(c), Morgan Stanley and Buyer shall be relieved of their obligation to sell and deliver or purchase and receive, respectively, the Incremental Energy at the Delivery Point for such hour(s) and Morgan Stanley shall be relieved of its Scheduling Coordinator Services obligations for such hour(s), and
- (d) For purposes of calculating liquidated damages settlements (the “**Damages Payment**”), (i) the Damages Payment shall only be calculated and payable on the difference between the applicable Minimum Monthly Delivery Quantity and the volume of MW delivered hereunder; and (ii) for this purpose only, the monthly price for deliveries during the term shall be deemed as follows:

Month	\$/MWh
June 2025	\$120.00
July 2025	\$269.23
August 2025	\$152.37
September 2025	\$158.46
October 2025	\$51.85
June 2026	\$120.00
July 2026	\$269.23
August 2026	\$152.37
September 2026	\$158.46
October 2026	\$51.85

3.5 Monthly Reporting

The Parties acknowledge that in each month of the Delivery Term non-delivery of energy can reasonably be expected from time to time as a result of, among other things, Force Majeure (*e.g.* transmission limitations, interruptions and/or curtailments) and CAISO rejecting Bid(s) meeting the Bid Requirement, including during conditions of oversupply and congestion. For transparency, Buyer will have delivery visibility through inclusion on all NERC E-Tags.

3.6 Electricity Importer

As a result of the provision of Scheduling Coordinator Services, Morgan Stanley will be the electricity importer into California for purposes of the Cap and Trade Regulations for the Incremental Energy delivered pursuant to this Confirmation. The Parties acknowledge that Morgan Stanley will be responsible for satisfying any Compliance Obligation (as defined in the Cap and Trade Regulations) associated with the energy that is scheduled and imported into California pursuant to this Confirmation.

3.7 Confidentiality

Notwithstanding anything to the contrary in Section 10.11 of the Master Agreement, the Parties agree that either Party may disclose a copy of this Confirmation to a Governmental Authority if required or if requested by such Governmental Authority or for the purposes set forth in Section 3.8(b), provided such Party shall redact commercial terms (*e.g.* Contract Price) prior to disclosure or disclose the Confirmation confidentially to the Governmental Authority unless redactions or confidential treatment is not permitted by the Governmental Authority. Each Party recognizes that this Confirmation is subject to the requirements of the California Public Records Act (Government Code Section 7920 et seq.).

3.8 RA Requirements / Change in Law

- (a) The Parties acknowledge that Buyer has entered into this Transaction to, among other things, use the Product toward meeting its RA Requirements.
- (b) The Parties agree that either or both Parties may provide a copy of this Confirmation to the CPUC confidentially prior to the time required for Buyer's compliance filings to obtain the CPUC's guidance or advice as to the eligibility of the Product for meeting the RA Requirements, provided if Seller provides a copy it shall redact or exclude Buyer's name.
- (c) It is Buyer's sole responsibility to (i) make commercially reasonable efforts to obtain sufficient intertie import capability ("IIC") at the Delivery Point such that it may use the Product toward its RA Requirements. Buyer shall make commercially reasonable efforts to acquire, through allocation or trade, the required IIC for the Delivery Terms.
- (d) If there is a Change in Law that (i) materially adversely changes or affects a Party's obligations hereunder or (ii) results in Buyer being unable to use the Product to meet its RA Requirements, the Parties shall work in good faith to try and revise this Confirmation, which may include changes to commercial terms, to appropriately address the material adverse change or effect or permit Buyer to be able to use the Product toward its RA Requirements. In the event the Parties cannot reach agreement on any such amendments to this Confirmation within thirty (30) days' written notice from one Party following the Change in Law ("Negotiation Period"), then either Party may terminate this Confirmation

within thirty (30) days after the Negotiation Period upon written notice to the other Party, which, subject to Section 3.10, shall be effective the next Business Day after such notice is received. Any termination in accordance with this paragraph shall be without liability of either Party to the other from the termination date as a result of such termination; provided, for greater certainty, each Party shall remain liable for any payments arising from performance (and non-performance) up to and including the termination date. Termination of this Confirmation pursuant to this paragraph shall not result in termination (or give rise to a right of termination) of any other transactions between the Parties; provided that if multiple transactions between the Parties are similarly affected by the Change in Law the terminating Party must concurrently terminate all such transactions unless the other Party otherwise agrees.

3.9 Seller Indemnification / Termination

To the extent Seller fails to fulfill its obligations under this Confirmation and such failure is not excused under the terms of this Confirmation or the Master Agreement or caused by a failure to perform by Buyer, then:

- (a) Seller agrees to indemnify Buyer for any monetary penalties directly resulting from Seller's nonperformance hereunder, or resulting from a Seller Eligibility Default, as assessed against Buyer by the CPUC pursuant to the RA Requirements, but only to the extent such penalties being assessed could not be avoided by Buyer using commercially reasonable efforts following notice from Seller of its nonperformance; and
- (b) in addition to Buyer's other remedies hereunder, if such failure meets all the criteria for a RA Termination Event, Buyer may terminate this Confirmation upon written notice to Seller, provided such notice is provided no later than five (5) Business Days after such RA Termination Event having occurred. If timely termination notice is provided to Seller, subject to Section 3.10, termination shall be effective the next Business Day after such notice is received. Any termination in accordance with this paragraph shall be without liability of either Party to the other from the termination date as a result of such termination; provided, for greater certainty, each Party shall remain liable for any payments arising from performance (and non-performance) up to and including the termination date. Termination of this Confirmation pursuant to this paragraph shall not result in termination (or give rise to a right of termination) of any other transactions between the Parties.

With respect to the foregoing, the Parties shall use commercially reasonable efforts to minimize any such monetary penalties or the impact of any Seller non-performance; provided, that in no event shall Buyer be required to use or change its utilization of its owned or controlled assets or market positions to minimize such penalties.

3.10 Survival

To the extent this Confirmation is terminated by either Party as provided in Section 3.8 or 3.9 and Morgan Stanley, in performing its obligations hereunder, has submitted a monthly Supply Plan or has other binding obligations or commitments to CAISO that cannot be rescinded without Morgan Stanley incurring penalties or other charges, all applicable terms, conditions and provisions of this Confirmation shall survive termination until all binding obligations or commitments to CAISO as at the effective date of such termination have been fully performed, including, without limiting the generality of the foregoing, the purchase and sale of Incremental Energy. For greater certainty, neither Party will make any further binding commitments to CAISO (*e.g.* no filing of monthly RA

Plans or Supply Plans) with respect to energy made available under this confirmation after the effective date of termination.

3.11 Relationship of the Parties

The Parties are independent contractors, and will not be deemed to be partners, joint venturers or agents of each other for any purpose. Nothing contained in this Confirmation will be construed to create a partnership, joint venture, agency or other relationship that may invoke fiduciary obligations between the Parties.

3.12 Amendments to Exhibits


(a) Upon Buyer's consent, not to be unreasonably withheld, conditioned or delayed, Seller may add or remove Generation Sources which will be subject to this Confirmation (a "Generation Source Revision") by providing Buyer with a revised Exhibit A for the Generation Source Revision and such Generation Source Revision shall be effective on the fifth (5th) Business Day following the date on which such revised Exhibit A is accepted by Buyer.

(b) Upon Buyer's consent, not to be unreasonably withheld, conditioned or delayed, Seller may add or remove Designated Facilities which will be subject to this Confirmation (a "Designated Facility Revision") by providing Buyer with a revised Exhibit B for the Designated Facility Revision and such Designated Facility Revision shall be effective on the fifth (5th) Business Day following the date on which such revised Exhibit B is accepted by Buyer.

[Signatures appear on the following page.]

Acknowledged and agreed to as of the Confirmation Effective Date.

**MORGAN STANLEY CAPITAL GROUP
INC.**

Sign: _____

Print: Brent Masucci

Title: Vice President

**SAN DIEGO COMMUNITY POWER, a
California joint powers authority**

Sign: _____

Print: _____

Title: _____

Acknowledged and agreed to as of the Confirmation Effective Date.

**MORGAN STANLEY CAPITAL GROUP
INC.**

Sign: _____

Print: _____

Title: _____

**SAN DIEGO COMMUNITY POWER, a
California joint powers authority**

Sign: 
Karin Burns (Nov 19, 2024 10:23 PST)

Print: Karin Burns

Title: Chief Executive Officer

EXHIBIT A**GENERATION SOURCE**

In any delivery hour, the Incremental Energy will be generated by any one or more of the following generating facilities listed below (in aggregate, the “Generation Source”).

Name of Facility	Location	Resource Type:	CARB ID:
Wanapum Dam	Washington State	Large Hydroelectric	500054
Priest Rapids Dam	Washington State	Large Hydroelectric	500054
Wells Dam	Washington State	Large Hydroelectric	500237
Hermiston	Oregon	Natural Gas	900183
Hermiston	Oregon	Natural Gas	900063

EXHIBIT B

Designated Facilities

Unit Name	State	Technology	RPS ID	EIA Code	WREGIS ID
Clearwater Paper	Idaho	Biomass	60533A	50637	W128, W129
Kettle Falls Woodwaste Plant	Washington	Biomass	60495A	550	Unit 1 = W130; Unit 2 = W797
Seneca Sustainable Energy	Oregon	Biomass	61090A	57457	W2045
Monroe Street HED	Washington	Hydroelectric Water	60496A	9095	W218
Nine Mile HED	Washington	Hydroelectric Water	60497A	3869	Unit 1 = W216; Unit 2 = W283
Post Falls HED	Idaho	Hydroelectric Water	60498A	835	Unit 1 = W220; Unit 2 = W794; Unit 3 = W795; Unit 4 = W796
Upper Falls HED	Washington	Hydroelectric Water	60499A	9096	W217
Glacier Wind (Naturener)	Montana	Wind	60708A	57049, 57050	W1318, W818
Harvest Wind Project	Washington	Wind	60857A	57152	W1306
Klondike Wind Power III	Oregon	Wind	60602A	56468	W237
Sagebrush Power Partners, LLC	Washington	Wind	60939A	56858	W1876

EXHIBIT C

SAMPLE NERC E-TAG

PSE Comment

RA - SPECIFED - SDCP

LCA Contact

CISO Interchange

(916)351-248

☐ Test Tag

☐ Link this tag to its predecessor

▼

Delayed Tag Viewers

Market Path

Insert Rows

Insert Above

Insert Below

Remove Row

PSE		Product	Contract	Misc Info
MSCG01	*	G-F		No
SDCP01	*	L		No

Physical Path

Insert Rows

Insert Above

Insert Below

Remove Row

BA		TSP		MO	PSE	POR	POD	Sched Entities	
GCPD	*				MSCG01	Source: MSCG_GCPD			
		BPAT	*		MSCG01	BPAT.GCPD	BigEddy	BPAT	*
		BPAT	*		MSCG01	BigEddy	NOB	BPAT	*
		CISO	*	CISO	MSCG01	NOB	SYLMAR	LDWP	*
		CISO	*	CISO	MSCG01	SYLMAR	SP15	CISO	*
CISO	*			CISO	SDCP01	Sink: SP15			

Transmission Allocation

Insert Rows

Insert Above

Insert Below

Remove Row

TSP	Owner		Product	OASIS	NITS Resource
BPAT (1)	MSCG01	*	7-F	10031	
BPAT (2)	MSCG01	*	7-F	10031	
CISO (1)	MSCG01	*	7-F	MSCG_NOB_I_F_IMS010	
CISO (2)	MSCG01	*	7-F	MSCG_NOB_I_F_IMS010	

Energy and Transmission Profile

Start Date

10-07-2024

Stop Date

10-07-2024

☐ Sun

☒ Mon

☐ Tue

☐ Wed

☐ Thu

☐ Fri

☐ Sat

☐ All

Start	Stop	Gen	BPAT	BPAT	CISO	CISO	Ramp Duration
		MW	10031	10031	MSCG_NOB_I_F_IM...	MSCG_NOB_I_F_IM...	Start Stop
17:00	22:00	50	50	50	50	50	

Insert Rows

Insert Above

Insert Below

Remove Row

24 Hour

On-Peak

Off-Peak

Add Loss Profile

Calculate Transmission Allocation

Carbon Copy List

PSE

▼

FERC

▼

▼

▼

▼

▼

▼

EXHIBIT D

DEFINITIONS

Capitalized terms not otherwise defined herein that are defined in the CAISO Tariff shall have the meanings ascribed thereto in the CAISO Tariff.

“AAH” or “Availability Assessment Hours” means the five consecutive hour period pre-defined by CAISO pursuant to the CAISO Tariff as the Availability Assessment Hours for resources providing system resource adequacy for the applicable month of the Delivery Term. The Parties acknowledge that, as of the Confirmation Effective Date, CAISO has determined the Availability Assessment Hours for resources providing system resource adequacy for the applicable months of the Delivery Term are hour ending (“HE”) 1700 through HE 2100 (i.e., 5 consecutive hours per day between 4 PM - 9 PM), Monday through Saturday (6 days per week), excluding NERC Holidays.

“Applicable Program” means the Cap and Trade Regulations or the PSD Regulations.

“Buyer”, as used in the Master Agreement, means Buyer.

“Buyer Eligibility Default” means the failure of any Incremental Electricity to meet or satisfy any Eligibility Requirement or element or component thereof which is in the direct control of Buyer to meet or satisfy and which arises as a result of or is caused by or attributable to an act or omission of Buyer, including a failure to accept the transfer on WREGIS, or provide information and data available to Buyer (including as provided by Seller) as may be required to verify the Green Attributes.

“California RPS Program” means the “California Renewables Portfolio Standard” program jointly administered by the CEC, the California Public Utilities Commission and the California Air Resources Board, as such program exists as of the Effective Date, including without limitation all applicable eligibility criteria and requirements thereof in force and effect as of the Effective Date.

“Cap and Trade Regulations” means the Mandatory Greenhouse Gas Emissions Reporting and California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms regulations (California Code of Regulations Title 17, Subchapter 10, Articles 2 and 5 respectively).

“CARB” means the California Air Resources Bureau of the California Environmental Protection Agency.

“CAISO Tariff” means the FERC-approved electric tariff of the California Independent System Operator Corporation (“CAISO”) and any current applicable CAISO-published Operating Procedures and Business Practice Manuals, in each case as amended or supplemented from time to time.

“Change in Law” means any changes, revisions, additions or clarifications to or of (i) the RA Requirements by the CPUC, or (ii) the CAISO Tariff by CAISO, including CAISO changing the five consecutive hour period for the Availability Assessment Hours for any month of the Delivery Term, occurring after the Effective Date.

“CPUC Filing Guide” means the annual document issued by the CPUC which sets forth the guidelines, requirements and instructions for load serving entities to demonstrate compliance with the RA Requirements.

“Designated Facility” means any facility listed in Appendix B, as amended by Seller pursuant to Section 3.12(b) from time to time, which is certified as an ERR and from which Seller is entitled to Project Energy and associated Green Attributes during Delivery Term.

“Eligible Renewable Energy Resource” or “ERR” means a resource meeting the definition of and criteria for an “eligible renewable energy resource” under California Public Utilities Code Sections 399.12 and 399.16.

“Eligibility Requirements” means (1) any applicable criteria or requirements of the California RPS Program in force and effect as of the Effective Date respecting the eligibility or qualification of the Product, this Agreement or the Transaction to satisfy the requirements for Portfolio Content Category 2, and (2) the RA Requirements.

“Energy Commission” or “CEC” means the California Energy Resources Conservation and Development Commission.

“Federal Holidays” means legal public holidays as set forth in 5 USC § 6103(a).

“Firm Transmission” means NERC Transmission Service Reservation Priority 7-F (firm point-to-point transmission), and includes conditional firm point-to-point transmission.

“Flat” means all Off-Peak and On-Peak hours (24x7).

“Generally Accepted Utility Practice” means a practice established by the Western Electricity Coordinating Council (“WECC”) or any successor regional reliability council, as such practice may be revised from time to time, or if no practice is so established, means a practice otherwise generally accepted in the WECC region.

“Generation Source” means any facility or unit set forth in Appendix A, as amended by Seller pursuant to Section 3.12(a) from time to time.

“Governmental Authority” means any national, state, provincial or local government, any political subdivision thereof, or any other governmental, regulatory, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, department, bureau, or entity with authority over a Party or the subject matter of this Agreement, and includes, without limitation, the Federal Energy Regulatory Commission (“FERC”) and California Public Utilities Commission (“CPUC”).

“Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (1) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (Sox), nitrogen oxides (Nox), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; (3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser’s discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading

program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or “tipping fees” that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project. [STC 2]

“Incremental Energy” means WSPP Service Schedule C Firm Energy on Firm Transmission on the last segment immediately preceding the CAISO balancing authority area, sourced in the WECC outside of the state of California, which was not in the portfolio of Buyer prior to the Effective Date of this Confirmation and scheduled into the CAISO Balancing Authority in accordance with Section 1.1(h), during the same calendar year in which the Project Energy was produced by the Project(s) as documented by the NERC e-Tags containing the Project(s) RPS IDs.

“LMP Index” means, for any day of delivery, the day-ahead hourly Locational Marginal Price (“LMP”) at TH_SP15_GEN-APND (or any successor Aggregated Pricing Node for SP 15) (“SP 15 Trading Hub”) for the applicable hours of delivery as published by the CAISO. In the event the CAISO fails to publish the LMP for the SP 15 Trading Hub, such failure shall be addressed by the Parties in a manner consistent with the Master Agreement provisions applicable to Market Disruption Events. In the event the CAISO subsequently corrects the LMP for the SP15 Trading Hub, such correction shall be addressed by the Parties in a manner consistent with the Master Agreement provisions applicable to price corrections. Notwithstanding any other provision of this Confirmation or the Master Agreement, the LMP Index shall not be revised as a result of a correction to the LMP for the SP 15 Trading Hub made any time after 6 months from the end of the Delivery Term.

“NERC Holiday” means any day designated as a holiday by NERC.

“Off-Peak” means HE 0100 through HE 0600 and HE 2300 through HE 2400 PPT and all hours on (i) Sundays or (ii) any NERC Holiday.

“On-Peak” means HE 0700 through HE 2200 (16 hours per day) PPT, Monday through Saturday (6 days per week), excluding NERC Holidays.

“Project” means the Designated Facility which generated the Green Attributes delivered to Buyer associated with the Project Energy during the Delivery Term.

“Project Energy” means energy bundled with Green Attributes (including, associated RECs), which (a) is simultaneously generated by the Project(s) during the Generation Period, (b) the Seller has purchased or agreed to purchase prior to the date of this Agreement, and (c) is equivalent in amount to the Incremental Energy delivered under this Agreement.

“PSD Regulations” means the Power Source Disclosure Program regulations (California Code of Regulations Title 20, Division 2, Chapter 3, Article 5, Sections 1390 through 1394).

“RA Requirements” means the resource adequacy requirements established for CPUC jurisdictional load serving entities by the CPUC pursuant to the CPUC’s currently effective or future decisions, resolutions, or rulings related to resource adequacy as applicable only to system resource adequacy and the availability, eligibility and use of non-resource specific energy import for system resource adequacy, including CPUC Decision 23-04-010 and any CPUC interpretation thereof solely for the purposes of the eligibility of Product as a non-resource specific energy import for satisfying system resource adequacy requirements, including requirements related to delivering, Bidding, and Self-Scheduling such energy imports during required hours.

“RA Termination Event” means, for any Availability Assessment Hour in the Delivery Term, (i) Seller fails to (x) satisfy the Bidding Requirement, (y) deliver the Incremental Energy to the Delivery Point in accordance with the Hourly Contract Quantity and Delivery Profile, and in either case such failure is not excused pursuant to the terms hereof or subject to liquidated damages, and (ii) such unexcused failure by Seller is likely to cause Buyer to not (or no longer) be able to count the Product towards its RA Requirements.

“Renewable Energy Credit” or “REC” has the meaning set forth in California Public Utilities Code Section 399.12(h) and CPUC Decision D.08-08-028

“Scheduling Coordinator” has the meaning given in the CAISO Tariff.

“Self-Schedule” has the meaning given in the CAISO Tariff.

“Seller Eligibility Default” means any failure by Seller to meet or satisfy any Eligibility Requirement or element or component thereof which is in the direct control of Seller to meet or satisfy and which arises as a result of or is caused by or attributable to an act or omission of Seller, including (i) a failure to transfer the Product to Buyer using WREGIS or such similar generation information or attributes tracking system as may be approved by or other method of transfer acceptable to the Energy Commission; (ii) a failure to match in WREGIS RECs with e-tags created in accordance with this Transaction to the extent required by the CEC for the purpose of verifying the Product; (iii) a failure to have the Project(s) certified (or certified for the Delivery Term) as an ERR for the California RPS Program; (iv) simultaneously purchasing the Project Energy and associated Green Attributes generated by the Project during the REC Generation Period and selling the Project Energy back to the generator; (v) not scheduling Incremental Energy into the CAISO Balancing Authority in an amount equal to the Project Energy during the Generation Period; or (vi) committing or selling to a third party the Incremental Energy to be delivered under this Transaction.

“Sink” means the final point of delivery for the energy, which shall be a point within the CAISO Balancing Authority Area.

“Specified Source Facility” means a power source registered by an electric power entity with CARB that is intended to be claimed in an Emissions Data Report pursuant to section 95111(g)(1) of the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions in the state of California.

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

“WREGIS Certificate” means a “Certificate” as defined by WREGIS in the WREGIS Operating Rules and designated by law as eligible for complying with the California Renewables Portfolio Standard and for evidencing the Green Attributes associated with the Product.

“WREGIS Operating Rules” means the operating rules and requirement adopted by WREGIS, as amended from time to time.

CONFIRMATION BUNDLED RENEWABLE ENERGY (PCC2)

This confirmation (“Confirmation”) confirms the Transaction between Morgan Stanley Capital Group Inc., a Delaware Corporation (“Party A”) and San Diego Community Power, a California joint powers authority (“Party B”), each individually a “Party” and together the “Parties”, dated as of November 20, 2024 (the “Effective Date”). This Transaction is governed by, constitutes part of, and is subject to the terms and provisions of the Edison Electric Institute Master Power Purchase and Sale Agreement dated January 21, 2021, as amended by that First Amendment to Master Power Purchase and Sale Agreement dated as of February 8, 2021 between the Parties (the “Master Agreement”). This Confirmation and the Master Agreement, including any appendices, exhibits or amendments thereto, shall collectively be referred to as the “Agreement” for the purposes of this Transaction and shall constitute a “Transaction” for the purposes of the Master Agreement. Capitalized terms used but not defined herein have the meanings ascribed to them in the Master Agreement. If any term or definition in this Confirmation conflicts with the Master Agreement, the terms and definitions set forth in this Confirmation shall govern.

§1	Buyer	San Diego Community Power, a California Joint Power Authority (“ Buyer ”)
§2	Seller	Morgan Stanley Capital Group Inc. (“ Seller ”)
§3	Product	<p><u>RPS Portfolio Content Category 2 (PCC2) – Bundled Renewable Energy:</u></p> <p>“Product” means Portfolio Content Category 2. “Portfolio Content Category 2” or “PCC2” means Project Energy and associated Green Attributes (including, RECs produced by the Project(s)), which is shaped and firmed with substitute energy to provide Incremental Energy that is delivered by the Seller to the Buyer at the Delivery Point in accordance with the terms of this Confirmation. This Product satisfies the requirements of Section 399.16(b)(2) of the California Public Utilities Code, as applicable to the Incremental Energy and RECs transferred hereunder. In addition, the following provisions are applicable to the PCC2 Product:</p> <ul style="list-style-type: none"> (a) The Project Energy is shaped and firmed with substitute energy to provide Incremental Energy that will be scheduled into a California balancing authority after the Start Date, but within the same calendar year the Project Energy is generated. (b) The Project Energy generated by the Project is not being sold back to the Project(s) at the same time, is available to Buyer, and is not in practice already committed to another party. (c) The initial contract for Incremental Energy is acquired no earlier than the date this Confirmation is executed and no later

		<p>than before the initial date of generation of the Project Energy.</p> <p>(d) The Incremental Energy is sourced and scheduled outside all the metered boundaries of all California balancing authority areas and is not in the portfolio of Buyer prior to the Effective Date of this Confirmation.</p> <p>“Project Energy” means energy and bundled with Green Attributes (including, associated RECs) which (a) is simultaneously generated by the Project during the Generation Period up to the Contract Quantity, (b) the Seller has purchased or agreed to purchase prior to the date of this Agreement, and (c) is equivalent in amount to the Incremental Energy delivered under this Agreement.</p> <p>“Incremental Energy” means WSPP Service Schedule C Firm Energy on firm or non-firm transmission, or energy tagged as generation firm, sourced in the WECC outside of the state of California, which was not in the portfolio of Buyer prior to the Effective Date of this Confirmation and scheduled into the CAISO Balancing Authority in accordance with §12, Scheduling, during the same calendar year in which the Project Energy was produced by the Project(s) as documented by the NERC e-Tags containing the Project(s) RPS IDs.</p>
§4	Delivery Term / Transfer Date	<p>The delivery term for the Product begins on January 1, 2025 (“Start Date”) and continues through the date that all RECs transacted under this Confirmation have been delivered from Seller to Buyer in accordance with this Confirmation; provided, however, Seller shall deliver Incremental Energy associated with the Product no later than October 31, 2026 (“Energy Transfer Date”); Seller shall deliver WREGIS Certificates associated with 2025 Project Energy deliveries no later than April 15, 2026; and Seller shall deliver WREGIS Certificates associated with 2026 Project Energy deliveries no later than February 28, 2027 (or for WREGIS Certificates associated with 2025 Project Energy deliveries and 2026 Project Energy deliveries such later date which is ten (10) Business Days after WREGIS Certificates associated with the Contract Quantity of the Product have been created in Seller’s WREGIS account) (“REC Transfer Date”) (the Start Date through to the REC Transfer Date, the “Delivery Term”).</p>
§5	Generation Period	<p>The generation period for Project Energy begins no earlier than January 1, 2025 and continues through the date that all Project Energy to be firmed and shaped under this Confirmation has been generated, but in any case no later than no later than June 30, 2026 (the “Generation Period”).</p>

§6	Eligibility Requirements	<p>Buyer shall only be required to purchase the Product(s) pursuant to this Transaction if and to the extent that the Project Energy meets the Eligibility Requirements at the time of delivery. If these Eligibility Requirements are not met at any time, it shall not be an Event of Default and the Parties will have no liability to each other for any failure to deliver or purchase the Product(s), except in the event and to the extent that there is a Buyer Eligibility Default or a Seller Eligibility Default as provided in this Agreement.</p> <p>If an applicable governmental or regulatory authority having jurisdiction determines that Product delivered or to be delivered under and in accordance with the terms of this Transaction does not or will not meet or satisfy the Eligibility Requirements, then</p> <p>(a) if the determination is prior to delivery of any Product hereunder, the Parties will have no liability to each other for any failure to deliver or purchase the Product that is not then delivered except in the event and to the extent that the failure to meet or satisfy the Eligibility Requirements is a result of a Buyer Eligibility Default or a Seller Eligibility Default; or</p>
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		<p>(b) if the determination is after delivery of any Product hereunder, the Parties will have no liability to each other for any prior delivery of Product except in the event and to the extent that the failure to meet or satisfy the Eligibility Requirements is a result of a Buyer Eligibility Default or a Seller Eligibility Default, provided however, that Buyer shall return and re-convey the REC associated with such Product along with the Green Attributes attributable to the Incremental Energy to Seller without retiring such RECs, and without any encumbrance of any nature and kind whatsoever, and Seller shall refund to Buyer any REC Price previously paid therefore and attributable to the RECs and Green Attributes associated with such Product, in either case within ten (10) Business Days after Buyer has delivered written notice of such failure to meet or satisfy the Eligibility Requirements and re-conveyed the REC associated with the Product.</p> <p>(c) Each Party will use commercially reasonable efforts to do or cause or permit to be done, everything in its direct control which would or would reasonably be expected to cause each of the Eligibility Requirements or elements or components thereof to be met or satisfied, and neither Party will do or omit to do, or cause or permit to be done, anything in its direct control which would or would reasonably be expected to cause any one or more of the Eligibility Requirements or elements or components thereof not to be met or satisfied.</p>
§7	Reserved	Reserved
§8	Renewable Energy Facility Project - Eligible Renewable Resources (“ERRs”)	<p>“Designated Facility” means any facility listed in Appendix A which is certified as an ERR (as defined in § 18) and which Seller is entitled to Project Energy and associated Green Attributes during Delivery Term.</p> <p>“Project” means the Designated Facility which generated the Green Attributes delivered to Buyer associated with the Project Energy during the Delivery Term.</p>
§9	Contract Quantity	<p>350,400 MWh of Product in 2025</p> <p>173,720 MWh of Product in 2026</p> <p>The Contract Quantity amounts are firm and delivery is excused only to the extent that, and for the period during which, such delivery is prevented by Force Majeure.</p> <p>Buyer and Seller agree that Seller’s obligation to deliver and sell and Buyer’s obligation to receive and purchase the Contract</p>

		Quantity of the Product during any year of the Delivery Term shall be reduced and satisfied to the extent and by the same amount that, in the same year, Product (as defined in the PCC2 & Import Energy Confirmation) is delivered and sold by Seller and received and purchased by Buyer pursuant to that certain Confirmation dated November 20, 2024 between Buyer and Seller (the “ PCC2 & Import Energy Confirmation ”).
§10	Delivery Point	CAISO
§11	Contract Price	<p>For each MWh of Product delivered to Buyer, Buyer shall pay for the Energy and Green Attributes as follows:</p> <ol style="list-style-type: none"> 1. Energy Price: For each MWh of Incremental Energy, the price shall be the Locational Marginal Price for the Delivery Point as published by the CAISO for the applicable hours of delivery (the “Incremental Energy Price”). Seller shall be entitled to retain all CAISO revenues associated with such Incremental Energy delivery and such CAISO payments shall be deemed full satisfaction of Buyer’s payment obligation for the Incremental Energy Price associated with Incremental Energy. 2. REC Price: For each MWh of Green Attributes (including RECs) of the Contract Quantity generated by the Project(s) and delivered to Buyer pursuant to this Transaction, the price (“REC Price”) shall be: \$55.00/MWh in 2025 and 2026
§12	Scheduling	<p><u>Incremental Energy:</u></p> <p>All Incremental Energy shall be scheduled into the CAISO Balancing Authority in compliance with 399.16(b)(2) of the Public Utilities Code and in accordance with this Transaction shall be sourced and scheduled from outside of all California Balancing Authorities. Incremental Energy shall be scheduled into a California Balancing Authority within the same calendar year as the Project Energy is generated.</p> <p>Seller will perform all scheduling and tagging requirements for Incremental Energy scheduled under this Transaction. These services will be performed consistent with all applicable CAISO and WECC scheduling protocols. Buyer will take title to Energy at the Delivery Point and authorizes Seller to deliver Incremental Energy to CAISO at the Delivery Point as agent on Buyer’s behalf. Seller will be importer of record of the Incremental Energy into California and must include on the e-tag the Project(s) CEC RPS identification number or numbers, when possible, as</p>

		described in WREGIS Operating Rules and Training Documents, updated from time to time so that Seller is able to receive e-tags in WREGIS. Seller shall match RECs with e-tags in WREGIS before transferring to Buyer whenever possible. Seller represents and warrants to Buyer that for each hour during the Delivery Term, Seller will have sufficiently reliable transmission rights to deliver the Incremental Energy into the CAISO balancing authority.
§13	Reserved	
§14	Settlement and Payment	<p>Seller shall invoice Buyer for Incremental Energy and RECs separately upon Delivery of Product in accordance with the Master Agreement. The Parties acknowledge that delivery and invoicing for the Energy and the RECs may each occur at different times.</p> <p>“Delivery” of RECs means the initiation of the transfer from Seller to Buyer of RECs with associated e-Tags in accordance with WREGIS and recognition by any applicable WREGIS Administrator that such initiation has been completed. Buyer shall pay the REC Price no later than ten (10) days following receipt of Seller’s invoice subsequent to the transfer of RECs for the applicable Product.</p>
§15	Reserved	
§16	Reserved	
§17	Governing Law	This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. [STC 17]

§18	Representations and Warranties	<p>Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) Seller has the right to sell the Product, (ii) the Product meets the requirements set forth in California Public Utilities Code 399.16(b)(2) and the California RPS compliance requirements for Portfolio Content Category 2 as set forth in CPUC Decision 11-12-052, (iii) the Product is free and clear of all liens and encumbrances, (iv) Seller has not sold the PCC2 Product or the RECs associated with the Product to any other person or entity; and (v) Seller will cooperate and work with Buyer, to provide any documentation required by the CPUC or CEC to support the Product's classification as Portfolio Content Category 2 Product as set forth in California Public Utilities Code Section 399.16(b)(2).</p> <p>Seller further represents and warrants to Buyer that, to the extent that the Product sold by Seller is a resale of part or all of a contract between Seller and one or more third parties, Seller represents, warrants and covenants that the resale complies with the following conditions in (i) through (v) below as of the Effective Date and throughout the Generation Period: (i) the original upstream third-party contract(s) meets the criteria of California Public Utilities Code Section 399.16(b)(2), (ii) this Confirmation transfers only electricity and RECs that have not yet been generated prior to the Effective Date, (iii) this Confirmation transfers the original arrangement for substitute electricity (e.g., source and quantity), (iv) this Confirmation retains the scheduling of the substitute electricity into a California balancing authority as set out in the original firming and shaping transaction; and (v) this Confirmation continues to provide incremental electricity scheduled into a California balancing authority.</p> <p>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]</p> <p>Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the</p>
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		<p>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]</p> <p>Seller hereby provides and conveys all Green Attributes associated with all electricity generation from the Project to Buyer as part of the Product being delivered. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Project, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Project.</p> <p>For the purposes of STC REC-1 and STC 6, “commercially reasonable efforts” shall not require Seller to incur more than \$10,000 in aggregate direct or indirect costs, including lost profits and out-of-pocket costs and expenses to comply with such change in law. Where any other section of this Confirmation requires a Party to use “commercially reasonable efforts”, such efforts shall likewise not require Seller to expend more than \$10,000 in aggregate direct or indirect costs, including lost profits and out-of-pocket costs and expenses to comply with such “commercially reasonable efforts” obligation.</p>
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§19	RECs Tracking Obligations	<p>Seller shall use WREGIS to transfer RECs to Buyer and conform to the definition and attributes required for compliance with the RPS, as set forth in CPUC D.08-08-028, and as may be modified by subsequent decision of the CPUC or by subsequent legislation, but in no event shall RECs be transferred that do not contain the California RPS Certification Number. Throughout the Delivery Term, following generation of the Project Energy, Seller shall, at its sole cost and expense, take all actions and execute all documents or instruments necessary to ensure that all WREGIS Certificates associated with the Contract Quantity are issued and tracked for purposes of satisfying the requirements of the California Renewable Portfolio Standard for Buyer. Seller shall comply with all Applicable Law, including, without limitation, the WREGIS Operating Rules, regarding the certification and transfer of such WREGIS Certificates to Buyer and Buyer shall be given sole title to all such WREGIS Certificates.</p> <p>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]</p> <p>The transfer of RECs to Buyer under WREGIS shall be deemed to transfer all of the Green Attributes associated with the Project Energy hereunder. In the event a future edition of the CEC Eligibility Guidebook or WREGIS Operating Rules establishes or eliminates a delivery, matching and/or transfer process for the RECs or their attributes, such as e-tags and the WREGIS e-Tag Summary report, Seller shall be responsible for meeting such requirements so that the transferred RECs contain all attributes of the Product before being transferred to Buyer.</p> <p>Upon either Party's receipt of notice from WREGIS that a transfer of WREGIS Certificates was not recognized, that Party will immediately notify the other Party, providing a copy of such notice, and both Parties will cooperate in taking such actions as are necessary and commercially reasonable to cause such transfer to be recognized and completed. Each Party agrees to provide copies of its applicable reports to the extent reasonably necessary for WREGIS to verify the accuracy of any fact, statement, charge or computation made pursuant hereto if requested by the other Party.</p>
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§20	RPS Adjustment	After Seller completes delivery of RECs under this Confirmation, if required by the California Air Resources Board (“ CARB ”) for Seller to claim RPS Adjustment for the Incremental Energy delivered into the CAISO Balancing Authority under this Confirmation and upon timely request by Seller, Buyer agrees to provide a written attestation that the RECs received from Seller under this Confirmation have been placed in Buyer’s WREGIS retirement subaccount in accordance with California RPS Program requirements. Buyer shall retire such RECs by the deadline specified in the effective CARB’s Cap and Trade regulations for the same year the RPS Adjustment is claimed by Seller for compliance with the CARB Cap and Trade regulations. Buyer agrees to perform other administrative actions reasonably necessary to allow Seller to claim the RPS Adjustment, which do not impact Buyer’s use of the RECs for Buyer’s RPS compliance requirements.
§21	Force Majeure	For purposes of this Transaction, the Product shall be subject to Force Majeure (as defined in the Master Agreement) such that either Party will be relieved of its obligations to sell and deliver or purchase and receive the Product without liability to the extent that, and for the period during which, such performance is prevented by Force Majeure. For greater certainty and without limiting the foregoing, in the event and to the extent that the Incremental Energy associated with the Project Energy does not meet or satisfy the Eligibility Requirements as a result of an unforeseen or unanticipated determination, decision, application of or change in law or policy by or of the CEC or the California Public Utilities Commission, or other applicable regulatory authority or third party having authority or jurisdiction, or as a result of any other event or circumstance which otherwise meets the definition of “Force Majeure” in the Master Agreement, that will be considered a Force Majeure for the purposes of this Agreement, and any Product quantities applicable to the Incremental Energy provided for in this Agreement shall be reduced to the extent of and by the amount affected by such event of Force Majeure.
§22	Good Faith Negotiations	In the event that any Incremental Energy associated with the Project Energy does not meet or satisfy the Eligibility Requirements as a result of an Force Majeure or for any other reason except a Buyer Eligibility Default or a Seller Eligibility Default, the Parties will negotiate in good faith to revise or amend this Agreement as appropriate to meet applicable requirements so that such Incremental Energy would meet or satisfy the Eligibility Requirements, in a manner consistent with the intent of the Parties as set out in this Agreement. Further, in the event that any Incremental Energy to be delivered pursuant to this Agreement is not eligible or does not qualify for the California RPS program in force and effect as of the

		<p>date of delivery (or such replacement thereof or successor thereto as may be adopted and implemented by the Energy Commission or the California Public Utilities Commission from time to time) or does not satisfy any applicable eligibility criteria or requirements thereof in force and effect at the time of delivery which are not already Eligibility Requirements pursuant to this Agreement, then the Parties will negotiate in good faith to revise or amend this Agreement as appropriate to meet applicable requirements so that such Incremental Energy would be eligible and qualify for the California RPS program (or such replacement thereof or successor thereto as may be adopted and implemented by the Energy Commission or the California Public Utilities Commission from time to time) as of the time of delivery; however, if the Parties are unable to agree to any such revisions or amendments to this Agreement, it will remain in full force and effect in accordance with its terms.</p>
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§23	Definitions	<p>Capitalized terms not otherwise defined in this §23 shall have the meaning set forth in the Master Agreement unless otherwise noted herein. The following words and terms used in this Confirmation shall have the following meanings:</p> <p>“<u>Applicable Law</u>” means any statute, law, treaty, rule, tariff, 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, or any binding interpretation of the foregoing, as any of them is amended or supplemented from time to time, that apply to either or both of the Parties, the Projects, or the terms of the Agreement.</p> <p>“<u>Buyer Eligibility Default</u>” means the failure of any Incremental Energy to meet or satisfy any Eligibility Requirement or element or component thereof which is in the direct control of Buyer to meet or satisfy and which arises as a result of or is caused by or attributable to an act or omission of Buyer, including a failure to accept the transfer on WREGIS, provide information and data available to Buyer (including as provided by Seller) as may be required to verify the Green Attributes comprised in the Incremental Energy, or schedule in accordance with §12, Scheduling, of this Confirmation.</p> <p>“<u>CAISO Balancing Authority</u>” means the CAISO Balancing Authority as identified in section 3.5.1.1.1. of CPUC Decision 11-12-052.</p> <p>“<u>CAISO Tariff</u>” means the applicable tariff and protocol provisions of the CAISO (as amended from time to time).</p> <p>“<u>California Balancing Authorities</u>” means all of the California Balancing Authorities as identified in section 3.5.1.1.1 of CPUC Decision 11-12-052.</p> <p>“<u>California RPS Program</u>” means the “California Renewables Portfolio Standard” program jointly administered by the CEC, the California Public Utilities Commission and the California Air Resources Board, as such program exists as of the Effective Date, including without limitation all applicable eligibility criteria and requirements thereof in force and effect as of the Effective Date.</p> <p>“<u>Eligibility Requirements</u>” means any applicable criteria or requirements of the California RPS Program in force and effect as of the Effective Date respecting the eligibility or qualification of the Product, this Agreement or the Transaction confirmed hereby for the California RPS Program, including without limitation any eligibility criteria applicable to an out-of-</p>
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		<p>state resource.</p> <p>“<u>Energy</u>” means electrical energy, measured in MWh.</p> <p>“<u>Energy Commission</u>” or “<u>CEC</u>” means the California Energy Resources Conservation and Development Commission.</p> <p>“<u>Governmental Authority</u>” means any national, state, provincial, local, tribal or municipal government, any political subdivision thereof or any other governmental, regulatory, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, department, bureau, or entity with authority to bind Buyer or Seller at law.</p> <p>“<u>Green Attributes</u>” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (1) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (Sox), nitrogen oxides (Nox), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; (3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser’s discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or “tipping fees” that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or</p>
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EXECUTION VERSION

		the promotion of local environmental benefits, or (iv) emission reduction credits
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		<p>encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project. [STC 2]</p> <p><u>“Green Tag”</u> and <u>“Green Tag Reporting Rights”</u> have the meanings set forth in the definition of “Green Attributes”, and for the purposes of this Transaction, “Green Tag Purchaser” means Buyer.</p> <p><u>“Renewable Energy Credit”</u> or <u>“REC”</u> has the meaning set forth in California Public Utilities Code Section 399.12(h) and CPUC Decision D.08-08-028</p> <p><u>“Seller Eligibility Default”</u> means any failure by Seller to meet or satisfy any Eligibility Requirement or element or component thereof which is in the direct control of Seller to meet or satisfy and which arises as a result of or is caused by or attributable to an act or omission of Seller, including (i) a failure to transfer the Product to Buyer using WREGIS or such similar generation information or attributes tracking system as may be approved by or other method of transfer acceptable to the Energy Commission; (ii) a failure to have the Designated Facility certified (or certified for the Delivery Term) as an ERR; (iii) simultaneously purchasing the Project Energy and associated Green Attributes generated by the Project during the Generation Period and selling the Project Energy back to the generator; (iv) not scheduling Incremental Energy into the CAISO Balancing Authority in an amount equal to the Contract Quantity during the Generation Period; or (v) committing or selling to a third party the Incremental Energy to be delivered under this Transaction. It shall not be a Seller Eligibility Default if an applicable Governmental Authority having jurisdiction determines that Product delivered or to be delivered under and in accordance with the terms of this Transaction does not or will not meet or satisfy the Eligibility Requirements.</p> <p><u>“WREGIS”</u> means the Western Renewable Energy Generation Information System or any successor renewable energy tracking</p>
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		<p>program.</p> <p>“<u>WREGIS Certificate</u>” means a “Certificate” as defined by WREGIS in the WREGIS Operating Rules and designated by law as eligible for complying with the California Renewables Portfolio Standard and for evidencing the Green Attributes associated with the Product.</p> <p>“<u>WREGIS Operating Rules</u>” means the operating rules and requirement adopted by WREGIS, as amended from time to time.</p>
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ACKNOWLEDGED AND AGREED BY THE PARTIES AS OF THE EFFECTIVE DATE

MORGAN STANLEY CAPITAL GROUP INC.

Signature: 

Name: Brent Masucci

Title: Vice President

SAN DIEGO COMMUNITY POWER

Signature: _____

Name: _____

Title: _____

		<p>program.</p> <p>“<u>WREGIS Certificate</u>” means a “Certificate” as defined by WREGIS in the WREGIS Operating Rules and designated by law as eligible for complying with the California Renewables Portfolio Standard and for evidencing the Green Attributes associated with the Product.</p> <p>“<u>WREGIS Operating Rules</u>” means the operating rules and requirement adopted by WREGIS, as amended from time to time.</p>
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ACKNOWLEDGED AND AGREED BY THE PARTIES AS OF THE EFFECTIVE DATE


MORGAN STANLEY CAPITAL GROUP INC.

Signature: _____

Name: _____

Title: _____

SAN DIEGO COMMUNITY POWER

Signature: 
Karin Burns (Nov 15, 2024 10:09 PST)

Name: Karin Burns

Title: Chief Executive Officer

APPENDIX A

DESIGNATED FACILITY(S)

Unit Name	State	Technology	RPS ID	EIA Code	WREGIS ID
Clearwater Paper	Idaho	Biomass	60533A	50637	W128, W129
Kettle Falls Woodwaste Plant	Washington	Biomass	60495A	550	Unit 1 = W130; Unit 2 = W797
Seneca Sustainable Energy	Oregon	Biomass	61090A	57457	W2045
Monroe Street HED	Washington	Hydroelectric Water	60496A	9095	W218
Nine Mile HED	Washington	Hydroelectric Water	60497A	3869	Unit 1 = W216; Unit 2 = W283
Post Falls HED	Idaho	Hydroelectric Water	60498A	835	Unit 1 = W220; Unit 2 = W794; Unit 3 = W795; Unit 4 = W796
Upper Falls HED	Washington	Hydroelectric Water	60499A	9096	W217
Glacier Wind (Naturener)	Montana	Wind	60708A	57049, 57050	W1318, W818
Harvest Wind Project	Washington	Wind	60857A	57152	W1306
Klondike Wind Power III	Oregon	Wind	60602A	56468	W237
Sagebrush Power Partners, LLC	Washington	Wind	60939A	56858	W1876

ITEM 11

ATTACHMENT D

LETTER AGREEMENT

November 5, 2024

Eric Washington
Chief Financial Officer & Treasurer
815 E Street, Suite 12716
San Diego, CA 92112
Email: ewashington@sdcommunitypower.org

California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901
Email: 2024seriesFnotices@cccfa.org

Re: PPA Assignments for Delivery under Prepay Energy Agreements

Ladies and Gentlemen:

This Letter Agreement (this “Letter Agreement”) confirms our mutual agreement with respect to the matters set forth below and relates to (i) that certain Power Supply Contract (the “Power Supply Contract”), dated as of the date hereof, by and between California Community Choice Financing Authority (“Issuer”) and San Diego Community Power (“Project Participant”), (ii) that certain Prepaid Energy Sales Agreement (the “Prepaid Agreement”), dated as of the date hereof, by and between Energy Prepay IV, LLC, a Delaware limited liability company (“Prepay LLC”) and Issuer, and (iii) that certain Energy Management Agreement (the “Energy Management Agreement”) (together with the Power Supply Contract and the Prepaid Agreement, the “Prepay Energy Agreements”), dated as of the date hereof, by and between Morgan Stanley Capital Group Inc. (“MSCG”) and Prepay LLC. Any capitalized term used in this Letter Agreement and not otherwise defined herein shall have the meaning assigned to such term in the Power Supply Contract. In consideration of each party’s execution of the respective Prepay Energy Agreements, as well as the premises above and the mutual covenants and agreements set forth herein, Issuer, Project Participant, Prepay LLC and MSCG (collectively, the “Parties”) agree as follows:

1. PPA Assignments for Delivery under Prepay Energy Agreements.

(a) Initial Assignment. Concurrently with the execution of the Prepay Energy Agreements, Project Participant has assigned and Prepay LLC has agreed to assume a portion of Project Participant’s rights and obligations under the Initial Assigned PPA.

(b) Replacement Assignments. Commencing (i) six months prior to the expiration of any EPS Energy Period or the resumption of deliveries in a new Reset Period following Participant’s issuance of a Remarketing Election Notice pursuant to Section 3.4 of the Power Supply Contract or (ii) otherwise immediately upon the early termination or anticipated early termination of an EPS Energy Period, Project Participant shall exercise Commercially Reasonable Efforts to assign a portion of Project Participant’s rights and obligations (the “Assigned Rights and Obligations”) under one or more power purchase

agreements under which Project Participant is purchasing EPS Compliant Energy pursuant to an Assignment Agreement substantially in the form of (A) the Limited Assignment Agreement set forth as Exhibit A hereto if the PPA Supplier is an unrelated third party or (B) the Limited Assignment Agreement set forth as Exhibit B hereto if the PPA Supplier is MSCG (each, an “Assignment Agreement”), and the Parties shall cooperate in good faith with respect to any proposed assignments; provided that

- (1) any subsequent Assignment Agreement shall provide (I) for the assignment by Project Participant to either (a) Prepay LLC if MSCG is the PPA Supplier or (b) MSCG if the PPA Supplier is an unrelated third party of its right to receive all of the Energy (and any associated products set forth in the Assignment Agreement) delivered under the applicable power purchase agreement for each Month of the applicable EPS Energy Period and (II) for payment by Prepay LLC or MSCG as applicable to the PPA Supplier under such subsequent power purchase agreement of the Day-Ahead Average Price for each Month of the applicable EPS Energy Period, with such amounts to be credited in the PPA Supplier’s monthly invoice to Project Participant against other amounts owed by Project Participant under the Assigned PPA during the EPS Energy Period;
 - (2) any third party PPA Supplier must satisfy MSCG’s internal credit and approval requirements and other requirements applied on a nondiscriminatory basis, including any “know your customer” rules, policies and procedures, anti-money laundering rules and regulations, Dodd-Frank Act, Commodity Exchange Act, Patriot Act and similar rules, regulations, requirements and corresponding policies;
 - (3) any such assignment must be agreed and consented to by Project Participant, Prepay LLC and MSCG in their reasonable discretion; and
 - (4) the Parties recognize that MSCG will be obligated to sell and deliver Assigned Product it receives from a third-party PPA Supplier to Prepay LLC under the Energy Management Agreement; Prepay LLC will be obligated to deliver Assigned Product that it acquires to Issuer under the terms of the Prepaid Agreement; and Issuer will be obligated to deliver Assigned Product that it acquires to Project Participant under the terms of the Power Supply Contract.
- (c) MSCG Procurement of EPS Compliant Energy. To the extent that (i) Project Participant, Prepay LLC and MSCG have not agreed upon a replacement assignment of a power purchase agreement by the date that is seventy-five (75) days prior to (A) the end of any EPS Energy Period or (B) the resumption of deliveries in a new Reset Period following Participant’s issuance of a Remarketing Election Notice pursuant to Section 3.4 of the Power Supply Contract, or (ii) an early termination of an EPS Energy Period has occurred and Project Participant, Prepay LLC and MSCG have not agreed upon a replacement assignment of a power purchase agreement, then MSCG shall exercise Commercially Reasonable Efforts to obtain EPS Compliant Energy for ultimate redelivery to Project Participant, provided that:

- (1) Project Participant must consent to MSCG's procurement of any such EPS Compliant Energy for ultimate redelivery to Project Participant, with such consent not to be unreasonably withheld;
 - (2) the Parties shall act in good faith and in a Commercially Reasonable manner to negotiate any necessary amendments to the Prepay Energy Agreements to facilitate the delivery of such EPS Compliant Energy; and
 - (3) the period of delivery for any such EPS Compliant Energy (any such period, a "MSCG EPS Energy Period") shall not exceed the length, as applicable, of (A) the then-current Reset Period if such EPS Compliant Energy is obtained for delivery for the remainder of a Reset Period and (B) the length of the next succeeding Reset Period if such EPS Compliant Energy is obtained for delivery commencing in a subsequent Reset Period.
- (d) Tax Opinion. The Parties acknowledge and agree that their ability to enter into a new Reset Period will be contingent on obtaining an Opinion of Bond Counsel (as defined in the Bond Indenture), which will be dependent on the availability of EPS Compliant Energy for delivery in such Reset Period.

2. **Failure to Obtain EPS Compliant Energy.** To the extent an EPS Energy Period terminates or expires and Project Participant and MSCG have been unable to obtain EPS Compliant Energy for delivery under the Prepay Energy Agreements pursuant to the provisions of Paragraph 1, then Prepay LLC shall remarket the Base Energy pursuant to the provisions of Exhibit C to the Prepaid Agreement, subject to the following:

- (a) the Parties' obligations set forth in Paragraph 1 shall continue to apply;
- (b) Project Participant shall not make any new commitment to purchase Priority Energy during such a remarketing; and
- (c) consistent with Section 7.5 of the Power Supply Contract, Project Participant shall exercise Commercially Reasonable Efforts to remediate any Disqualified Remarketing Proceeds resulting from Prepay LLC's remarketing.

3. **Assignment Early Termination.** With respect to any Assignment Agreement entered into among MSCG, Project Participant and a PPA Seller (as defined in the form of Assignment Agreement set forth as Exhibit A hereto), each of MSCG and Project Participant agree that it shall only exercise its right under an at will termination provision of an Assignment Agreement (as set forth in Section 5(b)(i) of Exhibit A hereto) to deliver a written notice of termination of the Assignment Period under the Assignment Agreement consistent with the following:

- (a) either MSCG or Project Participant may deliver a notice of termination under the Assignment Agreement if any of the following occur:

- i. the assignment of the Prepay Power Supply Contract by Project Participant or Issuer pursuant to Article XIII thereof, with respect to which the Assignment Early Termination Date shall occur immediately as of the time of such assignment;
- ii. termination or suspension of deliveries for any reason other than force majeure under the Prepaid Agreement or Prepay Power Supply Contract, with respect to which the Assignment Early Termination Date shall occur immediately as of the time of the last deliveries under the relevant contract following such suspension or termination; or
- iii. to the extent that MSCG and Project Participant have mutually agreed upon a replacement Assignment Agreement (as defined in the Prepay Power Supply Contract) that will replace the Assigned Rights and Obligations under the Assignment Agreement immediately following the termination thereof, with respect to which the Assignment Early Termination Date shall occur effective as of the end of the Month preceding the commencement of the “Assignment Period” under the replacement Assignment Agreement as specified in the notice from MSCG or Project Participant to the PPA Seller and the other Party hereto;

(b) MSCG may, in its sole discretion, deliver a notice of termination of the Assignment Agreement if any of the following occur:

- i. the suspension, expiration, or termination of performance of the PPA by either Project Participant or PPA Seller for any reason other than the occurrence of a Force Majeure Event under and as defined in the PPA, with respect to which the Assignment Early Termination Date shall occur immediately as of the time of PPA Seller’s or Project Participant’s (as applicable) last performance under the PPA following such suspension, expiration, or termination;
- ii. (A) any event or circumstance occurs that would either give either Project Participant or PPA Seller the right to terminate or suspend performance under the PPA (regardless of whether Project Participant or PPA Seller exercises such right), or (B) the execution of an amendment, waiver, supplement, modification or other change to the PPA that adversely affects the Assigned Rights and Obligations or MSCG’s rights or obligations under the Assignment Agreement (provided that MSCG shall not have a right to terminate under this clause (B) to the extent that MSCG (I) receives prior notice of such change and (II) provides its written consent thereto), with respect to which the Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election as determined by MSCG;

(c) Project Participant may, in its sole discretion, deliver a notice of termination of the Assignment Agreement if any of the following occur:

- i. if MSCG fails to pay when due any amounts owed under the Assignment Agreement in respect of any Delivered Product Payment Obligation and such failure continues for three (3) Business Days following receipt by MSCG of written notice thereof, with respect to which the Assignment Early Termination Date shall

occur upon the date set forth in a written notice of such election delivered by Project Participant;

- ii. if any change, event or effect occurs, including but not limited a change in applicable laws or regulations, any issues with PPA Seller or the PPA, a dispute under the PPA or other similar circumstance, that individually or collectively have or are reasonably expected by Project Participant to have a material adverse effect upon (A) Project Participant, (B) its rights and obligations under the Assignment Agreement, the Prepay Power Supply Contract, or the PPA, or (C) the benefit Project Participant is receiving by assigning the Assigned Rights and Obligations, with respect to which the Assignment Early Termination Date shall be the date set forth in a written notice delivered by Project Participant to the PPA Seller and MSCG; provided that (x) Project Participant will provide notice to the PPA Seller and MSCG as soon as is reasonably possible that Project Participant anticipates exercising this termination right, and (y) Project Participant shall exercise commercially reasonable efforts to propose and agree with MSCG upon a replacement Assignment Agreement prior to exercising this termination right.

Any such notice sent in accordance with the foregoing provisions of this Section 3 shall specify therein the Assignment Early Termination Date.

For the avoidance of doubt, each of the Parties agrees that it shall not terminate an Assignment Agreement pursuant to the at will termination provision thereof (as set forth in Section 5(b)(i) of Exhibit A hereto) except as set forth immediately above.

4. Representations. Each Party represents to each of the other Parties:

(a) **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.

(b) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance.

(c) **No Violation or Conflict.** Such execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its obligations under this Agreement, will not result in any violation of, or conflict with: (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination or award of any arbitrator applicable to it; or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any Government Agency, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties

or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.

(d) **Consents.** All consents, approvals, orders or authorizations of, registrations, declarations, filings or giving of notice to, obtaining of any licenses or permits from, or taking of any other action with respect to, any Person or Government Agency that are required to have been obtained by such Party with respect to this Agreement and the transactions contemplated hereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) **Obligations Binding.** Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(f) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement; it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by all Parties, considers this Agreement a legally enforceable contract. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement.

(g) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement. It is also capable of assuming, and assumes, the risks of this Agreement.

(h) **Status of Parties.** None of the other Parties is acting as a fiduciary for or an adviser to it in respect of this Agreement.

5. **Counterparts.** This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile or electronic transmission), each of which will be deemed an original.

6. **Costs and Expenses.** The Parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation, and execution of this Agreement.

7. **Amendments.** No amendment, modification, or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile or electronic transmission) and executed by each of the Parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.

8. **Notices.** Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another shall be in writing, except as otherwise expressly provided herein. It shall be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses for each of the other Parties designated in Appendix 2 hereto. Any such notice, demand, or request shall be deemed to be given (i) when delivered by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon written 10 days' prior written notice to the other Parties, to change its address at any time, and to designate that copies of all such notices be directed to another person at another address. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, any Party may at any time notify the other Parties that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during such time shall be ineffective.

9. **Dispute Resolution.**

(a) **Governing Law.** This Agreement and the rights and duties of the Parties under this Agreement will be governed by and construed, enforced and performed in accordance with the laws of the state of New York, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction's laws; *provided*, however, that the authority of Project Participant and Issuer to enter into and perform their obligations under this Agreement shall be determined in accordance with the laws of the State of California.

(b) **Arbitration.** Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope of this agreement to arbitrate, shall be determined by final, non-appealable binding arbitration in San Francisco, California before three (3) arbitrators. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. ("**JAMS**") pursuant to its Comprehensive Arbitration Rules and Procedures. Within fifteen (15) days after the commencement of arbitration, each of MSCG and Project Participant shall select one person to act as arbitrator, and the two so-selected arbitrators shall select a third arbitrator (the "**chairperson**") within thirty (30) days of the commencement of the arbitration. If either MSCG or Project Participant is unable or fails to select one person to act as arbitrator, such arbitrator shall be appointed by JAMS. If MSCG and Project Participant-selected arbitrators are unable or fail to agree upon a chairperson, the chairperson shall be appointed by JAMS. The chairperson shall be a person who has experience in renewable energy-related transactions, and none of the arbitrators

shall have been previously employed by any Party or have any direct pecuniary interest in any Party or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by all of the Parties. The Parties shall maintain the confidential nature of the arbitration proceeding and any award, including any hearing(s), except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator(s) shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. In any arbitration arising out of or related to this Agreement, the arbitrators shall award to the prevailing Party or Parties, if any, the costs and attorneys' fees reasonably incurred in seeking to enforce the application of this Section 9(b)1(b) and by the prevailing party in connection with the arbitration. Notwithstanding the foregoing provisions of this Section 9(b), any costs incurred by a Party in seeking judicial enforcement of any written decision of the arbitrators shall be chargeable to and borne exclusively by the Party against whom such court order is obtained. The award shall be final and binding on the Parties and judgment upon any award may be entered in any court of competent jurisdiction.

(c) **Judicial Reference.** Without limiting the provisions in Section 9(b), if Section 9(b) is deemed ineffective or unenforceable in any respect, any dispute between the Parties arising out of or in connection with this Agreement or its performance, breach, or termination (including the existence, validity and interpretation of this Agreement and the applicability of any statute of limitation period) (each, a **"Dispute"**) shall be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure (**"CCP"**), or their successor sections (a **"Reference Proceeding"**), which shall constitute the exclusive remedy for the resolution of any Dispute. As a condition precedent to initiating a Reference Proceeding with respect to any Dispute, the Parties shall comply with the provisions of Section 9(c)i.

i. Notice of Dispute. Prior to initiating the Reference Proceeding, a Party (the **"Disputing Party"**) shall provide the other Parties (the **"Responding Parties"**) with a written notice of each issue in dispute, a proposed means for resolving each such issue, and support for such position (the **"Notice of Dispute"**). Within ten (10) Days after receiving the Notice of Dispute, the Responding Parties shall provide the Disputing Party with a written Notice of each additional issue (if any) with respect to the dispute raised by the Notice of Dispute, a proposed means for resolving every issue in dispute, and support for such position (the **"Dispute Response"**). Thereafter, the Parties shall meet to discuss the matter and attempt in good faith to reach a negotiated resolution of the dispute. If the Parties do not resolve the dispute by unanimous agreement within sixty (60) Days after receipt of the Dispute Response, (the **"Negotiation Period"**), then any Party may provide to the other Parties written notice of intent for judicial reference (the **"Impasse Notice"**) in accordance with the further provisions of this Section 9(c).

ii. Applicability; Selection of Referees.

(A) Within ten days of the delivery of an Impasse Notice, each of MSCG and Project Participant shall nominate one (1) referee. The two (2) referees (the “**Party-Appointed Referees**”) shall appoint a third referee (the “**Third Referee**”). The Party-Appointed Referees shall be competent and experienced in matters involving the electric energy business in the United States, with at least ten (10) years of electric industry experience as a practicing attorney. The Third Referee shall be an active or retired California state or federal judge. Each of the Party-Appointed Referees and the Third Referee shall be impartial and independent of each of the Parties and of the other referees and not employed by any of the Parties in any prior matter.

(B) If the Party-Appointed Referees are unable to agree on the Third Referee within forty-five (45) Days from delivery of the Impasse Notice, then the Third Referee shall be appointed pursuant to CCP Section 640(b) in an action filed in the Superior Court of California, County of San Francisco (the “**Court**”), and with due regard given to the selection criteria above. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the Parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP Section 170.6, each of Project Participant and MSCG shall have one (1) peremptory challenge to the referee selected by the Court.

iii. Discovery; Proceedings.

(A) The Parties agree that time is of the essence in conducting the Reference Proceeding. Accordingly, the referees shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within twenty (20) days after the date of selection of the Third Referee, (ii) if practicable, try all issues of law or fact within one hundred eighty (180) days after the date of the conference, and (iii) report a statement of decision within twenty (20) days after the matter has been submitted for decision.

(B) Discovery and other pre-hearing procedures shall be conducted as agreed to by the Parties, or if they cannot agree, as determined by the Third Referee after discussion with the Parties regarding the need for discovery and other pre-hearing procedures.

(C) Except as expressly set forth herein, the Third Referee shall determine the manner in which the Reference Proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the Reference Proceeding. The Reference Proceeding, including the trial, shall be conducted at a neutral location selected by the Parties, or if not agreed by the Parties, by the Third Referee, in San Francisco, California.

(D) All proceedings and hearings conducted before the referees, except for trial, shall be conducted without a court reporter, except that when any Party so

requests, a court reporter will be used at any hearing conducted before the referees, and the referees will be provided a courtesy copy of the transcript. The Party making such a request shall have the obligation to arrange for and pay the court reporter.

iv. Decision. The referees shall render a written statement of decision setting forth findings of fact and conclusions of law. The decision shall be entered as a judgment in the court in accordance with the provisions of CCP Sections 644 and 645. The decision shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the Court. The Parties intend this general reference agreement to be specifically enforceable in accordance with the CCP.

v. Expenses. Each of MSCG and Project Participant shall bear the compensation and expenses of its respective Party-Appointed Referee, own counsel, witnesses, consultants and employees. All other expenses of judicial reference shall be split equally between MSCG and Project Participant.

10. **Limitation of Liability.** Notwithstanding anything to the contrary herein, all obligations of Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of Issuer, payable solely from the Trust Estate (as such term is defined in the Bond Indenture) as and to the extent provided in the Bond Indenture, including with respect to Operating Expenses (as such term is defined in the Bond Indenture). Issuer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Bond Indenture) and other assets pledged under the Bond Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Bond Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Bond Indenture.


[Signature Pages to Follow]

Very truly yours,

PREPAY LLC

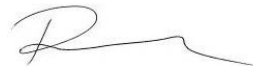
ENERGY PREPAY IV, LLC

By: Morgan Stanley Capital Group Inc., its Manager

By: 
Name: Kevin Collins
Title: Authorized Signatory

MSCG

MORGAN STANLEY CAPITAL GROUP INC.

By: 
Name: Brent Masucci
Title: Vice President

ACKNOWLEDGED, ACCEPTED AND AGREED TO as of the date first set forth above:

PARTICIPANT

SAN DIEGO COMMUNITY POWER

By: _____
Name: _____
Title: _____

ISSUER

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

Very truly yours,

PREPAY LLC

ENERGY PREPAY IV, LLC

By: Morgan Stanley Capital Group Inc., its Manager

By: _____
Name: _____
Title: _____

MSCG


MORGAN STANLEY CAPITAL GROUP INC.

By: _____
Name: _____
Title: _____

ACKNOWLEDGED, ACCEPTED AND AGREED TO as of the date first set forth above:

PARTICIPANT

SAN DIEGO COMMUNITY POWER

By:  _____
Name: Eric W. Washington
Title: Chief Financial Officer/Treasurer

ISSUER

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

Very truly yours,

PREPAY LLC

ENERGY PREPAY IV, LLC

By: Morgan Stanley Capital Group Inc., its Manager

By: _____

Name: _____

Title: _____

MSCG

MORGAN STANLEY CAPITAL GROUP INC.

By: _____

Name: _____

Title: _____

ACKNOWLEDGED, ACCEPTED AND AGREED TO as of the date first set forth above:

PARTICIPANT

SAN DIEGO COMMUNITY POWER

By: _____

Name: _____

Title: _____

ISSUER

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By:  _____

Name: Garth Salisbury

Title: Treasurer/Controller

EXHIBIT A

FORM OF LIMITED ASSIGNMENT AGREEMENT

LIMITED ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this “**Agreement**”) is entered into as of [____] (the “**Assignment Agreement Effective Date**”) by and among [PPA SELLER], a [____] limited liability company (“**PPA Seller**”), San Diego Community Power, a California joint powers authority (“**PPA Buyer**”), and Morgan Stanley Capital Group Inc., a Delaware corporation (“**MSCG**”).

RECITALS

WHEREAS, PPA Buyer and PPA Seller are parties to that certain PPA identified on Appendix 1 hereto;

WHEREAS, in connection with a prepaid electricity transaction between California Community Choice Financing Authority (“**Issuer**”) and Energy Prepay IV, LLC (“**Prepay LLC**”), and with effect from and including the Assignment Period Start Date (as defined below), PPA Buyer wishes to transfer by limited assignment to MSCG, and MSCG wishes to accept the transfer by limited assignment of, the Assigned Rights and Obligations (as defined below) for the duration of the Assignment Period (as defined below);

WHEREAS, pursuant to this Agreement, during the Assignment Period, MSCG will receive the Assigned Product and MSCG will deliver such Assigned Product to Prepay LLC, which will redeliver such Assigned Product to Issuer for ultimate redelivery to PPA Buyer; and

WHEREAS, pursuant to this Agreement, during the Assignment Period, MSCG will assume responsibility for the Delivered Product Payment Obligation.

THEREFORE, in consideration of the premises above and the mutual covenants and agreements herein set forth, PPA Seller, PPA Buyer and MSCG (the “**Parties**” hereto; each is a “**Party**”) agree as follows:

AGREEMENT

1. Definitions.

Unless the context otherwise specifies or requires, or defined below, capitalized terms used but not defined in this Agreement have the meanings set forth in the PPA. The following terms, when used in this Agreement and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“**Agreement**” has the meaning specified in the first paragraph above.

“Assigned Product” means (i) [PV Energy] and (ii) [Green Attributes (PCC1)], as each is defined in the PPA.

“Assigned Rights and Obligations” means (i) the rights of PPA Buyer under the PPA to receive the Assigned Product in each Month during the Assignment Period, as such rights may be limited or further described in the “Further Information” section on Appendix 1, and (ii) the Delivered Product Payment Obligation, which right and obligation are transferred and conveyed to MSCG hereunder, but which shall not relieve PPA Buyer of its obligations under the PPA in any respects.

“Assignment Early Termination Date” has the meaning specified in Section 5(b).

“Assignment Period” has the meaning specified in Section 5(a).

“Assignment Period End Date” means 11:59:59 p.m. pacific prevailing time on [_____].

“Assignment Period Start Date” means [_____].

“Claims” means all claims or actions, threatened or filed, and the resulting losses, damages, expenses, attorneys’ fees, experts’ fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, in each case arising under, in respect of or related in any way to the PPA or any transaction thereunder, except for the Delivered Product Payment Obligation.

“Custodian” means U.S. Bank Trust Company, National Association.

“Delivered Product Payment Obligation” has the meaning specified in Section 3(a).

“Issuer” means California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended).

“Month” means a calendar month.

“Monthly Gross Amount” has the meaning specified in Section 3(c).

“MSCG” has the meaning specified in the first paragraph of this Agreement.

“PPA Buyer” has the meaning specified in the first paragraph of this Agreement.

“PPA Seller” has the meaning specified in the first paragraph of this Agreement.

“Prepaid Agreement” means that certain Prepaid Energy Sales Agreement dated as of November 5, 2024 by and between Prepaid LLC and Issuer as amended from time to time.

“**Prepay LLC**” has the meaning specified in the first paragraph of this Agreement.

“**Prepay Power Supply Contract**” means that certain Power Supply Contract dated November 5, 2024 by and between PPA Buyer and Issuer as amended from time to time.

“**Receivables**” has the meaning given to such term in Section 3(f).

“**Retained Rights and Obligations**” has the meaning specified in Section 3.

2. Transfer and Undertakings.

(a) PPA Buyer hereby assigns, transfers and conveys to MSCG all right, title and interest in and to the rights of PPA Buyer under the PPA to receive delivery of the Assigned Product during the Assignment Period. In connection with this assignment, PPA Buyer hereby delegates to MSCG the Assigned Rights and Obligations during the Assignment Period.

(b) PPA Seller hereby consents and agrees to PPA Buyer’s assignment, transfer and conveyance of all right, title and interest in and to the Assigned Product and, subject to Section 3, the delegation of the Assigned Rights and Obligations to MSCG and the exercise and performance by MSCG of the Assigned Rights and Obligations during the Assignment Period.

(c) MSCG hereby accepts such assignment, transfer and conveyance of PPA Buyer’s right, title and interest in and to the Assigned Products during the Assignment Period, and PPA Buyer’s delegation of the Assigned Rights and Obligations during the Assignment Period and agrees to perform any such Assigned Rights and Obligations due from it during the Assignment Period to the extent expressly set forth in this Agreement.

3. Limited Assignment.

The Parties acknowledge and agree that (i) the Assigned Rights and Obligations include only a portion of PPA Buyer’s rights and obligations under the PPA, and that all rights and obligations (including without limitation obligations with respect to payment for any Product not included in the Assigned Product and any other amounts owed under the PPA) arising under the PPA that are not expressly included in the Assigned Rights and Obligations shall be “**Retained Rights and Obligations**” that are retained solely by PPA Buyer, and (ii) the Retained Rights and Obligations include all rights and obligations of PPA Buyer arising during the Assignment Period except the rights and obligations expressly included in the Assigned Rights and Obligations. In this regard:

(a) **Limited to Delivered Product Payment Obligation.** MSCG’s sole payment obligation hereunder will be to pay the Floating Price Payments into the Custodial Account as such terms are defined in and described on Appendix 1 (the “**Delivered Product Payment Obligation**”). MSCG and PPA Buyer each agree to instruct the Custodian in accordance with Section 3(c) hereof to pay PPA Seller for the Assigned Product delivered during each Month of the Assignment Period on each applicable payment date under Section [] of the PPA. PPA Buyer shall remain responsible for any payment obligations under the PPA during the Assignment Period,

including in the event that either (i) MSCG does not make the payments into the Custodial Account as described above or (ii) the Custodian does not make the payments to the PPA Seller from the Custodial Account as described above.

(b) **Retained Rights and Obligations.** Any Claims (other than the Delivered Product Payment Obligation or a failure to perform the same) arising or existing in connection with or related to the PPA, whether related to performance by PPA Seller, PPA Buyer or MSCG, and whether arising before, during or after the Assignment Period, in each case excluding the Delivered Product Payment Obligation, will be included in the Retained Rights and Obligations, and any such Claims will be resolved exclusively between PPA Seller and PPA Buyer in accordance with the PPA.

(c) **Invoicing.** During the Assignment Period, PPA Seller shall continue to provide PPA Buyer a monthly invoice of amounts owing under the PPA, which invoice shall show the total amount due to PPA Seller under the PPA for such Month (the “**Monthly Gross Amount**”). Promptly following PPA Buyer’s receipt of each monthly invoice from PPA Seller during the Assignment Period and, in any event, no later than seven (7) days thereafter, PPA Buyer shall deliver (i) a copy of such monthly invoice and the related supporting data to MSCG and (ii) a statement to each of MSCG and the Custodian indicating (A) the Monthly Gross Amount; (B) the Delivered Product Payment Obligation; and (C) the “Retained Payment Obligation”, which shall be an amount equal to the Monthly Gross Amount minus the Delivered Product Payment Obligation. PPA Buyer and MSCG covenant and agree to instruct the Custodian to pay the Monthly Gross Amount to PPA Seller on or before the applicable payment date in the PPA, *provided*, that the liability of MSCG hereunder to PPA Seller is limited as described on Appendix 1. PPA Buyer and MSCG may agree in a separate writing as to the allocation of the Monthly Gross Amount between PPA Buyer and MSCG of amounts paid by the Custodian to PPA Seller hereunder. At all times, PPA Buyer remains liable to PPA Seller for all amounts due and owing under the PPA. For the avoidance of doubt, the Parties acknowledge and agree that any invoice adjustments or reconciliations occurring after the initial settlement of amounts due under a monthly invoice shall be resolved exclusively between PPA Seller and PPA Buyer pursuant to the terms of the PPA.

(d) **Scheduling.** All scheduling of Energy associated with the Assigned Product and other communications related to the PPA shall take place between PPA Buyer and PPA Seller pursuant to the terms of the PPA; provided that during the Assignment Period (i) title to Assigned Product will pass to MSCG upon delivery by PPA Seller at the Delivery Point in accordance with the PPA; (ii) immediately thereafter, title to such Assigned Product will pass to Prepay LLC, Issuer and then to PPA Buyer upon delivery by MSCG at the same point where title is passed to MSCG pursuant to clause (i) above; (iii) PPA Buyer will be deemed to be acting as MSCG’s agent with regard to scheduling Assigned Product; and (iv) PPA Buyer will provide copies to MSCG of (A) any notice of a Force Majeure Event delivered under the PPA, (B) any notice of a default or of a breach or other event that, if not cured within an applicable grace period, could result in an Event of Default, (C) annual forecasts and monthly forecasts with respect to the Assigned Product delivered by PPA Seller under [Section __] of the PPA, (D) invoices delivered by PPA Seller under [Section __ of the PPA] (with a copy to the Custodian if and to the extent retained by PPA Buyer

and MSCG), and (E) any other information reasonably requested by MSCG relating to Assigned Product.

(e) **Amendments.** PPA Buyer will provide written notice (including copies thereof) of any amendment, waiver, supplement, modification, or other changes to the PPA to MSCG relating to the Assigned Rights and Obligations, and the Parties hereby acknowledge and agree that an amendment, waiver, supplement, modification or other change will not have any effect on MSCG's rights or obligations under this Agreement unless and until MSCG receives written notice thereof. No amendment, modification, or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile or electronic transmission) and executed by each of the Parties.

(f) **Setoff of Receivables.** Pursuant to the Prepaid Agreement, Prepay LLC has agreed to purchase the rights to payment of the net amounts owed by PPA Buyer under the Prepay Power Supply Contract ("**Receivables**") in the case of non-payment by PPA Buyer. To the extent any such Receivables relate to Assigned Product purchased by MSCG pursuant to the Assigned Rights and Obligations, Prepay LLC may sell such Receivables to MSCG and, provided that MSCG has notified PPA Seller in writing (with a copy to PPA Buyer) (a "**Receivables Setoff Notice**") that the amount of any such Receivables is true and accurate, MSCG may transfer such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) to PPA Seller and apply the face amount of such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) as a reduction to any Delivered Product Payment Obligations; provided, however, that (1) at no time shall PPA Seller be required to pay MSCG for any amounts by which such Receivables exceed any Delivered Product Payment Obligations, and (2) at all times, PPA Buyer remains liable to PPA Seller for all amounts due and owing under the PPA including the Monthly Gross Amount under each invoice. The amount of any Receivables set forth in a Receivables Setoff Notice shall be final and binding unless PPA Buyer shall have provided PPA Seller and MSCG a written notice within two (2) Business Days of its receipt of a Receivables Setoff Notice containing conclusive evidence that such amount is incorrect and asserting what PPA Buyer has determined is the correct amount of Receivables. If any dispute arises therefrom, MSCG shall still be entitled to set-off the amount of Receivables set forth in its Receivables Setoff Notice as provided above, and any such dispute as to the correct amount of Receivables shall be settled exclusively between PPA Buyer and PPA Seller with no liability to MSCG, provided that at all times, PPA Buyer remains liable to PPA Seller for all amounts due and owing under the PPA including the Monthly Gross Amount under each invoice.

4. Forward Contract.

The Parties acknowledge and agree that this Agreement is intended to constitute a "forward contract" and that the Parties is intended to constitute "forward contract merchants" within the meaning of the United States Bankruptcy Code.

5. Assignment Period; Assignment Early Termination.

(a) **Assignment Period.** The "**Assignment Period**" shall begin on the Assignment Period Start Date and extend until the Assignment Period End Date; provided that in no event shall

the Assignment Period extend past an Assignment Early Termination Date; and further provided that the Assignment Period will automatically terminate upon the expiration or early termination of either the Delivery Term or the PPA.

(b) **Early Termination.** An “Assignment Early Termination Date” will occur under the following circumstances and as of the dates specified below:

- i. delivery of a written notice of termination by either MSCG or PPA Buyer to each of the other Parties hereto;
- ii. delivery of a written notice of termination by PPA Seller to each of MSCG and PPA Buyer following MSCG’s failure to pay when due any amounts owed to PPA Seller in respect of any Delivered Product Payment Obligation and such failure continues for five (5) Business Days following receipt by MSCG of written notice thereof;
- iii. delivery of a written notice by PPA Seller if any of the events described in [Section 1.1, definition of “Bankrupt” of the PPA], occurs with respect to MSCG; or
- iv. delivery of a written notice by MSCG if any of the events described in [Section 1.1, definition of “Bankrupt” of the PPA], occurs with respect to PPA Seller.

(c) **Reversion of Assigned Rights and Obligations.** The Assignment Period will end at the end of the last delivery hour on the date specified in any termination notice provided pursuant to Section 5(b). The Parties acknowledge and agree that upon the occurrence of an Assignment Early Termination Date, early termination pursuant to Sections 5(d) and at the expiration of the Assignment Period the Assigned Rights and Obligations will revert from MSCG to PPA Buyer. Any Assigned Rights and Obligations that would become due for payment or performance on or after such Assignment Early Termination Date or early termination pursuant to Section 5(d) shall immediately and automatically revert from MSCG to PPA Buyer, provided that (i) MSCG shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to MSCG prior to the Assignment Early Termination Date or prior to the expiration of the Assignment Period, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the occurrence of the Assignment Early Termination Date or the expiration of the Assignment Period.

(d) **Early Termination for PPA Termination.** The Assignment Period will automatically terminate upon the expiration or early termination of the PPA.

6. Representations and Warranties.

(a) **Copy of PPA.** As of the Assignment Agreement Effective Date, each of PPA Seller and PPA Buyer represents and warrants to MSCG that a true, complete, and correct copy of the PPA as of such date is attached hereto as Appendix 3.

(b) **No Default.** As of the Assignment Agreement Effective Date, each of PPA Seller and PPA Buyer represents and warrants to MSCG that no event or circumstance exists (or would

exist with the passage of time or the giving of notice) that, to its knowledge, would give either of them the right to terminate the PPA or suspend performance thereunder.

(c) **Other.** Each of PPA Buyer and PPA Seller represents and warrants to each other and to MSCG that:

i. It has made no prior transfer (whether by way of security or otherwise) of any interest in the Assigned Rights and Obligations; and

ii. To its knowledge, all obligations of PPA Buyer and PPA Seller under the PPA required to be performed on or before the Assignment Period Start Date have been fulfilled.

(d) **Representations.** Each Party represents to each of the other Parties as of the Assignment Agreement Effective Date:

i. **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.

ii. **Powers.** It has the power to execute, this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance.

iii. **No Violation or Conflict.** Such execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its obligations under this Agreement, will not result in any violation of, or conflict with: (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination or award of any arbitrator applicable to it; or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any Government Agency presently in effect, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.

iv. **Consents.** All consents, approvals, orders or authorizations of, registrations, declarations, filings or giving of notice to, obtaining of any licenses or permits from, or taking of any other action with respect to, any Person or Government Agency that are required to have been obtained by such Party with respect to this Agreement and the transactions contemplated hereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

v. **Obligations Binding.** Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

vi. **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement; it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by all Parties, considers this Agreement a legally enforceable contract. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement.

vii. **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement. It is also capable of assuming, and assumes, the risks of this Agreement.

viii. **Status of Parties.** None of the other Parties is acting as a fiduciary for or an adviser to it in respect of this Agreement.

7. Miscellaneous.

Article [] (Confidential Information), [] (No Consequential Damages), [] (Amendments), [] (No Agency, Partnership, Joint Venture or Lease), Sections [] (Severability), [] (Electronic Delivery), [] (Counterparts), Section [] (Binding Effect) and [] (Forward Contract) of the PPA are incorporated by reference into this Agreement, *mutatis mutandis*, as if fully set forth herein.

8. Costs and Expenses.

The Parties shall each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation, and execution of this Agreement.

9. Notices.

Any notice, demand, or request required or authorized by this Agreement to be given by one Party to another Party shall be delivered in accordance with [Section ____] of the PPA and to

the addresses of each of PPA Seller and PPA Buyer specified in the PPA. PPA Buyer agrees to notify MSCG of any updates to such notice information, including any updates provided by PPA Seller to PPA Buyer. Notices to MSCG shall be provided to the address set forth in Appendix 2. Each Party may update its address from time to time by notice to the other Parties.

10. Governing Law; Dispute Resolution.

(a) Governing Law. This Agreement and the rights and duties of the Parties under this Agreement will be governed by and construed, enforced and performed in accordance with the laws of the state of New York, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction's laws; *provided*, however, that the authority of PPA Buyer to enter into and perform its obligations under this agreement shall be determined in accordance with the laws of the state of California.

(b) Arbitration. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope of this Agreement to arbitrate, shall be determined by final, non-appealable binding arbitration in San Francisco, California before three (3) arbitrators. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. (“JAMS”) pursuant to its Comprehensive Arbitration Rules and Procedures. Within fifteen (15) days after the commencement of arbitration, each of MSCG and PPA Buyer shall select one person to act as arbitrator, and the two so-selected arbitrators shall select a third arbitrator (the “**chairperson**”) within thirty (30) days of the commencement of the arbitration. If either MSCG or PPA Buyer is unable or fails to select one person to act as arbitrator, such arbitrator shall be appointed by JAMS. If the MSCG and PPA Buyer-selected arbitrators are unable or fail to agree upon a chairperson, the chairperson shall be appointed by JAMS. The chairperson shall be a person who has experience in renewable energy-related transactions, and none of the arbitrators shall have been previously employed by any Party or have any direct pecuniary interest in any Party or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by all of the Parties. The Parties shall maintain the confidential nature of the arbitration proceeding and any award, including any hearing(s), except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator(s) shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. The responsibility for compensation and expenses of the three arbitrators and all other expenses charged by JAMS shall be equally split in one-third (1/3) shares by each of MSCG, PPA Buyer, and PPA Seller. In any arbitration arising out of or related to this Agreement, the arbitrators shall award to the prevailing Party or Parties, if any, the costs and attorney's fees reasonably incurred in seeking to enforce the application of this Section 10(b) and by the prevailing party in connection with the arbitration. Notwithstanding the foregoing provisions of this Section 10(b), any costs incurred by a Party in seeking judicial enforcement of any written decision of the arbitrators shall be chargeable to and borne exclusively by the Party

against whom such court order is obtained. The award shall be final and binding on the Parties and judgment upon any award may be entered in any court of competent jurisdiction.

(c) Judicial Reference. Without limiting the provisions in Section 10(b), if Section 10(b) is deemed ineffective or unenforceable in any respect, any dispute between the Parties arising out of or in connection with this Agreement or its performance, breach, or termination (including the existence, validity and interpretation of this Agreement and the applicability of any statute of limitation period) (each, a “**Dispute**”) shall be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure (“CCP”), or their successor sections (a “**Reference Proceeding**”), which shall constitute the exclusive remedy for the resolution of any Dispute. As a condition precedent to initiating a Reference Proceeding with respect to any Dispute, the Parties shall comply with the provisions of Section 10(c)(i).

i. Notice of Dispute. Prior to initiating the Reference Proceeding, a Party (the “**Disputing Party**”) shall provide the other Parties (the “**Responding Parties**”) with a written notice of each issue in dispute, a proposed means for resolving each such issue, and support for such position (the “**Notice of Dispute**”). Within 10 days after receiving the Notice of Dispute, the Responding Parties shall provide the Disputing Party with a written Notice of each additional issue (if any) with respect to the dispute raised by the Notice of Dispute, a proposed means for resolving every issue in dispute, and support for such position (the “**Dispute Response**”). Thereafter, the Parties shall meet to discuss the matter and attempt in good faith to reach a negotiated resolution of the dispute. If the Parties do not resolve the dispute by unanimous agreement within fifteen (15) days after receipt of the Dispute Response, (the “**Negotiation Period**”), then any Party may provide to the other Parties written notice of intent for judicial reference (the “**Impasse Notice**”) in accordance with the further provisions of this Section 10(c).

ii. Applicability; Selection of Referees. Within 10 days of the delivery of an Impasse Notice, each of MSCG and PPA Buyer shall nominate one (1) referee. The two (2) referees (the “**Party-Appointed Referees**”) shall appoint a third referee (the “**Third Referee**”, together with the Party-Appointed Referees, the “**Referees**”). The Party-Appointed Referees shall be competent and experienced in matters involving the electric energy business in the United States, with at least ten (10) years of electric energy industry experience as a practicing attorney. The Third Referee shall be an active or retired California state or federal judge. Each of the Party-Appointed Referees and the Third Referee shall be impartial and independent of each of the Parties and of the other referees and not employed by any of the Parties in any prior matter.

iii. Inability to Agree upon Third Referee. If the Party-Appointed Referees are unable to agree on the Third Referee within 45 days from delivery of the Impasse Notice, then the Third Referee shall be appointed pursuant to CCP Section 640(b) in an action filed in the Superior Court of California, County of San Francisco (the “**Court**”), and with due regard given to the selection criteria above. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the Parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP Section 170.6, each of PPA Buyer and MSCG shall have one (1) peremptory challenge to the referee selected by the Court.

iv. Discovery; Proceedings.

(A) The Parties agree that time is of the essence in conducting the Reference Proceeding. Accordingly, the Referees shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within 20 days after the date of selection of the Third Referee, (ii) if practicable, try all issues of law or fact within 180 days after the date of the conference, and (iii) report a statement of decision within 20 days after the matter has been submitted for decision.

(B) Discovery and other pre-hearing procedures shall be conducted as agreed to by the Parties, or if they cannot agree, as determined by the Third Referee after discussion with the Parties regarding the need for discovery and other pre-hearing procedures.

(C) Except as expressly set forth herein, the Third Referee shall determine the manner in which the Reference Proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the Reference Proceeding. The Reference Proceeding, including the trial, shall be conducted at a neutral location selected by the Parties, or if not agreed by the Parties, by the Third Referee, in San Francisco, California.

(D) All proceedings and hearings conducted before the Referees, except for trial, shall be conducted without a court reporter, except that when any Party so requests, a court reporter will be used at any hearing conducted before the Referees, and the Referees will be provided a courtesy copy of the transcript. The Party making such a request shall have the obligation to arrange for and pay the court reporter.

v. Decision. The Referees shall render a written statement of decision setting forth findings of fact and conclusions of law. The Referees shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. The decision shall be entered as a judgment in the court in accordance with the provisions of CCP Sections 644 and 645. The decision shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the Court. The Parties intend this general reference agreement to be specifically enforceable in accordance with the CCP.

vi. Expenses. Each of MSCG, PPA Seller and PPA Buyer shall bear the compensation and expenses of its respective own counsel, witnesses, consultants and employees. The responsibility for compensation and expenses of the Referees and all other expenses of judicial reference shall be equally split in one-third (1/3) shares by each of MSCG, PPA Buyer, and PPA Seller

10. U.S. Resolution Stay Protocol. The Parties hereby confirm that they are adherents to the ISDA 2018 U.S. Resolution Stay Protocol (“**ISDA U.S. Stay Protocol**”), the terms of the ISDA U.S. Stay Protocol are incorporated into and form a part of this Agreement, and this Agreement shall be deemed a Protocol Covered Agreement for purposes thereof. For purposes of incorporating the ISDA U.S. Stay Protocol, MSCG shall be deemed to be a Regulated Entity, and PPA Buyer and PPA Seller each shall be deemed to be an Adhering Party. In the event of any inconsistencies between this Agreement and the ISDA U.S. Stay Protocol, the ISDA U.S. Stay Protocol will prevail.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the Assignment Agreement Effective Date.

[PPA SELLER]

By: _____
Name: _____
Title: _____

SAN DIEGO COMMUNITY POWER

By: _____
Name: _____
Title: _____

MORGAN STANLEY CAPITAL GROUP INC.

By: _____
Name: _____
Title: _____

Appendix 1 Assigned Rights and Obligations

PPA: Renewable Power Purchase Agreement dated as of [____], by and between PPA Buyer and PPA Seller, as may be amended from time to time.

Delivery Point: [____]

Further Information: PPA Seller shall transfer or, to the extent applicable, continue to transfer, to PPA Buyer the WREGIS Certificates associated with all [Renewable Energy Credits] corresponding to all [PV Energy] under the PPA pursuant to [Section ____ of the PPA], provided that the transferee of such WREGIS Certificates may be changed from time to time in accordance with the written instructions of both MSCG and PPA Buyer upon fifteen (15) Business Days' notice, which change shall be effective as of the first day of the next calendar month after such notice period has expired, unless otherwise agreed. All Assigned Product delivered by PPA Seller to MSCG shall be a sale made at wholesale, with MSCG reselling all such Assigned Product. Terms with initial capitalization used in this paragraph but not otherwise defined in this Agreement have the meaning set forth in the PPA.

Limitation of MSCG Liability. MSCG has separately agreed with the PPA Buyer and the Custodian (pursuant to the Custodial Agreement dated November 20, 2024, among PPA Buyer, MSCG and the Custodian (the “**Custody Agreement**”)) to pay into the custodial account specified in the Custody Agreement (the “**Custodial Account**”) for Assigned Product delivered in each Month of the Assignment Period at the “Day-Ahead Average Price” as defined below (“**Floating Price Payments**”). MSCG agrees for the benefit of the PPA Seller to pay the Floating Price Payments into the Custodial Account, and MSCG’s payment obligations under this Agreement are limited to making such payments into the Custodial Account, for application as provided in the Custody Agreement. PPA Buyer and PPA Seller each acknowledge and agree that the making of Floating Price Payments into the Custodial Account by MSCG shall not entitle (i) PPA Seller for payments in excess of the [Contract Price] for Assigned Product delivered hereunder or (ii) PPA Buyer to pay less than the [Contract Price] for Assigned Product delivered hereunder. PPA Buyer and MSCG each acknowledge and agree that the making of Floating Price Payments into the Custodial Account by MSCG shall not entitle (i) MSCG to any payments from PPA Seller or (ii) affect the Custodian’s obligation to pay the Monthly Gross Amount to PPA Seller on or before the applicable payment date in the PPA. At all times the PPA Buyer shall remain obligated for the payment of all amounts owing under the terms of the PPA including the Monthly Gross Amount under each invoice.

“Day-Ahead Average Price” means (x) the sum of the Day-Ahead Market Prices for each Pricing Interval in a Month divided by (y) the number of Pricing Intervals in such Month. As used in this definition, “Pricing Interval” means the unit of time for which [____] establishes a separate price. As used in this definition “Day-Ahead Market Price” means the Day Ahead Market or Locational Marginal Price for [____] for each applicable hour as published by [____], or as such price may be corrected or revised from time to time by [____] in accordance with its rules. For the avoidance of doubt, the Day-Ahead Average Price can be a negative number.

Appendix 2

MSCG Notice Information

[To be completed before signing.]

Appendix 3

Copy of PPA

[To be attached.]

EXHIBIT B

FORM OF LIMITED ASSIGNMENT AGREEMENT FOR MSCG AS PPA SUPPLIER

This Limited Assignment Agreement (this “**Agreement**”) is entered into as of [____], 2024 (“**Assignment Agreement Effective Date**”) by and among Morgan Stanley Capital Group Inc., a Delaware corporation (“**PPA Seller**”), San Diego Community Power, a California joint powers authority (“**PPA Buyer**”), and Energy Prepay IV, LLC, a Delaware limited liability company (“**Prepay LLC**”).

RECITALS

WHEREAS, PPA Buyer and PPA Seller are parties to that certain [Power Supply Agreement], dated as of [____] as further described in Appendix 1 (the “**PPA**”); and

WHEREAS, in connection with a prepaid electricity transaction entered into between California Community Choice Financing Authority (“**Issuer**”), and Prepay LLC, and with effect from and including the Assignment Period Start Date (as defined below), PPA Buyer wishes to transfer by partial assignment to Prepay LLC, and Prepay LLC wishes to accept the transfer by partial assignment of, the Assigned Rights and Obligations (as defined below) for the duration of the Assignment Period (as defined below); and

THEREFORE, in consideration of the premises above and the mutual covenants and agreements herein set forth, PPA Seller, PPA Buyer and Prepay LLC (the “**Parties**” hereto; each is a “**Party**”) agree as follows:

AGREEMENT

1. Definitions.

The following terms, when used in this Agreement and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“**Agreement**” has the meaning specified in the first paragraph above.

“**Assigned Delivery Point**” has the meaning specified in Appendix 1.

“**Assigned Energy**” means any Energy to be delivered to Prepay LLC hereunder pursuant to the Assigned Rights and Obligations.

“**Assigned Monthly Quantity**” means the first [____] MWhs delivered by PPA Seller in each Month during the Assignment Period.

“**Assigned Rights and Obligations**” means (i) the right of PPA Buyer under the PPA to receive the Assigned Monthly Quantity of Assigned Energy during the Assignment Period, as such right may be limited or further described in the “Further Information” section in Appendix 1, and

(ii) the Delivered Energy Payment Obligation, which right and obligation are transferred and conveyed to Prepay LLC hereunder.

“Assignment Early Termination Date” has the meaning specified in Section 5(b).

“Assignment Period” has the meaning specified in Section 5(a).

“Assignment Period End Date” means 11:59:59 p.m. pacific prevailing time on [____], 20[____].

“Assignment Period Start Date” means [____], 20[____].

“Business Day” has the meaning specified in the Prepaid Agreement.

“Claims” means all claims or actions, threatened or filed, and the resulting losses, damages, expenses, attorneys’ fees, experts’ fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, in each case arising under, in respect of or related in any way to the PPA or any transaction thereunder, except for the Delivered Energy Payment Obligation.

“Day-Ahead Average Price” has the meaning specified in Appendix 1.

“Delivered Energy Payment Obligation” has the meaning specified in Section 3(a).

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours (MWh).

“Government Agency” means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

“Issuer” has the meaning specified in the first paragraph of this Agreement.

“Month” means a calendar month.

“MWh” has the meaning specified in the Prepaid Agreement.

“Person” means any individual, corporation, partnership, joint venture, trust, unincorporated organization, or Government Agency.

“PPA Buyer” has the meaning specified in the first paragraph of this Agreement.

“PPA Seller” has the meaning specified in the first paragraph of this Agreement.

“Prepaid Agreement” means that certain Prepaid Energy Sales Agreement dated as of November 5, 2024 by and between Prepay LLC and Issuer.

“**Prepay LLC**” has the meaning specified in the first paragraph of this Agreement.

“**Prepay Power Supply Contract**” means that certain Power Supply Contract dated November 5, 2024 by and between PPA Buyer and Issuer.

“**Receivables**” has the meaning given to such term in Section 3(e).

“**Retained Rights and Obligations**” has the meaning specified in Section 3.

2. Transfer and Undertakings.

(a) PPA Buyer hereby assigns, transfers and conveys to Prepay LLC all right, title and interest in and to the rights of PPA Buyer under the PPA to receive delivery of the Assigned Energy during the Assignment Period. In connection with this assignment, PPA Buyer hereby delegates to Prepay LLC the Assigned Rights and Obligations during the Assignment Period.

(b) PPA Seller hereby consents and agrees to PPA Buyer’s assignment, transfer and conveyance of all right, title and interest in and to the Assigned Energy and, subject to Section 3, the delegation of the Assigned Rights and Obligations to Prepay LLC and the exercise and performance by Prepay LLC of the Assigned Rights and Obligations during the Assignment Period.

(c) Prepay LLC hereby accepts such assignment, transfer and conveyance of PPA Buyer’s right, title and interest in and to the Assigned Products during the Assignment Period, and PPA Buyer’s delegation of the Assigned Rights and Obligations during the Assignment Period and agrees to perform any such Assigned Rights and Obligations due from it during the Assignment Period to the extent expressly set forth in this Agreement.

3. Limited Assignment.

The Parties acknowledge and agree that (i) the Assigned Rights and Obligations include only a portion of PPA Buyer’s rights and obligations under the PPA, and that all rights and obligations arising under the PPA that are not expressly included in the Assigned Rights and Obligations shall be “**Retained Rights and Obligations**”, and (ii) the Retained Rights and Obligations include all rights and obligations of PPA Buyer arising during the Assignment Period except the rights and obligations expressly included in the Assigned Rights and Obligations. In this regard:

(a) **Limited to Delivered Energy Payment Obligation.** Prepay LLC’s sole payment obligation to PPA Seller hereunder will be to pay the Day-Ahead Average Price to PPA Seller for the Assigned Monthly Quantity during each Month of the Assignment Period on each applicable payment date under Section [] of the PPA irrespective of the amount of electricity actually delivered by PPA Seller to PPA Buyer (the “**Delivered Energy Payment Obligation**”); provided that, to the extent PPA Buyer uses less than the Assigned Monthly Quantity in any given Month during the Assignment Period, then PPA Seller shall (i) be deemed to remarket such quantities not taken for the economic benefit of Prepay LLC and (ii) credit against Prepay LLC’s Delivered

Energy Payment Obligation an amount equal to (A) any such quantities deemed remarketed multiplied by (B) the Day-Ahead Average Price.

(b) **Retained Rights and Obligations.** Any Claims (other than the Delivered Energy Payment Obligation or a failure to perform the same) arising or existing in connection with or related to the PPA, whether related to performance by PPA Seller, PPA Buyer or Prepay LLC, and whether arising before, during or after the Assignment Period, in each case excluding the Delivered Energy Payment Obligation, will be included in the Retained Rights and Obligations and any such Claims will be resolved exclusively between PPA Seller and PPA Buyer in accordance with the PPA.

(c) **Scheduling.** All scheduling of Energy (including Assigned Energy) and other communications related to the PPA shall take place between PPA Buyer and PPA Seller pursuant to the terms of the PPA; provided that (i) PPA Buyer and PPA Seller will provide copies of all billing statements and generation reports delivered during the Assignment Period to Prepay LLC and Issuer contemporaneously upon delivery of such statements and reports to the other party to the PPA; (ii) title to Assigned Energy will pass to Prepay LLC upon delivery by PPA Seller at the Assigned Delivery Point in accordance with the PPA; (iii) immediately thereafter, title to such Assigned Energy will pass to Issuer and then to PPA Buyer upon delivery by Prepay LLC at the same point where title is passed to Prepay LLC pursuant to clause (ii) above; and (iv) PPA Buyer will be deemed to be acting as Prepay LLC's agent with regard to scheduling Assigned Energy.

(d) **Amendments.** PPA Buyer will provide written notice (including copies thereof) of any amendment, waiver, supplement, modification, or other changes to the PPA to Prepay LLC relating to the Assigned Rights and Obligations, and the Parties hereby acknowledge and agree that an amendment, waiver, supplement, modification or other change will not have any effect on Prepay LLC's rights or obligations under this Agreement unless and until Prepay LLC receives written notice thereof.

(e) **Setoff of Receivables.** Pursuant to the Prepaid Agreement, Prepay LLC has agreed to purchase the rights to payment of the net amounts owed by PPA Buyer under the Prepay Power Supply Contract ("**Receivables**") in the case of non-payment by PPA Buyer. To the extent any such Receivables relate to Assigned Energy purchased by Prepay LLC pursuant to the Assigned Rights and Obligations, Prepay LLC may, provided that Prepay Seller has notified PPA Seller in writing (with a copy to PPA Buyer) (a "**Receivables Setoff Notice**") that the amount of any such Receivables is true and accurate, transfer such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) to PPA Seller and apply the face amount of such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) as a reduction to any Delivered Energy Payment Obligations; provided, however, that at no time shall PPA Seller be required to pay Prepay LLC for any amounts by which such Receivables exceed any Delivered Energy Payment Obligations then due and owed to PPA Seller. The amount of any Receivables set forth in a Receivables Setoff Notice shall be final and binding unless PPA Buyer shall have provided PPA Seller and Prepay LLC a written notice within two (2) Business Days of its receipt of a Receivables Setoff Notice containing conclusive evidence that such amount is incorrect and asserting what PPA Buyer has determined is the correct amount of Receivables. If any dispute arises therefrom, Prepay LLC shall still be entitled to set-off the amount of Receivables set forth

in its Receivables Setoff Notice as provided above, and any such dispute as to the correct amount of Receivables shall be settled exclusively between PPA Buyer and PPA Seller with no liability to Prepay LLC, provided that at all times, PPA Buyer remains liable to PPA Seller for all amounts due and owing under the PPA.

4. Forward Contract.

The Parties acknowledge and agree that this Agreement is intended to constitute a “forward contract” and that the Parties is intended to constitute “forward contract merchants” within the meaning of the United States Bankruptcy Code.

5. Assignment Period; Assignment Early Termination.

(a) **Assignment Period.** The “**Assignment Period**” shall begin on the Assignment Period Start Date and extend until the Assignment Period End Date; provided that in no event shall the Assignment Period extend past an Assignment Early Termination Date.

(b) **Early Termination.** An “**Assignment Early Termination Date**” will occur under the following circumstances and as of the dates specified below:

i. the assignment of the Prepay Power Supply Contract by PPA Buyer or Issuer pursuant to [Article XIII] thereof, which Assignment Early Termination Date shall occur immediately as of the time of such assignment;

ii. the suspension, expiration, or termination of performance of the PPA by either PPA Buyer or PPA Seller for any reason other than the occurrence of [Force Majeure] under and as defined in the PPA, which Assignment Early Termination Date shall occur immediately as of the time of PPA Seller’s last performance under the PPA following such suspension, expiration, or termination;

iii. the election of Prepay LLC in its sole discretion to declare an Assignment Early Termination Date as a result of (a) any event or circumstance that would give either PPA Buyer or PPA Seller the right to terminate or suspend performance under the PPA (regardless of whether PPA Buyer or PPA Seller exercises such right) or (b) the execution of an amendment, waiver, supplement, modification or other change to the PPA that adversely affects the Assigned Rights and Obligations or Prepay LLC’s rights or obligations under this Agreement (provided that Prepay LLC shall not have a right to terminate under this clause (b) to the extent that Prepay LLC (i) receives prior notice of such change and (ii) provides its written consent thereto), which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by Prepay LLC to PPA Buyer and PPA Seller;

iv. termination or suspension of deliveries for any reason other than force majeure under the Prepaid Agreement or Prepay Power Supply Contract, which Assignment Early Termination Date shall occur immediately as of the time of the last deliveries under the relevant contract following such suspension or termination;

v. the election of PPA Seller or PPA Buyer in its sole discretion to declare an Assignment Early Termination Date if Prepay LLC fails to pay when due any amounts owed to PPA Seller in respect of any Delivered Energy Payment Obligation and such failure continues for five Business Days following receipt by Prepay LLC of written notice thereof, which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by PPA Seller or PPA Buyer, as applicable, to Prepay LLC, and with a copy to PPA Buyer or PPA Seller, as applicable; and

vi. the election of PPA Seller or PPA Buyer in its sole discretion to declare an Assignment Early Termination Date if either (a) an involuntary case or other proceeding is commenced against Prepay LLC seeking liquidation, reorganization or other relief with respect to it or its debts under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar law now or hereafter in effect or seeking the appointment of a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed, or an order or decree approving or ordering any of the foregoing is entered and continued unstayed and in effect, in any such event, for a period of 60 days, or (b) Prepay LLC commences a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar law or any other case or proceeding to be adjudicated as bankrupt or insolvent, or Prepay LLC consents to the entry of a decree or order for relief in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, files a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or consents to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of Prepay LLC or any substantial part of its property, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due, which Assignment Early Termination Date shall occur upon the earliest date set forth in a written notice of such election delivered by PPA Seller or PPA Buyer, as applicable, to Prepay LLC, and with a copy to PPA Buyer or PPA Seller, as applicable.

(c) **Reversion of Assigned Rights and Obligations.** The Parties acknowledge and agree that upon the occurrence of an Assignment Early Termination Date the Assigned Rights and Obligations will revert from Prepay LLC to PPA Buyer. Any Assigned Rights and Obligations that would become due for payment or performance on or after such Assignment Early Termination Date shall immediately and automatically revert from Prepay LLC to PPA Buyer, provided that (i) Prepay LLC shall remain responsible for the Delivered Energy Payment Obligation with respect to any Assigned Energy delivered to Prepay LLC prior to the Assignment Early Termination Date, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the occurrence of the Assignment Early Termination Date.

6. Representations and Warranties.

(a) **Copy of PPA.** As of the Assignment Agreement Effective Date, each of PPA Seller and PPA Buyer represents and warrants to Prepay LLC that a true, complete, and correct copy of the PPA is attached hereto as Appendix 3.

(b) **No Default.** As of the Assignment Agreement Effective Date, each of PPA Seller and PPA Buyer represents and warrants to Prepay LLC that no event or circumstance exists (or would exist with the passage of time or the giving of notice) that, to its knowledge, would give either of them the right to terminate the PPA or suspend performance thereunder.

(c) **Other.** As of the Assignment Agreement Effective Date, each of PPA Buyer and PPA Seller represents and warrants to Prepay LLC that:

i. it has made no prior transfer (whether by way of security or otherwise) of any interest in the Assigned Rights and Obligations; and

ii. to its knowledge, all obligations of PPA Buyer and PPA Seller under the PPA required to be performed on or before the Assignment Period Start Date have been fulfilled.

(d) **Representations.** Each Party represents to each of the other Parties:

i. **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.

ii. **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance.

iii. **No Violation or Conflict.** Such execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its obligations under this Agreement, will not result in any violation of, or conflict with: (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination or award of any arbitrator applicable to it; or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any Government Agency, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.

iv. **Consents.** All consents, approvals, orders or authorizations of, registrations, declarations, filings or giving of notice to, obtaining of any licenses or permits from, or taking of any other action with respect to, any Person or Government Agency that are required to have been obtained by such Party with respect to this Agreement and the transactions contemplated hereby, including the due authorization of

such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

v. **Obligations Binding.** Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

vi. **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement; it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by all Parties, considers this Agreement a legally enforceable contract. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement.

vii. **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement. It is also capable of assuming, and assumes, the risks of this Agreement.

viii. **Status of Parties.** None of the other Parties is acting as a fiduciary for or an adviser to it in respect of this Agreement.

7. Counterparts.

This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by email), each of which will be deemed an original.

8. Costs and Expenses.

The Parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation, and execution of this Agreement.

9. Amendments.

No amendment, modification, or waiver in respect of this Agreement will be effective unless in writing and executed by each of the Parties.

10. Notices.

Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another shall be in writing, except as otherwise expressly provided herein. It shall be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses for each of the other Parties designated in Appendix 2 hereto. Any such notice, demand, or request shall be deemed to be given (i) when sent by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon 10 days' prior written notice to the other Parties, to change its address at any time, and to designate that copies of all such notices be directed to another Person at another address. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, a Party may at any time notify the other Parties that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during such time shall be ineffective.

11. Governing Law, Waiver of Jury Trial, Arbitration.

(a) **Governing Law.** This Agreement and the rights and duties of the Parties under this Agreement will be governed by and construed, enforced and performed in accordance with the laws of the State of New York, without reference to any conflicts of law provisions that would direct the application of another jurisdiction's laws; provided, however, that the authority of PPA Buyer to enter into and perform its obligations under this Agreement shall be determined in accordance with the laws of the State of California.

(b) **Waiver of Right to Trial by Jury.** Each Party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Agreement.

(c) **Arbitration.** Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope of this Agreement to arbitrate, shall be determined by final, non-appealable binding arbitration in San Francisco, California before three (3) arbitrators. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. ("**JAMS**") pursuant to its Comprehensive Arbitration Rules and Procedures. Within fifteen (15) days after the commencement of arbitration, each of Financing Party and PPA Buyer, on the one hand, and PPA Seller, on the other hand, shall select one (1) person to act as arbitrator, and JAMS shall appoint one (1) person to act as an arbitrator (for such an arbitration, Financing Party, PPA Buyer and PPA Seller are the "**Arbitration Parties**"), provided that if the arbitration pertains to matters and disputes solely as between PPA Buyer and Financing Party, and PPA Seller is neither asserting nor defending a claim in relation thereto, then each of Financing Party and PPA Buyer shall select one (1) person to act as arbitrator, and JAMS shall appoint one (1) person to act as an arbitrator (for such an arbitration, only Financing Party and PPA Buyer are the "**Arbitration Parties**"). The JAMS appointed arbitrator shall serve as the chairperson (the "**chairperson**"). If any of the

Arbitration Parties are unable or fail to select one (1) person to act as arbitrator, such arbitrator shall be appointed by JAMS. The chairperson shall be a person who has experience in renewable energy-related transactions, and none of the arbitrators shall have been previously employed by any Arbitration Party or have any direct pecuniary interest in any Arbitration Party or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by all of the Arbitration Parties. The Arbitration Parties shall maintain the confidential nature of the arbitration proceeding and any award, including any hearing(s), except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator(s) shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Arbitration Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. The responsibility for compensation and expenses of the three (3) arbitrators and all other expenses charged by JAMS shall be shared equally between or among the Arbitration Parties, as the case may be. In any arbitration arising out of or related to this Agreement, the arbitrators shall award to the prevailing Arbitration Party or Arbitration Parties, if any, the costs and attorney's fees reasonably incurred in seeking to enforce the application of this Section 11(c) by the prevailing party in connection with the arbitration, and the non-prevailing Arbitration Party or Arbitration Parties shall also be liable to the prevailing Arbitration Party or Arbitration Parties for the compensation and expenses of the three arbitrators and all costs charged by JAMS. Notwithstanding the foregoing provisions of this Section 11(c), any costs incurred by an Arbitration Party in seeking judicial enforcement of any written decision of the arbitrators shall be chargeable to and borne exclusively by the Arbitration Party against whom such court order is obtained. The award shall be final and binding on the Arbitration Parties and judgment upon any award may be entered in any court of competent jurisdiction.

(d) **Judicial Reference.** Without limiting the provisions in Section 11(c), if Section 11(c) is deemed ineffective or unenforceable in any respect, any dispute between the Parties arising out of or in connection with this Agreement or its performance, breach, or termination (including the existence, validity and interpretation of this Agreement and the applicability of any statute of limitation period) (each, a "Dispute") shall be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure ("CCP"), or their successor sections (a "Reference Proceeding"), which shall constitute the exclusive remedy for the resolution of any Dispute. As a condition precedent to initiating a Reference Proceeding with respect to any Dispute, the Parties shall comply with the provisions of Section 11(d)i.

i. Notice of Dispute. Prior to initiating the Reference Proceeding, a Party (the "**Disputing Party**") shall provide the other Parties (the "**Responding Parties**"; and together with the Disputing Party, the "**Dispute Parties**") with a written notice of each issue in dispute, a proposed means for resolving each such issue, and support for such position (the "**Notice of Dispute**"). Within 10 days after receiving the Notice of Dispute, the Responding Parties shall provide the Disputing Party with a written Notice of each additional issue (if any) with respect to the dispute raised by the Notice of Dispute, a

proposed means for resolving every issue in dispute, and support for such position (the “**Dispute Response**”). If the Notice of Dispute makes no claim or assertion against one of the Responding Parties, and such Responding Party, in making its Dispute Response does not make or assert a claim against either the Disputing Party or the other Responding Party and states that it has no interest in the Dispute, then such Responding Party shall not participate in the resolution of the Dispute and shall not be a “**Dispute Party**” for purposes of this Section 11(d). Thereafter, the Dispute Parties shall meet to discuss the matter and attempt in good faith to reach a negotiated resolution of the dispute. If the Dispute Parties do not resolve the dispute by unanimous agreement within sixty (60) days after receipt of the Dispute Response, (the “**Negotiation Period**”), then any Dispute Party may provide to the other Dispute Party(ies) written notice of intent for judicial reference (the “**Impasse Notice**”) in accordance with the further provisions of this Section 11(d).

ii. Applicability; Selection of Referees. Within 10 days of the delivery of an Impasse Notice, each of Financing Party and PPA Buyer, on the one hand, and PPA Seller, on the other hand, shall nominate one (1) referee, provided that if PPA Seller is not a Dispute Party, then each of Financing Party and PPA Buyer shall nominate (1) referee, and PPA Seller will not nominate a referee. The two (2) referees (the “**Party-Appointed Referees**”) shall unanimously appoint one (1) additional referee (the “**Additional Referee**”, together with the Party-Appointed Referees, the “**Referees**”). The Party-Appointed Referees shall be competent and experienced in matters involving the electric energy business in the United States, with at least ten (10) years of electric industry experience as a practicing attorney. The Additional Referee shall be an active or retired California state or federal judge (the “**Head Referee**”). Each of the Party-Appointed Referees and the Additional Referee shall be impartial and independent of each of the Dispute Parties and of the other referees and not employed by any of the Dispute Parties in any prior matter.

(A) If the Party-Appointed Referees are unable to agree on the Additional Referee within 45 days from delivery of the Impasse Notice, then the Additional Referee shall be appointed pursuant to CCP Section 640(b) in an action filed in the Superior Court of California, County of San Francisco (the “**Court**”), and with due regard given to the selection criteria above. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the Dispute Parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP Section 170.6, each of PPA Buyer and MSCG, on the one hand, and PPA Seller, on the other hand, shall have one (1) peremptory challenge to the referee selected by the Court, provided that if PPA Seller is not a Dispute Party, then each of Financing Party and PPA Buyer shall have one (1) peremptory challenge to the referee selected by the Court.

iii. Discovery; Proceedings.

(A) The Dispute Parties agree that time is of the essence in conducting the Reference Proceeding. Accordingly, the Referees shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within 20 days after the date of

selection of the Head Referee, (ii) if practicable, try all issues of law or fact within 180 days after the date of the conference, and (iii) report a statement of decision within 20 days after the matter has been submitted for decision.

(B) Discovery and other pre-hearing procedures shall be conducted as agreed to by the Dispute Parties, or if they cannot agree, as determined by the Head Referee after discussion with the Dispute Parties regarding the need for discovery and other pre-hearing procedures.

(C) Except as expressly set forth herein, the Head Referee shall determine the manner in which the Reference Proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the Reference Proceeding. The Reference Proceeding, including the trial, shall be conducted at a neutral location selected by the Dispute Parties, or if not agreed by the Dispute Parties, by the Head Referee, in San Francisco, California.

(D) All proceedings and hearings conducted before the Referees, except for trial, shall be conducted without a court reporter, except that when any Dispute Party so requests, a court reporter will be used at any hearing conducted before the Referees, and the Referees will be provided a courtesy copy of the transcript. The Dispute Party making such a request shall have the obligation to arrange for and pay the court reporter.

iv. Decision. The Referees shall render a written statement of decision setting forth findings of fact and conclusions of law. The decision shall be entered as a judgment in the court in accordance with the provisions of CCP Sections 644 and 645. The decision shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the Court. The Dispute Parties intend this general reference agreement to be specifically enforceable in accordance with the CCP.

(e) Expenses. The Dispute Parties shall bear the compensation and expenses of its respective own counsel, witnesses, consultants and employees. The responsibility for compensation and expenses of the Referees and all other expenses of judicial reference shall be shared equally between or among the Dispute Parties, as the case may be.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first set forth above.

MORGAN STANLEY CAPITAL GROUP INC.

By: _____
Name: _____
Title: _____

SAN DIEGO COMMUNITY POWER

By: _____
Name: _____
Title: _____

ENERGY PREPAY IV, LLC

By: Morgan Stanley Capital Group Inc., its Manager

By: _____
Name: _____
Title: _____

Appendix 1
Assigned Rights and Obligations

PPA: Power Supply Agreement dated as of [____], by and between PPA Buyer and PPA Seller

Assigned Delivery Point: [____]

Day-Ahead Average Price: [____]

Further Information: [Include, if any]

Appendix 2
Notice Information
[To be completed before signing.]

Appendix 3
Copy of PPA
[To be attached.]

ITEM 11

ATTACHMENT E

PREPAID ENERGY PROJECT ADMINISTRATION AGREEMENT

This Prepaid Energy Project Administration Agreement (this “Agreement”) is made and entered into as of November 20, 2024, by and between California Community Choice Financing Authority (“CCCFA”) and San Diego Community Power (“SDCP”), with respect to the Prepaid Energy Project (defined below). CCCFA and SDCP may be referred to individually herein as a “Party” and collectively as the “Parties”. Capitalized terms used herein (including in the following Recitals) have the meanings given to such terms in Section 1.

W I T N E S S E T H:

WHEREAS, SDCP is a “community choice aggregator” under the Public Utilities Code; and

WHEREAS, SDCP and certain other community choice aggregators have joined CCCFA as a joint exercise of powers authority under and pursuant to the Act and the Joint Powers Agreement; and

WHEREAS, CCCFA’s purpose is to assist its Members (as defined in the Joint Powers Agreement), including SDCP, by undertaking the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds and other obligations on behalf of one or more of the Members by, among other things, issuing or incurring Bonds (as such term is defined in the Joint Powers Agreement) and entering into related contracts with Members; and

WHEREAS, CCCFA and SDCP are entering into a Power Supply Contract pursuant to which CCCFA has agreed to supply Energy to SDCP under the terms set forth therein; and

WHEREAS, in order to provide such Energy to SDCP under the Power Supply Contract, CCCFA is entering into the Prepaid Energy Sales Agreement with Energy Prepay IV, LLC, a Delaware limited liability company (the “Energy Supplier”), under which it will make a prepayment to the Energy Supplier for the purchase and delivery of such Energy; and

WHEREAS, CCCFA will finance the prepayment under the Prepaid Energy Sales Agreement and related costs by issuing the Bonds pursuant to the Indenture; and

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1. **Defined Terms.** Capitalized terms used herein shall have the meanings set forth below:

“Act” means Chapter 5 of Division 7 of Title 1 of the California Government Code, being Section 6500 and following, as amended.

“Annual Refund” means the annual refund, if any, to be provided to SDCP pursuant to Section 3.2(b) of the Power Supply Contract.

“Assigned Delivery Point” has the meaning specified in the Assignment Agreement.

“Assigned Energy” has the meaning specified in the Assignment Agreement.

“Assigned Product” means Assigned Energy and associated renewable energy credits, green energy attributes and any other product included in the Assignment Agreement.

“Assignment Agreement” means the Initial Assignment Agreement and any subsequent assignment agreement entered into consistent with the Assignment Letter Agreement.

“Assignment Letter Agreement” has the meaning specified in the Power Supply Contract.

“Base Energy” means Energy to be delivered to an Energy Delivery Point.

“Bonds” means the bonds issued by CCCFA pursuant to the Indenture on or about the date of this Agreement in order to finance the prepayment required to be made to the Energy Supplier under the Prepaid Energy Sales Agreement and related costs of the Prepaid Energy Project, and any bonds issued to refund such bonds.

“CCCFA” means California Community Choice Financing Authority, a joint exercise of powers authority created under and pursuant to the Act and the Joint Powers Agreement.

“CCCFA Commodity Swap” means the ISDA Master Agreement, Schedule and transaction Confirmation entered into by CCCFA and the swap counterparty named therein, and any replacement swap entered into pursuant to the Prepaid Energy Sales Agreement.

“Contract Quantity” means the quantity of Base Energy or Assigned Energy, as applicable, specified in Exhibits A-1 and A-2 of the Power Supply Contract, as such Exhibits A-1 and A-2 may be updated from time to time in accordance with the terms of the Power Supply Contract.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in megawatt-hours.

“Energy Delivery Point” means the delivery point for delivery of SDCP’s Contract Quantity as specified in the Power Supply Contract, and shall include, if applicable, any Assigned Delivery Point and any alternate Delivery Point for SDCP.

“Energy Supplier” means Energy Prepay IV, LLC, a Delaware limited liability company.

“Indenture” means the Trust Indenture, dated as of November 1, 2024, between CCCFA and the Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“Initial Assignment Agreement” with respect to SDCP, the initial assignment agreement or agreements specified in the Power Supply Contract.

“Joint Powers Agreement” means the Joint Powers Agreement by and among the Members of CCCFA named therein, including SDCP, providing for the creation, purposes and powers of CCCFA, as the same may be amended or supplemented from time to time in accordance with its terms.

“Power Supply Contract” means the Power Supply Contract, dated November 5, 2024, between CCCFA and SDCP relating to the purchase by SDCP of Energy acquired by CCCFA pursuant to the Prepaid Energy Sales Agreement, as amended, restated, supplemented or otherwise modified from time to time.

“Prepaid Energy Sales Agreement” means the Prepaid Energy Sales Agreement, dated November 5, 2024, between CCCFA, as buyer, and the Energy Supplier, as seller, as amended, restated, supplemented or otherwise modified from time to time.

“Prepaid Energy Project” means the issuance of the Bonds by CCCFA pursuant to the Indenture, the acquisition of Energy and related undertakings of CCCFA under the Prepaid Energy Sales Agreement and the Indenture, and the sale to SDCP of such Energy and related undertakings of CCCFA under the Power Supply Contract.

“Public Utilities Code” means the Public Utilities Code of the State of California, as amended.

“Qualifying Use Requirements” has the meaning set forth in Section 1.1 of the Power Supply Contract.

“Re-Pricing Agreement” means the Re-Pricing Agreement, dated as of the date of issuance of the Bonds, by and between CCCFA and Energy Supplier.

“Schedule”, “Scheduled” or “Scheduling” means the actions of a Party and/or its designated representatives, including each Party’s Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity of Energy to be delivered during any given portion of the Delivery Period at a specified Delivery Point.

“SDCP” means San Diego Community Power, a community choice aggregator as defined in Section 331.1 of the Public Utilities Code.

“Tax Certificate and Agreement” means the Tax Certificate and Agreement executed and delivered by CCCFA in connection with the issuance of the Bonds relating to certain federal income tax compliance requirements relating to the Prepaid Energy Project.

“Transmission Provider(s)” means any entity or entities transmitting or transporting Energy on behalf of a Party to or from an Energy Delivery Point.

“Trustee” means U.S. Bank Trust Company, National Association, and its successors as Trustee under the Indenture.

Section 2. Assignment Agreements. With respect to any Assignment Agreement, the Parties acknowledge and agree as follows:

(a) as of the date of this Agreement, SDCP has entered into the Initial Assignment Agreement specified in the Power Supply Contract with respect to its entire Contract Quantity;

(b) subject to the terms of the applicable Assignment Letter Agreement, SDCP may from time to time enter into additional Assignment Agreements with respect to all or a portion of its Contract Quantity; and

(c) SDCP shall determine, independent of CCCFA, when and if any Assignment Agreement is entered into or terminated and the underlying agreement and portion of its Contract Quantity to which such Assignment Agreement relates.

Section 3. Scheduling and Delivery of Assigned Energy. Assigned Energy and any other Assigned Product delivered to CCCFA under the Prepaid Energy Sales Agreement that is attributable to an Assignment Agreement(s) entered into by SDCP shall be attributable to SDCP under the Power Supply Contract, and CCCFA shall have no responsibility for (a) any Scheduling or other operational requirements necessary for the delivery of Assigned Energy to SDCP’s Assigned Delivery Point and the transfer of other Assigned Product to SDCP, or (b) any accounting for under-deliveries or over-deliveries or other record-keeping requirements with respect to any Assigned Energy and other Assigned Product, all of which shall be the sole responsibility of SDCP pursuant to the related Assignment Agreement(s).

Section 4. Qualified Use; Remarketing of Base Energy. As provided in the Power Supply Contract, any portion of SDCP’s Contract Quantity that is not delivered as Assigned Energy is required to be delivered as Base Energy and simultaneously remarketed by Energy Supplier pursuant to the Prepaid Energy Sales Agreement. SDCP shall be responsible for accounting for any portion of SDCP’s Contract Quantity deemed delivered as Base Energy and subsequently remarketed, including accounting for any remediation of any such remarketing sales as may be required pursuant to the Qualifying Use Requirements. SDCP agrees to provide to CCCFA any information reasonably requested by it in order to comply with any reporting or record-keeping requirements related to such deemed deliveries and remarketing of Base Energy, including such information relating to compliance with the Qualifying Use Requirements, as may be required pursuant to the Prepaid Energy Sales Agreement, the Indenture or the Tax Certificate and Agreement.

Section 5. CCCFA Commodity Swap. CCCFA shall not take any action to terminate or designate the early termination of the CCCFA Commodity Swap except in accordance with written instructions of SDCP or unless otherwise required under the terms of the Prepaid Energy Sales Agreement or the Indenture.

Section 6. Directions, Consents and Waivers. CCCFA may be requested or required from time to time to provide certain directions, consents, or waivers under the terms of the Prepaid Energy Sales Agreement, the Indenture and the Re-pricing Agreement. In the event any such direction, consent or waiver relates solely to the Contract Quantity and/or Power Supply

Contract of SDCP and no event of default has occurred and is continuing with respect to SDCP under the Power Supply Contract, such direction, consent or waiver shall only be provided by CCCFA in accordance with written instructions provided by SDCP.

Section 7. Re-pricing Information. CCCFA shall provide, or cause Energy Supplier to provide, to SDCP such information as is required to be provided by Energy Supplier to CCCFA in accordance the Re-pricing Agreement at such times as are required under the Re-pricing Agreement.

Section 9. Project Administration Fee; Reimbursement and Refund of Operating Expenses.

(a) Under the Bond Indenture, Operating Expenses (as defined in the Indenture) relating to the Clean Energy Project are to be paid from amounts deposited monthly into the Administrative Fee Fund for each annual period ending on January 1 of each year. CCCFA agrees that amounts allocated on behalf of SDCP annually into the Administrative Fee Fund equal to \$86,700 in the aggregate for each such annual period (the "Project Administration Fee"), shall be allocated to pay such Operating Expenses as the same become due and payable. In the event such allocated amounts available in the Operating Fund are not sufficient to pay such Operating Expenses when due, SDCP agrees to pay such additional amounts for deposit into the Administrative Fee Fund as are necessary to pay such Operating Expenses upon receipt of notice of the amount due from the Trustee or CCCFA.

(b) As soon as practicable following the end of each annual period referred to in paragraph (a), CCCFA agrees that the amounts received in respect of the Project Administration Fee for such annual period shall be reconciled with the Operating Expenses paid or accrued for such period. In the event that, following each such reconciliation, it is determined that the amounts received in respect of the Project Administration Fee during the applicable annual period exceed Operating Expenses paid or accrued for such period, SDCP will be provided written notice thereof and the amount of such excess will be included in its Annual Refund under the Power Supply Contract.


Section 10. Notices. Notices and other information to be provided by a Party to any other Party under this Agreement shall be provided in accordance with Article XVI of the Power Supply Contract.

Section 11. Governing Law. This Agreement and the obligations of the Parties hereunder shall be governed by and determined in accordance with the laws of the State of California.

Section 12. Counterparts. This Agreement may be executed and acknowledged in multiple counterparts and by the Parties in separate counterparts, each of which shall be an original and all of which shall be and constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY

By: 
Name: Garth Salisbury
Title: Treasurer/Controller

SAN DIEGO COMMUNITY POWER


By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY

By: _____
Name: Garth Salisbury
Title: Treasurer/Controller

SAN DIEGO COMMUNITY POWER

By:  _____
Name: Eric W. Washington
Title: Chief Financial Officer/Treasurer

ITEM 11

ATTACHMENT F

MEMORANDUM OF UNDERSTANDING (“MOU”)

Date: October 18, 2024

To: Dr. Eric Washington
Chief Financial Officer
San Diego Community Power
ewashington@sdcommunitypower.org

From: Morgan Stanley & Co. LLC (“Morgan Stanley” or the “Underwriter”)

Re: California Community Choice Financing Agency Prepay Transaction on behalf of San Diego Community Power

Overview

The California Community Choice Financing Agency (“CCCFA” or the “Issuer”) seeks to procure a 30-year supply of energy, through the issuance of Clean Energy Project Revenue Bonds (the “Bonds”) issued by CCCFA. CCCFA will sell all of the Prepaid Energy acquired from this transaction to San Diego Community Power (“SDCP” or the “Project Participant”).

Rating Agency Fees

Rating Agency Fees and expenses (“Rating Agency Fees”) are paid from the proceeds of the Bonds, with underwriting fees and expenses calculated as a discount on the par amount of Bonds. All fees, including Rating Agency Fees, are payable from the Bond proceeds.

In the event that the Bonds are not issued due to the SDCP Board or CCCFA Board not passing a resolution approving the transaction and there remains a Rating Agency Fee payable to the rating agencies, Morgan Stanley will pay the Rating Agency Fees.

Morgan Stanley shall have no responsibility for any fees or expenses incurred by CCCFA or the Project Participant, or their agents, employees, advisors or counsel, in connection with the issuance of the Bonds and the purchase of the Prepaid Energy, other than Rating Agency Fees as described in this MOU and as further described in the Bond Purchase Agreement (as defined herein).

Miscellaneous

The Project Participant acknowledges and agrees that: (i) the transaction contemplated by this MOU is, in each case, an arm’s length, commercial transaction between CCCFA and the Underwriter and CCCFA and the Energy Supplier, as applicable, in which the Underwriter and the Energy Supplier are each acting solely as a principal and not acting as a municipal advisor, financial advisor or fiduciary to CCCFA or the Project Participant; and (ii) CCCFA and Project Participant will consult their own legal, accounting, tax, financial and other advisors, as applicable, to the extent each has deemed appropriate.

SDCP acknowledges and agrees that Morgan Stanley is not making a commitment to extend credit, make a loan or otherwise fund the Bonds beyond the obligations contained in a mutually satisfactory bond purchase agreement (the “Bond Purchase Agreement”). SDCP acknowledges that the services provided under this MOU involve professional judgment on Morgan Stanley’s part and that the results cannot be, and are not, guaranteed.

Nothing contained herein shall preclude the Underwriter from carrying on its customary and usual business activities. The Underwriter specifically reserves the right, but is not obligated, to bid for and maintain secondary markets on any of CCCFA's outstanding bonds subject to appropriate information barriers. Services provided by the Underwriter in connection with this MOU shall not limit the Underwriter from providing services for CCCFA or the Project Participant in conjunction with other services requested by CCCFA or the Project Participant except as limited by rule of law or regulation.

In connection with services agreed to herein, it is understood that the Underwriter will render professional services as an independent contractor. Neither the Underwriter nor any of its agents or employees shall be deemed an employee of CCCFA or the Project Participant for any purpose.

Except as described in this paragraph, this MOU is intended to be, and shall be construed only as, a non-binding MOU, intent on summarizing and evidencing discussions between CCCFA, the Project Participant, and Morgan Stanley as of the date hereof. Except as described below, any legally binding obligation of the parties with respect to the transaction described herein shall exist only upon the execution and delivery of definitive agreements related thereto, into which this MOU and all prior discussions shall merge. It is expressly understood that this MOU is not a contract to execute any definitive agreements or to otherwise consummate the transactions described herein. The parties will cooperate in negotiating definitive agreements providing for the transactions contemplated by this MOU, but each party reserves the right of final approval or disapproval, for any reason, of the documentation relating to such agreements. Notwithstanding the foregoing, the provisions above under the headings "Rating Agency Fees" shall be binding upon the parties.

Sincerely,



Grant Fraunfelder, Executive Director
MORGAN STANLEY & CO. LLC

ACCEPTED AND AGREED:

San Diego Community Power

By: _____

Name: _____

Date: _____

ITEM 11

ATTACHMENT G

APPENDIX A

SAN DIEGO COMMUNITY POWER

Introduction

San Diego Community Power (“SDCP”) is a joint powers authority organized and existing under the Joint Exercise of Powers Act (constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500), as amended or supplemented from time to time) (the “*Joint Powers Act*”), as a “community choice aggregator” (“CCA”) as defined in Section 331.1 of the Public Utilities Code of the State of California, as amended (the “*Public Utilities Code*”). For a general description of “community choice aggregators” in California, see the section “COMMUNITY CHOICE AGGREGATORS” in this Official Statement.

Formation, History, and Purpose of SDCP

General. SDCP was created on October 1, 2019, under the name “San Diego Regional Community Choice Energy Authority” as a CCA in California under a Joint Powers Agreement, as amended, by and among the cities participating in SDCP and named therein (the “JPA”).

San Diego Community Power was established to provide electricity services at competitive rates to residents and businesses within the municipal boundaries of its member public agencies. Pursuant to its JPA, SDCP focuses on delivering a cleaner energy portfolio and achieving energy consumption reduction goals and the following key priorities:

- **Promotion of Renewable and Distributed Energy Resources:** SDCP prioritizes the use and development of local, cost-effective, renewable, and distributed energy sources, supporting local power generation and storage initiatives. Currently, SDCP procures clean energy from solar, wind, geothermal, large-hydro, and biomass sources.
- **Exclusion of Coal and Avoidance of Nuclear Contracts:** SDCP seeks to exclude coal and avoid entering into nuclear contracts as part of its overall procurement strategy.
- **Economic and Workforce Development:** SDCP aims to benefit the region economically by supporting workforce programs and development initiatives, such as working closely and collaboratively with local and regional developers and unions. This helps promote long-term electric rate stability and energy reliability for residents and businesses, by, for example, prioritizing local long-term power purchase agreements that lock in renewable energy supply around which SDCP can build its power supply portfolio while also providing power supply cost certainty.
- **Community Ownership and Energy Reliability:** SDCP promotes personal and community ownership of renewable generation and energy storage resources, in order to foster a sustainable and energy-independent future.

The parties to SDCP’s JPA consist of local governments whose governing bodies elect to join SDCP. Under the Public Utilities Code, when new parties join SDCP, all electricity customers in their jurisdiction, except those served under California’s Direct Access Program, automatically become SDCP’s customers for electric generation, provided customers are allowed to “opt-out.”

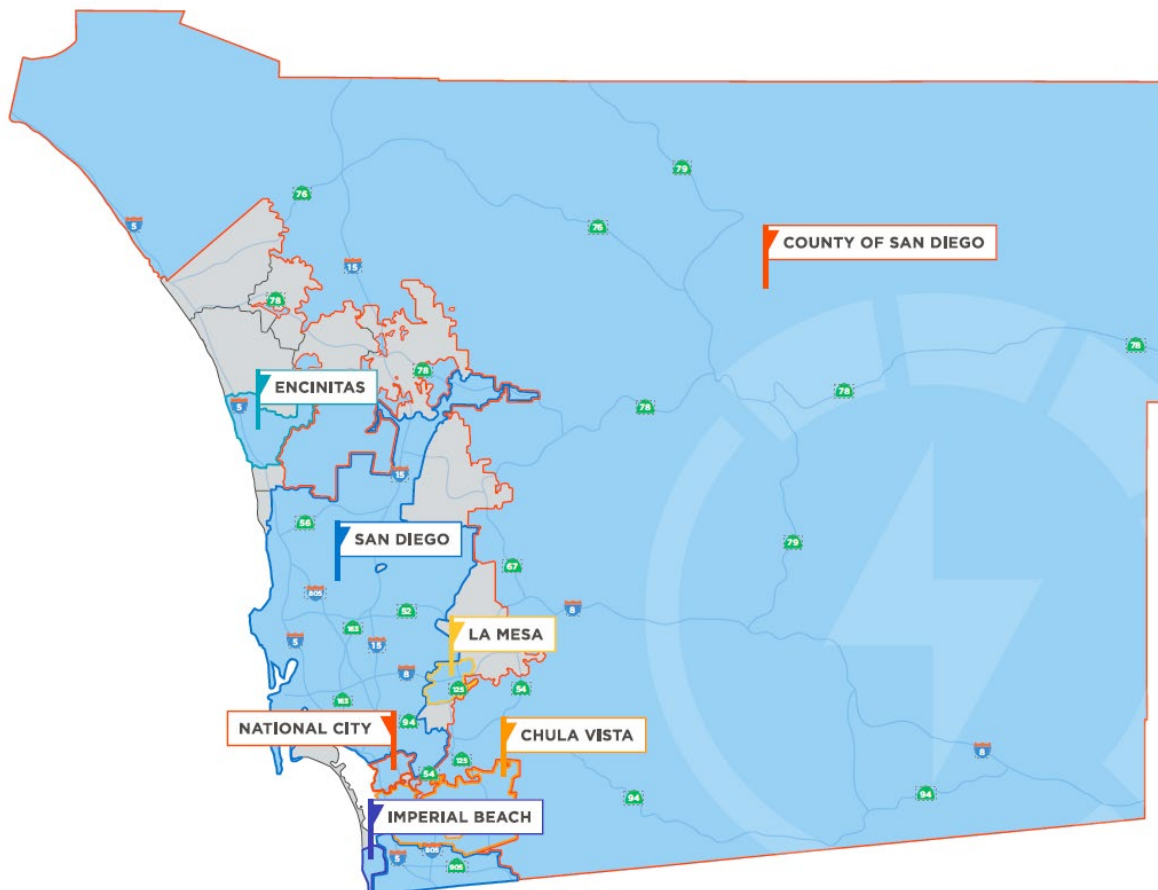
Commencement of Service and Expansion. SDCP began operations in March 2021 by serving approximately 600 municipal accounts. SDCP enrolled approximately 72,000 municipal and business customers in June 2021 (actual retail electricity sales in 2021 approximated 2,040,704 MWh and increased by approximately 176% to 5,624,296 MWh in 2022). SDCP enrolled approximately 700,000 residential customer accounts throughout 2022 across the city limits of San Diego, Chula Vista, La Mesa, Encinitas, and Imperial Beach. SDCP enrolled approximately 180,000 residential and non-residential customer accounts in National City and Unincorporated areas of San Diego County in 2023. As of September 30, 2024, SDCP was serving 955,488 active accounts and had about 7,689,751 MWh of retail sales for the previous 12 months.

Service Area

SDCP currently serves seven jurisdictions in the County of San Diego. These jurisdictions include six cities (including San Diego, Chula Vista, Encinitas, La Mesa, Imperial Beach, and National City) and the unincorporated communities of the County of San Diego. SDCP is responsible for acquiring electric power for its service area.

Service Area Map. The service area of SDCP is shown in blue on the map below:

MAP: COUNTY OF SAN DIEGO



Governance and Management

Board of Directors. SDCP is governed by a seven-member board of directors (the “*Board of Directors*”), with a board member from each of the seven jurisdictions in the County of San Diego. SDCP’s Board of Directors has the rights and powers to set rates for the services SDCP furnishes, incur indebtedness, and issue bonds or other obligations. SDCP’s local government structure ensures public transparency. The Board of Directors meets monthly to discuss matters related to the operation of SDCP. All meetings are open to the public, and public comments are encouraged.

Management.

Karin Burns, Chief Executive Officer. As Chief Executive Officer of SDCP, Karin Burns leads the 2nd largest community choice aggregator in California with a team of mission-driven professionals providing affordable, clean electricity to approximately 955,000 customer accounts in San Diego County. In this capacity, she oversees a budget in excess of \$1.0 billion, ensures sufficient and reliable clean power procurement, and develops and executes the organization’s strategic plan in collaboration with the Board and staff.

Before becoming CEO, Karin most recently served as Vice President of Corporate Development and Regional Vice President of the Pacific Region at Franklin Energy, a national provider of energy efficiency, demand response, electrification, and grid optimization solutions. Before Franklin Energy acquired its assets, Karin served as Chief Executive Officer of Build It Green, where she oversaw a team of 40+ personnel, managed a diverse set of programs across energy efficiency, workforce development, low-income solar and energy efficiency direct installation, healthy homes and reach codes for utilities and local governments.

Previously, Karin served as Executive Director of the nonprofit Code REDD, an environmental company she built into a globally recognized brand. She spearheaded strategic planning and operations, sourced funding from USAID and the McArthur Foundation, and built the successful Stand for Trees campaign.

Before leading high-growth organizations, Karin was a Managing Director at Ambata Capital, where she managed investment and advisory projects in electric vehicles, sustainable agriculture, green buildings, and clean energy. She was previously a Vice President at Gulf Capital, where she sourced, conducted due diligence, and invested in alternative energy, new media, and energy services companies across the Gulf Cooperation Council. She has served on several boards and advisory boards of non-profits, early-stage companies and investment funds from the U.S. to Asia. She began her M&A and corporate finance career at JPMorgan Chase in Hong Kong. Karin earned a Fulbright Scholarship to India, speaks multiple languages, and spent several years overseas in emerging markets from Brazil to China. She has earned Certificates in Energy Innovation and Innovation & Entrepreneurship from Stanford School of Engineering, an M.P.A. in international development from Harvard University, an M.B.A. in finance with distinction from Edinburgh Business School, and a B.A. with Honors from Duke University.

Dr. Eric Washington, Chief Financial Officer. Dr. Eric Washington manages SDCP's annual operating budget, capital investment plan, investment portfolio, and risk management functions. He helps SDCP balance decarbonization goals with the mandate of affordable clean energy at competitive rates. Eric led the development of strategies for SDCP that strengthened the organization's net asset position and cash flow. He was also critical in growing SDCP's net revenue from \$15 million to over \$1 billion in two years. Among his many contributions to SDCP, Eric spearheaded credit facility negotiations, increasing SDCP's credit access from \$35 million to \$150 million.

At various points in his career, Eric has managed the administration and compliance of a \$350 million nonprofit finance program, managed a \$158 million real estate loan portfolio, including construction finance to developers and acquisition finance to real estate investors, and built and managed a diverse team of professionals who provided corporate fiscal analyses, compliance monitoring, and finance reporting in support of several loan officers at various production offices.

Before his role at SDCP, Eric served as a military leader in the U.S. Navy for 26 years, fostering collaboration among diverse teams to meet organizational objectives. Eric also has 25 years of experience in corporate banking and finance. He has served as a vice president, senior credit manager, senior portfolio manager, and senior relationship manager at several regional banking institutions (including California Bank & Trust and Torrey Pines Bank). Eric received his Doctor of Education (Ed.D.) from San Diego State University, M.B.A. from Webster University, and a Bachelor of Science from Southern Illinois University, Carbondale.

Jack Clark, Chief Operating Officer. Jack Clark oversees the day-to-day financial and operational management of SDCP. He works closely with the CEO and CFO to operationalize and execute the strategy and vision for SDCP. Jack has over twenty years of overseeing energy, environmental, and cultural programming directed at developing solutions to climate change. Jack has overseen large-scale clean energy market transformation initiatives that help stabilize the relationship between people and the environment.

Before his role at SDCP, Jack was Vice President of Partnerships for commercial vehicle electrification infrastructure at Ideanomics. He was also Senior Director of Customer Programs at Clean Power Alliance of Southern California, California's largest community choice aggregator. Before his time at Clean Power Alliance, Jack was Vice President of Sustainable Energy Use at DNV GL.

Before that, Jack was the Deputy Director of the Energy & Sustainability Division at the City of San Diego, where he was responsible for implementing the City's comprehensive energy strategy, working with staff, other City departments, and community members to incorporate a broad range of energy efficiency, clean, renewable generation, and environmental quality issues into City operations and community programming. He oversaw the city operations of energy use of over 3500 accounts, billing, rates, Municipal Energy Plan, community energy and sustainability programs, compliance with the City Climate Action Plan, and Community Choice Aggregation feasibility analysis on San Diego's goal of reaching 100% Renewable Electricity by 2035.

Prior to his role with the City of San Diego, Jack was the Director of Programs at the Center for Sustainable Energy, where he led the organization's growth from a regional to a national non-profit focusing on strategy, development, and execution of renewable energy, energy efficiency, clean transportation, distributed generation, and advanced clean energy market transformation initiatives. Jack received a Master of Administration in Sustainable Planning and a Bachelor of Science in Anthropology and Environmental Sciences, both from Northern Arizona University.

Veera Tyagi, General Counsel. Veera Tyagi serves as the General Counsel for SDCP. In this capacity, Veera is responsible for ensuring compliance with general governance laws, regulatory requirements, and overseeing all contracting. Veera brings nearly twenty years of legal experience, primarily as in-house counsel for regulatory agencies, to SDCP. In that capacity, Veera handled various matters, including advising and ensuring compliance with the California Environmental Quality Act, the Federal and State Clean Air Acts, and other environmental laws, and in litigating actions in both federal and state courts that are brought under those laws. Veera also has extensive experience advising on general governmental law issues, including the Public Records Act, the Brown Act, and contract laws. Veera's background is a Bachelor's in Environmental Earth Systems Science from Queen's University, and a Juris Doctorate, Cum Laude from the University of La Verne College of Law. Veera is a member of the State Bar of California.

Byron Vosburg, Chief Commercial Officer. Byron Vosburg is responsible for managing SDCP's energy portfolio. His role includes overseeing bilateral purchases and sales of electricity through short-, medium-, and long-term contracts, as well as developing wholesale energy generation and battery storage facilities to meet SDCP's environmental and local development goals. Byron also administers requests for proposals and offers for energy projects, schedules electricity load and generation into the California Independent System Operator ("CAISO") markets, and ensures compliance with voluntary objectives and regulatory requirements, such as the Renewables Portfolio Standard. He also participates in the CAISO-administered Congestion Revenue Rights market and manages compliance with the California Public Utilities Commission's Resource Adequacy requirements.

Byron has thirteen years of experience in California's electric utility and Community Choice Aggregation industries and is highly skilled in developing and executing procurement strategies for CCAs. He began his career at Pacific Gas & Electric in the Energy Procurement group, where he worked in various departments, including Energy Contract Management & Settlements, Real-Time Operations, and Renewable Solicitations. In 2016, Byron joined Marin Clean Energy and took on power supply resource planning, origination, and contract administration responsibilities. From 2018 until he joined SDCP, Byron was with The Energy Authority ("TEA"), which focused on supporting the start-up and expansion of Clean Power Alliance of Southern California. At TEA, he managed short-term procurement efforts, including solicitation-based and bilateral procurement of energy hedging products, resource adequacy, renewable and carbon-free energy, and energy storage transactions, overseeing more than \$1.7 billion in transactions.

Byron holds a Bachelor of Science in Biological Sciences and a Master of Science in Civil and Environmental Engineering with a concentration in Atmosphere and Energy Studies from Stanford University.

Customers

General. SDCP currently provides energy to approximately 955,488 municipal, residential, commercial, and industrial accounts in its service area. SDCP's current customer base mix is approximately 40% residential, 38% medium and large commercial/industrial, 19% small commercial, and 3% agricultural and lighting-based.

Customer Energy Choices. As part of its ongoing efforts to provide clean energy at the greatest value for its customers, SDCP offers four service plans: PowerBase, PowerOn, Power100, and Power100 Green+. PowerBase is SDCP's most affordable service plan and is currently 45% renewable and currently priced as a 2.5% discount under SDG&E rates. PowerOn is 54% renewable. Power100 and Power100 Green+ are 100% renewable, carbon-free, and the latter is Green-e® certified. PowerOn is SDCP's default electricity service offering, and from a total annual bill perspective it is priced approximately 3% above SDG&E's offering. Most customers within SDCP's service territory are automatically enrolled in PowerOn, with the exception of the City of Encinitas, whereby per City Council decision, customers within its city limits are automatically enrolled in SDCP's Power100 service, which costs \$0.01/kWh more than PowerOn.

SDCP also offers Power100 and Power100 Green+, meaning that 100% of the power comes from clean, renewable sources. Customers can choose to opt- up to these options and purchase 100% renewable and carbon-free electricity at a slight premium. These options enable SDCP's customers to take a more significant step towards reducing their carbon footprint. Power100 Green+ provides 100% renewable, carbon-free, and Green-e® certified energy for businesses seeking LEED certification or requiring Green-e® certification to meet their corporate social responsibility goals. Power100 Green+ costs \$0.02 per kWh more than the standard PowerOn service level. Power100 Green+ allows customers to meet their organization's reliability standards. Residents and businesses that don't require specific certification can still get 100% renewable and carbon-free power through Power100.

In 2024, the average SDCP residential customer is projected to use 334 kWh per month so that PowerOn will cost the average residential customer \$6 per month above PowerBase. Compared to SDG&E's rates, PowerOn is expected to cost about \$4.50 per month extra for a typical residential customer. Compared to SDG&E's rates, Power100 is expected to cost about \$8 per month extra for a typical residential customer.

Customer Enrollment. Most customers within SDCP's service territory are automatically enrolled in PowerOn, except for the City of Encinitas, wherein the City Council voted to automatically enroll customers within its city limits in SDCP's Power100 service. Once enrolled, customers may opt up to Power100 or Power100 Green+ service, opt down to PowerBase service, or opt out of SDCP's service.

New Customers. FY 2023-24 was SDCP's first full year of operations, with its seven-member jurisdictions reaching full enrollment. There are no near-term plans for expansion.

Customer Election to Opt-out of Service. Customers have the right to opt out of SDCP service at any time and will not be charged any fees by SDCP if they opt out or cancel electric services. Customers who opt out before starting SDCP service or within the first 60 days of SDCP service may return to SDCP service at any time. Customers who opt out after the first 60 days of service with SDCP will be prohibited by SDG&E from returning to SDCP for one year and will be charged a one-time customer re-entry fee by SDG&E and will also be required to choose one of two options: an immediate return to SDG&E service, or a 6-month return to SDG&E service.

Cumulative Opt-Out Rate and Customer Retention. As of September 30, 2024, SDCP is serving a cumulative total count of 955,488 active accounts for a total participation rate of 95.5%. Customers with newly established accounts or who have moved into a new service address within any of SDCP's member jurisdictions receive two post-enrollment notices through the mail at their mailing address on file within 60 days of their account start date to notify them that they have defaulted to SDCP electric generation service.

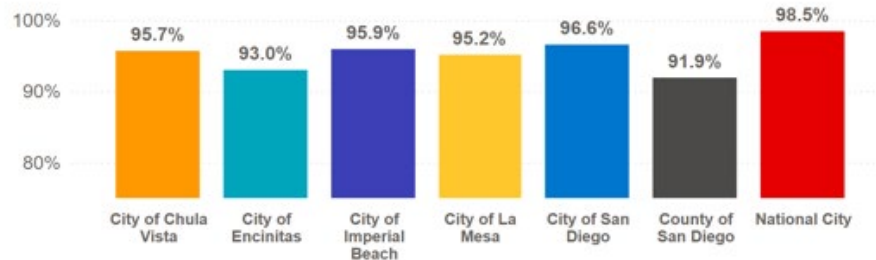
The following graphic illustrates SDCP's opt-out rate and customer retention data through September 30, 2024, reflected as a percentage of participation rates by jurisdiction.

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Enrolled Accounts	Participation Rate
955,488	95.5%

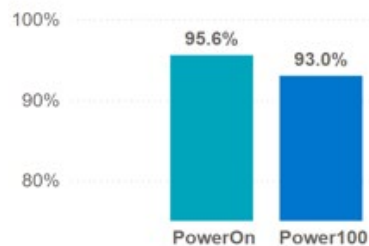
Participation

Participation by Jurisdiction



Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	98,604	94,359	95.7%
City of Encinitas	Power100	28,564	26,568	93.0%
City of Imperial Beach	PowerOn	10,909	10,467	95.9%
City of La Mesa	PowerOn	29,432	28,008	95.2%
City of San Diego	PowerOn	623,466	602,131	96.6%
County of San Diego	PowerOn	190,112	174,787	91.9%
National City	PowerOn	19,469	19,168	98.5%
Total		1,000,556	955,488	95.5%

Participation by Default Service Option



Residential vs Commercial Participation



Service Rates

General. SDCP electric generation rates are managed to provide cleaner electricity at competitive rates. SDCP's Board of Directors determines rates and SDCP's rates are not regulated by the California Public Utilities Commission (the "CPUC"). Any rate changes will be adopted at duly noticed public meetings of the SDCP Board of Directors. Under the terms of the Clean Energy Purchase Contract, SDCP covenants that it will establish, maintain, and set rates and charges to provide revenues sufficient to enable it to pay all amounts payable from the revenues of its operations and to keep any reserves as required by SDCP's reserve policies. SDCP further covenants pursuant to the terms of the Clean Energy Purchase Contract that it will not grant any lien or security interest in, or otherwise pledge or encumber revenues if the effect of such lien,

pledge or other encumbrance would result in such lien, pledge or encumbrance having priority over the obligations of SDCP under the Clean Energy Purchase Contract.

Determination of Rates for Energy. A customer's cost of electric service is determined by SDCP's charges for energy and SDG&E charges for transmission, distribution, and other non-by-passable charges. Changes to SDG&E or SDCP rates will impact cost comparisons between SDCP and SDG&E. SDG&E charges SDCP customers a monthly Power Charge Indifference Adjustment, which can vary annually based upon several market factors, including benchmarks for regional energy costs, resource adequacy, the year in which the community joined SDCP and other considerations, as well as a Franchise Fee Surcharge. SDCP has already accounted for these additional charges when calculating its commodity rates. Financial assistance programs like CARE (California Alternative Rates for Energy), FERA (Federal Electric Rate Assistance), and Medical Baseline Allowance remain the same for SDCP and SDG&E customers.

Current and Historical Rate Information. SDCP rates are designed to cover the costs of energy, resource adequacy, and operating costs, fund customer programs, and meet SDCP's reserve and liquidity goals, as described in its Reserve Policy.

On January 18, 2024, the Board of Directors approved rates for SDCP that included:

- A 17.7% year-over-year average decrease, from 2023 to 2024, in SDCP electricity generation rates across all customer classes.
- A 23.2% year-over-year average decrease, from 2023 to 2024, in SDCP electricity generation winter rates and a 12.3% year-over-year average decrease in summer rates across all customer classes.
- Rates that support SDCP to maintain its current reserve levels and to allow it to work toward a 180-day cash-on-hand reserve target, with the goal of providing financial stability and support a credit rating.

Subsequently, on May 30, 2024, the Board of Directors approved the new PowerBase product offering that was effective July 1, 2024, which provided:

- A 2.5% discount for July through December 2024, compared to SDGE's current rates as of March 1, 2024.
- A pathway for customers to return to SDCP's standard service, PowerOn, or opt-up to Power100 more easily than if they opted out of SDCP service entirely.
- Supports SDCP's mission to provide an affordable option that is cleaner than the competition.
- 100% renewable energy by 2035 or sooner through customer retention, especially for price-sensitive customers.

On May 30, 2024, the Board of Directors approved the Power100 Green+ product offering, a stand-alone, 100% renewable, carbon-free energy service that is Green-e® certified. Power100 Green+ is priced as a \$0.02/kWh adder to the PowerOn service and allows SDCP customers to earn LEED Tier 2 or 3 points in the renewable energy category. Initially, Power100 Green+ is only available to commercial and industrial customers.

California Renewable Portfolio Standards and Other Regulations

General. Community choice aggregators such as SDCP are “load-serving entities” (“LSEs”) and, as such, are required to comply with California’s Renewable Portfolio Standard, Resource Adequacy requirements, and Power Source Disclosure requirements described below.

Renewable Portfolio Standard. California’s Renewable Portfolio Standard (“RPS”) requires LSEs to supply their retail sales with minimum quantities of eligible renewable energy. Senate Bill 100 directs all LSEs to procure 60% of their portfolios from RPS-eligible resources by 2030 and 100% of their retail sales from zero-carbon resources (or eligible renewable resources) by 2045. In 2022, SDCP met 59.3% of its total retail sales with eligible RPS resources, above the 2022 RPS percentage target of 38.5%.

Resource Adequacy. Resource Adequacy (“RA”), a California program jointly administered by the CPUC and CAISO, directs LSEs to secure forward capacity and offer it into the CAISO’s Day-Ahead and Real-Time markets to ensure that there will be enough supply at suitable locations and with sufficient ramping capability to meet load. The RA program is comprised of System RA, Local RA, and Flexible RA. Local RA obligations have been assigned to a Central Procurement Entity as of 2023. In addition, per CPUC Decisions 19-11-016, 21-06-035 and 23-02-040, LSEs are required to procure “Incremental System Capacity,” which is RA capacity from non-emitting, storage, and renewable resources that are in addition to the resources identified on a baseline list respective to each Decision. SDCP has a strong track record of meeting its RA obligations, falling short only during periods of extreme resource scarcity. SDCP expects to meet its future RA obligations through its Energy Risk Management Policy to the extent that supply is available in the bilateral markets.

Power Source Disclosure. California law requires LSEs to disclose the types of power resources used to supply retail sales. This mandate, known as the Power Source Disclosure Program (“PSD”), is a consumer information program the California Energy Commission manages annually. The Power Content Label (“PCL”) is a crucial output of the PSD program. The PCL is an LSE-specific document that shows the breakdown of power resource types for each of the LSE’s energy products used to serve retail load and a breakdown of resource types for the overall California grid. The PCL is distributed to customers each year.

Energy Demand

Long-Term Load Forecast. SDCP’s long-term load forecast is a projection of the electricity that SDCP’s customers will consume. SDCP’s long-term load forecast considers the number and types of customers that SDCP expects to serve, historical electricity use patterns, temperature, and other weather conditions, as well as trends in energy efficiency, behind-the-meter, rooftop solar and electric vehicle adoption, appliance electrification, and other factors.

The table below shows SDCP’s long-term load forecast for 2024-2034 based on SDCP’s 2023 RPS Compliance Report filed with the CPUC on January 25, 2024.

Table 1: SDCP's 2024-2034 Load Forecast (MWh)

Year	Load Forecast
2024	7,962,503
2025	8,094,390
2026	8,239,804
2027	8,386,117
2028	8,428,047
2029	8,470,187
2030	8,512,538
2031	8,555,101
2032	8,597,877
2033	8,640,866

Sources of Energy

General. In its procurement of energy supplies, SDCP prioritizes using and developing local renewable resources, stimulating local job creation through various programs and development, promoting personal and community ownership of distributed renewable resources, and promoting long-term electric rate stability and energy reliability for residents and businesses.

Energy Purchases. During the ordinary course of business, SDCP purchases electrical power from numerous suppliers. Electricity costs include the cost of energy and capacity arising from bilateral contracts with energy suppliers, generation credits, load, and other charges stemming from SDCP's participation in the CAISO's centralized market.

As SDCP strives to meet its environmental, financial, and regulatory compliance goals and requirements, long-term power purchase agreements ("PPAs") are becoming integral components of its energy supply portfolio. Long-term PPAs provide renewable generation facility developers with a specific revenue stream against which they can finance upfront capital requirements, so each long-term PPA that SDCP signs with a developing facility will underpin a new, incremental renewable energy project. In addition, long-term PPAs lock in renewable energy supply around which SDCP can build its power supply portfolio while providing cost certainty so that SDCP can develop its pro forma financial model. Moreover, the California RPS, modified in 2015 by Senate Bill 350, requires that SDCP provide 65% of its RPS-required renewable energy from contracts of at least ten years. Finally, in D.21-06-025, the CPUC required each LSE in California to make significant long-term purchase commitments for resource adequacy from new, incremental generation facilities that will achieve commercial operation during 2023 through 2026 for purposes of "Mid Term Reliability". These requirements have been augmented and extended into 2026 and 2027 via CPUC's D.23-02-040. Over the past 18 months, SDCP staff released two requests for proposals ("RFPs") for eligible Renewable Energy resources, including an RFP for Stand Alone Storage projects in pursuit of long-term contracts for renewable energy. SDCP evaluated other contracting opportunities to meet SDCP's procurement goals. The SDCP Board, through August 2024, has approved contracts for over 1,600 MW of renewable generation and over 1,000 MW of storage capacity. SDCP staff continues to negotiate with several other developers for additional renewable energy resources expected to be online between 2025 and 2029. Under CAISO's revisions to their cluster study process for interconnecting future projects, SDCP staff issued an

RFP for CAISO Cluster 15 projects, which will serve to select renewable and storage projects that SDCP is most interested in getting studied by the CAISO. SDCP staff and the Energy Contracts Working Group (the “ECWG”) evaluate all RFP submissions before entering into negotiations with selected participants. Assuming that SDCP staff and shortlisted developer(s) can agree to mutually agreeable contracts consistent with terms authorized by the ECWG, SDCP staff then review the draft terms with the SDCP Board for approval and authorization for the CEO to execute the relevant documents.

SDCP also has an open request for information regarding local projects (“RFI”). The RFI has yielded eight board-approved contracts for local generation and storage facilities in the last twelve months. SDCP also released a request for offers (“RFO”) for distributed renewable energy resources (“DERs”), which focuses on a broad range of distribution-level renewable projects within San Diego County.

Energy Load and Supply Risk Management. Through SDCP’s Energy Risk Management Policy, SDCP measures and updates its risks using various tools that model programmatic financial projections, market exposure, risk metrics, and short-term budget updates. The following items are measured, monitored, and reported:

- Mark-to-Market Valuation – marking to market determines the current value of contracted energy supply.
- Exposure Reporting – calculates the notional dollar risk exposure and value at risk of open portfolio positions at current market prices.
- Open Position Monitoring— calculates/monitors open positions for all energy and capacity products monthly. If energy open positions for the month following the then current month (prompt month) exceed 10% of the load, SDCP will solicit market energy to close open positions and make a commercial decision to close the position.
- Counterparty Credit Exposure – calculates the notional and mark-to-market exposure to each SDCP counterparty by deal and in the aggregate. Counterparty exposure reporting includes contingent collateral posting risks arising from changes in market prices and other factors.
- Reserve Requirement Targets – no less than once per year, SDCP staff monitors SDCP’s financial reserves to ensure that they meet the targeted thresholds.

SDCP manages market price risk using its planning models, which define forecasted load, energy under contract, and SDCP’s open positions across various energy product types, including renewable energy (Portfolio Content Category I, II, and III), carbon-free energy, and system power relative to SDCP’s procurement targets.

Generally, SDCP manages its exposure to energy suppliers by exhibiting a preference for counterparties with investment-grade credit ratings as determined by Moody’s or S&P Global Ratings and using security requirements in the form of cash or letters of credit. SDCP measures its mark-to-market counterparty credit exposure in a way consistent with industry best practices.

SDCP manages energy delivery risks by ensuring that contracts include appropriate contractual penalties for non-delivery and acquiring energy from a geographically and

technologically diverse portfolio of generating assets (with a range of generation profiles generally complementary to how SDCP's customers use electric power). Due to known production variability and supply uncertainty related to renewable and other carbon-free energy products, SDCP includes planning margins in procuring such products to ensure that related targets/mandates are achieved.

SDCP manages load forecasting and related weather risks by contracting with qualified data management and scheduling coordinators. These coordinators independently or jointly provide the systems and data necessary to forecast and schedule load using good utility practice. Load variability is also considered when establishing appropriate planning margins for renewable and carbon-free energy sources.

SDCP manages its regulatory and legislative risk through active participation in working groups and advocacy coalitions, such as the California Community Choice Association. SDCP also regularly participates in regulatory rulemaking proceedings and legislative affairs to protect its interests.

Procurement. All contracting for energy and energy-related products for SDCP, including but not limited to electricity, capacity, energy efficiency, distributed energy resources, demand response, and storage, are overseen by SDCP's Power Services department. All contracts are further reviewed and approved by SDCP's CEO and General Counsel. SDCP procures energy and RA in a way that is consistent with its Energy Risk Management Policy. Procurement is conducted through market-based transactions for products including Fixed Price Energy, Portfolio Content Category 1 Renewable Energy, Portfolio Content Category 2 Renewable Energy, Carbon-Free Energy, and RA Capacity, as well as through longer-term PPAs entered into under statutory requirements as well as voluntary long-term resource acquisition decisions made independently by SDCP under its Integrated Resource Plan or other Board or Director-approved strategies.

Short-term procurement is conducted through participation in the CAISO and bilateral markets. SDCP may use various methods to procure long-term contracts, including competitive solicitations, bilaterally negotiated agreements, or regulatory proceedings, with oversight, including shortlist approvals or procurement recommendations, provided by the ECWG of the Board. Specific long-term procurement (e.g., contract terms longer than three years) is subject to Board approval.

Long-term Contracts. SDCP has contracted for ~1,174 MW of net-qualifying capacity procured to date for renewable energy generation and energy storage projects, identified in the table below, with expected commercial operations between 2024 and 2027.

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Developer/ Project	Guaranteed Commercial Operation Date	Nameplate	Type
Ormat / Pomona 2	Online	10 MW	Storage (2-hour)
Arevon / Vikings Energy Farm	Online	136.8 MW-AC Generating Facility and 145.5 MW-AC / 582 MWh Storage Facility	Solar + Storage
Pattern / Duran Mesa	Online	50 MW	Wind
Intersect / Oberon II	Online	75 MW	Solar
Ormat / Arrowleaf Solar and Storage	4/15/25	42 MW-AC Generating Facility and 35 MW-AC / 140 MWh Storage Facility	Solar + Storage
NextEra / Yellow Pine	Solar: 10/1/25 Storage: 6/1/25	35 MW-AC Generating Facility and 35 MW-AC / 140 MWh Storage Facility	Solar + Storage
SBE / Athos	1/1/26	30 MW	Storage
Aypa / Vidal	3/1/26	160 MW (solar) 160 MW (storage)	Solar + Storage
Arevon / Avocet	4/15/26	200 MW	Storage
MRP / Border	6/1/26	52 MW	Storage (1-hour)
MRP / Enterprise	6/1/26	52 MW	Storage (1-hour)
Wellhead / CVEC2	6/1/26	49.7 MW	Storage
Baywa / JVR Energy Park	10/31/26	90 MW-AC solar photovoltaic Generation Facility combined with a 70 MW-AC / 280 MWh- AC DC-coupled battery energy storage facility	Solar + Storage
Pattern / SunZia	3/31/27	150 MW	Wind
NextEra / Desert Sands	4/1/27	60 MW	Long Duration Storage
SBE / Pelicans Jaw	4/1/27	440 MW (solar) 238.5 MW (storage)	Solar + Storage
Nobel Solar / Purple Sage	6/30/27	400 MW (solar) 400 MW (storage)	Solar + Storage
Avantus / Big Rock 2	12/31/27	74 MW	Storage

Information Technology and Data Analytics

SDCP's Information Technology ("IT") and Data Analytics Department comprises professionals who handle all aspects of information technology management, cloud infrastructure, and cyber security. This department is building a secure data platform that will enable and empower SDCP staff to develop full-scale in-house data management, data engineering, data science, and analytics capabilities. SDCP's IT and Data Analytics department initiated digital and data transformation in the second quarter of 2024 and has implemented modern tools to improve business operations and staff productivity. SDCP's IT and data analytics teams focus on developing core operational competencies such as an Energy Trade & Risk Management application or Distributed Energy Resource Management platform to deliver efficiencies, simplifications, and cost savings for SDCP customers. Since the first quarter of 2024, SDCP's IT and Data Analytics department has hired several staff members to provide world-class information technology and data analytics capabilities to meet SDCP's clean energy goals.

This department also oversees and is accountable for developing additional IT policies and standards, including responsible Artificial Intelligence and Cyber Security, identifying risk areas, and helping all personnel comply with policies and standards. All SDCP staff are responsible for reporting any noncompliance to management. SDCP makes information technology accessible only to authorized employees or designated vendors as needed, and only for authorized agency purposes.

SDCP's IT and Data Analytics department has begun a holistic cyber security program leveraging the NIST 800 framework and ISO 27001 standards. SDCP's current and new cyber security standards work to minimize threats and exposure to its assets and information. SDCP additionally holds cybersecurity insurance coverage.

Financial Information

Revenues from Energy Sales and Operating Expenses. SDCP's operating revenues are from selling electricity to commercial and residential customers throughout its territory. SDCP reports its revenue net of uncollectible accounts. In alignment with SDCP's reserve policy and strategic goals, SDCP set rates in 2023 and 2024 sufficient to grow revenue and net income to reach its 180-day cash-on-hand goal. Additionally, the inclusion of the majority of customers from the City of National City and the County of San Diego for the entire year in FY 2022-23 resulted in an increase in revenue from FY 2021-22.

Other Sources of Revenue. In 2023, SDCP began receiving grant revenue from the California Public Utilities Commission Disadvantaged Communities-Green Tariff and Community Solar Green Tariff programs, which enable residential customers in disadvantaged communities who may be unable to install solar on their roof to benefit from a local solar project and receive a 20% bill discount. This funding originates from California Greenhouse Gas Auction Proceeds and Public Purpose Program funds.

In 2024, SDCP was also awarded \$710,000 in grant funding from the California Department of Food and Agriculture to support its provision of technical assistance and

refrigeration units to stock healthy food at stores in low income or low food-access areas throughout its service territory.

SDCP additionally derives revenue from investment income. As SDCP's operating reserves have grown, its investment income has also grown in lockstep as SDCP invests its reserves in interest-bearing accounts consistent with SDCP's Investment Policy approved by the SDCP Board on June 27, 2024.

Financial Statements. For financial information related to SDCP, see the annual audited financial statements of SDCP for the fiscal years that ended June 30, 2023 and June 30, 2022, which are available on the SDCP website.

Financial Reserves. SDCP maintains financial reserves, pursuant to the Financial Reserve Policy adopted by the Board of Directors, to be able to (a) meet SDCP's strategic objectives; (b) secure, maintain, and improve a standalone investment grade credit rating; (c) secure favorable terms with vendors, including power producers; (d) satisfy working capital requirements; (e) adhere to contractual covenants; (f) provide funds to cover unanticipated expenditures and; (g) support rate stability.

Operating Reserve. SDCP maintains a reserve goal to secure 180 days of cash-on-hand held as unrestricted cash. Unrestricted cash equals total cash less cash held in accounts that are restricted from use (e.g., as collateral or by covenant). The contribution to operating reserves is determined through SDCP's annual budget process as defined in the agency's Budget Policy and SDCP's rate-setting process as defined in the agency's Rate Development Policy. To the extent that SDCP can meet operational expenses and maintain competitive rates, it will establish rates and adopt budgets to build and maintain its operating reserves at or above the 180-day cash-on-hand target level.

Risk Management. SDCP maintains a comprehensive risk management framework to identify and mitigate credit, liquidity, market, operational, regulatory, and other risks associated with participation in the California energy market. The framework employs credit risk strategies, including a preference for transacting with investment-grade counterparties, establishing credit limits, and securing collateral when necessary. SDCP utilizes hedging strategies, netting arrangements, and liquidity monitoring to address market risks. Internal controls and compliance mechanisms are in place to manage operational and regulatory risks, ensuring adherence to legal and market regulations. Risk monitoring and oversight are continuously performed through frequent reporting, with critical risks communicated promptly to stakeholders. This integrated approach enables SDCP to maintain a balanced risk profile while adapting to evolving market conditions.



SAN DIEGO COMMUNITY POWER Staff Report – Item 12

To: San Diego Community Power Board of Directors

From: Joe LaCava, Chair

Subject: Updates to San Diego Community Power Board and Committee Compensation and Reimbursement Policy

Date: November 21, 2024

RECOMMENDATION

Adopt Resolution No. 2024-10 amending San Diego Community Power Board and Committee Compensation and Reimbursement Policy to increase the per diem compensation for the Board of Directors, define the list of meetings eligible for compensation, and include additional clarifying edits, effective January 1, 2025.

BACKGROUND

A reimbursement policy was initially adopted by the Board of Directors on February 24, 2022, to provide per diem compensation to Directors (including Alternates) for attending Community Power Board meetings and reimbursement for actual and necessary expenses under certain circumstances. The Board has since amended the policy on three occasions. The amendments included adding reimbursement for childcare expenses in relation to Directors' attendance at special meetings of the Board of Directors, to provide per diem compensation for Directors' attendance at meetings of Board committees, and to include Board-appointed advisory committees, among other changes. The last amendment was on February 23, 2023.

At the August 22, 2024, meeting, the Board of Directors established an Ad Hoc Committee consisting of three (3) Board Members; Chair LaCava, Directors Aguirre and Yamane, to review and recommend possible amendments to the Community Power Board and Committee Compensation and Reimbursement Policy.

ANALYSIS

It has been over a year since the Community Power Board and Committee Compensation and Reimbursement Policy has been reviewed. During this time, Community Power has grown, and the Board of Directors are increasingly participating in Community Power meetings and activities. California Government Code section 53232.2 authorizes local public agencies to adopt written policies authorizing reimbursement for actual and

necessary expenses incurred in the performance of official duties and to establish reimbursement rates for the agency.

The Board and Committee Compensation and Reimbursement Policy Ad Hoc Committee met on October 3, 2024, to review whether the Board of Directors are being adequately compensated for their time spent on work related to Community Power, and considered additional changes. Pursuant to that meeting, the Committee is recommending the following amendments:

- Authorize per diem compensation of \$300 for Members of the Board of Directors for attendance at meetings and other official business of Community Power. The proposed compensation amount is consistent with the amount provided to members of Orange County Power Authority.
- Provide further definition and clarity on the types of official business by Members of the Board of Directors that are eligible for per diem compensation (e.g., scheduled meetings with Community Power staff and meetings with members of the public or public agencies on behalf of Community Power).
- Clarify that any additional reimbursements that do not fall within specifically identified categories require pre-approval by the Board of Directors in a public meeting.

COMMITTEE REVIEW

Board and Committee Compensation and Reimbursement Policy Ad Hoc Committee recommends approval.

FISCAL IMPACT

The likely financial impact is approximately \$50,400 per year.

ATTACHMENTS

Attachment A: Resolution No. 2024-10 Amending the Board and Committee Compensation and Reimbursement Policy.

Attachment B: Proposed Amended Board and Committee Compensation and Reimbursement Policy-Redlined.

Attachment C: Proposed Amended Board and Committee Compensation and Reimbursement.

ITEM 12

ATTACHMENT A

RESOLUTION NO. 2024-10

**A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO
COMMUNITY POWER AMENDING THE BOARD AND COMMITTEE
COMPENSATION AND REIMBURSEMENT POLICY TO INCREASE THE
PER DIEM COMPENSATION FOR THE BOARD OF DIRECTORS,
FURTHER DEFINING OFFICIAL COMPENSABLE BUSINESS, AND
MAKING OTHER CHANGES**

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

B. Section 5.10 of the JPA Agreement provides that “the Board may establish rules, regulations, policies, or procedures to govern any such commissions, boards, or committees and shall determine whether members shall be compensated or entitled to reimbursement for expenses.”

C. Government Code section 53232 *et seq.* provides that, when authorized by statute, local agencies may pay compensation to members of a legislative body for attendance at certain occurrences and to reimburse members of a legislative body for actual and necessary expenses incurred in the performance of official duties, including the activities described therein.

D. Pursuant to Government Code section 6509 and Section 3.4 of the JPA Agreement, Community Power’s powers are subject to the restrictions upon the manner of exercising power possessed by the City of Encinitas, a general law city which is authorized by statute to provide compensation and reimbursement for members of its legislative bodies.

E. On February 4, 2022, the Community Power Board of Directors adopted an initial Board Compensation and Reimbursement Policy effective March 1, 2022, and further renamed as the “Board and Committee Compensation and Reimbursement Policy”, and amended, on February 23, 2023, with an effective date of March 1, 2023.

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

Section 1. The Board of Directors hereby amends the Board and Committee Compensation and Reimbursement Policy as provided in Exhibit A, attached hereto and incorporated herein.

Section 2. If any provision of this resolution, the attached policy, or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the resolution or policy which can be given effect without the invalid provision or application, and to this end the provisions of this resolution

and the policy are severable. The Board of Directors hereby declares that it would have adopted this resolution and the attached policy irrespective of the invalidity of any particular portion thereof.

Section 3. This resolution shall take effect on January 1, 2025.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on November 21, 2024.

Chair, Board of Directors
San Diego Community Power

ATTEST:

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

APPROVED AS TO FORM:

Veera Tyagi, General Counsel
San Diego Community Power

ITEM 12

ATTACHMENT B



San Diego Community Power

Board and Committee Compensation and Reimbursement Policy

Effective Date: ~~March 1, 2023~~ January 1, 2025
Adopted/Amended by Resolution ~~2023-02-10~~ 2024-02-10

PURPOSE

This policy ("Policy") establishes the terms and conditions for members of the Board of Directors and Board-appointed advisory committees to receive per diem compensation and reimbursement of reasonable and necessary expenses when performing their official duties on behalf of Community PowerSDCP. This Policy is adopted pursuant to Government Code Section 53232 *et seq.* and must be adopted or amended by resolution.

POLICY

1. Per Diem Compensation for the Board of Directors and Advisory Committee Members.

- a. Directors' Per Diem and Eligible Meetings. Members of the Board of Directors ("Directors") shall be entitled to receive per diem compensation as follows:

i. ~~\$300~~ \$150 per day for attending meetings of the Board of Directors or Board committees, including standing and ad hoc committees.

ii. \$300 ~~\$400~~ per day while on official business of Community Power, not including meetings of the Board of Directors or Board committees as provided in (i) above. Official business includes, but is not limited to:

1. Scheduled meetings with SDPD staff, including but not limited to briefings.
2. Meetings with members of the public or other public agencies regarding any pending or proposed matter within SDPD's purview.
3. Visits of electricity generating facilities, including for purposes of attending ceremonial events, when presence is requested by Community Power staff.
4. Participation in radio, television, or other mass media, on issues within Community Power's purview, when participation is requested by Community Power staff.

~~4-5.~~ Attendance at meetings or conferences on Community Power - specific or energy-related matters, when attendance is approved by the Board Chair.

- b. Alternates. An alternate director ("Alternate") shall be entitled to receive per diem compensation where the Alternate attends a meeting in place of the regular Director and may receive reimbursement of expenses on the same terms and conditions as Directors under Section 2. Alternates shall be subject to the terms and conditions applicable to Directors in requesting and receiving per diem compensation or reimbursement under this Policy.
- c. Advisory Committee Members' Per Diem and Eligible Meetings. Members of Board-appointed advisory committees ("Advisory Committees"), including the Community Advisory Committee, shall be entitled to receive per diem compensation as follows:

- i. \$100 per day for attending meetings of Advisory Committees.
- d. Claim Forms. All per diem requests must be submitted to the Secretary or their designee on a claim form provided by the Secretary within sixty (60) days of the date for which a per diem is requested.
- e. Limitations.
 - i. Directors and Members of Advisory Committees shall not receive more than four (4) per diem payments in any calendar month.
 - ii. Directors to whom [Community PowerSDCP](#) would pay a per diem under this Policy shall not receive a per diem if they are otherwise eligible to receive a per diem from their respective appointing agency for attendance at [Community PowerSDCP](#) meetings under this Policy.

2. Reimbursement of Reasonable and Necessary Expenses.

- a. Attendance at Meetings and Events on Behalf of [Community PowerSDCP](#). Directors and Advisory Committee Members may receive reimbursement for actual and necessary expenses, which may include but not be limited to, travel, meals, lodging, registration, and other expenses incurred in the performance of official duties, for attendance at:
 - i. Each meeting of other governmental entities and public agencies at which the Director or Advisory Committee Member have been designated by the Board of Directors to represent [Community PowerSDCP](#);
 - ii. A conference or organized educational activity conducted in compliance with Government Code Section 54952.2(c) at which the Director or Advisory Committee Member have been approved by the Board of Directors to attend; and
 - iii. Other additional meetings or activities at which the Director has been designated by the Board of Directors to represent [Community PowerSDCP](#).
- b. Rates of Reimbursement. Actual and necessary travel, meals, lodging, and other expenses incurred in the performance of official duties as authorized under this Policy shall be reimbursed at the rates established in Internal Revenue Service Publication 463 or any successor publication, except as limited below:
 - i. For mileage reimbursement using a private vehicle, a Director's mileage costs shall not exceed the cost of coach class airfare plus costs of transportation to and from the airport at the point of departure and destination. Mileage reimbursement shall be equal to the standard rate in effect for business miles deduction by the Internal Revenue Service, as such rate is established from time to time.
 - ii. For lodging in connection with a conference or other organized educational activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available at the time of booking. If the group rate is not available, the Director shall use comparable lodging consistent with this Policy.

- iii. Directors shall use government and group rates offered by a provider of transportation or lodging services for travel and lodging whenever available.
- iv. If a Director chooses to incur additional costs that are above the rates established under this Policy, or are not otherwise pre-approved by the Board, then the Director may do so at their own expense.
- c. Child Care Expenses During Special Board Meetings. Directors may receive reimbursement for actual and necessary child care expenses incurred during the Director's attendance at any meetings of the Board of Directors other than regular Board meetings. Advisory Committee Members may receive reimbursement for actual and necessary child care expenses incurred during the Advisory Committee Member's attendance at any meetings of the Advisory Committee other than regular monthly meetings. The reimbursement rate for child care expenses shall not exceed \$20 per hour. If a Director or Advisory Committee Member chooses to incur additional costs that are above this rate, or are not otherwise pre-approved by the Board, then the Director or Advisory Committee Member may do so at their own expense.
- d. Pre-Approval by Board of Directors. ~~Except for reimbursements authorized under subsection (c), all~~ All expenses that do not fall within the rates provided in subsection (b) or (c) the rates provided therein shall be approved by the Board of Directors in a public meeting before the expense is incurred. ~~reimbursements under this Policy shall be approved by the Board of Directors in a public meeting before the expense is incurred. All expenses that do not fall within subsection (b) or (c) the rates provided therein shall be approved by the Board of Directors in a public meeting before the expense is incurred.~~
- e. Claim Forms. All expense reimbursement claims must be submitted to the Secretary or their designee within sixty (60) days of incurring the expense on a claim form provided by the Secretary. Claim forms for expense reimbursement shall be accompanied by the receipts documenting each expense. If no receipt is available, a written explanation and other proof of the expenditure (if available) is required.
- f. Reporting. Directors and Advisory Committee Members shall provide brief reports on attendance at meetings or events subject to reimbursement, excluding attendance at Community Power Board and Committee meetings or briefings, at the next regular meeting of the Board.
- g. Training Requirements. Directors and Advisory Committee Members eligible to receive per diem compensation or reimbursement of expenses under this Policy shall receive ethics training and sexual harassment prevention training in accordance with Government Code sections 53234 *et seq.* and 53237 *et seq.*

ITEM 12

ATTACHMENT C



San Diego Community Power

Board and Committee Compensation and Reimbursement Policy

Effective Date: January 1, 2025

Adopted/Amended by Resolution 2024-10

PURPOSE

This policy ("Policy") establishes the terms and conditions for members of the Board of Directors and Board-appointed advisory committees to receive per diem compensation and reimbursement of reasonable and necessary expenses when performing their official duties on behalf of Community Power. This Policy is adopted pursuant to Government Code Section 53232 *et seq.* and must be adopted or amended by resolution.

POLICY

1. Per Diem Compensation for the Board of Directors and Advisory Committee Members.

- a. Directors' Per Diem and Eligible Meetings. Members of the Board of Directors ("Directors") shall be entitled to receive per diem compensation as follows:
 - i. \$300 per day for attending meetings of the Board of Directors or Board committees, including standing and ad hoc committees.
 - ii. \$300 per day while on official business of Community Power, not including meetings of the Board of Directors or Board committees as provided in (i) above. Official business includes, but is not limited to:
 1. Scheduled meetings with SDPD staff, including but not limited to briefings.
 2. Meetings with members of the public or other public agencies regarding any pending or proposed matter within SDPD's purview.
 3. Visits of electricity generating facilities, including for purposes of attending ceremonial events, when presence is requested by Community Power staff.
 4. Participation in radio, television, or other mass media, on issues within Community Power's purview, when participation is requested by Community Power staff.
 5. Attendance at meetings or conferences on Community Power -specific or energy-related matters, when attendance is approved by the Board Chair.
- b. Alternates. An alternate director ("Alternate") shall be entitled to receive per diem compensation where the Alternate attends a meeting in place of the regular Director and may receive reimbursement of expenses on the same terms and conditions as Directors under Section 2. Alternates shall be subject to the terms and conditions applicable to Directors in requesting and receiving per diem compensation or reimbursement under this Policy.
- c. Advisory Committee Members' Per Diem and Eligible Meetings. Members of Board-appointed advisory committees ("Advisory Committees"), including the Community Advisory Committee, shall be entitled to receive per diem compensation as follows:
 - i. \$100 per day for attending meetings of Advisory Committees.

- d. Claim Forms. All per diem requests must be submitted to the Secretary or their designee on a claim form provided by the Secretary within sixty (60) days of the date for which a per diem is requested.
- e. Limitations.
 - i. Directors and Members of Advisory Committees shall not receive more than four (4) per diem payments in any calendar month.
 - ii. Directors to whom Community Power would pay a per diem under this Policy shall not receive a per diem if they are otherwise eligible to receive a per diem from their respective appointing agency for attendance at Community Power meetings under this Policy.

2. Reimbursement of Reasonable and Necessary Expenses.

- a. Attendance at Meetings and Events on Behalf of Community Power. Directors and Advisory Committee Members may receive reimbursement for actual and necessary expenses, which may include but not be limited to, travel, meals, lodging, registration, and other expenses incurred in the performance of official duties, for attendance at:
 - i. Each meeting of other governmental entities and public agencies at which the Director or Advisory Committee Member have been designated by the Board of Directors to represent Community Power;
 - ii. A conference or organized educational activity conducted in compliance with Government Code Section 54952.2(c) at which the Director or Advisory Committee Member have been approved by the Board of Directors to attend; and
 - iii. Other additional meetings or activities at which the Director has been designated by the Board of Directors to represent Community Power.
- b. Rates of Reimbursement. Actual and necessary travel, meals, lodging, and other expenses incurred in the performance of official duties as authorized under this Policy shall be reimbursed at the rates established in Internal Revenue Service Publication 463 or any successor publication, except as limited below:
 - i. For mileage reimbursement using a private vehicle, a Director's mileage costs shall not exceed the cost of coach class airfare plus costs of transportation to and from the airport at the point of departure and destination. Mileage reimbursement shall be equal to the standard rate in effect for business miles deduction by the Internal Revenue Service, as such rate is established from time to time.
 - ii. For lodging in connection with a conference or other organized educational activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available at the time of booking. If the group rate is not available, the Director shall use comparable lodging consistent with this Policy.

- iii. Directors shall use government and group rates offered by a provider of transportation or lodging services for travel and lodging whenever available.
 - iv. If a Director chooses to incur additional costs that are above the rates established under this Policy, or are not otherwise pre-approved by the Board, then the Director may do so at their own expense.
- c. Child Care Expenses During Special Board Meetings. Directors may receive reimbursement for actual and necessary child care expenses incurred during the Director's attendance at any meetings of the Board of Directors other than regular Board meetings. Advisory Committee Members may receive reimbursement for actual and necessary child care expenses incurred during the Advisory Committee Member's attendance at any meetings of the Advisory Committee other than regular monthly meetings. The reimbursement rate for child care expenses shall not exceed \$20 per hour. If a Director or Advisory Committee Member chooses to incur additional costs that are above this rate, or are not otherwise pre-approved by the Board, then the Director or Advisory Committee Member may do so at their own expense.
- d. Pre-Approval by Board of Directors. All expenses that do not fall within the rates provided in subsection (b) or (c) shall be approved by the Board of Directors in a public meeting before the expense is incurred.
- e. Claim Forms. All expense reimbursement claims must be submitted to the Secretary or their designee within sixty (60) days of incurring the expense on a claim form provided by the Secretary. Claim forms for expense reimbursement shall be accompanied by the receipts documenting each expense. If no receipt is available, a written explanation and other proof of the expenditure (if available) is required.
- f. Reporting. Directors and Advisory Committee Members shall provide brief reports on attendance at meetings or events subject to reimbursement, excluding attendance at Community Power Board and Committee meetings or briefings, at the next regular meeting of the Board.
- g. Training Requirements. Directors and Advisory Committee Members eligible to receive per diem compensation or reimbursement of expenses under this Policy shall receive ethics training and sexual harassment prevention training in accordance with Government Code sections 53234 *et seq.* and 53237 *et seq.*



SAN DIEGO COMMUNITY POWER Staff Report – Item 13

To: San Diego Community Power Board of Directors

From: Byron Vosburg, Chief Commercial Officer

Via: Karin Burns, Chief Executive Officer

Subject: 2023 Power Source Disclosure Program Annual Reports and Power Content Label; and Adoption of Resolution No. 2024-11, Approving the Submission and Attesting to the Accuracy of Community Power's 2023 Power Source Disclosure Annual Reports for PowerOn and Power100 and the 2023 Power Content Label

Date: November 21, 2024

RECOMMENDATION

Adopt Resolution 2024-11 approving the submission and attesting to the accuracy of SDCP's 2023 Power Source Disclosure annual reports for PowerOn and Power100 and the 2023 Power Content Label.

ANALYSIS AND DISCUSSION

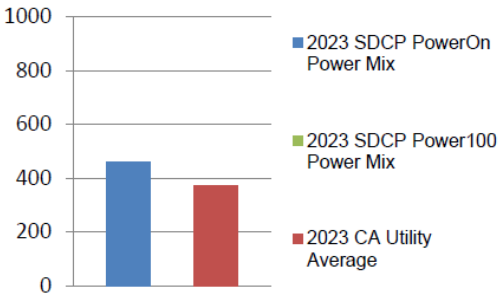
The California Public Utilities Code requires all retail sellers of electric energy, including SDCP, to disclose "accurate, reliable, and simple-to-understand information on the sources of energy, and the associated emissions of greenhouse gasses, that are used to provide electric services."¹ Applicable regulations direct retail sellers to provide such communications to customers following each year of operation. The format for this communication, named the Power Content Label (PCL) by the California Energy Commission (CEC), is highly prescriptive, offering little flexibility to retail sellers when presenting such information to customers. Similar to the presentation of information on a nutritional label, the PCL informs retail electricity customers of the power sources that were procured to serve their electric energy needs. Prior to distributing the PCL to its customers, SDCP must annually submit reports to the CEC detailing specified-source power purchases for each retail service offering that was made available during the previous year. These annual reports and the PCL are required elements of California's Power Source Disclosure Program (PSD Program); information reflected in each annual report is contributory to the PCL (with the power supply breakout reflected in each annual

¹ California Public Utilities Code Section 398.1(b).

report inserted in SDCP's PCL template).

Information presented in the PCL includes the proportionate share of total energy supply attributable to various resource types, including both renewable and conventional fuel sources. In the event that a retail seller meets a certain percentage of its resource needs from unspecified resources/purchases, the report must identify such purchases as "unspecified sources of power." As your Board may be aware, a few of SDCP's power supply agreements reflect the delivery of unspecified/market power to satisfy a portion of SDCP's energy requirements. These purchases serve to promote budgetary certainty and rate stability – such purchases, as well as electric energy provided by the California Independent System Operation for purposes of grid balancing, have been appropriately identified as "unspecified sources of power" in SDCP's PCL.

During the 2023 calendar year, SDCP's third year of service, SDCP successfully delivered a substantial portion of its electric energy supply from various renewable energy sources, including wind, solar, geothermal, hydroelectricity and biofuel energy sources – for SDCP customers participating in the PowerOn service option, the percentage of supply attributable to renewable energy sources was 51.1 percent of the total (with 55.4 percent of total PowerOn energy purchases sourced from zero- or low-carbon sources). For the Power100 retail service offering, CEC-certified wind and solar resources were the exclusive sources of supply, which contributed to zero emissions for the Power100 portfolio. The following table reflects SDCP's 2023 PCL, presented in the CEC's required format.

2023 POWER CONTENT LABEL						
San Diego Community Power						
https://sdcommunitypower.org/resources/key-documents/						
Greenhouse Gas Emissions Intensity (lbs CO ₂ e/MWh)			Energy Resources	2023 SDCP PowerOn Power Mix	2023 SDCP Power100 Power Mix	2023 CA Power Mix
2023 SDCP PowerOn Power Mix	2023 SDCP Power100 Power Mix	2023 CA Utility Average	Eligible Renewable¹ Biomass & Biowaste Geothermal Eligible Hydroelectric Solar Wind Coal Large Hydroelectric Natural Gas Nuclear Other Unspecified Power² TOTAL	51.1%	100.0%	36.9%
460	0	373		7.3%	0.0%	2.1%
 <div>■ 2023 SDCP PowerOn Power Mix</div> <div>■ 2023 SDCP Power100 Power Mix</div> <div>■ 2023 CA Utility Average</div>				0.7%	0.0%	4.8%
				0.5%	0.0%	1.8%
				27.3%	50.0%	17.0%
				15.3%	50.0%	11.2%
				0.0%	0.0%	1.8%
				4.3%	0.0%	11.7%
				0.0%	0.0%	36.6%
				0.0%	0.0%	9.3%
				0.0%	0.0%	0.1%
				44.6%	0.0%	3.7%
				100.0%	100.0%	100.0%
Percentage of Retail Sales Covered by Retired Unbundled RECs³:				5%	0%	
<div><div>¹The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology.</div><div>²Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source.</div><div>³Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credit (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above.</div></div> <div>The unbundled RECs retired in association with SDCP's portfolio were produced by an eligible renewable wind resource. SDCP received these RECs from SDG&E via a state-approved allocation process. The RECs were generated by a legacy renewable energy project built before the state's location-based renewable energy law took effect. For additional information, please reach out via email at info@sdcommunitypower.org.</div>						
For specific information about this electricity portfolio, contact:			San Diego Community Power 1 (888) 382-0169			
For general information about the Power Content Label, visit:				https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program		

Consistent with applicable regulations, SDCP will complete requisite customer communications following your Board's approval of pertinent information to be included in the 2023 PCL. Customers receiving 2023 PCL communications will include all those served by SDCP during the 2023 calendar year. This communication will be sent to customers no later than January 31, 2025.

While preparing SDCP's 2023 annual PSD reports and PCL, staff performed a detailed review of all power purchases completed for the 2023 calendar year. This review included an inventory of all renewable energy credit transfers within SDCP's Western Renewable Energy Generation Information System (WREGIS) account, related contract documents and pertinent transaction records associated with other specified energy purchases.

Based on staff's review of available data, the information presented in the annual reports and PCL was determined to be accurate.

To fulfill its obligations under the PSD Program, SDCP must also provide the CEC with an attestation of its Governing Board regarding the accuracy of information included in its PSD reports and PCL for the 2023 operating year. With regard to this internally administered attestation process, applicable regulations state²:

A retail supplier that is a public agency providing electric services is not required to comply with the provisions of subdivision (a)(1) if the board of directors of the public agency submits to the Energy Commission an attestation of the veracity of each annual report and power content label for the previous year.

Evidence of SDCP's attestation must be provided to the CEC no later than January 31, 2025.

In consideration of SDCP's internal review and applicable regulations, staff requests that the Board accept this determination of informational accuracy and based on this staff-level determination and related recommendation, attest to the accuracy of information included in SDCP's 2023 Power Source Disclosure reports and Power Content Label. Should your Board endorse staff's recommendation, a copy of: 1) this staff report; 2) Resolution 2024-11; and 3) a copy of SDCP's completed 2023 PCL template (in both Excel and PDF formats) will be forwarded to the CEC, thereby completing SDCP's obligations under the PSD Program for the 2023 calendar year.

Fiscal Impacts: Other than the typical cost of producing and distributing Power Content Labels to SDCP customers, there are no expected fiscal impacts.

Recommendation: Endorse the accuracy of information presented in SDCP's 2023 Power Source Disclosure reports for PowerOn and Power100 as well as SDCP's 2023 Power Content Label.

FISCAL IMPACT

N/A

ATTACHMENTS

- A. Resolution 2024-11 approving and attesting to the veracity of the 2023 Power Source Disclosure annual reports for PowerOn and Power100 and the 2023 Power Content Label

² Note that Section 1393.2.(a)(1), as referenced in the excerpt from applicable PSD regulations, refers to the completion of annual independent audits.

ITEM 13

ATTACHMENT A

RESOLUTION NUMBER 2024-11

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER, APPROVING AND ATTESTING TO THE VERACITY OF THE 2023 POWER SOURCE DISCLOSURE ANNUAL REPORTS FOR POWER ON AND POWER100 AND THE 2023 POWER CONTENT LABEL.

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

B. Senate Bill 1305 was adopted in 1997 establishing an Electricity Generation Source Disclosure Program (“Power Source Disclosure Program”), which requires retail sellers of electricity to disclose to their customers each year the sources of electricity delivered to customers in the previous year and to annually submit a Power Source Disclosure Program report to the California Energy Commission (“CEC”).

C. SDCP is a retail supplier of electricity as defined by the Power Source Disclosure Program (20 C.C.R. § 1391(r)).

D. The Power Source Disclosure Program regulations were updated effective May 4, 2020 allowing the board of directors of a public agency providing retail electric service to approve at a public meeting the submission to the CEC of an attestation of the veracity of an annual report of each product’s Power Source Disclosure Program annual report and Power Content Label.

E. SDCP staff and consultants performed a detailed review of all power purchases completed for the 2023 calendar year, including an inventory of all renewable energy transfers within SDCP’s Western Renewable Energy Generation Information System account and transaction records.

F. Pursuant to California Code of Regulations section 1394.2, the SDCP Board of Directors is required to attest to the veracity of the 2023 annual report.

G. The SDCP Board of Directors held a public meeting on October 24, 2024 to consider approval and attestation of the veracity of the 2023 Power Source Disclosure Annual Report for the PowerOn and Power100 products and the 2023 Power Content Label.

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

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

Section 2. Approval and Attestation. The SDCP Board of Directors hereby approves the submission and attests to the veracity of the 2023 Power Source Disclosure annual report for SDCP’s PowerOn and Power100 products and the 2023 Power Content Label.

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

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on November 21, 2024.

Chair, Board of Directors
San Diego Community Power

ATTEST:

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

APPROVED AS TO FORM:

Veera Tyagi, General Counsel
San Diego Community Power



SAN DIEGO COMMUNITY POWER Staff Report – Item 14

To: San Diego Community Power Board of Directors

From: Karin Burns, Chief Executive Officer

Subject: 2026 Strategic Plan Update - Process and Timeline

Date: November 21, 2024

RECOMMENDATION

Receive and file the update describing the process and timeline to develop the FY 2026-FY 2028 updated Strategic Plan.

BACKGROUND

The Strategic Plan provides a comprehensive framework that ensures priorities set by the SDCP Board are clear to all staff and that SDCP is accountable to meeting community needs by setting objectives to meet identified goals.

On June 23, 2022, the SDCP Board adopted its mission, vision, core values and goals for 2023-2027 as part of its 2023-2027 Strategic Plan. Subsequently, on April 21, 2023, the SDCP Board met to consider updates to its Strategic Plan. Board and SDCP staff met in an all-day facilitated meeting and decided to 'stay the course' and continue executing the original strategic plan. SDCP then developed annual work plans tied into the FY24 and FY25 operating budget as part of its annual budget cycle adopted through its Budget Policy.

Through the first Strategic Planning process, SDCP defined its overall Mission Statement as, *"San Diego Community Power is a community-owned organization that provides affordable clean energy and invests in the community to create an equitable and sustainable future for the San Diego region"*. Our Mission summarizes at the highest level why we are here. Everything we do contributes to our ability to achieve the mission.

Through the first Strategic Planning process, SDCP also defined its Vision Statement as, *"A global leader inspiring innovative solutions to climate change by powering our communities with 100% clean affordable energy while prioritizing equity, sustainability, and high quality jobs."* Our Vision describes what we aspire to be as an organization. This is where we are going. Our vision is our commitment to making bold progress in this direction.



Through the first Strategic Planning process, SDCP further defined its Core Values as Justice, Equity, Diversity, & Inclusion (JEDI); Impact; Integrity; Innovation; Servant Leadership; and Togetherness.

ANALYSIS AND DISCUSSION

Best practices in managing the organization include updating the Strategic Plan and related goals and measures on a regular basis and/or when the organization has undergone significant changes. With the addition of several new departments, the launch of the San Diego Regional Energy Network, and a three- fold increase in both customer meters served and staff, we are entering into a new growth phase which necessitates revisiting our goals and key focus areas. SDCP's next 3-year Strategic Plan will serve as a key document in the development of the FY26-FY28 annual budgets, work plans, individual employee and departmental goals, annual investment plans and annual staff performance reviews.

The CEO is leading the FY 2026 -2028 Strategic Plan update and is involving all staff, the Board, and the CAC in this initiative. This third strategic planning process does not seek to alter the above Mission-Vision-Values, but rather to review, reflect, and subsequently determine our next three-year course of action as we continue to grow and evolve the agency in service to the above.

The first step in updating the Strategic Plan, which is underway, is to review and evaluate current risks and opportunities. Subsequently, multiple iterations involving all staff members will be conducted to identify key priorities and departmental goals. Next, goals and key organizational priorities will be reviewed and updated by the Leadership and Executive teams through a series of retreats. An All-Hands retreat is currently scheduled to take place on January 31, 2025.

The Board of Directors and CAC will be informed throughout the process and input will be solicited and incorporated through 1:1 and small group meetings. The Board of Directors will be updated and will review draft iterations of the revised strategic plan at its January and February regular meetings. The CAC will be updated and will review draft iterations at its December and February regular meetings. Feedback from the public will also be solicited during these public meetings. During its March meetings staff will present the final Strategic Plan to the CAC on March 7 for its recommendation, and to the Board, for approval, on March 25th.

COMMITTEE REVIEW

The Community Advisory Committee will be updated and input will be solicited throughout the process.

FISCAL IMPACT

N/A



ATTACHMENTS

Attachment A: Original SDCP 2023-2027 Strategic Plan



ITEM 14

ATTACHMENT A

Strategic Plan 2023-2027



Mission Statement

San Diego Community Power is a community-owned organization that provides affordable clean energy and invests in the community to create an equitable and sustainable future for the San Diego region.



Vision Statement

A global leader inspiring innovative solutions to climate change by powering our communities with 100% clean affordable energy while prioritizing equity, sustainability, and high-quality jobs.



Core Values



Justice, Equity, Diversity, & Inclusion (JEDI)



Impact



Integrity



Innovation



Servant Leadership



Togetherness



Key Focus Areas and Goals

- 1 Financial Stability (Financial Sustainability)
- 2 Energy Portfolio Development (Power Procurement)
- 3 Community Program Delivery (Community Projects & Programs)
- 4 Marketing/Branding (Trusted Brand Building)
- 5 Legislative/Regulatory (Public Policy)
- 6 Customer Service (Customer Care)
- 7 Organizational Development/Culture (Organizational Excellence)

Key Focus Areas and Goals (expanded)

1

Financial Stability – Practice fiscal strategies to promote long-term organizational sustainability.

- Adopt financial controls and policies to meet or exceed best practices and manage risk.
- Obtain an investment grade credit rating by Nov 2025.
- Adopt plan to increase reserves to \$175M by 10/2023 (90 DCOH) and \$360M by 10/2025 (180 DCOH).
- Develop Rate Stabilization Reserve of \$70M to mitigate power cost fluctuations and economic downturns.

2

Energy Portfolio Development - Provide sufficient, reasonably priced, clean electricity to our customers.

- Manage portfolio to manage risk, cost and reliability objectives through risk management tools, sufficient staffing, and staff training.
- Develop secure Clean Energy Portfolio with goals of: 50% RE (2022), 75% (2027), 85% (2030), and 100% (2035).
- 15% of our energy coming from new, distributed infill storage/solar+ storage resources within Member Agencies by 2035.
- Support development of innovative energy sources to improve resiliency through pilot programs, grant programs, and partnerships.
- Create high quality local jobs in renewable energy that support healthy families and vibrant communities.

3

Community Program Delivery - Implement energy projects and programs that reduce greenhouse gas emissions, align energy supply and demand, and provide benefits to community stakeholder groups.

- Implement CPP recommended programs through continuous community engagement and assessment of community benefits while considering technology/ market changes and changing community needs.
- Invest in programs that target underserved communities (communities of concern) and are distributed throughout our Member Agencies.
- Invest in programs that promote residential and commercial solar, infill solar and/or distributed battery storage.
- Develop local support for deep decarbonization through building and transportation electrification.
- Develop workforce opportunities in the local clean energy economy (green careers).
- Support local government and state initiatives to advance decarbonization in alignment with Member Agency Climate Action Plans.
- Provide all customers with actionable clean energy education.
- Maintain appropriate and sufficient data sources to support smart program design, implementation and evaluation.

4

Brand Building – Develop trusted brand reputation to help drive participation in programs and ensure support customer service and retention.

- Identify and address gaps between perception and desired brand identity.
- Translate policy issues into consumer-friendly information and communication.
- Become known as leadership experts on the CCA model and the industry.
- Foster relationships with city planning offices, CBOs, NGOs, and Trade Associations.
- Develop relationships with industry media and influencers.
- Engage community through participation in local events.

5

Public Policy – Advocate for public policies that advance SDCP organizational priorities.

- Proactively educate and engage policymakers to develop policies that support SDCP's organizational priorities, including advocacy around PCIA reductions.
- Sponsor and support legislation and regulation that is consistent with SDCP's mission, vision, and goals.
- Develop annual legislative plan to advance and support SDCP objectives and share plan with local Senate and Assembly members and staff.
- Develop plan to meet more proactively with and educate key decisionmakers (e.g. CEC, CPUC commissioners).
- Coordination with Member Agency government affairs' teams to align on legislative positions.
- Continue to be an active participant in CalCCA and develop partnerships and coalitions to advance SDCP's policy and legislative agenda through CalCCA efforts.

6

Customer Service – Ensure high customer retention and satisfaction.

- Ensure customer satisfaction through key relationships including back-office support and key stakeholders.
- Continually strive to offer competitive rates.
- Maintain and grow high levels of customer participation and satisfaction.
- Achieve 10% of our load at the Power 100 service level by 2027.
- Build a robust data ecosystem for effective procurement as well as program design, management and evaluation.

7

Organizational Excellence – Ensure excellence by adopting sustainable business practices and fostering a workplace culture of innovation, diversity, transparency and integrity.

- Create an organizational culture of inclusion, mutual respect, trust, innovation, and collaboration that upholds organizational core values.
- Develop an annual staffing plan that identifies and addresses resource needs and gaps.
- Provide training and professional development opportunities that build new skills and abilities.
- Foster culture of innovation to yield solutions that accelerate our mission and drive toward SDCP's vision.
- Design and implement an internship program that attracts workforce from our member cities and creates opportunities for candidates new to CCAs and the industry.
- Build institutional capacity of CAC to support the mission and core goals of SDCP.