



AGENDA

Regular Meeting Finance and Risk Management Committee

February 19, 2026, 4 p.m.

**City of Chula Vista Council Chambers
276 Fourth Avenue, Chula Vista, CA**

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

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

- Oral comments during the meeting.** Anyone attending in person who wishes to address the FRMC is asked to complete a speaker's card and present it to the clerk of the Board. To provide remote comments during the meeting, join the Zoom meeting by computer, mobile phone or dial-in number. When participating in a Zoom video teleconference by computer or mobile phone, use the "Raise Hand" feature. This will notify the moderator that a member of the public wishes to address the FRMC during a specific item on the agenda or during the non-agenda public comment period. Members of the public will not be shown on video but will be able to address the FRMC when called upon. If joining the meeting using the Zoom dial-in number, members of the public can raise their hand by pressing *9. Comments will be limited to three minutes.
- Written comments.** Written public comments must be submitted prior to the start of the meeting to ClerkOfTheBoard@SDCommunityPower.org. Members of the public are asked to indicate a specific agenda item when submitting comment. All written comments received prior to the meeting will be provided to the FRMC members. At the discretion of the chairperson, the first ten submitted comments shall be stated into the record of the meeting. Comments read at

the meeting will be limited to the first 400 words. Comments received after the start of the meeting will be collected, sent to the FRMC members, and become part of the public record.

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

The public may participate using the following remote options:

Teleconference Meeting Webinar

<https://sdcommunitypower-org.zoom.us/j/95148519712>

Telephone (audio only): 669-900-6833 or 253-215-8782 | Webinar ID: 95148519712

WELCOME

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

LAND ACKNOWLEDGEMENT

ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

This is an opportunity for members of the public to address the FRMC on any items not on the agenda but within the jurisdiction of the FRMC. Members of the public may provide comments in any manner described above.

CONSENT CALENDAR

1. Approve December 4, 2025, Meeting Minutes
2. Recommend Appointment of Jeb Spengler as San Diego Community Power's Interim Treasurer

REGULAR AGENDA

3. Treasurer's Report for Period Ending November 30, 2025

Recommendation: Receive and File Treasurer's Report for Period Ending November 30, 2025.

4. Resolution, 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

Recommendation: Recommend Board adoption of Resolution, 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.

5. Amendment of the FY 2025-26 Operating Budget, the FY 2025-26 Capital Budget, and the FY 2026-30 Capital Investment Plan

Recommendation: Recommend Board Approval of Amendment of the FY 2025-26 Operating Budget, the FY 2025-26 Capital Budget, and the FY 2026-30 Capital Investment Plan.

Committee Member Announcements

FRMC members may briefly provide information to other members and the public. There is to be no discussion or action taken on comments made by FRMC members unless authorized by law.

ADJOURNMENT

The Finance and Risk Management Committee will adjourn until the next regular meeting scheduled for Thursday, March 19, 2026, at 4 p.m.

Compliance with the Americans with Disabilities Act

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

Availability of Committee Documents

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

also available for inspection by contacting ClerkOfTheBoard@SDCommunityPower.org to arrange an appointment.



SAN DIEGO COMMUNITY POWER

FINANCE AND RISK MANAGEMENT COMMITTEE

Regular Meeting Minutes

December 4, 2025

Don L. Nay Port Administration Training Room
3165 Pacific Highway, San Diego, CA 92101

WELCOME

CALL TO ORDER

Chair Yamane called the Finance and Risk Management Committee meeting to order at 3:06 p.m.

ROLL CALL

PRESENT: Chair Yamane, City of National City; Vice Chair Suzuki, City of La Mesa; and Director Inzunza, City of Chula Vista (via Zoom Teleconference, AB 2449 exemption) (arrived at 3:17 p.m.)

Absent: None

Staff Present: Chief Executive Officer Burns; Chief Financial Officer/Treasurer Dr. Washington; Director of Finance Manglicmot; Senior Strategic Finance Manager Spengler; Rates and Strategy Manager Lu; General Counsel Tyagi; Clerk of the Board Hernandez; and Sr. Executive Assistant Porras

PLEDGE OF ALLEGIANCE

Chair Yamane led the Pledge of Allegiance.

LAND ACKNOWLEDGEMENT

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

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

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

PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA

There were no public comments.

CONSENT CALENDAR

1. Approve November 13, 2025, Meeting Minutes

There were no public comments on Consent Item No. 1.

Motioned by Vice Chair Suzuki and seconded by Chair Yamane to approve Consent Item No. 1. The motion carried 2/0 by Roll Call Vote as follows:

AYES:	Chair Yamane and Vice Chair Suzuki
NOES:	None
ABSTAINED:	None
ABSENT:	Director Inzunza

REGULAR AGENDA

2. Treasurer's Report for Period Ending September 30, 2025

Messrs. Washington and Delaney, Chandler Asset Management representative, presented the Treasurer's Report for Period Ending September 30, 2025.

Director Inzunza joined the meeting via Zoom Teleconference and confirmed that there was no one over the age of 18 in the room with him.

There were no public comments on Item No. 2.

After Committee Member comments, the Treasurer's Report for Period Ending September 30, 2025, was received and filed.

3. Fiscal Year End 2024-25 Performance Review

Dr. Washington presented the Fiscal Year End 2024-25 Performance Review.

There were no public comments on Item No. 3.

After Committee Member comments, the Fiscal Year End 2024-25 Performance Review was received and filed.

4. Recommend Board Adoption of Resolution No. 2025-__, Approving a Fourth Revision to the Financial Reserves Policy

Messrs. Manglicmot and Spengler provided proposed fourth revision to the Financial Reserves Policy.

There were no public comments on Item No. 4.

Motioned by Vice Chair Suzuki and seconded by Director Inzunza to recommend Board Adoption of Resolution No. 2025-__, approving a Fourth Revision to the Financial Reserves Policy. The motion carried 3/0 by Roll Call Vote as follows:

AYES: Chair Yamane, Vice Chair Suzuki, and Director Inzunza
NOES: None
ABSTAINED: None
ABSENT: None

5. Update on SDG&E's 2026 Projected Rates

Mr. Lu provided an update on SDG&E's 2026 Projected Rates.

There were no public comments on Item No. 5.

After Committee Member questions and comments, the update on SDG&E's 2026 Projected Rates was received and filed.

COMMITTEE MEMBER ANNOUNCEMENTS

Committee members expressed appreciation to staff for their hard work and thorough presentations.

Ms. Burns also expressed appreciation to the Finance and Rates teams for their incredible work.

ADJOURNMENT

The Finance and Risk Management Committee adjourned at 4:33 p.m. to the next regular meeting scheduled for Thursday, February 19, 2026, at 4 pm.

Maricela Hernandez, MMC, CPMC
Clerk of the Board

SAN DIEGO COMMUNITY POWER

Staff Report – Item 2

TO: Finance and Risk Management Committee

FROM: Karin Burns, Chief Executive Officer

SUBJECT: Recommend Appointment of Jeb Spengler as San Diego Community Power's Interim Treasurer

DATE: February 19, 2025

Recommendation

Recommend Board Adoption of Resolution 2026-01, Appointing Jeb Spengler as San Diego Community Power's (Community Power) Interim Treasurer.

Background

The Joint Exercise of Powers Act (Government Code § 6500, *et seq.*) and the Community Power Joint Powers Agreement (JPA Agreement) provide that Community Power will appoint a Treasurer who will perform the duties of Treasurer and Auditor as prescribed by law and the JPA Agreement.

Specifically, Section 5.4 of the JPA Agreement provides that the Board of Directors shall appoint a Treasurer who shall function as the combined offices of Treasurer and Auditor, and that the Board may transfer responsibilities of Treasurer to any qualified person as the law allows. Government Code section 6505.6 allows a joint powers agency to appoint one of its officers or employees to the positions of Treasurer and/or Auditor.

Analysis and Discussion

The position of Treasurer was recently vacated with the departure of Community Power's Chief Financial Officer, Dr. Eric Washington. The Board needs to appoint a replacement for the interim period until a new Chief Financial Officer is selected. The Community Power Senior Strategic Finance Manager, Jeb Spengler, is supporting the function of Treasurer and is recommended for appointment to the position on an interim basis.

By adopting the attached resolution, Community Power would formally appoint Jeb Spengler, Senior Strategic Finance Manager, as Community Power's Interim Treasurer, to perform the functions of both Treasurer and Auditor as provided by law and the JPA Agreement.

Fiscal Impact

Cost of Surety Bond

Attachment

A: Resolution, Appointing Jeb Spengler as Community Power's Interim Treasurer.

ITEM 2

ATTACHMENT A

RESOLUTION NO. 2026-__

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF SAN DIEGO COMMUNITY POWER
APPOINTING JEB SPENGLER OF SAN DIEGO
COMMUNITY POWER AS ITS INTERIM TREASURER.**

A. WHEREAS, San Diego Community Power ("Community Power") is a joint powers agency formed and existing pursuant to the provisions of the Joint Exercise of Powers Act (Chapter 5, Division 7, Title 1 of the California Government Code) and SDCP's Joint Powers Agreement ("JPA Agreement"); and

B. WHEREAS, Section 5.1 of the JPA Agreement provides that the Board shall appoint a Treasurer as provided in Government Code section 6505.5; and

C. WHEREAS, Section 5.4 of the JPA Agreement provides that 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 Government Code Section 6505.5; and

D. WHEREAS, Section 5.4 of the JPA Agreement also provides that the Board may transfer the responsibilities of Treasurer to any qualified person or entity as the law allows at the time; and

E. WHEREAS, Government Code Section 6505.6 provides that an agency established by a joint powers agreement may appoint one of its officers or employees to the positions of treasurer and/or auditor; and

F. WHEREAS, the Chief Financial Officer/Treasurer has departed his post effective February 15, 2026; and

G. WHEREAS, the Board of Directors of Community Power desires to appoint Jeb Spengler, Community Power's Senior Strategic Finance Manager, as its Interim Treasurer, who shall perform the duties of Treasurer and Auditor pursuant to the JPA Agreement until such time that a permanent Treasurer is appointed.

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

1. Jeb Spengler, Senior Strategic Finance Manager of Community Power, is hereby appointed as the Interim Treasurer of Community Power. The Treasurer shall strictly comply with the statutes related to the duties and responsibilities specified in Government Code Section 6505.5, and the duties and responsibilities set forth in the JPA Agreement. The Treasurer shall serve under such rules as may be established by Community Power and shall perform such duties and have such powers as Community

Power may determine from time to time. Mr. Spengler will serve as Interim Treasurer until another appointment is made by the Board.

2. 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 _____.

Terra Lawson Remer, Chair
San Diego Community Power

ATTEST:

Maricela Hernandez, MMC/CPMC
Secretary of the Board of Directors

Veera Tyagi, General Counsel

SAN DIEGO COMMUNITY POWER

Staff Report – Item 3

To: Finance and Risk Management Committee

From: Jeb Spengler, Senior Strategic Finance Manager

Via: Karin Burns, Chief Executive Officer

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

Date: February 19, 2026

Recommendation

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

Background

San Diego Community Power (Community Power) prepares its accounting records on a full accrual basis under GAAP for governmental enterprise funds. Year-to-date financial statements for the five-month period ending November 30, 2025, include budget comparisons.

The Board adopted an Investment Policy on May 25, 2023, with subsequent revisions on June 27, 2024, and August 28, 2025, to ensure the safeguarding of principal, preservation of liquidity, generation of returns, and adherence to a high standard of fiduciary care. The policy requires regular reporting to the Financial and Risk Management Committee (FRMC) via the Treasurer's Report. As of November 30, 2025, the investment portfolio was compliant with the Community Power Investment Policy.

To enhance transparency, Community Power reports newly executed contracts between \$50,000 and \$150,000 in the Treasurer's Report, per the Delegated Contract Authority Policy. Monthly operational metrics are presented at Board meetings, and key risk metrics are shared during FRMC meetings as part of the Treasurer's Report.

On June 26, 2025, the Community Power Board of Directors (Board) approved the Fiscal Year 2025-26 Operating Budget, which serves as the basis for comparison in this report.

On January 15, 2026, our Board approved our rates for 2026. In summary, for 2026 we are offering our PowerOn service at a 4% discount to SDG&E; our PowerBase service at a 10% discount to SDG&E.

Analysis and Discussion:

Actual financial results for the period ended November 30, 2025: \$681.9 million in net operating revenues were reported compared to \$689.3 million budgeted for the period. Community Power's change in net position of \$170.4 million was reported year-to-date for Fiscal Year 2025-26. The following is a summary of the actual results through November 30, 2025, compared to the Fiscal Year 2025-26 Adopted Budget:

- Operating revenues are \$7.3 million, or 1.1% under budget primarily due to cooler temperatures driving lower energy sales.
- Cost of energy is \$46.9 million, or 9.0% under budget, primarily due to lower energy costs resulting from lower Net CAISO and REC costs.
- Professional Services and Consultants: \$2.8 million below budget due to lower-than-expected utilization of outside professional services.
- Personnel Costs: \$1.1 million under budget, driven by vacancies and accrued vacation.
- Non-Operating Revenues and Expenses:
 - Total investment income of \$6.5 million. Investment income is not currently budgeted and is reflected in financial statements as realized.
 - \$737.5 thousand in year-to-date interest and related expenses versus \$789.0 thousand budgeted, in line with expectations.

Under Resolution 2025-23, Community Power's revised Financial Reserves Policy establishes a minimum reserve requirement of 180 days cash on hand and a reserve target of 225 days cash on hand. For Fiscal Year 2025-26, this target equates to approximately \$623 million, based on projected operating expenses.

Community Power reserves at the end of the period totaled \$562.5 million, or 203 days cash on hand, including \$460.4 million in unrestricted cash and \$102.1 million in investment holdings. Total available liquidity (including unrestricted cash, investment holdings, and available lines of credit) was \$789.9 million.

Table 1 below shows the Budget to Actual results for the five months ended November 30, 2025.

Table 1: Budget Comparison Versus Actual Results

**SAN DIEGO COMMUNITY POWER
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Five Months Ended November 30, 2025**

	Year-to-Date				Annual	
	Budget	Actual	Budget Variance (Under) Over	Actual/ Budget %	Budget	Budget Remaining
REVENUES AND OTHER SOURCES						
Gross Ratepayer Revenues	701,568,000	\$ 690,476,419	(11,091,581)	98%	1,220,987,000	\$ 530,510,581
Less: Uncollectible Customer Accounts	(12,277,000)	(10,357,146)	1,919,854	84%	(21,367,000)	(11,009,854)
Other Income	-	1,801,144	1,801,144	na	-	(1,801,144)
Total Revenues and Other Sources	<u>689,291,000</u>	<u>681,920,417</u>	<u>(7,370,583)</u>		<u>1,199,620,000</u>	<u>517,699,583</u>
OPERATING EXPENSES						
Cost of Energy	524,218,000	477,331,088	(46,886,912)	91%	956,691,000	479,359,912
Professional Services and Consultants	10,297,000	7,512,360	(2,784,640)	73%	24,713,000	17,200,640
Personnel Costs	8,837,000	7,772,915	(1,064,085)	88%	21,209,000	13,436,085
Marketing and Outreach	1,026,000	888,682	(137,318)	87%	2,464,000	1,575,318
General & Administrative	2,444,000	1,627,042	(816,958)	67%	5,867,000	4,239,958
Total Operating Expenses	<u>546,822,000</u>	<u>495,132,086</u>	<u>(51,689,914)</u>		<u>1,010,944,000</u>	<u>515,811,914</u>
Operating Income (Loss)	<u>142,469,000</u>	<u>186,788,332</u>	<u>44,319,332</u>		<u>188,676,000</u>	<u>1,887,668</u>
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	-	6,521,057	6,521,057	na	-	(6,521,057)
Interest and Related Expenses	(789,000)	(737,543)	51,457	93%	(1,893,000)	(1,155,457)
Transfer to Capital Investment Program	(22,170,000)	(22,170,000)	-	100%	(22,170,000)	-
Total Non-Operating Revenues (Expenses)	<u>(22,959,000)</u>	<u>(16,386,486)</u>	<u>6,572,514</u>		<u>(24,063,000)</u>	<u>(7,676,514)</u>
NET CHANGE	<u>\$ 119,510,000</u>	<u>\$ 170,401,846</u>	<u>\$ 50,891,846</u>		<u>\$ 164,613,000</u>	<u>\$ (5,788,846)</u>

Investment Portfolio Report

Chandler Asset Management manages Community Power's investment portfolio. As of November 30, 2025, the market value of the portfolio was \$104.4 million compared to the \$103.8 million market value as October 31, 2025. The following is a snapshot of the overall characteristics of the portfolio.

PORTFOLIO SUMMARY

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



Portfolio Characteristics	
Average Modified Duration	2.58
Average Coupon	3.92%
Average Purchase YTM	4.16%
Average Market YTM	3.76%
Average Credit Quality*	AA
Average Final Maturity	3.07
Average Life	2.81

Account Summary		
	End Values as of 10/31/2025	End Values as of 11/30/2025
Market Value	103,005,945.96	103,538,733.20
Accrued Interest	776,063.97	826,987.02
Total Market Value	103,782,009.93	104,365,720.22
Income Earned	336,615.07	271,462.34
Cont/WD	10,000,000.00	0.00
Par	102,837,768.57	103,181,995.69
Book Value	102,212,320.35	102,506,767.01
Cost Value	102,095,008.39	102,373,284.29

Top Issuers	
United States	51.34%
FHLMC	9.70%
Chase Issuance Trust	1.68%
Guardian Life Global Funding	1.45%
The Home Depot, Inc.	1.40%
Deere & Company	1.40%
WF Card Issuance Trust	1.22%
PACCAR Inc	1.07%

As of November 30, 2025, the portfolio was compliant with Community Power's Investment Policy.

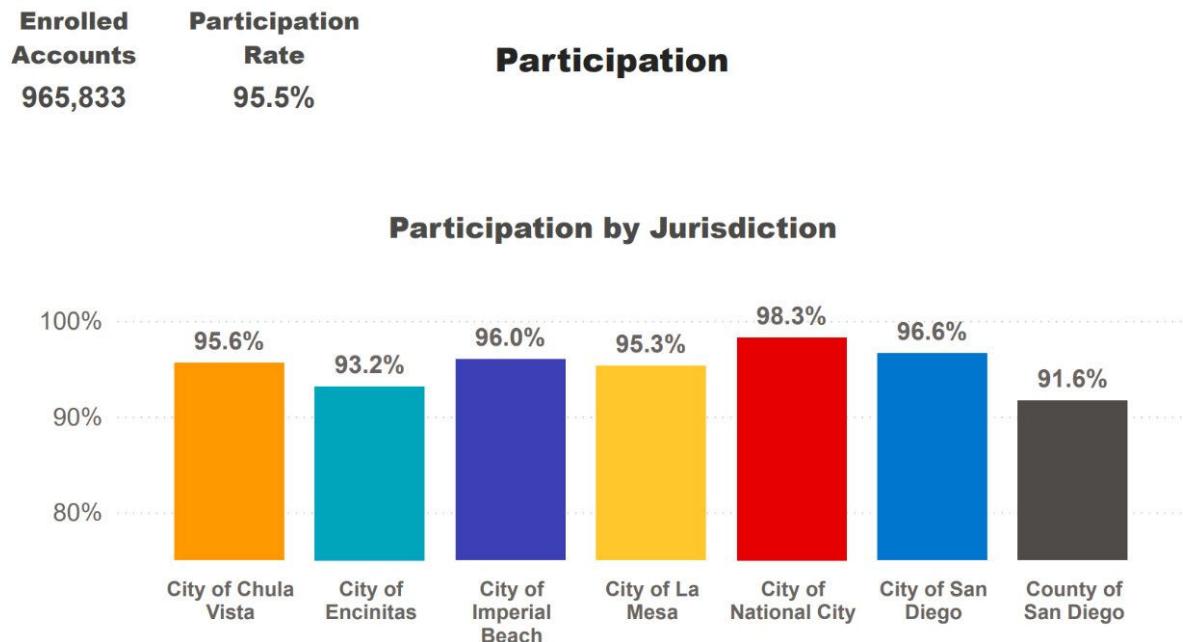
Contract Execution between \$50,000 and \$150,000

To ensure transparency and comply with Community Power's Non-Energy Procurement Policy, the table below lists contracts or amendments with not-to-exceed values between \$50,000 and \$150,000 that were executed under the CEO's authority for the month of January 2026.

- There were no contracts or amendments executed within the range of \$50,000 to \$150,000 since the prior Board of Directors meeting held on January 15, 2026.

Customer Participation Rates

Metrics Figure 2: Participation Rates as of 01/2/2026



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. The below arrearage data includes Community Power's Receivables aged 120+ Days as of January 2, 2026.

Figure 3: State of Community Power Arrearages as of 01/2/2026

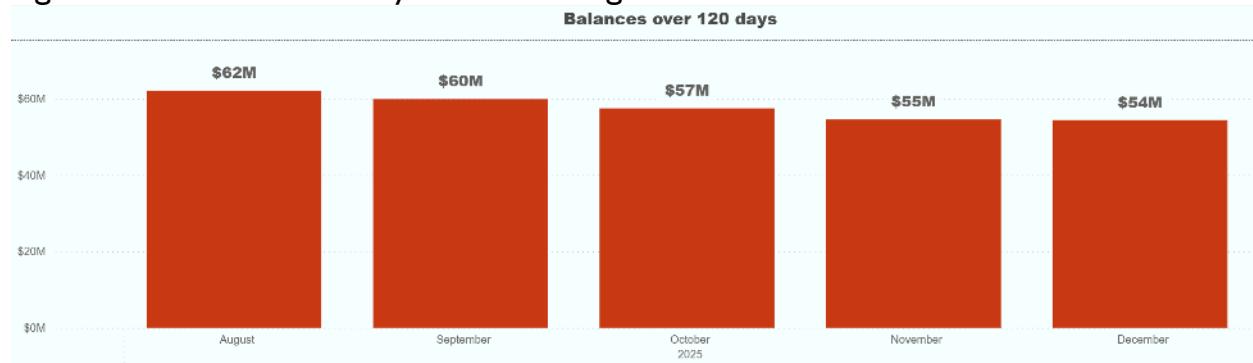
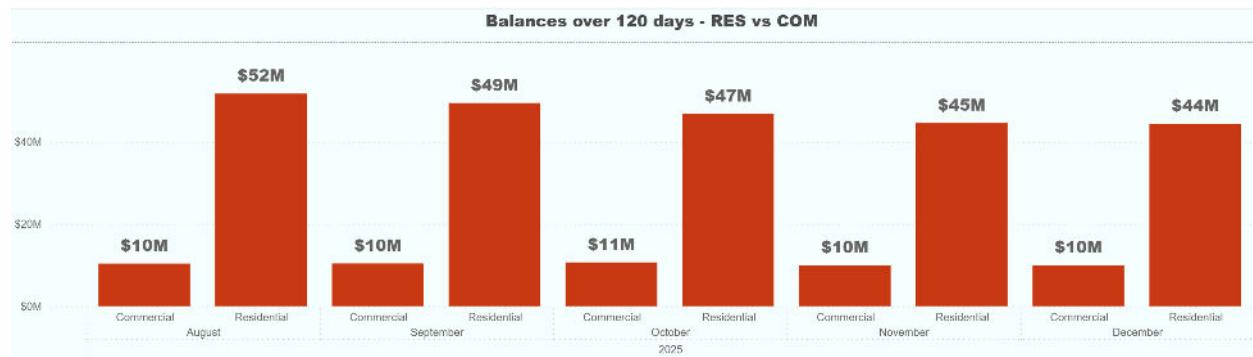


Figure 4: State of Community Power Arrearages Residential vs Commercial as of 01/2/2026



Fiscal Impact

N/A

Strategic Plan

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

Attachments

A: FY 2026 Year-to-Date Period Ended November 30, 2025, Financial Statements.

ITEM 3

ATTACHMENT A



ACCOUNTANTS' COMPILATION REPORT

Management
San Diego Community Power

Management is responsible for the accompanying financial statements of San Diego Community Power (a California Joint Powers Authority) which comprise the statement of net position as of November 30, 2025, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the five months 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
January 5, 2026

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

ASSETS

Current assets	
Cash and cash equivalents - unrestricted	\$ 460,442,268
Cash and cash equivalents - restricted	33,257,761
Accounts receivable, net of allowance	124,356,277
Accrued revenue	59,845,925
Prepaid expenses	2,863,349
Other receivables	27,595,386
Deposits	27,369,715
Investments	3,699,028
Total current assets	<u>739,429,709</u>
Noncurrent assets	
Cash and cash equivalents - restricted	5,106,708
Investments	98,357,348
Capital assets, net of depreciation and amortization	<u>876,312</u>
Total noncurrent assets	<u>104,340,368</u>
Total assets	<u>843,770,077</u>

LIABILITIES

Current liabilities	
Accrued cost of electricity	124,612,654
Accounts payable	3,685,624
Other accrued liabilities	2,612,406
State surcharges payable	390,081
Deposits - energy suppliers	383,731
Lease liability	891,669
Advances from grantors	<u>37,217,469</u>
Total current liabilities	<u>169,793,634</u>
Noncurrent liabilities	
Lease liability	219,913
Deposits - energy suppliers	<u>7,443,450</u>
Total noncurrent liabilities	<u>7,663,363</u>
Total liabilities	<u>177,456,997</u>

NET POSITION

Restricted for security collateral	1,147,000
Unrestricted	665,166,080
Total net position	<u>\$ 666,313,080</u>

**SAN DIEGO COMMUNITY POWER
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Five Months Ended November 30, 2025**

OPERATING REVENUES

Electricity sales, net	\$ 680,119,273
Grant revenue	927,270
Liquidated damages revenue	1,757,682
Other income	43,462
Total operating revenues	<u>682,847,687</u>

OPERATING EXPENSES

Cost of electricity	477,331,088
Contract services	8,666,251
Staff compensation	8,248,722
Other operating expenses	4,551,094
Depreciation and amortization	<u>441,230</u>
Total operating expenses	<u>499,238,385</u>
Operating income	<u>183,609,302</u>

NON-OPERATING REVENUES (EXPENSES)

Investment income	6,521,057
Interest expense	<u>(49,443)</u>
Nonoperating revenues (expenses), net	<u>6,471,614</u>

CHANGE IN NET POSITION

Net position at beginning of year	190,080,916
Net position at end of year	<u>476,232,164</u>
	<u><u>\$ 666,313,080</u></u>

**SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS
Five Months Ended November 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 685,740,127
Receipts from grantors	12,742,179
Receipts of supplier security deposits	2,165,459
Receipts from wholesale sales and other operating activities	6,701,118
Payments to suppliers for electricity	(478,216,312)
Payments for other goods and services	(13,810,625)
Payments for deposits and collateral	(1,067,011)
Payments for staff compensation	(8,277,956)
Payments of state surcharges	(1,198,539)
Net cash provided by operating activities	<u>204,778,440</u>

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

Payments on lease	(389,910)
Net cash used by capital and related financing activities	<u>(389,910)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	5,748,456
Proceeds from investment sales and maturities of investments	1,518,403
Purchase of investments	(32,022,898)
Net cash provided (used) by investing activities	<u>(24,756,039)</u>

Net change in cash and cash equivalent	179,632,491
Cash and cash equivalents at beginning of year	319,174,246
Cash and cash equivalents at end of year	<u>\$ 498,806,737</u>

Reconciliation to the Statement of Net Position

Unrestricted cash and cash equivalents - current	\$ 460,442,268
Restricted cash and cash equivalents - current	33,257,761
Restricted cash and cash equivalents - noncurrent	5,106,708
Cash and cash equivalents	<u>\$ 498,806,737</u>

NONCASH INVESTING ACTIVITIES

Change in fair value of investments	\$ 489,241
Change in interest income receivable	\$ 283,360

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS (continued)
Five Months Ended November 30, 2025

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

Operating income	\$ 183,609,302
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization expense	441,230
(Increase) decrease in:	
Accounts receivable, net	(8,329,054)
Accrued revenue	12,896,434
Prepaid expenses	20,938,786
Other receivables	(23,212,035)
Deposits	(16,275,504)
Increase (decrease) in:	
Accrued cost of electricity	22,410,488
Accounts payable	(125,348)
Advances from grantors	11,961,755
Other accrued liabilities	452,451
State surcharges payable	(145,065)
Deposits - energy suppliers	155,000
Net cash provided by operating activities	<u><u>\$ 204,778,440</u></u>

SAN DIEGO COMMUNITY POWER

Staff Report - Item 4

To: Finance and Risk Management Committee

From: Jeb Spengler, Senior Strategic Finance Manager

Via: Karin Burns, Chief Executive Officer

Subject: Resolution, 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

Date: February 19, 2026

Recommendation

Recommend Board adoption of Resolution, 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 (CCFA) to make payments to service providers for issuance costs from prepay bond proceeds.

Background

Clean Energy 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). 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.

Following a 2024 request for proposal process, Community Power selected its prepay municipal advisor, prepay counterparties, and outside prepay counsel. The clean energy prepayment bonds are issued through CCFA as a conduit. Community Power and its customers benefit from the lower-cost funding available through tax-exempt energy prepayment structures. By accessing tax-exempt capital—rather than taxable markets or the prepay supplier's own higher cost of capital—the supplier, or funding recipient, can offer energy to Community Power at a reduced effective price. In return, Community Power commits to

long-term energy purchases and receives a discount to contracted or market prices for the duration of the agreement, lowering both current and future procurement costs.

Community Power has now executed two prepayment transactions to date, the first in November 2024 and the second in July 2025 and is now preparing to execute its third energy prepayment transaction. As Community Power continues to expand its renewable energy portfolio to meet the needs of its customer base, the agency anticipates pursuing multiple prepay transactions in the coming years to capture energy procurement savings made possible through tax-exempt financing structures. This upcoming transaction will largely mirror Community Power's prior prepay transaction structures. To date, Community Power's previous two prepayment transactions have generated energy cost savings in excess of \$107 million to be realized between 2025 and 2034.

Analysis and Discussion

Timeline:

Staff is providing an update and presentation to the Board on the current timeline for a potential third clean energy prepayment bond financing. Below is a draft timeline, which is subject to change.

- **November 2025:** Staff engages with Goldman Sachs as clean energy prepay counterparty for Community Power's energy prepayment transaction #3.
- **February 4, 2026:** Kestrel Green Bond certification interview
- **February 19, 2026:** FRMC – Presentation and potential recommendation for Board approval on prepay Resolution to authorize a third prepay transaction.
- **February 26, 2026:** CCCFA – Staff will present and seek approval from CCCFA Board on third prepay indenture and documents.
- **February 26, 2026:** Board – Presentation and potential Board approval on third prepay Resolution to authorize prepay transaction parameters and documents.
- **March 3, 2026:** (Tentative) Bond Pricing (subject to change based on market conditions)
- **March 12, 2026:** (Tentative) Estimated bond closing date (subject to change based on bond pricing date)
- **June 2026:** (Tentative) Energy cost savings begin

Prepay Parties

The prepay transaction requires the selection and involvement of multiple parties. Names and functions are as follows:

Prepay Buyer: San Diego Community Power

- Role: Provide Power Purchase Agreements (PPA) to flow through prepay transaction

Prepay Supplier and Bond Underwriter: Goldman Sachs

- Role: Structure transaction, underwrite bonds, and pay contract price to PPA provider
- Selection Process: via solicitation issued by Community Power in 2024

Municipal Advisor: PFM

- Role: Advise Community Power in negotiations
- Selection Process: via solicitation issued by Community Power in 2024

Issuer's Counsel (also known as Prepay Counsel): Chapman & Cutler LLP

- Role: Represent issuer's interests, supporting drafting and negotiating terms of prepay agreement and associated energy supply agreements
- Selection Process: via solicitation issued by Community Power in 2024

Bond & Tax Counsel: Orrick, Herrington & Sutcliffe

- Role: Represent bondholders; provides tax opinion on transaction

Underwriter's Counsel: Nixon Peabody

- Role: Prepare Official Statement and represents Bond Underwriter's interests

Electricity Supplier: J. Aron & Company LLC

- Role: Serves as the commodity supplier

Electricity Supplier Counsel: Sheppard Mullin

- Role: Drafts prepay agreements between various parties

Bond Issuer: California Community Choice Financing Authority (CCCFA)

- Role: Issue municipal bonds for prepay
- Note: Community Power joined CCCFA as a member agency in 2024

Trustee/Custodian: U.S. Bank

- Role: Manage the various Payment Accounts

Commodity Swap Counterparty: RBC

- Role: Provide commodity swap for any periods with floating/indexed power prices
- Selection Process: via competitive bid for each prepay transaction.

Credit Rating Agency: Moody's

- Role: Provide the credit rating on the bonds

Green Bond Verifier: Kestrel

- Role: Provides a "Second Party Opinion" for bond investors reflecting their view on the conformance of the Bonds with established Green Bond Principles as published by the International Capital Market Association.

Funding Recipient: TBD

- Role: Receives the tax-exempt bond proceeds from the issuer (CCCFA) and uses those funds to deliver energy to Community Power under a long-term prepaid agreement.

Requested Action

The proposed Board Resolution, encompasses the following approvals or authorizations relating to the execution of the prepay transaction:

- Defines the parameters under which the prepay transaction can be completed;
- Authorizes staff to execute or approve for distribution documents and “form of” documents supporting the prepay transaction.

The proposed Board Resolution will allow staff to act nimbly when market conditions are advantageous for issuing prepay bonds.

Resolution Parameters to Proceed with Transaction

Board Resolution specifies parameters that must be satisfied to execute the prepay transaction. Those parameters are:

- That the aggregate bond principal will not exceed \$1.25 billion. The final size of the transaction will be determined at the initial pricing date of the bonds in response to market conditions;
- That the minimum “Prepaid Discount” shall be at least 8%. This establishes the minimum energy cost savings;
- That the fees of the transaction will not exceed 1% of the bond issuance amount.
- That the Bonds will not be obligations of Community Power, but will be limited obligations of the Issuer payable solely from the revenues and other amounts pledged therefor under each indenture, including amounts payable by Community Power under the Clean Energy Purchase Contracts.

Fiscal Impact

As a result of this third prepay transaction, Community Power expects to realize *minimum* average annual energy cost savings of \$3.5 million, assuming a \$750 million bond issuance at the minimum savings threshold through the initial term of the bonds (typically 7-10 years). The amount of the final discount is dependent on market conditions. Community Power staff will work with the underwriter, Goldman Sachs, and its financial advisor, PFM, to determine the optimal time to market the bonds. Community Power is targeting savings of 8-12%. CCCFA will pay the costs of bond issuance out of bond proceeds, not exceeding 1% of the issuance threshold set in the Resolution parameters.

Attachments

1. Resolution of the Board of Directors of San Diego Community Power Authorizing the Execution and Delivery of a Clean Energy Purchase Contract and Certain Other Documents in Connection with the Issuance of California Community Choice Financing Authority (CCCFA) Clean Energy Project Revenue Bonds; and Certain Other Actions Required to Ensure the Reduction in the Costs of Renewable Energy Therewith.
 - Exhibit A:
 - Clean Energy Purchase Contracts between San Diego Community Power and the Issuer
 - Description: Document between Community Power and Issuer (CCCFA). This is the primary document that Community Power will enter into and lays out: (1) delivery obligations, (2) assignment provisions associated with a Power Purchase Agreement, and (3) minimum future savings
 - PPA Custodial Agreement by and among San Diego Community Power, the Issuer, J. Aron & Company LLC, (“J. Aron”) and a custodial bank (U.S. Bank)
 - Description: This agreement helps manage the different cash flows that may be due to the PPA Counterparty which can come from Community Power, CCCFA and/or J. Aron. This agreement stipulates that all funds are deposited into one account, and then a custodian (U.S. Bank) manages the combining of funds to the PPA Counterparty.
 - Form of Limited Assignment Agreement, by and among San Diego Community Power, the counterparty to the power purchase agreement described therein, and J. Aron
 - Description: Document between PPA Seller, Community Power and J. Aron detailing the limited assignment provisions in the document. This form does not impact Community Power’s ability to receive the RECs or associated products. The assignment may be terminated early upon the transaction terminating or upon select payment failures or bankruptcy. Applies after energy “bridge” product delivery period.
 - Letter Agreement between San Diego Community Power and J. Aron regarding matters relating to the Limited Assignment Agreements
 - Description: Defines the commercial and administrative terms between the parties, including operational procedures, notice requirements, reporting expectations, etc.
 - Operational Services Agreement relating to the Project between San Diego Community Power and the Issuer
 - Description: Agreement between CCCFA and Community Power regarding administration of operational matters for the Clean Energy Project.
 - Memorandum of Understanding between San Diego Community Power and the Issuer indemnifying Issuer against certain fees.

- Description: Details the cost share arrangement with Goldman Sachs to cover rating agency and green bond designation fees and Community Power to cover those costs on behalf of CCCFA through the bond proceeds.
- Exhibit B:
 - Appendix A to the Preliminary Official Statement
 - Description: Provides a full description of Community Power as required disclosure for bond investors. It supports investor understanding of the creditworthiness, governance, service area, operations and financial position of the entity taking delivery of the prepaid energy.

ITEM 4

ATTACHMENT A

RESOLUTION NO. 2026-[__]

RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER AUTHORIZING THE EXECUTION AND DELIVERY OF A POWER SUPPLY CONTRACT AND CERTAIN OTHER DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY (CCFA) CLEAN ENERGY PROJECT REVENUE BONDS; AND CERTAIN OTHER ACTIONS REQUIRED TO ENSURE THE REDUCTION IN THE COSTS OF RENEWABLE ENERGY THEREWITH.

THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:

WHEREAS, San Diego Community Power (“**San Diego Community Power**” or “**SDCP**”) was formed on October 1, 2019, under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code section 6500 *et seq.* (the “**JPA Law**”); and

WHEREAS, San Diego Community Power is duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California, is duly authorized to transact business, having obtained all necessary filings, governmental licenses and approvals in the State of California, and has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage; and

WHEREAS, San Diego Community Power is a community choice aggregator (as defined in Section 331.1 of the Public Utilities Code of the State of California (the “**Public Utilities Code**”)), and is a public agency (as defined in the JPA Law) that has implemented a Community Choice Aggregation (“**CCA**”) program pursuant to Section 366.2 of the Public Utilities Code, and possesses the power to purchase and sell electric energy and enter into related contracts for such purposes; and

WHEREAS, San Diego Community Power, acting pursuant to the JPA Law, may enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them and, pursuant to Government Code Section 6588, to exercise certain additional powers; and

WHEREAS, pursuant to the provisions of the JPA Law, San Diego Community Power joined certain other California community choice aggregators by entering into the joint powers agreement (the “**Joint Powers Agreement**”) pursuant to which the CCFA (the “**Issuer**”) was organized for the purpose, among other things, of entering into contracts and issuing bonds to assist community choice aggregators, including San Diego Community Power, in financing the acquisition of supplies of clean energy; and

WHEREAS, the Issuer is authorized by its Joint Powers Agreement to acquire supplies of clean energy and to issue revenue bonds to finance the cost of acquisition of such supplies, and is vested with all powers necessary to accomplish the purposes for which it was created; and

WHEREAS, San Diego Community Power has determined that it is desirable to acquire a long-term supply of clean energy from the Issuer pursuant to a clean energy prepayment transaction (the “**Prepayment Transaction**”); and

WHEREAS, San Diego Community Power has determined to authorize pursuant to this Resolution the undertaking of a Prepayment Transaction with the Prepaid Supplier (defined below); and

WHEREAS, in connection with the foregoing, San Diego Community Power is requesting the Issuer to agree to purchase on a prepaid basis certain quantities of clean energy from Aron Energy Prepay 60 LLC, a Delaware limited liability company (the “**Prepaid Supplier**”) and to sell such clean energy to San Diego Community Power, as contemplated herein (the “**Project**”); and

WHEREAS, San Diego Community Power is requesting that the Issuer finance the costs of the Project with the proceeds of its clean energy project revenue bonds, with a Series designation determined by the Issuer based on the timing and sequence of issuance (the “**Bonds**”); and

WHEREAS, San Diego Community Power has determined to authorize the representatives of San Diego Community Power to take all necessary action to accomplish the purchase of clean energy from the Issuer and to assist the Issuer in the issuance, sale, and delivery of the Bonds; and

WHEREAS, the forms of the following agreements to which San Diego Community Power is a party (collectively, the “**SDCP Documents**”) have been submitted to this meeting for approval:

1. Clean Energy Purchase Contracts between San Diego Community Power and the Issuer;
2. PPA Custodial Agreement by and among San Diego Community Power, the Issuer, J. Aron & Company LLC, a New York limited liability company (“J. Aron”) and a custodial bank to be named therein;
3. Form of Limited Assignment Agreement, by and among San Diego Community Power, the counterparty to the power purchase agreement described therein, and J. Aron;
4. Letter Agreement between San Diego Community Power and J. Aron regarding matters relating to the Limited Assignment Agreements;
5. Operational Services Agreement relating to the Project, by and between San Diego Community Power and the Issuer; and
6. Memorandum of Understanding between San Diego Community Power and the Issuer indemnifying Issuer against certain fees.

WHEREAS, the forms of the following additional documents relating to the Project have also been submitted to this meeting:

1. Appendix A to the Preliminary Official Statement to be used in connection with the offering and sale of the Bonds (together with the SDCP Documents, the “**Project Documents**”).

NOW, THEREFORE, IT IS HEREBY DETERMINED, AFFIRMED, AND ORDERED BY THE BOARD OF DIRECTORS OF THE SAN DIEGO COMMUNITY POWER as follows:

Section 1. AUTHORIZED REPRESENTATIVES. The following named individuals are the authorized representatives of San Diego Community Power with the respective titles specified below (collectively referred to as “**Authorized Representatives**” and individually referred to as an “**Authorized Representative**”):

 NAMES	TITLES
Terra Lawson-Remer	Chair of the Board
Karin Burns	Chief Executive Officer
Gordon Samuel	Chief Commercial Officer
Jack Clark	Chief Operating Officer
Veera Tyagi	General Counsel

Section 2. SDCP Documents. The proposed forms of the SDCP Documents, attached hereto as Exhibit A, are hereby approved. The form of Limited Assignment Agreement may be used, in a substantially similar form, for assignments of the initial or any additional SDCP power purchase agreements, as needed to maintain the transactions approved hereby, and any such Limited Assignment Agreements to be included in the SDCP Documents are hereby approved. Subject to the parameters set forth in Section 5 of this Resolution, any Authorized Representative is hereby authorized and directed, for and on behalf of San Diego Community Power, to execute and deliver the SDCP Documents in substantially similar form, with such changes and insertions therein as the Authorized Representatives executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. Appendix A to the Preliminary Official Statement. Appendix A to the Preliminary Official Statement is hereby approved. Any Authorized Representative is hereby authorized and directed, for and on behalf of San Diego Community Power, to execute and deliver a certificate as to the information regarding San Diego Community Power contained in such Appendix A, with such changes and insertions therein as the Authorized Representative approving the same may deem necessary or appropriate. San Diego Community Power hereby authorizes the inclusion of such Appendix A in the Preliminary Official Statement and the final Official Statement, in each case with such changes as may be approved as aforesaid.

Section 4. Actions Authorized. The Authorized Representatives, each acting alone, are hereby authorized and directed, for and in the name and on behalf of San Diego Community Power, to execute and deliver any and all documents, including, without limitation, any tax certificate relating to its expected use of the energy to be purchased by it from the Project, any continuing disclosure certificate or similar agreement required for the offering or sale of the Bonds, and any and all closing certificates to be executed in connection with the issuance of the Bonds and to take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which San Diego Community Power has approved in this Resolution, for the issuance, sale

and delivery of the Bonds, and to consummate by San Diego Community Power the transactions contemplated by the Power Supply Contract for the Project, the SDCP Documents approved hereby and the other Project Documents presented to the Board herewith, including any subsequent amendments, waivers or consents entered into or given under or in accordance with such documents.

Section 5. Transaction Parameters. The approvals provided for herein shall be subject to the following parameters:

- (a) the Bonds will not be obligations of San Diego Community Power, but will be limited obligations of the Issuer payable solely from the revenues and other amounts pledged thereto, including amounts payable by San Diego Community Power under the Clean Energy Purchase Contracts;
- (b) the aggregate principal amount of the related Series of Bonds shall not exceed \$1,250,000,000;
- (c) the “Monthly Discount Percentage” and “Annual Refund” as provided for in the applicable Clean Energy Purchase Contract for the Project shall result in at least 8% average annual savings based on the fixed cash flows or equivalent \$ per MWh during the initial period; and
- (d) CCCFA total cost of issuance including all underwriting, legal and consultant fees for the Project will not exceed 1.00% of the amount of the proceeds of the Bonds issued by CCCFA with respect to such Project.

Section 6. Execution and delivery of the SDCP Documents by an Authorized Representative shall be conclusive evidence that the parameters set forth in Section 5 have been met, and all actions heretofore taken by the Authorized Representatives with respect to the issuance of the Bonds are hereby ratified, confirmed, and approved.

Section 7. If Section 5 and Section 6 listed herein have been met, an Authorized Representative may direct CCCFA to make payments to vendors that provided professional services to SDCP to complete the SDCP Documents and ultimately the issuance of the Bonds with respect to the Project. These professional services include legal counsel, bond counsel, tax counsel, municipal financial advisor, swap advisor, trustee and trustee counsel, underwriter of the bonds, underwriter’s counsel, and any other vendor required to complete the issuance of the Bonds. Payment to these vendors is considered a cost of issuance and will be paid by CCCFA out of the proceeds of the sale of the Bonds.

IT IS HEREBY FURTHER DETERMINED AND ORDERED that the Authorized Representatives are duly elected, appointed, or employed by or for San Diego Community Power, as the case may be. This Resolution now stands of record on the books of San Diego Community Power, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

IT IS HEREBY FURTHER DETERMINED AND ORDERED that any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved.

IT IS HEREBY FURTHER DETERMINED AND ORDERED that this Resolution shall take effect upon its passage, shall be continuing and shall remain in full force and effect unless and until expressly revoked by further resolution of the Board of Directors.

ADOPTED AND APPROVED this _____ day of _____ 2026.

Terra Lawson-Remer
Chair of the Board of Directors

ATTEST:

Maricela Hernandez, MMC/CPMC
Secretary of the Board of Directors

APPROVED AS TO FORM:

Veera Tyagi, General Counsel

ITEM 4

EXHIBIT A

EXHIBIT A

SDCP Documents

(see attached)

CLEAN ENERGY PURCHASE CONTRACT ([NO. 1]/[NO.2]¹)

between

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

and

SAN DIEGO COMMUNITY POWER

Dated as of [____], 2026

¹ NTD: There will be two Clean Energy Purchase Contracts. The form will be separated into separate documents once the form is fully negotiated and agreed upon by the parties.

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Exhibit A-1 — Base Quantities; Base Delivery Point; Commodity Reference Prices

Exhibit A-2 — EPS Energy Period Monthly Projected Quantity

Exhibit A-3 — Annual Quantity

Exhibit B — Notices

Exhibit C — Remarketing Election Notice

Exhibit D — Federal Tax Certificate

Exhibit E — Purchaser's Legal Opinion

Exhibit F — Assignment of Assignable Power Contracts

Exhibit G — Communications Protocol

Exhibit H — Pricing and Other Terms

Exhibit I — Closing Certificate

CLEAN ENERGY PURCHASE CONTRACT

This Clean Energy Purchase Contract ([No. 1]/[No. 2]) (this “Agreement”) is made and entered into as of [____], 2026 (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”).

WITNESSETH:

WHEREAS, Issuer has planned and developed a project to acquire long-term supplies of Product from Aron Energy Prepay [____] LLC, a Delaware limited liability company (“Prepay LLC”) (or Prepay LLC’s designee) and a wholly-owned subsidiary of The Goldman Sachs Group, Inc., pursuant to a Master Power Supply Agreement, dated as of [____], 2026 (the “Master Power Supply Agreement”), to meet a portion of the Product supply requirements of Purchaser through a discounted clean energy purchase product (the “Clean Energy Project”);

WHEREAS, Purchaser desires to enter into an agreement with Issuer for the purchase of Product acquired by the Issuer under the Clean Energy Project;

WHEREAS, Issuer will finance its payment for Product under, and the other costs of, the Clean Energy Project by issuing Bonds;

WHEREAS, Purchaser is a joint powers authority and a community choice aggregator, duly organized, validly existing and in good standing under the laws of the State of California and the rules, regulations and orders of the California Public Utilities Commission, and is qualified to conduct business in each jurisdiction of the Joint Powers Agreement members for the transmission, distribution, sale, and delivery of Product to retail electric consumers within its service area;

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

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

NOW, THEREFORE, in consideration of the premises above and the mutual covenants and agreements herein set forth, 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 (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:

“Administrative Fee” means the amount per MWh specified as such in Exhibit H.

“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.

“Alternate Delivery Point” has the meaning specified in Section 5.1(a).

“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 Product required to be remarketed under this Agreement for any given Contract Year.

“Annual Refund” means the annual refund, if any, to be provided to the Purchaser and calculated pursuant to the procedures specified in Section 3.4.

“APC Contract Price” means the Day-Ahead Average Price with respect to the Monthly Projected Quantities for any Assignment Period.

“APC Party” has the meaning specified in Exhibit F.

“Applicable Project” has the meaning specified in Exhibit F.

“Assignable Power Contract” has the meaning specified in Section 6.1.

“Assigned Delivery Point” means, with respect to any Assigned Energy, the Assigned Delivery Point as set forth in the applicable Assignment Schedule for such Assigned Energy.

“Assigned Energy” means any Energy, including Energy associated with PCC1 Product, Long-Term PCC1 Product, and PCC2 Product to be delivered to J. Aron or any successor thereto pursuant to any Assigned Rights and Obligations.

“Assigned PPA” means any power purchase agreement that is assigned pursuant to an Assignment Agreement in accordance with the terms of this Agreement.

“Assigned Prepay Value” means, for any Month and each Assignment Schedule, the Monthly Projected Quantities for such Month multiplied by the applicable APC Contract Price.

“Assigned Product” means, as applicable, PCC1 Product, Long-Term PCC1 Product, PCC2 Product, Assigned Energy, Assigned RECs and any other Product included on an Assignment Schedule, subject to the limitations for such other Product set forth in Exhibit F.

“Assigned RECs” means any RECs associated with PCC1 Product, Long-Term PCC1 Product or PCC2 Product to be delivered to J. Aron or any successor thereto pursuant to any Assigned Rights and Obligations.

“Assigned Rights and Obligations” has the meaning specified in Section 6.1.

“Assignment Agreement” means, for any Assigned Rights and Obligations, an agreement among Purchaser, J. Aron and the APC Party, approved by Issuer, in the form attached hereto as Annex II to Exhibit F (with such changes thereto as may be mutually agreed upon by Purchaser, J. Aron, the APC Party, and Issuer, each in its sole discretion).

“Assignment Period” for any Assigned Rights and Obligations has the meaning specified in the applicable Assignment Agreement.

“Assignment Schedule” has the meaning specified in Exhibit F.

“Available Discount Percentage” has the meaning specified in the Re-Pricing Agreement. For the avoidance of doubt, the “Available Discount Percentage” under the Re-Pricing Agreement includes the Monthly Discount Percentage, as well as additional discounting expected to be made available through the Annual Refund.

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

“Base Delivery Point” has the meaning specified in Section 5.1(a).

“Base Product” means Firm (LD) Energy to be delivered to the Base Delivery Point.

“Base Quantity” means, with respect to each Delivery Hour during the Delivery Period, the Base Unadjusted Quantity for such Delivery Hour less the Base Quantity Reduction for such Delivery Hour, each as set forth on Exhibit A-1, as Exhibit A-1 may be revised pursuant to Article VI.

“Base Quantity Reduction” means, with respect to each Delivery Hour during the Delivery Period, the “Base Quantity Reduction” of Base Product (in MWh) set forth for such Delivery Hour on Exhibit A-1, as Exhibit A-1 may be revised pursuant to Article VI.

“Base Unadjusted Quantity” means, with respect to each Delivery Hour during the Delivery Period, the “Base Unadjusted Quantity” (in MWh) set forth for such Delivery Hour on Exhibit A-1.

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

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

“Bonds” means the bonds issued pursuant to the Trust 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 generally 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 from “Business Day” as therein defined, pursuant to the Trust 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.

“CEC” means California’s State Energy Resources Conservation and Development Commission, also known as the California Energy Commission, and any successor agency thereto.

“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.

“Commodity Reference Price” means either (i) the Day-Ahead Market Price, or (ii) the Real-Time Market Price, as applicable.

“Contract Price” means (i) with respect to the Base Product and any Delivery Hour, (A) the Day-Ahead Market Price for such Delivery Hour at the Base Delivery Point less (B) the product of the Fixed Price for Base Quantities multiplied by the Monthly Discount Percentage, (ii) with respect to the Monthly Projected Quantities and any Delivery Hour, (A) the Day-Ahead Average Price for such Delivery Hour at the Assigned Delivery Point less (B) the product of the Fixed Price for Monthly Projected Quantities multiplied by the Monthly Discount Percentage and (iii) with respect to Monthly Excess Quantities, the contract price then in effect under the applicable Assigned PPA for such Assigned Products. For the avoidance of doubt, the Contract Price for Assigned Energy is inclusive of any amounts due in respect of other Assigned Products.

“Contract Year” means each period of 12 Months from [____] until [____] during the Delivery Period.

“Day” means each period of 24 consecutive Hours commencing at the Hour ending at 01:00 (LPT) through the Hour ending at 24:00 (LPT).

“Day-Ahead Average Price” means, for any Monthly Projected Quantities, 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) \$[____]/MWh. As used in this definition, “Pricing Interval” means the unit of time for which CAISO establishes a separate price.

“Day-Ahead Market Price” has the meaning specified on Exhibit A-1 for the Primary Delivery Point.

“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.

“Delivering Entity” has the meaning specified in the Master Power Supply Agreement.

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

“Delivery Period” has the meaning specified in Exhibit H.

“Delivery Point” means the Base Delivery Point or an Assigned Delivery Point, as applicable.

“Disqualified Sale Proceeds” has the meaning specified in Section 7.6.

“Disqualified Sale Units” has the meaning specified in Section 7.6.

“Electricity Sale and Service Agreement” means that certain Electricity Purchase, Sale and Service Agreement dated as of [____], 2026, by and between J. Aron and Prepay LLC, which provides for the delegation by Prepay LLC to J. Aron of Prepay LLC’s Product sale and delivery obligations under the Master Power Supply Agreement.

“Eligible Renewable Energy Resource” has the meaning set forth in California Public Utilities Code Section 399.12(e) and California Public Resources Code Section 25741(a), as either code provision is amended or supplemented from time to time.

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

“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 any Assignment Period or J. Aron EPS Energy Period.

“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 or any successor thereto.

“Firm (LD)” means, with respect to a Party’s obligation to sell and deliver or purchase and receive, that such Party’s liability for the failure to meet such obligation shall only be excused to the extent that, and for the period during which, such performance is prevented by Force Majeure and that in the absence of Force Majeure, the Party to which performance of such obligation is owed shall be entitled to receive from the Party which failed to deliver/receive an amount determined pursuant to Article IV.

“Fixed Price” means \$[____]/MWh with respect to Base Quantities and \$[____]/MWh with respect to Monthly Projected Quantities, which are the fixed prices under the Buyer Swap (as defined in the Master Power Supply Agreement).

“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; provided that, for the avoidance of doubt, to the extent that (x) an APC Party to an Assigned PPA fails to deliver any Assigned Product and claims force majeure with respect to such failure to deliver or (y) an APC Party to an Assigned PPA 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, in either case, such event shall be deemed to constitute Force Majeure in respect of Issuer hereunder. Force Majeure shall include, provided the criteria in the first sentence are met, riot, insurrection, war, labor dispute, natural disaster, vandalism, terrorism, sabotage. Force Majeure shall not be based on (i) the loss of Purchaser’s markets; (ii) Purchaser’s inability economically to use or resell the Product purchased hereunder; (iii) the delay, loss or failure of Issuer’s supply; or (iv) Issuer’s ability to sell the Product 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 (x) such Party has contracted for firm transmission with a Transmission Provider for the Product to be delivered to or received at the applicable Delivery Point and (y) 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 a Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that a Force Majeure as defined in the first sentence hereof has occurred. Force Majeure declared by Prepay LLC under the Master Power Supply Agreement shall constitute Force Majeure in respect of Issuer hereunder to the extent the conditions set forth above have been satisfied with respect to Prepay LLC. Notwithstanding the foregoing or anything to the contrary herein, to the extent that an Assignment Agreement is terminated early, such termination shall constitute Force Majeure with respect to Issuer hereunder until the earlier of (I) the commencement of an “Assignment Period” under a replacement Assignment Agreement, (II) the commencement of a J. Aron EPS Energy Period or (III) 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.

“Governmental Approval” means any authorization, consent, approval, license, ruling, permit, exemption, variance, order, judgment, registration, filing, giving of notice to, decree, declaration of or regulation by any Government Agency relating to the valid execution, delivery or performance of this Agreement or the consummation of any of the transactions contemplated hereby.

“Hour” means the 60-minute period commencing at 00:00 (LPT) on first Day of the Delivery Period and ending at 01:00 (LPT) on the first Day of the Delivery Period, and each 60-minute interval thereafter.

“Initial Reset Period” has the meaning specified in Exhibit H.

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

“Issuer” has the meaning specified in the preamble.

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

“ISTs” has the meaning specified in Section 5.1(a).

“J. Aron” means J. Aron & Company LLC, a New York limited liability company, and its permitted successors and assigns under an Assignment Agreement.

“J. Aron EPS Energy Period” has the meaning specified in Section 6.1(c).

“J. Aron Fixed Payment” has the meaning specified in the PPA Custodial Agreement.

“J. Aron Prepay Payment” has the meaning specified in the PPA Custodial Agreement.

“Joint Powers Act” means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.).

“Joint Powers Agreement” means that certain [Joint Powers Agreement] dated [____], 20[____] as amended from time to time, under which Purchaser is organized as a Joint Powers Authority in accordance with the Joint Powers Act.

“Law” means any statute, law, rule or regulation or any written judicial or administrative decision, ruling or interpretation with respect thereto or 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 during the term of this Agreement.

“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 J. Aron or any successor thereto pursuant to any Assigned Rights and Obligations.

“Long-Term PCC2 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 2, and the California Long-Term Contracting Requirements, to be delivered to J. Aron or any successor thereto pursuant to any Assigned Rights and Obligations.

“LPT” means the local prevailing time then in effect in the State of California.

“Master Power Supply Agreement” has the meaning specified in the recitals.

“Minimum Discount Percentage” has the meaning specified in Exhibit H.

“Month” means a period beginning on the first Day of a calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

“Monthly Discount Percentage” has the meaning specified in Exhibit H.

“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 Article VI).

“Municipal Utility” means any Person that (i) is a “governmental person” as defined in the implementing regulations under Section 141 of the Code and any successor provision, (ii) owns either or both a gas distribution utility or an electric distribution utility (or provides natural gas or electricity at wholesale to, or that is sold to entities that provide natural gas or electricity at wholesale to, governmental Persons that own such utilities), and (iii) agrees in writing to use the gas or electricity purchased by it (or cause such gas or electricity to be used) for a qualifying use as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii).

“MWh” means megawatt-hour.

“Non-Priority Products” means any Products that are not Priority Products.

“Other Clean Energy Purchase Contract” means that certain Clean Energy Purchase Contract ([No. 1]/[No. 2]), dated as of the date hereof, by and between Purchaser and Issuer.

“Party” has the meaning specified in the preamble.

“PCC1 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1 to be delivered to J. Aron or any successor 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 J. Aron or any successor 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.

“Potential Remarketing Event” has the meaning specified in Section 3.5(b).

“Portfolio Content Category 1” or “PCC1” means any Renewable Energy Credit associated with the generation of electricity from an Eligible Renewable Energy Resource consisting of the portfolio content set forth in California Public Utilities Code Section 399.16(b)(1), as may be amended from time to time or as further defined or supplemented by Law.

“Portfolio Content Category 2” or “PCC2” 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.

“PPA Custodial Agreement” means that certain PPA Custodial Agreement, dated as of the Bond Closing Date, by and among Purchaser, Issuer, J. Aron and the PPA Custodian.

“PPA Custodian” means U.S. Bank Trust Company, National Association, and its successors as custodian under the PPA Custodial Agreement.

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

“Primary Delivery Point” has the meaning specified in Section 5.1(a).

“Priority Products” means the Base Quantity and Assigned Products to be purchased by Purchaser under this Agreement, together with Products that (i) Purchaser is obligated to take under a long-term agreement, which Products either have been purchased by Purchaser or a joint action agency pursuant to a long-term prepaid power purchase agreement using the proceeds of bonds, notes, or other obligations, the interest on which is excluded from income for federal income tax purposes, or (ii) with respect to Energy, Energy that is generated using capacity that was constructed using the proceeds of bonds, notes, or other obligations, the interest on which is excluded from income for federal income tax purposes (provided that, for the avoidance of doubt, Priority Products 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).

“Product” means Energy and, to the extent included on an Assignment Schedule, associated RECs or other products related to the foregoing; *provided* that the inclusion of any Product on an Assignment Schedule is subject to the limitation set forth in Exhibit F.

“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 Product delivered under this Agreement, such Product 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.

“Re-Pricing Agreement” means the Re-Pricing Agreement, dated as of the Bond Closing Date (as defined in the Master Power Supply Agreement), by and between Prepay LLC and Issuer.

“Real-Time Market Price” has the meaning specified on Exhibit A-1 for each Delivery Point.

“Remarketing Entity” has the meaning specified in the Master Power Supply Agreement.

“Remarketing Election Deadline” means, for any Reset Period, the last date and time by which Purchaser may provide a Remarketing Election Notice, which shall be 4:00 p.m. LPT 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 3.5(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.

“Replacement Price” means, with respect to any Shortfall Quantity of Base Quantities, the price at which Purchaser, acting in a Commercially Reasonable manner, purchases at the applicable Delivery Point Replacement Product for such Shortfall Quantity, plus (i) costs reasonably incurred by Purchaser in purchasing Replacement Product, and (ii) additional transmission charges, if any, reasonably incurred by Purchaser to the applicable Delivery Point, or at Purchaser’s option, the market price at the Delivery Point for such Product not delivered as determined by Purchaser in a Commercially Reasonable manner. The Replacement Price for any Shortfall Quantity shall not include any administrative or other internal costs incurred by Purchaser and shall be limited to a price that is Commercially Reasonable with respect to the timing and manner of purchase. In no event shall the Replacement Price include any penalties, ratcheted demand or similar charges, nor shall Purchaser be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Issuer’s liability.

“Replacement Product” means any Energy purchased by Purchaser to replace any Shortfall Quantity at the Delivery Point where such Shortfall Quantity occurred; provided that such Energy is purchased for delivery in the Delivery Hour to which such Shortfall Quantity relates.

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

“Reset Period Notice” has the meaning specified in Section 3.5(a).

“RPS Law” means the California Renewable Energy Resources Act, including the California Renewables Portfolio Standard Program, Article 16 of Chapter 2.3, Division 1 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law.

“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 and type of Product to be delivered during any given portion of the Delivery Period at a specified Delivery Point.

“Shortfall Quantity” has the meaning specified in Section 4.1(a).

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

“Trust Indenture” means (i) the Trust Indenture to be entered into prior to the commencement of the Delivery Period between Issuer and the Trustee, 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.

“Trustee” means U.S. Bank Trust Company, N.A. and its successors as trustee under the Trust Indenture.

“Utility Revenues” means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of Purchaser’s electric system, including, without limiting the generality of the foregoing, (1) all income, rents, rates, fees, charges, or other moneys derived by the Purchaser from the sale, furnishing and supplying of the electric capacity or energy or other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Purchaser’s electric system, (2) the earnings on and income derived from the investment of such income, rents, rates, fees, charges, or other moneys to the extent that the use of such earnings and income is limited to Purchaser’s electric system by or pursuant to law, (3) deferred revenues and moneys maintained in the Purchaser’s operating reserve fund and (4) such other income, charges, revenue or moneys maintained in reserves as the Purchaser may specify in a written order of the Purchaser filed with the Issuer, but excluding (A) in all cases customers’ deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the Purchaser; and (B) such other income, charges, revenue or moneys as the Purchaser may specify in a written order of the Purchaser filed with the Issuer, provided that such written order of the Purchaser confirms that, following the filing of such written order of the Purchaser, (i) the requirements of Section 14.7 shall be satisfied; and

(ii) the income, charges, revenue or moneys specified in such written order of the Purchaser shall be accounted for separately from the “Utility Revenues” as defined herein.

“Voided Remarketing Election Notice” has the meaning specified in Section 3.5(b).

“Western EIM” has the meaning ascribed to “Energy Imbalance Market (EIM)” under the CAISO Tariff.

“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 broadest scope of such general statement, term or matter. 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.

ARTICLE II.

DELIVERY PERIOD; NATURE OF CLEAN ENERGY PROJECT; CONDITION PRECEDENT

Section 2.1 Delivery Period. Subject to Section 2.3, delivery of Product by Issuer to Purchaser shall commence at the beginning of the Delivery Period and, except for any Reset Period for which a Remarketing Election Notice is in effect as provided in Section 3.5(b), shall continue throughout the Delivery Period.

Section 2.2 Nature of Clean Energy Project. Purchaser acknowledges and agrees that Issuer will meet its obligations to provide Product to Purchaser under this Agreement exclusively through its purchase of Product from Prepay LLC or the Delivering Entity, as applicable, pursuant to the Master Power Supply Agreement and that Issuer is financing its purchase of such supplies through the issuance of the Bonds.

Section 2.3 Condition Precedent. Notwithstanding anything to the contrary herein, commencement of deliveries and the rights and obligations of Issuer and Purchaser hereunder are

subject to the condition precedent that Issuer shall have entered into the Master Power Supply Agreement and shall have issued 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 Trust Indenture.

ARTICLE III.

SALE AND PURCHASE; PRICING

Section 3.1 Sale and Purchase of Product. Issuer shall sell and deliver or cause to be delivered to Purchaser, and Purchaser shall purchase and receive from Issuer, the applicable Product in the quantities and at the times and subject to the terms and conditions set forth in this Agreement. The quantities of Product to be sold and purchased and delivered and received pursuant to the terms and conditions set forth in this Agreement shall be equal to (a) the Base Quantity, if any, for each Delivery Hour and (b) the Monthly Projected Quantity delivered to J. Aron in each Month of the Delivery Period pursuant to the Assignment Agreements. The Parties acknowledge and agree that Issuer's delivery obligation for (i) Assigned Products will be measured on an annual basis and (ii) Base Products will be measured on an hourly basis as set forth in the terms of this Agreement.

Section 3.2 Payments.

(a) For each Month for which an EPS Energy Period is in effect at the start of such Month, Purchaser shall pay Issuer the Contract Price multiplied by the Monthly Projected Quantity actually delivered for such Month, provided that (x) Issuer shall owe a payment to Purchaser to the extent that the Contract Price for such Monthly Projected Quantity is negative and (y) Purchaser's payment of the [SDCP Gross Amount] (as defined in the PPA Custodial Agreement) to the PPA Custodian consistent with the terms of the PPA Custodial Agreement (x) shall satisfy Purchaser's obligations hereunder with respect to Monthly Excess Quantities and (y) any portion of such amount attributable to Monthly Excess Quantities shall be deemed to be paid by Purchaser to the applicable APC Party on behalf of J. Aron and shall satisfy the obligations of the respective parties under each of the Electricity Sale and Service Agreement, the Master Power Supply Agreement, this Agreement and the applicable Assignment Agreement.

(b) To the extent that Base Quantities are delivered hereunder in any Month, Purchaser shall pay Issuer the Contract Price multiplied by the Base Quantities actually delivered.

Section 3.3 [Limited Obligation to Take Base Quantities. Notwithstanding anything to the contrary in this Agreement, Purchaser shall not be required to purchase and receive any Base Quantities hereunder, and Issuer, with respect to any Base Quantities that otherwise would be

delivered hereunder, shall cause Prepay LLC to remarket such Base Quantities pursuant to the provisions of Exhibit C to the Master Power Supply Agreement.]²

Section 3.4 Annual Refund. In addition to any Monthly Discount Percentage applied to Energy Scheduled hereunder, Issuer shall credit such Annual Refund to Purchaser as may be available for distribution by Issuer pursuant to [Section 5.12] of the Trust Indenture, subject to the provisions of this Section 3.4. Such Annual Refund, if any, shall be credited to the next amount due from Purchaser following the release of funds for such purpose to Issuer under the terms of the Trust Indenture. In determining the amount of such Annual Refund, if any, to be credited to Purchaser, Issuer may reserve such funds (i) as may be required under the terms of the Trust Indenture or (ii) with the prior written consent of Purchaser (a) to fund or maintain the Minimum Discount Percentage for any future Reset Period, (b) to fund or maintain any rate stabilization or working capital reserve, (c) to reserve or account for unfunded liabilities and expenses or (d) for other costs of the Clean Energy Project.

Section 3.5 [Reset Period Remarketing]³

(a) **Reset Period Notice**. For each Reset Period, Issuer shall provide to Purchaser, at least ten (10) days prior to the Remarketing Election Deadline, written notice (a “Reset Period Notice”) setting forth (i) the duration of such Reset Period, (ii) the estimated Available Discount Percentage for such Reset Period, and (iii) the applicable Remarketing Election Deadline. Issuer may thereafter update such notice at any time prior to the Remarketing Election Deadline, provided that Issuer may extend the Remarketing Election Deadline only to the extent consented to in writing by J. Aron.

(b) **Remarketing Election**. If the Reset Period Notice (or any update thereto) for any Reset Period indicates that the estimated Available Discount Percentage specified in such notice is not at least equal to the Minimum Discount Percentage for such 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 the Assignment Agreements to be terminated and all Base Quantities with respect to such Reset Period to be remarketed; provided, however, if the actual Available Discount Percentage, as finally determined under the Re-Pricing Agreement, is equal to or greater than the Minimum Discount Percentage, then Issuer may, in its sole discretion, elect by written notice (a “Voided Remarketing Election Notice”) to Purchaser to treat such Remarketing Election Notice as void. If Purchaser issues a

² NTD: For inclusion only in Clean Energy Purchase Contract No. 2 given that SDCP will be obligated to purchase Base Quantities under Clean Energy Purchase Contract No. 1.

³ NTD: Reset Period remarketing provisions to be included only in Clean Energy Purchase Contract No. 2 given that Clean Energy Purchase Contract No. 1 will expire during the Initial Reset Period.

valid Remarketing Election Notice (other than a Voided Remarketing Election Notice) in accordance with this Section 3.5(b) for any Reset Period, then Purchaser shall have no rights or obligations to receive any Product hereunder during such Reset Period or to receive any Annual Refund attributable to such Reset Period.

(c) Final Determination of Available Discount Percentage. The Parties acknowledge and agree that the final Available Discount Percentage for any Reset Period following the Initial Reset Period will be determined on the Re-Pricing Date (as defined in the Re-Pricing Agreement) for such Reset Period, and that such Available Discount Percentage may differ from the estimate or estimates of such Available Discount Percentage last provided to Purchaser prior to the Remarketing Election Deadline for such Reset Period; provided that the Available Discount Percentage for any Reset Period will not be less than the lower of (i) the last estimated Available Discount Percentage set forth in the Reset Period Notice for such Reset Period (or any update thereof) sent to Purchaser by Issuer and (ii) the Minimum Discount Percentage for Reset Period.

(d) Obligations Following a Remarketing Election. Notwithstanding the issuance of any Remarketing Election Notice for a Reset Period, Purchaser shall not make any new commitment to purchase Priority Products 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 Products (including its obligation to purchase Priority Products hereunder) to exceed Purchaser's expected aggregate requirements for Products that will be used (i) for a "qualifying use" as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii) and (ii) in a manner that will not result in any "private business use" within the meaning of Section 141 of the Code. Unless Purchaser issues a new Remarketing Election Notice (other than a Voided Remarketing Election Notice) for any subsequent Reset Period in accordance with this Section 3.5, Purchaser and J. Aron will cooperate in good faith and exercise Commercially Reasonable Efforts to locate EPS Compliant Energy for redelivery hereunder in any such Reset Period.]

ARTICLE IV.

FAILURE TO SCHEDULE PRODUCT

Section 4.1 Issuer's Failure to Schedule Base Quantity (Not Due to Force Majeure).

(a) Shortfall Quantity. If, for any Delivery Hour during the Delivery Period, Issuer breaches its obligation to Schedule or deliver all or any portion of the Base Quantity, after giving effect to reductions for Assigned Energy at any Delivery Point pursuant to the terms of this Agreement, then the portion of the Base Quantity that Issuer failed to Schedule or deliver shall be a "Shortfall Quantity".

(b) Issuer Cover Damage Payments. To the extent Purchaser actually purchases Replacement Product with respect to any Shortfall Quantity, then Issuer shall pay to Purchaser the result determined by the following formula:

$$P = Q \times (RP - CP + AF)$$

Where:

P = The amount payable by Issuer under this Section 4.1(b);

Q = The quantity of Replacement Product purchased;

RP = The Replacement Price;

CP = The Contract Price that would have applied to such Product; and

AF = The Administrative Fee.

(c) Purchaser Obligation to Mitigate. Purchaser shall exercise Commercially Reasonable Efforts to mitigate Issuer's damages paid by Issuer hereunder.

Section 4.2 Purchaser's Failure to Schedule or Take Base Quantities (Not Due to Force Majeure). If, for any Delivery Hour during the Delivery Period, Purchaser breaches its obligation to Schedule or take all or any portion of the Base Quantity at any Delivery Point pursuant to the terms of this Agreement, then Purchaser shall remain obligated to pay Issuer the Contract Price for such Base Quantity. Issuer shall credit to Purchaser's account any net revenues Issuer may receive from Prepay LLC under the Master Power Supply Agreement in connection with the ultimate sale of any such Product by the Delivering Entity to Municipal Utilities or, if necessary, other purchasers, up to the Contract Price.

Section 4.3 Failure to Deliver or Take Due to Force Majeure. If with respect to all or any portion of Base Quantities:

(a) Purchaser fails to take or Issuer fails to deliver all or any portion of such quantities at any Delivery Point pursuant to the terms of this Agreement; and

(b) such failure is due to Force Majeure claimed by either Party, then the Parties shall have no payment obligations with respect to such quantities hereunder.

Section 4.4 Assigned Product. 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.

Section 4.5 Sole Remedies. Except with respect to the termination of this Agreement pursuant to Article XVII, the remedies set forth in this Article IV shall be each Party's sole and exclusive remedies for any failure by the other Party to Schedule, deliver or take Product, as applicable, pursuant to this Agreement.

ARTICLE V.

DELIVERY POINTS; SCHEDULING

Section 5.1 Delivery Points.

(a) Base Delivery Points. All Base Product delivered under this Agreement shall be Scheduled for delivery and receipt at (i) the Delivery Point set forth in Exhibit A-1 (the “Primary Delivery Point”) or (ii) any other point (an “Alternate Delivery Point”) that has been mutually agreed by Issuer, Purchaser and Prepay LLC (the Primary Delivery Point or, to the extent specified, any Alternate Delivery Point being the “Base Delivery Point”). Delivery of Energy to Purchaser at the Primary Delivery Point shall be facilitated through submission of Inter-SC Trades, as defined in the CAISO Tariff (“ISTs”). Purchaser shall designate a scheduling coordinator in the CAISO market for this purpose as specified in Exhibit G.

(b) Alternate Base Market Prices. The Day-Ahead Market Price and Real-Time Market Price for each Alternate Delivery Point, as applicable, shall be the price mutually agreed and identified by the Parties, or if no such price is identified for such Alternate Delivery Point, the Day-Ahead Market Price and Real-Time Market Price, as applicable, specified on Exhibit A-1 for the Primary Delivery Point from which quantities are being shifted to such Alternate Delivery Point.

(c) Assigned Energy Delivery Points. Assigned Energy delivered under this Agreement shall be Scheduled for delivery and receipt at the applicable Assigned Delivery Point specified in the applicable Assignment Schedule. All other Assigned Product shall be delivered consistent with the terms of the applicable Assignment Agreement.

Section 5.2 Transmission and Scheduling. Issuer shall Schedule or arrange for Scheduling services with CAISO in accordance with the CAISO Tariff, to deliver the Base Product to the Base Delivery Point. Purchaser shall Schedule or arrange for Scheduling services with CAISO in accordance with CAISO Tariff, to receive the Base Product at the Base Delivery Point. If Prepay LLC Schedules or arranges for Scheduling services, to deliver Base Product to the Base Delivery Point, then Issuer’s obligations under this Section shall be relieved pro tanto. Scheduling of Assigned Energy shall be in accordance with the applicable Assignment Schedule.

Section 5.3 Title and Risk of Loss. Title to and risk of loss of the Product delivered under this Agreement shall pass from Issuer to Purchaser at the applicable Delivery Point. The transfer of title and risk of loss for all Assigned Product 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. Subject to Section 18.1, each Party shall indemnify, defend and hold harmless the other Party from and against any Claims made by a third party arising from or out of any event, circumstance, act or incident related to the Product delivered hereunder first occurring or existing during the period when control and title to Base Product or Assigned Product is vested in the indemnifying Party as provided in this Section; provided that, notwithstanding the foregoing, (a) Issuer shall have no obligations to indemnify, defend or hold harmless Purchaser for any such Claims relating to replacement costs, cover damages or similar liabilities that are payable to any Person because of Purchaser’s failure to deliver any Product to such Person and (b) no obligation to indemnify, defend or hold harmless shall supplant or control the provisions of this Agreement relating to Force Majeure. Notwithstanding anything to the

contrary herein, no Party shall have any obligations to indemnify, defend or hold harmless the other Party in respect of any Claims relating to any Assigned Product.

Section 5.4 PCC1 Product, Long-Term PCC1 Product and PCC2 Product. Notwithstanding any other provision of this Agreement to the contrary, 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 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 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. 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 Assigned PPA. **[STC 6, Non-Modifiable. (Source: D.07-11-025, Attachment A.) D.08-04-009].**

(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. 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 Assigned PPA. **[STC REC-1, Non-modifiable. D.11-01-025].**

(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].** With respect to Sections 5.4(a) through (c), "Seller" means "Issuer", "Buyer" means "Purchaser", and any other capitalized terms not otherwise defined therein shall have the meaning specified in the Assigned PPA.

(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 and purchased by Issuer for resale to Purchaser hereunder is not being sold by Issuer back to the Applicable Project or APC Party;
- (iv) Assigned Product to be purchased and sold pursuant to this Agreement has not been 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 PCC1 Product in compliance with the requirements set forth in California Public Utilities Code 399.16(b)(1) and the California RPS compliance requirements for Portfolio Content Category 1 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 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 a Portfolio Content Category 1 Product or Portfolio Content Category 2 Product, as applicable, as set forth in California Public Utilities Code Section 399.16(b)(1) or 399.16(b)(2), as applicable, or 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.

(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 Product 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 APC Party set forth in the Assigned PPAs in making the representations and warranties set forth in this Section 5.4 and has not performed any independent investigation with respect thereto;

(ii) J. Aron has agreed pursuant to the Electricity Sale and Service Agreement 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 Communications Protocol. With respect to the Scheduling and delivery of Base Quantities, Issuer and Purchaser shall comply with the communications protocol set forth in Exhibit G. Scheduling and transmission of Assigned Energy shall be in accordance with the applicable Assignment Agreement pursuant to which the Purchaser shall act as scheduling agent for each of J. Aron, Prepay LLC and Issuer.

Section 5.6 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 (including a Balancing Authority operating within the Western EIM) 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 Product into the applicable Balancing Authority shall constitute delivery of such Product to Purchaser hereunder,

provided that any associated Renewable Energy Credits and other Assigned Product are also delivered to Purchaser.

Section 5.7 Assigned Products. Issuer shall have no liability under this Article V with respect to any Assigned Products.

ARTICLE VI.

ASSIGNMENT OF POWER PURCHASE AGREEMENTS

Section 6.1 Assignments Generally.

(a) Initial Assignments. Prior to the commencement of the Delivery Period, Purchaser agrees to exercise Commercially Reasonable Efforts to assign the Assigned Rights and Obligations to J. Aron sufficient to reduce the Base Quantity to zero. [For the avoidance of doubt, this provision is only applicable to the Other Clean Energy Purchase Contract.]

(b) Assignments of Replacement Assigned Rights and Obligations. Commencing (i) one year prior to the expiration of any EPS Energy Period or (ii) otherwise immediately upon the early termination or anticipated early termination of a EPS Energy Period or a failure at any time to assign sufficient Assigned Rights and Obligations to reduce the Base Quantities to zero for any Month in the upcoming 12 Months, Purchaser shall exercise Commercially Reasonable Efforts and cooperate with J. Aron in good faith to assign a portion of Purchaser's rights and obligations (the "Assigned Rights and Obligations") under one or more power purchase agreements (each such agreement, an "Assignable Power Contract") pursuant to which Purchaser is purchasing EPS Compliant Energy, RECs and other products that may be assigned pursuant to Exhibit F. The Parties recognize that, in the case of such an assignment, J. Aron will be obligated to sell and deliver Assigned Product it receives under all Assigned Rights and Obligations to Prepay LLC under the terms of the Electricity Sale and Service Agreement, and Prepay LLC will be obligated to deliver such Product to Issuer under the terms of the Master Power Supply Agreement. To be effective hereunder, any assignment of replacement Assigned Rights and Obligations must be proposed, agreed and consented to in accordance with Exhibit F and the Master Power Supply Agreement.

(c) J. Aron Procurement of EPS Compliant Energy. Under certain circumstances specified in Section 6.1(c) of the Electricity Sale and Service Agreement, J. Aron is obligated to exercise Commercially Reasonable Efforts to obtain EPS Compliant Energy for ultimate redelivery to Purchaser hereunder, and, in such case, Purchaser shall cooperate in good faith with J. Aron in connection therewith, provided that:

- (i) J. Aron's procurement of any such EPS Compliant Energy for ultimate redelivery hereunder shall be subject to Purchaser's prior written consent, with such consent not to be unreasonably withheld, provided, for the avoidance of doubt, that it shall be reasonable for Purchaser to withhold its consent based on the requirements of the EPS or other regulatory requirements;
- (ii) Issuer and Purchaser shall act in good faith and in a Commercially Reasonable manner to negotiate appropriate amendments to this Agreement to facilitate the delivery of such EPS Compliant Energy, including with respect to the Delivery Point, consequences of failing to deliver or receive and scheduling matters;
- (iii) the period of delivery for any such EPS Compliant Energy (any such period, a "J. Aron 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 such succeeding Reset Period; and
- (iv) during a J. Aron EPS Energy Period, if requested by J. Aron, Purchaser shall continue to exercise Commercially Reasonable Efforts and cooperate with J. Aron in good faith to assign Assigned Rights and Obligations to J. Aron under an Assignable Power Contract.

- (d) Amendments. Purchaser and Issuer agree to seek the written consent of J. Aron prior to any amendment to this Article VI or Exhibit F hereto.

Section 6.2 Failure to Obtain EPS Compliant Energy. To the extent an EPS Energy Period terminates or expires and Purchaser and J. Aron have been unable to obtain EPS Compliant Energy for delivery hereunder pursuant to the provisions of Section 6.1, then, until EPS Compliant Energy is obtained for delivery hereunder, Prepay LLC shall remarket Purchaser's Base Quantities pursuant to the provisions of Exhibit C to the Master Power Supply Agreement, subject to the following:

- (a) Purchaser's and J. Aron's obligations set forth in Section 6.1 shall continue to apply; and
- (b) Purchaser shall not make any new commitment to purchase Priority Products during such a remarketing.

Section 6.3 Adjustments to Base Quantities. Effective upon the first day of the third Month following the early termination of an EPS Energy Period for any reason, Issuer shall revise Exhibits A-1 and A-2 to (a) update the Base Quantity Reductions as provided in Exhibit F to the extent a subsequent EPS Energy Period will commence on such date or (b) reverse such Base

Quantity Reductions associated with the EPS Energy Period that terminated for all remaining Hours in the Delivery Period to the extent a replacement EPS Energy Period will not commence on such date. In the case of any other commencement of a subsequent EPS Energy Period, Issuer shall revise (i) the Base Quantity Reductions in Exhibit A-1 as provided by Exhibit F hereto and (ii) Exhibit A-2 to reflect the details for such EPS Energy Period.

Section 6.4 J. Aron Non-Payment to APC Party. To the extent that (a) J. Aron fails to pay when due any J. Aron Prepay Payment and (b) Purchaser makes a payment for such amounts to the applicable APC Party, Purchaser shall provide notice thereof to Issuer upon Purchaser's payment to the applicable APC Party and Issuer shall make a payment to Purchaser in the amount of such non-payment.

Section 6.5 Relevant Agreement for Assignments. The Parties acknowledge and agree that (x) the terms of this Article VI shall only apply under [the Other Clean Energy Purchase Contract and not under this Agreement]/[this Agreement and not under the Other Clean Energy Purchase Contract] and (y) any assignment of Assigned Rights and Obligations in connection with the Clean Energy Project shall occur only under [the Other Clean Energy Purchase Contract]/[this Agreement].

ARTICLE VII.

USE OF PRODUCT

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 community choice aggregation program 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, if taken or omitted, respectively, would adversely affect the tax-exempt status of the Bonds.

Section 7.2 Priority Products. Purchaser agrees to purchase and receive the Products to be delivered under this Agreement (a) in priority over and in preference to all other Products available to Purchaser that are not Priority Products; and (b) on at least a pari passu and non-discriminatory basis with other Priority Products.

Section 7.3 Assistance with Sales to Third Parties. If (a) (i) a quantity of Assigned Product less than the Annual Quantity is delivered hereunder in any Contract Year for any reason other than Force Majeure or (ii) an Assigned PPA FM Remarketing Event has occurred and is in effect (as defined in Exhibit F to the Master Power Supply Agreement), [(b) Issuer is required under Section 3.3 to cause Base Quantities that otherwise would be delivered hereunder to be

remarketed]⁴ or (c) notwithstanding Purchaser's compliance with Section 7.1, Purchaser does not require all or any portion of the Monthly Projected Quantity to meet its requirements for Energy that it is obligated to purchase under this Agreement as a result of (i) insufficient demand by Purchaser's retail customers or (ii) a change in Law, Purchaser may, with reasonable notice issued in the form of a remarketing notice in accordance with Exhibit G, request (and, in the case of clauses (a) and (b), shall be deemed to request) that the Delivering Entity, as permitted by the Master Power Supply Agreement, sell such portion of such Base Quantities or Monthly Projected Quantity (I) to another Municipal Utility, or (II) if necessary, to another purchaser. Any remarketing notice issued under clause (c)(ii) above shall constitute a Structural Remarketing Notice (as defined in the Master Power Supply Agreement) and shall be subject to the requirements set forth in the Master Power Supply Agreement. If the Remarketing Entity makes such a sale under Exhibit C to the Master Power Supply Agreement, Issuer shall credit against the amount owed by Purchaser to Issuer hereunder the amount received by Issuer from Prepay LLC for such sales less all reasonable costs and expenses directly incurred by Issuer, including but not limited to remarketing administrative charges paid by it to Prepay LLC under the Master Power Supply Agreement, but in no event shall the amount of such credit be more than the Contract Price for the Energy so sold.

Section 7.4 Qualifying Use. Without limiting Purchaser's other obligations under this Article VII, Purchaser agrees that, subject to Section 7.5, it will use all of the Product 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.

(a) The Parties acknowledge that Purchaser may at times inadvertently remarket Products received hereunder in a manner that does not comply with Qualifying Use Requirements due to daily and hourly fluctuations in Purchaser's Product needs. To the extent Purchaser does so, Purchaser shall (a) exercise Commercially Reasonable Efforts to use any Disqualified Sale Proceeds of such remarketing to purchase Products (other than Priority Products) that Purchaser then uses in compliance with the Qualifying Use Requirements and (b) reserve funds in an amount equal to any Disqualified Sale Proceeds until such Disqualified Sale Proceeds are remediated or transferred to the Trustee pursuant to Section 7.6(b) below.

⁴ NTD: For inclusion only in Clean Energy Purchase Contract No. 2.

(b) To the extent that all or any portion of Monthly Projected Quantities or Base Quantities are remarketed under [under Section 3.3]⁵ or under Section 7.3, as applicable, and any such remarketing results in a Ledger Entry (as defined in the Master Power Supply Agreement), Purchaser agrees that it shall (i) exercise Commercially Reasonable Efforts to use an amount equivalent to the remarketing proceeds associated with such any such Ledger Entry to purchase Non-Priority Products and use such Non-Priority Products in compliance with the Qualifying Use Requirements in order to remediate such Ledger Entries; and (ii) apply its purchases of Non-Priority Products to remediate any such proceeds under the Master Power Supply Agreement prior to remediating such proceeds under any other contract that provides for the purchase of Priority Products. To track compliance with Purchaser's obligations under this Section 7.5(b), Purchaser shall deliver a remediation certificate to Issuer and the Remarketing Entity by the tenth day of the Month subsequent to any relevant Non-Priority Products purchases (which may include purchases of Energy from CAISO to the extent such Energy is used in compliance with the Qualifying Use Requirements); provided that the Parties acknowledge and agree that (x) any purchases of Monthly Excess Quantities shall be applied to remediate any such Ledger Entries and no remediation certificate shall be required with respect to purchases of Monthly Excess Quantities applied to remediate Ledger Entries, and (y) Monthly Excess Quantities applied to reduce Ledger Entries shall not credit toward the satisfaction of the Annual Quantity for the Contract Year in which such Monthly Excess Quantities are delivered. For Ledger Entries remediated under this Section 7.5(b) that have not otherwise been remediated by the Remarketing Entity pursuant to the remarketing provisions of the Master Power Supply Agreement, Issuer shall pay Purchaser any portion of the Monthly Discount Percentage associated with such Ledger Entries that is available under the Trust Indenture on or before the last Business Day of the Month in which Purchaser provides a certificate under this Section 7.5(b) evidencing such remediation.

Section 7.6 Remediation; Ledger Entries; Redemption.

(a) Remediation. To track compliance with the requirements of Section 7.5(a), Purchaser will provide a quarterly report to Issuer (delivered not later than the 15th day of each April, July, October and January until the end of the Delivery Period) showing the following: the total quantity of proceeds from sales of Products received hereunder that (i) were sold by Purchaser to any Person in a transaction that does not comply with the Qualifying Use Requirements and (ii) have not been remediated by Purchaser by applying such proceeds to purchase Products that are used in compliance with the Qualifying Use Requirements (the quantities of Product producing

⁵ NTD: For inclusion only in Clean Energy Purchase Contract No. 2.

such proceeds, “Disqualified Sale Units” and such proceeds received, “Disqualified Sale Proceeds”).

(b) Ledger Entries. Issuer shall report such unremediated Disqualified Sale Proceeds and the associated Disqualified Sale Units to the Remarketing Entity for addition to the remarketing ledgers maintained by the Remarketing Entity under the Master Power Supply Agreement, with the ledger entries to be dated as of the end of the first month of the relevant quarter.

(c) Transfers to Trustee. Purchaser shall transfer (to the extent such unremediated Disqualified Sales Proceeds and associated Disqualified Sale Units remain reflected on the remarketing ledger described under Section 7.6(b) at the time such transfer is required by this Section 7.6(c)) any such unremediated Disqualified Sale Proceeds and any other required funds (i.e., all additional funds necessary for redemption of the Bonds referred to in this Section 7.6(c)) to the Trustee at least 95 days prior to the second anniversary of the date on which such unremediated Disqualified Sale Proceeds and the associated Disqualified Sale Units were first reflected on the remarketing ledgers in accordance with Section 7.6(b), with such funds to be deposited in the Debt Service Account (as defined in the Trust Indenture) and applied to the redemption of Bonds as directed by Issuer and approved by Special Tax Counsel (as defined in the Trust Indenture) as preserving the tax-exempt status of the Bonds.

ARTICLE VIII.

REPRESENTATIONS AND WARRANTIES; ADDITIONAL COVENANTS

Section 8.1 Representations and Warranties. 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) it is a joint powers authority, duly organized and validly existing under the Laws of the State of California,

(b) it has all requisite power and authority, corporate or otherwise, to own its material properties, carry on its material business as now being conducted, enter into, deliver and to perform its obligations under this Agreement and to carry out the terms and conditions hereof and the transactions contemplated hereby;

(c) there is no litigation, action, suit, proceeding with service of process accomplished with respect to such Party or investigation pending or, to the best of such Party’s knowledge, threatened, in each case before or by any Government Agency and, in each case, which could reasonably be anticipated to materially and adversely affect such Party’s ability to perform 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;

(d) the execution, delivery and performance of this Agreement by such Party have been duly authorized by all necessary action on the part of such Party and its governing body and do 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;

(e) 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;

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

(g) 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, ordinance, rule or regulation 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 Trust Indenture;

(h) to the best of the knowledge and belief of such Party, no Governmental Approval 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 Governmental Approvals that have been obtained; and

(i) it enters this Agreement as a bona-fide, arms-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 deliver to Purchaser (a) all Base Product free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any Person arising prior to the Delivery Point, and (b) all Assigned Product free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any Person that are imposed on such Assigned Product solely as a result of Issuer's or Prepay LLC's actions.

Section 8.3 Disclaimer of Warranties. EXCEPT FOR THE WARRANTIES EXPRESSLY MADE BY ISSUER IN THIS ARTICLE VIII, ISSUER HEREBY DISCLAIMS ALL 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 Purchaser's 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 undertakings to enable the underwriters of the offerings of the Bonds to comply with the continuing disclosure provisions of 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

As between Issuer and Purchaser, Issuer shall (i) be responsible for and pay or cause to be paid all ad valorem, excise, severance, production and other taxes assessed with respect to Product (other than any Assigned Product) delivered pursuant to this Agreement arising prior to the applicable Delivery Point and (ii) indemnify Purchaser and its Affiliates for any such taxes paid by Purchaser or its Affiliates. As between Issuer and Purchaser, Purchaser shall (i) be responsible for all taxes with respect to Product received pursuant to this Agreement assessed at or from the applicable Delivery Point, and (ii) indemnify Issuer and its Affiliates for any such taxes paid by Issuer or its Affiliates. Nothing shall obligate or cause a Party to pay or be liable for any tax for which it is exempt under Law.

ARTICLE X.

JURISDICTION; WAIVER OF JURY TRIAL

Section 10.1 Consent to Jurisdiction. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST EITHER PARTY ARISING OUT OF OR RELATING HERETO SHALL BE BROUGHT EXCLUSIVELY IN (A) THE COURTS OF THE STATE OF CALIFORNIA LOCATED IN THE CITY OF SAN FRANCISCO, (B) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE NORTHERN DISTRICT OF CALIFORNIA SITTING IN THE CITY AND COUNTY OF SAN FRANCISCO. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH ARTICLE XVI; AND AGREES THAT SERVICE AS PROVIDED ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT.

Section 10.2 Waiver of Jury Trial. TO THE EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING UNDER THIS AGREEMENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 10.2 AND EXECUTED BY EACH OF THE PARTIES), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY A COURT.

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 and as provided in Section 4.3). The Claiming Party shall remedy 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 exercise Commercially Reasonable Efforts to 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 subject either Party to any greater or different regulation or jurisdiction that materially affects 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; *provided* furthermore that, for the avoidance of doubt, any applicable Assignment Agreement shall terminate concurrent with the assignment of this Agreement. Prior to assigning this Agreement, Purchaser shall deliver to Issuer written confirmation from each Rating Agency (as defined in the Trust Indenture) then rating the Bonds, *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 such Rating Agency 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 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) Purchaser's Statements. No later than the 5th day of each Month during the Delivery Period (excluding the first Month of the Delivery Period) and the first Month following the end of the Delivery Period, Purchaser shall deliver to Issuer a statement (a “Purchaser's Statement”) listing (i) in respect of the prior Month, if Base Quantities were required to be delivered in such Month and there is a Shortfall Quantity for such Month, the Replacement Price applicable to such Shortfall Quantity, and (ii) any other amounts due to Purchaser in connection with this Agreement with respect to prior Months.

(b) Billing Statements.

(i) No later than the 20th day of each Month during the Delivery Period (excluding the first Month of the Delivery Period) and the first Month following the end of the Delivery Period, Issuer shall deliver a statement (a “Billing Statement”) to Purchaser indicating (i) the total amount due to Issuer for Product delivered in the prior Month, (ii) any other amounts due to Issuer or Purchaser in connection with this Agreement with respect to the prior Months, and (iii) the net amount due to Issuer or Purchaser; provided that invoicing for Monthly Excess Quantities shall occur under the PPA Custodial Agreement.

(ii) For each Month of any Assignment Period, the Billing Statement prepared by Issuer shall assume that all Monthly Projected Quantities under each Assigned PPA were delivered for such Month. To the extent that a Billing Statement subsequently delivered under the PPA Custodial Agreement reflects that less than the Monthly Projected Quantities were actually delivered under any such Assigned PPA, then (A) the previously delivered Billing Statement shall be deemed to be updated in accordance with such Billing Statement; and (B) Issuer shall owe a resettlement payment to Purchaser in an amount equal to the resettlement payment owed by Prepay LLC to Issuer under Section 14.1(b)(ii) of the Master Power Supply Agreement. The Parties acknowledge and agree that J. Aron shall have a separate resettlement payment obligation with respect to the amounts described in the clause (B) of the preceding sentence under the Electricity Sale and Service Agreement, and J. Aron's payment of the J. Aron Resettlement Payment as defined in and pursuant to the PPA Custodial Agreement shall satisfy the corresponding obligations of the respective parties under each of the Electricity Sale and Service Agreement, the Master Power Supply Agreement and this Agreement. The Parties acknowledge and agree that (x) the terms of this Section 14.1(b)(ii) shall only apply under [the Other Clean Energy Purchase Contract and not under this Agreement]/[this Agreement and not under the Other Clean Energy Purchase Contract] and (y) any assignment of Assigned Rights and Obligations in

connection with the Clean Energy Project shall occur only pursuant to [the Other Clean Energy Purchase Contract]/[this Agreement].

(c) Supporting Documentation. Upon request by either Party, the other Party shall deliver such supporting documentation of the foregoing statements and information described in this Section 14.1 as such requesting Party may reasonably request.

Section 14.2 Payments.

(a) Payments Due. 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 shall be paid pursuant to the terms of the PPA Custodial Agreement), in immediately available funds, on or before the 23rd 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 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) No Duty to Estimate. 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 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. If Purchaser disputes any amounts included in a 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.

Section 14.4 Late Payment. If Purchaser fails to remit within one Business Day the full amount payable 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) Right to Audit. 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) Deadline for Objections. 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 Product delivery.

(c) Payment of Adjustments. All retroactive adjustments shall be paid in full by the Party owing payment within 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 Purchaser's Statement or 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, no Party shall be entitled to net any amounts that are in dispute and 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 Rate Covenant. Purchaser agrees to make payments it is required to make under this Agreement from Utility Revenues, and only from such Utility Revenues, and as a charge against such Utility Revenues, as an operating expense of its electric system and a cost of purchased Product; provided, however, that Purchaser, in its discretion, may apply any legally available moneys to the payment of amounts due under this Agreement. Purchaser hereby covenants and agrees that it will establish, maintain, and set rates and charges for its electric system so as to provide Utility Revenues sufficient, together with all available electric system revenues, to enable Purchaser to pay to Issuer all amounts payable under this Agreement and to pay all other amounts payable from the revenues of Purchaser's electric system, and to maintain any reserves as required by the Purchaser's reserve policy. Purchaser further covenants and agrees that it shall not furnish or supply electric services free of charge to any person, firm, corporation association, or other entity, public or private, except any such service free of charge that Purchaser is supplying on the date hereof or such free service as required by order of the CPUC or the State of California, and that it shall promptly enforce the payment of any and all accounts owing to Purchaser for the sale of electricity or the provision of transmission, distribution or other services to its customers. Purchaser further covenants and agrees that in any future bond issue, certificate of participation

issue, interest rate swap agreement, commodity swap agreement or any other financing or financial transaction undertaken by, or on behalf of, Purchaser in connection with its electric system, Purchaser shall not pledge or encumber the Utility Revenues through a gross revenue pledge or in any other way which creates a prior or superior obligation to its obligation to make payments under this Agreement.

ARTICLE XV.

[RESERVED]

ARTICLE XVI.

NOTICES

Any notice, demand, statement, or request required or authorized by this Agreement to be given by one Party to the other Party (or to any third party) shall be in writing and shall either be sent by email transmission, 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 (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 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, such as electronic mail. Notwithstanding the foregoing, either Party may at any time notify the other 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 a “Issuer Default” under this Agreement:

(a) any representation or warranty made by Issuer in this Agreement or the Other Clean Energy Purchase Contract shall prove to have been incorrect in any material respect when made; or

(b) Issuer shall have failed to perform, observe, or comply with any covenant, agreement or term contained in this Agreement or the Other Clean Energy Purchase Contract, and such failure continues for more than thirty (30) days following receipt by Issuer of written notice thereof.

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 or the other Clean Energy Purchase Contract and such failure continues for three Days following receipt by Purchaser of written notice thereof;

(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 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 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 or the Other Clean Energy Purchase Contract proves to have been incorrect in any material respect when made, and such default is not remedied within thirty (30) days after receipt by Purchaser of written notice thereof;

(d) Purchaser shall have failed to perform, observe or comply with any material covenant, agreement or term contained in this Agreement or the Other Clean Energy Purchase Contract, and such failure continues for more than 30 days following the earlier of receipt by Purchaser of notice thereof; or

(e) Purchaser shall have failed to establish, maintain, or collect rates or charges adequate to provide Utility Revenues sufficient to enable Purchaser to pay all amounts due to Issuer under this Agreement or the Other Clean Energy Purchase Contracts in accordance with Section 14.7 (Rate Covenant), and such failure continues for more than 30 days following receipt by Purchaser of notice thereof.

Section 17.3 Remedies Upon Default.

(a) Termination. If at any time a 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 giving rise to 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 Product 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 Product 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) unless otherwise agreed by Issuer, 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 Product 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 Product tendered for delivery under this Agreement, Issuer shall have the right to sell such Product 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 sales and deliveries of Product to Purchaser under this Agreement shall terminate, and (iii) the obligation of Purchaser to purchase and receive deliveries of Product 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 Master Power Supply Agreement. Purchaser acknowledges and agrees that (i) in the event the Master Power Supply Agreement terminates prior to the end of the primary term of this Agreement, this Agreement shall terminate on the effective date of early termination of the Master Power Supply Agreement (which date shall be the last date upon which deliveries are required thereunder, subject to all winding up arrangements), (ii) Issuer's obligation to deliver Product, and Purchaser's obligation to purchase and receive deliveries, under this Agreement shall terminate upon the termination of deliveries of Product to Issuer under the Master Power Supply Agreement and (iii) in either event described in clauses (i) or (ii), Purchaser shall exercise its right to terminate any Assignment Agreements in effect. Issuer shall provide notice to Purchaser of any early termination date of the Master Power Supply Agreement or any termination of deliveries of Product to Issuer under the Master Power Supply Agreement. The Parties recognize and agree that, in the event that the Master Power Supply Agreement terminates because of a Failed Remarketing (as defined in the Trust Indenture) of the Bonds that occurs in the first Month of a Reset Period, Issuer shall deliver Product under this Agreement for the remainder of such first Month, and, notwithstanding anything in this Agreement to the contrary, no Monthly Discount Percentage 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 PRODUCT 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 and the Other Clean Energy Purchase Contract (unless otherwise specified):

(a) 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 and the Other Clean Energy Purchase Contract on behalf of such Party;

(b) on the Bond Closing Date, Purchaser shall deliver to Issuer a fully executed Federal Tax Certificate in substantially the form attached hereto as Exhibit D;

(c) on the Bond Closing Date, Purchaser shall deliver to Issuer an opinion or opinions of counsel to Purchaser covering the matters set forth in the form attached hereto as Exhibit E; and

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

For added clarity: the Parties acknowledge and agree that the foregoing deliverable requirements under this Section 18.2 and Section 18.2 of the Other Clean Energy Purchase Contract may be satisfied with a single consolidated set of deliverables for the two agreements.

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 or breaches 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 and attachments 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 Relationship 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 with respect to its obligations or any Claims under this Agreement.

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 Master Power Supply 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 Master Power Supply 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 Trust Estate (as such term is defined in the Trust Indenture) as and to the extent provided in the Trust Indenture, including with respect to Operating Expenses (as such term is defined in the Trust 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 Trust Indenture) and other assets pledged under the Trust 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 Trust Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Trust Indenture.

Section 18.13 Counterparts; Electronic Signatures. 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. Each of the Parties agrees that the transaction consisting of this Agreement may be conducted by electronic means. Each Party agrees, and acknowledges that it is such Party's intent, that if such Party signs this Agreement using an electronic signature, it is signing, adopting, and accepting this Agreement and that signing this Agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this Agreement on paper. Each Party acknowledges that it is being provided with an electronic or paper copy of this Agreement in a usable format.

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 Trust Indenture, (b) the Trustee shall be a third-party beneficiary of this Agreement with the right to enforce Issuer's rights and Purchaser's obligations under this Agreement, (c) J. Aron shall be a

third-party beneficiary of this Agreement with the right to enforce the provisions of this Agreement relating to the Remarketing Entity, Article VI and Exhibit F of this Agreement, (d) the Trustee or any receiver appointed under the Trust Indenture shall have the right to perform all obligations of Issuer under this Agreement, and (e) in the event of any Purchaser Default under Section 17.2(a), (i) Prepay LLC may, to the extent provided for in, and in accordance with, Exhibit E to the Master Power Supply Agreement, take assignment from Issuer of receivables owed by Purchaser to Issuer under this Agreement, and Prepay LLC or any third party transferee who purchases and takes assignment of such receivables from Prepay LLC shall thereafter have all rights of collection with respect to such receivables (provided that, if at any time an insurance provider agrees to insure Purchaser's payment obligations hereunder, then such insurance provider shall have the same rights under this Section 18.14 as Prepay LLC), and (ii) if such receivables are not so assigned, the Swap Counterparty or Swap Counterparties (as defined in the Trust Indenture) shall have the right to pursue collection of such receivables to the extent any non-payment by Issuer to any Swap Counterparty was caused by Purchaser's payment default. Pursuant to the terms of the Trust Indenture, Issuer has irrevocably appointed the Trustee as its agent to issue notices and, as directed under the Trust 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 No Recourse to Members of Purchaser. Purchaser is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to its Joint Powers Agreement and is a public entity separate from its constituent members. Purchaser shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Issuer shall have no rights and shall not make any claims, take any actions or assert any remedies against any of Purchaser's constituent members, or the employees, directors, officers, consultants or advisors of Purchaser or its constituent members, in connection with this Agreement.

Section 18.16 Waiver of Defenses. Each Party waives all rights to set-off, counterclaim, recoupment and any other defenses that might otherwise be available to it with regard to its obligations pursuant to the terms of this Agreement.

Section 18.17 Rate Changes.

(a) **Standard of Review.** Absent the agreement of the Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in Section 18.17(b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting *sua sponte*, shall solely be the "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 Util. Dist. No. 1 of Snohomish, 554 U.S. 527 (2008).

(b) **Waiver.** In addition, and notwithstanding Section 18.17(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 Section 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 Section 18.17(b) shall not apply, *provided* that, consistent with Section 18.17(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 Section 18.17(a).

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.

[Separate Signature Page(s) Attached]

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

SAN DIEGO COMMUNITY POWER

By: _____

Name: _____

Title: _____

EXHIBIT A-1

BASE QUANTITIES; BASE DELIVERY POINTS; COMMODITY REFERENCE PRICES

[To be attached.]

EXHIBIT A-2

EPS ENERGY PERIOD MONTHLY PROJECTED QUANTITIES

[To be attached.]

EXHIBIT A-3

ANNUAL QUANTITY

[To be attached.]

EXHIBIT B

NOTICES

IF TO ISSUER: California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901
Email: notices@ccdfa.org and invoices@ccdfa.org

IF TO PURCHASER: San Diego Community Power
Eric Washington
Chief Financial Officer & Treasurer
815 E Street, Suite 12716
San Diego, CA 92112
Email: ewashington@sdcommunitypower.org

EXHIBIT C

REMARKETING ELECTION NOTICE⁶

California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901
Email: notices@ccdfa.org and invoices@ccdfa.org

Aron Energy Prepay [] LLC
c/o J. Aron & Company LLC
200 West Street
New York, New York 10282

U.S. Bank Trust Company, National Association
2 Concourse Parkway, Suite 800
Atlanta, GA 30328
Attention: Mark Hallam

To the Addressees:

The undersigned, duly authorized representative of San Diego Community Power (the “Purchaser”), is providing this notice (the “Remarketing Election Notice”) pursuant to the Clean Energy Purchase Contract, dated as of [____], 2026 (the “Clean Energy Purchase Contract”), between California Community Choice Financing Authority and Purchaser. Capitalized terms used herein shall have the meanings set forth in the Clean Energy Purchase Contract.

Pursuant to Section 3.5(b) of the Clean Energy Purchase Contract, the Purchaser has elected to have all of its Base Quantity, for each Hour of the Reset Period commencing _____ and extending to and including _____, remarketed beginning as of the commencement of such Reset Period. The resumption of deliveries of Base Quantities in any future Reset Period shall be in accordance with Section 3.5(d) of the Clean Energy Purchase Contract.

Given this [____] day of [____], 20[____].

SAN DIEGO COMMUNITY POWER

⁶ NTD: For inclusion only in Clean Energy Purchase Contract No. 2 given that Clean Energy Purchase Contract No. 1 will expire during the Initial Reset Period.

By: _____

Printed Name:

Title:

EXHIBIT D
FORM OF FEDERAL TAX CERTIFICATE

This Federal Tax Certificate is executed in connection with the two Clean Energy Purchase Contracts, dated as of [____], 2026 (the “Clean Energy Purchase Contracts”), by and between the 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 Clean Energy Purchase Contract, in the Tax Certificate and Agreement, or in the Trust Indenture.

WHEREAS Purchaser acknowledges that Issuer is issuing the Bonds to fund the prepayment prices under the two Master Power Supply Agreements, dated as of the date of the Clean Energy Purchase Contracts, between Issuer and Prepay LLC; 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 Clean Energy Purchase Contracts and certain funds and accounts of Purchaser will affect the Bonds’ qualification for such tax exemption.

NOW, THEREFORE, POWER PURCHASER HEREBY CERTIFIES AS FOLLOWS:

Purchaser is a joint powers authority and a community choice aggregator created and existing pursuant to the provisions of California law, organized 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.

Purchaser will resell all of the Energy acquired pursuant to the Clean Energy Purchase Contracts 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.

From January [2020] to [____], the monthly average amount of Energy purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser is at least [____] MWh. Over the terms of the Clean Energy Purchase Contracts, the Purchaser expects the monthly 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 monthly amount of Energy in any month being acquired pursuant to the Clean Energy Purchase Contracts is [____] MWh.

The Purchaser has existing rights to acquire other energy (including rights to capacity to generate electricity, whether owned, leased or otherwise contracted for) over the terms of the Clean Energy Purchase Contracts. Over the terms of the Clean Energy Purchase Contracts, the sum of (a) the amount of Energy being acquired pursuant to the Clean Energy Purchase Contracts in any month, 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) for such month does not exceed (i) [____]% of the monthly amount of Energy expected to be purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser in any month in calendar year [____], and (ii) does not exceed [____]% of the monthly amount of Energy expected to be purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser in any month in later calendar years.

The Purchaser has assigned certain rights and obligations under power purchase agreements to J. Aron that, in addition to rights to Energy, include rights to capacity based on battery storage (the “Storage”) that will be charged from Energy produced at the same facilities and acquired pursuant to that same power purchase agreements. The Purchaser certifies that it will exercise its rights pursuant to such power purchase agreements to ensure that such Storage will only be charged from Energy produced at such facilities and acquired pursuant to such power purchase agreements.

In the event of the expiration or termination of an EPS Energy Period, Purchaser agrees to comply with its obligations in the Clean Energy Purchase Contracts, 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 J. Aron pursuant to an Assignment Agreement and (b) cooperate in good faith with Issuer and J. Aron with respect to any proposed assignments.

Purchaser expects to pay for Energy acquired pursuant to the Clean Energy Purchase Contracts solely from funds derived from its power distribution operations. Purchaser expects to use current net revenues of its 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 invested and which are reasonably expected to be used to pay for Energy acquired 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.

_____, 2026

By: _____

[Name]

[Title]

EXHIBIT E

OPINION OF COUNSEL

[INSERT SDCP LETTERHEAD]

[____], [____], 2026

California Community Choice Financing Authority
San Rafael, CA

Aron Energy Prepay [__] LLC
New York, NY

Goldman Sachs & Co. LLC
New York, NY

U.S. Bank Trust Company, N.A.
Atlanta, GA

[Swap Counterparty]
[City, State]

Re: Clean Energy Purchase Contracts between San Diego Community Power and California Community Choice Financing Authority dated as of [____], 2025

Ladies and Gentlemen:

We are Counsel to San Diego Community Power (“Purchaser”). Purchaser is a Purchaser in the Energy Project undertaken by California Community Choice Financing Authority (“Issuer”). We are furnishing this opinion to you in connection with the two Clean Energy Purchase Contracts between Issuer and Purchaser dated as of [____], 2025 (the “Supply Contracts”).

Unless otherwise specified herein, all terms used but not defined in this opinion shall have the same meaning as is ascribed to them in the Supply Contracts.

In connection with this opinion, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the following:

(a) The Constitution and laws of the State of California (the “State”) including, as applicable, acts, ordinances, certificates, articles, charters, bylaws, and agreements pursuant to which Purchaser was created and by which it is governed;

(b) Resolution No. [], duly adopted by Purchaser on [] (the "Resolution") and certified as true and correct by certificate and seal, authorizing Purchaser to execute and deliver the Supply Contracts;

(c) Copies of the Supply Contracts executed by Purchaser; and

(d) All outstanding instruments relating to bonds, notes, or other indebtedness of or relating to Purchaser and Purchaser's CCA System.

We have also examined and relied upon originals or copies, certified or otherwise authenticated to our satisfaction, of such records, documents, certificates, and other instruments, and made such investigations of law, as in our judgment we have deemed necessary or appropriate to enable us to render the opinions expressed below.

Based upon the foregoing, we are of the opinion that:

1. Purchaser is a joint powers authority of the State, duly organized and validly existing as a community choice aggregator under the laws of the State, and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under the Agreement.

2. The execution, delivery, and performance by Purchaser of the Supply Contracts have been duly authorized by the governing body of Purchaser and do not and will not require, subsequent to the execution of the Supply Contracts by Purchaser, any consent or approval of the governing body or any officers of Purchaser.

3. The Supply Contracts are the legal, valid, and binding obligations of Purchaser, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

4. No approval, consent or authorization of any governmental or public agency, authority, commission or person, or, to our knowledge, of any holder of any outstanding bonds or other indebtedness of Purchaser, is required with respect to the execution, delivery and performance by Purchaser of the Supply Contracts or Purchaser's participation in the transactions contemplated thereby other than those approvals, consents and/or authorizations that have already been obtained.

5. The authorization, execution and delivery of the Supply Contracts and compliance with the provisions thereof (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) to our knowledge 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.

6. Purchaser is not in breach of or default under any applicable constitutional provision or any law or administrative regulation of the State or the United States or any applicable judgment or decree or, to our knowledge, any loan or other agreement, resolution, indenture, bond, note, resolution, agreement or other instrument to which Purchaser is a party or to which Purchaser or any of its property or assets is otherwise subject, and to our knowledge no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument.

7. Payments to be made by Purchaser under the Supply Contracts shall constitute operating expenses of Purchaser's electric system payable solely from the revenues and other available funds of Purchaser's electric system as a cost of purchased electricity. The application of the revenues and other available funds of Purchaser's CCA System to make such payments is not subject to any prior lien, encumbrance or other restriction.

8. As of the date of this opinion, to the best of our knowledge after due inquiry, there is no pending or threatened action or proceeding at law or in equity or by any court, government agency, public board or body affecting or questioning the existence of Purchaser or the titles of its officers to their respective offices or affecting or questioning the legality, validity, or enforceability of this Supply Contracts nor to our knowledge is there any basis therefor.

This opinion is rendered solely for the use and benefit of the addressees listed above in connection with the Supply Contracts and may not be relied upon other than in connection with the transactions contemplated by the Supply Contracts, 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.

Very truly yours,

EXHIBIT F

ASSIGNMENT OF ASSIGNABLE POWER CONTRACTS

1. **General Requirements.** Assigned Rights and Obligations under an Assignable Power Contract may only be assigned under this Exhibit F if the following requirements are satisfied or waived by J. Aron and Issuer:

- 1.1. The seller under such Assignable Power Contract (the “APC Party”) either (i) has a long-term senior unsecured credit rating that is “Baa3” or higher from Moody’s Investor’s Service, Inc. (or any successor to its credit rating service operation), “BBB-” or higher from Standard & Poor’s Global Ratings (or any successor to its credit rating service operation) or “BBB-” or higher from Fitch Ratings, Inc. (or any successor to its credit rating service operation), (ii) provides credit support that is reasonably satisfactory to J. Aron or (iii) otherwise provides evidence of its creditworthiness that is reasonably satisfactory to J. Aron (which, for the avoidance of doubt, may include credit support provided by such APC Party to Purchaser).
- 1.2. The APC Party satisfies J. Aron’s internal requirements as they relate to “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.
- 1.3. The APC Party is organized in the United States and in a jurisdiction that does not present adverse tax consequences to J. Aron or Issuer in connection with such proposed assignment.
- 1.4. J. Aron, Purchaser, and Issuer have agreed on and executed an Assignment Schedule for such assignment.
- 1.5. J. Aron, Purchaser, Issuer, and the applicable APC Party have agreed on and executed an Assignment Agreement for such assignment.
- 1.6. If the Assignable Power Contract is unit-contingent or for an as-generated Product, then:
 - 1.6.1. J. Aron has determined with a high degree of certainty that the Applicable Project will be able to generate the Assigned Prepay Value in each Month during the proposed Assignment Period.
 - 1.6.2. The Applicable Project (as defined below) has generated the Assigned Prepay Value in each Month since commencing commercial operation.

2. **Proposed Assignment.** Purchaser may propose an assignment of Assigned Rights and Obligations under Article VI of the Clean Energy Purchase Contract by delivering the following items to Issuer and to J. Aron:

- 2.1. A written notice of the proposed assignment signed by Purchaser.
- 2.2. A true and complete copy of the Assignable Power Contract under which such Assigned Rights and Obligations would arise.

- 2.3. Evidence reasonably satisfactory to Issuer and J. Aron that all authorizations, consents, approvals, licenses, rulings, permits, exemptions, variances, orders, judgments, decrees, declarations of or regulations by any Government Agency necessary in connection with the transactions contemplated by the Assignable Power Contract and the assignment of the Assignable Power Contract to J. Aron have been obtained and are in full force and effect. Such evidence may be provided by a closing certificate with appropriate back-up materials.
- 2.4. Such additional information as Issuer and J. Aron may reasonably request regarding the Assignable Power Contract and the APC Party.
- 2.5. If the Assignable Power Contract is unit-contingent or for an as-generated Product, then:
 - 2.5.1. A description and information of the applicable project to which the Assignable Power Contract applies (the “Applicable Project”), including but not limited to information on the location, interconnection(s), and operating and compliance history of Applicable Project.
 - 2.5.2. Either (i) a report from a nationally recognized consultant in the energy industry that is reasonably acceptable to Issuer and J. Aron showing the “P99” forecasted generation (“P99 Generation”) and “P50” forecasted generation (“P50 Generation”) of the Applicable Project for the entire Assignment Period, as the terms P99 and P50 are commonly used in the renewable energy industry or (ii) monthly historical generation and meteorological data of the Applicable Project dating back to the commercial operation date.

Following Issuer’s and J. Aron’s receipt of such information, Purchaser and Issuer will and J. Aron has agreed in the Electricity Sale and Service Agreement to (i) negotiate in good faith with one another and exercise Commercially Reasonable Efforts to agree upon an Assignment Schedule, with the initial draft of such Assignment Schedule to be developed by J. Aron, and (ii) negotiate in good faith with one another and the APC Party regarding an Assignment Agreement, in each case related to the proposed assignment. If such Assignment Schedule and Assignment Agreement are agreed to by the representative parties thereto, the applicable parties will execute such Assignment Agreement and Assignment Schedule to be effective upon the assignment of the Assigned Rights and Obligations from Purchaser to J. Aron pursuant to the Assignment Agreement. J. Aron will act in good faith in considering proposed assignments that meet the criteria set forth in this Exhibit F, in accordance with the provisions set forth in the Electricity Sale and Service Agreement. For the avoidance of doubt, Purchaser acknowledges that J. Aron will not be required to execute any Assignment Agreement or Assignment Schedule, or otherwise accept any Assigned Rights and Obligations unless the APC Party (i) satisfies J. Aron’s internal requirements as they relate to “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, (ii) is organized in the United States, and (iii) satisfies all other requirements in Section 1 of this Exhibit F.

3. **Assignment Schedule.** In connection with each assignment, an “Assignment Schedule” will be prepared in the form attached hereto as Annex I (with such changes as agreed by the Parties in their sole discretion), must be executed by Purchaser, Issuer and J. Aron, and must include each of the following:

- 3.1. The term of such Assigned Rights and Obligations (an “Assignment Period”) shall have the meaning specified in each applicable Assignment Agreement and shall (i) end not later than (a) the end of the delivery period under the Assignable Power Contract and (b) the end of the Delivery Period under this Agreement, (ii) not commence any earlier than sixty (60) days after Purchaser’s original notice under Section 2.1 above, and (iii) have a primary term that is not less than 18 Months in duration (provided, for the avoidance of doubt, the primary term references the term of the applicable Assignment Period and not the term of the Assignable Power Contract).
- 3.2. If the Assignable Power Contract is unit-contingent or for an as-generated product, then a description of the Applicable Project.
- 3.3. The “Monthly Projected Quantity” means, for each Month of an Assignment Period and each Assignment Agreement, a quantity of Energy agreed upon by J. Aron, Issuer and Purchaser, which Monthly Projected Quantity, if the Assignable Power Contract is unit contingent or for an as-generated Product, shall not exceed an amount that J. Aron has determined with a high degree of certainty that the Applicable Project will be able to generate in each Month during the Assignment Period; provided that the Monthly Projected Quantity for each Month may not exceed the limit expressed in the proviso to Section 3.4 below. For the avoidance of doubt, the Assigned Rights and Obligations will include all of Purchaser’s rights to receive Energy under the Assignable Power Contract even if such rights to receive Energy may exceed the Monthly Projected Quantity.
- 3.4. The reduction in Base Quantity for each Delivery Hour during an Assignment Period after giving effect to an Assignment Agreement (each, a “Base Quantity Reduction”) shall be calculated in accordance with this Section 3.4. The Base Quantity Reduction for each Delivery Hour of an Assignment Period shall equal (i) the Monthly Projected Quantity for each such Delivery Hour (which will be determined by dividing the Monthly Projected Quantity for the applicable Month by the number of Delivery Hours in such Month), multiplied by (ii) the result of (A) Fixed Price for Monthly Projected Quantity divided by (B) the Fixed Price for Base Quantities; provided that if the Base Quantity Reduction for any Delivery Hour would result in a Base Quantity of less than zero, then the Monthly Projected Quantity for such Delivery Hour will be reduced to the closest whole MWh such that the Base Quantity is not reduced below zero.
- 3.5. The APC Contract Price under the relevant Assignment Agreement shall be the Day-Ahead Average Price, unless Issuer, Purchaser and J. Aron agree to appropriate changes to the relevant documents to accommodate a different price.
- 3.6. The Assigned Delivery Point for all Assigned Energy.
- 3.7. The Assigned Product included in the Assigned Rights and Obligations, which Assigned Product may not include any Product other than (a) Energy, (b) associated RECs, and (c) other product included within the sale of Energy and not separately delivered from Energy, provided that the APC Contract Price must be inclusive of any

amounts due in respect of all Assigned Product, provided furthermore that Assigned Product may not in any case include capacity.

ANNEX I
ASSIGNMENT SCHEDULE

Assigned Product: [____]

Assigned Delivery Point: [____]

APC Contract Price: \$[____]/MWh

Assignment Period: [____]

Monthly Projected Quantity: As set forth in Appendix 2; provided that (i) all Assigned Products shall be delivered pursuant to the Limited Assignment Agreement during the Assignment Period as provided in Appendix 1 and (ii) the Monthly Projected Quantity is defined for the convenience of PPA Buyer and J. Aron and shall have no impact on the obligations of the Parties under the Limited Assignment Agreement.

ANNEX II

FORM OF LIMITED ASSIGNMENT AGREEMENT

NOTE: Purchaser may include the form included in this Annex II as an exhibit to any PPA executed by Purchaser and include the following or similar language in the PPA: “[Seller] agrees that [Buyer] may assign a portion of its rights and obligations under this Agreement to J. Aron & Company LLC (“J. Aron”) at any time upon not less than [] days’ notice by delivering a written request for such assignment, which request must include a proposed assignment agreement in the form attached hereto as [Exhibit ____], with the blanks in such form completed in [Buyer’s] sole discretion. Provided that [Buyer] delivers a proposed assignment agreement complying with the previous sentence, [Seller] agrees to (i) comply with J. Aron’s reasonable requests for know-your-customer and similar account opening information and documentation with respect to [Seller], including but not limited to information related to forecasted generation, credit rating, and compliance with anti-money laundering rules, the Dodd-Frank Act, the Commodity Exchange Act, the Patriot Act and similar rules, regulations, requirements and corresponding policies; and (ii) promptly execute such assignment agreement and implement such assignment as contemplated thereby, subject only to the countersignature of J. Aron and Company, LLC and [Buyer].”

[Agreed form to be attached.]

EXHIBIT G

COMMUNICATIONS PROTOCOL FOR BASE QUANTITIES

This Exhibit G (“Communications Protocol”) addresses the Scheduling of Base Quantities to be delivered and received at the Base Delivery Point. It is intended to be attached to both the Master Power Supply Agreement and the Clean Energy Purchase Contract, each as defined below.

1. ADDITIONAL DEFINED TERMS

In addition to the terms defined in Article I of this Agreement, the following terms used in this Communications Protocol shall have the following meanings:

- 1.1. “Agreement” means (i) when this Communications Protocol is attached to the Master Power Supply Agreement, the Master Power Supply Agreement and (ii) when this Communications Protocol is attached to the Clean Energy Purchase Contract, the Clean Energy Purchase Contract.
- 1.2. “Clean Energy Purchase Contract” means that certain Clean Energy Purchase Contract dated as of [____], 2026 by and between Issuer and Project Participant.
- 1.3. “Delivery Scheduling Entity” means the Delivering Entity or a Person designated by the Delivering Entity, as set forth in Attachment 4 hereto or in a subsequent written notice to Issuer and the Project Participant.
- 1.4. “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).
- 1.5. “Master Power Supply Agreement” means that certain Master Power Supply Agreement dated as of [____], 2026 by and between Prepay LLC and Issuer that is specified as relating to the Clean Energy Purchase Contract with Project Participant.
- 1.6. “Operational Nomination” has the meaning specified in Section 4.1.1.
- 1.7. “Prepay LLC” means Aron Energy Prepay [] LLC, a Delaware limited liability company.
- 1.8. “Project Participant” means San Diego Community Power, a California joint powers authority.
- 1.9. “Receipt Scheduling Entity” for any Delivery Point means the Project Participant, unless the Clean Energy Purchase Contract has been suspended or terminated, in which case the

Receipt Scheduling Entity will be Issuer or a Person designated by Issuer for such Delivery Point in accordance with this Communications Protocol.

- 1.10. “Relevant Contract” means the Master Power Supply Agreement and the Clean Energy Purchase Contract.
- 1.11. “Relevant Party” means Issuer, Prepay LLC or the Project Participant.
- 1.12. “Relevant Third Party” means any Person that is (i) a Transmission Provider that will or is intended to transport Product to be delivered or received under the Agreement, (ii) an independent system operator or control area that coordinates the Scheduling of Product at the Base Delivery Point, (iii) Scheduling receipt of Product by Issuer or for the account of Issuer to the extent such Product has been delivered to Issuer or for the account of Issuer under the Master Power Supply Agreement, and (iv) delivering Product to Issuer or for the account of Issuer to the extent such Product is intended to be re-delivered ultimately to the Project Participant or for the account of the Project Participant under the Clean Energy Purchase Contract.
- 1.13. “Scheduling Entities” means the Receipt Scheduling Entity and the Delivery Scheduling Entity.

2. AGREEMENTS OF RELEVANT PARTIES

Each Relevant Party that is a party to Relevant Contract to which this Communications Protocol is attached acknowledges that this Communications Protocol sets forth certain obligations that may be delegated to other Relevant Parties that are not parties to such Relevant Contracts. In connection therewith:

- 2.1 ***Reliance on Scheduling Entity.*** Each Relevant Party shall be entitled to rely exclusively on any communications or directions given by a Delivery Scheduling Entity or Receipt Scheduling Entity, in each case to the extent such communications are permitted hereunder.
- 2.2 ***Performance of Communications Protocol.*** Each Relevant Party to a Relevant Contract shall cause its counterparty to each other Relevant Contract to comply with the provisions of this Communications Protocol as the provisions apply to such counterparty to the extent required to perform the obligations of the Relevant Party under the Relevant Contract.
- 2.3 ***Third Party Beneficiaries.*** To the extent this Communications Protocol purports to give any Relevant Party (a “Beneficiary”) rights vis-à-vis any other Relevant Party (a “Burdened Party”) with whom such Beneficiary does not have privity under a Relevant Contract, such Beneficiary shall be deemed to be a third party beneficiary of each Relevant Contract to which the Burdened Party is a party to the

extent necessary or convenient to enforce the obligations of the Burdened Party under this Communications Protocol.

- 2.4 ***Amendment of Relevant Contracts.*** No Relevant Party shall amend, waive or otherwise modify any provision of any Relevant Contract to which it is a party without the consent of each other Relevant Party whose rights or obligations would be materially and adversely affected by such amendment, waiver or modification as it relates to this Communications Protocol.
- 2.5 ***Amendment of Communications Protocol.*** No Relevant Party shall amend any provision of this Communications Protocol in a Relevant Contract without the consent of each other Relevant Party.
- 2.6 ***Waiver of Communications Protocol.*** No Relevant Party shall waive any provision of this Communications Protocol in a Relevant Contract without the consent of each other Relevant Party whose rights or obligations would be materially and adversely affected by such waiver.

3 DESIGNATION AND REPLACEMENT OF SCHEDULING ENTITIES

- 3.1 ***Designation of Delivery Scheduling Entity.*** The Delivering Entity may designate a new Delivery Scheduling Entity upon thirty (30) days written notice to Issuer substantially in the form of Attachment 4. Any Scheduling Entity designated in accordance with this Section 3.1 shall commence service at the beginning of a Month, unless mutually agreed in writing between the Delivering Entity and Issuer.
- 3.2 ***Assumption by Receipt Scheduling Entity.*** If any Delivery Scheduling Entity (other than the Delivering Entity) persistently fails to perform its obligations as contemplated under this Communications Protocol, the Receipt Scheduling Entity may, by notice to the Delivering Entity, require that the Delivering Entity deal directly with the Receipt Scheduling Entity until a new Delivery Scheduling Entity is designated in accordance with this Section 3.1.
- 3.3 ***Scheduling Coordinator.*** Project Participant shall designate a scheduling coordinator for the purposes of accepting Base Product delivery at the Base Delivery Point through the scheduling of ISTs.

4 INFORMATION EXCHANGE AND COMMUNICATION BETWEEN ISSUER AND THE DELIVERING ENTITY

- 4.1 ***Communication of Operational Nomination Details.***
 - 4.1.1 Not later than three Days prior to each Day during which Base Product is required to be delivered under the Agreement, the Receipt Scheduling

Entity for such Delivery Point may deliver an operational nomination in writing (the “Operational Nomination”) indicating any inability of a Project Participant to receive all of its Base Quantities during such Day, which Operational Nomination shall be without prejudice to any party’s rights under the Relevant Contracts for failure to receive Base Quantities. If no changes to Base Quantities are so submitted, the Operational Nomination shall be deemed to nominate the full Base Quantities required to be delivered on a Day.

- 4.1.2 Not later than three Days prior to each Day during which Base Product is required to be delivered under the Agreement, the Delivery Scheduling Entity for such Delivery Point may revise the Operational Nomination to indicate any inability of Prepay LLC to deliver all Base Quantities during such Day, which revised Operational Nomination shall be without prejudice to any party’s rights under the Relevant Contracts for failure to deliver Base Quantities.

4.2 *Event-specific Communications.*

- 4.2.1 Remarketing Notices issued by Issuer under the Master Power Supply Agreement shall be substantially in the form of Attachment 2 hereto. Any such notices to remarket must be delivered directly to Prepay LLC and the Delivery Scheduling Entity.
- 4.2.2 Each Scheduling Entity shall notify Prepay LLC, Issuer and the Project Participant as soon as practicable in the event of: (i) any deficiencies in Scheduling related to such Scheduling Entity; (ii) any deficiencies in Scheduling related to the other such Scheduling Entity; and (iii) any issues with Relevant Third Parties that would reasonably be expected to create issues related to Product Scheduling under the Relevant Contract.

5 ACCESS AND INFORMATION

In addition to the delivery of and access to the records and data required pursuant to the Agreement, each Relevant Party agrees to provide relevant records from itself and other Relevant Third Parties necessary to document and verify Product Scheduled within and after the Month as needed to facilitate the Relevant Contracts.

6 NOTICES

Any notice, demand, request or other communication required or authorized by this Communications Protocol to be given by one Relevant Party to another Relevant Party shall be in writing, except as otherwise expressly provided herein. It shall either be sent by facsimile (with receipt confirmed by telephone and electronic transmittal receipt), courier, or personally delivered (including overnight delivery service) to the

representative of the other Relevant Party designated in Attachment 1 hereto. Any such notice, demand, or request shall be deemed to be given (i) when sent by facsimile confirmed by telephone and electronic transmittal receipt or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Relevant Party shall have the right, upon written notice to the other Relevant 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.

7 NO IMPACT ON CONTRACTUAL OBLIGATIONS

Except as expressly set forth herein or in an applicable Relevant Contract, nothing in this Communications Protocol nor any Relevant Party's actions or inactions hereunder shall have any impact on any Relevant Party's rights or obligations under the Relevant Contracts.

8 ATTACHMENTS

Attachment 1 - Key Personnel

Attachment 2 - Remarketing Notice Form

Attachment 3 - Designation of Alternate Base Delivery Points Form

Attachment 4 - Designation of Scheduling Entities Form

Attachment 1

Key Personnel

Delivering Entity Marketing Personnel:

Timothy Capuano
Sales and Trading
Telephone: (212) 357-2542
gs-prepay-notices@gs.com

Delivering Entity Scheduling Personnel:

Scheduling Team
Email: ficc-jaron-natgasops@ny.email.gs.com
Direct Phone: (212) 902-8148
Fax: 212.493.9847

Carly Norlander
ICE Chat: cnorlander1
Email: ficc-jaron-natgasops@ny.email.gs.com
Direct Phone: (403) 233-9299
Fax: (212) 493-9847

Other Delivering Entity Personnel:

Telephone: (212) 855-0880
ficc-struct-sett@gs.com

Andres E. Aguilera
Telephone: (212) 855-6008
Fax: (212) 291-2124
andres.aguilera@gs.com

Issuer Personnel:

notices@ccffa.org and invoices@ccffa.org

Project Participant Personnel:

[]

Attachment 2
Remarketing Notice Form

Date: [_____]

To: Delivering Entity Scheduling

From: Project Participant Scheduling

This notice is being delivered pursuant to that certain Master Power Supply Agreement (the “Master Power Supply Agreement”) dated as of [____], 2026 by and between Aron Energy Prepay [__] LLC (“Prepay LLC”) and 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 relates to the Clean Energy Purchase Contract (the “Clean Energy Purchase Contract”) dated as of [____], 2026 by and between Issuer and San Diego Community Power (“Project Participant”). Capitalized terms not defined herein are defined in the Master Power Supply Agreement.

Check the box to indicate type of Remarketing Notice (*The numbers of the Primary (“P”) and Alternate (“A”) Delivery Points below correspond to those same Primary Delivery Points and Alternate Delivery Points set forth in Exhibit A-1 of the Agreement, or as may be designated by the Parties from time to time*):

Monthly Remarketing Notice:

Month(s) for which remarketing is requested: _____, 20__ through _____, 20__.

Pursuant to Section 3(b) of Exhibit C to the Master Power Supply Agreement, Project Participant requests that the Delivering Entity remarket in such Month(s) the following Base Quantities of Product required to be delivered at the following Delivery Points:

Delivery Point (P/A, #)	MWh/ Hour for each Hour in the Month

Daily Remarketing Notice:

Hours for which remarketing is requested: _____, 20__ through
_____, 20__.

Pursuant to Section 3(c) of Exhibit C to the Master Power Supply Agreement, Project Participant requests that the Delivering Entity remarket for such Hours the following Base Quantities of Product required to be delivered at the following Delivery Point:

Delivery Point (P/A, #)	MWh/Hour

Submitted by Project Participant:
SAN DIEGO COMMUNITY POWER

By: _____
Name: _____
Title: _____

Attachment 3

Designation of Alternate Base Delivery Points Form

This designation is delivered pursuant to that certain Master Power Supply Agreement (the “Master Power Supply Agreement”) dated as of [____], 2026 by and between Aron Energy Prepay [____] LLC (“Prepay LLC”) and 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 the Clean Energy Purchase Contract (the “Clean Energy Purchase Contract”) dated as of [____], 2026 by and between Issuer and San Diego Community Power (“Project Participant”). Capitalized terms not defined herein are defined in the Master Power Supply Agreement and the Clean Energy Purchase Contract. [Project Participant and/or Issuer] hereby proposes the following Alternate Delivery Points for deliveries of Energy that would otherwise be made at the specified Primary Delivery Point:

ALTERNATE DELIVERY POINT	PRIMARY DELIVERY POINT AFFECTED	COMMODITY REFERENCE PRICE PRICING POINT	ADDITIONAL RESTRICTIONS
1			[e.g.
2			Vol. Limit:
3			Time Limit:]
(etc.)			

Unless otherwise agreed among the Delivering Entity, Issuer and Project Participant, an Alternate Delivery Point shall utilize the same Commodity Reference Price as the Primary Delivery Point it replaces or otherwise affects. Project Participant is not required to agree or accept this designation (or any change to the Commodity Reference Price) if it is being submitted by Issuer pursuant to the Master Power Supply Agreement only.

AGREED AND ACCEPTED BY DELIVERING ENTITY:	(if required) AGREED TO AND ACCEPTED BY PROJECT PARTICIPANT:	(if required) AGREED TO AND ACCEPTED BY ISSUER:
By: Name: Title:	By: Name: Title:	By: Name: Title:

Attachment 4
Designation of Scheduling Entities Form

This designation is being delivered pursuant to that certain Master Power Supply Agreement (the “Master Power Supply Agreement”) dated as of [____], 2026 by and between J. Aron Energy Prepay [__] LLC (“Prepay LLC”) and 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 relates to the Clean Energy Purchase Contract (the “Clean Energy Purchase Contract”) dated as of [____], 2026 by and between Issuer and San Diego Community Power (“Project Participant”). Capitalized terms not defined herein are defined in the Master Power Supply Agreement and Clean Energy Purchase Contract.

[If delivered by Project Participant:

Receipt Scheduling Entity:

Delivery Point: _____

Effective Date(s) of Service of Receipt Scheduling Entity (full Months only):
_____, ____ to _____, ____, if applicable

Notice Information for Receipt Scheduling Entity:

Name: _____

Attention: _____

Address: _____

Telephone: _____

Fax: _____]

[If delivered by the Delivering Entity:

Delivery Scheduling Entity:

Delivery Point: _____

Effective Date(s) of Service of Delivery Scheduling Entity (full Months only):

_____, ____ to _____, ____, if applicable

Notice Information for Delivery Scheduling Entity:

Name: _____

Attention: _____

Address: _____

Telephone: _____

Fax: _____]

Submitted by:

[Project Participant or Delivering Entity]

By: _____

Name: _____

Title: _____

EXHIBIT H
PRICING AND OTHER TERMS

Administrative Fee	\$0.50 per MWh
Delivery Period:	The period beginning on and including [____] and ending at the end of the Day before [____]; provided that the Delivery Period shall end immediately upon termination of deliveries of Product under the Master Power Supply Agreement pursuant to Article XVII thereof or early termination of the Clean Energy Purchase Contract pursuant to <u>Article XVII</u> hereof.
Initial Reset Period:	The period beginning at the beginning of the Day on [____] and ending at the end of the last Day of the Month preceding the last Month of the Initial Interest Rate Period (as defined in the Trust Indenture).
Minimum Discount Percentage:	An Available Discount Percentage as determined under the Re-Pricing Agreement of [____] %.
Monthly Discount Percentage:	For each Month of the Initial Reset Period, [____] %, and for each Month of any other Reset Period, the percentage determined by the Calculation Agent, exclusive of any Annual Refund.

EXHIBIT I
FORM OF CLOSING CERTIFICATE

CLOSING CERTIFICATE OF PURCHASER

_____, 2026

Re: California Community Choice Financing Authority
[Clean Energy Project Revenue Bonds]

The undersigned _____ of San Diego Community Power (“Purchaser”) hereby certifies as follows in connection with the Power Supply Contract dated as of _____, 2026 (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 joint powers authority, duly organized and validly existing and 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, Purchaser has duly authorized and approved the execution and delivery of, and the performance by 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 Purchaser.

4. The authorization, execution and delivery of the Agreement and compliance with the provisions on 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 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 Purchaser is a party or to which 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 Purchaser under any of the foregoing.

6. Payments to be made by Purchaser under the Agreement shall constitute operating expenses of Purchaser's power supply system payable solely from the revenues and other available funds of Purchaser's power supply system as a cost of purchased electricity.

7. No litigation, proceeding or tax challenge is pending or, to its knowledge, threatened, against Purchaser in any court or administrative body which would (a) contest the right of the officials of Purchaser to hold and exercise their respective positions, (b) contest the due organization and valid existence of Purchaser, (c) contest the validity, due authorization and execution of the Agreement, or (d) attempt to limit, enjoin or otherwise restrict or prevent Purchaser from executing, delivering and performing the Agreement, nor to the knowledge of 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 Purchaser of its obligations under the Agreement have been duly obtained.

9. The representations and warranties of 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 Purchaser contained in the Preliminary Official Statement dated [____], 2026 and the Official Statement dated [____], 2026 with respect to the Bonds, including Appendix A thereto (together, the "*Official Statement*"), fairly and accurately describe and summarize the financial and operating position of Purchaser for the periods shown therein, and such statements and information did not as of the respective dates 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. To Purchaser's knowledge, no event affecting 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 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:

PPA CUSTODIAL AGREEMENT

This PPA Custodial Agreement (this “Agreement”) is made and entered into as of [____], 2025, by and among San Diego Community Power, a California joint powers authority (“SDCP”), J. Aron & Company LLC, a New York limited liability company (“J. Aron”), 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”) and U.S. Bank Trust Company, National Association (the “Custodian” and together with SDCP, J. Aron and Issuer, the “Parties”).

RECITALS:

WHEREAS, in connection with the issuance of one or more series of bonds by Issuer, J. Aron, Issuer and SDCP will enter into Assignment Agreements (the “Assignment Agreements”, which definition shall include any new Assignment Agreement identified by J. Aron’s delivery of an updated Exhibit A consistent with Section 3(c)) with the sellers under certain power purchase agreements (each, individually, a “PPA Seller” and collectively the “PPA Sellers”, which definitions shall include any new PPA Seller identified by J. Aron’s delivery of an updated Exhibit A consistent with Section 3(c)), pursuant to which SDCP will partially certain of its rights and obligations under certain existing power purchase agreements (“Assigned PPAs”) to J. Aron for redelivery under the Prepay Contract Chains; 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 J. Aron’s delivery of an updated Exhibit A consistent with Section 3(c) of this Agreement) for each of the Prepay Contract Chains identified in Exhibit C as updated from time to time in accordance with Section 3(c) of this Agreement.

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; Interpretation.

(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 Clean Energy Purchase Contracts. 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:

“Affiliate” means, with respect to any person, any entity which is a direct or indirect parent or subsidiary of such person or which directly or indirectly (i) owns or controls such person, (ii) is owned or controlled by such person, or (iii) is under common ownership or control with such person. 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.

“Assigned Product Price” has the meaning specified in Exhibit A, as may be updated from time to time consistent with the terms hereof.

“Clean Energy Purchase Contracts” means each of the Clean Energy Purchase Contracts by and between SDCP and Issuer as set forth in Exhibit C to this Agreement, which Exhibit C may be updated from time to time in accordance with Section 3(b).

“Electricity Sale and Service Agreements” means each of the Electricity Purchase, Sale and Service Agreements by and between J. Aron and the buyer thereunder as set forth in Exhibit C to this Agreement, which Exhibit C may be updated from time to time in accordance with Section 3(b).

“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 SDCP under Section 3.2(a) of a Clean Energy Purchase Contract with respect to negatively priced Assigned Products and (b) amounts due from SDCP to Issuer under Section 3.2(a) of a Clean Energy Purchase Contract with respect to positively priced Assigned Products.

“J. Aron Fixed Payment” means, in respect of each Assigned PPA and each Month in an Assignment Period thereunder, the amount set forth for such Assigned PPA and Month on Exhibit B hereto; provided that there shall be two J. Aron Fixed Payments for each Month of the Assignment Period with respect to any Assigned PPA that includes separate Monthly Projected Quantities for Energy and storage Products. Notwithstanding the foregoing, there shall be no J. Aron Fixed Payment for an Assignment Agreement that provides for payment by J. Aron to the relevant PPA Seller of a floating price for Assigned Products delivered during the Assignment Period.

“J. Aron Prepay Payment” means, in respect of each Monthly PPA Invoice, an amount determined by SDCP as (a) with respect to any Assigned PPA that has a J. Aron Fixed Payment, the J. Aron Fixed Payment for the relevant Month and Assigned PPA and (b) with respect to any Assigned PPA that does not have a J. Aron Fixed Payment, the Monthly Projected Quantity for the relevant Assigned PPA for the relevant Month multiplied by the Assigned Product Price; provided that the J. Aron Prepay Payment shall be reduced by (i) the face amount of any Receivable (as defined in the Electricity Sale and Service Agreement) that is delivered by J. Aron to the Custodian pursuant to Section 4(f) and (ii) any Provisional Payment Fee Amount; provided further that (x) the J. Aron Prepay Payment will be determined without regard to any PPA Seller Payment Obligation and (y) there shall be two J. Aron Prepay Payments for each Month of the Assignment Period with respect to any Assigned PPA that includes separate Monthly Projected Quantities for Energy and storage Products.

“Master Power Supply Agreements” means each of the Master Power Supply Agreements by and between Issuer and the seller thereunder, as set forth in Exhibit C to this Agreement, which Exhibit C may be updated from time to time in accordance with Section 3(b).

“Monthly Excess Quantity” means, with respect to an Assigned PPA for any Month, an amount equal to the positive difference, if any, between (i) the quantity of Assigned Products actually delivered during such Month under such Assigned PPA, and (B) the Monthly Projected Quantities under such Assigned PPA for such Month.

“Monthly PPA Payment” means, in respect of any Monthly PPA Invoice, an amount determined by SDCP as the total amount to be withdrawn from the Assigned PPA Payments Account by the Custodian and paid to the relevant PPA Seller in respect of such Monthly PPA Invoice, which shall equal the total net amount due to such PPA Seller in respect of such Monthly PPA Invoice and shall consist of the following components:

- (a) The J. Aron Prepay Payment(s), which shall be deemed to be paid to the relevant PPA Seller on behalf of J. Aron in respect of Assigned Products; and
- (b) the SDCP Net Payment.

“PPA Seller Payment Obligation” means, in respect of any Monthly PPA Invoice, an amount determined by SDCP as the total amount owed by the relevant PPA Seller as reflected in such Monthly PPA Invoice, including any amounts that have been netted or set-off against amounts owed to such PPA Seller; provided, for clarity, that the PPA Seller Payment Obligation shall be deemed to be paid to SDCP and credited against the SDCP Gross Payment thereby resulting in the SDCP Net Payment required to be made by SDCP hereunder.

“PPA Shortfall Lookback Summary” means, in respect of any Monthly PPA Invoice, a list that sets forth the following:

- (i) which Months, if any, the relevant PPA Seller delivered less than the Monthly Projected Quantity in the preceding 12 Months (any such Month, a **“Lookback Shortfall Month”**) under the applicable Assigned PPA and whether such under-deliveries were a result of Force Majeure (as defined in the relevant Assigned PPA);
- (ii) the percentage of the Monthly Projected Quantity actually delivered under the applicable Assigned PPA for each such Lookback Shortfall Month; and
- (iii) an indication of whether a Provisional Payment Fee (as defined in the relevant Master Power Supply Agreement) is in effect consistent with the terms of Exhibit C of the relevant Master Power Supply Agreement.

“Prepay Contract Chain” means, with respect to each bond issuance by Issuer detailed in **Exhibit C**, the Master Power Supply Agreement, Electricity Sale and Service Agreement and Clean Energy Purchase Contract relating thereto. As used herein, Prepay Contract Chains shall be limited to contract chains entered into in connection with bond issuances by Issuer for a prepayment to an Affiliate of J. Aron pursuant to a Master Power Supply Agreement between Issuer and an Affiliate of J. Aron.

“Provisional Payment Fee” has the meaning specified in each of the Master Power Supply Agreements.

“Provisional Payment Fee Amount” means, in respect of any Monthly Projected Quantity remarketed in any Month under the remarketing provisions of the relevant Master Power Supply Agreement, an amount equal to the product of (a) the Monthly Projected Quantity so remarkedeted in such Month, multiplied by (b) any Provisional Payment Fee applicable under relevant Master Power Supply Agreement.

“SDCP Gross Payment” means, in respect of any Monthly PPA Invoice, an amount determined by SDCP as the positive result, if any, of (a) all amounts owed to the relevant PPA Seller in respect of such Monthly PPA Invoice (determined without respect to the PPA Seller Payment Obligation), less (b) the J. Aron Prepay Payment(s); provided, for clarity, that the SDCP Gross Payment (i) shall be deemed to be paid to the relevant PPA Seller on behalf of J. Aron to the extent it relates to any Monthly Excess Quantities, and (ii) otherwise shall be deemed to be paid to the relevant PPA Seller on behalf of SDCP.

“SDCP Net Payment” means, in respect of any Monthly PPA Invoice, an amount determined by SDCP as the positive result, if any, of (a) the SDCP Gross Payment, less (b) the PPA Seller Payment Obligation.

“SDCP Reimbursement Amount” means, in respect of any Monthly PPA Invoice that reflects that a quantity of Product less than the Monthly Projected Quantity was delivered in such Month under the relevant Assigned PPA, an amount equal to (i) the product of (x) the portion of the Monthly Projected Quantity actually delivered under the relevant Assigned PPA, multiplied by (y) the result of the applicable Assigned Product Price, minus (ii) any Provisional Payment Fee 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.** SDCP, J. Aron and Issuer hereby appoint U.S. Bank Trust Company, National Association, as the 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) **Monthly Statements.** No later than five Business Days following receipt of an invoice from a PPA Seller in respect of any Month in an Assignment Period (a “Monthly PPA Invoice”), SDCP shall deliver a statement (the “Monthly Statement”) showing each of the following (based on the information provided by the relevant PPA Seller in the Monthly PPA Invoice) to each of the Parties hereto and the seller under the Master Power Supply Agreement for the Prepay Contract Chain to which such Assigned PPA is assigned:

- (i) the J. Aron Prepay Payment(s);
- (ii) the SDCP Reimbursement Amount;

- (iii) the SDCP Gross Payment;
- (iv) the PPA Seller Payment Obligation;
- (v) the SDCP Net Payment;
- (vi) the Monthly PPA Payment;
- (vii) the Provisional Payment Fee Amount;
- (viii) the “Monthly PPA Invoice Payment Date”, which shall be the last Business Day on which payment on such Monthly PPA Invoice may be made before any incremental interest arises thereon or any default or breach arises under the relevant Assigned PPA;
- (ix) the “Custodial Agreement Payment Date,” which shall be one Business Day preceding the Monthly PPA Invoice Payment Date;
- (x) the PPA Shortfall Lookback Summary;
- (xi) the Issuer Negative Payment Amount, if any;

provided furthermore that SDCP shall deliver an updated Monthly Statement within seven days following agreement by SDCP and any PPA Seller to an adjustment to a Monthly PPA Invoice to the extent that such adjustment is agreed upon prior to the date that is 10 days prior to the Monthly PPA Invoice Date. In addition to the foregoing, the Parties acknowledge and agree that any adjustments agreed upon with respect to a Monthly PPA Invoice after the date specified in the foregoing provision shall be resolved solely between SDCP and the relevant PPA Seller as provided in the Assignment Agreements. 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.

(b) Monthly Statement Verification. J. Aron shall notify SDCP and each other Party promptly, but in no event more than three (3) Business Days, following SDCP’s delivery of a Monthly Statement if J. Aron believes any information included on such Monthly Statement is incorrect. Following receipt and verification of the information included in any such notice from J. Aron, SDCP shall, to the extent appropriate and in consultation with J. Aron, issue a corrected Monthly Statement to all Parties. J. Aron and each other Party hereto acknowledges and agrees that (i) SDCP is calculating the Monthly Statement only for convenience of the Parties, (ii) the purpose of this Agreement is solely to determine amounts to be paid by SDCP and J. Aron under separate contracts, and (iii) none of SDCP, J. Aron nor any other Party hereto will have any liability whatsoever with respect to any action taken or omitted by it under this Agreement (but without prejudice to an express payment obligation arising under another contract), including as a result of any failure by SDCP to timely or properly calculate any amount to be included in a Monthly Statement. Without limiting the foregoing, J. Aron acknowledges that it will have an opportunity to review and comment on each calculation and date included in a Monthly Statement (and shall be aware if such Monthly Statement has not been timely delivered) and SDCP will not be responsible in any way for any damages, costs, liabilities, loss of use or any other claims related

to an insufficient or late payment under an Assigned PPA as a result of any deficiencies in any Monthly Statement.

(c) Exhibits.

(i) Exhibit A to this Agreement sets forth certain information regarding the Assigned PPAs as of the date hereof, including the Assignment Periods for each Assigned PPA, the Monthly Projected Quantities, the PPA Sellers thereunder and the payment instructions for payments to the PPA Sellers. Exhibit B to this Agreement sets forth the J. Aron Fixed Payments with respect to each of the Assigned PPAs. J. Aron shall deliver an updated Exhibit A or Exhibit B, as applicable, to each of the other Parties hereto to reflect any changes to the information set forth therein, including in connection with the execution of a new Prepay Contract Chain in connection with a bond issuance by Issuer.

(ii) Exhibit C to this Agreement sets forth certain information regarding the Prepay Contract Chains in effect as of the date hereof. J. Aron shall deliver an updated Exhibit C to each of the other Parties hereto to reflect any changes to the information set forth therein, including due to the execution of a new Prepay Contract Chain in connection with a bond issuance by Issuer.

(d) Remediation of Remarketing Proceeds with SDCP's Purchases of Monthly Excess Quantities. The Parties acknowledge and agree that SDCP's purchase of Monthly Excess Quantities shall be applied to the remediation of remarketing proceeds, if any, under the Master Power Supply Agreements in accordance with the terms thereof, provided that for the avoidance of doubt Monthly Excess Quantities may only be applied to remediate remarketing proceeds from a remarketing that occurred [either in or prior to the Month in which such Monthly Excess Quantities were purchased].

Section 4. Assigned PPA Payments Account.

(a) Payments. With respect to certain payments required to be made by J. Aron and SDCP to the PPA Sellers under the Assigned PPAs, there is hereby established the custodial account detailed below (the "Assigned PPA Payments Account"), and all payments made by J. Aron and SDCP hereunder shall be wired to such Assigned PPA Payments Account:

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(b) J. Aron Payments. J. Aron shall pay the J. Aron Prepay Payment(s) into the Assigned PPA Payments Account, in respect of each Monthly Statement on the relevant Custodial Agreement Payment Date set forth in such statement. To the extent that (i) a SDCP Reimbursement Amount is due with respect to an Assigned PPA and (ii) J. Aron pays some portion of the J. Aron Prepay Payment(s) for such Assigned PPA but less than the total amount of the J. Aron Prepay Payment(s) due, J. Aron's partial payment shall be applied first to the J. Aron Prepay Payment(s). In addition, the Custodian agrees to promptly notify SDCP if it does not receive the

J. Aron Prepay Payment from J. Aron on the Custodial Agreement Payment Date, and in such case SDCP may elect in its sole discretion to make the J. Aron Prepay Payment to the Custodian for the purpose of satisfying the Monthly PPA Payment (in which case SDCP will have a reimbursement claim against Issuer under Section 6.4 of the applicable Clean Energy Purchase Contract).

(c) SDCP Payments. SDCP shall pay the SDCP Net Payment into the Assigned PPA Payments Account in respect of each Monthly Statement on the relevant Custodial Agreement Payment Date set forth in such statement. For each Month, if any, of an Assignment Period for which there is an Issuer Negative Pricing Payment Amount, SDCP shall make payment of such amount into the Assigned PPA Payments Account on the Custodial Agreement Payment Date; provided that, notwithstanding the foregoing, SDCP shall have no payment obligation hereunder with respect to an Issuer Negative Pricing Payment Amount to the extent that J. Aron receives such amount from the PPA Seller pursuant to the terms of the applicable Assignment Agreement.

(d) Application of Payments. The Custodian shall withdraw and apply amounts received under this Section 4 as follows:

(i) any J. Aron Prepay Payment received from J. Aron (including any payment by SDCP on J. Aron's behalf pursuant to the last sentence of Section 4(b)) and any SDCP Net Payment received from SDCP shall be applied to the payment of the Monthly PPA Payment to each PPA Seller in respect of each Monthly Statement on the relevant Monthly PPA Invoice Payment Date pursuant to the payment instructions set forth on Exhibit A; provided that if amounts on deposit in the Assigned PPA Payment Account are insufficient to pay the entire Monthly PPA Payment on such date, the Custodian shall (i) withdraw and pay to such PPA Seller the entire remaining balance of the Assigned PPA Payment Accounts, as determined and directed by SDCP, and (ii) notify such PPA Seller of the amounts received for such Month from each of J. Aron and SDCP consistent with such PPA Seller's contact information provided in Exhibit A; provided furthermore that, if the J. Aron Prepay Payment for any Month exceeds the Monthly PPA Payment, then the excess of the J. Aron Prepay Payment over the Monthly PPA Payment shall be remitted to SDCP on the relevant Monthly PPA Invoice Payment Date pursuant to SDCP's payment instructions set forth on Exhibit C;

(ii) any SDCP Reimbursement Amount received from J. Aron shall be remitted to SDCP on the relevant Monthly PPA Invoice Payment Date pursuant to SDCP's payment instructions set forth on Exhibit C; and

(iii) for any Month in an Assignment Period for which an Issuer Negative Pricing Payment Amount is due from SDCP, 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 J. Aron.

(e) Amounts Held in Trust. Amounts deposited in the Assigned PPA Payments Account shall be held in trust for the benefit of SDCP until applied as set forth in Section 4(d) and Section 12, as applicable, and there is hereby granted to SDCP a lien on and security interest in the Assigned PPA Payments Account pending such application. The Custodian shall not be

required to comply with any orders, demands, or other instructions from SDCP 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 SDCP agrees that 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.

(f) Transfer of Receivables. With respect to each Monthly Statement, to the extent J. Aron has purchased Receivables (as defined in the Electricity Sale and Service Agreement) for amounts owed by SDCP for the Month to which such Monthly Statement relates, J. Aron may, at its option, (i) notify the Custodian that it intends to transfer all or any portion of such Receivables to the applicable PPA Seller, and (ii) reduce the J. Aron Prepay Payment by the face amount of such Receivables to be transferred. To the extent J. Aron has notified the Custodian of its intent to transfer any such Receivables, J. Aron shall cause such Receivables to be transferred to the relevant PPA Seller not later than the relevant Custodial Agreement Payment Date.

Section 5. Custodian; Fees.

(a) Limitation on Liability. The Custodian shall have (i) no liability under any agreement other than this Agreement and (ii) 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 J. Aron or SDCP 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, or for the application of funds by or other actions or omissions of other persons, 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, punitive, or consequential 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 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. The Custodian shall not be obliged to invest or pay interest on funds held hereunder.

(b) Custodian Fee. The Issuer agrees to (i) pay the Custodian reasonable compensation for the services to be rendered hereunder, which compensation shall be \$[____] per bond series for each year that this Agreement is in effect, and (ii) pay or reimburse the Custodian upon request for all expenses, disbursements and advances, including reasonable attorney's fees and expenses, incurred or made by it in connection with the preparation, execution, performance, delivery, modification and termination of this Agreement. The parties hereto acknowledge that this provision shall survive the resignation or removal of the Custodian or the termination of this Agreement.

Section 6. 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 6 within 45 days after the Custodian has given written notice to the other Parties of its resignation as provided in this Section 6, 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 7. Reimbursement. J. Aron and SDCP agree, jointly and severally (subject to the second proviso of this Section 7), 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 J. Aron or SDCP, 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 7 shall not duplicate any other amounts due under this Agreement, including without limitation amounts due under Section 13 hereof; provided further, however, that, notwithstanding the joint and several nature of the obligations under this Section 7, 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 8. Taxpayer Identification Numbers; Tax Matters. J. Aron and SDCP represent that 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 SDCP, 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 SDCP. The Custodian shall have no responsibility for making such payment unless directed to do so by the appropriate authorized Party and fully indemnified to the Custodian's satisfaction.

Section 9. Notices. 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 C 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). Each Party shall have the right, upon 10 days' prior written notice to the other Party, to change its list of notice recipients and addresses in Exhibit C. 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, a Party may at any time notify the others 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.

The Custodian shall have the right to accept and act upon directions given pursuant to this Agreement, or any other document reasonably relating to the bonds and delivered using Electronic Means (defined below); *provided, however,* that each party giving directions to the Custodian

hereunder shall provide to the Trustee under the Trust Indenture an incumbency certificate listing persons with the authority to provide such directions (each an “Authorized Officer”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If a party elects to give the Custodian directions using Electronic Means 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 the Custodian have been sent by such Authorized Officer. Each party shall be 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. Each party agrees: (i) to assume all risks arising out of the use of Electronic Means 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.

As used herein, “Electronic Means” shall mean e-mail transmission or other similar electronic means of communication providing evidence of transmission, S.W.I.F.T, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, facsimile transmission, including a telephone communication confirmed by any other method set forth in this definition, or another method or system specified by a Responsible Officer of the Custodian as available for use in connection with the Custodian’s services hereunder.

Section 10. Miscellaneous.

(a) Amendments. 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) Assignments. 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 5, without the prior written consent of the other Parties.

(c) 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 New York, without regard to any conflicts of law principle that would direct the application of the laws another jurisdiction; provided that the authority of each of the Issuer and

SDCP to enter into and perform its obligations under this Agreement shall be determined in accordance with the laws of the State of California.

(d) Jurisdiction. 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. 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) Force Majeure. 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, epidemic, pandemic, 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) Counterparts. 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. 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) No Obligation to Invest. The Custodian shall not be under any obligation to invest or pay interest on amounts held in the Assigned PPA Payments Account from time to time.

(h) Limited Duties. 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) Allocation of Payments. Nothing in this Agreement is intended to create any liabilities between the Issuer, J. Aron and SDCP. This Agreement is intended solely to allocate payments that are actually made by J. Aron and SDCP in respect of amounts owed for physically settled energy under the Assigned PPAs and the Clean Energy Purchase Contracts.

Section 11. 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 12. Term; Winding Up. This Agreement will expire concurrently with the receipt of written notice from SDCP, with a copy to the other Parties, that the Clean Energy Purchase Contracts have terminated in accordance with their terms. Following the Custodian's payment of any Monthly PPA Payments due in respect of the final month of commodity deliveries prior to such a termination, any remaining balance in the Assigned PPA Payments Account shall be paid to SDCP.

Section 13. Indemnification. J. Aron and SDCP, jointly and severally, agree to protect, indemnify, defend and hold harmless, the Custodian, and affiliates, and each person who controls the Custodian (and each of their respective directors, officers, agents and employees) from and against all claims, losses, liabilities, actions, suits, costs, judgments and expenses (including 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 or loss resulting from the gross negligence or willful misconduct of the Custodian; provided, however, that any amounts due under this Section 13 shall not duplicate any other amounts due under this Agreement, including without limitation amounts due under Section 7 hereof. The obligations of this Section 13 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 and Issuer shall have all of the rights (including the indemnification rights), benefits, privileges and immunities under this Agreement as are granted to Issuer and the Trustee under the Trust Indenture, all of which are incorporated, mutatis mutandis, into this Agreement.

Section 14. 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 Trust Indenture) as and to the extent

provided in the Trust Indenture, including with respect to Operating Expenses (as such term is defined in the Trust 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 Trust Indenture) and other assets pledged under the Trust 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 Trust Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Trust Indenture.

Section 15. Patriot Act. J. Aron and SDCP 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 J. Aron and SDCP. Accordingly, prior to opening the Assigned PPA Payments Account described in Section 3 of this Agreement, the Custodian will ask J. Aron and SDCP 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 J. Aron’s and SDCP’s identities, such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information. J. Aron and SDCP agree that the Custodian cannot open any account hereunder unless and until the Custodian verifies J. Aron’s and SDCP’s identities in accordance with its CIP.

[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: _____
Title: _____
Taxpayer ID Number: _____

J. ARON & COMPANY LLC

By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION

By: _____
Name: _____
Title: _____

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT A

ASSIGNED PPAS

[To come.]

EXHIBIT B

J. ARON FIXED PAYMENTS

[To be attached.]

EXHIBIT C

**PREPAY CONTRACT CHAINS AND RELATED NOTICE AND PAYMENT
INFORMATION**

[To come.]

FORM OF ASSIGNMENT SCHEDULE

Assigned Product: [____]

Assigned Delivery Point: [____]

Assigned Prepay Quantity: As set forth in Appendix 2; provided that (i) all Assigned Products shall be delivered pursuant to the Limited Assignment Agreement during the Assignment Period as provided in Appendix 1 and (ii) the Assigned Prepay Quantity is defined for the convenience of PPA Buyer and J. Aron and shall have no impact on the obligations of the Parties under the Limited Assignment Agreement.

APC Contract Price: \$[____]/MWh

Assignment Period: [____]

FORM OF LIMITED ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this “**Assignment Agreement**” or “**Agreement**”) is entered into as of [____], by and among [____], a [____] (“**PPA Seller**”), San Diego Community Power, a California joint powers authority (“**PPA Buyer**”), and J. Aron & Company LLC, a New York limited liability company (“**J. Aron**”), and relates to that certain power purchase agreement (the “**PPA**”) between PPA Buyer and PPA Seller as described on Appendix 1. Unless the context otherwise specifies or requires, capitalized terms used but not defined in this Agreement have the meanings set forth in the PPA.

In consideration of the premises above and the mutual covenants and agreements herein set forth, PPA Seller, PPA Buyer and J. Aron (the “**Parties**” hereto; each is a “**Party**”) agree as follows:

1. Limited Assignment and Delegation.

- (a) PPA Buyer hereby assigns, transfers and conveys to J. Aron all right, title and interest in and to the rights of PPA Buyer under the PPA to receive delivery of the products described on Appendix 1 (the “**Assigned Products**”) during the Assignment Period (as defined in Appendix 1), as such rights may be limited or further described in the “Further Information” section on Appendix 1 (the “**Assigned Product Rights**”). All Assigned Products shall be delivered pursuant to the terms and conditions of this Agreement during the Assignment Period as provided in Appendix 1. All other rights of PPA Buyer under the PPA are expressly reserved for PPA Buyer.
- (b) PPA Buyer hereby delegates to J. Aron the obligation to pay the APC Contract Price for all Assigned Products that are actually delivered to J. Aron pursuant to the Assigned Product Rights during the Assignment Period (the “**Delivered Product Payment Obligation**” and together with the Assigned Product Rights, collectively the “**Assigned Rights and Obligations**”); provided that (i) all other obligations of PPA Buyer under the PPA are expressly retained by PPA Buyer and PPA Buyer shall be solely responsible for any amounts due to PPA Seller that are not directly related to Assigned Products; and (ii) the Parties acknowledge and agree that PPA Seller will only be obligated to deliver a single consolidated invoice during the Assignment Period (with a copy to J. Aron consistent with Section 1(d) hereof). To the extent J. Aron fails to pay the Delivered Product Payment Obligation by the due date for payment set forth in the PPA, notwithstanding anything in this Agreement to the contrary, PPA Buyer agrees that it will remain responsible for such payment within five (5) Business Days (as defined in the PPA) of receiving notice of such non-payment from PPA Seller.
- (c) J. Aron hereby accepts and PPA Seller hereby consents and agrees to the assignment, transfer, conveyance and delegation described in clauses (a) and (b) above.
- (d) All scheduling of Assigned Products and other communications related to the PPA shall take place pursuant to the terms of the PPA; provided that (i) title to Assigned Product will pass from PPA Seller to J. Aron upon delivery by PPA Seller of Assigned Product in accordance with the PPA; (ii) PPA Buyer will provide copies to J. Aron of any Notice of a Force Majeure Event or Event of Default or default, breach or other occurrence that, if not cured within the applicable grace period, could result in an Event of Default contemporaneously upon delivery thereof to PPA Seller and promptly after receipt thereof from PPA Seller; (iii) PPA Seller will provide copies to J. Aron of annual forecasts of Energy and monthly forecasts of available capacity and Energy provided pursuant to Section [____] of the PPA; (iv) PPA Seller will provide copies to J. Aron of

all invoices and supporting data provided to PPA Buyer pursuant to Section [__], provided that any payment adjustments or subsequent reconciliations occurring after the date that is 10 days prior to the payment due date for a monthly invoice, including pursuant to Section [__], will be resolved solely between PPA Buyer and PPA Seller and therefore PPA Seller will not be obligated to deliver copies of any communications relating thereto to J. Aron; and (v) PPA Buyer and PPA Seller, as applicable, will provide copies to J. Aron of any other information reasonably requested by J. Aron relating to Assigned Products.

- (e) PPA Seller acknowledges that (i) J. Aron intends to immediately transfer title to any Assigned Products received from PPA Seller through one or more intermediaries such that all Assigned Products will be re-delivered to PPA Buyer; and (ii) in the event that PPA Buyer fails to pay the relevant intermediary entity for any such Assigned Products, the receivables owed by PPA Buyer for such Assigned Products (“PPA Buyer Receivables”) may be transferred to J. Aron. To the extent any such PPA Buyer Receivables are transferred to J. Aron, J. Aron may transfer such PPA Buyer Receivables to PPA Seller and apply the face amount thereof as a reduction to any Delivered Product Payment Obligation. Thereafter, PPA Seller shall be entitled to pursue collection on such PPA Buyer Receivables directly against PPA Buyer.
- (f) The Assigned Prepay Quantity set forth in Appendix 2 relates to obligations by and between J. Aron and PPA Buyer and has no impact on PPA Seller’s rights and obligations under the PPA.

2. Assignment Early Termination.

- (a) The Assignment Period may be terminated early upon the occurrence of any of the following:
 - (1) delivery of a written notice of termination specifying a termination date by either J. Aron or PPA Buyer to each of the other Parties;
 - (2) delivery of a written notice of termination specifying a termination date by PPA Seller to each of J. Aron and PPA Buyer following J. Aron’s failure to pay when due any amounts owed to PPA Seller in respect of any Delivered Product Payment Obligation and such payment is not made by J. Aron within five (5) business days following receipt by J. Aron and PPA Buyer of written notice;
 - (3) delivery of a written notice by PPA Seller if any of the events described in the definition of Bankrupt in the PPA occurs with respect to J. Aron; or
 - (4) delivery of a written notice by J. Aron if any of the events described in the definition of Bankrupt in the PPA occurs with respect to PPA Seller.
- (b) The Assignment Period will end at the end of last delivery hour on the date specified in the termination notice provided pursuant to Section 2(a), which date shall not be earlier than the end of the last day of the calendar month in which such notice is delivered if termination is pursuant to clause 2(a)(1) or 2(a)(2) above. All Assigned Rights and Obligations shall revert from J. Aron to PPA Buyer upon the early termination of the Assignment Period, provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron prior to the end 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 expiration or early termination of the Assignment Period

(c) The Assignment Period will automatically terminate upon the expiration or early termination of the PPA. All Assigned Rights and Obligations shall revert from J. Aron to PPA Buyer upon the expiration of or early termination of the PPA, provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron prior to the end 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 expiration or early termination of the Assignment Period.

3. Representations and Warranties. The PPA Seller and the PPA Buyer represent and warrant to J. Aron that (a) the PPA is in full force and effect; (b) no event or circumstance exists (or would exist with the passage of time or the giving of notice) that would give either of them the right to terminate the PPA or suspend performance thereunder; and (c) all of its obligations under the PPA required to be performed on or before the Assignment Period Start Date have been fulfilled.

4. Notices. Any notice, demand, or request required or authorized by this Assignment Agreement to be given by one Party to another Party shall be delivered in accordance with Article [] of the PPA and to the addresses of each of PPA Seller and PPA Buyer specified in the PPA. PPA Buyer agrees to notify J. Aron of any updates to such notice information, including any updates provided by PPA Seller to PPA Buyer. Notices to J. Aron shall be provided to the following address, as such address may be updated by J. Aron from time to time by notice to the other Parties:

J. Aron & Company LLC
200 West Street
New York, New York 10282-2198
Email: gs-prepay-notices@google.com

5. Miscellaneous. Section [] (Buyer's Representations and Warranties), Article [] (Confidential Information), Sections [] (Severability), [] (No Consequential Damages), [] (Counterparts), [] (Amendments), [] (No Agency, Partnership, Joint Venture or Lease), [] (Mobile-Sierra), [] (Electronic Delivery), Section [] (Binding Effect) and [] (No Recourse to Members of Buyer) of the PPA are incorporated by reference into this Agreement, *mutatis mutandis*, as if fully set forth herein.

6. U.S. Resolution Stay Provisions.

(a) Recognition of the U.S. Special Resolution Regimes.

(i) In the event that J. Aron becomes subject to a proceeding under (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder or (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder (a "U.S. Special Resolution Regime"), the transfer from J. Aron of this Agreement, and any interest and obligation in or under, and any property securing, this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any interest and obligation in or under, and any property securing, this Agreement were governed by the laws of the United States or a state of the United States.

(ii) In the event that J. Aron or an Affiliate becomes subject to a proceeding under a U.S. Special Resolution Regime, any Default Rights (as defined in 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable (“**Default Right**”)) under this Agreement that may be exercised against J. Aron are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(b) Limitation on Exercise of Certain Default Rights Related to an Affiliate’s Entry Into Insolvency Proceedings. Notwithstanding anything to the contrary in this Agreement, the Parties expressly acknowledge and agree that:

(i) PPA Buyer and PPA Seller shall not be permitted to exercise any Default Right with respect to this Agreement or any Affiliate Credit Enhancement that is related, directly or indirectly, to an Affiliate of J. Aron becoming subject to receivership, insolvency, liquidation, resolution, or similar proceeding (an “**Insolvency Proceeding**”), except to the extent that the exercise of such Default Right would be permitted under the provisions of 12 C.F.R. 252.84, 12 C.F.R. 47.5 or 12 C.F.R. 382.4, as applicable; and

(ii) Nothing in this Agreement shall prohibit the transfer of any Affiliate Credit Enhancement, any interest or obligation in or under such Affiliate Credit Enhancement, or any property securing such Affiliate Credit Enhancement, to a transferee upon or following an Affiliate of J. Aron becoming subject to an Insolvency Proceeding, unless the transfer would result in PPA Buyer or PPA Seller being the beneficiary of such Affiliate Credit Enhancement in violation of any law applicable to PPA Buyer or PPA Seller, respectively.

(c) U.S. Protocol. To the extent that PPA Buyer and PPA Seller each adhere to the ISDA 2018 U.S. Resolution Stay Protocol, as published by the International Swaps and Derivatives Association, Inc. as of July 31, 2018 (the “**ISDA U.S. Protocol**”), the terms of the ISDA U.S. Protocol will supersede and replace the terms of this Section 6.

(d) Definitions. For purposes of this Section 6:

“**Affiliate**” is defined in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

“**Credit Enhancement**” means any credit enhancement or credit support arrangement in support of the obligations of J. Aron under or with respect to this Agreement, including any guarantee, collateral arrangement (including any pledge, charge, mortgage or other security interest in collateral or title transfer arrangement), trust or similar arrangement, letter of credit, transfer of margin or any similar arrangement.

7. Governing Law, Jurisdiction, Waiver of Jury Trial.

(a) **Governing Law.** This Assignment Agreement and the rights and duties of the parties under this Assignment Agreement will be governed by and construed, enforced and performed in accordance with the laws of the State of California, without reference to

any conflicts of laws provisions that would direct the application of another jurisdiction's laws.

- (b) **Jurisdiction.** Each party submits to the exclusive jurisdiction of the federal courts of the United States of America for the Northern District of California sitting in the city and county of San Francisco.
- (c) **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 assignment agreement.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the Parties have executed this Assignment Agreement effective as of the date first set forth above.

[PPA SELLER]

By: _____

Name: _____

Title: _____

SAN DIEGO COMMUNITY POWER

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

J. ARON & COMPANY LLC

By: _____

Name: _____

Title: _____

Execution and delivery of the foregoing Assignment Agreement is hereby approved.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____

Name: _____

Title: _____

Appendix 1

Assigned Rights and Obligations

PPA: “PPA” means that certain Power Purchase and Sale Agreement dated [____], by and between San Diego Community Power and [____], as amended from time to time.

“Assignment Period” means the period beginning on [_____] and extending until [_____] , provided that in no event shall the Assignment Period extend past the earlier of (i) the termination of the Assignment Period pursuant to Section 2 of the Assignment Agreement and (ii) the end of the Delivery Term under the PPA; provided that applicable provisions of this Agreement shall continue in effect after termination of the Assignment Period to the extent necessary to enforce or complete, duties, obligations or responsibilities of the Parties arising prior to the termination.

Assigned Product: “Assigned Products” include [____].

Further Information: PPA Seller shall continue to transfer the WREGIS Certificates associated with all Renewable Energy Credits corresponding to all Facility 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 J. Aron and San Diego Community Power upon twenty (20) Business Days’ notice, which change shall be effective as of the first day of the next calendar month, unless otherwise agreed. All Assigned Product delivered by PPA Seller to J. Aron shall be a sale made at wholesale, with J. Aron reselling all such Assigned Product.

Appendix 2
Assigned Prepay Quantity

[NOTE: To be set forth in a monthly volume schedule.]

LETTER AGREEMENT

[____], 2026

San Diego Community Power
815 E Street, Suite 12716
San Diego, CA 92112

Re: Prepay Limited Assignment 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 those certain Limited Assignment Agreements listed on Exhibit A (the “Assignment Agreements”, which definitions shall include any new Assignment Agreements identified by J. Aron’s delivery of an updated Exhibit A consistent with Section 2), with each of the PPA Sellers identified in Exhibit A (each, individually, a “PPA Seller” and collectively the “PPA Sellers”, and which definitions shall include any new PPA Seller identified by J. Aron’s delivery of an updated Exhibit A consistent with Section 2). Any capitalized term used in this Letter Agreement and not otherwise defined herein shall have the meaning assigned to such term in the Clean Energy Purchase Contract. In consideration of each party’s execution of the Assignment Agreements, as well as the premises above and the mutual covenants and agreements set forth herein, J. Aron & Company LLC (“J. Aron”) and San Diego Community Power (“SDCP” and together with J. Aron, collectively the “Parties”) agree as follows:

1. **Assignment Early Termination.** Each of the Parties agrees that it shall only exercise its right to deliver a written notice of termination of an Assignment Period under an Assignment Agreement consistent with the following:

(a) Either Party may deliver a notice of termination in the event of (i) the suspension, expiration, or termination of performance of a PPA by either SDCP or the applicable PPA Seller; or (ii) the termination or suspension of deliveries for any reason other than force majeure under (A) that certain Clean Energy Purchase Contract (No. 2) (the “Clean Energy Purchase Contract”), dated as of [____], 2026 by and between SDCP and California Community Choice Financing Authority (including, for the avoidance of doubt, due to a “Remarketing Election” by SDCP under the Clean Energy Purchase Contract) or (B) that certain Electricity Purchase, Sale and Service Agreement (No. 2), dated as of [____], 2026 by and between J. Aron and Aron Energy Prepay [____] LLC (the “Electricity Sale and Service Agreement”);

(b) SDCP shall deliver a notice of termination contemporaneous with any assignment by SDCP of its interest in the Clean Energy Purchase Contract, provided that J. Aron in any event shall be entitled to deliver a notice of termination to the extent SDCP fails to do so in connection with the assignment of SDCP’s interest under the Clean Energy Purchase Contract;

(c) J. Aron may deliver a notice of termination if (i) PPA Seller delivers less than the Assigned Prepay Quantity for any five months in the aggregate during a twelve month period, (ii) any event or circumstance occurs that would give either SDCP or a PPA Seller the right to

terminate or suspend performance under a PPA (regardless of whether SDCP or the applicable PPA Seller exercises such right) or (iii) SDCP requests remarketing of the Assigned Quantities under an Assigned PPA pursuant to the terms [Section 7.3(c)] of the Clean Energy Purchase Contract;

(d) either Party may deliver a notice of termination to the extent that the Parties have mutually agreed upon an assignment of Replacement Assigned Rights and Obligations (as defined in the Clean Energy Purchase Contract) that will replace the Assigned Rights and Obligations under the applicable Assignment Agreement immediately following the termination thereof; and

(e) either Party may deliver a notice of termination under the applicable Assignment Agreement to the extent that:

(i) any of the representations and warranties set forth in [Sections 5.4] of the Electricity Sale and Service Agreement and the Clean Energy Purchase Contract, respectively, ceases to be true with respect to an Assigned PPA;

(ii) the Assigned Energy being delivered pursuant to an Assignment Agreement ceases to be EPS Compliant Energy; or

(iii) any Assigned Product that constituted PCC1 Product or Long-Term PCC1 Product while being delivered directly to SDCP under an Assigned PPA ceases to qualify as PCC1 Product or Long-Term PCC1 Product when being redelivered through the Electricity Sale and Service Agreement, Master Power Supply Agreement and Clean Energy Purchase Contract.

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 except in the circumstances set forth immediately above. The at will termination provision referenced in the immediately preceding sentence (x) is set forth in Section 2(a)(1) of the form of Assignment Agreement attached to the Clean Energy Purchase Contract (y) shall refer to any such provision forth in an Assignment Agreement entered into by the Parties consistent with the terms of the Clean Energy Purchase Contract and the Electricity Sale and Service Agreement.

2. **Exhibit A.** Promptly following execution of the Assignment Agreements with respect to the Initial Assigned Rights and Obligations, J. Aron shall deliver an Exhibit A that lists such Assignment Agreements. J. Aron shall deliver an updated Exhibit A to this Agreement to reflect any changes to the information set forth therein in connection with the termination, expiration or replacement of an Assignment Agreement consistent with the terms of the Clean Energy Purchase Contract.

3. **Representations, Warranties and Covenants.**

(a) SDCP agrees that it shall provide a true, complete, and correct copy to J. Aron of any PPA to be assigned pursuant to an Assignment Agreement.

(b) Each Party represents to the other:

- (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, deliver and perform its obligations under this Letter Agreement and any other documentation to which it is a party relating to this Letter Agreement, and it has taken all necessary action to authorize such execution, delivery and performance.
- (iii) **No Violation or Conflict.** Such execution, delivery and performance of this Letter Agreement and the consummation of the transactions contemplated hereby and thereby, including the incurrence by such Party of its obligations under this Letter 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 or made by such Party with respect to this Letter 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 the applicable parties, considers this Agreement to be legally enforceable contracts. 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 and the Assignment Agreement. It is also capable of assuming, and assumes, the risks of this Agreement.
- (viii) ***Status of Parties.*** Neither of Parties is acting as a fiduciary for or an adviser to the other in respect of this Agreement.

4. Governing Law, Jurisdiction, Waiver of Jury Trial

(a) **Governing Law.** This Letter Agreement and the rights and duties of the parties under this Letter 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 SDCP to enter into and perform its obligations under this Letter Agreement shall be determined in accordance with the laws of the State of California.

(b) **Jurisdiction.** Each party submits to the exclusive jurisdiction of the federal courts of the United States of America for the Northern District of California sitting in the city and county of San Francisco.

(c) **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 Letter Agreement.

[Signature Pages to Follow]

Very truly yours,

J. ARON

J. ARON & COMPANY LLC

By: _____
Name: _____
Title: _____

ACKNOWLEDGED, ACCEPTED AND AGREED TO as of the date first set forth above:

SDCP

SAN DIEGO COMMUNITY POWER

By: _____
Name: _____
Title: _____

Exhibit A
Assignment Agreements

[To come.]

CLEAN ENERGY PROJECT OPERATIONAL SERVICES AGREEMENT

This Clean Energy Project Operational Services Agreement (this “Agreement”) is made and entered into as of [_____], 2026, by and between California Community Choice Financing Authority (“CCCFA”) and San Diego Community Power Authority (“SDCP”) with respect to the Clean Energy Project (defined below). CCCFA and SDCP may be referred to individually herein as a “Party” and collectively as the “Parties”.

W I T N E S S E T H:

WHEREAS, SDCP is a “community choice aggregator” under the Public Utilities Code of the State of California, as amended; and

WHEREAS, SDCP and certain other community choice aggregators have created CCCFA as a joint exercise of powers authority under and pursuant to the Joint Exercise of Powers Act, constituted as Chapter 5 of Division 7 of Title 1 of the California Government Code, being Section 6500 and following, as amended, and a Joint Powers Agreement by and among the Members of CCCFA named therein, including SDCP (as the same may be amended or supplemented from time to time in accordance with its terms, the “Joint Powers Agreement”); and

WHEREAS, CCCFA’s purpose is to assist its Members, 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 and entering into related contracts with Members; and

WHEREAS, CCCFA and SDCP are entering into the Clean Energy Purchase Contract (No. 1) (“Clean Energy Purchase Contract No. 1”) and the Clean Energy Purchase Contract (No. 2) (“Clean Energy Purchase Contract No. 2”), each dated [_____], 2026 (as amended, restated, supplemented or otherwise modified from time to time, together, the “Clean Energy Purchase Contracts”), 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 Clean Energy Purchase Contracts, CCCFA is entering into the Master Power Supply Agreement (No. 1) (“Master Power Supply Agreement No. 1”) and the Master Power Supply Agreement (No. 2) (“Master Power Supply Agreement No. 2”), each dated [_____], 2026 (as amended, restated, supplemented or otherwise modified from time to time, together, the “Master Power Supply Agreements”), between CCCFA, as buyer, and Aron Energy Prepay 60 LLC, a Delaware limited liability company, as seller (the “Prepaid Seller”), under which it will make a prepayment to the Prepaid Seller for the purchase and delivery of such Energy; and

WHEREAS, in order to meet its obligations under the Master Power Supply Agreements, Prepaid Seller will enter into the Electricity Purchase, Sale and Service Agreement No. 1 (“EPSSA No. 1”) and the Electricity Purchase, Sale and Service Agreement No. 2 (“EPSSA No. 2”), each dated as of [_____], 2026 (as amended, restated, supplemented or otherwise modified from time to time) with J. Aron & Company LLC, a New York limited liability company (“J. Aron”); and

WHEREAS, the Issuer will finance the prepayments under the Master Power Supply Agreements and related costs by issuing its Clean Energy Project Revenue Bonds, Series 2026[] (Term Rate) (the “Bonds”) pursuant to a Trust Indenture, dated as of [] 1, 2026 (as amended, restated, supplemented or otherwise modified from time to time, the “Indenture”), between CCCFA and U.S. Bank Trust Company, National Association, as trustee (together with any successor or replacement trustee under the Indenture, the “Trustee”); and

WHEREAS, the issuance of the Bonds by CCCFA and related undertakings of CCCFA under the Indenture, the acquisition and sale of Energy and related undertakings of CCCFA under the Master Power Supply Agreements and the Clean Energy Purchase Contracts, and the sale to SDCP of such Energy and related undertakings of SDCP under the Clean Energy Purchase Contracts are referred to herein as the “Clean Energy Project”; and

WHEREAS, the Parties are entering into this Agreement in order to provide for the administration of certain operational matters relating to the Clean Energy Project;

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 and not otherwise defined shall have the meanings set forth in the Indenture, the Clean Energy Purchase Contracts or the Master Power Supply Agreements, as applicable.

Section 2. Assignment Agreements. As contemplated by the EPSSA No. 2, the Master Power Supply Agreement No. 2 and the Clean Energy Purchase Contract No. 2, SDCP may from time to time enter into Assignment Agreements to provide for the assignment of Assigned Product for delivery to CCCFA under the Master Power Supply Agreement No. 2 and to SDCP under the Clean Energy Purchase Contract No. 2. With respect to any Assignment Agreement, the Parties acknowledge and agree as follows:

(a) subject to the terms of the applicable Assignment Letter Agreement, SDCP may from time to time enter into Assignment Agreements with respect to all or a portion of its Contract Quantity under the Clean Energy Purchase Contract No. 2; and

(b) SDCP shall determine in its sole discretion when and if any Assignment Agreement is entered into (subject to the consent requirements under the Clean Energy Purchase Contract No. 2) or terminated (subject to the terms of the Assignment Letter Agreement) and the underlying power purchase agreement and portion of its Contract Quantity under the Clean Energy Purchase Contract No. 2 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 Master Power Supply Agreements shall be Scheduled by SDCP for delivery to CCCFA under the Master Power Supply Agreements and for delivery to SDCP under the Clean Energy Purchase Contracts, 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.

Section 4. Qualified Use; Remarketing of Market Quantities. Any Base Quantities under the Master Power Supply Agreement No. 2 are required to be remarketed by the Prepaid Seller pursuant to the Master Power Supply Agreement No. 2. SDCP shall be responsible for any notices or other communications required from CCCFA in connection with such remarketing, as well communications required for the Scheduling and delivery of Base Quantities under the communications protocol set forth in Exhibit G to the Master Power Supply Agreement No. 1 and any other operational requirements related to the delivery and remarketing of Base Quantities under the Master Power Supply Agreements. SDCP will account for any Base Quantities and subsequently remarketed, including accounting for any remediation of any such remarketing sales as may be required pursuant to the Qualifying Use Requirements and the terms of the Clean Energy Purchase Contracts. 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 delivery and remarketing of Base Quantities, including such information relating to compliance with the Qualifying Use Requirements, as may be required pursuant to the Master Power Supply Agreements or the Indenture.

Section 5. 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 applicable Master Power Supply Agreement, the Indenture and the Re-pricing Agreement. Provided no event of default has occurred and is continuing with respect to SDCP under the applicable Clean Energy Purchase Contract, such direction, consent or waiver shall only be provided by CCCFA in accordance with written instructions provided by SDCP.

Section 6. Re-pricing Information. CCCFA shall provide, or cause Prepaid Seller to provide, to SDCP such information as is required to be provided by Prepaid Seller to CCCFA in accordance with the Re-pricing Agreement at such times as are required under the Re-pricing Agreement. Provided no event of default has occurred and is continuing with respect to SDCP under the applicable Clean Energy Purchase Contract, any direction, consent or waiver requested or required to be provided by CCCFA under the Re-pricing Agreement shall only be provided by CCCFA in accordance with written instructions provided by SDCP.

Section 7. Administrative Fee; Reimbursement and Refund of Operating Expenses.

(a) Under the Indenture, Operating Expenses relating to the Clean Energy Project are to be paid from amounts deposited annually into the Administrative Fee Fund, which amount shall be equal to \$[_____] in the aggregate for each annual period ending on [_____] 1 of each year, commencing [_____] 1, 202[_____] (the “Administrative Fee”). If at any time the amount on deposit in the Administrative Fee Fund is not sufficient to pay all such Operating Expenses as the same become due, SDCP agrees to pay to the Trustee for deposit into the Administrative Fee Fund such amounts 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 Administrative 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 Administrative 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 applicable Clean Energy Purchase Contract.

Section 8. Notices. Notices and other information to be provided by a Party to the other Party under this Agreement shall be provided in accordance with Article XVI of the applicable Clean Energy Purchase Contract.

Section 9. 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 10. 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.

[Signatures appear on the following page]

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: _____

[Clean Energy Project Operational Services Agreement]

MEMORANDUM OF UNDERSTANDING ("MOU")

Date: January 29, 2026

To: Garth Salisbury
Treasurer/Controller
California Community Choice Financing Authority
gsalisbury@ccdfa.org
(707) 535-9779

From: San Diego Community Power

Re: California Community Choice Financing Authority Energy Prepayment Financing on behalf of San Diego Community Power

Overview

The California Community Choice Financing Authority ("CCCFA" or the "Issuer") seeks to procure a 30-year supply of energy, through the issuance of Clean Energy Project Revenue Bonds (the "Bonds") to be issued by CCCFA. CCCFA will sell all the Prepaid Energy acquired from this transaction to San Diego Community Power ("SDCP"), the "Project Participant."

Rating Agency Fee and Green Bond Second Party Opinion Fee

The rating agency fee and expenses ("Rating Agency Fee") is paid from the proceeds of the Bonds. However, unlike most of the other fees associated with the issuance of the Bonds, payment of the Rating Agency Fee is not contingent upon the issuance of the Bonds.

In the event the Bonds are not issued, and there remains a Rating Agency Fee payable to Moody's Investors Service (the "Rating Agency"), the Project Participant agrees that it will be liable for the cost such Rating Agency Fee and make direct payment to the Rating Agency for such fee.

In the event a Green Bond Second Party Opinion ("SPO") is obtained, and the Bonds are not issued, the fee payable to the SPO provider (the "SPO Fee") shall be incurred by the Project Participant and in such event, to the extent the SPO Fee was already paid by CCCFA, the Project Participant agrees to reimburse CCCFA.

Memorandum of Understanding

January 29, 2026

Page 2

Sincerely,

SAN DIEGO COMMUNITY POWER



Karin Burns
Chief Executive Officer
Date: Jan 29, 2026

ACCEPTED AND AGREED

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: Garth Salisbury, Treasurer/Controller
Date: _____

ITEM 4

EXHIBIT B

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*”).

SDCP 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, allowing SDCP to 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

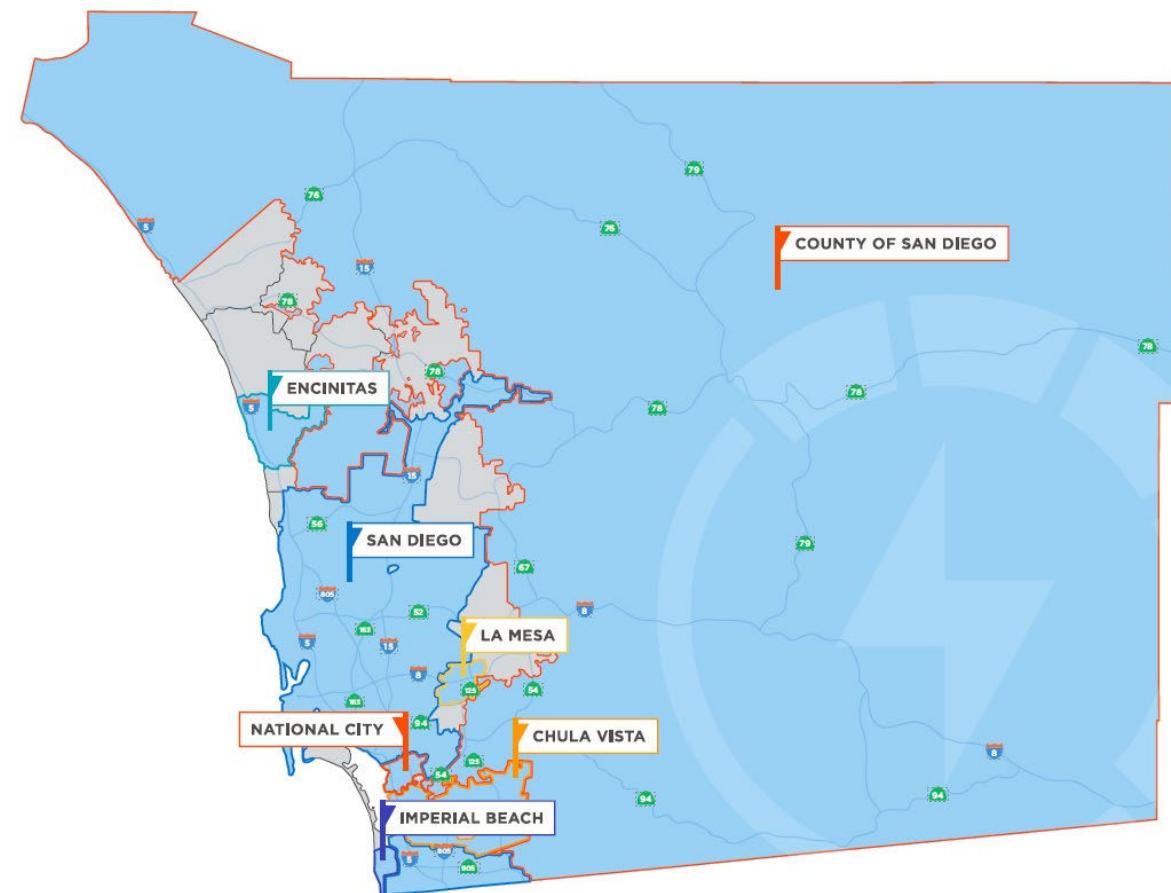
in their jurisdiction, except those served under California’s Direct Access Program, automatically become SDCP’s customers for electric generation, provided customers are allowed to “opt-out.”

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, and an additional 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 January 1, 2026, SDCP was serving 965,833 active accounts with approximately 7,600,000 MWh of annual retail sales.

Service Area

SDCP currently serves seven jurisdictions in the County of San Diego. These jurisdictions include six cities (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:



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 second largest community choice aggregator in California with a team of mission-driven professionals providing affordable, clean electricity to approximately 965,000 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, which increased SDCP's credit access from \$35 million to \$250 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 20 years of experience 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 3,500 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.

Gordon Samuel, Chief Commercial Officer. Gordon joined SDCP in August 2025 after spending the previous six years with Valley Clean Energy ("VCE") as their Chief Operating Officer. There he was responsible for acquiring a diverse supply of clean renewable resources. With over 25 years' experience leading resource planning and acquisition, marketing and trading, and regulatory compliance, Gordon brings a wealth of experience to the SDCP team. Prior to his time with VCE, Gordon was with Marin Clean Energy ("MCE") and also spent two years with a startup battery storage integrator company (Doosan GridTech) developing key relationships with investor-owned and public utilities, independent power producers, and electric cooperatives. The bulk of Gordon's career was with Arizona Public Service Company where he had several roles including the procurement of numerous large-scale natural gas, geothermal, wind, photovoltaic and solar thermal projects.

Customers

General. SDCP currently provides energy to approximately 965,000 municipal, residential, commercial, and industrial accounts in its service area. SDCP's current customer load mix is approximately 42% residential, 37% medium and large commercial/industrial, 18% 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 priced with an approximately 10% discount under San Diego Gas & Electric ("SDG&E") rates. PowerOn is 53% renewable and currently priced approximately 4% below SDG&E rates. Power100 and Power100 Green+ are 100% renewable, carbon-free, and the latter is Green-e® certified. PowerOn is SDCP's default electricity service 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.

Customers can choose to opt-up to the Power100 and Power100 Green+ 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 do not require specific certification can still obtain 100% renewable and carbon-free power through Power100.

Based on the average SDCP residential customer usage of 383 kWh per month in 2025, PowerOn will on average cost \$1 per month more than PowerBase. Compared to SDG&E's rates, PowerOn is expected to cost approximately \$1.50 per month less for a typical residential customer. Compared to SDG&E's rates, Power100 is expected to cost about \$2 per month extra for a typical residential customer.

New Customers. FY 2023-24 was SDCP's first full year of operations serving the seven currently enrolled jurisdictions. There are no near-term plans for expansion.

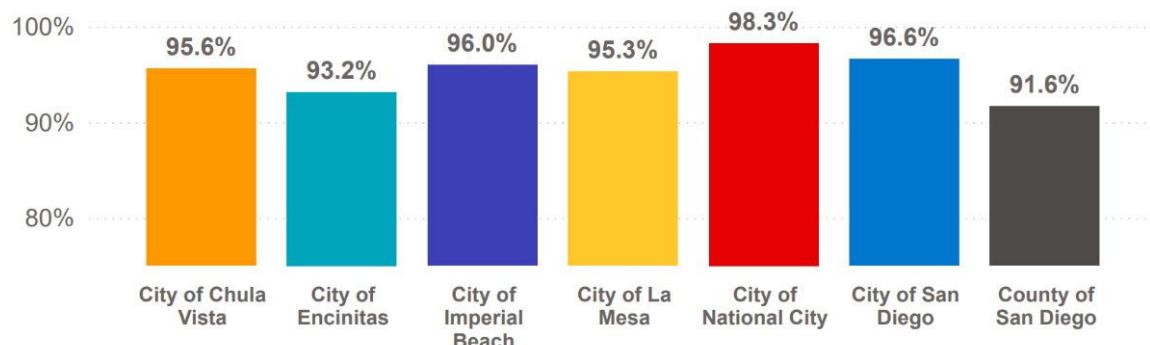
Customer Election to Opt-out of Service. Customers have the right to opt out of SDCP service at any time and will not be charged any fees by SDCP if they opt out or cancel electric service. Customers who opt out before starting SDCP service or within the first 60 days of SDCP service may return to SDCP 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 January 1, 2026, SDCP is serving a cumulative total count of 965,833 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 January 1, 2026, reflected as a percentage of participation rates by jurisdiction.

Enrolled Accounts	Participation Rate	Participation
965,833	95.5%	

Participation by Jurisdiction



Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	99,938	95,562	95.6%
City of Encinitas	Power100	28,918	26,940	93.2%
City of Imperial Beach	PowerOn	10,811	10,378	96.0%
City of La Mesa	PowerOn	29,613	28,217	95.3%
City of National City	PowerOn	19,688	19,346	98.3%
City of San Diego	PowerOn	631,729	610,276	96.6%
County of San Diego	PowerOn	191,074	175,114	91.6%
Total		1,011,771	965,833	95.5%

Service Rates

General. SDCP electric generation rates are managed to provide cleaner electricity than investor-owned and public utilities 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 with CCCFA, 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 Contracts.

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-bypassable 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, fund customer programs, and meet SDCP's reserve and liquidity goals, as described in its Reserve Policy.

Effective January 1, 2026, SDCP implemented rate changes resulting in the following comparisons for most SDCP customers, though exact comparisons may vary by rate schedule and customer usage:

- SDCP PowerOn is set at a ~4% discount to SDG&E's rates on a total bill basis.
- SDCP PowerBase is set at a ~10% discount to SDG&E's rates on a total bill basis.

SDCP's Power100 and Power100 Green-e Certified services will maintain premiums to PowerOn of \$0.01/kWh and \$0.02/kWh, respectively.

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 certain 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. Based on the most recent Power Content Label filed with the California Energy Commission, in 2024, SDCP met 60.88% of its total retail sales with eligible RPS resources, which was above the 2024 RPS percentage target of 44%. SDCP has exceeded the annual RPS regulatory minimum requirements each year since its inception.

Resource Adequacy. Resource Adequacy (“RA”), a California program jointly administered by the CPUC, the California Energy Commission (“CEC”) and the California Independent System Operator (“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 three products: System RA, Local RA, and Flexible RA. Local RA obligations have been assigned to a Central Procurement Entity as of 2023.

Integrated Resource Planning. Integrated Resource Planning (“*IRP*”) requires LSEs to forecast their customer load and develop a plan to serve such load in alignment with their own vision and values and in accordance with regulatory requirements. In October 2015, California codified this LSE responsibility with the passage of SB 350, which requires the CPUC to establish and oversee an IRP process to assist with meeting the state’s aggressive greenhouse gas (“*GHG*”) targets (40% below 1990 levels by 2030). The IRP process, which is used in many states across the US, generally produces 10- to 20-year plans that map out both the supply-side and demand-side resources required for meeting customer load. Given the complexity of the grid and the time required to plan and build generating facilities, IRPs are critical for ensuring safe, reliable and clean power in a cost-effective manner. In addition to addressing the long-term planning horizon typical of an IRP process, the IRP process has been used in recent years to direct procurement of new capacity to meet near- and mid-term reliability and clean energy needs per CPUC Decision (“D.”) 19-11-016, D. 21-06-035 and D. 23-02-040. Pursuant to the procurement orders in these CPUC Decisions, LSEs are required to procure “*Incremental System Capacity*,” which is RA capacity from non-emitting, storage, and/or renewable resources that are in addition to the resources identified on a baseline list of existing, on-line and operating resources. 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 (“*PSDP*”), is a consumer information program managed by the CEC. A key output of the PSDP is the Power Content Label (“*PCL*”). 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.

SDCP’s most recent IRP and PCL are available on its website: www.sdcommunitypower.org.

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 2025-2034 based on SDCP’s 2024 RPS Compliance Report filed with the CPUC in August 2025.

Table 1: SDCP's 2025-2034 Load Forecast (MWh)

Year	Load Forecast
2025	7,723,800
2026	7,879,305
2027	8,022,167
2028	8,062,278
2029	8,102,589
2030	8,143,102
2031	8,183,818
2032	8,224,737
2033	8,265,861
2034	8,307,190

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, such that 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 10 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 three years, SDCP staff released four requests for offers ("RFOs") for eligible renewable energy resources, including an RFO for stand-alone storage projects in pursuit of long-term contracts for renewable energy. SDCP has also engaged bilaterally for additional contracting opportunities to meet SDCP's procurement goals, particularly for resources that provide 24/7

renewable energy. The SDCP Board, through November 2025, has approved contracts for over 1,669 MW of renewable generation and over 1,913 MW of storage capacity. SDCP staff continues to negotiate with several other developers for additional renewable energy resources expected to be online between 2027 and 2032. Under CAISO's revisions to their cluster study process for interconnecting future projects, SDCP staff issued an RFP in August 2024 for CAISO Cluster 15 projects, which will serve select renewable energy 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 RFO 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 ("RFI") regarding local projects. The RFI has yielded 11 board-approved contracts for local generation and storage facilities in the last 12 months. 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. The RFO has yielded two board approved contracts for ~25 MW of storage and renewable energy resources.

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 pursuant to statutory requirements or 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. To date, SDCP has contracted for ~1,670 MW of nameplate capacity for renewable energy generation and 2,010 MW of nameplate capacity for energy storage projects, identified in the table below, with future expected commercial operation dates between 2026 and 2029.

Long Term Contracts

Developer/ Project	Guaranteed Commercial Operation Date	Nameplate	Type
Ormat / Pomona 2	Online	20 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	Online	42 MW-AC Generating Facility and 35 MW-AC / 140 MWh Storage Facility	Solar + Storage
NextEra / Yellow Pine	Solar: 2028 Storage: 2028	35 MW-AC Generating Facility and 35 MW-AC / 140 MWh Storage Facility	Solar + Storage
SBE / Athos	1/1/27	200 MW	Storage (4-hour)
Aypa / Vidal	12/1/26	160 MW (solar) 160 MW (storage)	Solar + Storage
Arevon / Avocet	7/1/27	200 MW	Storage (4-hour)
MRP / Border	1/1/26	52 MW	Storage (1-hour)
MRP / Enterprise	6/1/27	52 MW	Storage (1-hour)
Wellhead / CVEC2	6/1/26	49.7 MW	Storage (4-hour)
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	6/1/27	60 MW	Long Duration Storage
SBE / Pelicans Jaw	9/1/26	440 MW (solar) 238.5 MW (storage)	Solar + Storage
Nobel Solar / Purple Sage	6/1/28	400 MW (solar) 400 MW (storage)	Solar + Storage
Aypa / Euismod	6/1/28	200 MW	Long Duration Storage (8-hour)

Wellhead/NJEC	6/1/26	50 MW	Storage (4-hour)
Intersect / Darden	6/1/28	91.48 MW-AC Generating Facility and 91.48 MW-AC / 365.92 MWh Storage Facility	Solar + Storage

Information Technology, Data Analytics, and Cyber Security

SDCP's Information Technology ("IT") and Data Analytics department comprises professionals responsible for enterprise data, IT management, cloud infrastructure, and cybersecurity. The team is building a secure Enterprise Data Platform ("EDP") to enable in-house data management, data engineering, data science, and analytics capabilities across the organization.

The IT and Data Analytics team develops core operational capabilities, and works on integrations including an Energy Trading & Risk Management ("ETRM") application and a Distributed Energy Resource Management ("DERM") platform, to drive efficiency, simplify processes, and deliver cost savings for SDCP's customers.

The department also leads the development of IT policies and standards, including Responsible AI and cybersecurity, identifies risk areas, and supports staff compliance. All SDCP personnel are required to report suspected noncompliance to management. Access to SDCP information technology is limited to authorized employees and approved vendors, and only for legitimate agency purposes.

SDCP is implementing a holistic cybersecurity program aligned with the NIST Cybersecurity Framework ("CSF") 2.0 and informed by ISO/IEC 27001 standards. These controls are designed to minimize threats and reduce exposure to SDCP assets and information. SDCP also maintains 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 sets rates sufficient to grow revenue and net income to reach its 225-day cash-on-hand target.

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.

In January 2025, SDCP accepted, appropriated and developed plans to expend \$124.27 million of funds from the CPUC to administer and implement energy efficiency programs focused on underserved and hard-to-reach residents, businesses, and public agencies in the region. Funds will be expended through the FY2025-29 capital investment plan.

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 as revised and approved by the SDCP Board on August 28, 2025.

Financial Statements. For financial information related to SDCP, see the annual audited financial statements of SDCP for the fiscal years that ended June 30, 2025 and June 30, 2024, which have been posted on the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board in connection with the California Community Choice Financing Authority Clean Energy Project Revenue Bonds, Series 2024F and Series 2025D.

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.

SDCP's most recent update to its Financial Reserves Policy, adopted by the Board on December 11, 2025, sets a minimum reserve level of 180 days cash on hand, establishes a target of 225 days, and retains a maximum of 270 days, with reserves defined as unrestricted cash, cash equivalents, and investments rather than accounting net position. It also allows the Board to designate amounts between the target and maximum as a rate-stabilization reserve, giving flexibility to manage rate impacts.

Operating Reserve. SDCP maintains a reserve goal to secure 225 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 225-day cash-on-hand target level. As of November 1, 2025, SDCP's unrestricted cash and investments totaled \$533.6 million, equivalent to 190 days' cash-on-hand.

SDCP maintains a \$250 million revolving credit agreement through JPMorgan Chase Bank, N.A. with an expiration of February 28, 2028. As of January 1, 2026, available capacity on the agreement was \$227 million.

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 5

To: Finance and Risk Management Committee

From: Timothy Manglicmot, Director of Finance
Christopher Do, Senior Financial Analyst
Kevin Batemen, Financial Analyst
Julissa Mercedes, Financial Analyst
Diana Gonzalez, Risk Manager

Via: Karin Burns, Chief Executive Officer

Subject: Amendment of the FY 2025-26 Operating Budget, the FY 2025-26 Capital Budget, and the FY 2026-30 Capital Investment Plan

Date: February 19, 2026

Recommendation

Recommend Board Approval of Amendment of the FY 2025-26 Operating Budget, the FY 2025-26 Capital Budget, and the FY 2026-30 Capital Investment Plan.

Background

On October 1, 2019, the Founding Members of San Diego Community Power (Community Power) adopted the Joint Powers Agreement which was amended and restated on December 16, 2021 (JPA). Section 4.6.2 of the JPA specifies that the Community Power Board of Directors (Board) shall adopt an annual budget prior to the commencement of the fiscal year. The Community Power fiscal year runs from July 1 to June 30.

Section 7.3.1 of the JPA specifies that the Board may revise the budget from time to time as may be necessary to address contingencies and unexpected expenses. On June 26, 2025, the Board approved the FY 2025-26 Operating Budget which included net revenue of \$1,199,619,579 and total expenses of \$1,016,711,339, resulting in a net position of \$182,908,241. 21 projects that will receive funding in the five-year period, totaling \$344.3 million in investments. Additionally, on June 26, 2025, the Board approved the FY 2025-26 capital budget which included revenue and expenses of \$54,545,636 to fund 12 projects in FY 2025-26, totaling 21 active projects during the fiscal year. Finally, on June 26, 2025, the Board approved the FY 2026-30 Capital Investment Plan which included 21 projects that will receive

funding in the five-year period, totaling \$344.3 million in investments. The first year of the FY 2026-2030 CIP comprised the FY 2025-26 capital budget.

The FY 2025-26 Operating Budget has undergone substantial revisions to both operating revenues and expenses. Notably, on January 15, 2026, the Board approved a retroactive rate adjustment, effective January 1, 2026. This adjustment incorporates decreased revenue and an increase in energy cost projections. Further budget modifications include reductions in non-energy expenditures across personnel, professional services and consultants, marketing and outreach, and general and administrative functions. These adjustments reflect updated staffing timelines, alignment of professional service costs with known needs, reallocation of resources within the capital investment plan and proactive fiscal management of general and administrative expenses.

Staff therefore recommend approving an amendment to the FY 2025-26 Operating Budget to decrease net revenue to \$1,175,418,914 and total expenses to \$1,025,004,360, resulting in a net position of \$150,414,553 for FY 2025-26.

The amended FY 2025-2026 capital budget includes revenue and expenses of \$55,239,247 to fund 12 projects in FY 2025-2026, totaling 21 active projects during the fiscal year.

The proposed FY 2026-2030 capital investment plan includes 21 projects that will receive funding in the five-year period, totaling \$345.1 million in investments. The first year of the FY 2026-2030 CIP comprises the FY 2025-2026 capital budget. Additionally, \$11.2 million in unspent continuing funds were appropriated by the Board in prior fiscal years and is represented as carryforward revenue.

Analysis and Discussion

Proposed Amended FY 2025-26 Operating Budget

The amendment to the FY 2025-26 Operating Budget updates the original budget presented to the Board in June 2025. This amendment reflects a decrease in projected revenues and rising energy costs. The budget incorporates the rate change approved by the Board on January 15, 2026, and aligns with Community Power's most recent projections. Furthermore, given the rate action from January 15, 2026, staff worked across the agency to reduce operating non-energy costs by 8% (\$4.3 million) and reduces the operating revenues transferred into the FY 2025-26 Capital Budget and the FY 2026-30 Capital Investment Plan by \$290,000.

Table 1 illustrates the proposed amendment to the FY 2025-26 Operating Budget in comparison to Community Power's operating budgets from prior years.

Table 1. Community Power Operating Budgets

Budget	Net Revenues	Total Cost	Net Position
FY 2021 Approved	\$ 22,632,170	\$ 37,310,047	\$ (14,677,877)
FY 2021 Amendment	\$ 26,286,909	\$ 34,135,000	\$ (7,848,091)
FY 2022 Approved	\$ 315,137,651	\$ 297,409,999	\$ 17,727,652
FY 2022 Amendment	\$ 378,053,506	\$ 342,177,063	\$ 35,876,443
FY 2023 Approved	\$ 708,984,646	\$ 695,936,815	\$ 13,047,831
FY 2023 Amendment	\$ 929,791,929	\$ 772,078,709	\$ 157,713,220
FY 2024 Approved	\$ 1,292,472,530	\$ 1,002,038,710	\$ 290,433,820
FY 2024 Amendment	\$ 1,304,274,067	\$ 1,071,601,284	\$ 232,672,783
FY 2025 Approved	\$ 1,177,925,889	\$ 1,143,199,261	\$ 34,006,627
FY 2025 Amendment	\$ 1,221,258,172	\$ 1,187,090,169	\$ 34,168,003
FY 2026 Approved	\$ 1,199,619,579	\$ 1,016,711,339	\$ 182,908,240
FY 2026 Amendment (Proposed)	\$ 1,175,418,914	\$ 1,025,004,360	\$ 150,414,553

The proposed, amended FY 2025-26 Operating Budget includes the key assumptions outlined below. A more detailed breakdown and explanation of revenues and expenses are presented in Attachment A.

Net Revenue

Community Power's main source of revenue currently is from the retail sale of electricity to its customers. Generally, retail sales are calculated based on customer load (i.e. customer energy usage) multiplied by the associated rate class of the customer. The Board recently approved rate changes during its January 15, 2026, meeting, which became effective on January 1, 2026. Revenue budgeted for FY 2025-26 reflects a full fiscal cycle of retail sales to our commercial and industrial customer base and retail sales to our residential customer base.

Additional assumptions for net operating revenue include:

- Net operating revenue through October 31, 2025, has been actualized.
- Enrollment of customers is complete from member jurisdictions in Phases 1, 2, 3 and 4.
- 95% participation rate across all jurisdictions.
- A 1.75% uncollectible rate.
- Rates were approved by the Board on January 15, 2026, and were retroactive to January 1, 2026.

- Community Power's default PowerOn service is 4% less expensive compared to San Diego Gas and Electric's (SDG&E) generation rates and the PowerBase service electricity generation rate is 10% less expensive than SDG&E's generation rates.
- Power100 and Power100 Green-e Certified (Green-e Plus) will maintain premiums of \$0.01/kWh and \$0.02/kWh, respectively, compared to PowerOn.
- Further mid-year rate changes are subject to Board approval.

Cost of Energy

The cost of energy, the largest cost in Community Power's budget, has increased from \$956.7 million in the adopted FY 2025-26 Operating Budget to \$969.9 million in the amended FY 2025-26 Operating Budget.

The increase in the FY 2025-26 cost of energy budget is driven in part by higher Resource Adequacy and renewable costs. The California Public Utilities Commission's market price benchmarks (MPBs) reflect average market pricing assumptions, with renewable MPBs of \$63.86/MWh and \$62.45/MWh in 2025 and 2026, respectively. Resource Adequacy MPBs were \$11.21/kW-month in 2025 and \$11.53/kW-month for 2026. These updated benchmarks contribute to higher projected costs for a portion of Community Power's energy portfolio.

Operating Expenses

Community Power's non-energy operating expenses fall into four categories: personnel, professional services and consultants, marketing, and outreach, and general and administrative. Community Power generally has direct control of these costs and actively manages them. Overall, the proposed, amended FY 2025-26 Operating Budget includes an overall savings of 8% from \$54.3 million to \$50.0 million in non-energy expenses. Given that Community Power's non-energy operating expenses are a small percentage of total expenses, non-energy operating expenses had a minimal impact on the overall total expense. Expense assumptions include the following:

- **Personnel** include salaries, payroll taxes, benefits, and excused absence and paid time off for staff. The recruitment strategy includes increasing staffing levels to 103 full-time employees (instead of ninety-four in the adopted budget) by the end of FY 2025-26.
- **Professional Services and Consultants** include SDG&E fees, data management fees from Calpine, technical support (for rate setting, load analysis, energy scheduling, etc.), legal/regulatory services and other general contracts related to IT services, audits, and accounting services.
- **Marketing and Outreach** includes expenses for communication consultants, mailers, printing, sponsorships, and partnerships to educate the community about Community Power as well as support local community events and programs.

- **General and Administration** budget covers the cost of office space, equipment, membership dues, and other general operational costs.

Non-Operating Revenues and Expenses

San Diego Community Power's non-operating revenues and expenses are categorized into three primary areas to ensure financial transparency and long-term stability. Revenue is primarily generated through investment income, including interest earned on bank accounts and strategic holdings managed by Chandler Asset Management to maximize the value of our cash reserves. Expenses in this category are largely driven by the costs of maintaining essential credit facilities, such as interest and fees associated with standby letters of credit and lines of credit. Notably, we expect a reduction in interest and related expenses of \$377,733 this year by rightsizing our credit facility to better align with our actual needs. Finally, we manage transfers to the Capital Investment Plan (CIP), a dedicated funding stream used to invest in local infrastructure and renewable energy projects that support the community's sustainable future.

Net Position

The proposed, amended FY 2025-26 Operating Budget results in a net position of \$150,414,553.

The following table illustrates Community Power's proposed, amended FY 2025-26 Operating Budget compared to its adopted FY 2025-26 Operating Budget.

Table 2. Amended FY 2025-26 Operating Budget compared to Adopted FY 2025-26 Operating Budget

Item	FY26 Approved Budget	FY26 Amendment (Proposed)	Difference
Operating Revenues			
Gross Ratepayer Revenues	\$ 1,220,986,849	\$ 1,194,789,046	\$ (26,197,803)
(Less 1.75%* Uncollectible)	\$ (21,367,270)	\$ (19,370,133)	\$ 1,997,137
Net Revenue	\$ 1,199,619,579	\$ 1,175,418,914	\$ (24,200,666)
Operating Expenditures			
Cost of Energy	\$ 956,690,816	\$ 969,916,628	\$ 13,225,812
Non-Energy	\$ 54,252,303	\$ 49,987,246	\$ (4,265,058)
Subtotal Operating Expense	\$ 1,010,943,119	\$ 1,019,903,874	\$ 8,960,754
Non-Operating Rev and Exp			
Interest Income	\$ (18,294,938)	\$ (18,294,938)	\$ -
Debt Service	\$ 1,892,558	\$ 1,514,825	\$ (377,733)
CIP Transfer	\$ 22,170,600	\$ 21,880,600	\$ (290,000)
Subtotal	\$ 5,768,220	\$ 5,100,487	\$ (667,733)
Total Expense	\$ 1,016,711,339	\$ 1,025,004,360	\$ 8,293,021
Net Position	\$ 182,908,241	\$ 150,414,553	\$ (32,493,687)

Proposed Amended FY 2025-26 Capital Budget and FY 2026-30 CIP

Community Power's Capital Investment Plan (CIP) contains the individual capital projects, major equipment purchases, and major programs for the agency that are intended to span multiple years and that are considered one-time projects rather than recurring projects. The first year of the FY 2025-29 CIP is Community Power's FY 2025-26 Capital Budget.

The proposed, amended FY 2025-26 Operating Budget a \$693,611 contribution in external funding was approved at the November 2025 Board of Directors meeting, and that any unspent funds remain in the CIP and carried forward to the subsequent fiscal year.

The amended FY 2025-26 Capital Budget totals \$55.4 million, while the amended FY 2026-30 Capital Improvement Program (CIP) totals \$345.1 million. Which includes, \$11.2 million in unspent continuing funds, previously appropriated by the Board are carried forward as revenue.

Budget Development Timeline

On July 28, 2022, the Board adopted a budget development schedule as part of the SDCP Budget Policy. This development schedule includes a mid-year budget review through the proposed budget amendment.

Table 3. Current Budget Development Schedule

February	March-April	May	June	
Develop Operating Revenue Estimate	Strategic planning sessions with SDCP Board	FRMC Preview and Recommend	SDCP Board Approval	July 1 st Budget Implemented
Develop Operating Expense Estimate	Staff develop operating budgets	SDCP Board Preview and feedback		 Mid-year budget review (February)
Develop financial plan for credit rating	Baseline budget is developed			Budget amendments as necessary

Fiscal Impact

The amended FY 2025-26 Operating Budget aligns revenues with the rate increase approved by the Board on January 15, 2026, effective January 1, 2026. The amendment also incorporates lower energy costs, adjusts expenses for known personnel, marketing, communications, professional services, and general and administrative costs, and includes savings in non-operating expenses of 8.8% or \$5 million. Revenues decrease by 2.0% or \$24.2 million, while the cost of energy increases by 1.4% or \$13.2 million. The capital budget increases by 1.3% or

\$0.7 million. The net position decreases by \$32,493,687, resulting in an overall reduction in the budget.

Strategic Plan

This activity supports the strategic plan goal for Financial Stability and to practice fiscal strategies to promote long-term organizational stability. Specifically, this action supports the strategic goals of (1) obtaining a public investment grade credit rating by November 2027, and (2) building reserves by \$150M to maintain a reserve target of at least 180 Days Cash On Hand by December 2027.

Attachments

Attachment A: Amendment of the FY 2025-26 Operating Budget, the FY 2025-26 Capital Budget, and the FY 2026-30 Capital Investment Plan

ITEM 5

ATTACHMENT A



**FISCAL YEAR 2025-26 AMENDED
BUDGET**

for the period

July 1, 2025,

through

June 30, 2026

TABLE 1: FY2025-26 BUDGET AMENDMENT

San Diego Community Power
Budget Amendment for FY 2025-26
Supplemental Details

	FY 2025-26 Adopted Budget	FY 2025-26 Revised Budget	FY 2025-26 Amended Budget	% of Net Revenues
OPERATING REVENUES				
Gross Ratepayer Revenues	\$ 1,220,986,849	\$ 1,220,986,849	\$ 1,194,789,046	
(Less Uncollectible Customer Accounts)	\$ (21,367,270)	\$ (21,367,270)	\$ (19,370,133)	
Net Operating Revenues	\$ 1,199,619,579	\$ 1,199,619,579	\$ 1,175,418,914	100.0%
COST OF ENERGY				
Cost of Energy	\$ 956,690,816	\$ 956,690,816	\$ 969,916,628	
Total Cost of Energy	\$ 956,690,816	\$ 956,690,816	\$ 969,916,628	82.5%
Gross Net Position	\$ 242,928,764	\$ 242,928,764	\$ 205,502,285	17.5%
OPERATING EXPENSES				
Professional Services and Consultants				
Data Management	\$ 14,819,264	\$ 14,819,264	\$ 13,819,264	
SDG&E Fees	\$ 4,035,746	\$ 4,035,746	\$ 3,835,746	
Technical Support	\$ 2,079,800	\$ 2,079,800	\$ 2,264,333	
Legal/Regulatory	\$ 1,731,200	\$ 1,731,200	\$ 1,226,200	
Other Services	\$ 1,981,744	\$ 1,981,744	\$ 2,268,835	
Total Prof. Svcs. Costs	\$ 24,647,755	\$ 24,647,755	\$ 23,414,378	2.0%
Personnel Costs				
Salaries	\$ 16,671,435	\$ 16,671,435	\$ 15,298,873	
Benefits (retirement/health)	\$ 3,287,397	\$ 3,287,397	\$ 3,811,399	
Payroll Taxes	\$ 1,156,708	\$ 1,156,708	\$ 498,938	
Total Personnel Costs	\$ 21,115,541	\$ 21,115,541	\$ 19,609,209	1.7%
Marketing and Outreach				
Printing	\$ 753,381	\$ 753,381	\$ 693,263	
Sponsorships/Local Memberships	\$ 1,124,100	\$ 1,124,100	\$ 1,000,700	
Marketing and Communications	\$ 770,000	\$ 770,000	\$ 622,500	
Total Mrktg and Outreach Costs	\$ 2,647,481	\$ 2,647,481	\$ 2,316,463	0.2%
General and Administration				
Other G & A	\$ 3,986,964	\$ 3,986,964	\$ 2,824,997	
Cal CCA Dues	\$ 594,000	\$ 594,000	\$ 555,000	
Rent	\$ 935,784	\$ 935,784	\$ 935,784	
Insurance	\$ 324,779	\$ 324,779	\$ 331,414	
Total G & A Costs	\$ 5,841,527	\$ 5,841,527	\$ 4,647,195	0.4%
Net Operating Expenses	\$ 54,252,303	\$ 54,252,303	\$ 49,987,246	4.3%
Total Operating Expenses	\$ 1,010,943,119	\$ 1,010,943,119	\$ 1,019,903,874	86.8%
Operating Income (Loss)	\$ 188,676,460	\$ 188,676,460	\$ 155,515,040	13.2%
NON-OPERATING REVENUES (EXPENSES)				
Investment income	\$ 18,294,938	\$ 18,294,938	\$ 18,294,938	
Interest and Related Expenses	\$ (1,892,558)	\$ (1,892,558)	\$ (1,514,825)	
Transfer to Capital Investment Program	\$ (22,170,600)	\$ (22,170,600)	\$ (21,880,600)	
Total Non-Operating Revenues (Expenses)	\$ (5,768,220)	\$ (5,768,220)	\$ (5,100,487)	-0.4%
CHANGE IN NET POSITION	\$ 182,908,241	\$ 182,908,241	\$ 150,414,553	12.8%

Budget Amendment Overview

Budget-in Brief

The FY 2025-26 Operating Budget Amendment is the continues full enrollment from Phases 1, 2, 3 and 4 for all ratepayers, inclusive of net-energy metering customers, from Community Power's member jurisdictions within the San Diego region.

As Community Power has scaled to full enrollment, the agency is thoughtfully scaling the agency by adding 9 staff to grow from 94 to 103 total staff. By the end of FY 2025-26, Community Power is expected to have a similar operating budget and staffing levels compared to its peer CCAs of similar customer and load size. Additionally, and similarly, by the end of FY 2025-26, Community Power's reserves and total liquidity are expected to be comparable to its CCA counterparts who have investment-grade credit ratings.

The FY 2025-26 Operating Budget Amendment additionally contains savings in all non-energy operating budget categories including reduced general and administration, professional services and consultants, and personnel costs.

The cost of energy, the largest cost in Community Power's budget, has increased from \$956.7 million in the FY 2025-26 Adopted Budget to \$969.9 million in the FY 2025-26 Operating Budget Amendment. The increase in the FY 2025-26 cost of energy budget is driven in part by higher Resource Adequacy and renewable costs. The California Public Utilities Commission's market price benchmarks (MPBs) reflect average market pricing assumptions, with renewable MPBs of \$63.86/MWh and \$62.45/MWh in 2025 and 2026, respectively. Resource Adequacy MPBs were \$11.21/kW-month in 2025 and \$11.53/kW-month for 2026. These updated benchmarks contribute to higher projected costs for a portion of Community Power's energy portfolio.

Lastly, this budget continues to include the Community Power Capital Investment Plan (CIP) that contains one-time revenue and one-time expenses for programs and projects over multi-year periods, including one-time operating investments from the operating budget to the CIP. Notable adjustments include a \$250,000 reduction from the Enterprise Resource Planning project and \$40,000 from Civic Spark Fellows. Additionally, on November 20, 2025, the Board authorized the execution of Grant Agreement EPC-25-015 with the California Energy Commission (CEC) for Community Power to accept \$693,611 in funding. The first year of the CIP represents Community Power's Capital Budget.

Budget Amendment

The Community Power FY 2025-26 (FY26) Budget Amendment is presented in further detail in the following pages. The table below summarizes the revenue and expense budgets adopted for FY26 in comparison to the FY26 Amended Budget.

TABLE 2: OPERATING BUDGET OVERVIEW

	FY26 Adopted	FY26 Revised ¹	FY26 Amended
Gross Revenue	1,221.0	1,221.0	1,194.8
Less Uncollectible Accounts	(21.4)	(21.4)	(19.4)
Net Operating Revenues	1,199.6	1,199.6	1,175.4
Cost of Energy	956.7	956.7	969.9
Non-Energy Costs	54.2	54.2	50.0
Subtotal Operating Expense	1,010.9	1,010.9	1,019.9
Interest Income	(18.3)	(18.3)	(18.3)
Debt Service	1.9	1.9	1.5
CIP	22.2	22.2	21.9
Total Expenses	1,016.7	1,016.7	1,025.0
Net Position	182.9	182.9	150.4

Amounts displayed in millions, \$

¹ The revised column reflects actions taken by the Community Power Board of Directors prior to the budget amendment.

Operating Revenue

Community Power's main source of revenue currently is from the retail sale of electricity to its customers. Revenue budgeted for FY 2026-26 reflects a full fiscal cycle of retail sales to our commercial and industrial customer base and retail sales to our residential customer base. Generally, retail sales are calculated based on customer load (i.e. customer energy usage) multiplied by the associated rate class of the customer.

Additional assumptions for net operating revenue include:

- Net operating revenue through October 31, 2025 has been actualized.
- Enrollment of customers is complete from member jurisdictions in Phases 1, 2, 3 and 4.
- 95% participation rate across all jurisdictions.
- A 1.75% uncollectible rate.
- Rates were approved by the Board on January 15, 2026, and were retroactive to January 1, 2026.
- Community Power's default PowerOn service is 4% less expensive compared to San Diego Gas and Electric's (SDG&E) generation rates and the PowerBase service electricity generation rate is 10% less expensive than SDG&E's generation rates.
- Power100 and Power100 Green-e Certified (Green-e Plus) will maintain premiums of \$0.01/kWh and \$0.02/kWh, respectively, compared to PowerOn.
- Further mid-year rate changes are subject to Board approval.

The following table summarizes the revenues for FY26 Amended Budget and the FY26 Adopted Operating Budget. Note that Gross Revenue and Less Uncollectible Accounts are based on projected numbers from rate setting that was approved by the Board on January 15, 2026.

TABLE 3: OPERATING REVENUE BY BUDGET LEVEL 2

	FY26 Adopted	FY26 Revised	FY26 Amended
Gross Ratepayer Revenues	1,221.0	1,221.0	1,194.8
(Less Uncollectible Customer Accounts) ²	(21.4)	(21.4)	(19.4)
Net Operating Revenues	1,199.6	1,199.6	1,175.4

Amounts displayed in millions, \$

Operating Expenses

Expenses in the Community Power Operating Budget fall into five budget level 2 categories: cost of energy, personnel costs, professional services and consultants, marketing and outreach, and general and administration.

- **Cost of Energy** – Cost of Energy includes all the various services purchased from the power market through our suppliers. This includes purchased energy, capacity, CAISO fees and other miscellaneous power market expenses.
- **Personnel** – Personnel costs include salaries, payroll taxes, benefits, and excused absence and paid time off for staff. In addition, costs include assumptions from the Board adopted compensation policy including potential merit and cost-of-living increase.
- **Professional services and consultants**
 - Legal/Regulatory Services – Community Power retains legal counsel to assist with the complex aspects of the regulatory, compliance, power supply contract negotiations and its general legal needs. This line item will also allow for the retention of both a state and federal lobbyist to support Community Power's legislative and regulatory efforts.
 - Technical Support – Community Power engages consultants to assist with rate setting, policies, joint-rate comparisons with the IOU, load analysis, and a scheduling coordinator. After electric power is scheduled for delivery to customers and consumed by those customers, the actual electric consumption must be trued up against the forecasted and scheduled energy. This true-up occurs through the settlement process. Settlements also entail addressing several other market and regulatory requirements. As Community Power grows its internal staff, it will look to continue to in-house portions of this service.
 - Other Services – Community Power contracts or plans to contract for Audit services (data and financial), Accounting services, and other services as needed. Community Power continues to examine if these services are more cost effective or efficient to bring in-house. As Community Power expands its in-house functions, Community Power expects a reduction in the related professional services support areas.
 - SDG&E Service Fees – Service fees paid to SDG&E consist of a charge of a fixed fee per account per month. The fees cover SDG&E's costs associated with meter reading additional data processing and bill coordination as mandated and regulated by the California Public Utilities Commission (CPUC). There are also numerous small fees associated with data requests.

- Data Management – Broad scope of services that includes all “back office” billing data validation, bill coordination with SDG&E, call center services and billing technical support, customer enrollment database management, move- in/move-out services, customer research for enrollment support, and many support functions related to data reporting.
- **Marketing and Outreach** – Marketing and Outreach involves promoting Community Power services and engaging with the community through campaigns, public relations, events, and educational programs to increase awareness, drive customer enrollment, and build positive relationships. It also includes outreach to underserved communities to ensure equitable access to Community Power’s clean, renewable energy services.
- **General and Administration** – General and Administration costs include leasing office space, industry fees, or memberships (e.g., CalCCA dues), equipment and software, as well as other general operational costs including Board and Committee expenses, Board stipends, staff travel or professional development, team building, etc.

The table below summarizes the expenses for the FY26 Amended Budget and the FY26 Adopted Operating Budget. Note that Community Power reduced expenses in non-energy costs.

TABLE 4: OPERATING EXPENSES BY BUDGET LEVEL 2

	FY26 Adopted	FY26 Revised	FY26 Amended
Cost of Energy	956.7	956.7	969.9
Professional Services and Consultants	24.7	24.7	23.4
Personnel Costs	21.1	21.1	19.6
Marketing and Outreach	2.6	2.6	2.3
General and Administration	5.8	5.8	4.7
Subtotal Operating Expenses	1,010.9	1,010.9	1,019.9
Interest Income	(18.3)	(18.3)	(18.3)
Interest and Related Expenses	1.9	1.9	1.5
Capital Investment Program (Transfer Out)	22.2	22.2	21.9
Total Expenses	1,016.7	1,016.7	1,025.0

Amounts displayed in millions, \$

Non-Operating Revenues (Expenses)

Non-operating revenue represents interest income earned on cash reserves. Non-operating expenses represent interest paid on borrowed funds under the bank credit facility maintained by Community Power used to finance a portion of its operations. Expenses also include other bank related fees (i.e., letter of credit issuance fees, renewal fees, etc.).

Community Power Capital Investment Program (CIP)

Continuing in FY 2025-26 is the CIP for FY 2026-30 which will contain all the individual capital projects, major equipment purchases, and major programs for the agency that are intended to span multiple years and that are considered one-time projects rather than recurring projects. The first year of the FY 2026-30 CIP is Community Power's capital budget.

The FY 2025-26 operating budget amendment proposes a \$290,000 decrease of net operating revenues be transferred to the CIP, and that unspent funds are kept within the CIP and carried forward to the subsequent fiscal year.

The CIP includes funding for local development feasibility studies, customer program pilot projects, member agency grants, community grants, a customer education platform, and other community-focused areas.

The amended FY2025-26 Capital Budget totals \$54.7 million, and the amended FY 2026-30 CIP totals \$344.3 million, which was approved by the Board on June 26, 2025. Additionally, \$11.2 million in unspent continuing funds were appropriated by the Board in prior fiscal years and is represented as Carryforward revenue.

The FY26 Budget Amendment includes an increase in the capital budget and CIP resulting from:

1. \$693,611 external CEC funding for Programs Evaluation, previously approved and appropriated by the Board on November 20, 2025.
2. \$40,000 reduction from the operating budget for Civic Spark Fellows which is a part of the Community Education program.
3. \$250,000 reduction from the Enterprise Resource Planning IT Project.

TABLE 5: FY 2025-2026 CAPITAL BUDGET

	Carryforward	FY26 Adopted	FY26 Revised	FY26 Amended
Operating Transfer In	9.2	22.2	22.2	22.2
Regional Energy Network	-			
DAC-GT	(0.1)	31.9	31.9	31.9
CDFA	0.7	0.6	0.6	0.6
Equitable Building Decarbonization	1.4	-	-	-
Programs Evaluation	-	-	0.7	0.7
Other	-	-	-	-
Total CIP Revenue	11.2	54.7	55.4	55.4

Amounts displayed in millions, \$

TABLE 6: FY 2026-30 CIP BUDGET EXPENSES BY PROGRAM TYPE

	Carryforward	FY26 Adopted	FY26 Revised	FY26 Amended
External Funding				
Regional Energy Network	-	31.9	31.9	31.9
DAC-GT	(0.1)	0.6	0.6	0.6
CDFA	0.7	-	-	-
Equitable Building Decarbonization	1.4	-	-	-
Programs Evaluation	-	-	0.7	0.7
Other	-	-	-	-
Subtotal	2.0	32.5	33.2	33.2
 Internal Funding				
Solar Battery Savings	3.2	18.8	18.8	18.8
Energy Efficiency	0.0	-	-	-
Pilot Programs	2.5	-	-	-
Grants	0.2	1.3	1.3	1.3
DER	0.0	-	-	-
Flexible Load	0.3	0.3	0.3	0.3
IT Projects	2.5	1.5	1.5	1.5
Community Education	-	0.0	0.0	0.0
Program Evaluation	-	0.3	0.3	0.3
Application Assistance	0.3	-	-	-
Other	-	-	-	-
Subtotal	9.2	22.2	22.2	22.2
Total CIP Expenses	11.2	54.7	55.4	55.4

Amounts displayed in millions, \$

Table 7: FY 2026-30 CIP Programs and Projects

	Carryforward	FY26 Amended	FY27	FY28	FY29	FY30	Total
External Funding							
Regional Energy Network	-	31.9	59.5	51.4	42.0	43.7	228.6
DAC-GT	(0.1)	0.6	0.5	0.5	0.5	0.5	2.4
CDFA	0.7	-	-	-	-	-	0.7
Equitable Building Decarbonization	1.4	-	-	-	-	-	1.4
Programs Evaluation	-	0.7	-	-	-	-	0.7
Other	-	-	-	-	-	-	-
Subtotal	2.0	33.2	60.0	51.9	42.5	44.2	233.8
Internal Funding							
Solar Battery Savings	3.2	18.8	11.1	10.4	8.3	8.5	60.3
Energy Efficiency	0.0	-	-	-	-	-	0.0
Pilot Programs	2.5	-	-	-	-	-	2.5
Grants	0.2	1.3	-	-	-	-	1.5
DER	0.0	-	-	-	-	-	0.0
Flexible Load	0.3	0.3	0.6	0.6	0.8	0.7	3.3
IT Projects	2.5	1.5	-	-	-	-	4.0
Community Education	-	0.0	-	-	-	-	0.0
Program Evaluation	-	0.3	-	-	-	-	0.3
Application Assistance	0.3	-	-	-	-	-	0.3
Other	-	-	7.4	8.7	11.2	11.7	39.1
Subtotal	9.2	22.2	19.1	19.7	20.3	20.9	111.3
Total CIP Expenses	11.2	55.4	79.1	71.6	62.8	65.1	345.1

Amounts displayed in millions, \$

Operating Expenses by Department

The table below summarizes the FY26 Operating Budget expenses by department. All personnel costs including fringe benefits are included in the Operations department. Departments were established as part of the FY26 Operating Budget and are not shown in the prior year. The Power Services department includes Cost of Energy in their Expenses.

TABLE 8: OPERATING EXPENSES BY DEPARTMENT

	FY26 Adopted	FY26 Revised	FY26 Amended
Power Services	958.6	958.6	972.0
Executive	0.2	0.2	0.1
Operations	22.6	22.6	20.9
Finance	3.4	3.4	2.8
Customer Operations	19.8	19.8	18.5
IT and Data Analytics	1.6	1.6	1.5
Public Affairs	1.9	1.9	1.7
Programs	0.0	0.0	0.0
Regulatory and Legislative Affairs	0.7	0.7	0.5
Human Resources and Administration	0.7	0.7	0.9
Legal	1.4	1.4	1.0
Total Operating Expenses	1,010.9	1,010.9	1,019.9

Amounts displayed in millions, \$

Personnel by Department

The table below summarizes the projected personnel from the FY26 Adopted Operating Budget and the full-time equivalent (FTE) personnel in the FY26 Amended Operating Budget. While personnel may be authorized, they must be filled. Detailed information showing filled and proposed FTE transfers by department is included in the following personnel by department section below. Personnel budget is included within the Operations department.

TABLE 9: PERSONNEL BY DEPARTMENT

	FY26 Adopted	FY26 Revised	FY26 Amended
Power Services	17.0	17.0	15.0
Executive	5.0	5.0	5.0
Operations	4.0	4.0	6.0
Finance	10.0	10.0	13.0
Customer Operations	5.0	5.0	6.0
IT and Data Analytics	12.0	12.0	16.0
Public Affairs	13.0	13.0	11.0
Programs	14.0	14.0	16.0
Regulatory Affairs	5.0	5.0	5.0
Human Resources	6.0	6.0	7.0
Legal	3.0	3.0	3.0
Total FTEs	94.0	94.0	103.0

Budget by Department

Power Services

Budget Amendment Highlights

- The cost of energy, the largest cost in Community Power's budget, has increased from \$956.7 million to \$969.9 million.
- The largest drivers of energy costs going up are increases to renewable costs and increases to resource adequacy costs.

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
Power Services	17.0	17.0	15.0

TABLE 10: POWER SERVICES POSITIONS

Executive

Budget Amendment Highlights

- Executive budget has decreased by \$20,000 due to the reduction of Leadership Development and Clerk of the Board.

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
Executive	5.0	5.0	5.0

TABLE 11: EXECUTIVE POSITIONS

Operations

Budget Amendment Highlights

- Decreased funding for personnel and general and administration costs.
- The Operations team proposes adding one position, Executive Assistant for CEO and transitioning one position to roll directly under Operations.

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
Operations	4.0	4.0	6.0

TABLE 12: OPERATIONS POSITIONS

Finance

Budget Amendment Highlights

- The Finance budget decreased mainly due to the reduction of estimated costs of Bank Interest Fees
- Additionally, the Finance team proposes adding three positions, to the department

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
Finance	10.0	10.0	13.0

TABLE 13: FINANCE POSITIONS

Customer Operations

Budget Amendment Highlights

- A \$1 million reduction has been made to Calpine Energy Solutions.
- The Customer Application Assistance Program was removed from the Operating Budget and transferred to the CIP.

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
Customer Operations	5.0	5.0	6.0

TABLE 14: CUSTOMER OPERATIONS POSITIONS

IT and Data Analytics

Budget Amendment Highlights

- \$110,100 reduction from the IT and Data Analytics Budget.
- Three additional personnel are proposed to improve Data Analytics capabilities.

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
IT and Data Analytics	12.0	12.0	16.0

TABLE 15: IT AND DATA ANALYTICS

Public Affairs

Budget Amendment Highlights

- Continued outreach to educate the community of the benefits of community choice and to encourage awareness of our mission.
- Addition of a Public Affairs intern.

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
Public Affairs	13.0	13.0	11.0

TABLE 16: PUBLIC AFFAIRS POSITIONS

Programs

Budget Amendment Highlights

- There is a \$290,000 reduction from the Operating Budget due to the removal of Civic Sparks Fellows and Enterprise Resource Planning.
- An additional \$693,611 million in external funding for Programs Evaluation was approved at the November 2025 Board of Directors meeting.

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
Programs	14.0	14.0	16.0

TABLE 17: PROGRAMS POSITIONS

Regulatory and Legislative Affairs

Budget Amendment Highlights

- \$119K decrease from the Regulatory Affairs Budget.
- Addition of a Regulatory Affairs Intern.

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
Regulatory and Legislative Affairs	5.0	5.0	5.0

TABLE 18: REGULATORY AND LEGISLATIVE AFFAIRS POSITIONS

Human Resources

Budget Amendment Highlights

- The budget has been increased to account for temporary staffing for the agency.
- Addition of a Human Resources Intern.

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
Human Resources	6.0	6.0	7.0

TABLE 19: HUMAN RESOURCES POSITIONS

Legal

Budget Amendment Highlights

- \$392K decrease in budget due to in-house Legal department.
- Addition of a Legal Intern.

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
Legal	3.0	3.0	3.0

TABLE 20: LEGAL POSITIONS



Glossary

AB – Assembly Bill: An Assembly Bill is a piece of legislation that is introduced in the Assembly. In other words, the Assembly (rather than the Senate) is the bill's house of origin in the Legislature. In California, it is common for legislation to be referred to by its house of origin number even after it becomes law. However, because bill numbers "reset" and start again from 1 in each legislative session, it is less confusing to include chapter and statute information when referring to a bill that has become law; for example, SB 350 (Chapter 547, Statutes of 2015).

AL – Advice Letter: An Advice Letter is a request by a California Public Utilities Commission (CPUC) jurisdictional entity for Commission approval, authorization or other relief.

ALJ – Administrative Law Judge: ALJs preside over CPUC cases to develop the evidentiary record and draft proposed decisions for Commission action.

ARB – Air Resources Board: The California Air Resources Board (CARB or ARB) is the "clean air agency" in the state government of California. CARB is charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change.

AReM – Alliance for Retail Energy Markets: AReM is a not-for-profit corporation that advocates for continued development of successful customer choice in retail energy markets and provides a focused voice for competitive energy retailers and their customers in select public policy forums at the state level. It represents direct access providers such as Constellation NewEnergy and Direct Energy.

BayREN – Bay Area Regional Energy Network: BayREN offers regionwide energy programs, services and resources to members of the public by promoting energy efficient buildings, reducing carbon emissions and building government capacity.

CAISO – California Independent System Operator: CAISO is a nonprofit public benefit corporation that oversees the operation of the California bulk electric power system, transmission lines and electricity market generated and transmitted by its members (approximately 80% of California's electric flow). Its stated mission is to "operate the grid reliably and efficiently, provide fair and open transmission access, promote environmental stewardship and facilitate effective markets and promote infrastructure development." CAISO is regulated by the Federal Energy Regulatory Commission (FERC) and governed by a five-member governing board appointed by the governor.

CalCCA – California Community Choice Association: CalCCA is a statewide association, made up of Community Choice Aggregators (CCAs), that represents the interests of California's community choice electricity providers.



CALSEIA – California Solar Energy Industries Association: CALSEIA represents more than 200 companies doing solar-related business in California, including manufacturers, distributors, installation contractors, consultants and educators. Members' annual dues support professional staff and a lobbyist who represents the common interests of California's solar industry at the Legislature, Governor's Office and state and local agencies.

CALSLA – California City-County Street Light Association: CALSLA is a statewide association representing cities, counties and towns before the CPUC that is committed to maintaining fair and equitable streetlight electricity rates and facilities charges and disseminating streetlight-related information.

CAM – Cost Allocation Mechanism: CAM is the cost recovery mechanism to cover procurement costs incurred in serving the central procurement function.

CARB – California Air Resources Board: The CARB is charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change in California.

CARE – California Alternative Rates for Energy: CARE is a state program for low-income households that provides a 30% discount on monthly energy bills and a 20% discount on natural gas bills. It is funded through a rate surcharge paid by all other utility customers.

CBE – Communities for a Better Environment: CBE is an environmental justice organization that was founded in 1978. The mission of CBE is to build people's power in California's communities of color and low-income communities to achieve environmental health and justice by preventing and reducing pollution and building green, healthy and sustainable communities and environments.

CCA – Community Choice Aggregator: A community choice aggregator, sometimes referred to as community choice aggregation, is an entity of local governments that procure power on behalf of their residents, businesses and municipal accounts from an alternative supplier while still receiving transmission and distribution service from their existing utility provider. CCAs are an attractive option for communities that want more local control over their electricity sources, more green power than is offered by the default utility, and/or lower electricity prices. By aggregating demand, communities gain leverage to negotiate better rates with competitive suppliers and choose greener power sources.

CCSF – City and County of San Francisco: The City and County of San Francisco often engage in joint advocacy before the CPUC. San Francisco operates CleanPowerSF, a CCA.

CEC – California Energy Commission: The CEC is the primary energy policy and planning agency for California, whose core responsibilities include advancing state energy policy, achieving energy efficiency, investing in energy innovation, developing renewable energy, transforming transportation, overseeing energy infrastructure and preparing for energy emergencies.

CEE – Coalition for Energy Efficiency: CEE is a nonprofit composed of U.S. and Canadian energy-efficiency administrators working together to accelerate the development and availability of energy-efficient products and services.



CLECA – California Large Energy Consumers Association: CLECA is an organization of large, high-load factor industrial customers located throughout the state; its members are in the cement, steel, industrial gas, pipeline, beverage, cold storage, food packaging and mining industries and their electricity costs comprise a significant portion of their costs of production. Some members are bundled customers, others are Direct Access (DA) customers, and some are served by Community Choice Aggregators (CCAs); a few members have onsite renewable generation.

CPUC – California Public Utility Commission: The CPUC is a state agency that regulates privately owned electric, natural gas, telecommunications, water, railroad, rail transit and passenger transportation companies, in addition to authorizing video franchises.

C&I – Commercial and Industrial: C&I customers are business customers who generally consume much higher volumes of electricity and gas. Many utilities segment their C&I customers by energy consumption (small, medium and large).

CP – Compliance Period: A Compliance Period is the time period to become Renewables Portfolio Standard (RPS) compliant, set by the California Public Utilities Commission (CPUC).

DA – Direct Access: Direct Access is an option that allows eligible customers to purchase their electricity directly from third-party providers known as Electric Service Providers (ESPs).

DA Cap: The DA Cap is the maximum amount of electric usage that may be allocated to Direct Access customers in California or, more specifically, within an investor-owned utility service territory.

DACC – Direct Access Customer Coalition: DACC is a regulatory advocacy group composed of educational, governmental, commercial and industrial customers that utilize direct access for all or a portion of their electrical energy requirements.

DA Lottery: The DA Lottery is a random drawing by which DA waitlist customers become eligible to enroll in DA service under the currently applicable Direct Access Cap.

DA Waitlist: The DA Waitlist consists of customers that have officially registered their interest in becoming a DA customer but are not yet able to enroll in service because of DA cap limitations.

DAC – Disadvantaged Community: “Disadvantaged communities” refers to the areas throughout California that most suffer from a combination of economic, health and environmental burdens. These burdens include poverty, high unemployment, air and water pollution and the presence of hazardous wastes as well as high incidences of asthma and heart disease. One way that the state identifies these areas is by collecting and analyzing information from communities statewide. CalEnviroScreen, an analytical tool created by the California Environmental Protection Agency (CalEPA), combines different types of census tract-specific information into a score to determine which communities are the most burdened or “disadvantaged.”

DASR – Direct Access Service Request: DASR is a request submitted by C&I customers to become direct access eligible.



Demand: Demand refers to the rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts (kW), megawatts (MW) or gigawatts (GW), at a given instant or averaged over any designated interval of time. Demand should not be confused with Load or Energy.

DER – Distributed Energy Resource: A DER is a small-scale physical or virtual asset (e.g., EV charger, smart thermostat, behind-the-meter solar/storage, energy efficiency) that operates locally and is connected to a larger power grid at the distribution level.

Distribution: Distribution refers to the delivery of electricity to the retail customer's home or business through low-voltage distribution lines.

DLAP – Default Load Aggregation Point: In the CAISO's electricity optimization model, DLAP is the node at which all bids for demand should be submitted and settled.

DR – Demand Response: DR is an opportunity for consumers to play a significant role in the operation of the electric grid by reducing or shifting their electricity usage during peak periods in response to time-based rates or other forms of financial incentives.

DRP – Distributed Resource Plans: Distributed Resource Plans are required by statute and intended to identify optimal locations for the deployment of distributed resources.

DWR – Department of Water Resources: DWR is the state agency charged with managing California's water resources, systems and infrastructure in a responsible, sustainable way.

ECR – Enhanced Community Renewable: ECR is an IOU (Investor-Owned Utility) program that reflects the "Community Solar" model of renewable energy purchasing. Customers sign up to purchase a portion of a local solar project directly from a developer at a level that meets at least 25% and up to 100% of their monthly electricity demand. The customer pays the developer for the subscribed output and receives a credit on their utility bill that reflects their enrollment level.

ED – Energy Division: The CPUC's Energy Division develops and administers energy policy and programs to serve the public interest, advise the Commission and ensure compliance with Commission decisions and statutory Mandates.

EE – Energy Efficiency: Energy Efficiency refers to the use of less energy to perform the same task or produce the same result. Energy-efficient homes and buildings use less energy to heat and cool and run appliances and electronics, and energy-efficient manufacturing facilities use less energy.

ELCC – Effective Load Carrying Capacity: ELCC is the additional load met by an incremental generator while maintaining the same level of system reliability. For solar and wind resources, the ELCC is the amount of capacity that can be counted for Resource Adequacy purposes.

EPIC – Electric Program Investment Charge: The EPIC program was created by the CPUC to support investments in clean energy technologies that provide benefits to the electricity ratepayers of Pacific Gas and Electric (PG&E), San Diego Gas & Electric Company (SDG&E) and Southern California Edison Company (SCE).



ERRA – Energy Resource Recovery Account: ERRA proceedings are used to determine fuel and purchased power costs that can be recovered in rates. The utilities do not earn a rate of return on these costs and recover only actual costs. The costs are forecast for the year ahead. If the actual costs are lower than forecast, then the utility gives money back, and vice versa.

ES – Energy Storage: Energy Storage is the capture of energy produced at one time for use at a later time to reduce imbalances between energy demand and energy production.

ESA – Energy Storage Agreement: An ESA refers to a battery services contract, a capacity contract, demand response contract or similar agreement.

ESP – Energy Service Provider: An Energy Service Provider is an energy entity that provides service to a retail or end-use customer.

EV – Electric Vehicle: An EV is a vehicle that uses one or more electric motors for propulsion.

FCR – Flexible Capacity Requirements: “Flexible capacity need” is defined as the quantity of resources needed by the CAISO to manage grid reliability during the greatest three-hour continuous ramp in each month. Resources will be considered as “flexible capacity” if they can sustain or increase output or reduce ramping needs during the hours of “flexible need.” FCR means the flexible capacity requirements established for LSEs by the CPUC pursuant to the CPUC decisions.

GHG – Greenhouse gas: Water vapor, carbon dioxide, tropospheric ozone, nitrous oxide, methane and chlorofluorocarbons (CFCs) are gases that cause the atmosphere to trap heat radiating from the earth. The most common GHG is carbon dioxide.

GRC – General Rate Case: General Rate Cases are proceedings used to address the costs of operating and maintaining the utility system and the allocation of those costs among customer classes. For California’s three large IOUs, the GRCs are parsed into two phases. Phase I of a GRC determines the total amount the utility is authorized to collect, while Phase II determines the share of the cost each customer class is responsible for and the rate schedules for each class. Each large electric utility files a GRC application every three years for review by the Public Advocate’s Office and interested parties and for approval by the CPUC.

GTSR – Green Tariff Shared Renewables: The GTSR program enables customers to receive 50 to 100 percent of their electricity demand from renewable sources. The GTSR program has two components: the Green Tariff (GT) component and the Enhanced Community Renewables (ECR) component. Through GT, a customer may pay the difference between their current generation charge and the cost of procuring 50 to 100 percent renewables. With ECR, a customer agrees to purchase a share of a community renewable (typically solar) project directly from a developer and in exchange will receive a credit from their utility for the customer’s avoided generation procurement.

GWh – Gigawatt-hour: This is the unit of energy equal to that expended in one hour at a rate of one billion watts. One GWh equals 1,000 megawatt-hours.



ICA – Integration Capacity Analysis: The enhanced integrated capacity and locational net benefit analysis quantify the capability of the system to integrate Distributed Energy Resources (DERs) within the distribution system. Results are dependent on the most limiting element of the various power system criteria such as thermal ratings, power quality, system protection limits and safety standards of existing equipment.

IDER – Integrated Distributed Energy Resources: A CPUC proceeding that aims to more effectively coordinate the integration of demand-side resources in order to better meet customer and grid needs, while enabling California to attain its greenhouse gas reduction goals.

IDSM – Integrated Demand-Side Management: This is an approach that joins together all the resources utilities have at their disposal to plan, generate and supply electricity in the most efficient manner possible.

IEPA – Independent Energy Producers Association: IEPA is California's oldest and leading nonprofit trade association, representing the interest of developers and operators of independent energy facilities and independent power marketers.

IMD – Independent Marketing Division: Under state law, IOUs are prohibited from lobbying or marketing on community choice unless the IOU forms an independent marketing division funded by shareholders rather than ratepayers. SDG&E and its parent company Sempra were permitted by the CPUC to create such an independent marketing division, which allowed SDG&E to lobby against plans to create a CCA program.

IOU – Investor-Owned Utility: An IOU is a private electricity and natural gas provider, such as SDG&E, PG&E or SCE, which are the three largest IOUs in California.

IRP – Integrated Resource Plan: An Integrated Resource Plan outlines an electric utility's resource needs in order to meet expected electricity demand long-term.

kW – Kilowatt: This is a measure of power where power (watts) = voltage (volts) x amperage (amps) and 1 kW = 1,000 watts.

kWh – Kilowatt-hour: This is a measure of consumption. It is the amount of electricity that is used over some period of time, typically a one-month period for billing purposes. Customers are charged a rate per kWh of electricity used.

LCE – Lancaster Choice Energy: LCE is the CCA that serves the City of Lancaster, California.

LCFS – Low Carbon Fuel Standard: This is a CARB program designed to encourage the use of cleaner low-carbon fuels in California, encourage the production of those fuels and, therefore, reduce greenhouse gas emissions.

LCR – Local (RA) Capacity Requirements: This is the amount of Resource Adequacy capacity required to be demonstrated in a specific location or zone.



LMP – Locational Marginal Price: Each generator unit and load pocket is assigned a node in the CAISO optimization model. The model will assign a LMP to the node in both the day-ahead and real-time market as it balances the system using the least cost. The LMP is composed of three components: the marginal cost of energy, congestion and losses. The LMP is used to financially settle transactions in the CAISO.

LNBA – Locational Net Benefits Analysis: This is a cost-benefit analysis of distributed resources that incorporates location-specific net benefits to the electric grid.

Load: Load refers to an end-use device or customer that receives power from an energy delivery system. Load should not be confused with Demand, which is the measure of power that a load receives or requires. See Demand.

LSE – Load-serving Entity: Load-serving Entities have been granted authority by state, local law or regulation to serve their own load directly through wholesale energy purchases and have chosen to exercise that authority.

LTPP – Long-Term Procurement Rulemaking: This is an “umbrella” proceeding to consider, in an integrated fashion, all of the CPUC’s electric procurement policies and Programs.

MCE – Marin Clean Energy: MCE was the first CCA in California and began serving customers in 2010. It serves customers in Contra Costa, Marin, Napa and Solano counties in Northern California.

MEO – Marketing Education and Outreach: This is a term generally used to describe various strategies to inform customers, such as to motivate consumers to take action on energy efficiency or conservation measures and change their behavior.

MW – Megawatt: A megawatt hour (Mwh) is equal to 1,000 Kilowatt hours (Kwh) or 1,000 kilowatts of electricity used continuously for one hour.

MWH – Megawatt-hour: This is a measure of energy.

NAESCO – National Association of Energy Service Companies: NAESCO is an advocacy and accreditation organization for energy service companies (ESCOs). Energy service companies contract with private and public-sector energy users to provide cost-effective energy efficiency retrofits across a wide spectrum of client facilities.

NBC – Non-Bypassable Charge: Non-Bypassable Charges are fees that are paid on every kilowatt-hour of electricity that is consumed from the grid. These charges can be used to fund things like energy assistance programs for low-income households and energy efficiency programs. These charges apply even if customers buy grid-supplied power from an outside power company such as a CCA.

NDA – Non-Disclosure Agreement: An NDA is a contract by which one or more parties agree not to disclose confidential information that they have shared with each other.



NEM – Net Energy Metering: NEM is a program in which solar customers receive credit for excess electricity generated by solar panels.

NRDC – Natural Resources Defense Council: NRDC is a nonprofit international environmental advocacy group.

NP-15 – North Path 15: NP-15 is a CAISO pricing zone usually used to approximate wholesale electricity prices in Northern California in PG&E's service territory.

OIR – Order Instituting Rulemaking: An OIR is a procedural document that is issued by the CPUC to start a formal proceeding. A draft OIR is issued for comment by interested parties and made final by vote of the five commissioners of the CPUC.

OSC – Order to Show Cause: OSC is an order requiring an individual or entity to explain, justify or prove something.

ORA – Office of Ratepayer Advocates: The ORA is an independent consumer advocate within the CPUC, now called the Public Advocates Office.

PA – Program Administrator (for EE Business Plans): IOUs and local government agencies can be authorized to implement CPUC-directed energy efficiency programs.

PCE – Peninsula Clean Energy Authority: PCE is the CCA serving San Mateo County and all 20 of its cities and towns as well as the City of Los Banos.

PCC1 – RPS Portfolio Content Category 1: RPS Portfolio Content Category 1 includes bundled renewables where the energy and Renewable Energy Certificate (REC) are dynamically scheduled into a California Balancing Authority (CBA) such as the CAISO, also known as "in-state" renewables.

PCC2 – RPS Portfolio Content Category 2: RPS Portfolio Content Category 2 includes bundled renewables where the energy and Renewable Energy Certificate (REC) are from out of state and not dynamically scheduled to a CBA.

PCC3 – RPS Portfolio Content Category 3: RPS Portfolio Content Category 3 includes Unbundled Renewable Energy Certificate (REC).

PCIA or "exit fee" – Power Charge Indifference Adjustment: The Power Charge Indifference Adjustment (PCIA) is an "exit fee" based on stranded costs of utility generation set by the California Public Utilities Commission. It is calculated annually and assessed to customers of CCAs and paid to the IOU that lost those customers as a result of the formation of a CCA.

PCL – Power Content Label: The PCL is a user-friendly way of displaying information to California consumers about the energy resources used to generate the electricity they sell, as required by AB 162 (Chapter 313, Statutes of 2009) and SB 1305 (Chapter 796, Statutes of 1997).



PD – Proposed Decision: A PD is a procedural document in a CPUC Rulemaking that is formally commented on by parties to the proceeding. A PD is a precursor to a final decision voted on by the five commissioners of the CPUC.

PG&E – Pacific Gas & Electric: PG&E is the IOU that serves 16 million people over a 70,000-square-mile service area in Northern California.

PHC – Prehearing Conference: A PHC is a CPUC hearing to discuss the scope of a proceeding, among other matters. Interested stakeholders can request party status during these conferences.

Pnode – Pricing Node: In the CAISO optimization model, this is a point where a physical injection or withdrawal of energy is modeled and for which an LMP is calculated.

PPA – Power Purchase Agreement: A PPA is a contract used to purchase the energy, capacity and attributes from a renewable resource project.

PRP – Priority Review Project: These are transportation electrification pilot projects approved by the CPUC pursuant to SB 350 (Chapter 547, Statutes of 2015).

PRRR – Progress on Residential Rate Reform: Pursuant to a CPUC decision, the IOUs must submit to the CPUC and other parties periodic updates on the progress of their efforts to assist customers with residential rate design changes related to rate reform, including tier collapse and transition to a default time of use rate.

PUC – Public Utilities Code: The PUC is a California statute that contains 33 divisions; the range of topics within this code includes natural gas restructuring, private energy producers, telecommunication services, and specific municipal utility districts and transit authorities; the primary statute for governance of utilities as well as CCAs in California.

PURPA – Public Utilities Regulatory Policy Act: The PURPA is a federal statute passed in 1978 by Congress in response to the 1973 energy crisis to encourage fuel diversity via alternative energy sources and to introduce competition into the electric sector. It was intended to promote energy conservation (reduce demand) and promote greater use of domestic energy and renewable energy (increase supply).

RA – Resource Adequacy: Under its Resource Adequacy (RA) program, the California Public Utilities Commission (CPUC) requires load-serving entities – investor-owned utilities, electricity service providers and CCAs – to demonstrate in both monthly and annual filings that they have purchased capacity commitments of no less than 115% of their peak loads.

RAM – Renewables Auction Mechanism: This is a procurement program the investor-owned utilities (IOUs) may use to procure RPS eligible generation. The IOUs may use RAM to satisfy authorized procurement needs, for example, system Resource Adequacy needs, local Resource Adequacy needs, RPS needs, reliability needs, Local Capacity Requirements, Green Tariff Shared Renewables needs and any need arising from commission or legislative mandates.



RE – Renewable Energy: Renewable energy is energy from a source that is not depleted when used, such as wind or solar power.

REC – Renewable Energy Certificate: A REC is the property right to the environmental benefits associated with generating renewable electricity. For instance, homeowners who generate solar electricity are credited with 1 solar REC for every megawatt-hour of electricity they produce. Utilities obligated to fulfill an RPS requirement can purchase these RECs on the open market.

RES-BCT – Renewables Energy Self-Generation Bill Credit Transfer: This program enables local governments and universities to share generation credits from a system located on one government-owned property with billing accounts at other government-owned properties. The system size limit under RES-BCT is 5 MW, and bill credits are applied at the generation-only portion of a customer's retail rate.

RFO – Request for Offers: This is a competitive procurement process used by organizations to solicit the submission of proposals from interested parties in response to a scope of services.

RPS – Renewable Portfolio Standard: RPS is a law that requires California utilities and other load-serving entities (including CCAs) to provide an escalating percentage of California qualified renewable power (culminating at 33% by 2020) in their annual energy portfolio.

SB – Senate Bill: A Senate Bill is a piece of legislation that is introduced in the Senate. In other words, the Senate, rather than the Assembly, is the house of origin in the Legislature for the Legislation.

SBP – Solar Billing Plan: The Solar Billing Plan, also known as the Net Billing Tariff or NEM 3.0, is the new method of compensating customer-sited renewable energy self-generation, intended to promote grid reliability and incentivize solar and battery storage.

SCE – Southern California Edison: SCE is the large IOU that serves the Los Angeles and Orange County area.

SCP – Sonoma Clean Power Authority: SCP is the CCA serving Sonoma County and surrounding areas in Northern California.

SDG&E – San Diego Gas & Electric: SDG&E is the IOU that serves San Diego County and owns the infrastructure that delivers Community Power energy to our customers.

SGIP – Self-Generation Incentive Program: SGIP is a program that provides incentives to support existing, new and emerging distributed energy resources (storage, wind turbines, waste heat to power technologies, etc.).

SUE – Super User Electric: This is an electric surcharge intended to penalize consumers for excessive energy use.

SVCE – Silicon Valley Clean Energy: SVCE is the CCA serving the communities in Santa Clara County.



TCR EPS Protocol – The Climate Registry Electric Power Sector Protocol: This refers to online tools and resources provided by The Climate Registry to assist organizations to measure, report and reduce carbon emissions.

TE – Transportation Electrification: For the transportation sector, electrification means replacing fossil fuels with electricity as the means of powering light-duty vehicles and medium- and heavy-duty trucks and buses. The primary goal is to reduce greenhouse gas (GHG) emissions and, ultimately, contribute to mitigating the effects of climate change on the planet.

Time-of-Use (TOU) Rates: TOU Rates refers to the pricing of delivered electricity based on the estimated cost of electricity during a particular time block. Time-of-use rates are usually divided into three or four time blocks per 24 hour period (on-peak, mid-peak, off-peak and sometimes super off-peak) and by seasons of the year (summer and winter). Real-time pricing differs from TOU rates in that it is based on actual (as opposed to forecasted) prices that may fluctuate many times a day and are weather sensitive, rather than varying with a fixed schedule.

TM – Tree Mortality: This is a term that refers to the death of forest trees and provides a measure of forest health. In the context of energy, as part of the Governor's Tree Mortality Emergency Proclamation, the CPUC is tasked with utilizing its authority to extend contracts and take actions to authorize new contracts on bioenergy facilities that receive feedstock from high hazard zones.

TURN – The Utility Reform Network: TURN is a ratepayer advocacy group charged with ensuring that California IOUs implement just and reasonable rates.

Unbundled RECs: Unbundled RECs are renewable energy certificates that verify a purchase of a MWH unit of renewable power where the actual power and the certificate are “unbundled” and sold to different buyers.

VPP – Virtual Power Plant: A Virtual Power Plant is a cloud-based network that leverages an aggregation of distributed energy resources (DERs) to shift energy demand or provide services to the grid. For example, thousands of EV chargers could charge at a slower speed and hundreds of home batteries could discharge to the grid during a demand peak to significantly reduce the procurement of traditional supply resources.

VAMO – Voluntary Allocation, Market Offer: VAMO is the process for SDG&E to allocate a proportional share of its renewable portfolio to Community Power and other LSEs within the service territory.