

RESOLUTION NO. 18-005

RESOLUTION OF THE BOARD OF DIRECTORS OF CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR TO ENTER INTO CERTAIN EEI MASTER AGREEMENTS, CONFIRMATION AGREEMENTS, LOCKBOX AGREEMENTS WITH RIVER CITY BANK, AND OTHER TRANSACTIONS.

THE BOARD OF DIRECTORS OF CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA HEREBY RESOLVES AS FOLLOWS:

WHEREAS, Clean Power Alliance of Southern California ("Clean Power Alliance" or "CPA") was formed on June 27, 2017 as the Los Angeles Community Choice Energy Authority pursuant to a Joint Powers Agreement to study, promote, develop, conduct, operate, and manage energy programs in Southern California;

WHEREAS, the launch of Phase 2 service of the community choice aggregation program for 30,000 non-residential customers in the unincorporated areas of Los Angeles County and the cities of Rolling Hills Estates and South Pasadena is planned for June 2018;

WHEREAS, Clean Power Alliance administered a competitive process to select contractors capable of providing energy, renewable energy, carbon free energy, capacity and related products and services (the "Product") from energy generating sources that are cleaner and have a higher percentage of renewable energy than that provided by the incumbent utility and at competitive prices;

WHEREAS, Clean Power Alliance has identified several energy service providers (each, an "Energy Service Provider" or "ESP") as having competitive proposals and the ability to meet the aforementioned goals;

WHEREAS, Clean Power Alliance will be negotiating a separate EEI Master Power Purchase and Sale Agreement (the "Master Agreements") with such Energy Service Providers;

WHEREAS, the Master Agreements are an industry standard framework agreement between an energy purchaser and an energy supplier that establishes certain terms and conditions for an ongoing contractual relationship between an energy purchaser and energy supplier, but which do not require a purchaser to purchase or a supplier to supply the Product without executing a separate written agreement in the form of a Confirmation Agreement (defined below);

WHEREAS, a confirmation agreement is an agreement between an energy purchaser and an energy supplier (e.g., an ESP) that binds the energy purchaser and the energy supplier to supply specific quantities of specific types of energy products at specific prices and is governed by the terms and conditions of an enabling agreement such as the Master Agreement or the WSPP Agreement ("Confirmation Agreement");

WHEREAS, Clean Power Alliance will be negotiating a form of Confirmation Agreement with each of the ESPs;

WHEREAS, once a Confirmation Agreement is executed by Clean Power Alliance and an ESP, it is a "Transaction";

WHEREAS, Clean Power Alliance has agreed to provide a "multi-party lockbox" into which Clean Power Alliance customer payments will be deposited, as security for the power purchase obligations of Clean Power Alliance under the Master Agreement and Confirmation Agreement;

WHEREAS, certain of the ESPs have elected to participate in the multi-party lockbox;

WHEREAS, River City Bank was selected to administer, and act as collateral agent for the ESPs with respect to, the multi-party lockbox;

WHEREAS, three agreements with River City Bank are necessary to establish the "multi-party lockbox": an Intercreditor and Collateral Agency Agreement, a Security Agreement and a Deposit Account Control Agreement (collectively, the "Lockbox Agreements") and forms of these three agreements will be negotiated with participating ESPs as well as River City Bank and are intended to be entered into no later than the time that Clean Power Alliance enters into the Confirmation Agreements with the ESPs that are participating in the multi-party lockbox;

WHEREAS, the Board wishes to delegate to the Executive Director authority to negotiate and execute the Master Agreements and the Lockbox Agreements for the reasons provided above;

WHEREAS, because of the timing of the execution of the various agreements, it is infeasible to bring such agreements back to the Board prior to execution, the Board also wishes to delegate to the Executive Director the authority to approve any non-material changes, additions, variations or deletions ("Changes") to the form of Master Agreements and Lockbox Agreements presented to the Board in connection with this resolution;

WHEREAS, the Board wishes to delegate to the Executive Director the authority to enter into (a) under the current Request for Offers ("RFO"), Transactions for up to one hundred percent of 2018 estimated requirements, fifty percent of 2019 estimated requirements, and twenty-five percent of 2020 requirements and (b) after the current RFO, Transactions through bilateral negotiations for any remaining requirements for 2018 not obtained under the current RFO; provided, however, that the foregoing Transactions shall be entered into pursuant to Confirmation Agreements in substantially the same form presented to the Board, subject to Changes deemed by the Executive Director to be reasonable, necessary and appropriate;

WHEREAS, the Board wishes to delegate to the Executive Director the authority to enter into any other agreements for energy, renewable energy, energy storage and/or

capacity for projects of 25 MW or less that are located in Southern California, with such agreements being subject to the approval of the Executive Committee;

WHEREAS, the Board wishes to delegate to the Executive Director the authority to enter into EEI Master Agreements from time to time, in substantially the same form as previously presented to the Board, subject to Changes deemed by the Executive Director to be reasonable, necessary and appropriate;

WHEREAS, the Executive Director is authorized to negotiate, enter into and deliver, and to do all things necessary or appropriate for the execution and delivery of, and the performance of CPA's obligations under, the foregoing agreements (including any other instruments, documents, certificates and agreements executed by CPA in connection therewith) in order to implement the Executive Director's authority to enter into such approved agreements and Transactions; and

WHEREAS, the Board has determined that a Notice of Exemption under California Environmental Quality Act ("CEQA") should be filed.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board delegates authority to the Executive Director in the name and on behalf of Clean Power Alliance to negotiate, enter into and deliver, and to do all things necessary or appropriate for the execution and delivery of, and the performance of Clean Power Alliance's obligations under, the aforementioned Master Agreements and Lockbox Agreements in substantially the same form as presented to the Board, (including any other instruments, documents, certificates and agreements executed by Clean Power Alliance in connection therewith, including the opening of bank, escrow or other similar accounts) and, in each case, subject to such Changes as the Executive Director may deem necessary or appropriate, with the execution and delivery of the aforementioned Agreements containing any such Changes by the Executive Director to be conclusive evidence of the Executive Director's approval of such Changes;

IT IS HEREBY FURTHER DETERMINED AND ORDERED that the Board delegates authority to the Executive Director in the name and on behalf of Clean Power Alliance to enter into (a) Transactions under the current RFO for up to one hundred percent of 2018 estimated requirements, fifty percent of 2019 estimated requirements, and twenty-five percent of 2020 requirements and (b) after the current RFO, Transactions through bilateral negotiations for any remaining requirements for 2018 not obtained under the current RFO; provided, however, that (i) the foregoing Transactions shall be entered into pursuant to Confirmations Agreements in substantially the same form presented to the Board, subject to Changes deemed by the Executive Director to be reasonable, necessary and appropriate, and (ii) the Executive Director's authority to enter into the foregoing Transactions pursuant to this Resolution shall be effective through December 31, 2018;

IT IS HEREBY FURTHER DETERMINED AND ORDERED that the Board delegates authority to the Executive Director in the name and on behalf of Clean Power Alliance to enter into any other agreements for energy, renewable energy, energy storage and/or capacity for projects of 25 MW or less that are located in Southern California, with such agreements being subject to the approval of the Executive Committee;

IT IS HEREBY FURTHER DETERMINED AND ORDERED that the Board delegates authority to the Executive Director in the name and on behalf of Clean Power Alliance to enter into EEI Master Agreements from time to time, in substantially the same form presented to the Board, subject to Changes deemed by the Executive Director to be reasonable, necessary and appropriate; and

IT IS HEREBY FURTHER DETERMINED AND ORDERED that the Board delegates authority to the Executive Director in the name and on behalf of Clean Power Alliance to negotiate, enter into and deliver, and to do all things necessary or appropriate for the execution and delivery of, and the performance of CPA's obligations under, the foregoing agreements (including any other instruments, documents, certificates and agreements executed by CPA in connection therewith) in order to implement the Executive Director's authority to enter into such approved agreements and Transactions.

IT IS HEREBY FURTHER DETERMINED AND ORDERED that:

1. The Board has determined that (i) the approval of the Confirmation Agreements are not a project under CEQA, (ii) if the approval of the Confirmation Agreements are a project under CEQA the Agreements do not have the potential for causing a significant impact on the environment under State CEQA Guidelines Section 15061(b)(3), and (ii) if the approval of the Confirmation Agreements are a project under CEQA, the Confirmation Agreements are categorically exempt under State CEQA Guidelines Section 15308 as actions for the protection of the environment.

2. The Board delegates authority to the Executive Director to file with the Board Secretary, a Notice of Exemption under CEQA.

ADOPTED AND APPROVED this 5 day of April 2018.



Chair

ATTEST:



Secretary