REGULAR MEETING of the Board of Directors of the
Clean Power Alliance of Southern California

Thursday, April 1, 2021
2:00 p.m.

SPECIAL NOTICE: Pursuant to Paragraph 11 of Executive Order N-29-20, executed by the Governor of California on March 17, 2020, and as a response to mitigating the spread of COVID-19, the Board of Directors will conduct this meeting remotely.

Click here to view a Live Stream of the Meeting on YouTube
*There may be a streaming delay of up to 60 seconds. This is a view-only live stream.

To Listen to the Meeting:
https://zoom.us/j/95532081093
or
Dial: (669) 900-9128  Meeting ID: 955 3208 1093

PUBLIC COMMENT: Members of the public may submit their comments by one of the following options:

- Email Public Comment: Members of the public are encouraged to submit written comments on any agenda item to clerk@cleanpoweralliance.org up to four hours before the meeting. Written public comments will be announced at the meeting and become part of the meeting record. Public comments received in writing will not be read aloud at the meeting.

- Provide Public Comment During the Meeting: Please notify staff via email at clerk@cleanpoweralliance.org at the beginning of the meeting but no later than immediately before the agenda item is called.
  - You will be asked for your name and phone number (or other identifying information) similar to filling out a speaker card so that you can be called on when it is your turn to speak.
  - You will be called upon during the comment section for the agenda item on which you wish to speak on. When it is your turn to speak, a staff member will unmute your phone or computer audio.
  - You will be able to speak to the Board for the allotted amount of time. Please be advised that all public comments must otherwise comply with our Public Comment Policy.
  - Once you have spoken, or the allotted time has run out, you will be muted during the meeting.

If unable to connect by Zoom or phone and you wish to make a comment, you may submit written comments during the meeting via email to: clerk@cleanpoweralliance.org.

While downloading the Zoom application may provide a better meeting experience, Zoom does not need to be installed on your computer to participate. After clicking the webinar link above, click "start from your browser."
Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at least two (2) working days before the meeting at clerk@cleanpoweralliance.org or (213) 713-5995. Notification in advance of the meeting will enable us to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it.

PUBLIC COMMENT POLICY: The General Public Comment item is reserved for persons wishing to address the Board on any Clean Power Alliance-related matters not on today’s agenda. Public comments on matters on today’s Consent Agenda and Regular Agenda shall be heard at the time the matter is called. Comments on items on the Consent Agenda are consolidated into one public comment period. As with all public comment, members of the public who wish to address the Board are requested to complete a speaker’s slip and provide it to Clean Power Alliance staff at the beginning of the meeting but no later than immediately prior to the time an agenda item is called.

Each speaker is limited to two (2) minutes (in whole minute increments) per agenda item with a cumulative total of five 5 minutes to be allocated between the General Public Comment, the entire Consent Agenda, or individual items in the Regular Agenda. Please refer to Policy No. 8 – Public Comment for additional information.

CALL TO ORDER AND ROLL CALL

GENERAL PUBLIC COMMENT

CONSENT AGENDA

1. Approve Minutes from March 4, 2021 Board of Directors Meeting

2. Approve Support Position for Senate Bill 45 (Portantino) in the 2021/2022 Legislative Session

3. Adopt Resolution No. 21-04-013 Authorizing and Approving Entry into An Amended and Restated Revolving Credit Agreement and Specified Related Agreements (“Amended Agreements”) with River City Bank, and Delegating Authority to CPA Authorized Representatives to Execute and Deliver the Amended Agreements

4. Approve Amended and Restated Billing and Data Manager Agreement with Calpine Energy Solutions, LLC (“Calpine Agreement”) and Amended and Restated Distributed Energy Resources (DER) Service Agreement Attached as Exhibit D to Calpine Agreement

5. Receive and File Community Advisory Committee Report
REGULAR AGENDA

Action Item

6. Adopt Energy Portfolio Content Changes for CPA’s Three Rate Products in Calendar Years 2021 and 2022

Information Item:

7. Cost of Service Analysis and 2021 Rate Setting Approach Options

MANAGEMENT REPORT

COMMITTEE CHAIR UPDATES
Director Lindsey Horvath, Chair, Legislative & Regulatory Committee
Director Julian Gold, Chair, Finance Committee
Director Kevin McKeown, Chair, Energy Planning & Resources Committee

BOARD MEMBER COMMENTS

REPORT FROM THE CHAIR

ADJOURN – NEXT REGULAR MEETING MAY 6, 2021

Public Records: Public records that relate to any item on the open session agenda for a regular Board Meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all, or a majority of, the members of the Board. Those documents are available for inspection online at www.cleanpoweralliance.org/agendas.
**MINUTES**

REGULAR MEETING of the Board of Directors of the
Clean Power Alliance of Southern California
Thursday, March 4, 2021 2:00 p.m.

*The Board of Directors conducted this meeting in accordance with California Governor Newsom’s Executive Order N-29-20 and COVID-19 pandemic protocols.*

**CALL TO ORDER & ROLL CALL**
Chair Diana Mahmud called the meeting to order at 2:00 p.m. and Clerk of the Board Gabriela Monzon conducted roll call.

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All votes are unanimous unless otherwise stated.

GENERAL PUBLIC COMMENT

Harvey Eder provided public comment.

CONSENT AGENDA

1. Approve Minutes from February 4, 2021 Board of Directors Meeting
2. Receive and File Q2 Financial Report
3. Receive and File Q4 Risk Management Team Report
4. Approve Amendments to the Net Energy Metering (NEM) Policy Effective May 1, 2021
5. Approve Amendment to the Non-Energy Public Contracting Policy
6. Approve Two (2) New Appointments to Fill Vacancies on the Community Advisory Committee Representing Ventura County Areas
7. Receive and File Community Advisory Committee Monthly Report

Motion: Director Parkhurst, Sierra Madre
Second: Director Calaycay, Claremont
Vote: The consent agenda was approved by a roll call vote.

REGULAR AGENDA

8. Approve a Support Position on Senate Bill (SB) 612 in the 2021/2022 Legislative Session

Gina Goodhill, Policy Director, provided a summary of the impact of the Power Charge Indifference Adjustment (PCIA) on CPA customers. Ms. Goodhill explained that millions of utility customers have transitioned from Investor-Owned
Utilities (IOUs) electric service to Community Choice Aggregators (CCAs), and customers continue to bear cost responsibility with IOU customers for legacy resources purchased on their behalf. However, only IOU customers currently have the right to access the benefits of these resources, such as renewable energy, GHG free energy, and resource adequacy. A working group, including CalCCA and Southern California Edison (SCE), filed a consensus proposal with the CPUC in February 2020 that would require utilities to optimize their energy portfolios by more actively managing contracts and increase transparency in the PCIA process to save costs for all customers. This joint proposal has not been given any procedural consideration in over a year. Ms. Goodhill noted that SB 612 would provide CCA customers an equal right to receive legacy products that were procured on their behalf in proportion to their load share. Ms. Goodhill added that the bill would also require the CPUC to recognize the value of GHG-free energy and any new products; require IOUs to transparently solicit interest from legacy resource contract holders to reduce costs from these contracts and require IOUs to offer remaining excess legacy resource products to the wholesale market in an annual solicitation. Lastly, the bill could help CCAs lower procurement costs overall and improve transparency for all customers.

In response to Director Zuckerman’s question regarding retroactive benefits of the bill, Ms. Goodhill clarified that it did not provide retroactive benefits, which highlights the significance of passing this legislation as soon as possible. Director Horvath, West Hollywood, commented that the Legislative & Regulatory Committee highly recommended the support position on the bill and noted that it does not only financially benefit CPA, but also helps to leverage local control and protect cities. Director McKeown noted that CPA has not been able to include legacy resources as part of its procurement mandates, and this bill will allow for that to happen. Director Maurer added that the City of Calabasas has invited a CPUC representative and will use the opportunity to communicate the importance of SB 612 and asked about opposition to the bill; Ms. Goodhill explained that there is currently no opposition. Director Zuckerman asked if legal action was an option if remedy was not possible through legislative and regulatory efforts. Matt Langer, Chief Operating Officer said that CPA has not been able to identify a legal avenue to achieve a similar outcome. Director McKeown asked for a list of co-authors, and Ms. Goodhill clarified that additional co-authors have signed on to support the bill and an updated list can be shared with Board members; Chair Mahmud added that Senator Allen has signed on as a co-author.

Harvey Eder provided public comment.

Motion: Director McKeown, Santa Monica
Second: Director Horvath, Redondo Beach
Vote: Item 8 was approved by a roll call vote.

9. **Approve Proposed Salary Grades and Ranges for CPA Employees**

Monique Edwards-Greer, Director of Technology, Data, and People, presented the item, noting that CPA has conducted a salary and benefits benchmark study in collaboration with three other Community Choice Aggregators (CCAs), intending to establish a competitive compensation structure to attract and retain talent and accommodate career development for existing staff, while also establishing
internal policies and guidelines for ongoing administration. Dr. Edwards-Greer noted that it was important that salary ranges be adaptable to a growing organization while recognizing highly specialized positions with broad job responsibilities. Dr. Edwards-Greer explained that the four participating CCAs and the consultant, Mercer, established 27 benchmark jobs, evaluated compensation, explored short-term incentives to understand total cash compensation (TCC), and evaluated CPA’s benefits package. The study included compensation data from the participating CCAs, general industry, energy utility, and public sector data for the establishment of base salary and TCC. The study found that CPA’s pay is approximately 6% below the CCA perspective median, with base salary within 10% of market median against three supplemental perspectives: general industry, utilities/energy, and public sector. The TCC is less competitive against the market, and the benefits package is competitive, except when compared to public sector organizations that offer rich benefits to make up for a lack of incentive pay. In aggregate, Dr. Edwards-Greer stated that CPA has a strong foundation to build on and there are opportunities to align with the market and enhance the competitiveness of the overall benefits package. Dr. Edwards-Greer reviewed the gap analysis in detail for each perspective, provided an analysis of the benefits valuations, emphasizing that CPA ranked 4% above the market median with most benefits ranking competitively, except for short-term disability. Dr. Edwards-Greer noted that the Executive Committee provided input on methodology to establish salary ranges in addition to base salary, including the establishment of ranges between the 50th and 75th percentile of benchmarks; inclusion of TCC benchmarks into the salary ranges; non-executive jobs should use a combination of appropriate industry benchmarks; establishment of salary ranges should not automatically translate into a significant increase in per employee salary costs in FY 2021/22. The final salary ranges were developed with Executive Committee feedback in mind and includes the following phases: build minimum salary entry points with expected pay progression; assign each job to a grade based on the target market pay; make internal equity adjustments based on internal considerations. Dr. Edwards-Greer reviewed the proposed salary grades and ranges, and their approval will not by themselves cause a significant increase in staffing costs, but rather provide guidance to salary administration and decisions moving forward. Lastly, Dr. Edwards-Greer stated that approved grades and ranges will guide CPA in employee evaluations, recruitment efforts, and in further developing job architecture.

Director Parkhurst expressed support for the item. Chair Mahmud added that she and Directors Santangelo and Gold participated in development of the salary grades. She noted that CPA is the largest CCA in the country and with only 35 employees, will be meeting its clean energy portfolio requirements ten years in advance of applicable law. Chair Mahmud noted that though salary ranges are larger than Board members are accustomed to seeing as public agency policymakers; considering the very detailed and technical responsibilities of CPA’s employees, attractive salary ranges are necessary. Director Horvath thanked staff for their work in helping CPA to be of great impact to the communities it serves but also to the broader industry and expressed support for providing not only competitive salary ranges but also career development opportunities. Vice Chair Kuehl expressed appreciation for the input of the Executive Committee and the research conducted to incorporate a balance of monetary compensation and benefits. Vice Chair Kuehl pointed out that a key consideration in building a salary
structure was the specialized nature of some of the positions at CPA and the need to compete and appreciated the consideration of the spread of the lowest and highest parts of the salary structure in comparison to the spreads found in the private sector. Vice Chair Parks echoed appreciation for staff and cautioned that salary ranges be sensitive to budget pressures and that CPA continue to operate in a fiscally conservative manner. Director McKeown stated strong support for the proposed salary ranges, noting that it reflects consideration for social justice; reflects maturation of the organization; and noted that the staffing budget is much less than it is in a municipal budget, with most of CPA’s money going towards energy procurement and customer programs.

Motion: Director McKeown, Santa Monica  
Second: Director Gold, Beverly Hills  
Vote: Item 9 was approved by a roll call vote.

10. Arrearage Management Plan Presentation

The Arrearage Management Program (AMP) was presented by Sherita Coffelt, Director of External Affairs. The statewide moratorium on electricity disconnections expires on June 30, 2021, and CPA will participate in AMP to support customers in need of help to pay down past-due balances and allow CPA to recover money owed to it by customers with past due bills. Under AMP, eligible customers who make on-time payments of their current bill (including both CPA and SCE charges), can eliminate one-twelfth of their past due balances. After 12 on-time payments, up to $8,000 of past-due balances would be forgiven. CPA would be reimbursed for this past due amount by SCE, who would, in turn, get cost recovery through the Public Purpose Program funds. As of mid-February, CPA has approximately 13,000 customers owing over $5.9 million to CPA who qualify for AMP. CPA will be promoting AMP with the objectives of collecting at least $1 million annually through AMP; support Power Share Program enrollment; connect customers to bill assistance programs and build CPA’s awareness in the communities it serves. Ms. Coffelt noted that a CPA-branded bill assistance campaign will launch in March and targeted outreach will begin in June and staff will develop a webpage, FAQs, social media, and press releases.

Chair Mahmud added AMP can provide much-needed assistance to residents in CPA’s communities and that CPA’s active marketing of the program is another service for the community above and beyond what is being provided by SCE.

11. Open Election of One (1) Ventura County At-Large Position on the Executive Committee

Chair Mahmud announced the nomination of Director Santangelo, City of Camarillo.

Motion: Director Luevanos, Simi Valley  
Second: Vice Chair Parks, Ventura County  
Vote: Regular Directors representing Ventura County jurisdictions unanimously elected Director Susan Santangelo, City of Camarillo, to the at-large position on the Executive Committee, representing Ventura County for a term ending on June 30, 2022.
MANAGEMENT REPORT

Ted Bardacke, Executive Director, discussed in detail the 2021 rates and budget schedule, which will end in June with the adoption of final rates and budget for fiscal year 2021/22, and noted that a comprehensive review of costs and revenues will be conducted throughout April and May regardless of SCE rate adjustments. While CPA will be able to adopt rates to meet costs and budgets, this will come without full certainty regarding CPA’s competitive targets for the rest of the year. Mr. Bardacke added that last year’s heat waves, the Texas energy crisis, and the shrinking amount of capacity for reliability services, will significantly increase CPA’s costs. Mr. Bardacke explained that the adoption of a rate setting approach refers to the priorities the Board wants to consider when setting rates will provide guidance and direction for staff and that guidance will translate into formal adoption of rates in June for the coming fiscal year.

Director Ashton asked if there is more time to allow for further insight into SCE’s rates. Mr. Bardacke said staff will know more as June approaches, however the CPUC may delay action on SCE rates and that CPA must establish a budget in June with realistic rates that cover costs. Vice Chair Kuehl asked about CPA’s budget adoption process and any opportunities to change the budget so as to not approach rate setting with SCE in mind, but rather CPA’s own needs. Mr. Bardacke noted that 92% of the budget is for cost of power and there is not a lot of opportunity to change the budget mid-year. However, there is some flexibility in the annual budget amendment to recalibrate for the cost of energy; and flexibility in adjusting the contribution to reserves and customer programs. Mr. Bardacke added that CPA staff has begun work on restructuring CPA’s rate setting approach, but a new approach would not be fully implemented this year.

Director Lee asked for more context on the PCIA and a brief description of the regulatory atmosphere affecting CPA and overall climate change goals. Mr. Bardacke explained that statewide there is an effort to be more aggressive in clean energy goals, transportation and building electrification, and the massive turnover in facilities that provide reliability will require investment in new clean energy resources, in addition to investments in the grid that will affect all customers. Mr. Langer briefly explained that the PCIA went up 27%, with a couple of short-term drivers being the inequity of the PCIA structure; the rising cost of resource adequacy; and the undercollection of the PCIA in 2020 as a result of a cap, for which CPA successfully negotiated a longer amortization of the balance. Director Lee inquired as to other actions Board members can take at the state level beyond SB 612 that would minimize the impact on rate increases. Mr. Bardacke responded that though there is a concern for rising rates, there no indication that the legislature will address the long-term structural issues that cause rate increases.

Mr. Bardacke discussed SCE’s upcoming replacement of its billing system through its Customer Service Re-Platform Project, and Board members should contact staff should there be customer billing issues.

COMMITTEE CHAIR UPDATES

Director Horvath, West Hollywood, announced the upcoming CPA Lobby Day that will provide an opportunity to engage with state legislators and invited Board members to participate in training sessions to prepare.
Director McKeown reported progress on the 2020 Clean Energy RFO and noted that staff will begin to negotiate contracts that will eventually come to the Board for approval.

**BOARD MEMBER COMMENTS**
Director Horvath, Redondo Beach, invited Board members to attend a South Bay Council of Governments event to discuss intersections between a variety of sectors and how those affect local municipalities.

**REPORT FROM THE CHAIR**
Board Chair Mahmud thanked Board members that have signed up to participate in CPA’s Lobby Day and thanked staff for the successful Board Reception and for the well-prepared six-minute informative video that showcases CPA’s work.

**ADJOURN**
Chair Mahmud adjourned the meeting at 4:07 p.m.
Staff Report – Agenda Item 2

To: Clean Power Alliance Board of Directors
From: Gina Goodhill, Policy Director
Approved By: Ted Bardacke, Executive Director
Subject: Support Position on SB 45 in the 2021/2022 Legislative Session
Date: April 1, 2021

RECOMMENDATION
Approve a Support position for SB 45 (Portantino) in the 2021/2022 Legislative Session, as recommended by the Legislative & Regulatory Committee, and direct staff to communicate those positions to the Governor, State Legislators, and other interested stakeholders.

DISCUSSION
SB 45 (Portantino) would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022, which would go to voters at the November 8, 2022 statewide general election. If approved, it would authorize the issuance of bonds in the amount of $5.51 billion pursuant to the State General Obligation Bond Law to finance projects for a wildfire prevention, safe drinking water, drought preparation, and flood protection program. Of this total, $2.2 billion would go to wildfire prevention and community resilience, $1.47 billion would go to protecting drinking water and water supply projects, $970 million would go to protecting coastal lands and oceans, $620 million would go to protecting fish and wildlife, $190 million would go to protecting agricultural lands, and $60 million would go to workforce development and education. At least 35% of the funds would be allocated for projects that provide meaningful and direct benefits to disadvantaged communities, disadvantaged populations, or economically distressed areas. Fifteen percent of this allocation would be for severely disadvantaged communities or extremely low-income households. Of the $2.2 billion of funding dedicated
to wildfire prevention and community resiliency, $570 million could be accessed by a Joint Powers Authority for projects that include microgrids, resiliency centers, cooling centers, back up solar power and storage, and home back-up power. These project categories align with CPA’s current resiliency investments, through the Power Ready program, to provide clean back up power for a critical facility in each member agency. Additional funding could allow CPA to expand this program.

CPA supported this bill in the 2019/2020 Legislative Session. Last session’s SB 45 (Allen) passed out of the Senate but because of a general “bill freeze” as a result of COVID-19, was not referred to a committee in the Assembly. The 2021/2022 bill has received robust support from local government and environmental groups and currently has no opposition. It passed out of the Senate Natural Resources and Water Committee and will next be heard in Senate Governance and Finance Committee. Much like in the previous legislative session, there is a similar bill in the Assembly, AB 1500 (E. Garcia), which would authorize a $6.7 billion general obligation bond if approved by voters.

Alignment with CPA 2021 Legislative & Regulatory Platform
The issues addressed in the bill aligns with CPA’s 2021 Legislative & Regulatory Platform, specifically section 2a.

ATTACHMENT
1) 2021 Legislative & Regulatory Platform (for reference)
2021 Legislative and Regulatory Policy Platform

Overview and Purpose
The Clean Power Alliance (CPA) Legislative and Regulatory Policy Platform (Platform) serves as a guide to the CPA Board of Directors and CPA staff in their advocacy efforts and engagement on policy matters of interest to CPA. The Platform allows both Board members and staff to pursue actions at the local, regional, state and federal legislative and regulatory levels in a consistent manner and with the understanding that they are pursuing actions in the best interest of the organization and its mission, its member agencies, and its customers. The Platform also enables the organization to move swiftly to respond to events in Sacramento (Legislative / Executive) and San Francisco (California Public Utilities Commission) and provides guidance to the Executive Director on the support or oppose positions that should be taken on legislative and regulatory matters that come before the California Community Choice Association (CalCCA) Board of Directors.

All CPA positions on individual bills are presented to the Board for approval, except during times of urgency as provided under the protocols approved by the CPA Board of Directors on June 7, 2018, that allow the Chair, Vice-Chairs, Legislative & Regulatory Committee Chair, and Executive Director to act on behalf of the organization in urgent advocacy matters.

Policy Principles
The Legislative and Regulatory Policy Platform is centered around four basic principles:

1. Protecting CPA’s local control and autonomy by its members, especially with regards to finances, power procurement, reliability, and local customer programs.

2. Ensuring equal treatment of unbundled and bundled customers by the CPUC and other state agencies.
3. Supporting recognition that electricity is an essential service, and that CPA should have the ability to set electric rates and offer programmatic services that are affordable and inclusive for all.

4. Pursuing environmental initiatives that exceed prescriptive State mandates, promote the growth in renewable energy capacity at the local level, encourage clean energy adoption by CPA customers, and reduce fossil fuel dependency.

Policy Platform

1) Local Control, Finance, and Power Procurement

CPA will pursue legislative and regulatory activity that:

a. Supports the authority of CPA and its Board to retain local control over its activities;

b. Supports the protection of CPA’s procurement autonomy;

c. Supports the ability of CPA to maintain control over its financial decisions;

d. Supports the ability of CPA to expand its service offerings and activities in response to a changing energy landscape;

e. Supports the ability of CPA to access state incentives for its customers and member agencies; and

f. Supports the ability of CPA to enhance reliability through accelerating the deployment of energy storage resources, fully valuing behind the meter energy resources, and expanding the use of demand response.

2) Equitable Treatment of CPA Customers

CPA will pursue legislative and regulatory activity that:

a. Supports the equal treatment of unbundled and bundled customers by the CPUC and the legislature; and

b. Supports the development of a State regulatory environment that is empowering for community energy providers.

3) Ratepayer Advocacy and Social Justice

CPA will pursue legislative and regulatory activity that:
a. Supports the protection of all ratepayers, particularly low-income customers, disadvantaged communities, and other vulnerable populations in CPA service territory;

b. Supports supplier diversity in CPA’s contracting activities and through women-owned, minority-owned, disabled-veteran-owned, and lesbian, gay, bisexual, and/or transgender owned business enterprises;

c. Supports workforce development with a focus on new stable, well-paying local jobs, and participation in a just transition to a low-carbon economy;

d. Supports the ability for CPA to set appropriate benchmarks for performance measurement using accepted industry standards; and

e. Supports increased access to clean energy technologies, clean energy and contracting jobs, and clean energy opportunities for low-income people and communities of color in CPA service territory.

4) Environmental Leadership

CPA will pursue legislative and regulatory activity that:

a. Supports the ability of CPA and its members to meet and exceed State goals for greenhouse gas emissions reductions (e.g. encouraging movement towards 100% renewable energy), climate action planning, and fossil fuel independence;

b. Supports the ability for CPA to promote growth in renewable energy capacity, resiliency and electrification at the local level, in a way that is equitable for all customers;

c. Supports the ability for CPA to promote electrification of the transportation sector, and to help implement Executive Order N-79-20 that bans the sale of new internal combustion engines in light duty vehicles by 2035; and

d. Supports the ability for CPA to promote electrification and the reduction of natural gas usage in the building sector.
To: Clean Power Alliance (CPA) Board of Directors  
From: David McNeil, Chief Financial Officer  
Approved by: Ted Bardacke, Executive Director  
Subject: Amended and Restated Revolving Credit Agreement with River City Bank  
Date: April 1, 2021  

RECOMMENDATION  
Adopt Resolution No. 21-04-013 authorizing and approving entry into an amended and restated revolving credit agreement and specified related agreements ("Amended Agreements") with River City Bank, and delegating authority to CPA Authorized Representatives to execute and deliver the Amended Agreements.

DISCUSSION  
In the spring of 2018 CPA undertook a request for proposal (RFP) process to select a bank to provide a credit facility and commercial banking relationship. River City Bank was selected from among respondents to the RFP and in May 2018 CPA's Board of Directors approved Credit Agreements (Original Agreements) of up to $31 million with River City Bank, of which $20 million was made available in August 2018. The credit agreements provide a revolving credit facility that CPA uses to provide letters of credit and to borrow funds to provide working capital. The Original Agreements were renewed by the Board on April 4, 2019 for a two-year term expiring on March 31, 2021 (Expiring Agreements), the amount of the credit facility was increased to $37 million and various fees were reduced.

In February 2021 the Finance Committee directed staff to negotiate a renewal of the Expiring Agreements with River City Bank for the following reasons: RCB proposed
favorable renewal terms that would reduce CPA’s costs, the timing of an RFP for an alternative facility was not optimal, and the proposed one-year term aligns with CPA’s timeline to obtain an investment grade credit rating.

In March 2021, the Finance Committee reviewed proposed renewal terms and recommended approval of the proposed Amended Agreements to the Board consistent with the terms described in the following section.

The Amended Agreements include the following changes to the Expiring Agreements:

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<td>Non utilization fee</td>
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(1) per annum over benchmark floating rate

The total estimated annual cost of the Amended Agreements is $97,000 and the annual cost savings vis a vis the expiring agreement is $60,000 per annum.

Staff are negotiating changes to Amended Agreements provisions relating to adjusted unrestricted tangible net position amounts, to the events of default, and other non-material administrative items. The Resolution authorizes CPA Authorized Representatives to make modifications to these provisions.

Staff believes that the Amended Agreements meet CPA’s borrowing and other financial needs at reasonable cost and that energy market participants will view the Amended Agreements as a positive indication of CPA’s financial strength and ability to continue meeting its obligations as agreed.
**FISCAL IMPACT**
Loan fees due in April 2021 are included in the FY 2020/21 Budget. Loan fees due in April 2022 will be included in the FY 2021/22 Budget that will be presented to the Board for approval in June 2021.

**ATTACHMENTS**
1) Resolution No. 21-04-013  
2) Proposed Amended and Restated Credit Agreement with River City Bank  
3) Proposed Second Amended and Restated Revolving Credit Note  
4) Assignment of Deposit Accounts
RESOLUTION NO. 21-04-013

RESOLUTION OF THE BOARD OF DIRECTORS OF CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA (CLEAN POWER ALLIANCE) AUTHORIZING AND APPROVING ENTRY INTO AN AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT, SECOND AMENDED AND RESTATED REVOLVING CREDIT NOTE, AND ASSIGNMENT OF DEPOSIT ACCOUNTS WITH RIVER CITY BANK, AND DELEGATING AUTHORITY TO THE CLEAN POWER ALLIANCE AUTHORIZED REPRESENTATIVES TO EXECUTE AND DELIVER THE SAME

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

WHEREAS, Clean Power Alliance of Southern California (formerly known as Los Angeles Community Choice Energy Authority) (“Clean Power Alliance”) was formed on June 27, 2017, under the provisions of the Joint Exercise Powers Act of the State of California, Government Code section 6500 et seq.;

WHEREAS, Clean Power Alliance 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;

WHEREAS, Clean Power Alliance maintains an office at 801 S. Grand Ave., Suite 400, Los Angeles, CA 90017 and this is the principal office at which it keeps its books and records;

WHEREAS, Clean Power Alliance and River City Bank (“Lender”) previously entered into that certain Credit Agreement (the “Credit Agreement”) dated as of August 7, 2018, as amended, to provide Clean Power Alliance with financing for working capital to procure energy and for other business purposes;

WHEREAS, on May 2, 2018, the Board, through Resolution 18-007, authorized and approved the Credit Agreement and related agreements with Lender and on April 4, 2019, the Board, through Resolution 19-04-008 authorized and approved amendments thereto (collectively, the “Original Agreements”);

WHEREAS, the term of the Original Agreements expires in March 31, 2021 and Clean Power Alliance desires to extend the term as well as adjust the available credit, interest rate, credit covenants, and other such terms through appropriate amendments; and,
WHEREAS, the Board wishes to authorize and approve entry into (a) the proposed Amended and Restated Credit Agreement with River City Bank; (b) the proposed Second Amended and Restated Revolving Credit Note; and (c) the proposed Assignment of Deposit Accounts (together, the “Amended Agreements”) by Clean Power Alliance and to authorize the Authorized Representatives, specified below, to execute and deliver such Amended Agreements on behalf of Clean Power Alliance in substantially the forms presented to this Board, with such modifications to the adjusted unrestricted tangible net position amounts, to the events of default, or to other non-material administrative provisions as the Authorized Representatives shall approve in the best interest of Clean Power Alliance.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED AS FOLLOWS:

(1) AUTHORIZED REPRESENTATIVES. The following named individuals are the authorized representatives of Clean Power Alliance with titles (collectively referred to as “Authorized Representatives” and individually referred to as an “Authorized Representative”):

<table>
<thead>
<tr>
<th>NAMES</th>
<th>TITLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ted Bardacke</td>
<td>Executive Director</td>
</tr>
<tr>
<td>Diana Mahmud</td>
<td>Chair of the Board</td>
</tr>
<tr>
<td>David McNeil</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Nancy Whang</td>
<td>General Counsel</td>
</tr>
</tbody>
</table>

(2) ACTIONS AUTHORIZED. Any one (1) of the Authorized Representatives are authorized and approved to execute and deliver to the Lender the Amended Agreements, in substantially the form as presented in this meeting, with such modifications to the adjusted unrestricted tangible net position amounts, to the events of default, or to other non-material administrative provisions as the Authorized Representative shall approve as in the best interest of Clean Power Alliance, such approval to be conclusively evidenced by the Authorized Representative’s execution and delivery thereof, and those Amended Agreements will bind the Clean Power Alliance. The Amended Agreements are incorporated herein by reference.

(3) FURTHER ACTIONS AUTHORIZED. Each of the Authorized Representatives is further authorized, approved, empowered, and directed to do any of the following for and on behalf of the Clean Power Alliance with respect to the Amended Agreements:

(a) **Borrow Money.** To borrow and authorize advances, letters of credit and other lending accommodations from time to time from Lender, on such terms as may be agreed upon between the Clean Power Alliance and Lender, such sum or sums of money as in its judgment should be borrowed in the aggregate total not to exceed $37,000,000.
(b) **Execute Notes.** To enter into, execute and deliver, in the name and on behalf of Clean Power Alliance, to Lender any loan agreement, promissory note or notes, letter of credit applications, requests, or other evidence of the Clean Power Alliance’s credit accommodations, in form and substance acceptable to Lender, at such rates of interest, not to exceed the maximum rate allowed by law, and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Clean Power Alliance’s indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

(c) **Grant Security.** To pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender the Debt Service Reserve Account (as defined in the Amended Agreements) and all other deposit accounts held by the Clean Power Alliance with Lender (collectively, the “**Collateral**”), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Clean Power Alliance to Lender at any time owing, however the same may be evidenced. Such property may be pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

(d) **Execute Security Documents.** To execute and deliver to Lender any assignment agreements, pledge agreements, mortgages, deeds of trust, security agreements, financing statements and other documents which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances.

(e) **Negotiate Items.** To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Clean Power Alliance or in which the Clean Power Alliance may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Clean Power Alliance’s account with Lender, or to cause such other disposition of the proceeds derived therefrom as it may deem advisable.

(f) **Further Acts.** In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such
lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements as any Authorized Representative may in his or her discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution.

**IT IS HEREBY FURTHER DETERMINED AND ORDERED** that the Authorized Representatives are duly elected, appointed, or employed by or for the Clean Power Alliance, as the case may be. This Resolution now stands of record on the books of the Clean Power Alliance, 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. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender’s address (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Clean Power Alliance’s agreements or commitments in effect at the time notice is given.

**IT IS FURTHER DETERMINED AND ORDERED** that this Resolution shall take effect upon its passage.

**ADOPTED AND APPROVED** this ______ day of April 2021.

By: __________________________
Diana Mahmud, Chair

ATTEST:

______________________________
Gabriela Monzon, Secretary
AMENDED AND RESTATED
CREDIT AGREEMENT
Dated as of April __, 2021
by and between
CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA,
as Borrower

and

RIVER CITY BANK,
as Lender
This AMENDED AND RESTATED CREDIT AGREEMENT (this “Agreement”) is entered into as of April ___, 2021, by and between CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA, a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code Section 6500 et. seq. (“Borrower”), and RIVER CITY BANK, a California corporation (“Lender”).

W I T N E S S E T H:

WHEREAS, Borrower and Lender have previously entered into that certain Credit Agreement (as amended, the “Original Credit Agreement”) dated as of August 7, 2018, pursuant to which Lender agreed to make available to Borrower a revolving credit facility;

WHEREAS, Borrower and Lender desire to amend, restate and replace the Original Credit Agreement, on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

SECTION 1. DEFINITIONS AND INTERPRETATION.

Section 1.1. Definitions. All capitalized terms used in this Agreement and not otherwise defined have the meanings ascribed to them in Exhibit A.

Section 1.2. Other Interpretive Provisions.

(a) Defined Terms. Unless otherwise specified herein or therein, all terms defined in this Agreement will have the same defined meanings when used in any certificate or other document made or delivered pursuant hereto. The meaning of defined terms is equally applicable to the singular and plural forms of the defined terms.

(b) References. The words “hereof”, “herein”, “hereunder” and words of similar import when used in this Agreement will refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection, section, schedule and exhibit references are to this Agreement unless otherwise specified.

(c) Certain Common Terms. The term “documents” includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced. The term “including” is not limiting and means “including without limitation.”

(d) Performance; Time. Whenever any performance obligation hereunder is stated to be due or required to be satisfied on a day other than a Business Day, such performance may be made or satisfied on the next succeeding Business Day. In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”, and the word “through” means “to and
including.” If any provision of this Agreement refers to any action taken or to be taken by any Person, or which such Person is prohibited from taking, such provision will be interpreted to encompass any and all means, direct or indirect, of taking, or not taking, such action.

(e) **Contracts.** Unless otherwise expressly provided herein, references to agreements and other contractual instruments, including this Agreement and the other Loan Documents, will be deemed to include all subsequent amendments thereto, restatements thereof and other modifications and supplements thereto which are in effect from time to time, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document.

(f) **Laws.** References to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

(g) **Dollars and $.** All references to “dollars” or “$” refer to United States dollars.

**Section 1.3. Accounting Principles.**

(a) Unless the context otherwise clearly requires, all accounting terms not expressly defined herein will be construed, and all financial computations required under this Agreement will be made, in accordance with GAAP, consistently applied.

(b) References herein to “fiscal year”, “fiscal quarter” and “fiscal month” refer to such fiscal periods of Borrower.

(c) If any change in GAAP results in a change in the calculation of the financial covenants or interpretation of related provisions of this Agreement or any other Loan Document, then Borrower and Lender agree to amend such provisions of this Agreement so as to equitably reflect such changes in GAAP with the desired result that the criteria for evaluating Borrower’s financial condition will be the same after such change in GAAP as if such change had not been made.

**SECTION 2. THE REVOLVING LINE OF CREDIT.**

**Section 2.1. Revolving Credit.** Subject to the terms and conditions of this Agreement, Lender agrees to make a revolving credit facility (the “Revolving Credit”) available to Borrower for the purpose of (a) providing short-term working capital, and (b) to support the issuance of Letters of Credit (each, a “Letter of Credit Advance”) in accordance with Section 4, such Revolving Credit to be in an aggregate principal amount not to exceed, at any one time, the Revolving Credit Commitment. The Revolving Credit will be disbursed in one or more advances (each, an “Advance”), provided that the conditions precedent to Advances specified in Section 9 are satisfied. Subject to the Revolving Credit Commitment and the other terms and conditions of this Agreement, Borrower may periodically request Advances; provided, however, that Lender will have no obligation to make Advances on or after the Revolving Credit Termination Date.
Section 2.2. Advances. Advances under this Agreement may be requested in writing by Borrower or any Authorized Representative appointed by Borrower. Borrower agrees that Lender may rely upon any written notice given by any person Lender in good faith believes is an Authorized Representative without the necessity of independent investigation.

Section 2.3. Promissory Notes. The Revolving Credit is evidenced by that certain Second Amended and Restated Revolving Credit Promissory Note (the “Promissory Note”) dated as of the date hereof, made, executed and delivered by Borrower and payable to the order of Lender in the original principal amount of $37,000,000.00.

For each Letter of Credit requested by Borrower and issued in accordance with Section 4, Borrower will execute and deliver to Lender a promissory note (each, a “Letter of Credit Note”), in form and substance satisfactory to Lender, in the stated principal amount equal to the face amount of such Letter of Credit. Each Letter of Credit Note will be deemed an Advance in the full stated principal amount thereof for purposes of determining Availability, the non-utilization fee described in Section 5.1(c), and the Minimum DSRA Balance. However, each Letter of Credit Note will evidence Borrower’s obligation to repay the lesser of the stated principal amount thereof or the unreimbursed amount (the “Unreimbursed Amount”) of any drawing actually paid by Lender to a beneficiary under a Letter of Credit, in accordance with Section 4.3. All references to “Advances” in Sections 2.4, 3.1 and 3.2 shall, with respect to a Letter of Credit Advance, refer solely to the outstanding Unreimbursed Amount(s) evidenced by the corresponding Letter of Credit Note.

Section 2.4. Repayment.

(a) Revolving Credit Termination Date. All Advances (including all outstanding principal and accrued but unpaid interest) under the Revolving Credit shall be due and payable in full on the Revolving Credit Termination Date. Until the Revolving Credit Termination Date, Borrower shall repay the Advances with interest as provided herein and in the Promissory Note. This is a revolving credit and any Advances repaid may be re-borrowed prior to the Revolving Credit Termination Date.

SECTION 3. INTEREST, LATE FEES, PREPAYMENTS AND APPLICATIONS.

Section 3.1. Interest Payments.

(a) Advances. The outstanding principal balance of Advances will bear interest (which Borrower hereby promises to pay at the rates and at the times set forth therein) prior to maturity (whether by lapse of time, acceleration or otherwise) at the Applicable Rate, until paid in full. After the occurrence of an Event of Default, including after maturity (whether by lapse of time, acceleration or otherwise), the outstanding principal balance of Advances will bear interest at the Default Rate, until paid in full. The determination of the Applicable Rate by Lender shall be conclusive and binding on Borrower in the absence of demonstrable error.
(b) **Interest Payment Dates.** Borrower will pay regular monthly payments of all accrued but unpaid interest on the Advances as of each Payment Date. Interest on Advances will be payable monthly in arrears on each Payment Date. Borrower will make all payments at the address specified in Section 3.4.

(c) **Late Fees.** If Borrower fails to make any payment of principal or interest under the Notes or any other sum payable hereunder or under any other Loan Document within five (5) calendar days after its due date, Lender will be entitled at its option to impose a late charge in an amount equal to six percent (6.00%) of the amount of such past due payment, which charge, if imposed by Lender, shall be due and payable by Borrower immediately upon receipt of written notice thereof.

Section 3.2. **Computation of Interest; Minimum and Maximum Interest Rates.** All interest on the Advances will be calculated on the basis of a year of 360 days for the actual number of days elapsed. In no event shall the applicable interest rate exceed the maximum rate allowed by law (including Government Code Section 53854).

Section 3.3. **Prepayments.**

(a) **Voluntary Prepayment.** Borrower may voluntarily prepay Advances, in whole or in part, at any time without any penalty or fee. In connection with such prepayment, Borrower may prepay the principal amount of any Note, in whole or in part, together with interest accrued on the principal amount prepaid, at its option and without premium, prior to the applicable Maturity Date or the Termination Date, as the case may be.

(b) **Mandatory Prepayment.** If for any reason at any time the aggregate total outstanding amount of Advances exceeds the Revolving Credit Commitment, then Borrower shall, without notice, prepay Advances (together with all accrued but unpaid interest thereon) in an amount equal to such excess.

(c) **Application of Prepayments.** All prepayments shall be applied in accordance with Section 3.4.

Section 3.4. **Place and Application of Payments and Collections.** All payments of principal, interest, fees and all other Obligations payable hereunder will be made to Lender at the following address no later than 2:00 p.m. (Pacific Standard Time) on the date any such payment is due and payable:

River City Bank  
Loan Center  
2485 Natomas Park Drive, Suite 400  
Sacramento, CA 95833

So long as any Event of Default has occurred and is continuing, Borrower agrees that Lender, in its sole and absolute discretion, may apply any payments or collections received by Lender from Borrower in respect of the Revolving Credit to any of the Obligations in any
manner or order as Lender desires. Lender’s receipt and application of payments or collections shall not constitute a waiver or cure of any Default.

Section 3.5. Notations. All Advances made and evidenced by a Note and the rates of interest applicable thereto will be recorded by Lender on its books and records or, at its option in any instance, endorsed on a schedule to such Note, and the unpaid principal balance and interest rates so recorded or endorsed by Lender will be prima facie evidence in any court or other proceeding brought to enforce such Note of the principal amount remaining unpaid, the status of the Advances evidenced by such Note and the applicable interest rates; provided, however, that the failure of Lender to record any of the foregoing will not limit or otherwise affect the obligation of Borrower to repay the principal amount of such Note together with accrued interest thereon. Prior to any negotiation of any Note, Lender will record on a schedule thereto the status of all amounts evidenced by such Note and the rates of interest applicable thereto.

Section 4. Letters of Credit.

Section 4.1. Letter of Credit Commitment.

(a) Subject to the terms and conditions of this Agreement, Lender agrees (1) to issue Letters of Credit in Dollars for the account of Borrower, and (2) to honor drawings under the Letters of Credit; provided that after giving effect to any Letter of Credit Advance, the aggregate principal amount of all Advances shall not exceed the Revolving Credit Commitment. Each request by Borrower for the issuance of a Letter of Credit shall be deemed to be a representation by Borrower that the Letter of Credit Advance so requested complies with the conditions set forth in the proviso to the preceding sentence and the other terms and conditions of this Agreement.

(b) Lender shall have no obligation to issue any Letter of Credit if:

(i) The initial expiry date of the requested Letter of Credit is more than twelve (12) months after the date of issuance;

(ii) The initial expiry date of the requested Letter of Credit is more than twelve (12) months after the Revolving Credit Termination Date;

(iii) The expiry date of the requested Letter of Credit, after giving effect to any auto-renewal feature, would occur more than seven (7) years after the date of issuance; provided, however, that this condition shall not apply (1) if the Letter of Credit is secured by Cash Collateral, or (2) Lender’s Chief Executive Officer or Chief Credit Officer approves a waiver of this condition in writing;

(iv) The requested Letter of Credit does not provide Lender with the opportunity to decline to renew the Letter of Credit at least annually, or requires Lender to provide a notice of non-renewal, if any, earlier than one hundred twenty (120) days before the expiration of the Letter of Credit;

(v) The requested Letter of Credit contains terms and conditions required by
the beneficiary that are deemed unacceptable to Lender;

(vi) Any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin Lender from issuing such Letter of Credit, or any law applicable to Lender or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over Lender shall prohibit, or request that Lender refrain from, the issuance of letters of credit generally, or such Letter of Credit in particular shall impose upon Lender with respect to such Letter of Credit any restriction, reserve or capital requirement (for which Lender is not otherwise compensated hereunder) not in effect on the date of this Agreement, or shall impose upon Lender any unreimbursed loss, cost or expense which was not applicable as of the date of this Agreement and which Lender in good faith deems material to it;

(vii) The issuance of such Letter of Credit would violate one or more policies of Lender generally applicable to the issuance of letters of credit;

(viii) The Letter of Credit is to be denominated in a currency other than Dollars;

(ix) The Letter of Credit provides for automatic reinstatement or renewal of the stated amount after any drawing thereunder; or

(x) The issuance of the Letter of Credit would cause the aggregate principal amount of all Advances to exceed the Revolving Credit Commitment at the time of issuance.

Section 4.2. Issuance of Letters of Credit.

(a) Each Letter of Credit shall be issued upon the request of Borrower delivered to Lender in the form of Lender’s standard Letter of Credit Application completed to the satisfaction of Lender and signed by an Authorized Representative of Borrower. Such Letter of Credit Application may be sent via electronic image or other electronic format, by US mail, overnight courier, or by any other means acceptable to Lender and must be received by Lender not later than ten (10) Business Days (or such later date as Lender may agree in its sole discretion) before the proposed issuance date. Such Letter of Credit Application shall specify in form and detail satisfactory to Lender: (i) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (ii) the amount thereof; (iii) the expiry date thereof; (iv) the name and address of the beneficiary thereof; (v) the documents to be presented by such beneficiary in the case of any drawing thereunder; (vi) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (vii) the purpose and nature of the requested Letter of Credit, which shall be to pay for power purchases or to provide collateral security for power purchases; and (viii) such other matters as Lender may require. Additionally, Borrower will furnish to Lender such other documents and information pertaining to such requested Letter of Credit issuance as Lender may request.

(b) Subject to the terms and conditions hereof, Lender shall, on the requested date, issue a Letter of Credit for the account of Borrower in such form as may be approved from time to time by Lender and in accordance with Lender’s usual and customary business practices.
(c) Promptly after its delivery of any Letter of Credit to the beneficiary thereof, Lender will also deliver to Borrower a true and complete copy of such Letter of Credit.

Section 4.3. Drawings and Reimbursements of Letters of Credit. Upon the presentment of any notice of drawing under any Letter of Credit by the beneficiary thereof which Lender determines to be in compliance with the conditions for payment thereunder, Lender will notify Borrower of the intended date of honor of such drawing. Not later than 5:00 p.m. (Pacific Standard Time) on the date (the “Reimbursement Date”) that is three (3) Business Days after any payment by Lender under a Letter of Credit (each such date, an “Honor Date”), Borrower shall reimburse Lender by making payment to Lender in an amount equal to the amount of such payment. Borrower’s failure to so reimburse Lender on or before the Reimbursement Date shall constitute an Event of Default under this Agreement.

Section 4.4. Unexpired Letters of Credit. Borrower agrees that, if any Letter of Credit has been issued by Lender or its correspondent and remains unexpired on the Revolving Credit Termination Date, then Borrower shall immediately provide Cash Collateral to Lender with a value of not less than 110% of the aggregate principal amount of all Letter of Credit Advances with respect to unexpired Letters of Credit.

Section 4.5. Obligations Absolute.

(a) The obligation of Borrower to reimburse Lender for each drawing under each Letter of Credit shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that Borrower may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) any waiver by Lender of any requirement that exists for Lender’s protection and not the protection of Borrower or any waiver by Lender that does not in fact materially prejudice Borrower;

(v) any honor of a demand for payment presented electronically, even if such Letter of Credit requires that demand be in the form of a draft;
(vi) any payment made by Lender in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC, the International Standby Practices (“ISP”) or the Uniform Customs and Practice for Documentary Credits (“UCP”), as applicable;

(vii) any payment by Lender under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by Lender under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or discharge of, any party to the Loan Documents.

(b) Borrower shall promptly examine a copy of each Letter of Credit that is delivered to it, and, in the event of any claim of noncompliance with Borrower’s instructions or other irregularity, Borrower will immediately notify Lender of such claim in writing. Borrower shall be conclusively deemed to have waived any such claim it would have against Lender and its correspondents unless such notice is given.

Section 4.6. Role of Lender as L/C Issuer. Borrower agrees that, in paying any drawing under a Letter of Credit, Lender or its correspondent shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by such Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering such document. None of Lender, any of its Related Parties nor any correspondent, participant or assignee of Lender shall be liable to Borrower for (i) any action taken or omitted in connection herewith at the request of Borrower; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit. Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude Borrower from pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. Neither Lender, nor any correspondent, participant or assignee of Lender shall be liable or responsible for any of the matters described in Section 4.2; provided, however, that anything in such clauses to the contrary notwithstanding, Borrower may have a claim against the Lender to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by Borrower which Borrower proves were caused by Lender’s willful misconduct or gross negligence or Lender’s willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) complying with the terms and conditions of such Letter of Credit. In furtherance and not in limitation of the foregoing, Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and Lender shall not be responsible for the validity or sufficiency of any instrument transferring
or assigning or purporting to transfer or assign a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunications ("SWIFT") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

Section 4.7. Applicability of ISP, Limitation of Liability. Unless otherwise expressly agreed by Lender and Borrower when a Letter of Credit is issued, the rules of the ISP shall apply to each Letter of Credit. Notwithstanding the foregoing, Lender shall not be responsible to Borrower for, and Lender’s rights and remedies against Borrower shall not be impaired by, any action or inaction of Lender required or permitted under any law, order or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the law of any jurisdiction where Lender or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade – International Finance Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

Section 4.8. Letter of Credit Fees. Borrower shall pay to Lender (i) fees upon the issuance of each Letter of Credit in an amount equal to the greater of one and a half percent (1.50%) per annum of the face amount thereof over the anticipated expiration period the ("Issuance Fee") or Four Hundred and 00/100 Dollars ($400.00) (the "Flat Fee"), (ii) a documentation fee in connection with the issuance or amendment of any Letter of Credit in an amount equal to Two Hundred Fifty and 00/100 Dollars ($250.00), and (iii) reasonable and customary fees upon the occurrence of any other activity with respect to any Letter of Credit (including without limitation, the transfer or cancellation of any Letter of Credit). The fee for any increase to a Letter of Credit shall be an amount equal to the greater of the Issuance Fee (based on the amount of the increase and remaining period) or the Flat Fee. Borrower shall pay to Lender market prices as reasonably determined by Lender for Letters of Credit issued by Lender’s correspondent banks. All Letter of Credit Fees will be due and payable in full upon request by Lender. Borrower acknowledges and agrees that (i) the fees listed above are Lender’s current fees, (ii) such fees are subject to change from time to time upon notice to Borrower, and (iii) Borrower will pay such fees as changed from time to time.

Section 4.9. Billing and Payment of the Issuance Fee. The Issuance Fee will be calculated by Lender and due and payable upon issuance of each Letter of Credit. Lender will calculate the Issuance Fee as 1.50% of the face amount of the Letter of Credit divided by 360 to arrive at a daily per diem. The daily per diem will be multiplied by the number of days in the anticipated expiration period to arrive at the Issuance Fee. The Issuance Fee may be subject to change based on increases, decreases, or early termination of the Letter of Credit.

SECTION 5. FEES.

Section 5.1. Borrower shall pay to Lender fees in connection with the Revolving Credit as follows:
(a) **Loan Fee.** A Loan Fee in an amount equal to 0.15% of the Revolving Credit Commitment ($55,500.00).

(b) **Documentation Fee.** A Documentation Fee in the amount of $1,000.00.

(c) **Non-Utilization Fee.** An annual non-utilization fee in an amount equal to 0.10% of the Average Daily Unused Amount of the Revolving Credit Commitment. The “Average Daily Unused Amount” means the sum of each calendar day’s Availability during the applicable period, divided by the number of days within the period. “Availability” means the difference between the Revolving Credit Commitment and the sum of all outstanding Advances at the close of business each day. The balance of any issued Letter of Credit shall be considered as part of the actual outstanding principal balance of the Revolving Credit. The non-utilization fee for the period commencing April 1, 2020 and ending March 31, 2021, shall be due and payable by April 15, 2021. The non-utilization fee for the period commencing April 1, 2021 and ending March 31, 2022, shall be due and payable by April 15, 2022. Notwithstanding the foregoing, upon the termination of the Revolving Credit (a) at the request of Borrower or (b) following the occurrence of any Event of Default, the non-utilization fee for the period from April 1, 2021 to the date of termination shall be due and payable immediately.

(d) **Other Costs and Fees.** Borrower shall be subject to and agrees to pay any and all other reasonable costs and fees incurred by Lender associated with the underwriting, documentation and administration of this Agreement, including the reasonable fees and expenses of legal counsel retained by Lender.

**SECTION 6.** [Intentionally omitted.]

**SECTION 7.** **COLLATERAL.**

**Section 7.1. Debt Service Reserve Account.** As a condition to Lender’s obligation to make any Advances, Borrower must maintain a restricted deposit account with Lender (the “Debt Service Reserve Account”), which may be interest bearing, with a balance of not less than 10.0% of the sum of all outstanding Advances (the “Minimum DSRA Balance”) at any time. Borrower hereby authorizes Lender, in its sole discretion, to deduct from the proceeds of any Advance and transfer to the Debt Service Reserve Account any amounts required to maintain the Minimum DSRA Balance. The Debt Service Reserve Account will be held in the name of Borrower and will serve as collateral for the Obligations. Borrower will pay on demand from time to time all customary account activity and administrative fees and charges in connection with the Debt Service Reserve Account.

**Section 7.2. Pledge and Security.** As security for the prompt payment and performance by Borrower of all Obligations, Borrower hereby unconditionally and irrevocably assigns, conveys, pledges, transfers, delivers, and confirms unto Lender, and hereby grants to Lender a continuing security interest in all Accounts, Revenues, the Debt Service Reserve Account, and all other deposit accounts held by Borrower with Lender (collectively, the “Collateral”), and (i) all replacements, substitutions or proceeds of the foregoing, (ii) all instruments and
documents now or hereafter evidencing the foregoing, (iii) all powers, options, rights, privileges and immunities relating to the foregoing, and (iv) all interest, income, profits and proceeds of the foregoing. If an Event of Default shall occur hereunder or under any of the Obligations, then Lender may, without notice or demand on Borrower, at its option: (A) withdraw any or all of the funds (including without limitation, interest) then remaining in the Debt Service Reserve Account and apply the same, after deducting all costs and expenses of safekeeping, collection and delivery, and all reasonable attorneys’ fees, costs and expenses incurred by Lender in connection with the Event of Default, to any amounts due and unpaid under this Agreement, any Note or any other Obligations in such manner and order as Lender shall deem appropriate in its sole discretion, (B) exercise any and all rights and remedies of a secured party under the Uniform Commercial Code or other applicable law, and/or (C) exercise any other remedies available at law or in equity. All rights and remedies of Lender hereunder and under any other Loan Document shall be cumulative.

Section 7.3. Restrictions on Debt Service Reserve Account. Borrower hereby acknowledges and agrees that Lender shall have exclusive control over the Debt Service Reserve Account, and Borrower shall have no right to withdraw funds from the Debt Service Reserve Account; provided, however, that Borrower may withdraw funds from the Debt Service Reserve Account from time to time if (1) the balance of the Debt Service Reserve Account will not be less than the Minimum DSRA Balance after giving effect to such withdrawal, (2) no Default or Event of Default has occurred and is continuing, and (3) no Event of Default would occur as a result of such withdrawal.

Section 7.3. Transfers from Lockbox Account. All Revenues from Borrower’s customers shall be deposited into the Lockbox Account. On the 23rd day of each month, funds due to Borrower’s energy suppliers shall be wired out after a dual authentication process by Lender. All amounts then remaining in the Lockbox Account (other than reserve amounts determined in accordance with the agreements governing the Lockbox Account) shall be transferred to Borrower’s operating and/or savings account with Lender and shall be subject to the assignment and security interest described in Section 7.2, free and clear of any liens in favor of anyone other than Lender. Prior to such transfer, the amounts on deposit in the Lockbox Account, to the extent of the suppliers’ interests therein, will not be subject to setoff or other exercise of Lender’s rights and remedies.

SECTION 8. REPRESENTATIONS AND WARRANTIES.

Borrower represents and warrants to Lender that, as of the date of this Agreement, as of the date of each Advance, and at all times any Obligations remain outstanding to Lender:

Section 8.1. Organization and Qualification; Authority; Consents. Borrower (a) is a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) that is qualified to be a community choice aggregator pursuant to California Public Utilities Code Section 366.2, and (b) has full and adequate power to own its Property and conduct its business as now conducted, and is duly licensed or qualified in each jurisdiction in which the nature of the business conducted by it or the nature of the Property owned or leased by it requires such licensing or qualifying unless the
failure to be so licensed or qualified would not have a material adverse effect on its business, operations or assets. Borrower has the agency power to enter into this Agreement and the other Loan Documents to which it is a party, to request the Advances and incur the Obligations provided for herein, to execute the Notes in evidence thereof, to pledge and encumber assets as security therefor, and to perform each and all of the promises herein and therein. This Agreement and the other Loan Documents to which Borrower is a party do not, nor does the performance or observance by Borrower of any of the matters or things herein or therein provided for, contravene any provision of law or the Joint Powers Agreement or any covenant, indenture or agreement of or affecting Borrower or any of its Properties, including any Power Purchase Agreements. The execution, delivery, performance and observance by Borrower of this Agreement and the other Loan Documents do not and, at the time of delivery hereof, will not require any consent or approval of any other Person, other than such consents and approvals that have been given or obtained.

Section 8.2. Legal Effect. This Agreement and the other Loan Documents to which Borrower is a party constitute legal, valid and binding agreements of Borrower, enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and the application of equitable remedies if equitable remedies are sought.

Section 8.3. Subsidiaries. Borrower has no Subsidiaries.

Section 8.4. Use of Proceeds. Borrower will use the proceeds of the Advances as provided herein and solely for purposes consistent with the purpose of Borrower as set forth in the Joint Powers Agreement, including for purposes consistent with the community choice aggregation program established by Borrower pursuant to California Public Utilities Code Section 366.2.

Section 8.5. Financial Reports. Effective with the delivery to Lender of the financial statements required by Section 10.2, the statements of financial condition of Borrower as at the date of such statements delivered to Lender, and the related statements of income, retained earnings and cash flows of Borrower for the fiscal year then ended and accompanying notes thereto, which financial statements are to be reviewed by an independent public accountant, and the unaudited interim statements of financial condition of Borrower as at the date of such statements delivered to Lender and the related statements of income and cash flows of Borrower for the period then ended, fairly present the financial condition of Borrower as at said dates and the results of its operations and cash flows for the periods then ended in conformity with GAAP applied on a consistent basis, subject (in the case of unaudited statements) year-end audit adjustments. Borrower has no contingent liabilities which are material to it other than, with respect to any financial statements delivered to Lender, as indicated on said financial statements.

Section 8.6. Full Disclosure. The statements and other information furnished to Lender in connection with the negotiation of this Agreement and the other Loan Documents and the commitment by Lender to provide the financing contemplated hereby do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading; provided that Lender acknowledges that, as to any projections furnished to Lender, Borrower only represents that the same were prepared on the
basis of information and estimates Borrower believed to be reasonable at the time such information was prepared.

Section 8.7. Litigation. There is no litigation or governmental proceeding pending, nor to the knowledge of Borrower threatened in writing, against Borrower which if adversely determined would result in any material adverse change in the financial condition, Properties, business or operations of Borrower.

Section 8.8. Good Title. Borrower has good and defensible title to its Properties as reflected on the most recent balance sheet of Borrower furnished to Lender, subject to no Liens other than Permitted Liens or as otherwise limited by applicable law.

Section 8.9. Members. Borrower is not a party to any contract or agreement with any of its members on terms and conditions which are less favorable to Borrower than would be usual and customary in similar contracts or agreements between Persons not affiliated with each other.

Section 8.10. Compliance with Laws. Borrower is in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to its Properties or business operations (including, without limitation, laws and regulations establishing quality criteria and standards for air, water, land and toxic or hazardous wastes and substances), non-compliance with which could have a material adverse effect on the financial condition, Properties, business or operations of Borrower. Borrower has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could have a material adverse effect on the financial condition, Properties, business or operations of Borrower.

Section 8.11. Other Agreements. Borrower is not in default under the terms of any covenant, indenture or agreement of or affecting Borrower or any of its Properties, which default if uncured would have a material adverse effect on the financial condition, Properties, business or operations of Borrower.

Section 8.12. No Default. No Default or Event of Default has occurred or is continuing.

Section 8.13. Sovereign Immunity. Borrower is not entitled to immunity from legal proceedings to enforce this Agreement or any other Loan Document to which Borrower is a party (including, without limitation, immunity from service of process or immunity from jurisdiction of any court otherwise having jurisdiction) and is subject to claims and suits for damages in connection with this Agreement or any other Loan Document to which Borrower is a party.

Section 8.14. Anti-Terrorism Laws. Borrower is not in violation of any law relating to terrorism or money laundering, including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 and the Patriot Act.
SECTION 9. CONDITIONS PRECEDENT.

Section 9.1. All Advances. The obligation of Lender to make any Advance is subject to the following conditions precedent:

(a) each of the representations and warranties set forth in Section 8 hereof and in the other Loan Documents shall be true and correct as of said time.

(b) Borrower shall be in full compliance with all of the material terms and conditions of this Agreement, the Notes, the Assignment of Deposit Account and all other Loan Documents, and no Default or Event of Default shall have occurred or be continuing.

(c) Lender shall have received properly completed and executed originals of the following in form and substance satisfactory to Lender:

(i) this Agreement;

(ii) a favorable written legal opinion from Borrower’s counsel as to the formation, existence and good standing of Borrower; the power and authority of Borrower to enter into this Agreement and perform its Obligations hereunder; and the due execution, validity and enforceability of this Agreement and the other Loan Documents;

(iii) a Request for Advance in the form of Exhibit B with supporting documentation;

(iv) the resolutions adopted by the Board of Directors of Borrower with respect to this Agreement and the other Loan Documents, certified by an Authorized Representative;

(v) an incumbency certificate containing the name, title and genuine signatures of each of Borrower’s Authorized Representatives;

(vi) payment by Borrower of all fees and other amounts required to be paid pursuant to Sections 5.1 and 12.4(a) of this Agreement;

(vii) copies (executed and certified, as may be appropriate) of the organizational documents of Borrower and all legal documents or proceedings (including minutes of board meetings) taken in connection with the execution and delivery of this Agreement, to the extent Lender or its counsel may reasonably request;

(viii) customer verification information for officers of Borrower and signers of the Loan Documents as Lender may require; and

(ix) evidence of liability insurance in form and substance satisfactory to Lender.
In the case of a Letter of Credit Advance, the request is made in accordance with Section 4:

The Debt Service Reserve Account shall be funded with a balance of not less than the Minimum DSRA Balance; and

Any legal matters incident to the execution and delivery of this Agreement and the other Loan Documents and to the transactions contemplated hereby and thereby shall be reasonably satisfactory to Lender and its counsel.

SECTION 10. COVENANTS.

Borrower covenants and agrees as follows:

Section 10.1. Maintenance of Business. Borrower shall preserve and maintain its existence. Borrower shall preserve and keep in force and effect all licenses, permits and franchises necessary to the proper conduct of its business and shall conduct its business affairs in a reasonable and prudent manner. Borrower shall maintain executive and management personnel with substantially the same qualifications and experience as the present executive and management personnel, and shall provide Lender with written notice of any change in executive and management personnel.

Section 10.2. Financial Reports. Borrower shall maintain a standard system of accounting in accordance with GAAP and shall furnish to Lender and its duly authorized representatives such information respecting the business and financial condition of Borrower as Lender may reasonably request; and without any request, Borrower shall furnish to Lender:

(a) monthly, as soon as available, and in any event within forty-five (45) days after the close of each month, an unaudited balance sheet of Borrower as of the last day of the period then ended and the statements of income, retained earnings and cash flows of Borrower for the period then ended, prepared in accordance with GAAP and in a form acceptable to Lender;

(b) monthly, as soon as available, and in any event within forty-five (45) days after the end of each month, an aged list of accounts receivable and accounts payable;

(c) annually, as soon as available, and in any event no later than one hundred eighty (180) days after each Fiscal Year End, a CPA-audited balance sheet of Borrower as of Fiscal Year End and CPA-audited statements of income, retained earnings and cash flows of Borrower for the period then ended, and accompanying notes thereto, each in reasonable detail showing in comparative form the figures for the previous fiscal year, accompanied by an unqualified opinion thereon of Borrower’s independent public accountants, to the effect that the financial statements have been prepared in accordance with GAAP and present fairly in accordance with GAAP the financial condition of Borrower as of the close of such fiscal year and the results of its operations and cash flows for the fiscal year then ended and that an examination of such accounts in connection with such financial statements has been made in accordance with generally accepted auditing standards and, accordingly, such examination included such tests of the accounting records and such other review procedures as were considered necessary in the circumstances;
(d) annually, upon Lender’s request, Borrower’s operating budget and financial projections for the next fiscal year, including projected income statements, statements of cash flow and a balance sheets;

(e) promptly after receipt thereof, any additional written reports, management letters or other detailed information contained in writing concerning significant aspects of Borrower’s operations and financial affairs given to it by its independent public accountants;

(f) promptly after knowledge thereof shall have come to the attention of any responsible officer of Borrower, written notice of any litigation threatened in writing or any pending litigation or governmental proceeding or labor controversy against Borrower which, if adversely determined, would materially adversely affect the financial condition, Properties, business or operations of Borrower or result in the occurrence of any Default or Event of Default hereunder; and

(g) promptly upon request, all such other information as Lender may reasonably request.

Each of the financial statements furnished to Lender pursuant to this Section 10.2 shall be accompanied by a written certificate signed by the accountant of Borrower, or other officer or person acceptable to Lender, to the effect that to the best of such officer’s knowledge and belief no Default or Event of Default has occurred during the period covered by such statements or, if any such Default or Event of Default has occurred during such period, setting forth a description of such Default or Event of Default and specifying the action, if any, taken by Borrower to remedy the same.

Section 10.3. Maintenance of Debt Service Reserve Account. Borrower shall ensure that the Debt Service Reserve Account and all other Collateral is pledged and assigned to Lender as collateral for the Obligations in accordance with Section 7.

Section 10.4. Exclusive Depository Relationship. Borrower shall maintain all of its deposit and banking accounts exclusively with Lender at all times.

Section 10.5. [Intentionally omitted.]

Section 10.6. Adjusted Unrestricted Tangible Net Position. Borrower shall maintain a minimum Adjusted Unrestricted Tangible Net Position, measured quarterly, as set forth in the table below.

“Adjusted Unrestricted Tangible Net Position” means total assets and deferred outflows of resources (including amounts in Borrower’s Rate Stabilization Fund), less temporarily and permanently restricted assets (excluding any amounts held in the Debt Service Reserve Account, but including amounts held in the Lockbox Account), less any intangible assets, less total liabilities.
### Date of Determination | Minimum Adjusted Unrestricted Tangible Net Position
---|---
6/30/2021 | $65,800,000
9/30/2021 | $51,900,000
12/31/2021 | $38,700,000
3/31/2022 | $32,000,000

Section 10.7. Inspection. Borrower shall permit Lender and its duly authorized representatives and agents, at such times and intervals as Lender may designate, but in any event, no more than six (6) times during any twelve (12) month period if no Default or Event of Default has occurred and is continuing: (i) to visit and inspect any of the Properties, books and financial records of Borrower and to examine and make copies of the books of accounts and other financial records of Borrower, and (ii) to discuss the affairs, finances and accounts of Borrower with, and to be advised as to the same by, the executive officers of Borrower and other officers, employees and independent public accountants of Borrower (and by this provision Borrower authorizes such accountants to discuss with Lender or its agents and representatives the finances and affairs of Borrower). Without limiting the generality of the foregoing, Borrower shall promptly provide all information and access requested by Lender as Lender determines is necessary or required in connection with the preparation of its own financial statements.

Section 10.8. Liens. Borrower shall not create, incur or permit to exist any Lien of any kind on any Property owned by Borrower; provided, however, that the foregoing shall not apply to nor operate to prevent:

(a) Liens arising by statute in connection with worker’s compensation, unemployment insurance, old age benefits, social security obligations, taxes, assessments, statutory obligations or other similar charges, good faith cash deposits in connection with tenders, contracts or leases to which Borrower is a party or other cash deposits required to be made in the ordinary course of business, provided in each case that the obligation is not Indebtedness for Borrowed Money and that the obligation secured is not overdue or, if overdue, is being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves have been established therefor;

(b) mechanics’, workmen’s, materialmen’s, landlords’, carriers’, or other similar Liens arising in the ordinary course of business with respect to obligations which are not due or which are being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest;

(c) the pledge of assets for the purpose of securing an appeal, stay or discharge in the course of any legal proceeding, provided that the aggregate amount of liabilities of Borrower secured by a pledge of assets permitted under this subsection, including interest and penalties thereon, if any, shall not be in excess of $200,000 at any one time outstanding;

(d) Liens arising pursuant to an approved Power Purchase Agreement; and
(e) Liens arising under the Loan Documents or otherwise in favor of Lender.

The Liens described in clauses (a) through (e) of this Section 10.8 are collectively referred to in this Agreement as the “Permitted Liens.”

Section 10.9. Investments, Acquisitions, Loans, Advances and Guaranties. Borrower shall not directly or indirectly, make, retain or have outstanding any investments (whether through purchase of stock or obligations or otherwise) in, or loans or advances (other than for travel advances and other similar cash advances made to employees in the ordinary course of business) to, any other Person, or acquire all or any substantial part of the assets or business of any other Person or division thereof, or be or become liable as endorser, guarantor, surety or otherwise for any debt, obligation or undertaking of any other Person, or otherwise agree to provide funds for payment of the obligations of another, or supply funds thereto or invest therein or otherwise assure a creditor of another against loss, or apply for or become liable to the issuer of a letter of credit which supports an obligation of another, or subordinate any claim or demand it may have to the claim or demand of any other Person.

Section 10.10. Compliance with Laws. Borrower shall comply in all respects with the requirements of all laws, rules, regulations, ordinances and orders applicable to or pertaining to its Properties or business operations, non-compliance with which could have a material adverse effect on the financial condition, Properties, business or operations of Borrower or could result in a Lien upon any of its Property.

Section 10.11. Contracts With Members. Borrower shall not enter into any contract, agreement or business arrangement with any of its members on terms and conditions which are less favorable to Borrower than would be usual and customary in similar contracts, agreements or business arrangements between Persons not affiliated with each other.

Section 10.12. Notices of Claims and Litigation. Borrower shall promptly inform Lender in writing of (a) all material adverse changes in Borrower’s financial condition and/or (b) all existing or written threats of litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower which could materially affect the financial condition of Borrower.

Section 10.13. Other Agreements. Borrower shall comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party, non-compliance with which could have a material adverse effect on the financial condition, Properties, business or operations of Borrower, and notify Lender immediately in writing of any default in connection with any other such agreements.

Section 10.14. Performance. Borrower shall timely perform and comply with all terms, conditions, and provisions set forth in this Agreement, the Notes and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender promptly in writing of any Default in connection with any Loan Document.
Section 10.15. Fiscal Year. Borrower shall not change its fiscal year without the prior written consent of Lender.

Section 10.16. Indebtedness for Borrowed Money. As of the date hereof, Borrower has no outstanding Indebtedness for Borrowed Money, and Borrower shall not issue, incur, assume, create or have outstanding any Indebtedness for Borrowed Money; provided, however, that the foregoing shall not restrict nor operate to prevent the Obligations of Borrower owing to Lender hereunder.

SECTION 11. EVENTS OF DEFAULT AND REMEDIES.

Section 11.1. Events of Default. Any one or more of the following will constitute an “Event of Default” hereunder:

(a) any default in the payment when due (whether by lapse of time, acceleration or otherwise) of (i) any payment of principal or interest under any Note, or (ii) any other Obligation, within five (5) days after payment or performance is due from Borrower; or

(b) any representation or warranty made by Borrower herein or in any other Loan Document, or in any statement or certificate furnished by it pursuant hereto or thereto, or in connection with any Advance made hereunder, is inaccurate or untrue in any material respect as of the date of the issuance or making thereof; or

(c) any event occurs or condition exists (other than those described in clauses (a) through (b) above) which is specified as an event of default under any of the other Loan Documents, or any of the Loan Documents for any reason ceases to be in full force and effect, or any of the Loan Documents is declared to be null and void, or Borrower takes any action for the purpose of repudiating or rescinding any Loan Document executed by it; or

(d) any judgment, order, writ of attachment, writ of execution, writ of possession or any similar legal process seeking an amount in excess of One Million Dollars ($1,000,000) is entered or filed against Borrower or any of Borrower’s Properties and remains unvacated, unbonded and unstayed for a period of ten (10) or more calendar days; or

(e) Borrower defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement in favor of any other creditor or Person that may materially affect any of Borrower’s Properties, Borrower’s ability to repay the Revolving Credit or Borrower’s ability to perform its Obligations under this Agreement or any of the other Loan Documents; or

(f) a material adverse change occurs in Borrower’s operations or financial condition, or Lender believes, in its reasonable discretion, the prospect of payment or performance of Borrower’s obligations under this Agreement is materially impaired, or a new law or regulation is passed (or an existing law or regulation is changed) which has a material adverse effect on Borrower; or
(g) Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any other Loan Document or in any other agreement between Lender and Borrower, which failure is capable of being cured, if such failure is not cured within thirty (30) days after written notice thereof from Lender; provided however, that if any such failure cannot reasonably be cured within such 30-day period, then the period to cure shall be deemed extended for up to an additional thirty (30) days after Lender’s initial default notice as long as Borrower diligently and continuously proceeds to cure such failure. Borrower agrees to reimburse Lender for all reasonable costs and expenses (including legal fees) incurred by Lender as a result of any failure described in this paragraph until cured; or

(h) any custodian, receiver, administrative receiver, administrator, trustee, examiner, liquidator or similar official is appointed over Borrower or any substantial part of any of its Properties, whether by court order, by operation of law or otherwise, or a Winding-Up proceeding is instituted against Borrower, and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of thirty (30) or more days, or Borrower becomes unable to pay or admits in writing its inability to pay its debts as they become due.

Section 11.2. Non-Insolvency Default Remedies. Upon the occurrence of any Event of Default described in clauses (a) through (g) of Section 11.1, Lender or any permitted holder of the Notes may, by notice to Borrower, take any of the following actions:

(a) terminate any obligation to extend any further credit hereunder (including but not limited to Advances) on the date (which may be the date thereof) stated in such notice;

(b) declare all Advances and all indebtedness under the Notes then outstanding (including all outstanding principal and all accrued but unpaid interest), and all other Obligations of Borrower to Lender, to be immediately due and payable without further demand, presentment, protest or notice of any kind; and

(c) exercise and enforce any and all rights and remedies contained in any other Loan Document or otherwise available to Lender at law or in equity.

Section 11.3. Insolvency Default Remedies. Upon the occurrence of any Event of Default described in Section 11.1(h), all Advances and all indebtedness under any Note then outstanding (including all outstanding principal and all accrued but unpaid interest), and all other Obligations of Borrower to Lender, will immediately become due and payable without presentment, demand, protest or notice of any kind, and Lender shall have no obligation to extend any further credit hereunder (including but not limited to Advances).

Section 12. MISCELLANEOUS.

Section 12.1. Holidays. If any payment hereunder becomes due and payable on a day which is not a Business Day, the due date of such payment will be extended to the next succeeding Business Day on which date such payment will be due and payable. In the case of any principal falling due on a day which is not a Business Day, interest on such principal amount
will continue to accrue during such extension at the Applicable Rate, which accrued amount will be due and payable on the next scheduled date for the payment of interest.

Section 12.2. No Waiver, Cumulative Remedies. No delay or failure on the part of Lender or on the part of the holder of any Note in the exercise of any power or right will operate as a waiver thereof or as an acquiescence in any Default, nor will any single or partial exercise of any power or right preclude any other or further exercise thereof, or the exercise of any other power or right. All rights and remedies of Lender and the holder of any Note are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have. Borrower agrees that in the event of any breach or threatened breach by Borrower of any covenant, obligation or other provision contained in this Agreement, Lender shall be entitled (in addition to any other remedy that may be available to Lender) to: (i) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision; and (ii) an injunction restraining such breach or threatened breach. Borrower further agrees that neither Lender nor any other person or entity shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 12, and Borrower irrevocably waives any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument.

Section 12.3. Amendments, Etc. No amendment, modification, termination or waiver of any provision of this Agreement or any other Loan Document nor consent to any departure by Borrower therefrom, will in any event be effective unless the same is in writing and signed by Lender. No notice to or demand on Borrower in any case will entitle Borrower to any other or further notice or demand in similar or other circumstances.

Section 12.4. Costs and Expenses.

(a) Borrower shall pay all reasonable out-of-pocket expenses incurred by Lender in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) including, without limitation, the fees specified in Section 5.1.

(b) Borrower agrees to pay on demand all reasonable costs and expenses (including attorneys’ fees and expert witness fees), if any, incurred by Lender or any other holder of the Obligations in connection with any Event of Default or the enforcement of this Agreement, any other Loan Document or any other instrument or document to be delivered hereunder, including without limitation any action, suit or proceeding brought against Lender by any Person which arises out of the transactions contemplated hereby or out of any action or inaction by Lender hereunder or thereunder.

Section 12.5. Indemnity. Whether or not the transactions contemplated hereby shall be consummated, Borrower shall indemnify, defend and hold harmless Lender and its officers, directors, employees, counsel, agents and attorneys-in-fact (each, an “Indemnified Person”) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses or disbursements (including attorneys’ costs and
expert witnesses’ fees), of any kind or nature whatsoever, that (a) arise from or relate in any way to the execution, delivery, enforcement, performance and administration of this Agreement and any other Loan Document, or the transactions contemplated hereby and thereby, and with respect to any investigation, litigation or proceeding (including any Winding-Up or appellate proceeding) related to this Agreement or the Advances or the use of the proceeds thereof, whether or not any Indemnified Person is a party thereto, and/or (b) may be incurred by or asserted against such Indemnified Person in connection with or arising out of any pending or threatened investigation, litigation or proceeding, or any action taken by any Person, arising out of or related to any Property of Borrower (all the foregoing, collectively, the “Indemnified Liabilities”); provided that Borrower shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities to the extent arising from the gross negligence or willful misconduct of such Indemnified Person.

No action taken by legal counsel chosen by Lender in defending against any investigation, litigation or proceeding or requested remedial, removal or response action vitiates or in any way impairs Borrower’s obligation and duty hereunder to indemnify and hold harmless Lender unless such action involved gross negligence or willful misconduct. Neither Borrower nor any other Person is entitled to rely on any inspection, observation, or audit by Lender or its representatives or agents. Lender owes no duty of care to protect Borrower or any other Person against, or to inform Borrower or any other Person of, any adverse condition affecting any site or Property. Lender is not obligated to disclose to Borrower or any other Person any report or findings made as a result of, or in connection with, any inspection, observation or audit by Lender or its representatives or agents.

The obligations of Borrower in this Section 12.5 shall survive the payment and performance of all other Obligations. At the election of any Indemnified Person, Borrower shall defend such Indemnified Person using legal counsel satisfactory to such Indemnified Person in such Indemnified Person’s sole discretion, at the sole cost and expense of Borrower. All amounts owing under this Section 12.5 shall be paid within thirty (30) days after demand.

Section 12.6. Right of Set Off. Without limiting any other provision of this Agreement, to the extent permitted by applicable law, Lender reserves a right of setoff in all of Borrower’s accounts with Lender (whether checking, savings, or some other account) other than the Lockbox Account. This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Except as limited by the preceding sentence, Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums due and owing from Borrower against any and all such accounts.

Section 12.7. Survival of Representations. All representations and warranties made herein or in certificates given pursuant hereto will survive the execution and delivery of this Agreement and the other Loan Documents, and will continue in full force and effect with respect to the date as of which they were made as long as any credit is in use or available hereunder.
Section 12.8. Notices. Except as otherwise specified herein, all notices hereunder will be in writing (including by hand, post, courier, email or telecopy) and will be given to the relevant party at its address, email address or telecopier number set forth below, or such other address or telecopier number as such party may hereafter specify by notice to the other given by certified or registered mail, by Federal Express or DHL, by telecopy or by other telecommunication device (including electronic mail) capable of creating a written record of such notice and its receipt. Notices hereunder will be addressed:

To Borrower at:
Clean Power Alliance of Southern California
801 S. Grand Ave., Suite 400, Los Angeles, CA 90017
Attention: Executive Director

To Lender at:
River City Bank
2485 Natomas Park Drive, Suite 400
Sacramento, CA 95833
Telephone: (916) 567-2700
Telecopy: (916) 567-2780
Attention: Malissa Karsseboom, Loan Center

Each such notice, request or other communication will be effective (i) if given by telecopier, when such telecopy or email is transmitted to the telecopier number or email address specified in this Section and a confirmation of such telecopy or email has been received by the sender, (ii) if given by mail, three (3) days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (iii) if given by any other means, when delivered at the addresses specified in this Section; provided that any notice given pursuant to Section 2.2 or Section 4.2 hereof will be effective only upon receipt.

For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower’s current address.

Section 12.9. Headings. Section headings used in this Agreement are for convenience of reference only and are not a part of this Agreement for any other purpose.

Section 12.10. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.
Section 12.11. Counterparts. This Agreement may be executed in any number of counterparts, and by different parties hereto on separate counterparts, and all such counterparts taken together will be deemed to constitute one and the same instrument.

Section 12.12. Assignments, Binding Nature, Governing Law, Etc. This Agreement will be binding upon Borrower and its permitted successors and assigns, and will inure to the benefit of Lender and the benefit of its permitted successors and assigns, including any permitted subsequent holder of any Note. This Agreement and the rights and duties of the parties hereto will be construed and determined in accordance with the internal laws of the State of California without regard to principles of conflicts of laws. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby. Borrower may not assign its rights hereunder without the written consent of Lender. Lender may assign its rights hereunder without the consent of Borrower, but only if after any such assignment Lender acts as the lead agent or administrative agent with respect to this Agreement.

Section 12.13. Submission to Jurisdiction; Waiver of Jury Trial. Borrower hereby submits to the nonexclusive jurisdiction of the United States District Court for the Eastern District of California and of any California State court sitting in the County of Sacramento for purposes of all legal proceedings arising out of or relating to this Agreement, the other Loan Documents or the transactions contemplated hereby or thereby. Borrower irrevocably waives, to the extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court has been brought in an inconvenient forum. Borrower hereby irrevocably waives, to the extent permitted by law, any and all right to trial by jury in any legal proceeding arising out of or relating to any Loan Document or in the transactions contemplated thereby.

Section 12.14. Time is of the Essence. Time is of the essence in the performance and enforcement of this Agreement and the other Loan Documents.

Section 12.15. Consent to Loan Participation. Borrower agrees and consents to Lender’s sale or transfer, whether now or later, of one or more participation interests in the Revolving Credit to one or more purchasers, whether related or unrelated to Lender, provided that at all times Lender manages the Revolving Credit such that Borrower may communicate exclusively with Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to this Agreement, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interest in the Notes and will have all the rights granted under the participation agreement or agreements governing the same of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower’s obligations under this Agreement irrespective of the failure or insolvency of any holder of any interest in the
Notes. Borrower further agrees that the purchaser of any such participation interests may enforce the interests irrespective of any personal claims or defenses that Borrower may have against Lender.

Section 12.16. No Recourse Against Constituent Members of Borrower. Borrower is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to the Joint Powers Agreement and is a public entity separate from its constituent members. Borrower shall be solely responsible for all debts, obligations and liabilities accruing and arising out of this Agreement and the Notes. Lender shall not make any claims, take any actions or assert any remedies against any of Borrower’s constituent members in connection with any payment default by Borrower under this Agreement or any other Loan Document.

Section 12.17. Restated Credit Agreement. This Agreement amends, restates and replaces in its entirety that certain Credit Agreement between Borrower and Lender dated August 7, 2018, as previously amended from time to time.

[Signatures appear on following page.]
Upon your acceptance hereof in the manner hereinafter set forth, this Agreement will constitute a contract between us for the uses and purposes hereinabove set forth.

Executed and delivered in Sacramento, California, as of the first date written above.

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA

By: _____________________________
Name: Ted Bardacke
Its: Executive Director

RIVER CITY BANK

By: _____________________________
Name: _____________________________
Title: _____________________________
EXHIBIT A

Definitions

“Accounts” means all rights to payment of a monetary obligation, whether or not earned by performance, (i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (ii) for services rendered or to be rendered, (iii) for a secondary obligation incurred or to be incurred, or (iv) for energy provided or to be provided.

“Adjusted Unrestricted Tangible Net Position” is defined in Section 10.6.

“Advance” is defined in Section 2.1.

“Agreement” means this Amended and Restated Credit Agreement, as the same may be amended, modified or restated from time to time in accordance with the terms hereof.

“Applicable Rate” means, as of each Rate Change Date, a variable rate of interest equal to the constant maturity yield on 1-Month US Treasury securities as published on page H.15 by the Board of Governors of the Federal Reserve System (https://www.federalreserve.gov/releases/h15/), plus 1.60% per annum, subject to a floor of 1.60% per annum. The Applicable Rate is subject to increase as provided herein.

“Authorized Representative” means those persons shown on the list of officers provided by Borrower pursuant to Section 9.1(c), or on any update of any such list provided by Borrower to Lender, or any further or different officer of Borrower so named by any Authorized Representative of Borrower in a written notice to Lender.

“Availability” is defined in Section 5.1(c).

“Average Daily Unused Amount” is defined in Section 5.1(c).

“Borrower” is defined in the introductory paragraph.

“Business Day” means a day (other than a Saturday or Sunday) on which banks are not authorized or required to be closed in Sacramento, California.

“Capital Lease” means at any date any lease of Property which in accordance with GAAP is required to be capitalized on the balance sheet of the lessee.

“Capitalized Lease Obligation” means the amount of liability as shown on the balance sheet of any Person in respect of a Capital Lease as determined at any date in accordance with GAAP.

“Cash Collateralize” means, to pledge and deposit with or deliver to Lender, as collateral for the Obligations, in each case, in Dollars and in such amount as Lender may
reasonably require, and pursuant to documentation in form and substance reasonably satisfactory to Lender. “Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Collateral” is defined in Section 7.2.

“Debt Service Reserve Account” is defined in Section 7.1.

“Debtor Relief Laws” means the United States Bankruptcy Code and all other liquidation, conservatorship, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Default” means any event or condition the occurrence that constitutes an Event of Default or would, with the passage of time or the giving of notice, or both, constitute an Event of Default.

“Default Rate” means the Applicable Rate plus five percent (5.0%).

“Dollars and $” mean lawful money of the United States.

“Event of Default” is defined in Section 11.1.

“Fiscal Year End” means June 30.

“Flat Fee” is defined in Section 4.8.

“GAAP” means generally accepted accounting principles as established and interpreted by the Governmental Accounting Standards Board (GASB) and as applied by Borrower.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank, or other entity exercising executive, legislative, judicial taxing, regulatory or administrative powers or functions of or pertaining to government.

“Honor Date” is defined in Section 4.3.

“Indebtedness for Borrowed Money” means, for any Person (without duplication), (i) all indebtedness created, assumed or incurred in any manner by such Person representing money borrowed (including by the issuance of debt securities), (ii) all indebtedness for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business not more than 120 days past due), (iii) all indebtedness secured by any Lien upon Property of such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness, (iv) all Capitalized Lease Obligations of such Person, and (v) all obligations of such Person on or with respect to letters of credit, banker’s acceptances
and other evidences of indebtedness representing extensions of credit whether or not representing obligations for borrowed money.

“Indemnified Liabilities” is defined in Section 12.5.

“Indemnified Person” is defined in Section 12.5.

“ISP” is defined in Section 4.5(a)(vi).

“Issuance Fee” is defined in Section 4.8.

“Joint Powers Agreement” means the Joint Powers Agreement of Borrower effective as of June 27, 2017, and as amended from time to time.

“Lender” is defined in the introductory paragraph.

“Letter of Credit” means any letter of credit issued hereunder.

“Letter of Credit Advance” and “Letter of Credit Advances” are defined in Section 2.1.

“Letter of Credit Note” is defined in Section 2.3.

“Lien” means any mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any Property, including the interests of a vendor or lessor under any conditional sale, Capital Lease or other title retention arrangement.

“Loan Documents” means this Agreement, the Notes, the Assignment of Deposit Account, and all other documents, certificates, instruments and agreements relating to the foregoing or otherwise executed by Borrower in connection with the Revolving Credit.

“Lockbox Account” means the lockbox agreement and lockbox account established with Lender, as custodian into which all revenues generated by Borrower must be deposited.

“Loan Fee” means one-quarter of one percent (0.15%) of the Revolving Credit Commitment.

“Maintenance and Operation Costs” shall be determined in accordance with the accrual basis of accounting in accordance with GAAP and shall mean the reasonable and necessary costs paid or incurred by Borrower for maintaining and operating the System, including costs of electric energy and power generated or purchased, costs of transmission and fuel supply, and including all reasonable expenses of management and repair and other expenses necessary to maintain and preserve the System in good repair and working order, and including all administrative costs of Borrower that are charged directly or apportioned to the maintenance and operation of the System, such as salaries and wages of employees, overhead, insurance, taxes (if any) and insurance premiums, and including all other reasonable and necessary costs of Borrower such as fees and
expenses of an independent certified public accountant and a consulting engineer, and including Borrower’s share of the foregoing types of costs of any electric properties co-owned with others, excluding in all cases depreciation, replacement and obsolescence charges or reserves therefore and amortization of intangibles and extraordinary items computed in accordance with GAAP or other bookkeeping entries of a similar nature. Maintenance and Operation Costs shall include all amounts required to be paid by Borrower under take or pay contracts.

“Maturity Date” means, for any Note, the date so specified in such Note as the Maturity Date.

“Minimum DSRA Balance” is defined in Section 7.1.

“Note” and “Notes” refers to the Promissory Note and any Letter of Credit Note, individually and collectively.

“Obligations” means and includes all loans, advances, debts, liabilities and obligations of Borrower to Lender, of every kind and description (whether or not evidenced by any note or instrument and whether or not for the payment of money), direct or indirect, absolute or contingent, due or to become due, now existing or hereafter owed by Borrower to Lender, whether in connection with the Loan Documents or otherwise, including without limitation all interest, fees, charges, expenses, attorneys’ fees and accountants’ fees chargeable to Borrower or payable by Borrower thereunder.

“Payment Date” means, other than the Revolving Credit Termination Date or any Maturity Date, the first day of each calendar month.

“Permitted Liens” is defined in Section 10.9.

“Person” means an individual, partnership, corporation, company, limited liability company, association, trust, unincorporated organization or any other entity or organization, including a government or agency or political subdivision thereof.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“Power Purchase Agreement” means (i) those certain Master Power Purchase and Sale Agreements, to be entered into by Borrower with power suppliers and (ii) any related agreements (including any security and collateral account agreements) and any amendments, modifications, and restatements of the foregoing.

“Promissory Note” is defined in Section 2.3.

“Rate Change Date” means the first calendar day of each calendar month.

“Reimbursement Date” is defined in Section 4.3.
“Related Parties” means, with respect to any Person, such Person’s affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s affiliates.

“Responsible Officer” means the Chief Executive Officer.

“Revenues” means the revenues of Borrower, as determined in accordance with GAAP, but excluding (i) any unrealized gain or loss resulting from changes in the value of investment securities, (ii) any gains on the sale or other disposition of fixed or capital assets not in the ordinary course of business and (iii) earnings resulting from any reappraisal, revaluation or write-up of fixed or capital assets.

“Revolving Credit” is defined in Section 2.1.

“Revolving Credit Commitment” means Thirty-Seven Million Dollars ($37,000,000.00).

“Revolving Credit Termination Date” means March 31, 2022.

“SWIFT” is defined in Section 4.6.

“System” means (i) all facilities, works, properties, structures and contractual rights to distribution, metering and billing services, electric power, scheduling and coordination, transmission capacity, and fuel supply of Borrower for the generation, transmission and distribution of electric power, (ii) all general plant facilities, works, properties and structures of Borrower, and (iii) all other facilities, properties and structures of Borrower, wherever located, reasonably required to carry out any lawful purpose of Borrower. The term shall include all such contractual rights, facilities, works, properties and structures now owned or hereafter acquired by Borrower.

“UCC” means the Uniform Commercial Code as enacted in the State of California.

“UCP” is defined in Section 4.5(a)(vi).

“Unreimbursed Amount” is defined in Section 2.3.

“Winding-Up” means, in relation to a Person, a voluntary or involuntary case or other proceeding or petition seeking dissolution, liquidation, reorganization, administration, assignment for the benefit of creditors or other relief under any federal, state or foreign bankruptcy, insolvency or other similar law now or hereafter in effect, or seeking the appointment of a custodian, trustee, receiver, liquidator or other similar official over that Person or any substantial part of that Person’s Properties.
EXHIBIT B

REQUEST FOR ADVANCE

$37,000,000 REVOLVING CREDIT

Clean Power Alliance of Southern California ("Borrower") hereby requests an advance under the Revolving Credit in accordance with the terms of the Amended and Restated Credit Agreement dated as of April __, 2021 (as amended from time to time, the “Credit Agreement”). Capitalized terms used but not defined herein shall have the definitions provided in the Credit Agreement.

Date of Request: ______________________

Amount Requested: ______________________

Purpose of Advance: ______________________

Disburse to Account No.: ______________________

Borrower hereby certifies that:

(i) After giving effect to the requested Advance, the sum of all outstanding Advances will not exceed the Revolving Credit Commitment;

(ii) As of the date hereof, the representations and warranties of Borrower in the Credit Agreement are true and correct in all material respects;

(iii) As of the date hereof, no event has occurred and is continuing or would result from the requested Advance that would constitute an Event of Default;

(iv) The Advance is requested the purposes permitted under the credit agreement and no portion of the Advance will be used to fund operating losses.

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA

By: ________________________________

Name: ________________________________

Title: ________________________________
SECOND AMENDED AND RESTATED REVOLVING CREDIT NOTE

$37,000,000

FOR VALUE RECEIVED, CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA, a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code Section 6500 et seq. ("Borrower"), promises to pay to the order of RIVER CITY BANK ("Lender") the principal sum of THIRTY-SEVEN MILLION and/100 DOLLARS ($37,000,000.00), pursuant to the terms of that certain Amended and Restated Credit Agreement dated as of the date hereof (as amended from time to time, the "Credit Agreement"), between Borrower and Lender, together with interest thereon as provided herein and therein. All payments under this Amended and Restated Revolving Credit Note ("Note") shall be made to Lender at its address specified in the Credit Agreement, or at such other place as the holder of this Note may from time to time designate in writing, in accordance with the terms of this Note and the Credit Agreement. Capitalized terms used but not defined in this Note shall have the definitions provided in the Credit Agreement.

Payment Terms. Borrower agrees to pay monthly payments of interest only on the unpaid principal balance of this Note as of each Payment Date. Interest will accrue prior to maturity (whether by lapse of time, acceleration or otherwise) at the Applicable Rate and after maturity (whether by lapse of time, acceleration or otherwise) at the Default Rate, until paid in full.

Maturity Date. The outstanding principal balance of this Note and all accrued but unpaid interest thereon shall be due and payable in full on the Revolving Credit Termination Date.

Default and Acceleration. Upon the occurrence of any Event of Default described in Section 10.1 of the Credit Agreement, Lender or any permitted holder of this Note may exercise any or all of the rights and remedies set forth therein, including the exercise of Lender’s option to accelerate this Note and declare all Advances and all indebtedness under this Note then outstanding to be immediately due and payable, with or without notice to Borrower, as applicable.

Miscellaneous. This Note and the holder hereof are entitled to all of the rights and benefits provided for in the Credit Agreement. All of the terms, covenants and conditions contained in the Credit Agreement are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of a conflict or inconsistency between the terms of this Note and the Credit Agreement, the terms and provisions of the Credit Agreement shall control.

This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.
This Note will be construed in accordance with, and governed by, the internal laws of the State of California.

Borrower promises to pay all costs and expenses (including reasonable attorneys’ fees and expert witnesses’ fees) suffered or incurred by Lender or subsequent holder of this Note in the collection of this Note or the enforcement Lender’s rights and remedies under the Credit Agreement.

Borrower hereby waives presentment for payment and demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forego enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive any applicable statute of limitations, presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) the obligations evidenced by this Note or release any party or guarantor or collateral, or impair, fail to realize upon or perfect Lender’s security interest in the collateral, if any; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify the terms of this Note without the consent of or notice to anyone other than the party with whom the modification is made.

Prior to signing this Note, Borrower read and understood all the provisions of this Note and the Credit Agreement, including the variable interest rate provisions in the Credit Agreement. Borrower agrees to the terms of this Note and the Credit Agreement. Borrower acknowledges receipt of complete copies of this Note and the Credit Agreement.

IN WITNESS WHEREOF, Borrower has duly executed this Note as of the day and year first above written.

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA

By: __________________________________________
    Ted Bardacke
    Its: Executive Director
ASSIGNMENT OF DEPOSIT ACCOUNTS

Grantor: Clean Power Alliance of Southern California
801 S. Grand Ave., Suite 400
Los Angeles, CA 90017

Lender: RIVER CITY BANK
Business Banking Group
2485 Natomas Park Drive
Sacramento, CA 95833

THIS ASSIGNMENT OF DEPOSIT ACCOUNTS dated ________, 2021 is made and executed among Clean Power Alliance of Southern California ("Grantor") and RIVER CITY BANK ("Lender").

ASSIGNMENT. For valuable consideration, Grantor assigns and grants to Lender a security interest in the Collateral, including without limitation the deposit account(s) described below, to secure the Indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

COLLATERAL DESCRIPTION. As used in this Agreement, the word "Collateral" means the following described deposit account(s) ("Accounts"):

(i) A deposit account from Grantor with Lender with reference number 7843090718, and all amendments, extensions, renewals, replacements of the accounts (all called the "Debt Service Reserve Account"), and all existing and future amounts in the Account, and all existing and future interest and other earnings on the Debt Service Reserve Account, and all proceeds. The Debt Service Reserve Account will at all times maintain the following minimum account balance:

Minimum Required Balance: the Minimum DSRA Balance (as defined in the Credit Agreement)

(ii) All other deposit accounts Grantor maintains with Lender.

together with (A) all interest, whether now accrued or hereafter accruing; (B) all additional deposits hereafter made to the Accounts; (C) any and all proceeds from the Accounts; and (D) all renewals, replacements and substitutions for any of the foregoing.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account) subject to Section 7.4 of the Credit Agreement. This includes all accounts Grantor holds jointly with someone else and all accounts Grantor may open in the future. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the Indebtedness against any and all such accounts.

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL. With respect to the Collateral, Grantor represents and promises to Lender that:

Ownership. Grantor is the lawful owner of the Collateral free and clear of all loans, liens, encumbrances, and claims except as disclosed to and accepted by Lender in writing.

Right to Grant Security Interest. Grantor has the full right, power, and authority to enter into this Agreement and to assign the Collateral to Lender.

No Prior Assignment. Grantor has not previously granted a security interest in the Collateral to any other creditor.
No Further Transfer. Grantor shall not sell, assign, encumber, or otherwise dispose of any of Grantor's rights in the Collateral except as provided in this Agreement.

No Defaults. There are no defaults relating to the Collateral, and there are no offsets or counterclaims to the same. Grantor will strictly and promptly do everything required of Grantor under the terms, conditions, promises, and agreements contained in or relating to the Collateral.

Proceeds. Any and all replacement or renewal certificates, instruments, or other benefits or proceeds related to the Collateral that are received by Grantor shall be held by Grantor in trust for Lender and immediately shall be delivered by Grantor to Lender to be held as part of the Collateral.

Validity; Binding Effect. This Agreement is binding upon Grantor and Grantor's successors and assigns and is legally enforceable in accordance with its terms.

Financing Statements. Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Collateral. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement. Grantor will promptly notify Lender of any change to Grantor's name or its jurisdiction of organization.

LENDER'S RIGHTS AND OBLIGATIONS WITH RESPECT TO THE COLLATERAL. While this Agreement is in effect, Lender may retain the rights to possession of the Collateral, together with any and all evidence of the Collateral, such as certificates or passbooks. This Agreement will remain in effect until (a) there is no longer any Indebtedness owing to Lender; (b) all other obligations secured by this Agreement have been fulfilled; and (c) Grantor, in writing, has requested from Lender a release of this Agreement.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the applicable rate charged under the Note (as selected by Lender in its sole discretion) from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of such Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. This Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

LIMITATIONS ON OBLIGATIONS OF LENDER. Lender shall use ordinary reasonable care in the physical preservation and custody of any certificate or passbook for the Collateral but shall have no other obligation to protect the Collateral or its value. In particular, but without limitation, Lender shall have no responsibility (A) for the collection or protection of any income on the Collateral; (B) for the preservation of rights against issuers of the Collateral or against third persons; (C) for ascertaining any maturities, conversions, exchanges, offers, tenders, or similar matters relating to the Collateral; nor (D) for informing Grantor about any of the above, whether or not Lender has or is deemed to have knowledge of such matters.
DEFAULT. Any Default or Event of Default under the Credit Agreement shall constitute an Event of Default under this Agreement.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of an Event of Default, or at any time thereafter, Lender may exercise any one or more of the following rights and remedies, in addition to any rights or remedies that may be available at law, in equity, or otherwise:

Accelerate Indebtedness. Lender may declare all Indebtedness of Borrower to Lender immediately due and payable, without notice of any kind to Borrower or Grantor.

Application of Account Proceeds. Lender may take directly all funds in any of the Accounts and apply them to the Indebtedness. If an Account is subject to an early withdrawal penalty, that penalty shall be deducted from such Account before its application to the Indebtedness, whether the Account is with Lender or some other institution. Any excess funds remaining after application of the Account proceeds to the Indebtedness will be paid to Borrower or Grantor as the interests of Borrower or Grantor may appear. Borrower agrees, to the extent permitted by law, to pay any deficiency after application of the proceeds of the Accounts to the Indebtedness. Lender also shall have all the rights of a secured party under the California Uniform Commercial Code ("Code"), even if the Accounts are not otherwise subject to the Code concerning security interests, and the parties to this Agreement agree that the provisions of the Code giving rights to a secured party shall nonetheless be a part of this Agreement.

Transfer Title. Lender may effect transfer of title upon sale of all or part of the Collateral. For this purpose, Grantor irrevocably appoints Lender as Grantor's attorney-in-fact to execute endorsements, assignments and instruments in the name of Grantor and each of them (if more than one) as shall be necessary or reasonable.

Other Rights and Remedies. Lender shall have and may exercise any or all of the rights and remedies of a secured creditor under the provisions of the Code, at law, in equity, or otherwise.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement.

Remedies Cumulative. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and any election by Lender to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Grantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.
Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Sacramento County, State of California.

Joint and Several Liability. All obligations of Borrower and Grantor, if they are different, under this Agreement shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Borrower and Grantor signing below is responsible for all obligations in this Agreement.

Preference Payments. Any monies Lender pays because of an asserted preference claim in Borrower's or Grantor's bankruptcy will become a part of the Indebtedness and, at Lender's option, shall be payable by Borrower and Grantor as provided in this Agreement.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other party, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Power of Attorney. Grantor hereby appoints Lender as its true and lawful attorney-in-fact, irrevocably, with full power of substitution to do the following: (1) to demand, collect, receive, receipt for, sue and recover all sums of money or other property which may now or hereafter become due, owing or payable from the Collateral; (2) to execute, sign and endorse any and all claims, instruments, receipts, checks, drafts or warrants issued in payment for the Collateral; (3) to settle or compromise any and all claims arising under the Collateral, and in the place and stead of Grantor, to execute and deliver its release and settlement for the claim; and (4) to file any claim or claims or to take any action or institute or take part in any proceedings, either in its own name or in the name of Grantor, or otherwise, which in the discretion of Lender may seem to be necessary or advisable. This power is given as security for the Indebtedness, and the authority hereby conferred is and shall be irrevocable and shall remain in full force and effect until renounced by Lender.
Waiver of Co-Obligor's Rights. If more than one person is obligated for the Indebtedness, Grantor irrevocably waives, disclaims and relinquishes all claims against such other person which Grantor has or would otherwise have by virtue of payment of the Indebtedness or any part thereof, specifically including but not limited to all rights of indemnity, contribution or exoneration.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any person or circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other person or circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Grantor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Agreement and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the Indebtedness.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Agreement shall survive the execution and delivery of this Agreement, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's Indebtedness shall be paid in full.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Code:

**Accounts.** The word "Accounts" means the deposit account(s) described in the "Collateral Description" section.

**Agreement.** The word "Agreement" means this Assignment of Deposit Accounts, as this Assignment of Deposit Accounts may be amended or modified from time to time, together with all exhibits and schedules attached to this Assignment of Deposit Accounts from time to time.

**Borrower.** The word "Borrower" means CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA.

**Collateral.** The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

**Credit Agreement.** The words "Credit Agreement" mean the Amended and Restated Credit Agreement dated as of the date hereof between Borrower and Lender, as amended or modified from time to time.

**Default.** The word "Default" means the Default set forth in this Agreement in the section titled "Default".

**Event of Default.** The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.
Grantor. The word "Grantor" means CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA.

Indebtedness. The word "Indebtedness" means all indebtedness of Borrower under the Credit Agreement, the Note or any of the Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or any of the Related Documents.

Lender. The word "Lender" means RIVER CITY BANK, its successors and assigns.

Note. The word "Note" means any and all Notes (as defined in the Credit Agreement) executed by Borrower in connection with a Revolving Credit (as defined in the Credit Agreement), together with all renewals, extensions, modifications, consolidations and replacements of such Notes.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

GRANTOR HAS READ AND UNDERSTANDS ALL THE PROVISIONS OF THIS ASSIGNMENT OF DEPOSIT ACCOUNT AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED __________, 2021.

GRANTOR:

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA

By: _________________________________

Its _______________________________
To: Clean Power Alliance (CPA) Board of Directors

From: Ted Bardacke, Executive Director

Subject: Amended and Restated Billing and Data Manager Agreement with Calpine Energy Solutions

Date: April 1, 2021

RECOMMENDATION
Approve amended and restated Billing and Data Manager Agreement with Calpine Energy Solutions, LLC ("Calpine Agreement") and amended and restated Distributed Energy Resources (DER) Service Agreement attached as Exhibit D to Calpine Agreement.

BACKGROUND
Calpine Energy Solutions has served as CPA’s Billing and Data Manager since inception, having been selected through a competitive process in 2018. At a cost of almost $12 million per year, the contract is CPA’s single largest non-energy expense, accounting for more than one-third of operating expenses. The current contract with Calpine runs through August 2022. Calpine serves a similar Billing and Data Manager role for all but three CCA programs in California and every operating CCA in Southern California Edison territory.

DISCUSSION
The recommended action amends the scope and extends the contract with Calpine effective April 1, 2021 for three additional years to 2025, with an optional fourth year, to achieve approximately $1.3 million in near-term cost savings and provide stability for this key function of CPA’s operations. Main features of the proposed amended contract include:
• A reduction in per meter fees to $0.85/$0.78 from the current $1.03/$0.90 per meter,¹ along with the introduction an inflation adjuster of up to 2.5% per year on the per meter fee and a fixed $25,000 monthly fee.

• New commitments to provide tools and underlying data over the next year that will enhance CPA’s ability to conduct its own data analysis with the most recent customer data available.

• Amendments to scope that refine what is considered Calpine’s “base service” in the per meter fee and “ad hoc services” for which CPA would be charged an hourly rate of $150/hr. Charges for ad hoc services would be for those services where Calpine offers CPA the self-service tools or underlying data noted above but for which CPA elects to have Calpine perform the analysis or service function instead of performing the function in-house.

• No-cost provision of three annual changes to all of CPA’s generation ("value") rates and, annually, 6,946 changes to individual rates on a structural basis, excluding changes related to the upcoming default to residential TOU rates or default rate changes by member agencies. More than three value changes or structural changes greater than the allotted amount are subject to a fixed cost schedule.

• Clarification that services related to changes in member agency default levels and the implementation of the 2022 residential time-of-use rate default transition and bill protection are base services included in the per meter fee.

• Various changes to Service Level commitment thresholds that Calpine must meet or be subject to Liquidated Damages.

• An eight-month extension to CPA’s Distributed Energy Resources (DER) pilot program (Power Response), which is operated by Olivine, a sub-consultant to Calpine. This portion of the Calpine contract was approved by the Board separately in October of 2019 and expires at the end of March. CPA will pay Olivine $20,000 per month under the extension agreement, providing a bridge service to maintain the Power Response program operational for the summer of 2021 after which CPA

¹ The higher fee is for the first 500,000 meters and the lower fee is for every meter above the 500,000 threshold. This differential accounts for economies of scale for a large Calpine customer like CPA.
can formally end the pilot program and launch a restructured Power Response program.

- Access to software provided by Recurve, which can assist CPA in targeting particular customers and/or customer groups where demand response programs would provide high value to both the customer and CPA.
- An end to Calpine’s sponsorship of the partnership with the Local Government Commission (LGC) to host CPA’s quarterly Sustainable Energy Incubator events and technical assistance services.
- Annual donation of 2% of contract revenue, approximately $200,000/year, to qualified 501(c)(3) community-based organizations in CPA territory that help to advance CPA’s community outreach and diversity, equity, and inclusion efforts.

Assuming CPA’s current number of customer meters, 500 hours of ad hoc service requests annually, and historic level of value and structural rate changes, the contract extension and amendment is estimated to result in approximately $1.3 million (11%) of cost savings in FY 2021/2022, compared to the current fiscal year. These savings would assist CPA with keeping operating costs stable in the coming years.2

**Commercial Rationale**

The new contract structure and reduced per meter fess are in line with, or better than, recent agreements that other CCAs have signed with Calpine.

Calpine is the dominant player in the Billing and Data Manager market and the only service provider with a track record of serving CCAs in SCE territory. Switching providers would introduce a new level of risk to CPA’s operations, particularly at a time when SCE is changing its entire billing system software; Calpine has been intimately involved in SCE’s billing system transition planning.

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2 Cost savings compared to FY 2020/21 would decline over time due to introduction of an inflation adjuster; however, the contract extension proposal does provide anticipated cost savings in every year of the contract extension even in the event that inflation hits the annual 2.5% cap every year.
The length of the contract extension allows the Billing and Data Manager market to further develop and for CPA to develop internal systems that could allow it to in-source or parse out functions to other providers in the future. CPA will issue a competitive solicitation for the billing, data manager, and other functions currently provided by Calpine at the end of the contract term.

The amended agreement with Olivine for Power Response will enable CPA to maintain its demand response program active and growing through the summer of 2021, when the risk of elevated demand and reliability events is high. The new Recurve software will assist CPA in the development of more precise customer targeting for demand response programs.

The services provided by LGC are no longer needed as CPA now has the staff capability to organize these types of events in-house at its new office when the ability to gather in-person is restored; CalCCA and others currently offer virtual events that are similar to those organized by LGC for CPA. LGC provided customized technical assistance to five member agencies (Camarillo, Carson, Culver City, Malibu, West Hollywood); each of these engagements has been successfully completed.

**FISCAL IMPACT**

The Amended and Restated Calpine Agreement will reduce CPA’s operating costs in the remainder of the FY 2020/21 and in each subsequent year of the contract extension. Funds for the FY 2020/21 portion of the Power Response extension are available in the FY 2020/21 Customer Programs budget. Funds for the Billing and Data Manager services in FY 2021/22 and the FY 2021/22 portion of the Power Response extension will be included in the FY 2021/22 budget to be presented to the Board in June.

**ATTACHMENT**

1) Amended and Restated Billing and Data Manager Contract with Calpine Energy Solutions, LLC (“Calpine Agreement”) - Redline
2) Amended and Restated Distributed Energy Resources (DER) Service Agreement (Exhibit D) – Redline
This Amended and Restated Agreement ("Agreement") dated and effective as of August 1, 2018 (the "Effective Date"), amended April __, 2021, is made by and between:

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA, ("CPA") or "Alliance")
and
Calpine Energy Solutions, LLC ("Consultant"), "Contractor," or "Calpine").

CPA and Consultant are sometimes collectively referred to herein as the "Parties" and each individually as a "Party." In consideration of the terms of this Agreement, and for other good and valuable consideration, the Parties make the following acknowledgments and agreements:

RECITALS

WHEREAS, CPA may contract with independent contractors for the furnishing of data management services to or for CPA; and

WHEREAS, the purpose of this Agreement is to set forth the terms and conditions upon which Consultant shall provide to the CPA.

NOW, THEREFORE, it is agreed by the parties to this Agreement as follows:

AGREEMENT

1. Exhibits and Attachments

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A – Description of Services
Exhibit B – Payments and Rates
Exhibit C – Joint Review
Exhibit D – Distributed Energy Resources (DER) Service Agreement

Should a conflict arise between language in the body of this Agreement and any exhibit or attachment to this Agreement, the language in the body of this Agreement controls, followed by Exhibit A, B, C, and D in that order.

2. Services to be Performed by Contractor.

In consideration of the payments set forth in this Agreement and in Exhibit B, Contractor shall perform services for CPA in accordance with the terms, conditions, and specifications set forth in this Agreement and in the Description of Services set forth in Exhibit A ("Services"). As provided by Exhibit B, Contractor shall perform the Services described in Exhibit A but will not invoice CPA nor will CPA owe payments to Contractor sooner than sixty (60) calendar days following the date on which the first CPA customer meter becomes active ("Meter Activation Date").
3. Payments

CPA agrees to compensate Consultant as follows:

a. In consideration of the Services provided by Contractor in accordance with all terms, conditions and specifications set forth in this Agreement and Exhibit A. CPA shall make payment to Contractor based on the rates and in the manner specified in Exhibit B. Contractor shall not invoice CPA nor will CPA owe payments to Contractor sooner than sixty (60) calendar days following the Meter Activation Date.

b. Unless otherwise indicated in Exhibit B, Contractor shall invoice CPA monthly for all fees related to Services performed during the previous month, or two months in the case of the first and second months’ invoices. Payments shall be due within thirty (30) calendar days after the date of invoice. All payments must be made in U.S. dollars.

4. Term

Subject to compliance with all terms and conditions of this Agreement, the term of this Agreement shall be from the Effective Date through July 31, 2022 ("Initial Term") with an automatic renewal term of 12 months ("Renewal Term"), unless CPA notifies Contractor by no later than October 31, 2024 of its decision not to renew. Each 12-month period starting from August 1 and ending July 31 shall be referred to as a “Contract Year.”

5. Termination

a. Termination for Default. Party defaults in the observance or performance by a Party of any such Party's material covenants or agreements in this Agreement (other than a default in a payment obligation) and such default continues uncured for thirty (30) Business Days after written notice is given to such Party failing to perform its covenants or agreements under this Agreement, provided, however, that for such events which require more than thirty (30) business days to cure, then the defaulting Party shall have such additional time as may reasonably be required to effect such cure provided that the defaulting Party diligently and continuously pursues such cure; or (iii) either Party makes an assignment or any general arrangement for the benefit of creditors or files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors or has such a petition filed against it or otherwise becomes bankrupt or insolvent (however evidenced) or is unable to pay its debts as they fall due.

b. Effect of Termination. Upon the effective date of expiration or termination of this Agreement: (i) Contractor may immediately cease providing Services hereunder; (ii) any and all payment obligations of CPA under this Agreement will become due immediately; and (iii) each Party will promptly either return or destroy (as directed by the other Party) all Confidential Information of the other Party in its possession as well as any other materials or information of the other Party in its possession. Upon such expiration or termination, and upon request of CPA, Contractor shall reasonably cooperate with CPA as described in Section 5 below to ensure a prompt and efficient transfer of all data, documents and other materials to CPA or a new service provider in a manner such as to minimize the impact of expiration or termination on CPA's customers. CPA agrees to pay Contractor compensation for Services performed in connection of such transfer, to the extent not contemplated in the Agreement.

c. Transition At Time Of Termination Or Expiry
i. In the event of termination or expiry of this Agreement, in whole or in part, Contractor and CPA shall, subject to the other terms of this Section 5, take commercially reasonable steps sufficient to ensure the orderly and effective transition of Services to CPA and/or a successor contractor ("Transition Assistance").

ii. All references in this Section 5 to termination or expiry shall include partial and complete termination or expiry, cancellation or cessation unless the context otherwise requires. In relation to any partial termination or expiry, the provisions of this Section 5 shall apply only to those parts of the Services subject to such partial termination or expiry.

iii. Each reference to an obligation of Contractor under this Section 5 shall be deemed to include an obligation on Contractor to require all relevant sub-contractors to comply with such obligation.

d. Transition Assistance Period

The "Transition Assistance Period" means a period of such duration as is determined by CPA in consultation with Contractor but in no event longer than one hundred eighty (180) calendar days commencing on the earlier of:

i. service of notice to terminate this Agreement;

ii. in case of a repudiatory breach of this Agreement, the date on which the non-defaulting party accepts such repudiatory breach as terminating this Agreement; or

iii. the expiry of the Initial Term or any Renewal Term (as the case may be).

e. Transition Assistance Election

During the Transition Assistance Period, Services will be discontinued or transitioned to CPA or a successor contractor at CPA's discretion and such transition shall then be performed in accordance with the Transition Plan required by subsection 5(f) below and with this Section 5. All applicable terms, conditions and specifications of this Agreement will remain in effect during the Transition Assistance Period (including but not limited to rates and charges, discounts, credits, waivers, service levels and key personnel) unless otherwise set forth in the Transition Plan.

f. Transition Assistance Planning

Promptly following the commencement of the Transition Assistance Period (and in any event within fourteen (14) calendar days of notice by either Party), or earlier at the request of CPA in consultation with Contractor, Contractor shall develop, together with CPA, a written transition assistance plan specifying in detail all activities, and the corresponding timing of such activities, necessary to facilitate an orderly and effective transition of Services ("Transition Plan"). The Transition Plan shall include detailed language describing how Contractor will satisfy the specific obligations described in subsection 5(i) below. The Transition Plan will also include all applicable fees requested by Contractor for provision of the Transition Services.
g. **Transition Assistance Obligations for Call Center Services**

The Transition Assistance provided by Contractor for terminated or expired Call Center Services during the Transition Assistance Period shall include the following services at no additional charge to CPA (unless otherwise agreed in the Transition Assistance Plan):

i. providing CPA or its designees with all proprietary information (including personally identifiable information, whether provided by CPA or SCE), materials and documents, electronic or otherwise, provided by CPA to Contractor in connection with this Agreement ("CPA Information") and CPA Materials, defined below, in Contractor's possession in a format mutually agreed by the Parties, as well any additional documentation relating to the Call Center Services which Contractor believes may be necessary or useful to enable the orderly and effective transition of such Call Center Services to CPA and/or a successor contractor;

ii. following consultation with Contractor, allowing CPA to observe Contractor's provision of the Call Center Services;

iii. providing CPA and/or a successor contractor with reasonable access to relevant Contractor staff in order to facilitate knowledge transfer related to the provision of the Call Center Services, which may include explanations from such staff who provided the Call Center Services, the manner of their provision and reasonably related documentation and providing answers to reasonable questions from CPA on the same;

iv. Contractor shall provide Transition Assistance in such a manner as to facilitate the uninterrupted performance of the Call Center Services either by CPA or a successor contractor.

h. **Transition Assistance Obligations for Data Manager Services**

Contractor shall provide to CPA all any and all data created by Contractor specifically for CPA in the performance of the Services pursuant to this Agreement ("CPA Materials"), in a format or formats acceptable to CPA, and will cooperate with CPA to provide other information reasonably requested by CPA in connection with the transition of the Data Manager Services to CPA or a successor contractor in order to facilitate the transition of the Data Manager Services.

6. **Contract Materials**

CPA owns all right, title and interest in and to all CPA Materials. Upon the expiration of this Agreement, or in the event of termination, CPA Materials and all CPA Information, in whatever form and in any state of completion, shall remain the property of CPA and shall be promptly returned to CPA. Upon termination, Contractor may make and retain a copy of such contract materials if permitted by law.

For the avoidance of doubt, Consultant's intellectual property, including but not limited to Consultant's internal systems, know-how, programs and work product shall remain the exclusive property of Consultant, and, with regard to any reports specifically for CPA, CPA shall have a perpetual, non-exclusive, royalty free (exclusive of payments made under this Agreement) license to use any such reports on an "as is" basis thereafter.
7. Payments of Permits/Licenses

Contractor bears responsibility to obtain any license, permit, or approval required for it to provide the Services to be performed under this Agreement at Contractor's own expense prior to commencement of the Services.

8. Relationship of Parties

CPA is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to the Joint Powers Agreement and is a public entity separate from its constitute members. CPA shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Consultant shall have no rights and shall not make any claims, take any actions or assert any remedies against any of CPA's constituent members in connection with this Agreement.

9. Confidential Information.

a. Consultant agrees that Consultant will hold all confidential information in confidence, and will not divulge, disclose, or directly or indirectly use, copy, digest, or summarize, any confidential information, except to the extent necessary to carry out Consultant's responsibilities as directed or authorized by CPA.

b. Confidential information shall not include: (l) information that is generally available to the public or in the public domain at the time of disclosure; (2) information that becomes publicly known other than through any breach of this Agreement by Consultant or its Representatives; (3) information which is subsequently lawfully and in good faith obtained by Consultant or its Representatives from a third party, as shown by documentation sufficient to establish the third party as the source of the confidential information; provided that the disclosure of such information by such third party is not known by Consultant or its Representatives to be in breach of a confidentiality agreement or other similar obligation of confidentiality; (4) information that Consultant or its Representatives develop independently without use of or reference to confidential information provided by Consultant; or (5) information that is approved for release in writing by CPA.

c. Notwithstanding the foregoing to the contrary, Consultant may, without being deemed to violate this Section 9, make such disclosures as are required in the ordinary course of its business to regulatory agencies (e.g. FERC, Cal-ISO, etc.)

10. Insurance

All required insurance coverages shall be substantiated with a certificate of insurance and must be signed by the insurer or its representative evidencing such insurance to CPA. The general liability policy shall be endorsed to include Clean Power Alliance of Southern California and its employees, officers and agents as additional insureds. The certificate(s) of insurance and required endorsement shall be furnished to CPA prior to commencement of work. The certificate(s) shall provide for thirty (30) days advance written notice to CPA of any cancellation or reduction in coverage. Said policies shall remain in force through the life of this Agreement and shall be payable on a per occurrence basis only, except those required by paragraph (d) below which may be provided on a claims-made basis consistent with the criteria noted therein.
Nothing herein shall be construed as a limitation on Consultant's obligation under paragraph 11 of this Agreement. CPA agrees to timely notify the Consultant of any negligence claim.

Failure to provide and maintain the insurance required by this Agreement will constitute a material breach of the Agreement. In addition to any other available remedies, CPA may suspend payment to the Consultant for any services provided during any time that insurance was not in effect and until such time as the Consultant provides adequate evidence that Consultant has obtained the required coverage.

(a) General Liability

The Consultant shall maintain a commercial general liability insurance policy in an amount of no less than one million ($1,000,000) with a two million dollar ($2,000,000) aggregate limit. CPA shall be named as an additional insured on the commercial general liability policy and the Certificate of Insurance shall include an additional endorsement page.

(b) Auto Liability

Where the services to be provided under this Agreement involve or require the use of any type of vehicle by Consultant in order to perform said services, Consultant shall also provide comprehensive business or commercial automobile liability coverage including non-owned and hired automobile liability in the amount of one million dollars combined single limit ($1,000,000).

(c) Workers' Compensation

The Consultant acknowledges the State of California requires every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of the Labor Code. If Consultant has employees, a copy of the certificate evidencing such insurance or a copy of the Certificate of Consent to Self-Insure shall be provided to CPA prior to commencement of work.

(d) Professional Liability Insurance

Coverages required by this paragraph may be provided on a claims-made basis with a “Retroactive Date” either prior to the date of the Agreement or the beginning of the contract work. If the policy is on a claims-made basis, coverage must extend to a minimum of twelve (12) months beyond completion of contract work. If coverage is cancelled or non-renewed, and not replaced with another claims made policy form with a “retroactive date” prior to the Agreement effective date, the Consultant must purchase “extended reporting” coverage for a minimum of twelve (12) months after completion of contract work. Consultant shall maintain a policy limit of not less than $1,000,000 per incident. If the deductible or self-insured retention amount exceeds $100,000, CPA may ask for evidence that Consultant has segregated amounts in a special insurance reserve fund or Consultant's general insurance reserves are adequate to provide the necessary coverage and CPA may conclusively rely thereon.

Consultant shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Agreement. Consultant shall monitor the safety of the job site(s) during the project to comply with all applicable federal, state, and local laws, and to follow safe work practices.
(e) Cyber Liability Insurance

The Consultant shall maintain cyber liability insurance in the amount of $1,000,000 that covers liabilities for cyber and data breach activities.

11. Indemnification

The Consultant shall, to the extent permitted by law, indemnify, defend and hold harmless the CPA, its employees, officers, agents and volunteers, from and against, any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), (collectively "CPA Claims") arising from and/or relating to this Agreement but only to the extent that such CPA Claims to the extent caused by Consultant's negligent acts, errors or omissions, or the negligent acts, errors or omissions of Consultant's employees, agents, or subcontractors while in the performance of the terms and conditions of the Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of CPA, elected and appointed officers, employees, agents and volunteers.

This Indemnification shall apply only to the extent of the Consultant's acts and omissions, which shall be deemed to include any contractor, subcontractor, agent, and/or employee of the Consultant. In addition to the stated parties, the Consultant shall include any other person or entity under Consultant's direction and control.

12. Independent Contractor

a. As an independent contractor, Consultant acknowledges that Consultant will not be deemed to be an employee of Consultant for any purpose whatsoever, including, but not limited to: (i) eligibility for inclusion in any retirement or pension plan that may be provided to employees of Consultant; (ii) sick pay; (iii) paid non-working holidays; (iv) paid vacations or personal leave days; (v) participation in any plan or program offering life, accident, or health insurance for employees of Consultant; (vi) participation in any medical reimbursement plan; or (vii) any other fringe benefit plan that may be provided for employees of Consultant.

b. Consultant declares that Consultant will comply with all federal, state, and local laws regarding registrations, authorizations, reports, business permits, and licenses that may be required to carry out the work to be performed under this Agreement. Consultant agrees to provide CPA with copies of any registrations or filings made in connection with the work to be performed under this Agreement.

c. CPA agrees and understands that Consultant may provide the same or similar services to other parties.

13. Force Majeure

a. Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Agreement, if such failure arises out of fires, floods, epidemics, quarantine, restrictions, or other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this sub-paragraph as "force majeure events").
b. Notwithstanding the foregoing, a default by a subcontractor of Consultant shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Consultant and such subcontractor, and without any fault or negligence of either of them. In such case, Consultant shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Consultant to meet the required performance schedule. As used in this sub-paragraph, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.

c. In the event Consultant's failure to perform arises out of a force majeure event, Consultant agrees to use commercially reasonable efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

14. Compliance with Applicable Laws

The Consultant shall comply with any and all applicable federal, state and local laws and resolutions affecting services covered by this Agreement.

15. Nondiscriminatory Employment

Consultant and/or any permitted subcontractor, shall not unlawfully discriminate against any individual based on race, color, religion, nationality, sex, sexual orientation, age or condition of disability. Consultant and/or any permitted subcontractor understands and agrees that Consultant and/or any permitted subcontractor is bound by and will comply with the nondiscrimination mandates of all federal, state and local statutes, regulations and ordinances.

16. Notices

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of CPA, to:

Name/Title: Theodore Bardacke, Executive Director
Address: 555 W 5th Street, 35th Floor
801 S. Grand Ave., Suite 400, Los Angeles, CA 90017
Telephone: (213) 269-5870
Email: tbardacke@cleanpoweralliance.org

With a copy (which shall not constitute notice as required or permitted herein) to:

Name/Title: Nancy Whang, General Counsel
Address: 801 S. Grand Ave., Suite 400, Los Angeles, CA 90017
Telephone: (213) 595-7818
Email: nwhang@cleanpoweralliance.org
In the case of Contractor, to:

Name/Title: Calpine Energy Solutions, LLC;
Attn: Legal Department
Address: 401 W A Street, Suite 500. San Diego, CA 92101
Telephone: 619-684-8251
Email: Sean.White@calpinesolutions.com

17. Assignment

Consultant shall not assign this Agreement or any portion of it to a third party without the prior written consent of CPA, which shall not be unreasonably withheld. Any such assignment without CPA's prior written consent shall give CPA the right to automatically and immediately terminate this Agreement without penalty or advance notice. Notwithstanding the foregoing to the contrary Consultant may assign this Agreement to an Affiliate upon prior written consent of the CPA. "Affiliate" shall mean any person or entity that controls, is controlled by, or is under common control with Consultant.

18. Subcontracting

Consultant may not subcontract Services to be performed under this Agreement without the prior written consent of CPA, which shall not be unreasonably withheld. If the CPA's written consent to a subcontract is not obtained, Consultant acknowledges and agrees that CPA will not be responsible for any fees or expenses claimed by such subcontractor.

CPA acknowledges that Consultant utilizes Energy Choice California, Olivine, Local Government Commission, & Integral Analytics and Recurve as a subcontractor for the services provided herein and agrees that Consultant's use of Energy Choice California, Olivine, Local Government Commission, & Integral Analytics and Recurve as a subcontractor, in and of itself, does not violate this Section 18; provided that nothing contained herein shall change the obligations regarding the optional services provided by Olivine, Inc. as described in Exhibits A, B, and D.

19. Retention of Records and Audit Provision

Consultant and any subcontractors authorized by the terms of this Agreement shall keep and maintain on a current basis full and complete documentation and accounting records, employees' time sheets, and correspondence pertaining to this Agreement. Such records shall include, but not be limited to, documents supporting all income and all expenditures. CPA shall have the right, during regular business hours, to review and audit all records relating to this Agreement during the Agreement period and for at least five (5) years from the date of the completion or termination of this Agreement. Any review or audit may be conducted on Consultant's premises or, at CPA's option, Consultant shall provide all records within a maximum of fifteen (15) days upon receipt of written notice from CPA. Consultant shall refund any monies erroneously charged. Consultant shall have an opportunity to review and respond to or refute any report or summary of audit findings, and shall promptly refund any overpayments made by CPA based on undisputed audit findings.

20. Conflict of Interest

a. No CPA employee whose position with the CPA enables such employee to influence the award of this Agreement or any competing Agreement, and no spouse or economic dependent of such employee, shall be employed in any capacity by the contractor or have any other direct or indirect...
financial interest in this Agreement. No officer or employee of the Consultant who may financially benefit from the performance of work hereunder shall in any way participate in the CPA's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the CPA’s approval or ongoing evaluation of such work.

b. The Consultant shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. The Consultant warrants that it is not now aware of any facts that create a conflict of interest. If the Consultant hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to CPA. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this paragraph shall be a material breach of this Agreement.

21. Governing Law, Jurisdiction, and Venue

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. The Consultant agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

22. No Third Party Beneficiaries

This Agreement is intended for the benefit of the Parties hereto and is not intended and shall not be construed as conferring any interest or rights with respect to or in connection hereto, except as otherwise expressly provide for herein.

23. Amendments

None of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the Parties.

24. Severability

Should any provision of this Agreement be held invalid or unenforceable by a court of competent jurisdiction, such invalidity will not invalidate the whole of this Agreement, but rather, the remainder of the Agreement which can be given effect without the invalid provisions, will continue in full force and effect and will in no way be impaired or invalidated.

25. Complete Agreement

This Agreement constitutes the entire Agreement between the parties. No modification or amendment shall be valid unless made in writing and signed by each party. Failure of either party to enforce any provision or provisions of this Agreement will not waive any enforcement of any continuing breach of the same provision or provisions or any breach of any provision or provisions of this Agreement.

26. Counterparts

This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement.
27. Limitation of Liability

For breach or default arising from any provision for which an express remedy is provided herein, such remedy or measure of damages shall be the sole and exclusive remedy and all other remedies or damages at law or in equity are waived. If no remedy or measure of damages is expressly provided herein, liability shall be limited to direct, actual damages only, such direct, actual damages shall be the sole and exclusive remedy, and all other remedies or damages at law or in equity are waived. Except as may be included in an express remedy provided for herein, neither party shall be liable to the other party for any indirect, special, consequential, punitive or exemplary damages arising out of or related to this agreement, including lost profits or business interruption damages, whether based on statute, contract, tort, or otherwise, without regard to cause or the negligence of any Party, whether sole, joint, active or passive, and each Party hereby releases the other Party from any such liability, even if during the term hereof it advises the other of the possibility of such damages. Notwithstanding the foregoing to the contrary, but expressly subject to the limitation on types of damages in the foregoing sentence, it is the intent of the Parties for CPA to have the full benefit of the indemnity of Article 11, above. To the extent any damages required to be paid hereunder are liquidated, the Parties acknowledge that the damages are difficult or impossible to determine, or otherwise obtaining an adequate remedy is inconvenient and the damages calculated hereunder constitute a reasonable approximation of the harm or loss. The provisions of this Section 27 shall apply to the fullest extent permitted by law.

[Signatures on the following page]
IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

Calpine Energy Solutions, LLC                  Clean Power Alliance of Southern California

____________________________ ______________________________
By: __________________________ By: Ted Bardacke
Title: _________________________ Executive Director

APPROVED AS TO FORM:

MARY C. WICKHAM
Count Nancy Whang
General Counsel

By ________________________________
  Senior Deputy County General Counsel
EXHIBIT A – DESCRIPTION OF SERVICES

Standard Services

Under the direction of the Clean Power Alliance Project Manager, Contractor shall provide all the following standard services:

1. Electronic Data Exchange Services
   a. Process and manage CCA Service Requests (“CCASRs”) from/to SCE which specify the changes to a customer's choice of service(s) such as enrollment in CCA programs, customer initiated returns to bundled utility service or customer initiated returns to direct access service (Electronic Data Interchange Files).
   b. Obtain and provide to CPA all customer usage and net generation (when applicable) data via EDI 867 transactions at the shortest available time interval (i.e., 15-minute intervals) for each customer class and at billing level quality, from SCE's Meter Data Management Agent (“MDMA”) server SCE to allow for timely billing (according to SCE requirements), inquiry, and reporting of each Alliance customer. Contractor shall make commercially reasonable efforts to provide this EDI 867 data to CPA within three (3) days of Calpine’s receipt from SCE. Interval data provided to CPA will reflect best-available meter-read quality, as provided by SCE in the EDI-867 file, at time of Calpine’s receipt.
   c. Calculate, maintain, send, and communicate the amount to be billed by SCE for services provided by the Alliance (Electronic Data Interchange Files).
   d. Receive and maintain all data related to payment transactions toward CCA charges, as received from SCE, after payment is received by SCE from CCA customers (820 Electronic Data Interchange Files).
   e. Contractor shall participate in any Customer Data Acquisition Program (“CDA”) for SmartMeter data sharing that assists the Alliance in receiving timely data from SCE, including any beta testing, as the Alliance's Data Manager.

2. Data Confidentiality and Ownership
   a. Maintain all customer data according to the Alliance’s customer privacy policy and the requirements of all applicable laws, including but not limited to California Public Utilities Commission Decisions.
   b. Ensure completion of a daily backup process and perform periodic testing to ensure the backup process continuously functions as expected.
   c. All the Alliance data, regardless of form, including originals, images and reproductions, prepared by, obtained by or transmitted to Contractor in connection with this Agreement, are confidential, proprietary information owned by the Alliance. Except as specifically provided in this Agreement, Contractor shall not disclose data generated in the performance of the Services to any third party, nor use the Alliance
data and information outside of the services provided under the Agreement, without the prior, written consent of the Executive Director or authorized designee.

d. Personal identifying information, financial account information, or restricted information, whether in electronic format or hard copy, must be secured and protected at all times to avoid unauthorized access. At a minimum, Contractor must encrypt or password-protect electronic files when transmitting such data outside of its firewalls. This includes data saved to laptop computers, computerized devices, and removable storage devices. When personal identifying information, financial account information, and/or restricted information, regardless of its format, is no longer required by Contractor to execute the work contracted by the Alliance, the information must be redacted or destroyed through appropriate and secure methods, to ensure the information cannot be viewed, accessed, and reconstructed. All data specified herein shall be considered confidential information and shall be maintained according to the Alliance’s customer privacy policy and the requirements of all applicable laws.

e. Maintain a Data Management Provider Security Breach Policy.

f. In the event that data collected or obtained by the Contractor in connection with this Agreement is believed to have been compromised, Contractor shall notify the Alliance Executive Director, or authorized Alliance designee, immediately. Contractor agrees to reimburse the Alliance for any costs incurred by the Alliance to investigate potential breaches of this data by the Contractor and, where applicable, the cost of assisting individuals who may be impacted by the Contractor’s breach.

g. If Contractor ceases to operate, or ends support of, or otherwise divests its interest in any software and materials for which it is contracted by the Alliance services herein, Contractor shall, to the extent that it is contractually permitted to do so under its other contracts with various information technology firms, provide the Alliance a copy of current source code, provide licenses, or otherwise ensure the services the Alliance is contracted for shall continue. The Alliance agrees it shall only use such code and materials to support the Alliance’s use of the software. The foregoing provision shall not apply where Contractor no longer supports prior versions of software and Alliance migrates to the new version, or to alternative software.

h. In the event the contract is terminated by either party, Contractor agrees to confer back to the Alliance all of its data, in usable and normalized format, within 30 days of notice of contract termination. There shall be no charge for the return of the Alliance data to the Alliance.

i. All Alliance specific phone numbers, web domains, customer data, program-related data, data reports, and call center scripting are property of the Alliance and shall be made available to the Alliance at any time.

3. Distributed Energy Resource (“DER”) Services, Including Demand Response

a. Receive, store, maintain and provide Alliance with access to all interval level data available from Southern California Edison, including the shortest time interval data available for each customer account to support Alliance DER programs, including
but not limited to, grid services, microgrids, demand response, energy efficiency, and distributed generation.

a. Identify customers that would most benefit from DER programs based on parameters provided by Alliance and including recommendations made by Contractor, and analyze, aggregate, schedule, dispatch, settle, and report on DER loads.

i. Develop DER benefit-cost framework that offers a full accounting of the benefits and costs related to these services.

b. Integrate customer participation data in Alliance DER service offerings into Alliance Customer Relationship Management solution to support and enhance customer participation in these efforts.

c. Provide call center with skill-based customer service agents (“CSRs”), with access to all needed data, including rates, billing, load, grid/microgrid services and other information, to provide customer support for DER questions and issues.

d. Provide interval level meter data to any Alliance-directed Distributed Energy Resource aggregator for CAISO settlement.

e. Present DER-related charges and credits onto Alliance bills to customers participating in DER program(s).

f. Provide DER operational and business intelligence reports on DER program(s) and other topics as requested by Alliance.

g. Support DER rate structures with hourly interval level pricing.

h. To the extent the Alliance decides to utilize Olivine for support and render payment in accordance with Exhibit B, Olivine shall provide the following services. Should the Alliance decide to not utilize Olivine or contract with Olivine directly for these services, the services below will no longer be provided by Olivine, provided that nothing contained herein limits the Alliance ability to utilize Recurve for the services specified in Exhibits A and B.

i. Identify customers that would most benefit from DER programs based on parameters provided by Alliance and including recommendations made by Contractor or subcontractors, if applicable, and analyze, aggregate, schedule, dispatch, settle, and report on DER loads.

ii. Develop DER benefit-cost framework that offers a full accounting of the benefits and costs related to these services.

iii. Upon request by the Alliance, provide a flexible, reliable and scalable platform for planning, managing and optimizing the use of DER for multiple purposes, including:

- Using the interval data, the provider should be able to visualize and organize (filtering, grouping, etc.) data;
- Aligning DER Incentives and compensation based on the flexibility and measured performance of the DER, and market prices based on the needs of the system; and
- Accurately representing DER impacts.
iv. Provide access to a software tool that allows the Alliance to analyze and evaluate potential DER opportunities and/or projects for feasibility and financial impact or benefit. Access to the tool and any associated training to be mutually agreed upon and scheduled.

v. In addition to the services described in sections 3(a) through 3(h) above, additional DER services will be provided to the Alliance under a separate DER Management Agreement between the Alliance, Calpine Energy Solutions, and Olivine, Inc., which will set forth requirements and statement of work for a future DER program (the "DER Program") jointly developed by the Alliance, Calpine Energy Solutions, and Olivine, Inc. Work performed under the DER Management Agreement to support the DER Program of reasonable scope and complexity will be provided to the Alliance at no incremental cost over a four-year term starting no later than January 1, 2020. The DER Management Agreement will include a statement of work to perform customary services related to the deployment and operation of the DER Program:

- Program and Rate Design with Single Point Administration; Registered DR Provider or DER Provider with CAISO for DER Program;
- DER Scheduling Coordinator services for DER Program including RA, bids, dispatch, and settlement;
- DER Program Customer Service Tiers 1, 2 and 3;
- Site assessment program management for Commercial & Industrial customers using local partners hired by the Alliance;
- DER Program regulatory compliance advisory;
- End-to-end operational platform to onboard, dispatch, monitor and settle the DER Program resources;
- As desired by the Alliance, co-branded mobile application for residential customers and a web store for customer access to DER technologies;
- Pilot program, and following successful pilot, launch and operation of Alliance DER Program.

j. Provide Alliance with a user software license to the Integral Analytics LoadSEER and Demand Side Management Option Risk Evaluator, or DSMore. Provide Alliance staff with initial and recurring training on the use of Integral Analytics software as needed. Training shall include assistance with using the software tools to compare both programs and projects proposed to the Alliance.

k. Jointly, Calpine Energy Solutions and Olivine, Inc. will perform the following tasks in support of the Alliance defining options for implementing DER program(s):

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1 LoadSEER is software that produces load forecasts and financial analyses by integrating interval usage data, customer information and DER scenarios. DSMore is software that produces a forecast of costs, benefits and risks of DER scenarios incorporating varying weather and/or market price outcomes.
• Provide the Alliance staff and Board with detailed background on DER programs and options, including existing programs and pilots, regulatory considerations, and implementation opportunities and risks;

• Engage the Alliance staff to advise on defining DER programming and contracting priorities;

• Identify DER programming options that align with the Alliance’s strategic plan and the needs of the system, including rate design and incentive mechanisms;

• Develop and assess key DER scenarios, including financial measures, for the strategic plan using Olivine's valuation model and Integral Analytics software as described in section 3(j);

• Assist with defining the Alliance’s initial DER program ("Initial DER Program Pilot") to test specific concepts including various incentives, technologies and approaches using available DERs. This effort will include:
  o Program goals, scope and priorities;
  o Identification of geographic locations and outreach plan across customer classes;
  o Analyzing key participation scenarios inclusive of multiple territories, multiple sites, residential and C&I accounts, and microgrids;
  o Value metrics;
  o Operating plan including interfaces needed between the Alliance, Calpine Energy Solutions, Olivine, Inc. and other Alliance vendors as necessary;

• Services required, as further described in Section 3(l).

1. In addition to the services described in sections 3(a) through 3(k) above, the initial DER Program Pilot will be provided on a turn-key basis inclusive of outreach, operational and other essential services. The full scope of these services will be detailed under a separate DER Services Agreement between the Alliance, Calpine Energy Solutions, and Olivine, Inc., but will include, at a minimum, the following services:

• Developing and managing incentives which may include contracted, non-tariff, or customized rates;

• Developing and administering enrollment and contracting to maintain regulatory compliance;

• Incorporating strategic efforts such as emphasizing program deployment in disadvantaged communities (DACs), electrification of transportation, grid reliability, resource adequacy and energy procurement offsets

• Implementing an operational pilot program, inclusive of:
  o Single Point Administration with a technology-agnostic infrastructure;
  o Registered DR Provider (DRP) and DER Provider (DERP) with CAISO;
  o Scheduling Coordinator (SC) coordination to offset energy procurement;
  o Site assessments for Commercial & Industrial customers with local partners;
  o Tools such as technology marketplace and a mobile application for residential customers;
End-to-end operational platform to onboard, dispatch, monitor and performance measurement and settlement of DER resources with the CAISO, Southern California Edison and other entities in support of aggregations, end use customer programs, and other potential ancillary benefits;

Customer Service at Tiers 1, 2 and 3.

Work performed under the DER Services Agreement to support the Initial DER Program Pilot will be provided to the Alliance at no incremental cost starting no later than January 1, 2020. The pilot may include multiple territories, multiple sites, residential and C&I accounts, and/or microgrids.

The Pilot Project period is anticipated to last from one year to 18 months in total and would be structured to provide for adjustments and increase in options across the territory during that time. The Pilot program may include several program options or sub-programs. Upon reaching the completion of the Pilot project the Parties may extend the Pilot Program geographically or deepen the program by increasing available technologies and complexity. The scope, cost and value of any extension effort will be determined during the Pilot Project period.

Should the Alliance, upon reaching the completion of the Pilot project, choose not to continue with services under the DER Services Agreement and/or transfer program administration to other parties, Calpine Energy Solutions and Olivine will transfer all necessary data and equipment to the Alliance, or remove equipment at the request of the Alliance, at no additional cost to the Alliance.

4. Qualified Reporting Entity (“QRE”) Services
   a. Consistent with terms and conditions included in the Qualified Reporting Entity Services Agreement(s) between the Alliance and Contractor, serve as QRE for up to thirty-two (32) locally situated, small-scale renewable generators supplying electric energy to the Alliance through its feed-in tariff (FIT) and/or other local renewable generation programs, including microgrids or other customer aggregation, once enacted.
   b. Submit a monthly generation extract file to the Western Renewable Energy Generation Information System (“WREGIS”) on the Alliance’s behalf, which will conform to the characteristics and data requirements set forth in the WREGIS Interface Control Document for Qualified Reporting Entities.
   c. Contractor shall receive applicable electric meter data from SCE for projects participating in the Alliance’s FIT, microgrid, energy efficiency, demand response, and other similar programs, once enacted, consistent with SCE’s applicable meter servicing agreement, and shall provide such data to the Alliance for purposes of performance tracking and invoice creation (manage receipt of specified meter data and payment processes).
   d. Provide the Alliance with a copy of the Contractor’s intended form of QRE Services Agreement, which shall be subject to the Alliance’s review and prospective, mutually agreeable revisions.

5. Customer Information System
   a. Establish and maintain an operational Customer Relationship Management (“CRM”) system and establish and maintain an operational Customer Information System.
b. With the data available as provided by SCE, maintain an accurate database of all eligible accounts located in the Alliance service area and identify each account’s enrollment status (opt out, program enrollment), smart meter status, rate tariff election(s) and applicable riders, payment history, collection status, on-site generating capacity (NEM status), if applicable, access to .pdf copies of customer bills and any correspondence with customer as well as other information that may become necessary to effectively administer the Alliance Program as mutually agreed to by parties from time to time.

c. Ensure that the CRM system established per 5.a above is accessible to and integrated with any internal CRM system that the Alliance may operate (through open source software, electronic data exchange, etc.) so that the Alliance has full and functional access to the online database to add customer interactions and other account notes, to view customer email or written correspondence within online databases, and view SCE bills for the Alliance customers.

d. Maintain and provide historical usage and net generation (when net generation data is available) data on all customers for a time period equal to the lesser of either (a) the start of customer service to present or (b) seven/five years unless a longer period of time is required by law or pursuant to an order, a judgment, a writ, a ruling, a decision, or other similar direction issued by a court of law or an administrative or regulatory entity.

a. Prior to the start of the Phase 3 noticing period, provide a Business Intelligence tool to access and analyze the Alliance program data that enables Alliance staff to access and analyze customer-specific interval usage for Alliance programs. Contractor will work with Alliance staff to scope out minimum viable product (MVP) features for Phase 3 noticing, as well as additional features that will be phased in over the course of the contract.

e. Contractor will store all SmartMeter historical usage data, as received provided by the MDMA, for a period of up to seven/five years unless a longer period of time is required by law or pursuant to an order, a judgment, a writ, a ruling, a decision, or other similar direction issued by a court of law or an administrative or regulatory entity; and will provide access to such data by the Alliance for purposes of conducting data analytics and other purposes.

f. Maintain viewing access, available to appropriate Alliance staff, to view SCE bills for the Alliance customers, including supporting the intuitive parsing and labeling of SCE provided files. Maintain accessible archive of billing records for all the Alliance customers from the start of the Alliance Service or a period of no less than five years.

g. Maintain and communicate records of customers who were eligible for service with the Alliance but have elected to opt out, either before or after starting service with the Alliance.

h. Maintain and communicate records of Net Energy Metering credits and generation data for customers to be posted on bill and settled on a schedule determined by the Alliance.

i. When requested by the Alliance, place program charges on the relevant customer account, identified by Service Agreement ID (“SAID”), or any subsequent ID codes established by SCE.
j. Identify customers participating in various Alliance programs in the database.

k. Include various program payment information in all relevant reports.

l. Perform quarterly Alliance program reviews to assess appropriate customer charge levels.

m. CPA data contained within the CRM database will be transferred to the Alliance within 30 days of written request, or in the shortest time period possible (not to exceed 45 days) as may be required resulting from the size and data transfer methodology restrictions occasioned by the data.

n. Contractor shall be able to sort data by each member agencies and programs and provide monthly (high level aggregated data) reports to the Alliance in line with consumer protections and security protocols.

o. Develop and implement a bill comparison tool, prior to the start of the Phase 3 noticing period, that allows Alliance staff and CSR agents to perform bill comparisons for customers, comparing the charges that would apply to a customer under Alliance rates and comparable SCE rates. Periodic milestones will be established by mutual agreement to establish, review and enhance tool functionality and alignment with the Alliance’s needs. As an interim measure to support customer inquiries while the bill comparison tool is implemented, provide the following:

p. In addition to section 5.o, Collaborate with the Alliance on any future enhancements to a bill comparison tool, whether provided by Contractor, by the Alliance, or by a third-party retained by the Alliance, that provides functionality to:

   i. compare greenhouse gas and renewable metrics between Alliance rates and comparable SCE products and;

   ii. compare the Alliance’s time of use rates or net energy metering rates with comparable SCE products and;

   iii. compare the Alliance’s rates or rate products with the Alliance’s time of use rates or net energy metering rates.

q. Data Comparison Requests:

   i. Provide Alliance staff access to a tool which allows them to perform detailed bill comparisons utilizing the interval data as received by Contractor from SCE.

   ii. By end of June 2021 Contractor will provide an updated Custom Bill Comparison tool which includes the following functionality:

   1. Inclusion of all available customer usage data, including billing data, received from SCE for active and inactive accounts in the SCE provided customer lists up to five (5) days after the most recent billing period

   2. Identification of accounts not included in the rate comparison results due to unsupported rates

   3. Identification of accounts in the rate comparison with incomplete usage data
4. Ability to select specific historical date ranges as the basis for a bill comparison
5. Ability to select specific accounts for the bill comparison
6. Customer facing report including rate comparisons by account and summarized for the customer overall, charts and graphs showing customer usage by account, accounts by product and opt out status, total savings or premium by account

iii) Under the direction of Alliance staff and with the data available as provided by SCE, Contractor personnel will respond to bill comparison requests within 2 business days, making commercially reasonable efforts to complete the requested comparisons as soon as possible. Alliance recognizes such requests may be subject to Ad-Hoc fees to the extent that such requests could be reasonably self-serviced by the Alliance as described in Exhibit B.

A. No later than October 1, 2018 provide Alliance staff with Excel-based templates and functionality within the CRM they can use to perform bill comparisons, providing, directly or through self-service reports, the required data for the templates that is available as provided by SCE.

6. Customer Call Center
   a. Establish a call center in Los Angeles County and, if a second call center location is needed, within Ventura County, by the beginning of Phase 3 noticing period.
   b. Provide professional Interactive Voice Response (“IVR”) recordings for the CCA customer call center.
   c. Provide an option for IVR self-service scheduled to be available 24 hours a day, 7 days a week and tracking of how many customers start and complete self-service options without live-agent assistance.
   d. Staff a call center, during any CCA statutory enrollment period, 24 hours a day, 7 days a week to process opt out requests between the hours of 8 AM and 5 PM Pacific Time Monday through Friday, excluding Alliance, Contractor and SCE Holidays.
   e. Staff a call center during Non-Enrollment Periods between the hours of 8 AM and 65 PM Pacific Time Monday through Friday, excluding Alliance, Contractor and SCE holidays (i.e. Section 6.d and e shall be referred to as “Regular Business Hours”).
   f. Provide sufficient call center staffing to meet the requirements set forth herein, including designating the Alliance specific agents, to the extent needed to provide for full call center functionality, and a call center supervisor that will serve as the main point of contact between the Alliance and the customer call center staff.
   g. Train agents and provide tiered support with escalation path. Implement skill-based routing to guide incoming customer calls to an agent trained to address the inquiry
      I. Tier 1 agents meet minimum quality requirements for CCA customer service and program changes.
II. Tier 2 agents meet minimum quality requirements for complex billing and NEM questions.

III. Tier 3 agents meet minimum quality requirements for complex billing, Alliance programs, DER, Demand Response, Energy Efficiency, and large commercial customer service support.

IV. Agents at each tier level are able to escalate customer concerns or complex questions to a data manager expert or contact center lead or supervisor.

h. Ensure that a DER, Demand Response, and Energy Efficiency specialist tier 3 agent(s) is always available within the call center during Regular Business Hours.

i. Provide a sufficient number of Data Manager Experts available to manage escalated and complex calls during Regular Business Hours.

j. Provide callers with the estimated hold time, if applicable. Provide an automated ‘call back’ option for callers who will be put on hold for an estimated five minutes or longer. Ensure at least two ‘call backs’ are attempted in case customer misses first call back.

k. Record all inbound calls and make recordings available to the Alliance staff upon request. Maintain an archive of such recorded calls for a minimum period of 24 months. Disclose to caller that their calls may be recorded in accordance with applicable state and federal law.

l. Track call center contact quality with criteria including:

   i) Use of appropriate greetings and other call center scripts
   ii) Courtesy and professionalism
   iii) Capturing key customer data
   iv) Providing customers with correct and relevant information
   v) First-contact resolution
   vi) Accuracy in data entry and call coding
   vii) Grammar and spelling in text communication (email and chat)

m. Evaluate customer satisfaction through voluntary customer surveys that ask general questions about call quality, call resolution, and how satisfied the customer was with the service received.

   i. Starting in July of 2021, Contractor shall provide to Alliance a monthly report on the results of the customer satisfaction surveys.

n. Respond to customer inquiries received through email, or web-based form submission. Implement an online chat system prior to the start of the Phase 3 noticing period. Chat communications shall be logged and stored for a minimum of 24 months.

o. Receive calls from the Alliance customers referred to Contractor by SCE and receive calls from the Alliance customers choosing to contact Contractor directly without referral from SCE.
p. Provide the call center number on all SCE invoices. Collect and/or confirm current email, mailing address and phone number of customers and add to or update database during inbound call.

q. Collect permission (via voice recording, email request, or electronic form submittal) from customers to send electronic correspondence instead of printed mail.

r. Develop and provide scripts for key interaction types including but not limited to opt-outs, billing inquires, NEM to Alliance staff for review and approval. Script should be updated quarterly.

s. Respond to telephone inquiries from the Alliance customers using an Alliance approved script. For questions not addressed within the script, refer inquiries either back to SCE or to the Alliance. Provide a monthly report of common inquiries not addressed in the script as needed.

t. Respond to customer inquiries within 24 hours, excluding weekends and holidays, including inquiries received either through telephone calls, email, online chat system, or web-based submission.

u. Offer cross training to SCE call center in coordination with the Alliance.

v. Participate in coordination meetings, at the Alliance’s request, to promote the resolution of any customer service issues. Such meetings may include Alliance management/staff and may require on-site participation by Contractor’s management/staff.

a. Ensure monthly status reports are provided during the first week of each month.

w. Provide weekly status reports, including the status reports during Statutory Enrollment Periods, containing operational data and updates on Contractor activities.

x. Make Spanish speaking call center staff available to customers during Regular Business Hours.

y. Provide translation services for inbound calls for at least the following languages: Mandarin, Korean, Tagalog, and Vietnamese. Note that the Alliance may add additional languages every six months based on need.

z. Create and maintain online and downloadable forms for the Alliance website so that customers may perform program related tasks including but not limited to changing their account status to enroll or opt out of various Alliance programs. Integrate these program changes into the Customer Relationship Management system during an hourly sync process.

aa. Host Alliance meetings with call center management and representatives as requested by the Alliance and at a frequency of no less than one per month or other frequency determined by the Alliance.

bb. Establish communication options for the hearing impaired prior to the start of Phase 3 noticing.
cc. CPA may, at its sole discretion, opt to extend evening Regular Business Hours for the Customer Call Center from 5 PM to 8 PM Pacific Time Monday through Friday, excluding holidays (“Extended Business Hours”). In the event that CPA exercises the Extended Business Hours option, CPA shall provide Contractor written notice at least three months prior to the start of the Extended Business Hours. The term of the Extended Business Hours shall be a minimum of six months at the pricing specified in Exhibit B.

dd. The Alliance recognizes that Contact Center forecasting and staffing is assessed 60 days in advance of each month. As such the Alliance will make commercially reasonable efforts to provide notification of scheduled outbound customer marketing campaigns dates and count of accounts noticed by campaign up to 60 days prior to drop date.

7. Billing Administration
   a. General
      i) Maintain a table of rate schedules offered by the Alliance to its customers and provide to SCE for use in billing.
      ii) Monitor pending SCE rate changes, and adjust Alliance rates to maintain relative rate levels, subject to the Alliance approval. Support the transition of Alliance customers to default time-of-use rates, including customer bill protection which shall be operational by November 1, 2021 under mutually agreed to requirements. The transition of Alliance customers to default time-of-use rates shall not constitute a rate change (Structural or Value Only) and shall not be considered an Ad-Hoc Request.
      iii) Once (1) per year, at no-cost to the Alliance, support a change in default rate product by a member agency(ies). Member Agency default rate change events must adhere to the same operational procedures and processes at a statutory mass enrollment event, as applicable. There is no limit to the number of member agencies that can change their default product so long as they are all part of the same event. Additional default changes beyond one (1) event per year shall be treated as Ad-Hoc Requests and subject to the fees described in Exhibit B.
      iv) Assist with settlement process for Net Energy Metering customers on at least an annual basis and potentially monthly by identifying eligible customers, ensuring that SCE provides accrued charges and credits, and providing mailing list to the Alliance designated printer.
      v) Review application of the Alliance rates to customer accounts to ensure that rates are properly applied to such accounts.
      vi) Conduct Rate analysis should customer want to transfer to new rate on the rate table and/or transition between renewable tiers.
      vii) Use commercially reasonable efforts to remedy billing errors for any customer in a timely manner, within no more than one billing cycle.
vii) Provide customer mailing list to the Alliance designated printer, or only in the absence of an Alliance designated printer, or a printer of Contractor’s choosing that is a union shop within Los Angeles or Ventura County, for new move-in customer notices, opt out confirmation letters within 7 days of receiving an enrollment or opt out request, or other notices to customers that CPA may direct from time to time (“Notices”) to be mailed with appropriate postage within 7 days of receiving an enrollment, or opt out request, or direction from CPA (“Mailing”). The Alliance may approve a reimbursement to Consultant Contractor for any direct expenses incurred by Calpine Contractor related to the Notices and Mailing; provided that (x) the direct expense does not exceed the fiscal year budget for Notices and Mailing and Calpine issues an invoice to the Alliance for any direct expenses incurred for the Notices and Mailing, and (y) (1) the invoice itemizes the expenses incurred and provides documentation demonstrating that Calpine incurred the expense, or (2) Calpine provides CPA other documentation that CPA may reasonably require to support the expense. For direct expenses, Calpine shall not be entitled to any other payment, including margin, or interest.

ix) By September 1, 2021, the Alliance shall establish direct relationships with its own print and mailing vendor(s) and fund any accounts, such as postage accounts, necessary to ensure Notices can be mailed.

viii) Identify overdue accounts and support noticing processes (i.e. send an Alliance provided letter to customers that are overdue. If no payment is received from the customer after a certain amount of time (consistent with applicable Alliance policy), issue a CCASR to return customer to SCE.

8. Settlement Quality Meter Data
   a. Contractor shall aggregate usage for T+8,7, and T+4852 submissions to the CAISO by performing the following:
      i) Receive interval reads
      ii) Work with IOU to remedy missing or incorrect data
      iii) Apply loss adjustments
   b. Assist with T+172 resettlement process if/when needed.
   c. Contractor shall provide the Alliance and the Alliance’s designated Scheduling Coordinator (“SC”) with Settlement Quality Meter Data (“SQMD”) as required from SC’s by the California Independent System Operator (“CAISO”).
   d. Upon the Alliance’s request, Contractor shall submit the SQMD directly to the CAISO on behalf of the Alliance or the Alliance’s designated SC.
   e. Contractor shall provide a SQMD analytic connectivity system to support downstream (customer) services and reporting.
9. Rate Schedule Maintenance:
   a. Maintain a table of Rate Schedules, offered by CPA to its customers, within Contractor’s billing system.
      i. Complete Value Only Rate Changes within 10 Business Days once Contractor has confirmed it is in receipt of a valid Rate Template. A “Value Only Rate Change” alters the values applied to each of the Billing Determinants in a given Rate Schedule buildout, keeping the existing buildout intact.
      ii. Complete Structural Rate Changes within 40 Business Days once Contractor has confirmed it is in receipt of a valid Rate Template. A “Structural Rate Change” alters one or more Billing Determinants within a Rate Schedule buildout by changing the definition of the Billing Determinant itself and/or adding and/or removing one or more Billing Determinants to an existing buildout.
      iii. A Rate Template will be considered valid if it meets the expected formatting requirements as set forth by Contractor and if acknowledged by CPA. Upon receipt of a Rate Template, Contractor will review it per these guidelines and after CPA has corrected any errors, if present, Contractor will communicate to CPA that a valid Rate Template has been received and work will commence as per the timelines indicated above.
      iv. Should CPA submit updates after Contractor has begun rate testing implementation work on a valid Rate Template, this may be considered a new Rate Change subject to charges in Section IV, Rate Changes of Exhibit B and will restart the rate change implementation timelines specified in 9(a)(i) and 9(a)(ii).
   b. Conduct up to three Value Only Rate Changes within Contractor’s billing system at no additional cost to CPA within each calendar year. Any Value Only Rate Change requested by the Alliance in excess of three per year shall be subject to the pricing specified in Exhibit B. Rather than utilize one of its three no-cost Value Only Rate Change per calendar year, the Alliance may elect to pay the Value Only Rate Change fee described in Exhibit B should the Alliance decide that is in its best interests to do so.
   c. Conduct Structural Rate Change within Contractor’s billing system affecting up to 6,946 at no additional cost to CPA within each calendar year. Any Structural Rate Change requested by the Alliance in excess of 6,946 billing determinants per year shall be subject to the pricing specified in Exhibit B.

9.10. Reporting
   a. Contractor shall provide the following reports:

<table>
<thead>
<tr>
<th>Report</th>
<th>Frequency</th>
<th>Delivery Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aging</td>
<td>Weekly, Monthly</td>
<td>SFTP</td>
</tr>
<tr>
<td>Billing Errors</td>
<td>Weekly</td>
<td>SFTP</td>
</tr>
<tr>
<td>Call Center Statistics (per Section 5 above)</td>
<td>Weekly, Monthly</td>
<td>Email</td>
</tr>
<tr>
<td>Cash Receipts</td>
<td>Weekly, Monthly</td>
<td>SFTP</td>
</tr>
<tr>
<td>Days to Invoice</td>
<td>Weekly, Monthly</td>
<td>SFTP</td>
</tr>
<tr>
<td>Service Description</td>
<td>Frequency</td>
<td>Delivery Method</td>
</tr>
<tr>
<td>---------------------------------------------------------</td>
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<td>-----------------</td>
</tr>
<tr>
<td>Program Opt-Up or Opt-Down with Address, email address, phone number and reason if known</td>
<td>Weekly, Monthly</td>
<td>SFTP</td>
</tr>
<tr>
<td>Utility User Tax (UUT) where applicable</td>
<td>Monthly</td>
<td>SFTP or Email</td>
</tr>
<tr>
<td>Invoice Summary Report</td>
<td>Weekly, Monthly</td>
<td>SFTP</td>
</tr>
<tr>
<td>Monthly Transaction Summary</td>
<td>Monthly</td>
<td>SFTP or Email</td>
</tr>
<tr>
<td>Program Opt-Out with Rate Class and known reasons</td>
<td>Weekly, Monthly</td>
<td>SFTP</td>
</tr>
<tr>
<td>Retroactive Returns</td>
<td>Monthly</td>
<td>Email</td>
</tr>
<tr>
<td>Sent to Collections</td>
<td>Monthly</td>
<td>Email</td>
</tr>
<tr>
<td>Snapshot, including Addresses</td>
<td>Weekly</td>
<td>SFTP</td>
</tr>
<tr>
<td>Overdue and Unbilled Usage</td>
<td>Monthly</td>
<td>SFTP</td>
</tr>
<tr>
<td>CAISO SQMD by Load Profile and Customer Class</td>
<td>Monthly</td>
<td>SFTP</td>
</tr>
</tbody>
</table>

b. Contractor shall also assist the Alliance, as needed, in compiling various customer sales and usage statistics that may be necessary to facilitate the Alliance’s completion of requisite external reporting activities. Such statistics will likely include annual retail sales statistics for the Alliance customers, including year-end customer counts and retail electricity sales (expressed in kilowatt hours) for each retail service option offered by the Alliance. Mutually agreed upon requirements and proper notice will accompany each such request. The Alliance recognizes that these customized reports may be subject to Ad-Hoc fees stipulated in Exhibit B to the extent such reports would require custom system development and could otherwise be self-serviced by the Alliance provided however, these services shall not constitute Ad Hoc Services and shall not be subject to an Ad Hoc fee unless and until such time as self-service tools or functionality, including but not limited to the updated Custom Bill Comparison, Data Warehouse, Data Tools specified herein becomes available to CPA.

c. Contractor shall provide necessary financial reports to the Alliance for transmittal to creditors, suppliers, credit rating agencies, auditors, compliance and risk management consultants, and others as requested by the Alliance, with proper notice and mutually agreed upon requirements.

d. Contractor shall be able to sort data by member agencies and provide monthly (high level aggregated data) reports to the Alliance, with proper notice and mutually agreed upon requirements.

e. In consultation with CPA, Contractor shall develop and implement data and reporting quality control processes and shall use commercially reasonable efforts to identify and remedy reporting errors in a timely manner, within no more than 60 days.
   i) Contractor shall perform reasonableness checks for all reports provided to Alliance (“Reports”) and identify any errors or inconsistencies in the data. Should the Reports contain errors or inconsistencies attributable to Contractor, the Contractor shall provide Alliance with a corrected Report within a commercially reasonable timeframe.
ii) Should Contractor perform an extensive or large correction attributable to Contractor error to reported data, a report reconciliation and expected impact of the correction for the prior and current periods should be reviewed with Alliance.

iii) Contractor shall create customized reports in alignment with CPA’s business and operational needs. Requests to alter the customized reports may require back-end reconfiguration. Such back-end reconfiguration may be considered an Ad-Hoc Request, as outlined in Exhibit B and subject to such fees.

f. No later than June 1, 2021 Contractor shall engage with Alliance resources to develop a mutually agreed upon plan and schedule to migrate report delivery from Contractor to the existing Contractor SFTP and CPA’s Amazon Web Services (AWS) cloud environment. Upon completion of this effort any subsequent data requests or reports shall be delivered to CPA’s AWS environment unless mutually agreed upon by the Parties otherwise.

40.11. Performance Standards

a. Adhere to the following performance standards during Non-Enrollment Periods:

i) A minimum of 75% of all calls must be answered within 20 seconds.

ii) 100% of voicemail messages must be answered within one (1) business day.

iii) 100% of emails must receive an immediate automated acknowledgement.

iv) 95% of emails must receive a customized response within one (1) business day.

v) 100% of emails must receive a customized response within three (3) business days.

vi) Must achieve a no greater than 5% abandon rate for all calls.

b. Adhere to the following performance standards during Enrollment Periods:

i) A minimum of 75% of all calls must be answered within 60 seconds.

ii) A minimum of 85% of all calls must be answered within 3 minutes.

iii) 100% of voicemail messages must be answered within one (1) business day.

iv) 95% of emails must receive a customized response within one (1) business day.

v) 100% of emails must receive a customized response within three (3) business days.

vi) Must achieve a no greater than 10% abandon rate for all calls.

c. Contractor shall maintain an accuracy rate of 99% or higher in billing the Alliance charges on a monthly basis.

d. Provide monthly reports in accordance with Section 910 above that demonstrate whether performance standards have been met.
e. At the start of the Phase 3 noticing period, if these performance levels are not met, Contractor shall implement a mutually agreed upon set of remedial actions to which Contractor shall be bound. For any month in which CPA believes Consultant has substantively failed to meet the performance standards specified in Exhibit A, Sections 109(a)-10)(i)-(ii), 11(a)-11(d), CPA shall have the right to reduce payment of any invoice by $100,000 as liquidated damages as provided in this section. Prior to exercising this right, CPA shall provide written notice to Consultant that identifies the performance standard(s) that have not been met and states CPA’s intent to invoke this subsection if the substantial failure(s) to achieve such performance standard(s) are not remedied within thirty (30) calendar days. The Parties shall then confer to establish a plan to remedy such substantial failure, which may provide a different deadline for remediating the substantial failure(s) at the mutual agreement of the Parties. In the event that Consultant is unable to achieve such remedy within the thirty 30 calendar days of notification, or within the deadline established by the Parties, CPA may exercise its rights under this subsection to reduce payment of each subsequent invoice by $250,000 until the substantial failure(s) is remedied. The foregoing liquidated damages payment shall be limited to $250,000 per month regardless of how many performance standards are not met. CPA and Consultant agree that Consultant's substantial failure to comply with these standards will cause CPA to incur substantial economic damages and losses of types and in amounts which are impossible to compute and ascertain with certainty as a basis for recovery by CPA of actual damages, including increased opt-out rates, reputational harm and general customer dissatisfaction, and these liquidated damages represent a fair, reasonable and appropriate estimate thereof. Such liquidated damages are intended to represent estimated actual damages and are not intended as a penalty and Consultant agrees to pay such liquidated damages in the form of a reduction in invoice payment if it substantially fails to meet the performance standards without limiting CPA’s right to terminate this Agreement for default as provided by Article 5 of this Agreement.

12. Sustainable Energy Incubator

Contractor will develop and launch a multi-year “Clean Power Incubator” in the Alliance service territory in partnership with the Local Government Commission (LGC). This program will build the engagement and capacity of Clean Power Alliance (CPA) board members, staff, local member agencies, CSR representatives, and other stakeholders to address emerging energy issues through educational forums and direct support. An Advisory Group comprised of Board members, member agency staff, CPA staff, Community Advisory Committee members, and other Southern California CCA and environmental stakeholders will advise Contractor and LGC on the topics, format, and overall strategic direction of the Clean Power Incubator.

The Incubator will, at a minimum, implement the following services:

a. Clean Power Seminars and Online Education Center: LGC will increase awareness of emerging energy issues, available tools, resources and best practices including:

1. Quarterly in person seminars (with a recorded webinar option) with experts covering a range of energy and climate topics, to be determined in partnership with Calpine and Clean Power Alliance staff and the Advisory Group. The first seminar will start in Q4, 2018. Topics could include:
Role of Local Governments in Energy
- Energy Efficiency Industry Overview
- Equity in Energy
- Energy Resilience
- Grid Stability and Reliability
- Renewable Energy Credits
- Community Programs
- Customer Discount Programs
- Building and Transportation Electrification
- Aggregation of Services
- Advanced Energy Technologies
- Funding and Financing Opportunities
- CPUC public purpose charges and programs
- Title 24 Compliance
- Energy Markets and Risk Management

2. Clean Power Online Education Center: A dedicated website where CPA Board members, CPA staff, member agency staff and other stakeholders could access information on emerging energy issues, local projects, best practices, funding, and technical assistance resources available throughout the region. Recordings of quarterly forum presentations will also be made available on the website.

- Landing page will be developed by end of Q3 2018 and full website launched by the end of Q4 2018, including integration with the Alliance website

- As part of their ongoing training and professional development, CSR agents will be required to view quarterly forum presentations online within one month of their posting

b. Clean Power Hotline and Support Service

Further assistance will be offered for local jurisdictions interested in pursuing clean power programs or projects, including but not limited to those covered within the seminars and the online education center. LGC staff will provide individualized assistance to help local jurisdictions design energy initiatives and identify funding, tools and other resources. This service will be offered to every member agency, up to 2 times per member agency, over the course of the contract and will consist of the following:

1. Opportunity Assessment: LGC staff will work with local jurisdictions to assess community needs and project goals through an assessment form and conference call, help with project scoping, and make initial recommended next steps.

2. Customized Local Reports and Assistance: LGC will then develop a customized recommendations report matching funding sources, opportunity areas (from energy atlas, SCAG Green Region Map etc.), models, templates, available funding sources, and additional technical assistance (ClearPath, Beacon, ARCCA, CalTrans, CivicSpark, Statewide Energy Efficiency Collaborative, etc.) tailored to the local jurisdiction specific initiative identified in the Opportunity Assessment.
12. Initiation

Reserved
13. Data Tools:
   a. Establish a data warehouse environment comprised of data related to the services provided by Contractor under the contract.
   b. Provide Application Programming Interfaces (APIs) that allow CPA or its authorized third party vendors to retrieve or query data from the data warehouse environment, provided proper confidentiality and data security policies are mutually agreed upon by the Parties prior to such access being provided.
   c. Data made available in the data warehouse shall include:
      i. Usage data provided by SCE, including net generation (when applicable) volumes
      ii. Customer account information and characteristics from the customer list provided by SCE and supplemented by all of the following data from CRM and CIS:
         1. CPA participation history
         2. Product elections
         3. Opt-out activity
         4. CPA rate schedule
         5. Customer program
         6. Customer communication
      iii. Billing data from Contractor’s CIS
      iv. SQMD submission data
   d. Contractor may, from time to time and at its sole discretion, update the functionality available in the data warehouse which may include, among others, adding or maintaining data visualizations, self-service reporting tools, self-service analytical tools, and additional APIs.
   e. Contractor may, at its sole discretion, engage with CPA and other Contractor clients to elicit their input on required functionality, data elements, and system design as it pertains to the development, maintenance, and evolution of its data environment.
   f. In the absence of the data warehouse or adequate data within the data warehouse for CPA to self service, Contractor shall assist CPA in compiling sales, customer, and usage reports from time to time as may be requested by CPA, with each such request being accompanied by mutually agreed upon requirements and proper notice and such assistance shall not constitute Ad Hoc Services and shall not be subject to an Ad Hoc fee unless and until such time as self-service functionality or tools, including but not limited to the updated Custom Bill Comparison, Data Warehouse, Data Tools specified herein becomes available to CPA.
   g. Contractor will provide technical support to access the data warehouse and documentation describing the data. CPA will provide staff with technical database knowledge to engage with Contractor in the implementation and use of the data warehouse.
   h. Contractor shall provide the data warehouse environment by no later than June 30, 2022.
14. Community Reinvestment

a. The Parties acknowledge that CPA is committed to creating community benefits, including benefits to disadvantaged communities, and diversity, equity, and inclusion. In connection therewith, commencing on August 1, 2021, and for each successive Contract Year of the Initial Term and the Renewal Term, if exercised, Contractor shall cause 2% of annual contract revenue per Contract Year to be donated to community-based, non-profit organizations (CBOs) in Los Angeles and Ventura Counties. At Contractors sole discretion, Contractor may work with Alliance to identify donation criteria, targeted areas of giving, marketing channels, and branding opportunities.

b. Starting in 2022, within 90 days following the end of a Contract Year, Contractor shall provide the Alliance a written statement showing the total contract revenue in the previous Contract Year as well as an itemized list containing the name of each CBO which received a donation; the territory or community served by each CBO; the date of each donation; the total amount contributed to each CBO; and the amount donated in total for the Contract Year.

15. Optional Services

Calpine has partnered with Recurve to offer to the Alliance access to the Resource Planning tool on the Recurve Platform (“Recurve Platform”) and to establish a Demand Flexibility Marketplace, including all support for all analytics and data digestion. If the Alliance decides, in its sole discretion, to access the Recurve Platform or to establish a Demand Flexibility Marketplace, the Alliance shall provide 30 days advance written notice to Calpine and Calpine shall direct Recurve to provide access to the Alliance at the pricing specified in Exhibit B. Access to the platform shall be provided in a mutually agreed upon timeline.
EXHIBIT B – PAYMENTS & RATES

I. Monthly Fee

Provider agrees to waive the one-time start-up fee of $250,000 included in the current Phase 2 contract with the Alliance.

Alliance agrees to pay Contractor $25,000 per month.

II. Per Meter Fee Pricing and Escalation

A. Pricing per Meter

Effective April 1, 2021, Contractor will bill the Alliance using a weighted cost per active service account formula, utilizing the following formula:

- $1.03
- $0.85 0-500,000 per active service account per month
- $0.9078 Over 500,000 per active service account per month

Pricing will be updated monthly and will be calculated to the 3rd decimal place and be based on the number of active service accounts.

Effective August 1, 2018, or the effective date of this agreement, the Alliance’s current active service accounts will receive a discounted pricing of $0.965 per active meter per month. This pricing discount will be in effect until the start of power flow for the Alliance’s Phase 3 enrollment.

Should Contractor enter into contract to provide similar services to another CCA in SCE’s territory, for a per meter amount less than $1.030.85 for the first 500,000 active service accounts or $0.78 for any active service accounts over 500,000, Contractor shall notify Alliance and, within 3 months, reduce the specified 0-500,000 active service account price to a price equal to that paid by the other CCA.
B. Per Meter Fee Annual Inflation Escalation

Starting in August 1, 2022 and for each successive Contract Year, Contractor may be entitled to an annual escalation of each Meter Fee equal to the annual percentage change in the Consumer Price Index (CPI) during the prior calendar year as reported by the U.S. Bureau of Labor Statistics West Region, provided that in no event shall the annual escalation percentage exceed 2.5%.

III. Ad-Hoc Services

Ad-hoc services are those services which are not included in Exhibit A or Services which the Alliance can reasonably self-serve utilizing tools and services provided by the Contractor (such as the CRM, Bill Comparison Tool, Data Warehouse, etc.) but chooses to engage Contractor (“Ad-Hoc Services”). The Parties must mutually agree in writing on the terms of the Ad-Hoc Services, including but not limited to scope, requirements, timing, or pricing, before Contractor performs the Ad-Hoc Services.

Contractor shall provide Ad-Hoc Services at an hourly rate of $150.00. Contractor shall include two hours of preliminary consultation for each request for Ad Hoc Services at no additional charge.

IV. Rate Changes

For any Value-Only Rate Change and Structural Rate Change that exceeds the amounts specified in section 9 of Exhibit A, Contractor shall provide such rate change services in accordance with the following pricing formula:

<table>
<thead>
<tr>
<th>Rate change type</th>
<th>Number of Billing Determinants Affected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value-Only Change</td>
<td>0-50</td>
</tr>
<tr>
<td></td>
<td>$1,000</td>
</tr>
<tr>
<td>Structural Rate Change</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

V. Optional Extended Call Center Hours

In the event that CPA exercises its option for Extended Business Hours, Contractor may add $0.04 per meter during the period in which CPA requests extended call center hours.

VI. Optional Services

1- Olivine DER Program Support - At the Alliance’s sole discretion, support for DER Programs through the tri-party agreement between the Alliance, Contractor, and Olivine can be extended through November 30, 2021. Cost for these services will be passed through without markup to the Alliance.

2- The pricing for the Recurve Platform and the Demand Flexibility Marketplace, the Alliance shall pay in accordance with the amount(s) and the payment schedule as specified below:
For the Demand Flexibility Marketplace, Recurve shall bill the Alliance monthly by written invoice ("Invoice") for 20% of the Total Program Value of the projects completed (each a “DFP Completion”) in the previous month, as defined and further detailed below. Each invoice shall be included as part of the monthly Calpine invoice and paid to Contractor who will then disburse payment to Recurve.

DFP Completion shall be defined in the CPIP and evidenced by receipt of the final invoice, as provided by the Aggregator to the DFM Participant.

“Total Program Value” shall be calculated using the forecasted energy savings estimates provided by the Aggregator, the lead measure that will be used to forecast the marginal hourly savings load shape of the project for each hour of the year (“Anchor Measure”), and the associated measure expected useful life (“EUL”). Recurve shall calculate the program value of each installed project (“Program Value”), creating an “enrollment summary” that will be delivered to the Alliance on a monthly basis. Program mirrors the calculation of “net benefits” as defined by the CPUC.

<table>
<thead>
<tr>
<th>Item</th>
<th>Price</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurve Platform&lt;br&gt;Resource Planner&lt;br&gt;3,000 vCPU Hours / Month&lt;br&gt;ETL + Routine Support up to 10 hours</td>
<td>No cost through July 2022&lt;br&gt;$0.01/ meter per month thereafter*</td>
<td>12 Months</td>
</tr>
<tr>
<td>Demand Flexibility Marketplace</td>
<td>20% of Total Program Value (See Below)</td>
<td></td>
</tr>
</tbody>
</table>
Joint Review

Parties recognize and agree that these services are offered in an evolving market and as such, the Alliance’s needs may change over time. Parties agree to meet quarterly to jointly evaluate performance, and to meet, prior to each Contract Year starting in 2022, to conduct a comprehensive review and/or adjustment regarding the alignment of services being provided in Exhibit A.
Amended and Restated Distributed Energy Resources Services Agreement
Between Clean Power Alliance, Calpine Energy Solutions, and Olivine, Inc.

October 3, 2019 (“Effective Date”), Amended as of April 2021

I. RECITALS.

A. Clean Power Alliance of Southern California (“CPA”) desires to deploy a Distributed Energy Resources (“DER”) pilot program (“CPA DER Pilot Program”) in its territory. The goal of the CPA DER Pilot Program is for CPA to gain real-world knowledge of how DER program deployments can be used to help achieve its energy procurement and customer program goals, and to begin to establish a brand presence in the DER program marketplace.

B. The purpose of this DER Services Agreement is to detail the timing, scope, budget allocation, reporting and other operational aspects of the CPA DER Pilot Program called for in the contract between CPA and Calpine Energy Solutions, LLC (“Calpine”), dated August 1, 2018 (“Original Contract”).

C. Exhibit A - Description of Services to the Original Contract specified a Scope of Work for CPA and Calpine for DER services. Section 3(k) of Exhibit A delineated a number of planning tasks to be jointly conducted by Calpine and Olivine, Inc. (“Olivine”) such that CPA could launch a CPA DER Pilot Program no later than January 2020. Section 3(l) of Exhibit A called for the development of a separate DER Services Agreement between CPA, Calpine, and Olivine to implement certain aspects of a 12- to 18- month CPA DER Pilot Program once it was more defined following the completion of the Section 3(k) planning tasks. CPA, Calpine and Olivine hereby intend to enter into this separate agreement in order to implement the CPA DER Pilot Program (“DER Agreement”).

D. Costs for both the planning phase and certain operational aspects of the planning and implementation phase of the CPA DER Pilot Program have been and are to be covered by the monthly per meter fee that CPA pays to Calpine; other operational aspects of the CPA DER Pilot Program, such as incentive payments, enhanced marketing, and internal CPA costs, have been and are to be covered by CPA. The responsibility for and the timing of any payments shall be specified in Section VIII, Budget Allocation and Payment Schedule, below.

II. PARTIES.

1. CPA, a Joint Powers Authority, is one of the parties to the Original Contract and is sponsoring the CPA DER Pilot Program which will serve end-user customers. CPA holds responsibility for overseeing the CPA DER Pilot Program, participating in customer marketing and outreach, funding program incentives, and integration with other CPA initiatives. CPA has sole authority to approve phase completion or authorize
payments to Olivine, regardless of whether the payments are from Calpine or directly from CPA.

2. Calpine is other party to the Original Contract and is a CPA DER Pilot Program implementation partner, and the lead for customer billing data acquisition and processing for the CPA DER Pilot Program in accordance with the Original Contract. Calpine shall be responsible for providing and processing such available data as specified herein, processing any billing credits as directed by CPA, in accordance with the Original Contract and subject to any limitations to CCA billing services set by Southern California Edison, and for making payments to Olivine, as specified below.

3. Olivine is the overall and lead CPA DER Pilot Program implementer, Demand Response Provider (“DRP”) and providing Scheduling Coordinator services under CPA’s SC ID for this CPA DER Pilot Program, using The Olivine Community Program model. Olivine holds lead responsibility for completing each of the phases specified in the Section IV, Scope of Work and Schedule for the CPA DER Pilot Program, and any transition activities including but not limited to the activities, deliverables, completion criteria, or action items identified under each phase. Olivine will lead CPA customer enrollment, manage registration and operations of Demand Response resources, resource creation with CAISO, Demand Response dispatch notifier, resource aggregation, market bidding and program performance calculations, and CPA customer data acquisition and data management as required by Olivine’s responsibilities under this DER Agreement. Olivine is also responsible for the distribution of any customer incentives, rebates, or customer reimbursements as directed by CPA to CPA customers as spelled out in Section VIII.B.1 below. Olivine and CPA will partner on marketing activities.

CPA, Calpine, and Olivine are sometimes collectively referred to herein as the “Parties” and each individually as a “Party.”

In consideration of the terms of this DER Agreement, and for other good and valuable consideration, the Parties make the following acknowledgments and agreement.

III. TERM.

The term of this DER Agreement shall commence on the Effective Date and continue through and including March 30, 2021 (“Term”). The Parties may agree to extend this DER Agreement for any amount of time beyond the Term up to July 31, 2022 (“Extended Term”) upon written amendment to this DER Agreement duly executed by the Parties. Additional costs to CPA may apply for work performed during an Extended Term which is in addition to the work specified in Section IV.

IV. SCOPE OF WORK AND SCHEDULE FOR CPA DER PILOT PROGRAM.

Olivine shall implement and operate the CPA DER Pilot Program as described below consistent with the CPA-Olivine CPA DER Pilot Program Implementation Plan. The CPA DER Pilot
Program is intended to assess the viability and value of different DER Program options within CPA’s territory and will be implemented in the following Phases:

**A. Planning Activities.**

Activities specified in Section 3(k) of Exhibit A to Original Contract, which is hereby incorporated by reference herein and the additional activities and milestones specified in Phase 1, below.

1. **Phase 1: Preparation and Pre-Enrollment**

Phase 1 will consist of activities in preparation of the launch of the CPA DER Pilot Program.

**Activities and Key Milestones:**

- Implementation of enrollment materials, residential mobile customer enrollment application, and interface with CPA website
- Development of marketing collateral, including for residential customers, in collaboration with CPA
- Development of sales tools and commercial & industrial enrollment package for pre-enrollment
- Identification and targeting of high priority customers for pre-enrollment
- Development of event trigger strategy
- Finalize program rules and processes

**Completion criteria:** CPA presentation of Olivine-generated commercial sales and enrollment packages to potential customers and CPA’s approval of marketing collateral including for residential customers; Olivine’s submission of a final draft of the CPA DER Pilot Program Implementation Plan to CPA.

**B. Implementation and Operation Activities.**

Activities specified in Section 3(l) of Exhibit A to Original Contract, which is hereby incorporated by reference herein and the additional activities and milestones specified in Phases 2 and 3, below.

1. **Phase 2: Program Launch Period**

Phase 2 will consist of activities related to CPA DER Pilot Program launch, customer outreach, and enrollment.

**Activities and Key Milestones:**

- Delivery of marketing and customer engagement through multiple channels
- Customer enrollment
Olivine to train CPA/Calpine Customer Support call center personnel no later than February 1, 2020
- Development of program performance evaluation surveys
- Conduct customer verification and data transfers
- Delivery of technical assistance for commercial customers
- Delivery of Community Based Organization (CBO) outreach partner trainings and support in Disadvantaged Communities (DACs)
- Implementation of reporting

**Completion criteria:** CPA’s acceptance of the complete CPA DER Pilot Program Implementation Plan; Olivine demonstrates the ability to successfully conduct customer verification and data transfers for enrolling residential customers

**Timing:** Approximately January 2020 to May 2020

2. **Phase 3: Program Operations**

Phase 3 will consist of activities related to the aggregation of DER resources to bid into the CAISO wholesale market.

**Activities and Key Milestones:**

- Aggregation and value analysis of enrolled DER resources
- CAISO registration of DER resources
- Development of bidding strategy in coordination with CPA
- Demand response (DR) events scheduling and customer event notification
- Customer Payments processing and reporting, unless customers are entitled to Customer Payments during Phase 2 pursuant to the Program Launch parameters in which case Customer Payments shall be made during Phase 2.

**Completion criteria:** Olivine provides a value analysis of enrolled DER Resources; Olivine has set up and processed Customer Payments according to Section VIII.B.

**Timing:** Approximately June 2020 to December 2020, unless otherwise extended by CPA as provided herein.

3. **Phase 4: DER Pilot Program Extension**

Phase 4 will consist of activities related to the extension of the pilot program. Phases 1-3 are fully complete.

**Activities and Key Milestones:**

- Monthly reporting of events and enrollments
- Monthly check ins
• Customer incentive processing and monthly reporting
• DRP services including meter data management and registrations at the CAISO of DER resources
• Scheduling Coordinator services in the CAISO on behalf of CPA using CPA provided SCID and access.
• Enrollment, customer event notification and data management
• Use of Olivine’s system by CPA personnel to provide bids and schedule events
• Support for transition to new implementation provider as set forth in Section XI.

Completion Criteria: Demonstrated execution of CAISO market bid; release of registered customers for transition to new implementation provider if appropriate.


C. Enhanced Marketing & Implementation Services (“Enhanced Marketing Services”).

The activities and milestones for the Enhanced Marketing Services are contained in Phases 1-3. Completion criteria and timing for Enhanced Marketing Services shall follow those contained in Phases 1-3. The Enhanced Marketing & Implementation Services are deemed complete prior to the beginning of Phase 4.

D. Final: Pilot Program Assessment.

Final Phase to consist of activities to assess performance of CPA DER Pilot Program.

Activities and Key Milestones:

• Interim Assessment submitted to CPA by no later than November 2020
• Develop and conduct final program performance evaluation surveys
• Draft Final Report due to CPA no later than 60 days after completion of Phase 3 October 1, 2021
• Olivine shall finalize the Final Report, taking into consideration edits and comments of CPA, within 30 days after submission of Draft Final Report but no later than the end of the Term.

Completion criteria: Olivine completion of Final Report.

Timing: Approximately October 2020 - March November 2021, unless otherwise extended by CPA as provided herein.

V. REPORTING REQUIREMENTS.

Olivine shall provide CPA a measurement of the selected metrics such as those specified below, through a monthly status report to CPA. Olivine acknowledges and agrees that this reporting is
material to this DER Agreement as it will provide CPA and Olivine the opportunity to change the implementation strategy of the CPA DER Pilot Program. Olivine and CPA agree to have a management review meeting of the CPA DER Pilot Program no less than eight (8) six (six) times, during the Term, including for Phase 4 services.

Metrics to be collected and reported during Phase 1-3 are:

- Direct mailings to customers; mailings to DAC and Low-Income customers
- Customer visits to websites and app; visits by enrolled DAC and Low-Income customers
- Direct communications or surveys of customers; DAC and Low-Income customers
- Customers enrolled; DAC and Low-Income customers enrolled
- kWh energy savings
- kW demand savings
- Customer cost reductions
- Increase in renewable power mix
- Wholesale energy procurement savings
- Resource Adequacy yield
- Marketing dollars spent on DAC and Low-Income customers
- Incentives provided to DAC and Low-Income customers
- Net CO\textsubscript{2} emissions
- Net NO\textsubscript{x} and PM10 emissions
- DR events

Specific metrics are subject to change upon agreement of CPA and Olivine as final methodologies are determined and implemented. Notwithstanding the foregoing, Olivine acknowledges and understands that CPA considers the foregoing metrics to be core to evaluating the CPA DER Pilot Program. CPA acknowledges and understands that certain of the foregoing metrics are not able to be updated every month because they are based on figures from third-party entities which report based on a lag time; Olivine shall report the most recent metric available.

Calpine shall not be entitled to any reporting from Olivine.

VI. APPROVAL OF MARKETING MATERIALS.

Olivine intends to develop co-branded marketing materials for the CPA DER Pilot Program. Development of these materials should incorporate CPA’s logo and follow CPA’s brand and design guidelines to the extent feasible, and Olivine is authorized to utilize CPA’s logo on the co-branded marketing materials it develops for the CPA DER Pilot Program provided that Olivine gives CPA at least five calendar (5) days notice of its intended use. Olivine shall submit all marketing materials to CPA for approval prior to production and release.
VII. MARKET AND OPERATIONAL RISK.

The CPA DER Pilot Program is being implemented under Olivine’s DER Community Program model and during the Term of the DER Program Pilot Olivine will be CPA’s exclusive Demand Response Provider (DRP)/Distributed Energy Resource Provider (DERP) and provide Scheduling Coordinator services for DER Resources. As the financially responsible entity in the CAISO wholesale markets, Olivine will assess resources for market requirements and risk before bidding in the market and develop a mutually acceptable bidding plan with CPA. CPA accepts and acknowledges financial responsibility for resources bid on their behalf provided that the resources bid was expressly directed by CPA in writing. Olivine may use capabilities to test resources outside of market and calculate baselines and settlements in support of the DER Program Pilot.

VIII. BUDGET ALLOCATION AND PAYMENT SCHEDULE.

The CPA budget for the CPA DER Pilot Program is a total of $2,850,000$3,010,000 of which $1,700,000$1,860,000 will be provided to Olivine for Planning, Implementation and Operations, and Enhanced Marketing & Implementation Activities of the CPA DER Program, inclusive of tasks specified in Section 3(k) and Section 3(l) of the Original Contract. CPA has budgeted $800,000 for direct customer payments (rebates, incentives, or direct implementation costs) some of which will be deployed by Olivine, at CPA’s direction.
<table>
<thead>
<tr>
<th>Budget Item</th>
<th>Budget Amount</th>
<th>Original Contract Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning Activities</td>
<td>$500,000</td>
<td>Section 3(k) of Exhibit A to Original Contract</td>
</tr>
<tr>
<td>Implementation and Operations Activities</td>
<td>$900,000</td>
<td>Section 3(l) of Exhibit A to Original Contract</td>
</tr>
<tr>
<td>Enhanced Marketing &amp; Implementation Services</td>
<td>$300,000</td>
<td>Section 3(k) of Exhibit A to Original Contract</td>
</tr>
<tr>
<td>Pilot Extension</td>
<td>$160,000</td>
<td>Section 3(l) of Exhibit A to Original Contract</td>
</tr>
<tr>
<td><strong>Subtotal Planning and Implementation</strong></td>
<td><strong>$1,700,000</strong></td>
<td><strong>$1,860,000</strong></td>
</tr>
<tr>
<td>Rebates, Incentives and Direct Implementation Costs to Customers.</td>
<td>$800,000</td>
<td>Included in this Agreement; deployed through several channels</td>
</tr>
<tr>
<td>CPA Staff and Direct Costs</td>
<td>$350,000</td>
<td>Not Included in this Agreement</td>
</tr>
<tr>
<td><strong>TOTAL Program Costs</strong></td>
<td><strong>$2,850,000</strong></td>
<td><strong>$3,010,000</strong></td>
</tr>
</tbody>
</table>

Based on the foregoing budget allocation, Calpine and CPA shall make the following payments to Olivine.

**A. Calpine Payment to Olivine.**

1. Calpine shall provide Olivine a payment associated with Section 3(k) and Section 3(l) activities in the amount of $600,000 following execution of this Agreement and submission of a final draft of the CPA DER Pilot Program Implementation Plan to CPA.

2. Calpine shall provide Olivine a payment associated with Section 3(l) activities in the amount of $100,000 upon CPA’s acceptance of the complete Phase 2 CPA DER Pilot Program Implementation Plan which shall be submitted prior to CPA DER Pilot Program launch but no later than January 2020.

3. Calpine shall provide to Olivine a payment of $60,000 per month to be paid at the beginning of each month subsequent to CPA DER Pilot Program launch for a period of 11 months for a total of $660,000 for work associated with Phase 3.
Section 3(l) activities. Data analysis and Call Center Training are included in this funding source.

4. Calpine shall provide Olivine a payment of $25,000 for completion of the Interim Assessment specified in Section IV.D., and $15,000 for completion of a Final Report, including preliminary data gathered in Phase 4, the completion criteria in Section IV.D. due within 90 days of completion of Phase 3 Program Operations but no later than at the end of the Term.

5. Calpine shall provide Olivine a payment of $20,000 per month payable in eight (8) monthly increments starting in April 2021 for Phase 4 services.

5-6. Olivine shall issue an invoice to Calpine with a copy to CPA for each of these payments referenced above.

6.7. The total payments from Calpine to Olivine will not exceed $1,560,400,000, unless agreed upon by the Parties in writing.

7.8. Calpine will make payments to Olivine in accordance with the above schedule on a net 15 day basis following receipt of invoice, subject to the following conditions: (a) provided that CPA has not notified Calpine that Olivine is in default under this DER Agreement and (b) this DER Agreement has not been terminated. This paragraph shall be subject to the terms in Section IX.C.

B. CPA Payment to or Reimbursement of Olivine.

1. CPA will prepay to Olivine $75,000 prior to Phase 2 and will maintain a minimum prepaid balance of $75,000 with Olivine during Phases 2, 3, and 4 (the “Prepaid Balance”) for eligible customer incentives, rebates and reimbursement of direct customer installation costs to support the CPA DER Pilot Program (collectively, “Customer Payments”). Olivine shall segregate the Prepaid Balance in a separate account and shall not commingle the Prepaid Balance with any of Olivine’s funds or other accounts. Olivine shall disburse Customer Payments to eligible CPA customers by drawing down on the Prepaid Balance. Any process for the transfer of Customer Payments must be authorized by CPA in writing.

2. Olivine shall submit to CPA at least on a monthly basis an invoice for any Customer Payments, supporting invoices detailing actual funds transferred to customers to pay Customer Payments and other supporting documentation reasonably requested by CPA. CPA shall pay Olivine within 30 calendar days from the date of the invoice (a) for any amounts drawn down from the Prepaid Balance; or (b) in the event that the Customer Payments exceeds the Prepaid Balance, shall pay Olivine for any amounts paid by Olivine and any amounts needed to maintain the Prepaid Balance.
3. Olivine acknowledges and agrees that the funds in the Prepaid Balance are property of CPA, not Olivine, and the transfer of funds to the Prepaid Balance does not constitute a payment from CPA to Olivine. Under no circumstance shall the amount of funds transferred to Olivine by CPA exceed $800,000. Any amounts in the Prepaid Balance at the end of Term, Extended Term (if applicable), or upon termination or expiration of this DER Agreement shall be returned to CPA within two (2) business days regardless of any dispute between the Parties. Olivine shall not be entitled to use the Prepaid Balance to set off any payments or expenses CPA or Calpine may owe Olivine.

4. CPA shall pay Olivine up to $300,000 for Enhanced Marketing Services, payable in five (5) increments as follows:

   a. Prior to the commencement of Phase 1 of the CPA DER Pilot Program, CPA shall pay to Olivine $100,000 for Enhanced Marketing & Implementation Services activities related to Phase 1.
   b. Prior to the commencement of Phase 2, CPA shall pay Olivine $50,000 for Enhanced Marketing & Implementation Services activities related to Phase 2.
   c. Upon meeting the completion criteria of Phase 2, CPA shall pay Olivine $50,000 for Enhanced Marketing & Implementation Services activities performed during Phase 2.
   d. Prior to the commencement of Phase 3, CPA shall pay Olivine $50,000 for Enhanced Marketing & Implementation Services activities related to Phase 3.
   e. Upon meeting the completion criteria of Phase 3, CPA shall pay Olivine $50,000 for Enhanced Marketing & Implementation Services activities performed during Phase 3.
   f. Olivine shall invoice CPA for each of these payments and shall specify the contract provision (for example, VIII.B.2.b.) for which payment is requested.

Any disputes concerning an invoice or payment shall be subject to the Disputes provision.

Except for the payments expressly specified herein, Olivine shall not be entitled to receive any other payment from CPA or Calpine during the Term for the services Olivine provides or has provided relating to the CPA DER Pilot Program.

IX. **EXPIRATION/TERMINATION.**

   A. **Expiration.**

   This DER Agreement shall expire at the end of the Term, unless extended by the Parties in writing 60 days prior to the termination date.

   B. **Termination.**
CPA or Olivine may choose to terminate this DER Agreement in its entirety, or any part thereof, for (“default”) or without cause (“convenience”) after the first six months of the Effective Date upon thirty (30) days written notice. To terminate for default under this section, the terminating Party will give the Defaulting Party (or Parties) a reasonable period of time to cure the default, which in no case shall be less than fifteen (15) calendar days. If the time to cure expires or the Defaulting Party (or Parties) is unable or unwilling to cure the default, then the “Disputes” section XII.D. shall apply.

If a termination is for default, any amounts owed will be subject to the “Disputes” section.

C. Payments in the Event of Termination or Expiration.

In the event of a termination or expiration of this DER Agreement, Calpine or CPA shall make any outstanding payments owed to Olivine based upon the schedule set forth in Section VIII above provided that Olivine has completed the tasks specified in the Scope of Work and Schedule (Section IV). Payments based on time (e.g., monthly payments) shall be pro-rated to the date of termination or expiration. Payments based upon activities or Phases shall be negotiated by the Parties, and subject to the Disputes section if the Parties are unable to agree.

D. Survival of Provisions.

The following provisions of this DER Agreement shall survive upon termination or expiration: VII, IX.C., IX.D, X, XI, XII.C., D, J and K., and Section 12, 14, 19, 21, and 22 contained in the Flowdown Provisions specified in XII.A..

X. OWNERSHIP.

To the extent permitted by law as related to customer or customer-related data, CPA shall own, or retain all right, title and interest in and to all customer or customer-related data gathered or created by Olivine in the performance of the services pursuant to this DER Agreement , (“CPA Data”), all proprietary information provided by CPA to Olivine in connection with this DER Agreement (“CPA Information”), and all finished or unfinished website content, writing and design of marketing materials or customer communication materials including but not limited to channels, messaging, design, personalization, or other materials, reports, plans, studies, documents and other writings prepared by Olivine, its officers, employees and agents as deliverables for CPA Scope of Work and Schedule of this DER Agreement (“CPA Materials”). CPA Data, CPA Information and CPA Materials shall collectively be referred to as “CPA Product.” CPA grants Olivine the right to use of CPA Product throughout the Term of this Agreement.

After the Term, CPA shall have the exclusive right to use CPA Product in its sole discretion without further compensation to Olivine or to any other party. Upon the expiration of this Agreement, or in the event of termination, all CPA Product, in whatever form and in any state of completion, shall remain the property of CPA, shall be promptly returned to CPA, and shall not be used by Olivine without the express written permission of CPA. Upon termination, Olivine
may make and retain a copy of CPA Materials if permitted by law and in compliance with Olivine’s data retention and disposal policy.

For the avoidance of doubt, all of Olivine’s patents, copyrights, trade secrets, internal systems, applications, know-how, programs, software, trademarks, and internal documentation, whether existing as of the Effective Date or created thereafter, shall be and remain the exclusive property of Olivine.

XI. TRANSITIONAL PHASE.

After the expiration or termination of this DER Agreement, Calpine and Olivine will transfer (i) all CPA Product with the exception of any customer data not permitted to be transferred to CPA under applicable law and regulation and (ii) any installed equipment to CPA, both at no additional cost.

XII. ADDITIONAL PROVISIONS.

A. Flowdown Provisions.

The work to be done hereunder by Olivine satisfies a portion of the work required of Calpine under the Original Contract.

Olivine agrees and acknowledges that it shall be bound by the terms and conditions of sections 7, 8, 10, 12, 13, 14, 15, 17, 19, 20, 21, 22 in the Original Contract and shall strictly comply with those terms and conditions, in the same manner and extent as Calpine is bound to CPA with respect to those sections. All rights and remedies reserved to CPA under the Original Contract shall apply to and be possessed by CPA in its dealings with Olivine.

CPA agrees and acknowledges that the work set forth in this DER Agreement satisfies, in full, Sections 3(k) and 3(l) of Exhibit A to the Original Contract.

Calpine agrees, subject to the terms of this DER Agreement, and acknowledges that it is responsible to Olivine for the payments set forth in Section VIII. Olivine agrees and acknowledges that Calpine’s liability to Olivine is limited to the Calpine payments set forth in Section VIII, and that Calpine’s responsibility to Olivine under this DER Agreement is limited to providing appropriate data required to provide services identified in this DER Agreement.

B. Use of Subcontractors.

Olivine may choose to implement certain tasks with subcontractors and/or vendors with prior written notification to CPA. CPA reserves the right to approve subcontractors and/or vendors. Any approval of subcontractors and/or vendors shall be in writing and shall not be unreasonably withheld.

C. Confidential Information.
1. CPA and Olivine mutually agree that each of them will hold, as a Receiving Party, all confidential information of the other Party, as a Disclosing Party, in confidence, and will not divulge, disclose, or directly or indirectly use, copy, digest, or summarize, any of the Disclosing Party’s confidential information, except to the extent necessary to carry out the Receiving Party’s or its representatives’ respective responsibilities under this DER Agreement or as directed or authorized by the Disclosing Party.

2. Confidential information shall not include: (1) information that is generally available to the public or in the public domain at the time of disclosure; (2) information that becomes publicly known other than through any breach of this DER Agreement by Receiving Party or its representatives; (3) information which is subsequently lawfully and in good faith obtained by the Receiving Party from a third party, as shown by documentation sufficient to establish the third party as the source of the confidential information; provided that the disclosure of such information by such third party is not in breach of a confidentiality agreement or other similar obligation of confidentiality; (4) information that the Receiving Party develops independently without use of or reference to confidential information provided by the Disclosing Party; or (5) information that is approved for release in writing by the Disclosing Party.

3. Notwithstanding the foregoing to the contrary, a Receiving Party or its representatives may, without being deemed to violate this section, make such disclosures as are required in the ordinary course of business to regulatory agencies (e.g. FERC, Cal-ISO, etc.), provided that the Receiving Party gives the Disclosing Party five (5) business days advance notice of potential disclosure.

D. Dispute Resolution.

1. In the event of any claim, controversy or dispute between the Parties arising out of or relating to or in connection with the DER Agreement, a Party (the “Notifying Party”) may deliver to another Party or Parties (the “Recipient Party”) notice of the Dispute with a detailed written description of the underlying circumstances of such Dispute (a “Dispute Notice”) and the requested remedy or relief.

2. Following delivery of the Dispute Notice, representatives of the Parties shall meet and confer as often as they deem reasonably necessary for a thirty (30) day period and engage in good faith negotiations to resolve the Dispute to the satisfaction of each Party.

3. In the event a Dispute is not resolved pursuant to the procedures set forth in this section by the expiration of the thirty-day (30) period, then may pursue any legal remedy available to subject to Section 21 of the Original Contract.
E. Notices.

Any notice, request, demand, or other communication required or permitted under this DER Agreement shall be deemed to be properly given when both: (1) transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of CPA, to:

Name/Title: Ted Bardacke, Executive Director
Address: 555 W 5th Street, 35th Floor, Los Angeles, CA 90013
S. Grand Ave., Suite 400, Los Angeles, CA 90017
Telephone: (213) 269-5870
Email: tbardacke@cleanpoweralliance.org

In the case of Calpine, to:

Name/Title: Calpine Energy Solutions, LLC;
Attn: Legal Department
Address: 401 W A Street, Suite 500. San Diego, CA 92101
Telephone: 619-684-8251
Email: Sean.White@calpinesolutions.com

In the case of Olivine, to:

Name/Title: Olivine, Inc.;
Attn: Elizabeth Reid, CEO
Address: 2120 University Ave., Berkeley, CA 94704
Telephone: 408-759-0360
Email: breid@olivineinc.com

F. Severability.

Should any provision of this DER Agreement be held invalid or unenforceable by a court of competent jurisdiction, such invalidity will not invalidate the whole of this DER Agreement, but rather, the remainder of the DER Agreement which can be given effect without the invalid provisions, will continue in full force and effect and will in no way be impaired or invalidated.

G. Amendments.

None of the terms and conditions of this DER Agreement may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the Parties.

H. Complete Agreement.

In addition to the sections of the Original Agreement identified in the Flowdown provision, this DER Agreement constitutes the entire agreement between the Parties. No modification or
amendment shall be valid unless made in writing and signed by each Party. Failure of any Party to enforce any provision or provisions of this DER Agreement will not waive any enforcement of any continuing breach of the same provision or provisions or any breach of any provision or provisions of this DER Agreement.

I. Counterparts.

This DER Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement.

J. Limitation of Liability.

FOR BREACH OR DEFAULT ARISING FROM ANY PROVISION FOR WHICH AN EXPRESS REMEDY IS PROVIDED HEREIN, SUCH REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, LIABILITY SHALL BE LIMITED TO DIRECT, ACTUAL DAMAGES ONLY, SUCH DIRECT, ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. EXCEPT AS MAY BE INCLUDED IN AN EXPRESS REMEDY PROVIDED FOR HEREIN, NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES ARISING OUT OF OR RELATED TO THIS DER AGREEMENT, INCLUDING LOST PROFITS OR BUSINESS INTERRUPTION DAMAGES, WHETHER BASED ON STATUTE, CONTRACT, TORT, OR OTHERWISE, WITHOUT REGARD TO CAUSE OR THE NEGLIGENCE OF ANY PARTY, WHETHER SOLE, JOINT, ACTIVE OR PASSIVE, AND EACH PARTY HEREBY RELEASES THE OTHER PARTY FROM ANY SUCH LIABILITY, EVEN IF DURING THE TERM HEREOF IT ADVISES THE OTHER OF THE POSSIBILITY OF SUCH DAMAGES.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING PARAGRAPH, BUT EXPRESSLY SUBJECT TO THE LIMITATION ON TYPES OF DAMAGES IN THE FOREGOING PARAGRAPH, CPA SHALL HAVE THE FULL BENEFIT OF THE INDEMNITY OF SECTION XII.K. NOTWITHSTANDING THE FOREGOING PARAGRAPH, ANY UNPAID AMOUNTS SPECIFIED IN SECTION VIII SHALL BE CONSIDERED DIRECT OR ACTUAL DAMAGES TO THE EXTENT THOSE PAYMENTS ARE DUE AND OWED TO OLIVINE.

THE PROVISIONS OF THIS SECTION SHALL APPLY TO THE FULLEST EXTENT PERMITTED BY LAW.

K. Indemnification.

Olivine shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CPA and Calpine, their respective directors, employees, officers, agents and volunteers, from and
against, any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees as determined by a court or established by law), (collectively “Claims”) arising from and/or relating to this DER Agreement but (1) for all Claims, only to the extent that such Claims are caused by Olivine’s negligent acts, errors or omissions, or the negligent acts, errors or omissions of Olivine’s officers, employees, agents, or subcontractors while in the performance of the terms and conditions of the DER Agreement; or (2) for Claims for which Calpine seeks indemnification, to the extent such Claims are based upon Olivine’s status as a subcontractor of Calpine or otherwise under Calpine’s direction and control; except for such loss or damage arising from the negligence or willful misconduct of CPA or Calpine, or their respective directors, officers, employees, agents and/or volunteers.

This Indemnification shall apply only to the extent of Olivine’s acts and omissions, which shall be deemed to include any contractor, subcontractor, agent, and/or employee of Olivine. In addition to Olivine, as used in this Section XII.K., “Olivine” shall include any other person or entity under Olivine’s direction or control, including any subcontractors or vendors performing work for this DER Agreement. A party claiming indemnification under this section (an “Indemnitee”) shall promptly notify Olivine in writing of any Claim for which it claims indemnification, cooperate with Olivine in the defense thereof and all related settlement negotiations, and allow Olivine lead control over the defense and settlement of such tendered Claim, however Olivine shall allow the Indemnitee to provide input into the defense strategy and the Indemnitee shall have the right to review and consent to any settlement or related agreement.

For the avoidance of doubt, nothing in this section shall be interpreted to require Olivine to indemnify, defend or hold harmless: (a) CPA for any Claim advanced by Olivine against CPA or by CPA against Olivine; or (b) Calpine for any Claim advanced by Olivine against Calpine or by Calpine against Olivine.
Staff Report – Agenda Item 5

To: Clean Power Alliance (CPA) Board of Directors
From: Christian Cruz, Community Outreach Manager
Approved by: Ted Bardacke, Executive Director
Subject: Community Advisory Committee (CAC) Report
Date: April 1, 2021

RECOMMENDATION
Receive and file.

MARCH MEETING REPORT
At the March meeting, the CAC was notified of the open nomination period for the Los Angeles County Vice Chair seat vacated in December. The CAC also received a presentation on the 2021 energy portfolio mix and rate scenarios, as well as a legislative update which included takeaways from CPA’s Virtual Lobby Day.

CAC Los Angeles County Vice Chair Nomination
Staff announced the nomination period for the election of a new Los Angeles County Vice Chair. The vacancy was created upon the departure of former CAC Member Robert Parkhurst. The nomination period closed on March 26, 2021, and one nomination was submitted by the deadline. The election will occur via rollcall vote at the April 22nd CAC meeting.

CPA’s 2021 Energy Portfolio Mix and Rate Scenarios
Matt Langer, Chief Operating Officer, provided the CAC with an overview of the 2021 energy portfolio mix and rate scenarios. An $87 million FY 2021-22 budget shortfall caused largely by rising energy costs will need to be addressed through changes to the
power content portfolio and rates. Staff briefed the CAC on the options that will be discussed by the CPA Board in the coming months.

Several CAC members encouraged staff to consider providing an equitable distribution of rate increases. In addition, the CAC also requested that staff highlight CPA programs to customers in advance of any changes, such as Power Share, that will help minimize the impact of any rate changes to the most vulnerable customers. Finally, the CAC requested that staff provide quality communication materials to the CAC that will help to convey to customers the need for rate and power content changes. Staff will continue to update the CAC in the coming weeks and request that the Committee continue to provide feedback on customer communication and key considerations throughout the budget and rate-setting process.

**Legislative Update**

Gina Goodhill, Policy Director, provided the CAC with a legislative update on CPA’s Lobby Day which occurred on March 10, 2021. During the virtual event, some CPA Board Members and CAC Members joined staff in meetings with 16 state elected officials as well as Alice Reynolds, the Senior Advisor of Energy to Governor Newsom. During the discussions, two additional representatives agreed to co-author SB 612 (Portantino).

It is expected that SB 612 will be assigned to committee in the coming weeks. Staff provided the CAC with a template letter of support and a fact sheet and requested that CAC members engage with their networks, cities, and community groups to submit letters of support for this bill.

**ATTACHMENT**

1) CAC Meeting Attendance
## Community Advisory Committee Attendance

<table>
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<tr>
<th>2021</th>
<th>Jan</th>
<th>Feb</th>
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<td>Vern Novstrup</td>
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<td>Kristie Hernandez</td>
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### Major Action Items and Presentations

**January**
- Executive Director Update
- Power Share Program Update
- Reserve Policy Amendment

**February**
- Executive Director Update
- CALeVIP update
- 2021 Legislative Priorities
- Preview

**March**
- Vice Chair Nominations
- 2021 Energy Portfolio Mix and Rate Scenarios
- 2021 CPA Lobby Day Update
Staff Report – Agenda Item 6

To: Clean Power Alliance (CPA) Board of Directors
From: Natasha Keefer, Director of Power Planning & Procurement
Approved by: Ted Bardacke, Executive Director
Subject: 2021 and 2022 Energy Portfolio Content Changes
Date: April 1, 2021

RECOMMENDATION
Adopt the following mix of renewable energy and greenhouse gas free (GHG-free) energy for CPA’s three rate products in calendar years 2021 and 2022:

1. CPA’s 100% Green product will contain 100% Portfolio Content Category 1 (PCC1) renewable energy.
2. CPA’s Clean Power product will be 50% clean energy, consisting of 40% renewable energy and 10% GHG-free energy.
3. CPA’s Lean Power product will be 40% clean energy, consisting of all GHG-free energy.

The Executive Committee endorsed this approach at its February 17th, 2021 meeting.

BACKGROUND
Several cost drivers are placing upward pressure on CPA’s FY 21/22 energy procurement costs, including the following:

- **Resource Adequacy (~$73 million increase)** – Resource Adequacy (RA) costs have sharply increased in 2021 due to tight capacity supply conditions as well as

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1California classifies renewable energy credits (RECs) by Portfolio Content Category. PCC1 RECs are generally in-state resources and PCC2 RECs are generally out-of-state resources. PCC3 RECs do not meet either PCC1 or PCC2 requirements and while they are considered to carry renewable energy attributes, they are not considered GHG-free resources by the State of California because they are transacted “unbundled” from their energy sources. All three categories represent credits generated by California Energy Commission certified renewable resources.
more restrictive regulations enacted by the California Public Utilities Commission (CPUC). CPA forecasts that FY 21/22 RA costs will be 35% higher than FY 20/21.

- **Energy Market prices** (~$187 million increase) – Forward energy prices for Q3 2021 have risen significantly due to market fear of repeat summer heat events like those that occurred in August and September 2020. In addition, the tight supply of capacity may result in energy shortages during evening hours. Although CPA is significantly hedged, in compliance with its Board-approved Energy Risk Management Policy (ERMP), CPA does have some remaining market exposure to elevated prices, particularly if load is higher than expected due to heat.

CPA has limited ability to mitigate these cost drivers in the short-term. However, given its young history, it does have more cost control and flexibility at this time with regards to its purchases of renewable and GHG-free energy. The proposed changes are estimated to save customers ~$16.7 million for FY 21/22. Additional cost savings from this change will be realized in both the current fiscal year as well as in FY 2022-2023.

**DISCUSSION**

CPA currently offers its customers three rate products:

- **100% Green Power** – contains 100% PCC1 renewable energy
- **Clean Power** – contains 50% renewable energy and has a GHG intensity that is lower than Southern California Edison’s (SCE)
- **Lean Power** – meets or exceed SCE’s renewable energy content (approx. 40%)

To reduce costs, several adjustments to the three rate products were evaluated, as described below.

**Lean Power**

The Lean Power product is currently targeting 40% renewables, made up primarily of out of state renewables (PCC2). CPA evaluated two options to reduce Lean Power costs:
Lean Power Option

<table>
<thead>
<tr>
<th>FY 2021/2022 Savings</th>
<th>Considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td>~$4.9 million</td>
<td>• Maintains current renewable content target&lt;br&gt;• JPA discourages use of unbundled RECs&lt;br&gt;• Results in higher GHG emissions profile because PCC3 RECs do not count as emissions-free power</td>
</tr>
</tbody>
</table>

2. Change target to 40% carbon-free energy (large hydro)

RECOMMENDED ACTION

~$7.7 million

• Lower GHG emissions profile than current Lean Power target or Option 1 above<br>• Reduces overall CPA renewables portfolio

Option #2 is recommended due to the higher cost savings, lower emissions intensity, and consistency with CPA’s objectives as established in the JPA.

Clean Power

The Clean Power product is currently targeting 50% renewables, made up of a mix of in-state (PCC1) and out-of-state (PCC2) resources. CPA evaluated two options to reduce Clean Power costs:

<table>
<thead>
<tr>
<th>Clean Power Option</th>
<th>FY 2021/2022 Savings</th>
<th>Considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Shift from 50% renewables target to 50% clean energy target (45% renewables, 5% carbon free)</td>
<td>~$5.3 million</td>
<td>• Renewables continue to surpass SCE&lt;br&gt;• Reduces overall CPA renewables portfolio&lt;br&gt;• GHG emissions profile continues to be lower than SCE</td>
</tr>
</tbody>
</table>

2. Shift from 50% renewables target to 50% clean energy target (40% renewables, 10% carbon free)

RECOMMENDED ACTION

~$9.0 million

Option #2 is recommended due to the higher cost savings.
100% Green Power

The 100% Green Power product is currently 100% renewables, made up of solely PCC1 resources. CPA evaluated two options to reduce Clean Power costs:

<table>
<thead>
<tr>
<th>100% Green Power Option</th>
<th>FY 2021/2022 Savings</th>
<th>Considerations</th>
</tr>
</thead>
</table>
| 1. Shift from 100% PCC1 target to 90% and 10% PCC2 | ~$0.5 million | • The value proposition of 100% Green Power is based around a “Gold Standard” 100% PCC1 renewable portfolio  
• PCC2 renewables are close in price to PCC1, resulting in minimal cost savings |
| 2. Shift from 100% PCC1 target to 80% and 20% PCC2 | ~$1.0 million |

No change is recommended to the 100% Green Power product due to the limited cost savings opportunities and increased risk of devaluing the product for customers on CPA’s premium rate.

**Summary of Recommendation – Portfolio and Fiscal Impact**

Below is a summary of Staff’s recommendation for changes to the CPA’s power content by rate product, along with the expected cost savings expected with each change:

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Recommended</th>
<th>Cost Savings</th>
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</thead>
<tbody>
<tr>
<td>Lean RPS Content</td>
<td>40%</td>
<td>0%</td>
<td>~$7.7 million</td>
</tr>
<tr>
<td>Lean Carbon Free Content</td>
<td>0%</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>Clean Renewable Content</td>
<td>50%</td>
<td>40%</td>
<td>~$9.0 million</td>
</tr>
<tr>
<td>Clean Carbon Free Content</td>
<td>55%</td>
<td>50%</td>
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</tbody>
</table>
If the recommended changes to the content of CPA’s three rate products is approved, CPA’s overall renewable energy and GHG-free energy portfolio will be comprised of the following for the current and next calendar year.

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Year</th>
<th>Renewable</th>
<th>GHG- Free</th>
<th>Carbon Free</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Portfolio (baseline)</td>
<td>2020</td>
<td>60.9%</td>
<td>6.6%</td>
<td>56.8%</td>
</tr>
<tr>
<td>Lean Power with Carbon Free</td>
<td>2021 &amp; 2022</td>
<td>-9.1%</td>
<td>4.8%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Clean Power 40% RPS/10% Carbon Free</td>
<td>2021 &amp; 2022</td>
<td>-5.6%</td>
<td>-1.4%</td>
<td>-5.0%</td>
</tr>
<tr>
<td>100% Green (no change)</td>
<td>2021 &amp; 2022</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Total Portfolio after Recommended Action</td>
<td>2021 &amp; 2022</td>
<td>46.2%</td>
<td>10.0%</td>
<td>58.2%</td>
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**ATTACHMENT**

1) Presentation on Energy Cost Drivers and Proposed Energy Cost Reduction Action
Item 6
Energy Cost Drivers and Proposed Energy Cost Reduction Action

Thursday, April 1, 2021
Agenda

- FY 2021-2021 Revenue Requirement Overview
- Energy Market Dynamics and Cost Drivers
- Energy Cost Reduction Opportunities
  - Proposed Action Item on Product Content
- Long-term Outlook on Energy Costs and Renewable Energy Content
- Summary and Next Steps
FY 2021/22 Revenue Requirement Overview
Background

- CPA is experiencing several market dynamics that are placing upward pressure on its Fiscal Year 2021-2022 revenue requirement.

- These upward pressures are compounded by an unfavorable competitive position vis-à-vis SCE rates.
  - If no action is taken, CPA would experience a FY 21/22 revenue shortfall of ~$104 million.

This Agenda Item - Action

Cost
- Procurement cost increases for resource adequacy, energy, and congestion.
- Anticipated increase to bad debt expense.

Agenda Item 7 – Information

Revenue
- SCE Delivery charges up ~14% for all customers.
- PCIA up 27% for CPA customers.
- SCE generation rates flat.
2021 Rates Recap

- As discussed at the February Board meeting, SCE changed rates on Feb 1
  - SCE Delivery charges up ~14% for all customers
  - PCIA up 27% for CPA customers
  - SCE generation rates flat
- SCE is expected to change rates again in summer 2021
  - SCE Delivery will increase again for all customers; likely more than 10%
  - PCIA for CPA customers stay flat
  - SCE generation rates increase ~1.5%-3%
- Full year impact of adjusting CPA rates downward based on February rates and PCIA would have resulted in a revenue reduction of 8% or ~$65 million
- Downward pressure on CPA revenue in an environment of rising costs puts CPA in a challenging competitive position from a rates perspective
- CPA’s value proposition for the community remains strong and robust
Cost Reduction: Operating Expenses

• Immediate actions to reduce operating expenses
  – Total operating expenses are less than 5% of the total FY budget

• Areas where the potential for meaningful cost savings have been identified include
  – **Data Manager** (~ $1.3 million cost savings)
    • Modified Calpine contract – Agenda Item 4
  – **Customer Mailers** (~ $250,000 cost savings)
    • Reduce costs by sending certain mailers via email as allowed
  – **Banking** (~ $60,000 cost savings)
    • Renew loan agreement – Agenda Item 3

• Staff will be bringing a proposed FY 21-22 budget to the Board for approval in June
Summary of Energy Cost Drivers

- A number of factors are placing upward pressure on CPA’s costs and/or downward pressure on revenue:

<table>
<thead>
<tr>
<th></th>
<th>Dollar Impact from Previous Year</th>
<th>Ability to Change (Short-Term)</th>
<th>Ability to Change (Long-Term)</th>
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</thead>
<tbody>
<tr>
<td>Resource Adequacy prices</td>
<td>+$73 million</td>
<td>None</td>
<td>Medium</td>
</tr>
<tr>
<td>Energy market prices</td>
<td>+$187 million</td>
<td>None</td>
<td>Medium</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>+$1.7 million</td>
<td>Low</td>
<td>Medium</td>
</tr>
<tr>
<td>Congestion costs and CRR market values</td>
<td>+$11 million</td>
<td>None</td>
<td>Low</td>
</tr>
</tbody>
</table>

- Staff has evaluated options for reducing renewable energy costs
  - Product content adjustments (~$16.7m savings) – Proposed Action Item Today
- Remaining revenue shortfall will need to come via rates – Actions in May and June
Energy Cost Considerations
2021 Cost Considerations: Resource Adequacy

• Resource Adequacy (RA) costs have sharply increased in 2021 due to tight supply conditions exacerbated by more restrictive regulations
  – RA contracts for 2021 were substantially more expensive than 2020
  – CPA expects FY21/22 RA costs to be 72% higher than costs included in the FY20/21 budget
• RA costs are anticipated to remain high over the 2021-2026 period due to a number of unfavorable market and regulatory conditions
2021 Cost Considerations: Energy Market Prices

- CAISO market **energy prices** are forecast to increase
  - Market fear of repeat summer heat events like those that occurred in August and September 2020
  - Tight supply of capacity may result in energy shortages during evening ramps
2021 Cost Considerations: Energy Market Prices (Cont.)

- Guided by CPA’s Board-approved Energy Risk Management Policy (ERMP), CPA conducts hedging activity to minimize market risk exposure and stabilize rates for customers
  - If not for the hedging program, CPA’s procurement costs would be much higher
  - Despite compliance with the hedging program, CPA cannot be perfectly hedged in every hour due to load, resource, and market variability

- Elevated Q3 prices do not currently persist beyond 2021
Energy Cost Reduction Opportunities
Cost Reduction Opportunities: Power Content

- Most upward energy cost drivers for FY 21/22 are out of CPA’s control
- There is an opportunity to reduce costs by adjusting CPA’s power content for its Lean, Clean and 100% Green rate products
- With input from the Executive Committee, staff evaluated several power content scenarios to put in place for calendar year 2021 and 2022
  - Note that product content is measured for the calendar year, so each of these scenarios would also yield savings in FY 20/21 and FY 22/23
- Staff’s recommendation yields a cost savings of $16.7 million in FY 21/22, lowering the overall FY 21/22 revenue requirement shortfall to ~$87 million
Cost Reduction Opportunities: Lean Power Content

- The Lean Power product is currently targeting 40% renewables, made up primarily of out of state renewables (PCC2)

<table>
<thead>
<tr>
<th>Lean Power Option</th>
<th>FY 2021/2022 Savings</th>
<th>Considerations</th>
</tr>
</thead>
</table>
| 1. Meet 40% renewables target with unbundled RECs (PCC3) | ~$4.9 million         | • Maintains current renewable content target  
• JPA discourages use of unbundled RECs  
• Results in higher GHG emissions profile |
| 2. Change target to 40% carbon-free energy (large hydro) | ~$7.7 million         | • Lower GHG emissions profile than current Lean Power target or Option 1 above  
• Reduces overall CPA renewables portfolio |
Cost Reduction Opportunities: Clean Power Content

- The Clean Power product is currently targeting 50% renewables, made up of a mix of in-state (PCC1) and out-of-state (PCC2) resources

<table>
<thead>
<tr>
<th>Clean Power Option</th>
<th>FY 2021/2022 Savings</th>
<th>Considerations</th>
</tr>
</thead>
</table>
| 1. Shift from 50% renewables target to 50% clean energy target (45% renewables, 5% carbon free) | ~$5.3 million | • Renewables continue to surpass SCE  
  • Reduces overall CPA renewables portfolio  
  • GHG emissions profile continues to be lower than SCE |
| 2. Shift from 50% renewables target to 50% clean energy target (40% renewables, 10% carbon free) | ~$9.0 million |  |

RECOMMENDED ACTION
Cost Reduction Opportunities: 100% Green Power Content

- The 100% Green Power product is currently 100% renewables, made up of solely PCC1 resources

<table>
<thead>
<tr>
<th>100% Green Power Option</th>
<th>FY 2021/2022 Savings</th>
<th>Considerations</th>
</tr>
</thead>
</table>
| 1. Shift from 100% PCC1 target to 90% and 10% PCC2 | ~$0.5 million | • The value proposition of 100% Green Power is based around a “Gold Standard” 100% PCC1 renewable portfolio  
• PCC2 renewables are close in price to PCC1, resulting in minimal cost savings |
| 2. Shift from 100% PCC1 target to 80% and 20% PCC2 | ~$1.0 million |  |

**NO CHANGES RECOMMENDED TO THE 100% GREEN POWER PRODUCT**
The recommended changes to the Lean and Clean power content for calendar years 2021 and 2022 will result in a cost savings to CPA of $16.7 million in FY 21/22.

In February, the Executive Committee reviewed this recommendation and concurred with the approach.

<table>
<thead>
<tr>
<th>Content Type</th>
<th>Current</th>
<th>Recommended</th>
<th>Cost Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lean RPS Content</td>
<td>40%</td>
<td>0%</td>
<td>~$7.7 million</td>
</tr>
<tr>
<td>Lean Carbon Free Content</td>
<td>0%</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>Clean Renewable Content</td>
<td>50%</td>
<td>40%</td>
<td>~$9.0 million</td>
</tr>
<tr>
<td>Clean Carbon Free Content</td>
<td>55%</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>100% Green Renewable Content</td>
<td>100%</td>
<td>100%</td>
<td>No Impact</td>
</tr>
<tr>
<td>100% Green Carbon Free Content</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>
### Power Content Emissions Impacts

- The following table shows the impact of the recommended product content on CPA’s overall energy portfolio:

<table>
<thead>
<tr>
<th>Current Portfolio (baseline)</th>
<th>Year</th>
<th>Portfolio Renewable</th>
<th>Portfolio Carbon Free</th>
<th>Total Portfolio GHG Free</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>60.9%</td>
<td>6.6%</td>
<td>56.8%</td>
</tr>
<tr>
<td>Lean Power with Carbon Free</td>
<td>2021 &amp; 2022</td>
<td>-9.1%</td>
<td>4.8%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Clean Power 40% RPS/10% Carbon Free</td>
<td>2021 &amp; 2022</td>
<td>-5.6%</td>
<td>-1.4%</td>
<td>-5.0%</td>
</tr>
<tr>
<td>100% Green (no change)</td>
<td>2021 &amp; 2022</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Total Portfolio with Recommended Actions</td>
<td>2021 &amp; 2022</td>
<td>46.2%</td>
<td>10.0%</td>
<td>58.2%</td>
</tr>
</tbody>
</table>
Long-Term Outlook on Costs and Renewable Content
Renewable Content Trajectory

- As a short-term fix to budget concerns, the proposed changes to the 2021 and 2022 Lean and Clean power content keep CPA’s overall portfolio above the CA RPS mandate but below the 2020 Integrated Resources Plan (IRP) targets.
- The IRP targets represent a path towards SB100 2030 emissions reduction requirements.
- CPA will need to revise its product content beginning in 2023 to remain on track to meet 2030 emissions targets.
- Staff will return to the Board in Fall 2021 to begin discussions about a longer-term product content strategy in the context of planning for the 2022 IRP submission.
Long-term Outlook on Costs

Resource Adequacy
- RA costs are anticipated to remain high over the 2021-2026 period due to supply/demand conditions and restrictive regulations
- CPA is investing in long-term storage resource to minimize exposure to RA prices

Energy Costs
- High market prices may not be sustained; however, CA energy markets will likely continue to be volatile due to changes in the climate and resource mix
- CPA is entering into long-term fixed-priced energy contracts to minimize exposure to market prices; long-term storage will provide hedge in peak pricing conditions

RPS Costs
- CPA is entering into long-term fixed-priced renewable energy contracts, which are expected to lower costs compared to current short-term renewable energy pricing

CPA’s long-term fixed-priced contracts will stabilize an increasing portion of CPA’s procurement costs over time
Summary and Next Steps

• **Action Requested:** Approve recommended changes to the power content of the Lean and Clean products in calendar years 2021 and 2022 to reduce power procurement costs

• **Next steps:**
  - Conduct procurement activity to implement the power content changes
  - Customer communications and CPA marketing will be modified to reflect these changes in conjunction with the upcoming changes to rates
  - Customer communications to be reviewed in more detail in Agenda Item 7
Staff Report – Agenda Item 7

To: Clean Power Alliance (CPA) Board of Directors
From: Ted Bardacke, Executive Director
Subject: Cost of Service Analysis and 2021 Rate Setting Approach Options
Date: April 1, 2021

RECOMMENDATION
Review and provide input.

ATTACHMENT
1) Presentation on Cost of Service Analysis and 2021 Rate Setting Approach Options
Item 7
Cost of Service Analysis and 2021 Rate Setting Approach Options

Thursday, April 1, 2021
Agenda

- 2021 Rate Setting Recap and Timing
- Cost of Service Analysis
- Rate Change Scenarios
- Customer Communications Strategy
- Next Steps
Rate Setting Context

• Before taking action to reduce costs, CPA faced a $104 million revenue requirement shortfall
  
  • After changing CPA’s product content, the revenue shortfall is $87 million

• To make up the difference, CPA will need to raise rates

• Analyzing the cost of service for CPA’s rate products and customer classes can help inform how CPA recovers costs and from whom

• SCE’s rate setting process is important context for why CPA’s revenue requirement will put its rates outside of the typical competitive ranges
Rate Setting Timing Considerations

• The timing of SCE’s rate setting process mean SCE’s rates do not fully reflect current energy market conditions
  • SCE’s generation rates were set based on forecasts of energy and capacity prices in Fall 2020
  • Since then, energy forwards and capacity prices have risen significantly
  • These impacts are not reflected in the rates SCE implemented in February nor will they be reflected in the expected summer rate change

• If SCE’s rates do not cover costs in 2021, they will raise rates in Q1 2022 to make up the difference

• CPA must set rates to cover its current cost forecast

• CPA may adjust rates again in Q1 2022 when SCE’s new generation rates and PCIA go into effect, particularly if CPA is running ahead of budget
Rate Setting Timing and Market Fluctuations

Q3 2021 “On-Peak” Pricing Trends

Q3 2021 Weighted Average Price

Texas Events Raise Gas Prices

August 2020 Heat Wave

SCE Annual Generation Rate Setting Window

CPA Revenue Requirement Analysis

Trade Date


$120.00 $112.85

$100.00 $76.95

$90.00 $70.95

$80.00

$70.00

$60.00

$50.00

$40.00

$30.00

$20.00

$10.00

$0.00
Cost of Service Analysis

• Working with CPA’s rates consultant MRW, staff has conducted a Cost of Service (COS) analysis

• The initial cost of service analysis compares FY 21/22 forecasted costs and revenues by individual rate family and product, for example:
  • Each rate product (i.e. Lean, Clean, 100% Green) can be analyzed to see if it is covering its costs as a group
  • Domestic customers on the Lean rate or GS-1 customers on the Clean rate (or any other iteration) can be viewed separately to see if those particular customers are covering their costs
Cost of Service Analysis (cont.)

- The COS analysis makes several assumptions about FY 21/22 to serve as a baseline
  - Revenues: based on current rates and CPA’s most recent load forecast
  - Costs:
    - Most recent energy, capacity, carbon free, renewables, CRR revenue forecast as of March 9, 2021
    - $30 million contribution to reserves
    - Overhead expenses based on initial budget forecast (no overall increase from FY 2020/2021 budget)
    - No contingency is included, and Fiscal Stabilization Fund is not used to offset costs
    - Cost savings from Lean and Clean content change – **Item 6**
  - This analysis results in a $87 million shortfall to be addressed in rates
Cost of Service Observations

• Overall rate product results are as follows:
  • Lean is 10.9% below cost of service (~20% of customers)
  • Clean is 15.9% below cost of service (~50% of customers)
  • 100% Green is 2.3% below cost of service (~30% of customers)

• Rate group results are as follows:
  • Domestic is $57M below cost of service, and especially acute in Lean and Clean rate products
  • Medium commercial in Lean and Clean are $7.4M below cost of service
  • Small commercial is flat for Lean and Clean and positive for 100% Green
Rate Setting Options

Staff modeled three different rate change scenarios, all of which cover CPA’s revenue requirement, with different impacts by customer class and rate product.

1. **Average Percentage Change (APC):** Peanut-butter approach
   - Equal percentage increase to all rate classes to reach revenue target

2. **COS-Informed:** Rates set with COS as a general guide
   - Rates for Lean, Clean and 100% Green are set to cover their COS

3. **Residential Subsidy:** Non-residential customer subsidize residential rates
   - Domestic rates are held at current levels
   - All other rates are increased by same APC to reach revenue requirement

- In all scenarios 2017 PCIA vintage GS-3 and TOU-8 (~325 customers in Unincorporated LA County, South Pasadena and Rolling Hills Estates) are added to CPA’s existing subset group and subset rates overall are adjusted to cover cost of service
Rate Comparison Results Expected Comparison as of Summer

- The table shows total bill premiums between current CPA rates and SCE’s base rate
- Values reflect comparison based on estimated summer SCE rate change
- Values reflect rates that do not cover CPA’s costs in FY 2021/22

<table>
<thead>
<tr>
<th></th>
<th>Lean</th>
<th>Clean</th>
<th>100% Green</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>1.2%</td>
<td>1.8%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Residential-CARE</td>
<td>1.8%</td>
<td>2.8%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Small/Medium Business</td>
<td>0.8%</td>
<td>1.6%</td>
<td>8.7%</td>
</tr>
</tbody>
</table>
Scenario 1: Average Percentage Change

<table>
<thead>
<tr>
<th></th>
<th>Lean</th>
<th>Clean</th>
<th>100% Green</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>3.8%</td>
<td>4.5%</td>
<td>11.3%</td>
</tr>
<tr>
<td>Residential-CARE</td>
<td>5.7%</td>
<td>6.9%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Small/Medium Business</td>
<td>4.1%</td>
<td>5.0%</td>
<td>12.8%</td>
</tr>
</tbody>
</table>

Key Considerations

• Increase spread equally across most products and customer groups is the simplest approach and easiest to communicate to customers

• Does not address any current imbalances in COS

• Lowest overall opt out risk option but puts pressure on 100% Green premium

Average monthly bill impact

<table>
<thead>
<tr>
<th></th>
<th>Lean</th>
<th>Clean</th>
<th>100% Green</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$6.34</td>
<td>$7.60</td>
<td>$18.96</td>
</tr>
<tr>
<td>Residential-CARE</td>
<td>$6.34</td>
<td>$7.60</td>
<td>$7.60</td>
</tr>
<tr>
<td>Small Business</td>
<td>$9.13</td>
<td>$11.11</td>
<td>$28.64</td>
</tr>
</tbody>
</table>

Note: each table shows total bill premiums between CPA rates and SCE's base rate based on estimated summer SCE rate change
Scenario 1a: Average Percentage Change with CARE Subsidy

<table>
<thead>
<tr>
<th></th>
<th>Lean</th>
<th>Clean</th>
<th>100% Green</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>4.2%</td>
<td>5.0%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Residential-CARE</td>
<td>1.8%</td>
<td>2.8%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Small/Medium Business</td>
<td>4.7%</td>
<td>5.5%</td>
<td>13.5%</td>
</tr>
</tbody>
</table>

Key Considerations

- Similar to Scenario 1, but CARE customer rates are held at current levels
- All other customers receive an additional increase to cover cost of subsidy, totaling ~$11.2 million
- Straightforward approach that minimizes impact most vulnerable customers

Average monthly bill impact

<table>
<thead>
<tr>
<th></th>
<th>Lean</th>
<th>Clean</th>
<th>100% Green</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$7.08</td>
<td>$8.35</td>
<td>$19.89</td>
</tr>
<tr>
<td>Residential-CARE</td>
<td>$1.94</td>
<td>$3.08</td>
<td>$3.08</td>
</tr>
<tr>
<td>Small Business</td>
<td>$10.37</td>
<td>$12.36</td>
<td>$30.16</td>
</tr>
</tbody>
</table>

Note: each table shows total bill premiums between CPA rates and SCE’s base rate based on estimated summer SCE rate change
Scenario 2: COS-informed Approach

Key Considerations

• Addresses COS imbalance between products, but not between rate classes
• Rate increase is uneven, with biggest impact on Clean rate, which covers half of CPA’s customers
• Increase to Clean rate leads to small price differential with 100% Green

Average monthly bill impact

<table>
<thead>
<tr>
<th></th>
<th>Lean</th>
<th>Clean</th>
<th>100% Green</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>4.1%</td>
<td>5.8%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Residential-CARE</td>
<td>6.3%</td>
<td>8.7%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Small/Medium Business</td>
<td>4.6%</td>
<td>6.5%</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

Note: each table shows total bill premiums between CPA rates and SCE’s base rate based on estimated summer SCE rate change
Scenario 3: Residential Subsidy Approach

Key Considerations

- Limits impact to CPA’s residential customers, including CARE customers
- High premiums for all non-residential customers, especially subset customers, could result in significant opt outs
- Relies very heavily on non-residential customers to cover costs, increasing financial risk if these customers opt out

Average monthly bill impact

<table>
<thead>
<tr>
<th></th>
<th>Lean</th>
<th>Clean</th>
<th>100% Green</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>1.2%</td>
<td>1.8%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Residential-CARE</td>
<td>1.8%</td>
<td>2.8%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Small/Medium Business</td>
<td>6.7%</td>
<td>7.7%</td>
<td>16.1%</td>
</tr>
</tbody>
</table>

Note: each table shows total bill premiums between CPA rates and SCE’s base rate based on estimated summer SCE rate change
Customer Communications Strategy

Outreach Objectives:

- Retain CPA customers (Reduce opt-outs; encourage opt-downs to avoid opt-outs if necessary)
- Differentiate CPA through transparency and advanced notification re: rate changes
- Communicate full story on CPA’s values to its communities (Community investment, program opportunities, GHG reductions, job creation, and competitive rates)

<table>
<thead>
<tr>
<th>Date(s)</th>
<th>Outreach Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>April – June</td>
<td>Bill message promoting opportunity to provide feedback and cleanpoweralliance.org</td>
</tr>
<tr>
<td>April – June</td>
<td>Webpage with information on 2021-2022 budget priorities, rates and CPA community investment as well as survey for feedback</td>
</tr>
<tr>
<td>April 8 and May 13</td>
<td>Newsletter article requesting feedback</td>
</tr>
<tr>
<td>May and June</td>
<td>Update website content, mailers and all collateral material re: new rates and power source content; notify subset customers</td>
</tr>
</tbody>
</table>
Next Steps

- Continue to refine analysis and scenarios based on Board input
- Continue development and implementation of customer communications strategy
- Return at the May Board meeting for a decision on the rate setting approach
- Adopt final rates at the June Board meeting; implement new rates on or around July 1
- Rates will match revenue requirement for FY 2021/22 Budget, to be adopted on same day
Appendix
## Rate Comparison Results by Product: Lean Power

- The table shows total bill premiums between CPA rates and SCE’s base rate across various scenarios
- Values reflect comparison based on estimated summer SCE rate change

<table>
<thead>
<tr>
<th></th>
<th>Status Quo</th>
<th>Scenario 1</th>
<th>Scenario 1a</th>
<th>Scenario 2</th>
<th>Scenario 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>1.2%</td>
<td>3.8%</td>
<td>4.2%</td>
<td>4.1%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Residential-CARE</td>
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<td>1.8%</td>
<td>6.3%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Small/Medium Business</td>
<td>0.8%</td>
<td>4.1%</td>
<td>4.7%</td>
<td>4.6%</td>
<td>6.7%</td>
</tr>
<tr>
<td>GS-3-D</td>
<td>7.2%</td>
<td>9.7%</td>
<td>10.0%</td>
<td>9.7%</td>
<td>14.0%</td>
</tr>
<tr>
<td>TOU-8-D-SEC</td>
<td>8.7%</td>
<td>12.3%</td>
<td>12.7%</td>
<td>12.4%</td>
<td>17.1%</td>
</tr>
<tr>
<td>TOU-8-D-PRI</td>
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<td>18.0%</td>
</tr>
<tr>
<td>TOU-8-D-SUB</td>
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</tr>
<tr>
<td>PA-2-D</td>
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<td>9.3%</td>
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<tr>
<td>PA-3-D</td>
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<td>12.5%</td>
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</tr>
<tr>
<td>Lighting</td>
<td>20.8%</td>
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<td>20.6%</td>
<td>20.1%</td>
<td>26.8%</td>
</tr>
</tbody>
</table>
Rate Comparison Results by Product: Clean Power

- The table shows total bill premiums between CPA rates and SCE’s base rate across various scenarios
- Values reflect comparison based on estimated summer SCE rate change

<table>
<thead>
<tr>
<th></th>
<th>Status Quo</th>
<th>Scenario 1</th>
<th>Scenario 1a</th>
<th>Scenario 2</th>
<th>Scenario 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>1.8%</td>
<td>4.5%</td>
<td>5.0%</td>
<td>5.8%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Residential-CARE</td>
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<td>6.9%</td>
<td>2.8%</td>
<td>8.7%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Small/Medium Business</td>
<td>1.6%</td>
<td>5.0%</td>
<td>5.5%</td>
<td>6.5%</td>
<td>7.7%</td>
</tr>
<tr>
<td>GS-3-D</td>
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<td>11.5%</td>
<td>11.1%</td>
<td>15.6%</td>
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<tr>
<td>TOU-8-D-SEC</td>
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<tr>
<td>TOU-8-D-SUB</td>
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<td>PA-2-D</td>
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<td>PA-3-D</td>
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<td>15.7%</td>
<td>15.3%</td>
<td>20.4%</td>
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<tr>
<td>Lighting</td>
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<td>28.9%</td>
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</tbody>
</table>
Rate Comparison Results by Scenario: 100% Green Power

- The table shows total bill premiums between CPA rates and SCE’s base rate across various scenarios.

- Values reflect comparison based on estimated summer SCE rate change.

<table>
<thead>
<tr>
<th>Category</th>
<th>Status Quo</th>
<th>Scenario 1</th>
<th>Scenario 1a</th>
<th>Scenario 2</th>
<th>Scenario 3</th>
</tr>
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<tbody>
<tr>
<td>Residential</td>
<td>7.9%</td>
<td>11.3%</td>
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<td>8.0%</td>
<td>7.9%</td>
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<tr>
<td>Residential-CARE</td>
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<td>6.9%</td>
<td>2.8%</td>
<td>8.7%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Small/Medium Business</td>
<td>8.7%</td>
<td>12.8%</td>
<td>13.5%</td>
<td>8.8%</td>
<td>16.1%</td>
</tr>
<tr>
<td>GS-3-D</td>
<td>12.4%</td>
<td>16.7%</td>
<td>17.1%</td>
<td>16.7%</td>
<td>21.6%</td>
</tr>
<tr>
<td>TOU-8-D-SEC</td>
<td>14.5%</td>
<td>19.9%</td>
<td>20.4%</td>
<td>19.9%</td>
<td>25.3%</td>
</tr>
<tr>
<td>TOU-8-D-PRI</td>
<td>17.4%</td>
<td>20.6%</td>
<td>21.1%</td>
<td>20.7%</td>
<td>26.3%</td>
</tr>
<tr>
<td>TOU-8-D-SUB</td>
<td>25.5%</td>
<td>24.1%</td>
<td>24.7%</td>
<td>24.2%</td>
<td>31.3%</td>
</tr>
<tr>
<td>PA-2-D</td>
<td>14.3%</td>
<td>15.8%</td>
<td>16.2%</td>
<td>15.8%</td>
<td>20.1%</td>
</tr>
<tr>
<td>PA-3-D</td>
<td>21.2%</td>
<td>22.0%</td>
<td>22.4%</td>
<td>22.0%</td>
<td>27.6%</td>
</tr>
<tr>
<td>Lighting</td>
<td>26.6%</td>
<td>26.1%</td>
<td>26.8%</td>
<td>26.2%</td>
<td>34.1%</td>
</tr>
</tbody>
</table>
2017 Vintage Subset Rates: Clean Power Comparison

- The table shows total bill premiums between CPA rates and SCE’s base rate under each scenario based on estimated summer SCE rate change for the Clean Power product.
- Clean Power is the rate product for >95% of commercial customers in 2017 vintage jurisdictions.

<table>
<thead>
<tr>
<th>Rate Product</th>
<th>Status Quo 2017 Vintage</th>
<th>Status Quo 2018 Vintage</th>
<th>Scenario 1</th>
<th>Scenario 1a</th>
<th>Scenario 2</th>
<th>Scenario 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>GS-3-D</td>
<td>1.2%</td>
<td>7.2%</td>
<td>10.8%</td>
<td>11.2%</td>
<td>10.9%</td>
<td>15.3%</td>
</tr>
<tr>
<td>TOU-8-D-SEC</td>
<td>1.7%</td>
<td>8.7%</td>
<td>13.4%</td>
<td>13.8%</td>
<td>13.4%</td>
<td>18.3%</td>
</tr>
<tr>
<td>TOU-8-D-PRI</td>
<td>1.8%</td>
<td>11.1%</td>
<td>13.1%</td>
<td>13.5%</td>
<td>13.1%</td>
<td>18.1%</td>
</tr>
<tr>
<td>TOU-8-D-SUB</td>
<td>2.2%</td>
<td>16.9%</td>
<td>15.3%</td>
<td>15.9%</td>
<td>15.4%</td>
<td>21.7%</td>
</tr>
<tr>
<td>PA-2-D</td>
<td>1.7%</td>
<td>8.2%</td>
<td>6.0%</td>
<td>6.6%</td>
<td>7.6%</td>
<td>8.7%</td>
</tr>
<tr>
<td>PA-3-D</td>
<td>1.6%</td>
<td>14.6%</td>
<td>5.8%</td>
<td>6.3%</td>
<td>7.3%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Lighting</td>
<td>1.5%</td>
<td>20.8%</td>
<td>3.9%</td>
<td>4.2%</td>
<td>4.8%</td>
<td>5.4%</td>
</tr>
</tbody>
</table>
Management Report

To: Clean Power Alliance (CPA) Board of Directors

From: Ted Bardacke, Executive Director

Subject: Management Report

Date: April 1, 2021

SB 612 Update
CPA’s top legislative priority this year is SB 612 (Portantino), which would provide CCA customers access to the benefits of the legacy resources that they pay for through the Power Charge Indifference Adjustment (PCIA). Passage of the bill would bring more balance to the PCIA framework and could reduce CPA’s procurement costs for renewable energy, Resource Adequacy, and greenhouse gas free energy over the medium and long-term.

The bill is expected to be heard in its first policy committee, Senate Energy and Utilities, later this month. Several CPA member agencies have sent in letters of support; staff encourages those cities which have not yet done so to weigh in. Policy Director Gina Goodhill is available to speak to city councils regarding the bill.

SCE’s Customer Service Re-Platform Project (CSRP)
This month, SCE will replace its 30-year-old mainframe customer billing system through its Customer Service Re-Platform Project (CSRP). This SAP-based system will include three modules: (1) Customer Relationship Management and Billing, (2) Energy Data Management, and (3) Business Intelligence (BI). The goal of the ~$540-million-dollar project, for which SCE will seek cost recovery from ratepayers, is to improve quality, reliability, and availability of usage, rate and billing information and improve information to support customer questions, inquiries, and overall support.
Over time, CSRP is expected to improve CCA integration with SCE’s billing and data system. However, as with any new technology deployment, particularly with complex utility billing systems, there is heightened risk of customer billing issues particularly through the planned 6-month system stabilization period. In a recent presentation to the California Public Utilities Commission, SCE estimated that 10% or more of customers may have billing errors or delays and that call wait times in their customer service center could increase by 50% through most of 2021; as many as 600,000 customers could have billing delays and 250,000 customers could experience rebills. Given these estimates and CPA’s size, it is highly likely that some CPA customers will see short-term negative impacts from the CSRP project.

CPA’s billing manager Calpine has been actively involved in CSRP planning and testing for the past several years; nevertheless, it is CPA’s understanding that SCE will not run its legacy system and the CSRP system concurrently. Any issues that arise will have to be addressed as they are identified as SCE will not be able to revert to the legacy system.

**Upcoming Electric Vehicle Charger Incentive Program**

Next month, CPA staff expects to bring to the Board the Service Agreements that will enable CPA to launch an incentive program for publicly available Electric Vehicle chargers in both Los Angeles and Ventura Counties. Significant match funding from both the California Energy Commission and other local entities will help fund the incentive program; this match funding was secured through sustained outreach by our members throughout the 2020 budget season. The Ventura incentive program is expected to launch in Q3 of this year and the Los Angeles incentive program in Q1 of 2022. At least 25% of program funds will be reserved for chargers located in Disadvantaged Communities.

**Customer Participation Rate**

As of March 23, 2021, CPA’s overall participation rate is 95.2% with a total of 1,005,709 active customers, a number that has remained steady over the past several months. Participation rates in CPA’s three rate products and among different customer classes remain stable through the first full billing cycle of SCE’s new delivery rates and the increase to the PCIA.
Customer Service Center Performance
Incoming calls to CPA’s Customer Service Center remain at normal levels of between 3,000 and 4,000 calls per month in Q1 2021. As of March 23, 2021, 98.5% of calls were answered within 60 seconds, and average wait time was 11 seconds, the same as in in February. CPA expected higher call volume in March as customers inquire about SCE’s February rate and PCIA increases and the availability of the Power Share and Arrearage Management Program; that increased call volume did not materialize.

Program Marketing & Community Outreach
Staff launched Power Share (DAC-GT) on February 22 with materials in English, Spanish and Chinese. CPA continues to experience an increase in website visits weekly, and sign-ups have scaled to 57 as a result of increased marketing and outreach. The team is working to optimize the Power Share landing page, which has become the most visited on our website, to make it as easy as possible to convert the visits into to sign-ups. In our outreach, staff is prioritizing the most vulnerable communities across the CPA service area and has provided electronic materials to board members, member agency staff, CAC members as well as CBOs to help promote the program.

Additionally, in April CPA will be continuing to promote other bill assistance measures including the Arrearage Management Program (AMP) and CARE/FERA. These programs will continue to be a critical lifeline as we approach the end of the statewide suspensions on disconnections on June 30, 2021. Between February 15 and March 22, the number of CPA customers enrolled in AMP increased from 50 customers to over 390 customers owing $150,000. (In all, there are over 14,000 CPA customers owing over $6.6 million eligible)

On social media during the Month of March, CPA recognized leading women of energy and clean technology every Friday during Women’s History Month. We started by highlighting our own board leadership and staff, of which the majority are women. We believe it is important to build a team that represents the same diversity and perspectives of those in our communities. This is something that we take seriously, are proud of and is one of the factors that makes us unique in the male-dominated energy industry.
For April, on social media, CPA will be focusing on Earth Day. According to Earthday.org, this year’s theme is *Restore Our Earth*. CPA will be sharing how our agency helps to do just that by providing clean energy, reducing emissions and helping to build sustainable communities. We will also be sharing ways our customers can do even more to help *Restore Our Earth*.

**Contracts Executed in March Under Executive Director Authority**

A list of non-energy contracts executed under the Executive Director’s signing authority is attached (Attachment 4). The list includes all open contracts as well as all contracts, open or completed, executed in the past 12 months.

**ATTACHMENTS**

1) Overall Participation Rates by Jurisdiction
2) Residential Participation Rate Report by Jurisdiction
3) Non-Residential Participation Rate Report by Jurisdiction
4) Non-Energy Contracts Executed under Executive Director Authority
### Participation by City & County

<table>
<thead>
<tr>
<th>CPA Cities &amp; Counties</th>
<th>Default Option</th>
<th>Participation Rate</th>
<th>Active Accounts</th>
<th>Lean %</th>
<th>Clean%</th>
<th>100% Green %</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGOURA HILLS</td>
<td>Lean</td>
<td>95.0%</td>
<td>8,329</td>
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<td>0.2%</td>
<td>0.3%</td>
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<td>98.4%</td>
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<td>Lean</td>
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<td>0.1%</td>
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<td>BEVERLY HILLS</td>
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<td>Lean</td>
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<td>0.2%</td>
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<td>0.6%</td>
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<td>0.1%</td>
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<td>19,327</td>
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<td>1.3%</td>
<td>94.7%</td>
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<td>Clean</td>
<td>97.4%</td>
<td>37,022</td>
<td>1.5%</td>
<td>98.4%</td>
<td>0.1%</td>
</tr>
<tr>
<td>HAWAIIAN GARDENS</td>
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<td>0.0%</td>
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<tr>
<td>HAWTHORNE</td>
<td>Lean</td>
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<td>6,962</td>
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<td>96.4%</td>
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<td>92.4%</td>
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<td>55,018</td>
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<td>95.4%</td>
</tr>
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<td>PARAMOUNT</td>
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<td>0.1%</td>
</tr>
<tr>
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<td>SANTA MONICA</td>
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<td>53,487</td>
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<td>95.5%</td>
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<td>SIERRA MADRE</td>
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<td>5,063</td>
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</tr>
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<td>SIMI VALLEY</td>
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<tr>
<td>SOUTH PASADENA</td>
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<td>97.6%</td>
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<td>85.0%</td>
</tr>
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<tr>
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<td>43,706</td>
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<td>32,720</td>
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<tr>
<td>WESTLAKE VILLAGE</td>
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<td>0.3%</td>
</tr>
<tr>
<td>WHITTIER</td>
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<td>30,660</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>Lean</strong></td>
<td><strong>95.4%</strong></td>
<td><strong>1,004,937</strong></td>
<td><strong>17.2%</strong></td>
<td><strong>52.4%</strong></td>
<td><strong>30.4%</strong></td>
</tr>
</tbody>
</table>

### Overall Participation by Default Option

<table>
<thead>
<tr>
<th>Default Power</th>
<th>Participation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% Green</td>
<td>94.4%</td>
</tr>
<tr>
<td>Clean Power</td>
<td>96.4%</td>
</tr>
<tr>
<td>Lean Power</td>
<td>95.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>95.4%</strong></td>
</tr>
</tbody>
</table>

### Overall Participation by Default Option

<table>
<thead>
<tr>
<th>Default Power</th>
<th>Active Accounts</th>
<th>% of Active</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% Green</td>
<td>305,605</td>
<td>30.4%</td>
</tr>
<tr>
<td>Clean Power</td>
<td>526,398</td>
<td>52.4%</td>
</tr>
<tr>
<td>Lean Power</td>
<td>172,934</td>
<td>17.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,004,937</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
### CPA Cities & Counties

<table>
<thead>
<tr>
<th>Default Option</th>
<th>Participation Rate</th>
<th>Active Accounts</th>
<th>Lean %</th>
<th>Clean %</th>
<th>100% Green %</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGOURA HILLS</td>
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<td>6,888</td>
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<td>0.3%</td>
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<td>29,739</td>
<td>1.5%</td>
<td>98.3%</td>
</tr>
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<td>0.1%</td>
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<td>8,824</td>
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<td>25,053</td>
<td>1.4%</td>
<td>98.5%</td>
</tr>
<tr>
<td>CLAREMONT</td>
<td>Clean</td>
<td>94.3%</td>
<td>11,233</td>
<td>2.6%</td>
<td>96.8%</td>
</tr>
<tr>
<td>CULVER CITY</td>
<td>100% Green</td>
<td>97.5%</td>
<td>16,116</td>
<td>4.5%</td>
<td>1.4%</td>
</tr>
<tr>
<td>DOWNEY</td>
<td>Clean</td>
<td>97.6%</td>
<td>32,765</td>
<td>1.6%</td>
<td>98.3%</td>
</tr>
<tr>
<td>HAWAIIAN GARDENS</td>
<td>Clean</td>
<td>97.7%</td>
<td>3,099</td>
<td>1.5%</td>
<td>98.5%</td>
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<td>HAWTHORNE</td>
<td>Lean</td>
<td>99.3%</td>
<td>24,651</td>
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<td>LOS ANGELES COUNTY</td>
<td>Clean</td>
<td>95.3%</td>
<td>271,600</td>
<td>1.8%</td>
<td>98.0%</td>
</tr>
<tr>
<td>MALIBU</td>
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<td>5,654</td>
<td>3.5%</td>
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<tr>
<td>MANHATTAN BEACH</td>
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<td>98.3%</td>
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<td>96.8%</td>
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<tr>
<td>MOORPARK</td>
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<td>88.2%</td>
<td>9,925</td>
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<tr>
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<td>92.9%</td>
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<tr>
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<td>95.6%</td>
<td>47,911</td>
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<td>0.5%</td>
</tr>
<tr>
<td>PARAMOUNT</td>
<td>Lean</td>
<td>99.1%</td>
<td>12,890</td>
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<tr>
<td>RENO BAY</td>
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<td>98.6%</td>
<td>28,932</td>
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<td>97.6%</td>
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<tr>
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<td>45,567</td>
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<td>0.8%</td>
</tr>
<tr>
<td>SIERRA MADRE</td>
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<td>95.4%</td>
<td>4,589</td>
<td>5.5%</td>
<td>1.3%</td>
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<tr>
<td>SIMI VALLEY</td>
<td>Lean</td>
<td>92.3%</td>
<td>37,965</td>
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<td>0.2%</td>
</tr>
<tr>
<td>SOUTH PASADENA</td>
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<td>97.4%</td>
<td>10,373</td>
<td>4.0%</td>
<td>0.8%</td>
</tr>
<tr>
<td>TEMPLE CITY</td>
<td>Lean</td>
<td>97.5%</td>
<td>11,347</td>
<td>99.8%</td>
<td>0.1%</td>
</tr>
<tr>
<td>THOUSAND OAKS</td>
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<td>38,394</td>
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<td>2.1%</td>
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<tr>
<td>VENTURA</td>
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<td>36,681</td>
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<tr>
<td>VENTURA COUNTY</td>
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<td>87.6%</td>
<td>27,274</td>
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<td>1.2%</td>
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<td>WEST HOLLYWOOD</td>
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<td>22,678</td>
<td>2.6%</td>
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<tr>
<td>WESTLAKE VILLAGE</td>
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<td>2,718</td>
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<td>0.1%</td>
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<tr>
<td>WHITTIER</td>
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<td>95.3%</td>
<td>27,093</td>
<td>1.9%</td>
<td>97.9%</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>877,608</td>
<td>16.9%</td>
<td>53.3%</td>
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### Residential Participation by Default Option

<table>
<thead>
<tr>
<th>Default Option</th>
<th>Participation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% Green Power</td>
<td>94.6%</td>
</tr>
<tr>
<td>Clean Power</td>
<td>96.4%</td>
</tr>
<tr>
<td>Lean Power</td>
<td>95.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>95.5%</td>
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</table>

### Residential Participation by Default Option

<table>
<thead>
<tr>
<th>Default Option</th>
<th>Active Accounts</th>
<th>% of Active</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% Green Power</td>
<td>260,915</td>
<td>29.7%</td>
</tr>
<tr>
<td>Clean Power</td>
<td>467,993</td>
<td>53.3%</td>
</tr>
<tr>
<td>Lean Power</td>
<td>148,663</td>
<td>16.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>877,571</td>
<td>100.00%</td>
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</table>
## Clean Power Alliance - Non Residential Customer Status Report - As of March 25, 2021

<table>
<thead>
<tr>
<th>CPA Cities &amp; Counties</th>
<th>Default Option</th>
<th>Participation Rate</th>
<th>Active Accounts</th>
<th>Lean %</th>
<th>Clean %</th>
<th>100% Green %</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGOURA HILLS</td>
<td>Lean</td>
<td>95.3%</td>
<td>1,441</td>
<td>100.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>ALHAMBRA</td>
<td>Clean</td>
<td>93.8%</td>
<td>4,373</td>
<td>0.9%</td>
<td>99.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>ARCADIA</td>
<td>Lean</td>
<td>97.9%</td>
<td>3,365</td>
<td>99.8%</td>
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<tr>
<td>BEVERLY HILLS</td>
<td>Clean</td>
<td>98.4%</td>
<td>4,030</td>
<td>0.8%</td>
<td>99.1%</td>
<td>0.1%</td>
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<tr>
<td>CALABASAS</td>
<td>Lean</td>
<td>93.3%</td>
<td>1,133</td>
<td>99.7%</td>
<td>0.3%</td>
<td>0.0%</td>
</tr>
<tr>
<td>CAMARILLO</td>
<td>Lean</td>
<td>94.2%</td>
<td>4,330</td>
<td>98.3%</td>
<td>0.2%</td>
<td>1.5%</td>
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<tr>
<td>CARSON</td>
<td>Clean</td>
<td>93.8%</td>
<td>4,266</td>
<td>0.8%</td>
<td>99.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>CLAREMONT</td>
<td>Clean</td>
<td>96.1%</td>
<td>1,482</td>
<td>1.0%</td>
<td>98.9%</td>
<td>0.1%</td>
</tr>
<tr>
<td>CULVER CITY</td>
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<td>96.7%</td>
<td>3,211</td>
<td>2.1%</td>
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<td>0.2%</td>
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<tr>
<td>DOWNNEY</td>
<td>Clean</td>
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<td>4,257</td>
<td>1.0%</td>
<td>99.0%</td>
<td>0.0%</td>
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<tr>
<td>HAWAIIAN GARDENS</td>
<td>Clean</td>
<td>97.9%</td>
<td>594</td>
<td>0.7%</td>
<td>99.3%</td>
<td>0.0%</td>
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<tr>
<td>HAWTHORNE</td>
<td>Lean</td>
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<td>3,756</td>
<td>100.0%</td>
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<td>0.0%</td>
</tr>
<tr>
<td>LOS ANGELES COUNTY</td>
<td>Clean</td>
<td>98.0%</td>
<td>27,889</td>
<td>1.0%</td>
<td>98.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td>MALIBU</td>
<td>100% Green</td>
<td>96.3%</td>
<td>1,308</td>
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<td>1.3%</td>
</tr>
<tr>
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<td>Clean</td>
<td>97.0%</td>
<td>1,789</td>
<td>1.2%</td>
<td>93.3%</td>
<td>5.4%</td>
</tr>
<tr>
<td>MOORPARK</td>
<td>Clean</td>
<td>95.2%</td>
<td>1,592</td>
<td>0.9%</td>
<td>97.9%</td>
<td>1.3%</td>
</tr>
<tr>
<td>OJAI</td>
<td>100% Green</td>
<td>93.6%</td>
<td>693</td>
<td>5.9%</td>
<td>2.0%</td>
<td>92.1%</td>
</tr>
<tr>
<td>OXNARD</td>
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<td>92.0%</td>
<td>7,107</td>
<td>11.7%</td>
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<td>88.0%</td>
</tr>
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<td>Lean</td>
<td>95.8%</td>
<td>2,834</td>
<td>99.9%</td>
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<td>0.1%</td>
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<td>REDONDO BEACH</td>
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<td>4,529</td>
<td>1.3%</td>
<td>98.7%</td>
<td>0.0%</td>
</tr>
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<td>100% Green</td>
<td>96.6%</td>
<td>513</td>
<td>0.6%</td>
<td>94.2%</td>
<td>5.3%</td>
</tr>
<tr>
<td>SANTA MONICA</td>
<td>100% Green</td>
<td>95.9%</td>
<td>7,920</td>
<td>4.4%</td>
<td>0.9%</td>
<td>94.8%</td>
</tr>
<tr>
<td>SIERRA MADRE</td>
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<td>474</td>
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<td>6.1%</td>
<td>90.5%</td>
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<td>Lean</td>
<td>95.7%</td>
<td>5,136</td>
<td>99.7%</td>
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<td>0.0%</td>
</tr>
<tr>
<td>SOUTH PASADENA</td>
<td>100% Green</td>
<td>99.3%</td>
<td>1,374</td>
<td>1.2%</td>
<td>91.2%</td>
<td>7.6%</td>
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<tr>
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<td>Lean</td>
<td>99.3%</td>
<td>1,300</td>
<td>100.0%</td>
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<td>THOUSAND OAKS</td>
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<td>89.3%</td>
<td>5,854</td>
<td>5.3%</td>
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<td>94.5%</td>
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<td>VENTURA</td>
<td>100% Green</td>
<td>92.5%</td>
<td>7,025</td>
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<td>1.9%</td>
<td>91.8%</td>
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<tr>
<td>VENTURA COUNTY</td>
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<td>3,765</td>
<td>2.2%</td>
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<td>97.5%</td>
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<td>WESTLAKE VILLAGE</td>
<td>Lean</td>
<td>90.3%</td>
<td>976</td>
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<td>0.0%</td>
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<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>19.1%</strong></td>
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<tr>
<td><strong>Non Residential Participation by Default Option</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Default</td>
<td>Participation Rate</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100% Green Power</td>
<td>94.1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clean Power</td>
<td>96.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lean Power</td>
<td>95.4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>95.3%</td>
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### Non Residential Participation by Default Option

<table>
<thead>
<tr>
<th>Default</th>
<th>Active Accounts</th>
<th>% of Active</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% Green Power</td>
<td>44,690</td>
<td>35.1%</td>
</tr>
<tr>
<td>Clean Power</td>
<td>58,405</td>
<td>45.9%</td>
</tr>
<tr>
<td>Lean Power</td>
<td>24,271</td>
<td>19.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>127,366</td>
<td><strong>100.00%</strong></td>
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</tbody>
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---

**Participation by City & County**

---

**Non Residential Participation by Default Option**

---

**Total**

---

**Total**

---

**Total**
<table>
<thead>
<tr>
<th>Vendor</th>
<th>Purpose</th>
<th>Month</th>
<th>NTE Amount</th>
<th>Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapman &amp; Cutler, LLP</td>
<td>2021 Legal Services (Credit Agreement)</td>
<td>March 2021</td>
<td>$20,000</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>Wimer Associates</td>
<td>Facilitation of Staff Training Sessions</td>
<td>February 2021</td>
<td>$13,600</td>
<td>Active</td>
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</tr>
<tr>
<td>Critical Mention, Inc.</td>
<td>Media Monitoring Service</td>
<td>February 2021</td>
<td>$6,000</td>
<td>Active</td>
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</tr>
<tr>
<td>OpenPath</td>
<td>New Office Keycard Access Control System</td>
<td>January 2021</td>
<td>$1,500</td>
<td>Active</td>
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</tr>
<tr>
<td>Wrike, Inc</td>
<td>Project Management Software</td>
<td>January 2021</td>
<td>$2,100</td>
<td>Active</td>
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</tr>
<tr>
<td>Clever Creative Inc.</td>
<td>CPA Brand Audit and Design Refresh</td>
<td>January 2021</td>
<td>$50,000</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>Celtis Ventures, Inc.</td>
<td>Marketing Support for Power Share program</td>
<td>January 2021</td>
<td>$50,000</td>
<td>Active</td>
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<tr>
<td>[W]right On Communications, Inc.</td>
<td>On-call External Affairs support services</td>
<td>January 2021</td>
<td>$50,000</td>
<td>Active</td>
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<tr>
<td>Prime Government Solutions, Inc.</td>
<td>Board and committee meeting agenda management software</td>
<td>December 2020</td>
<td>$16,000</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>MRW &amp; Associates, LLC</td>
<td>Ratemaking support</td>
<td>December 2020</td>
<td>$90,000</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>Informal Development</td>
<td>Website repair, development, &amp; as-needed maintenance</td>
<td>November 2020</td>
<td>$12,000</td>
<td>Active</td>
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<tr>
<td>Sigma Computing, Inc.</td>
<td>Business intelligence &amp; analytics software tool</td>
<td>October 2020</td>
<td>$10,000</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>ProComply, Inc.</td>
<td>Energy regulation compliance training</td>
<td>October 2020</td>
<td>$5,000</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>Langan Engineering and Environmental Services</td>
<td>GIS support services for CPA's community solar programs and RFO procurement process</td>
<td>October 2020</td>
<td>$120,000</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>Mercer (US) Inc.</td>
<td>Total remuneration benchmarking study with job architecture and salary structure design</td>
<td>October 2020</td>
<td>$105,500</td>
<td>Active</td>
<td>Joint project with three other CCAs</td>
</tr>
<tr>
<td>Gold Coast Transit District</td>
<td>On-bus advertising in Ventura County</td>
<td>October 2020</td>
<td>$2,970</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>Cameron-Cole, LLC</td>
<td>Independent audit of Greenhouse Gas Emissions</td>
<td>September 2020</td>
<td>$7,080</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>Crown Castle Fiber LLC</td>
<td>New Office Dedicated Internet Access Service</td>
<td>September 2020</td>
<td>$18,600</td>
<td>Active</td>
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<tr>
<td>NextLevel Internet, Inc.</td>
<td>New Office High Speed Internet Service</td>
<td>September 2020</td>
<td>$6,936</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>Windstream Services, LLC</td>
<td>New Office Telephone Service</td>
<td>September 2020</td>
<td>$14,095</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>Zero Outages</td>
<td>New Office Security, Firewall, &amp; Wi-Fi Service</td>
<td>September 2020</td>
<td>$7,608</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>Westfall Commercial Interiors</td>
<td>Furniture for New Office</td>
<td>September 2020</td>
<td>$296,558</td>
<td>Completed</td>
<td>Signed under expanded authority of up to $500,000 for office relocation design, equipment and construction expenses granted by the Board of Directors on March 25, 2020</td>
</tr>
<tr>
<td>Abbot, Stringham and Lynch</td>
<td>2019 CEC Power Source Disclosure Audit</td>
<td>September 2020</td>
<td>$13,000</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>Elite Edge Consulting</td>
<td>Accounting system support and implementation</td>
<td>September 2020</td>
<td>$112,000</td>
<td>Active</td>
<td></td>
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</tbody>
</table>
## Clean Power Alliance

Non-energy contracts executed under Executive Director authority

Rolling 12 months -- Open contracts shown in Bold

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Purpose</th>
<th>Month</th>
<th>NTE Amount</th>
<th>Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold Coast Transit District</td>
<td>On-Bus Advertising in Oxnard &amp; Ventura</td>
<td>August 2020</td>
<td>$600</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>Baker Tilly</td>
<td>FY 2019/20 Financial Audit</td>
<td>August 2020</td>
<td>$28,000</td>
<td>Completed</td>
<td></td>
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<tr>
<td>Burke, Williams, Sorenson, LLP</td>
<td>Legal Services Agreement (Brown Act, public entity governance issues and other legal services)</td>
<td>July 2020</td>
<td>$100,000</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>Hall Energy Law PC</td>
<td>Energy Procurement Counsel</td>
<td>July 2020</td>
<td>$125,000</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>The Harmon Press</td>
<td>Professional Printing Services</td>
<td>July 2020</td>
<td>$40,000</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>InterEthnica</td>
<td>Written Translation Services, Typesetting, and Graphic Design in Spanish, Chinese, and Korean</td>
<td>July 2020</td>
<td>$10,000</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>West Coast Mailers</td>
<td>Bulk Mailing Services</td>
<td>July 2020</td>
<td>$20,000</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>Sara Daleiden Consulting</td>
<td>Staff Retreat and Strategic Planning Facilitation</td>
<td>July 2020</td>
<td>$14,500</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>Snowflake Inc.</td>
<td>Engineering Support Services for Load Forecasting Analysis</td>
<td>July 2020</td>
<td>$15,000</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>OUTFRONTmedia</td>
<td>Advertiser Agreement for Los Angeles transit shelter ads in San Gabriel Valley and unincorporated Los Angeles County re COVID-19 bill credit campaign</td>
<td>July 2020</td>
<td>$13,500</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>OUTFRONTmedia</td>
<td>Advertising Non-Space Agreement related to production costs</td>
<td>July 2020</td>
<td>$990</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>Vector Medial Holding Corporation</td>
<td>Advertising &amp; Production Agreement for Santa Monica &amp; Culver City Transit Bus Ads re COVID-19 bill credit campaign</td>
<td>July 2020</td>
<td>$2,200</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>CIM/Prime Construction/Pinnacle</td>
<td>New Office Space Equipment and Installation: Audio Visual/Security Systems/Data and Communications Cabling</td>
<td>July 2020</td>
<td>$361,281</td>
<td>Active</td>
<td>Signed under expanded authority of up to $500,000 for office relocation design, equipment and construction expenses granted by the Board of Directors on March 25, 2020</td>
</tr>
<tr>
<td>801 South Grand Avenue (LA)</td>
<td>Storage Space Lease</td>
<td>July 2020</td>
<td>$1,980</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>Adobe Inc.</td>
<td>AdobeSign Secure Electronic Signature Service</td>
<td>June 2020</td>
<td>$3,200</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>NewGen Strategies and Solutions, LLC</td>
<td>Regulatory Support for 2021 ERRA forecast proceedings</td>
<td>May 2020</td>
<td>$71,240</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>EZ Texting</td>
<td>Peak Management Pricing customer text messaging alerts</td>
<td>May 2020</td>
<td>$1,000</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>Place and Page</td>
<td>Graphic Design Services</td>
<td>May 2020</td>
<td>$30,000</td>
<td>Active</td>
<td></td>
</tr>
</tbody>
</table>
# Clean Power Alliance

**Non-energy contracts executed under Executive Director authority**

Rolling 12 months -- Open contracts shown in **Bold**

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Purpose</th>
<th>Month</th>
<th>NTE Amount</th>
<th>Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>KnowledgeCity</td>
<td>Employee Training</td>
<td>May 2020</td>
<td>$3,745</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>SCS Engineers</td>
<td>CARB GHG Audit for 2019</td>
<td>May 2020</td>
<td>$4,500</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>Davis Wright Tremaine, LLP</td>
<td>Legal Services Agreement (Energy Procurement/Regulatory Assistance)</td>
<td>April 2020</td>
<td>$125,000</td>
<td>Active</td>
<td>1st Amendment in October 2020 to increase the NTE from $4,000 to $35,000. 2nd Amendment in March 2021 to increase the NTE from $35,000 to $125,000.</td>
</tr>
<tr>
<td>Snowflake Inc.</td>
<td>Cloud-Native Elastic Data Warehouse Service</td>
<td>April 2020</td>
<td>$36,000</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>Amazon Web Services</td>
<td>Cloud-based Database Hosting</td>
<td>April 2020</td>
<td>$36,000</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>AccuWeather Enterprise Solutions</td>
<td>Professional Forecasting Weather Services</td>
<td>April 2020</td>
<td>$6,400</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>ICE Options Analytics LLC</td>
<td>Trading Platform Subscription Service</td>
<td>March 2020</td>
<td>$19,000</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>Greenberg Glusker</td>
<td>Legal Services Agreement (PPA Negotiations)</td>
<td>March 2020</td>
<td>$59,000</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>Omni Government Relations &amp; Pinnacle Advocacy, LLC</td>
<td>Lobbying Services</td>
<td>December 2019</td>
<td>$108,000</td>
<td>Active</td>
<td>Renewed for 2021 at same amount</td>
</tr>
<tr>
<td>CLG Group</td>
<td>Executive Training</td>
<td>November 2019</td>
<td>$15,000</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>Inventre Recruitment</td>
<td>Ongoing Recruitment Services</td>
<td>October 2019</td>
<td>$120,000</td>
<td>Active</td>
<td>Renewed for 2021 at same amount</td>
</tr>
<tr>
<td>JLL</td>
<td>Real Estate Brokerage Services</td>
<td>October 2019</td>
<td>NA</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>Siemens</td>
<td>Integrated Resource Planning for 2020 CPUC IRP Compliance</td>
<td>October 2019</td>
<td>$62,500</td>
<td>Active</td>
<td>25% cost share with 3 other CCAs</td>
</tr>
</tbody>
</table>
### Commonly Used Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BESS</td>
<td>Battery Energy Storage System</td>
</tr>
<tr>
<td>CAC</td>
<td>Community Advisory Committee</td>
</tr>
<tr>
<td>CAISO</td>
<td>California Independent System Operator</td>
</tr>
<tr>
<td>CALCCA</td>
<td>California Community Choice Association</td>
</tr>
<tr>
<td>CalEVIP</td>
<td>California Electric Vehicle Incentive Program</td>
</tr>
<tr>
<td>CARB</td>
<td>California Air Resources Board</td>
</tr>
<tr>
<td>CARE</td>
<td>California Alternate Rates for Energy (Low Income Discount Rate)</td>
</tr>
<tr>
<td>CCA</td>
<td>Community Choice Aggregation</td>
</tr>
<tr>
<td>CEC</td>
<td>California Energy Commission</td>
</tr>
<tr>
<td>CPUC</td>
<td>California Public Utilities Commission</td>
</tr>
<tr>
<td>DA</td>
<td>Direct Access (Private Retail Energy Supplier)</td>
</tr>
<tr>
<td>DAC</td>
<td>Disadvantaged Community (As Defined by Calenviroscreen 3.0)</td>
</tr>
<tr>
<td>DER</td>
<td>Distributed Energy Resources</td>
</tr>
<tr>
<td>DR</td>
<td>Demand Response</td>
</tr>
<tr>
<td>ERMP</td>
<td>Energy Risk Management Policy</td>
</tr>
<tr>
<td>ERRA</td>
<td>Energy Resource Recovery Account (SCE Generation Rate Setting)</td>
</tr>
<tr>
<td>ESA</td>
<td>Energy Storage Agreement</td>
</tr>
<tr>
<td>EVSE</td>
<td>Electric Vehicle Supply Equipment (EV Charger)</td>
</tr>
<tr>
<td>FERA</td>
<td>Family Electric Rate Assistance (Low Income Discount Rate)</td>
</tr>
<tr>
<td>GHG</td>
<td>Greenhouse Gas</td>
</tr>
<tr>
<td>IOU</td>
<td>Investor Owned Utility</td>
</tr>
<tr>
<td>IRP</td>
<td>Integrated Resource Plan</td>
</tr>
<tr>
<td>JPA</td>
<td>Joint Powers Authority</td>
</tr>
<tr>
<td>Acronym</td>
<td>Definition</td>
</tr>
<tr>
<td>---------</td>
<td>------------</td>
</tr>
<tr>
<td>Kwh</td>
<td>Kilowatt-Hour (A Measure of Energy Used in A One-Hour Period)</td>
</tr>
<tr>
<td>Kw</td>
<td>Kilowatt = 1,000 Watts (Watt = A Measure of Instantaneous Power)</td>
</tr>
<tr>
<td>LSE</td>
<td>Load Serving Entity</td>
</tr>
<tr>
<td>MB</td>
<td>Medical Baseline (Discount Rate for Medical Equipment Needs)</td>
</tr>
<tr>
<td>MW</td>
<td>Megawatt = 1,000 Kilowatts</td>
</tr>
<tr>
<td>Mwh</td>
<td>Megawatt-Hour = 1,000 Kilowatt-Hours</td>
</tr>
<tr>
<td>NEM</td>
<td>Net Energy Metering (Usually for Customers With Solar)</td>
</tr>
<tr>
<td>OAT</td>
<td>Other Applicable Tariffs</td>
</tr>
<tr>
<td>PCIA</td>
<td>Power Charge Indifference Adjustment (Can Be Called “Exit Fee”)</td>
</tr>
<tr>
<td>PCC1</td>
<td>Renewable Energy Generated Inside California</td>
</tr>
<tr>
<td>PCC2</td>
<td>Renewable Energy Generated Outside California</td>
</tr>
<tr>
<td>PCC3</td>
<td>A REC from A Renewable Resource, Delivered Without Energy</td>
</tr>
<tr>
<td>PCL</td>
<td>Power Content Label</td>
</tr>
<tr>
<td>POU</td>
<td>Publicly Owned or Municipal Utility</td>
</tr>
<tr>
<td>PPA</td>
<td>Power Purchase Agreement</td>
</tr>
<tr>
<td>PSPS</td>
<td>Public Safety Power Shutoff</td>
</tr>
<tr>
<td>PV</td>
<td>Photovoltaic (Solar) Panels</td>
</tr>
<tr>
<td>RA</td>
<td>Resource Adequacy</td>
</tr>
<tr>
<td>REC</td>
<td>Renewable Energy Credit</td>
</tr>
<tr>
<td>RPS</td>
<td>Renewables Portfolio Standard</td>
</tr>
<tr>
<td>T&amp;D</td>
<td>Transmission and Distribution</td>
</tr>
<tr>
<td>TOU</td>
<td>Time Of Use (Used to Refer To Rates That Differ By Time Of Day)</td>
</tr>
<tr>
<td>WECC</td>
<td>Western Electricity Coordinating Council</td>
</tr>
</tbody>
</table>