SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTICE OF MEETING
Board of Directors

NOTICE IS HEREBY GIVEN by the undersigned, as the Executive Director of the Southern California Public Power Authority, that a regular meeting of the Board of Directors is to be held as follows:

Thursday, February 20, 2020

10:00 AM

1160 Nicole Court
Glendora, CA 91740

The following matters are the business to be transacted and considered by the Board of Directors:

1. **NOTICE / AGENDA AND OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD**
   Members of the public may address the Board at this time on any item on today's agenda or any other item that is within the subject matter jurisdiction of the Board. Comments from members of the public shall be limited to three (3) minutes unless additional time is approved by the Board. Any member of the Board may request that items on the agenda be taken out of order, or that items be added to the agenda pursuant to the provisions of Section 54954.2(b) of the California Government Code.

2. **CONSENT CALENDAR**
   All matters listed under the Consent Calendar are considered to be routine and will all be enacted by one motion. There will be no separate discussion of these items prior to the time the Board votes on the motion, unless one or more board members, s44taff, or the public requests that specific items be discussed and/or removed for separate discussions or action.
   A. Minutes of the Board of Directors
   - January 16, 2019

   B. Monthly Finance Committee Minutes
   - January 2020

   C. Monthly Investment Report
   - December 2019

   D. Quarterly Investment Report
   - Q3 2019

   E. Quarterly SCPPA Financial Report
   - Q3 2019

   F. Quarterly A&G Fiscal Year Report
   - Q3 2019

   G. Resolution 2020-003: EPS Compliance Filing for Roseburg SB 859 Biomass Project

3. **EXECUTIVE DIRECTOR'S REPORT**
   The Executive Director will report on activities since the last Board Meeting.

A. **Working Group Update**
B. **Resolution 2020-012:** Approve the resolution to establish an Energy Efficiency and Demand Reduction Program to provide a clear structure and formality for SCPPA's facilitation of contracts for the procurement of energy efficiency and demand reduction goods and services by the Members.

4. PROJECT AND PROGRAM DEVELOPMENT: MANAGERS' REPORTS

The Managers of Project and Program Development will report on current activities, including renewable energy project development, resource planning issues, Public Benefits, Electrification, and smart grid.

A. **RKS Telephone Briefing on Commercial Customer Survey and Outreach Opportunities**
B. **EVs and Chargers**
C. **Project Presentation on Whitegrass and Star Peak**
D. **Resolution 2020-005:** Authorize the negotiation, execution, and delivery of the project Power Purchase Agreement (PPA) and Power Sales Agreement (PSA) for the Whitegrass No.1, LLC Geothermal Power Plant (Whitegrass No.1) to provide in total approximately 3 MWs of long-term geothermal supply of renewable electric energy through the Southern California Public Power Authority (SCPPA or The Authority) to one of its participating Members, the City of Glendale (Glendale) for all 3 MWs, for the purpose of satisfying the utility's renewable electrical energy resource goals.
E. **Resolution 2020-006:** Authorize the negotiation, execution, and delivery of the project Power Purchase Agreement (PPA) and Power Sales Agreement (PSA) for the Star Peak Geothermal, LLC Geothermal Power Plant (Star Peak) to provide in total approximately 12.5 MWs of long-term geothermal supply of renewable electrical energy through the Southern California Public Power Authority (SCPPA or The Authority) to one of its participating Members, the City of Glendale (Glendale) for all 12.5 MWs, for the purpose of satisfying the utility's renewable electrical energy resource goals.

5. FINANCE

The Chief Financial and Administrative Officer will report on current activities.

A. **Resolution 2020-008:** Approve the Professional Services Agreement with Moss Adams LLP ("Moss Adams") to provide independent professional accounting and auditing services for the fiscal years ending June 30, 2020,2021 and 2022 with an option to extend the service agreement for an additional three years.
B. **Resolution 2020-009:** Approve the Professional Services Agreements with PFM Financial Advisors LLC and PFM Swap Advisors LLC (together as 'PFM') to provide municipal and swap advisory services for a period of three years with an option to extend the service agreements for an additional three years.
C. **Resolution 2020-010:** Adopt the Resolution authorizing the preparation of financing documents for the refunding of Linden Wind Energy Project, Revenue Bonds, 2010 Series.
D. **Resolution 2020-011:** Adopt the Resolution authorizing the preparation of financing documents for the refunding of Windy Point Windy Flats Project, Revenue Bonds, 2010-1.

6. GOVERNMENT AFFAIRS: DIRECTOR'S REPORT

The Director of Government Affairs will report on regional, state, and/or federal legislative and regulatory activities affecting Southern California public power utilities, including climate change and air quality, wildfires, renewable energy and traditional energy resources, transportation and building electrification, alternative energy supplies, resource planning, market and utility operations, and joint powers agreements.

A. **Legislative Update**
   - For January 2019
B. **Government Affairs Report**
   - For January 2019
C. **APPA Legislative Rally**
D. **State Legislative Update**
E. **CARB (Clean Fleets)**
F. **CEC RPS Rules**

7. **ASSET MANAGEMENT AND SPECIAL PROJECTS: DIRECTOR'S REPORT**

The Director of Asset Management and Special Projects will report on project-related staff and agent activities.

A. **Quarterly Budget Comparisons**
B. **Quarterly Renewables Operations Report**
C. **Magnolia/SoCal Gas Dispute Resolution**
D. **Senvion at Linden**
E. **MPP Operations Report**
   - For November 2019
F. **Palo Verde Status Report**
   - For December 2019
G. **Resolution 2020-007:** Budget for Whitegrass

8. **ROUNDTABLE DISCUSSION**

Opportunity for Board Members to bring up informational items or request that an item be added to a future Board Agenda.

9. **CLOSED SESSION**

A. **Security:** Consultation with Michael S. Webster, Executive Director, and Richard J. Morillo, General Counsel regarding security issues pertaining to essential public services (water and electric service), pursuant to Section 54957 (a) of the California Government Code.
B. **Pending Litigation:** Conference with legal counsel regarding existing litigation related to the Natural Gas Reserves Project entitled Southern California Public Power Authority, et. al., v. Ultra Resources, Inc., and Related Cross-Action, CaseNo. 4:19-cv-00090 (MI) (United States District Court, S.D. Tx), pursuant to subdivision (a) of Section 54956.9(a) of the California Government Code.
C. **Potential Litigation:** Conference with legal counsel regarding the potential initiation of litigation pursuant to subdivision (c) of section 54956.9 of the California Government Code (one potential case).
D. **Potential Litigation:** Conference with legal counsel regarding significant exposure to litigation pursuant to subdivision (b) of section 54956.9 of the California Government Code (one potential case).

The Authority, upon request, will provide reasonable accommodation to the disabled to ensure equal access to its meetings. To ensure availability, such request should be made 48 hours in advance by contacting the Authority at (626) 793-9364 during business hours.

Michael S. Webster

MICHAEL S. WEBSTER
Executive Director
Southern California Public Power Authority

MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

*A regular meeting of the Board of Directors was held on **January 16, 2020** at the offices of the Authority:*

1160 Nicole Court
Glendora, California 91740

*This meeting was called to order at **10:03 AM** by the President.*

The Following Board Members (B) and Alternates (A) Were Present:	Dukku Lee (B), Manny Robledo (B), Thomas Miller (B), Jorge Somoano (B), Ramzi Raufdeen (A), Rebecca Gallegos (A), Stephen Zurn (B), Reiko Kerr (A), Gurcharan Bawa (B), Danny Garcia (A), Todd Dusenberry (A), Henry Martinez (B), Richard Torres (A)
Staff Members Present Were:	Richard Morillo, Michael Webster, Aileen Ma, Daniel Hashimi, Nicole Solano, Katie Ellis, Bryan Cope, Joanna Lopez, Rachel Powell, Amy Mmagu, Tanya DeRivi
Attorneys, Member Employees and Consultants Present Were:	Peter Huynh (LADWP), Joan Ilagan (LADWP), Matthew Curtis (LADWP), Victor Hsu (Norton Rose Fulbright), Ted Bardacke (Clean Power Alliance), Eldon Cotton (Consultant)

1. NOTICE/AGENDA AND OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD

Mr. Somoano brought the meeting to order at 10:03 AM. Mr. Webster reviewed emergency protocol. Mr. Somoano invited comments from the public.

2. ELECTIONS

Mr. Somoano stated that Elections would be postponed until Mr. Miller arrived.

3. CONSENT CALENDAR:

Introductions were made. Mr. Somoano presented the Consent Calendar to the Board for consideration.

Mr. Morillo advised the Board of a substitute resolution. Content of the resolution is unchanged, but the form was updated to reflect that it is a Project Vote for Pinedale Natural Gas Project

- **MINUTES OF THE BOARD OF DIRECTORS**
  - December 19, 2019
- **MONTHLY INVESTMENT REPORT**
  - November 2019
- **MONTHLY FINANCE COMMITTEE MINUTES**
  - December 2019
- **RESOLUTION 2019-140:** Adopt Resolution 2020-001 approving a Professional Services Agreement with Thomas W. King, an individual doing business as TWK Analytics, to provide

consulting and services for SCPPA's natural gas reserve projects in Texas and Wyoming.

CONSENT CALENDAR

Moved By: Gurcharan Bawa **Seconded By:** Reiko Kerr

UNANIMOUSLY APPROVED

4. EXECUTIVE DIRECTOR'S REPORT

Mr. Webster announced the death of Robert Ferdon, who helped form SCPPA. The Board expressed its condolences to Mr. Ferdon's widow and family.

Mr. Webster also announced that Joan Ilagan has been promoted to SCPPA LA Accounting Manager. There will be a transitional period between Joan and Yolanda Pantig, who will be leaving in May.

Mr. Webster reviewed SCPPA's Vendor Catalog/Index of Service Agreements and informed the Board that the document will be distributed to Staff in Working Group meetings and via What's SCPPA-ning newsletter.

The Clean Fuel Reward Program is now complete. Mr. Webster advised the Board to discuss it with their Staff.

ELECTIONS, REVISITED

Mr. Miller and Mr. Martinez being present in the Board room, Mr. Somoano returned to the matter of Board Elections. Mr. Somoano read aloud the instructions for voting, according to SCPPA by-laws.

Nominations for the President, First Vice President and Second Vice President were made in the following order:

PRESIDENT:
JORGE SOMOANO

Nominated By: Dukku Lee **Seconded By:** Thomas Miller

FIRST VICE PRESIDENT:
GURCHARAN BAWA

Nominated By: Dukku Lee **Seconded By:** Stephen Zurn

SECOND VICE PRESIDENT:
THOMAS MILLER

Nominated By: Dukku Lee **Seconded By:** Stephen Zurn

There being no second nomination for any of these offices, Mr. Somoano declared that each nominee would be deemed elected without a vote as provided in the By-Laws.

DRAFT

Next, Mr. Somoano noted that the By-Laws provide that the General Manager of LADWP is automatically deemed appointed to the office of Secretary.

Lastly, the following officers were re-appointed by unanimous vote of the Board:

ASSISTANT SECRETARIES:
MICHAEL WEBSTER & MARIO IGNACIO

TREASURER:
MICHAEL WEBSTER

Motioned By: Reiko Kerr **Seconded By:** Thomas Miller

UNANIMOUSLY APPROVED

SPECIAL PRESENTATION

5. SPECIAL PRESENTATION

Mr. Webster introduced Ted Bardacke, the Executive Director of Clean Power Alliance.
Clean Power Alliance is a joint powers authority made up of 32 member agencies. Mr. Bardacke's presentation provided the Board with an overview of Clean Power Alliance's customers, available programs, and business structure. Mr. Bardacke took various questions from the Board and invited Board Members to contact him with any further questions.

STAFF REPORTS

6. RESOURCE AND PROGRAM DEVELOPMENT REPORTS

Due to technical difficulties, David Reichman from RKS was unable to give a presentation. The presentation will be deferred to a future meeting.

7. DIRECTOR OF ASSET MANAGEMENT AND SPECIAL PROJECTS' REPORT

Ms. Solano presented to the Board a report of 2019 Renewable Project Performance.
SCPPA's wind projects generated about 1.5 million MWhs of energy, about 80,000 MWhs less than in 2018. This can be explained by poor weather conditions in the Pacific Northwest; however, another factor could be the Senvion Bankruptcy and its effect on the Linden project. SCCPA and the operating agency are monitoring the situation and will keep the Board updated.
Milford 1 and 2 experienced slight upticks in generation over 2018. SCPPA's entire wind portfolio net capacity factor was around 25% for the year.
2019 total solar generation was 1.8 million MWhs, which is an increase of nearly 40,000 MWhs from the 2018-2019 year. Most projects remained stable; however, there was a slight dip from DSR2, which can be attributed to a nearly quarter-long outage caused by a blown transformer last February. Columbia 2 and CMS3 are still performing at or near the average net capacity factor. Kingbird is SCPPA's only thin-film project that has maintained one of the highest net capacity factors year after year. 2019 saw the addition of Springbok 3, SCPPA's 41st project, which came online last July and has generated over 94,000 MWhs of energy.

Most geothermal projects performed at or near budgeted expectations, except Ormesa, which experienced mechanical issues. The site experienced a decrease of nearly 60,000 MWhs from 2018. Ormat is nearing completion of the Ormesa repowering project, which is expected to be complete this February.
SCPPA's two hydro projects saw a total of 43,326 MWhs of generation in 2019, approximately 22,000 MWhs less than 2018. Tieton had a significant decrease due to a large decrease in water storage. The Bureau of Reclamation believes that 2019 was a recovery year and is not necessarily indicative of future water storage or generation. MWD also experienced a nearly 25% decrease in generation, due to multiple reductions in State Water Project allocations throughout the year. MWD expects the allocations to continue to reduce in 2020, resulting in a generation forecast estimated to be at or below the 2019 level.
The Puente Hills Landfill Gas project was stable in the beginning of 2019, but in April, the facility underwent a 3-month maintenance outage, resulting in approximately 45,000 MWhs less generation. After maintenance was complete, generation returned to normal levels. The Ameresco Landfill Gas project performed very close to expectations. Actual generation was only about 10% lower than in 2018.
In 2018, the Loyalton Biomass plant saw its first full calendar year of operation. The plant successfully operated 140 days throughout the year, with the longest operating streak at 20.5 days. The plant continues to experience fuel supply and operational issues; however, the operator expects fuel supply issues to improve throughout the next calendar year.
Ms. Solano took questions from the Board.

8. GOVERNMENT AFFAIRS

Ms. DeRivi presented to the Board an update on Government Affairs.
She summarized proposed revisions to the CEC RPS enforcement rules, including the long-term procurement requirement. The Energy Commission believes that the ten years must be continuous. SCPPA staff, with NCPA and CMUA's outside counsel, are working with TURN on revise language to address contracting concerns. The Energy Commission is expected to release a formal regulatory proposal in April.
Ms. DeRivi advised the Board of the CEC RPS rules schedule. She took questions from the Board.
Ms. Mmagu thanked everyone who attended SCPPA's dedicated advocacy day to address concerns regarding procurement mandates and said feedback from the Legislative Working Group was positive.
The Government Affairs Team also provided an overview of Capitol Day on January 27th. Topics for discussion with legislators will include Wildfire PSPS events, Distributed Energy Resources, and Procurement Mandates. An optional meeting will be open to Members to meet with key Capitol staff. Ms. Mmagu reminded the Board that invitations were sent out for SCPPA's Capitol Day Dinner. She urged attendees to RSVP.
The APPA Legislative Rally will be held next month and SCPPA staff will brief the Board in February on key topics and events. Ms. DeRivi took questions from the Board on federal advocacy efforts and needs

9. FINANCE

Ms. Ma presented to the Board for their consideration Resolution 2020-002: ISDA 2018 U.S. Resolution Stay Protocol Adherence.

Resolution 2020-002

Moved By: Reiko Kerr **Seconded By:** Thomas Miller

UNANIMOUSLY APPROVED

10. ROUNDTABLE DISCUSSION

Mr. Somoano invited the Board to share any roundtable discussion items. Mr. Martinez discussed a tree trimming issue. IID is in discussions with a vendor for tree trimming services. UTS is asking IID to pay higher rates. IID is not willing. They are in discussions over the matter.
Mr. Martinez also mentioned that since the Iranian conflict, IID has been put on alert for terrorists by Border Control, who advised that they are looking for a few individuals to be crossing the border. Mr. Martinez noted that five illegal immigrants had been found on a separate occasion at one of IID's power plants. Border Patrol handled the situation.
There also appears to be a smuggler ring that utilizes uniforms and trucks that look like those of IID. Border Patrol is aware of the situation.
There being no further comments for Roundtable discussion, Mr. Somoano moved to Closed Session.

11. CLOSED SESSION

Following Closed Session, Mr. Somoano reopened and immediately thereafter closed the Board Meeting at 12:13 PM.

Respectfully Submitted,

MICHAEL S. WEBSTER
Assistant Secretary

DRAFT

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
1160 NICOLE COURT
GLENDORA, CA 91740
(626) 793-9364 – FAX: (626) 793-9461
WWW.SCPPA.ORG

To: Board of Directors

From: Michael S. Webster

Date: January 6, 2020

Re: Finance Committee Report

A meeting of the Finance Committee was held on January 6, 2020 at the SCPPA office in Glendora.

Committee members present were: Mario Ignacio *(LADWP)*; Brian Beelner *(Anaheim)*; Shari Thomas *(Pasadena)*; Bob Liu *(Burbank)*; Rebecca Gallegos *(Colton)*; Alina Morshidian *(Glendale)*; Scott Williams *(Vernon)*; Tom Miller (*Banning*); and Manny Robledo *(Azusa)*.

Others participating were: Victor Hsu *(Norton Rose Fulbright)*; Mike Berwanger *(Public Financial Management)*; Darren Hodge and Jim Carbone *(Public Financial Management-Teleconference)*; Jennifer Christensen *(Banning-Teleconference)*; Ramzi Raufdeen *(Cerritos-Teleconference)*; Bernardo De La Torre *(Colton)*; Peter Huynh, and Matthew Curtis *(LADWP/SCPPA)*; Aileen Ma, Robert Duran, Daniel Hashimi and Rick Morillo *(SCPPA)*.

The following are the business matters transacted by the Committee:

1. **Opportunity for the Public to Address the Committee**

   No public comments were made.

2. **Meeting Minutes**

   The Committee reviewed and approved the minutes for the December 2, 2019 Finance Committee meeting.

   Moved By: Shari Thomas
   Seconded By: Brian Beelner

   Unanimously Approved

3. **Investment Reports**

   The Committee reviewed the Monthly Investment Report for the month ended November 30, 2019. The Committee recommended forwarding the Report to the Board for receipt and filing.

   Moved By: Shari Thomas
   Seconded By: Brian Beelner

   Unanimously Approved

4. **San Juan Mine Reclamation Trust Annual Funding Status**

The Committee was updated on the San Juan Mine Reclamation Trust Fund annual funding status as of December 31, 2019. The Trust Fund was slightly below the required funding level at December 31, 2019. The San Juan Project participants were asked to consider two options in making additional contributions to the Trust Fund. Participants will be contacted by Aileen Ma during the month of January to ask how they want to make the additional contributions, direct billing or through their Project Stabilization Fund account.

5. **ISDA Protocol**

The Committee received an update on SCPPA's ISDA Protocol status. Resolution to authorize the adherence to the ISDA 2018 U.S. Resolution Stay Protocol is going to the SCPPA Board on January 16, 2020 for approval.

6. **Magnolia 2009-1 and 2017-1 Refunding Revenue Bonds**

The Committee received an update on the planned refunding of Magnolia 2009-1 and 2017-1 Bonds. Documents are targeted for SCPPA Board approval in March.

7. **Tieton 2010 Series A Bond Refunding Proposal**

The Committee received an update on the planned refunding of Tieton 2010 Series A Bonds. Documents are targeted for SCPPA Board approval in March.

8. **SCPPA Agreements with LIBOR Terms**

The Committee received an update on SCPPA agreements with LIBOR terms.

9. **Market and Variable Rate Debt Obligation (VRDO) Update**

The Committee received a market and VRDO status report from PFM. The Committee would like some historical information on the Magnolia basis swaps at the next Finance Committee meeting to explore options for the swaps.

10. **Unsolicited Proposals**

The Committee reviewed unsolicited proposals that have been received from investment bankers.

11. **Auditing Services Request for Proposal (RFP)**

The Committee received an update on the evaluation results on the proposals received from the Auditing Services RFP. The Committee recommended that the Board approve a three-year Professional Services Agreement with an option for an additional three years with Moss Adams LLP, the firm selected by the Evaluation Team.

Moved By: Shari Thomas
Seconded By: Rebecca Gallegos

Unanimously Approved

12. Municipal Advisory Services RFP

The Committee was updated on the evaluation results on the proposals received from the Municipal Advisory Services RFP. The Committee recommended that the Board approve a three-year Professional Services Agreement with an option for an additional three years with PFM Financial Advisors LLC, the firm selected by the Evaluation Team.

Moved By: Manny Robledo
Seconded By: Tom Miller
Abstention By: Shari Thomas

Unanimously Approved

13. Future Agenda Topics

The Committee members were given the opportunity to suggest topics for future Committee meetings.

THE NEXT REGULARLY SCHEDULED
FINANCE COMMITTEE MEETING WILL BE FEBURAY 3, 2020.

SCPPA
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
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January 24, 2019

Mr. Michael Webster
Executive Director
Southern California Public Power Authority
1160 Nicole Court
Glendora, California 91740

Dear Mr. Webster:

Enclosed is the ***December 2019 Investment Report*** for the Palo Verde, Southern Transmission System (STS), San Juan, Magnolia Power, Natural Gas, Natural Gas Prepaid, Mead-Adelanto, Mead Phoenix, Ormat Geothermal, Don A. Campbell/Wild Rose Geothermal, Don A. Campbell 2 Geothermal, Canyon Power, Pebble Springs Wind, Tieton Hydropower, MWD Hydro, Linden Wind, Milford Wind I, Milford Wind II, Windy Point/Flats, Ameresco, Apex Power, Copper Mountain Solar 3, Columbia 2 Solar, Heber 1 Geothermal, Ormat No. Nevada Geothermal, Ormesa Geothermal, ARP – Loyalton Biomass, Springbok 1 Solar, Springbok 2 Solar, Springbok 3 Solar, Kingbird Solar, Summer Solar, Astoria 2 Solar, Antelope Big Sky Ranch, Antelope DSR 1, Antelope DSR 2, and Puente Hills Landfill Gas Projects; and for the Project Development, Project Stabilization, San Juan Mine Reclamation Trust, San Juan Decommissioning Trust, and the SCPPA Decommissioning Trust Funds. The Portfolios for the Projects and Funds included in the Investment Report are in compliance with the SCPPA Investment Policy.

During the month of December, the Investment Group coordinated variable debt service payments of $211,314 for the Magnolia and Canyon Power Projects. Net swap payments of $334,895 were made in accordance with the Interest Swap agreements for the Magnolia Power and Mead-Adelanto Projects. The net commodity swap receipt for the Natural Gas Prepaid Project was $912,054.

$196 million of cash and maturities were invested in the various SCPPA project trust funds. Assets managed by the Investment Group for these funds had a market value of $821 million as of December 31, 2019 with an average yield of 1.82%. Total interest earned on the project funds for the month was $1.22 million and year to date was $9.45 million.

The escrow funds had a market value of $244 million with an average yield of 1.14%. Total interest earned on the escrow funds for the month was $299,435 and year to date was $1.01 million.

Based upon anticipated expenditures for each Project and required receipts from each Participant, SCPPA believes that it will be able to meet all of its expenditure requirements for the next six months.

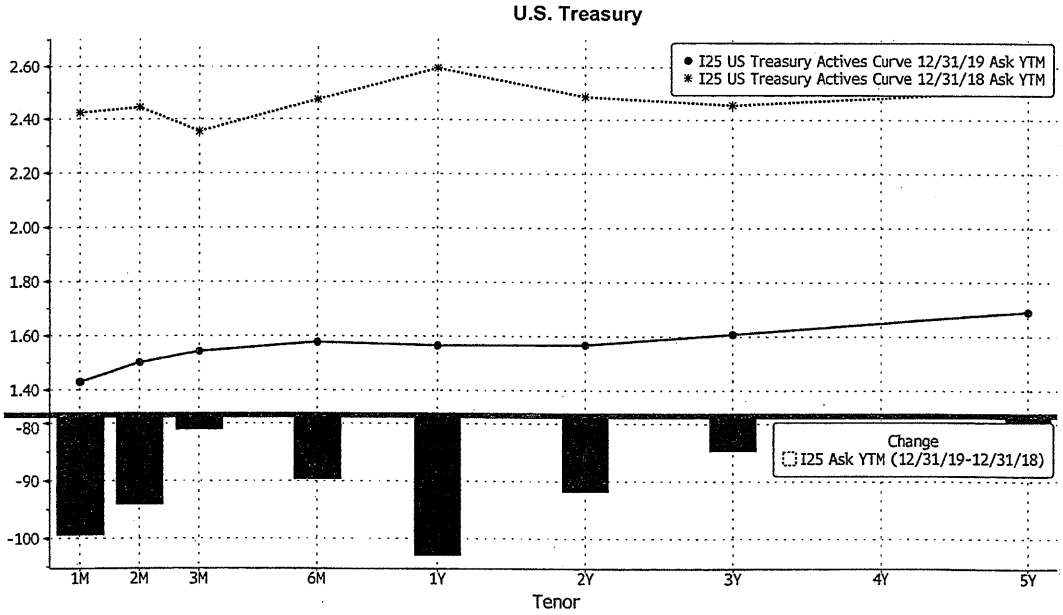
Sincerely,

MATTHEW E. CURTIS
Manager of Finance
Los Angeles Department of Water & Power

Monthly Investment Report
December 31, 2019

Projects	Portfolio Yield	Investment Cost	Carrying Value	Market Value	Portfolio Life (yrs) (1)	Cost of Capital (2)
Palo Verde	1.78%	41,270,868	41,348,361	41,322,823	0.19	N/A
San Juan	1.49%	146,141	146,141	146,141	0.00	N/A
Magnolia	1.81%	89,832,634	89,951,394	90,017,633	0.23	3.29%
STS	2.42%	52,917,483	54,184,603	54,262,325	0.38	3.59%
Mead-Phoenix	1.62%	4,976,494	4,985,730	4,985,826	0.01	2.23%
Mead-Adelanto	1.43%	16,461,238	16,496,047	16,495,193	0.18	2.21%
Natural Gas	1.76%	47,928,003	48,007,502	48,031,132	0.25	6.00%
Natural Gas Prepaid	3.86%	14,726,708	14,727,111	14,727,178	12.36	5.07%
Canyon Power	1.75%	18,862,249	18,897,404	18,906,436	0.30	2.61%
Apex Power Project	1.61%	37,180,111	37,234,126	37,228,016	0.12	4.24%
SCPPA Decomm Trust Fund	1.76%	183,235,666	183,255,944	183,145,402	0.65	N/A
Project Stabilization Fund	1.92%	116,752,190	116,992,174	117,006,770	0.54	N/A
Tieton	1.94%	8,339,773	8,359,924	8,366,371	0.12	4.91%
Linden Wind	1.75%	9,939,215	9,976,290	9,976,608	0.12	4.48%
Milford Wind 1	1.40%	13,607,439	13,615,749	13,615,545	0.14	5.04%
Milford Wind 2	1.64%	12,731,230	12,755,516	12,753,324	0.09	5.31%
Windy Point Flats	1.75%	37,550,348	37,678,194	37,683,981	0.11	5.03%
Pwr Purchase Agreements Combined	1.24%	81,933,227	82,003,773	82,005,070	0.07	N/A
Project Development Fund	0.00%	469,652	469,652	469,652	0.00	N/A
San Juan Reclaim Trust Fund	2.13%	25,864,641	25,878,869	25,913,922	0.78	N/A
San Juan Decomm Trust Fund	2.06%	3,603,616	3,625,206	3,640,272	0.95	N/A

(1) Weighted average remaining portfolio life for STS and NG Prepaid includes GICs with AGL.
(2) Cost of capital as of March 31, 2019 as provided by PFM.



		I25 Ask YTM US Treasury Actives Curve	I25 Ask YTM US Treasury Actives Curve	I25 Ask YTM (Change)
	Tenor	12/31/19	12/31/18	12/31/19-12/31/18
11)	1M	1.430	2.425	-99.5
12)	2M	1.503	2.445	-94.2
13)	3M	1.544	2.355	-81.1
14)	6M	1.578	2.475	-89.7
15)	1Y	1.566	2.596	-103.0
16)	2Y	1.569	2.488	-91.9
17)	3Y	1.609	2.456	-84.8
18)	5Y	1.691	2.511	-82.0

SCPPA

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January 27, 2019

Mr. Michael Webster
Executive Director
Southern California Public Power Authority
1160 Nicole Court
Glendora, California 91740

Dear Mr. Webster:

Enclosed is the ***December 2019 Quarterly Investment Report*** for the Palo Verde, Southern Transmission System, San Juan, Magnolia Power, Natural Gas, Natural Gas Prepaid, Mead-Adelanto, Mead-Phoenix, Ormat Geothermal, Canyon Power, Pebble Springs Wind, Tieton Hydropower, MWD Hydro, Milford Wind I, Milford Wind II, Linden Wind, Windy Point/Flats, Apex Power, Ameresco, Don A. Campbell – Wild Rose Geothermal, Don A. Campbell 2 Geothermal, Copper Mountain Solar 3, Columbia 2 Solar, and Heber 1 Geothermal, Ormat Nevada Geothermal, Ormesa Geothermal, ARP – Loyalton Biomass, Springbok 1 Solar, Springbok 2 Solar, Springbok 3 Solar, Kingbird Solar, Summer Solar, Astoria 2 Solar, Antelope Big Sky Ranch Solar, Antelope DSR 1, Antelope DSR 2, and Puente Hills Landfill Gas Projects; and for the SCPPA Decommissioning Trust (Palo Verde), San Juan Mine Reclamation Trust, San Juan Decommissioning Trust, and Project Development Funds. The SCPPA Investment Policy ("Investment Policy") requires the submission of a quarterly investment report to the Executive Director and the SCPPA Board.

The Project portfolios are managed in accordance with the Investment Policy, the California Government Code ("Code"), Indentures of Trust, and instruments governing financial arrangements entered into by SCPPA to finance and operate projects.

All investment transactions have been executed in accordance with the Investment Policy and guidelines. The project portfolios are in compliance with the limits established in the Investment Policy and the Code.

Please contact me at 213-367-3008 if you have any questions relating to the report.

Sincerely,

MATTHEW E. CURTIS
Manager of Finance
Los Angeles Department of Water & Power

Enclosure

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
INVESTMENT PORTFOLIO REPORT
For the Quarter Ending December 31, 2019

	GENERATION				
	PALO VERDE	SAN JUAN	MAGNOLIA	CANYON POWER	APEX POWER
I. PORTFOLIO PERFORMANCE					
A. PORTFOLIO YIELD					
Portfolio Yield to Maturity	*1.78%*	*1.49%*	*1.81%*	*1.75%*	*1.61%*
B. RETURN ON ASSETS					
Total Earnings (Yr-to-Date)	$ 465,559	$ 1,524	$ 845,288	$ 141,575	$ 261,756
Rate of Return (Yr-to-Date)	*2.17%*	*1.68%*	*1.88%*	*1.38%*	*1.41%*
C. COMPARISON TO BUDGET					
Budgeted Earnings (Yr-to-Date)	$ 402,000	$ -	$ 798,000	$ 132,000	$ 300,000
Actual Net Earnings (Yr-to-Date)	$ 473,640	$ 1,691	$ 889,656	$ 142,932	$ 324,290
Over/(Under) Budget	$ 71,640	$ 1,691	$ 91,656	$ 10,932	$ 24,290
II. PORTFOLIO STRUCTURE					
Carrying Value of Assets Held	$ 41,348,361	$ 146,141	$ 89,951,394	$ 18,897,404	$ 37,234,126
Market Value of Assets Held	$ 41,322,823	$ 146,141	$ 90,017,633	$ 18,906,436	$ 37,228,016
Market Value Cushion/(Shortfall)	$ (25,538)	$ -	$ 66,239	$ 9,032	$ (6,111)
Weighted Average Portfolio Life	0.19	0.00	0.23	0.30	0.12

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
INVESTMENT PORTFOLIO REPORT
For the Quarter Ending December 31, 2019

	GENERATION				
	PALO VERDE	SAN JUAN	MAGNOLIA	CANYON POWER	APEX POWER
III. PORTFOLIO COMPOSITION					
A: MARKET SECTOR (At Cost)					
AGENCY DISCOUNT NOTES	20.62%	0.00%	40.46%	54.33%	73.92%
BANKERS ACCEPTANCE	0.00%	0.00%	0.00%	0.00%	0.00%
BANK DEPOSITS	0.00%	0.00%	0.00%	0.00%	0.00%
COMMERCIAL PAPER	10.13%	0.00%	0.00%	0.00%	0.00%
GIC**	0.00%	0.00%	0.00%	0.00%	0.00%
MEDIUM TERM CORP. NOTES	0.00%	0.00%	16.54%	0.00%	0.00%
MONEY MARKET FUNDS	13.32%	100.00%	9.96%	11.48%	11.32%
MUNICIPAL BONDS	0.00%	0.00%	2.17%	0.00%	0.00%
SUPRANATIONALS	8.94%	0.00%	8.65%	0.00%	3.75%
NEGOTIABLE CDS	23.26%	0.00%	2.67%	0.00%	2.71%
US AGENCIES	20.84%	0.00%	19.55%	25.13%	8.30%
US TREASURIES	2.89%	0.00%	0.00%	9.06%	0.00%
	100.00%	100.00%	100.00%	100.00%	100.00%
B: DEALER COVERAGE (At Cost)					
AIG	0.00%	0.00%	0.00%	0.00%	0.00%
BANK OF NEW YORK MELLON	13.32%	0.00%	0.00%	0.00%	0.00%
CANTELLA	0.00%	0.00%	0.00%	5.30%	0.00%
CASTLE OAK SECURITIES	8.94%	0.00%	7.54%	9.06%	17.63%
DAIWA CAPITAL MARKET	0.00%	0.00%	17.21%	0.00%	0.00%
FHN FINANCIAL	2.89%	0.00%	2.36%	15.37%	22.04%
GREAT PACIFIC SECURITIES	20.62%	0.00%	2.23%	5.29%	3.49%
J ARON	0.00%	0.00%	0.00%	0.00%	0.00%
MORGAN STANLEY	0.00%	0.00%	0.00%	0.00%	0.00%
MULTI-BANK SECURITIES	0.00%	0.00%	14.72%	5.31%	4.80%
PIPER JAFFRAY	0.00%	0.00%	0.00%	0.00%	9.92%
RAMIREZ & CO.	6.05%	0.00%	12.56%	0.00%	0.00%
RAYMOND JAMES	0.00%	0.00%	13.70%	4.45%	0.00%
STIFEL	0.00%	0.00%	4.18%	25.78%	14.70%
UBS FINANCIAL	15.17%	0.00%	9.21%	0.00%	0.00%
UNION BANK	23.26%	0.00%	2.67%	4.22%	2.71%
U.S. BANK	0.00%	100.00%	9.96%	11.48%	11.32%
WELLS FARGO BANK	9.75%	0.00%	3.66%	13.74%	13.39%
	100.00%	100.00%	100.00%	100.00%	100.00%

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
INVESTMENT PORTFOLIO REPORT
For the Quarter Ending December 31, 2019

GREEN POWER

	TIETON HYDRO	MILFORD 1 WIND	MILFORD 2 WIND	LINDEN WIND	WINDY POINT/ WINDY FLATS
I. PORTFOLIO PERFORMANCE					
A. PORTFOLIO YIELD					
Portfolio Yield to Maturity	*1.94%*	*1.40%*	*1.64%*	*1.75%*	*1.75%*
B. RETURN ON ASSETS					
Total Earnings (Yr-to-Date)	$ 76,379	$ 206,897	$ 90,951	$ 67,773	$ 253,329
Rate of Return (Yr-to-Date)	*1.84%*	*1.64%*	*1.22%*	*1.23%*	*1.18%*
C. COMPARISON TO BUDGET					
Budgeted Earnings (Yr-to-Date)	$ 78,000	$ 318,000	$ 150,000	$ 114,000	$ 450,000
Actual Net Earnings (Yr-to-Date)	$ 65,046	$ 427,422	$ 137,331	$ 79,812	$ 426,723
Over/(Under) Budget	$ (12,954)	$ 109,422	$ (12,669)	$ (34,188)	$ (23,277)
II. PORTFOLIO STRUCTURE					
Carrying Value of Assets Held	$ 8,359,924	$ 13,615,749	$ 12,755,516	$ 9,976,290	$ 37,678,194
Market Value of Assets Held	$ 8,366,371	$ 13,615,545	$ 12,753,324	$ 9,976,608	$ 37,683,981
Market Value Cushion/(Shortfall)	$ 6,447	$ (205)	$ (2,192)	$ 317	$ 5,787
Weighted Average Portfolio Life	0.12	0.14	0.09	0.12	0.11

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
INVESTMENT PORTFOLIO REPORT
For the Quarter Ending December 31, 2019

	GREEN POWER				
	TIETON HYDRO	MILFORD 1 WIND	MILFORD 2 WIND	LINDEN WIND	WINDY POINT/ WINDY FLATS
III. PORTFOLIO COMPOSITION					
A: MARKET SECTOR (At Cost)					
AGENCY DISCOUNT NOTES	31.76%	65.12%	55.14%	71.31%	81.16%
BANKERS ACCEPTANCE	0.00%	0.00%	0.00%	0.00%	0.00%
BANK DEPOSITS	0.00%	0.00%	0.00%	0.00%	0.00%
COMMERCIAL PAPER	0.00%	0.00%	0.00%	0.00%	3.98%
GIC**	0.00%	0.00%	0.00%	0.00%	0.00%
MEDIUM TERM CORP. NOTES	19.55%	0.00%	0.00%	0.00%	0.00%
MONEY MARKET FUNDS	11.71%	34.88%	10.96%	13.73%	1.64%
MUNICIPAL BONDS	0.00%	0.00%	0.00%	0.00%	0.00%
SUPRANATIONALS	0.00%	0.00%	0.00%	0.00%	0.00%
NEGOTIABLE CDS	18.02%	0.00%	0.00%	0.00%	2.66%
US AGENCIES	0.00%	0.00%	25.26%	0.00%	3.99%
US TREASURIES	18.96%	0.00%	8.64%	14.96%	6.57%
	100.00%	100.00%	100.00%	100.00%	100.00%
B: DEALER COVERAGE (At Cost)					
AIG	0.00%	0.00%	0.00%	0.00%	0.00%
BANK OF NEW YORK MELLON	0.00%	0.00%	0.00%	0.00%	0.00%
CANTELLA	0.00%	0.00%	0.00%	0.00%	3.99%
CASTLE OAK SECURITIES	0.00%	21.87%	8.58%	14.96%	15.13%
DAIWA CAPITAL MARKET	17.61%	0.00%	9.38%	0.00%	0.00%
FHN FINANCIAL	0.00%	14.69%	12.56%	0.00%	0.00%
GREAT PACIFIC SECURITIES	3.40%	8.80%	8.63%	0.00%	9.04%
J ARON	0.00%	0.00%	0.00%	0.00%	0.00%
MORGAN STANLEY	0.00%	0.00%	0.00%	0.00%	0.00%
MULTI-BANK SECURITIES	0.00%	0.00%	8.18%	12.78%	8.98%
PIPER JAFFRAY	0.00%	0.00%	0.00%	0.00%	0.00%
RAMIREZ & CO.	0.00%	0.00%	25.26%	0.00%	3.97%
RAYMOND JAMES	19.55%	8.75%	0.00%	12.97%	10.30%
STIFEL	18.96%	0.00%	0.00%	9.98%	0.00%
UBS FINANCIAL	0.00%	11.02%	16.46%	10.01%	25.78%
UNION BANK	21.60%	0.00%	0.00%	0.00%	13.21%
U.S. BANK	11.71%	34.87%	10.96%	13.73%	1.64%
WELLS FARGO BANK	7.17%	0.00%	0.00%	25.57%	7.96%
	100.00%	100.00%	100.00%	100.00%	100.00%

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
INVESTMENT PORTFOLIO REPORT
For the Quarter Ending December 31, 2019

	TRANSMISSION			NATURAL GAS	
	SOUTHERN TRANSMISSION SYSTEM	MEAD PHOENIX	MEAD ADELANTO	PINEDALE/ BARNETT	PREPAID
I. PORTFOLIO PERFORMANCE					
A. PORTFOLIO YIELD					
Portfolio Yield to Maturity	*2.42%*	*1.62%*	*1.43%*	*1.76%*	*3.86%*
B. RETURN ON ASSETS					
Total Earnings (Yr-to-Date)	$ 619,312	$ 27,531	$ 110,089	$ 453,510	$ 411,728
Rate of Return (Yr-to-Date)	*1.83%*	*0.77%*	*0.95%*	*1.80%*	*5.07%*
C. COMPARISON TO BUDGET					
Budgeted Earnings (Yr-to-Date)	$ 948,000	$ 72,000	$ 240,000	$ 78,000	$ 348,000
Actual Net Earnings (Yr-to-Date)	$ 1,020,905	$ 68,959	$ 279,746	$ 48,839	$ 384,870
Over/(Under) Budget	$ 72,905	$ (3,041)	$ 39,746	$ (29,161)	$ 36,870
II. PORTFOLIO STRUCTURE					
Carrying Value of Assets Held	$ 54,184,603	$ 4,985,730	$ 16,496,047	$ 48,007,502	$ 14,727,111
Market Value of Assets Held	$ 54,262,325	$ 4,985,826	$ 16,495,193	$ 48,031,132	$ 14,727,178
Market Value Cushion/(Shortfall)	$ 77,722	$ 96	$ (854)	$ 23,630	$ 67
Weighted Average Portfolio Life	0.38	0.01	0.18	0.25	12.36

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
INVESTMENT PORTFOLIO REPORT
For the Quarter Ending December 31, 2019

	TRANSMISSION			NATURAL GAS	
	SOUTHERN TRANSMISSION SYSTEM	MEAD PHOENIX	MEAD ADELANTO	PINEDALE/ BARNETT	PREPAID
III. PORTFOLIO COMPOSITION					
A: MARKET SECTOR (At Cost)					
AGENCY DISCOUNT NOTES	49.72%	44.11%	62.44%	31.89%	13.58%
BANKERS ACCEPTANCE	0.00%	0.00%	0.00%	0.00%	0.00%
BANK DEPOSITS	0.00%	0.00%	0.00%	0.00%	0.00%
COMMERCIAL PAPER	0.00%	0.00%	0.00%	0.00%	0.00%
GIC**	12.42%	0.00%	0.00%	0.00%	65.59%
MEDIUM TERM CORP. NOTES	0.00%	0.00%	0.00%	0.00%	0.00%
MONEY MARKET FUNDS	13.08%	42.92%	11.48%	26.08%	20.83%
MUNICIPAL BONDS	0.00%	0.00%	0.00%	0.00%	0.00%
SUPRANATIONALS	0.00%	0.00%	0.00%	0.00%	0.00%
NEGOTIABLE CDS	0.00%	0.00%	0.00%	0.00%	0.00%
US AGENCIES	2.00%	0.00%	0.00%	35.82%	0.00%
US TREASURIES	22.78%	12.97%	26.08%	6.21%	0.00%
	100.00%	100.00%	100.00%	100.00%	100.00%
B: DEALER COVERAGE (At Cost)					
AIG	12.42%	0.00%	0.00%	0.00%	65.27%
BANK OF NEW YORK MELLON	0.00%	0.00%	0.00%	0.00%	0.00%
CANTELLA	0.00%	0.00%	0.00%	6.26%	0.00%
CASTLE OAK SECURITIES	22.13%	12.97%	22.91%	0.00%	0.00%
DAIWA CAPITAL MARKET	3.02%	0.00%	0.00%	0.00%	0.00%
FHN FINANCIAL	0.00%	0.00%	0.00%	10.39%	0.00%
GREAT PACIFIC SECURITIES	0.00%	20.08%	0.00%	9.68%	0.00%
J ARON	0.00%	0.00%	0.00%	0.00%	0.32%
MORGAN STANLEY	0.00%	0.00%	0.00%	0.00%	0.00%
MULTI-BANK SECURITIES	0.00%	0.00%	4.82%	13.16%	0.00%
PIPER JAFFRAY	0.00%	13.02%	9.69%	3.64%	0.00%
RAMIREZ & CO.	0.00%	0.00%	0.00%	10.85%	0.00%
RAYMOND JAMES	2.00%	0.00%	0.00%	0.00%	0.00%
STIFEL	0.00%	0.00%	0.00%	2.08%	0.00%
UBS FINANCIAL	31.39%	0.00%	0.00%	11.68%	13.58%
UNION BANK	13.61%	11.00%	24.59%	0.00%	0.00%
U.S. BANK	13.08%	42.93%	11.48%	26.07%	20.83%
WELLS FARGO BANK	2.35%	0.00%	26.51%	6.19%	0.00%
	100.00%	100.00%	100.00%	100.00%	100.00%

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
INVESTMENT PORTFOLIO REPORT
For the Quarter Ending December 31, 2019

	POWER PURCHASE AGREEMENTS & MISCELLANEOUS				
	POWER PURCHASE AGREEMENTS (COMBINED)	SCPPA DECOMM. TRUST FUND	PROJECT DEVELOPMENT FUND	SAN JUAN MINE RECLAMATION TRUST FUND	SAN JUAN DECOMM. TRUST FUND
I. PORTFOLIO PERFORMANCE					
A. PORTFOLIO YIELD					
Portfolio Yield to Maturity	*1.24%*	*1.76%*	*0.00%*	*2.13%*	*2.06%*
B. RETURN ON ASSETS					
Total Earnings (Yr-to-Date)	$ 705,305	$ 1,670,339	$ -	$ 287,934	$ 38,859
Rate of Return (Yr-to-Date)	*1.66%*	*1.83%*	*0.00%*	*2.21%*	*2.14%*
C. COMPARISON TO BUDGET					
Budgeted Earnings (Yr-to-Date)	$ 36,000	$ 1,450,000	$ -	$ -	$ -
Actual Net Earnings (Yr-to-Date)	$ 754,992	$ 1,655,185	$ -	$ 346,225	$ 32,370
Over/(Under) Budget	$ 718,992	$ 205,185	$ -	$ 346,225	$ 32,370
II. PORTFOLIO STRUCTURE					
Carrying Value of Assets Held	$ 82,003,773	$ 183,255,944	$ 469,652	$ 25,878,869	$ 3,625,206
Market Value of Assets Held	$ 82,005,070	$ 183,145,402	$ 469,652	$ 25,913,922	$ 3,640,272
Market Value Cushion/(Shortfall)	$ 1,297	$ (110,542)	$ -	$ 35,053	$ 15,066
Weighted Average Portfolio Life	0.07	0.65	0.00	0.78	0.95
III. PORTFOLIO COMPOSITION					

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
INVESTMENT PORTFOLIO REPORT
For the Quarter Ending December 31, 2019

POWER PURCHASE AGREEMENTS & MISCELLANEOUS

	POWER PURCHASE AGREEMENTS (COMBINED)	SCPPA DECOMM. TRUST FUND	PROJECT DEVELOPMENT FUND	SAN JUAN MINE RECLAMATION TRUST FUND	SAN JUAN DECOMM. TRUST FUND
A: MARKET SECTOR (At Cost)					
AGENCY DISCOUNT NOTES	62.22%	0.00%	0.00%	0.00%	0.00%
BANKERS ACCEPTANCE	0.00%	0.00%	0.00%	0.00%	0.00%
BANK DEPOSITS	20.97%	0.00%	100.00%	0.00%	0.00%
COMMERCIAL PAPER	0.00%	0.00%	0.00%	7.71%	0.00%
GIC**	0.00%	0.00%	0.00%	0.00%	0.00%
MEDIUM TERM CORP. NOTES	0.00%	1.69%	0.00%	0.00%	0.00%
MONEY MARKET FUNDS	9.00%	8.51%	0.00%	10.03%	23.45%
MUNICIPAL BONDS	0.00%	0.78%	0.00%	0.00%	0.00%
SUPRANATIONALS	0.00%	3.88%	0.00%	9.67%	0.00%
NEGOTIABLE CDS	0.00%	0.00%	0.00%	0.00%	0.00%
US AGENCIES	0.00%	85.14%	0.00%	72.59%	76.55%
US TREASURIES	7.81%	0.00%	0.00%	0.00%	0.00%
	100.00%	100.00%	100.00%	100.00%	100.00%
B: DEALER COVERAGE (At Cost)					
AIG	0.00%	0.00%	0.00%	0.00%	0.00%
BANK OF NEW YORK MELLON	1.63%	0.00%	0.00%	0.00%	0.00%
CANTELLA	0.00%	5.06%	0.00%	7.73%	0.00%
CASTLE OAK SECURITIES	8.53%	2.48%	0.00%	3.87%	0.00%
DAIWA CAPITAL MARKET	0.00%	1.09%	0.00%	0.00%	0.00%
FHN FINANCIAL	11.71%	15.45%	0.00%	8.50%	0.00%
GREAT PACIFIC SECURITIES	4.03%	1.31%	0.00%	0.00%	0.00%
J ARON	0.00%	0.00%	0.00%	0.00%	0.00%
MORGAN STANLEY	0.00%	0.55%	0.00%	0.00%	0.00%
MULTI-BANK SECURITIES	8.38%	10.31%	0.00%	22.03%	0.00%
PIPER JAFFRAY	10.20%	7.24%	0.00%	0.00%	33.30%
RAMIREZ & CO.	0.00%	5.92%	0.00%	0.00%	0.00%
RAYMOND JAMES	0.00%	12.63%	0.00%	3.39%	43.25%
STIFEL	2.92%	14.91%	0.00%	17.40%	0.00%
UBS FINANCIAL	0.00%	11.99%	0.00%	0.00%	0.00%
UNION BANK	7.81%	0.00%	0.00%	17.38%	0.00%
U.S. BANK	7.37%	8.51%	0.00%	10.03%	23.45%
WELLS FARGO BANK	37.42%	2.55%	100.00%	9.67%	0.00%
	100.00%	100.00%	100.00%	100.00%	100.00%

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
PROJECT PORTFOLIO PERFORMANCE
For the Quarter Ending December 31, 2019

	PORTFOLIO YIELD TO MATURITY		
	Oct-19	***Nov-19***	***Dec-19***
PALO VERDE	*2.02%*	*1.84%*	*1.78%*
SAN JUAN	*1.75%*	*1.55%*	*1.49%*
MAGNOLIA	*1.89%*	*1.83%*	*1.81%*
CANYON POWER	*1.92%*	*1.89%*	*1.75%*
APEX POWER	*1.79%*	*1.72%*	*1.61%*
TIETON HYDRO	*2.05%*	*1.97%*	*1.94%*
MILFORD 1 WIND	*1.65%*	*1.60%*	*1.40%*
MILFORD 2 WIND	*1.74%*	*1.71%*	*1.64%*
LINDEN WIND	*1.84%*	*1.78%*	*1.75%*
WINDY POINT/WINDY FLATS	*1.85%*	*1.80%*	*1.75%*
SOUTHERN TRANSMISSION SYSTEM	*2.87%*	*2.64%*	*2.42%*
MEAD PHOENIX	*1.79%*	*1.67%*	*1.62%*
MEAD ADELANTO	*1.88%*	*1.43%*	*1.43%*
NATURAL GAS	*1.81%*	*1.77%*	*1.76%*
NATURAL GAS PREPAID	*4.26%*	*3.79%*	*3.86%*
PWR PURCHASE AGREEMENTS COMBINED	1.52%	1.27%	1.24%
SCPPA DECOMMISSIONING TRUST FUND	*1.75%*	*1.76%*	*1.76%*
PROJECT DEVELOPMENT FUND	*0.00%*	*0.00%*	*0.00%*
SAN JUAN MINE RECLAMATION TRUST	*2.21%*	*2.19%*	*2.13%*
SAN JUAN DECOMMISSIONING TRUST	*2.13%*	*2.08%*	*2.06%*

SCPPA
PORTFOLIO ASSET BREAKDOWN
As of December 31, 2019

	GENERATION									
	PALO VERDE		SAN JUAN		MAGNOLIA		CANYON POWER		APEX POWER	
	$	%	$	%	$	%	$	%	$	%
Agency Discount Notes	$ 8,510,559	*20.62%*	$ -	*0.00%*	$ 36,347,394	*40.46%*	$ 10,248,078	*54.33%*	$ 27,485,658	*73.92%*
Bankers Acceptance	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Bank Deposits	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Commercial Paper	$ 4,181,415	*10.13%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
GICS	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Medium Term Corp. Notes	$ -	*0.00%*	$ -	*0.00%*	$ 14,861,011	*16.54%*	$ -	*0.00%*	$ -	*0.00%*
Money Market Funds	$ 5,498,783	*13.32%*	$ 146,141	*100.00%*	$ 8,944,296	*9.96%*	$ 2,165,649	*11.48%*	$ 4,207,574	*11.32%*
Municipal Bonds	$ -	*0.00%*	$ -	*0.00%*	$ 1,952,160	*2.17%*	$ -	*0.00%*	$ -	*0.00%*
Supranationals	$ 3,689,111	*8.94%*	$ -	*0.00%*	$ 7,767,773	*8.65%*	$ -	*0.00%*	$ 1,395,880	*3.75%*
Negotiable CDs	$ 9,600,000	*23.26%*	$ -	*0.00%*	$ 2,400,000	*2.67%*	$ -	*0.00%*	$ 1,006,000	*2.71%*
US Agencies	$ 8,600,000	*20.84%*	$ -	*0.00%*	$ 17,560,000	*19.55%*	$ 4,740,000	*25.13%*	$ 3,085,000	*8.30%*
US Treasuries	$ 1,191,000	*2.89%*	$ -	*0.00%*	$ -	*0.00%*	$ 1,708,522	*9.06%*	$ -	*0.00%*
TOTALS	$ 41,270,868	*100.00%*	$ 146,141	*100.00%*	$ 89,832,634	*100.00%*	$ 18,862,249	*100.00%*	$ 37,180,111	*100.00%*

SCPPA
PORTFOLIO ASSET BREAKDOWN
As of December 31, 2019

	GREEN POWER											
	TIETON HYDRO		MILFORD 1 WIND		MILFORD 2 WIND		LINDEN WIND		WINDY POINT/ WINDY FLATS			
	$	%	$	%	$	%	$	%	$	%		
Agency Discount Notes	$ 2,649,208	*31.76%*	$ 8,861,786	*65.12%*	$ 7,019,685	*55.14%*	$ 7,088,215	*71.31%*	$ 30,474,510	*81.16%*		
Bankers Acceptance	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*		
Bank Deposits	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*		
Commercial Paper	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ 1,496,196	*3.98%*		
GICS	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*		
Medium Term Corp. Notes	$ 1,630,058	*19.55%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*		
Money Market Funds	$ 976,383	*11.71%*	$ 4,745,654	*34.88%*	$ 1,395,373	*10.96%*	$ 1,364,464	*13.73%*	$ 613,943	*1.64%*		
Municipal Bonds	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*		
Supranationals	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*		
Negotiable CDs	$ 1,503,000	*18.02%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ 999,000	*2.66%*		
US Agencies	$ -	*0.00%*	$ -	*0.00%*	$ 3,216,000	*25.26%*	$ -	*0.00%*	$ 1,500,000	*3.99%*		
US Treasuries	$ 1,581,125	*18.96%*	$ -	*0.00%*	$ 1,100,172	*8.64%*	$ 1,486,536	*14.96%*	$ 2,466,699	*6.57%*		
TOTALS	$ 8,339,773	*100.00%*	$ 13,607,439	*100.00%*	$ 12,731,230	*100.00%*	$ 9,939,215	*100.00%*	$ 37,550,348	*100.00%*		

SCPPA
PORTFOLIO ASSET BREAKDOWN
As of December 31, 2019

	TRANSMISSION						NATURAL GAS			
	SOUTHERN TRANSMISSION SYSTEM		MEAD PHOENIX		MEAD ADELANTO		PINEDALE/ BARNETT		PREPAID	
	$	%	$	%	$	%	$	%	$	%
Agency Discount Notes	$ 26,305,672	*49.72%*	$ 2,194,682	*44.11%*	$ 10,278,993	*62.44%*	$ 15,286,369	*31.89%*	$ 1,999,194	*13.58%*
Bankers Acceptance	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Bank Deposits	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Commercial Paper	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
GICS	$ 6,574,657	*12.42%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ 9,659,939	*65.59%*
Medium Term Corp. Notes	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Money Market Funds	$ 6,920,012	*13.08%*	$ 2,136,149	*42.92%*	$ 1,889,472	*11.48%*	$ 12,498,213	*26.08%*	$ 3,067,574	*20.83%*
Municipal Bonds	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Supranationals	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Negotiable CDs	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
US Agencies	$ 1,060,000	*2.00%*	$ -	*0.00%*	$ -	*0.00%*	$ 17,165,920	*35.82%*	$ -	*0.00%*
US Treasuries	$ 12,057,141	*22.78%*	$ 645,662	*12.97%*	$ 4,292,773	*26.08%*	$ 2,977,500	*6.21%*	$ -	*0.00%*
TOTALS	$ 52,917,483	*100.00%*	$ 4,976,494	*100.00%*	$ 16,461,238	*100.00%*	$ 47,928,003	*100.00%*	$ 14,726,708	*100.00%*

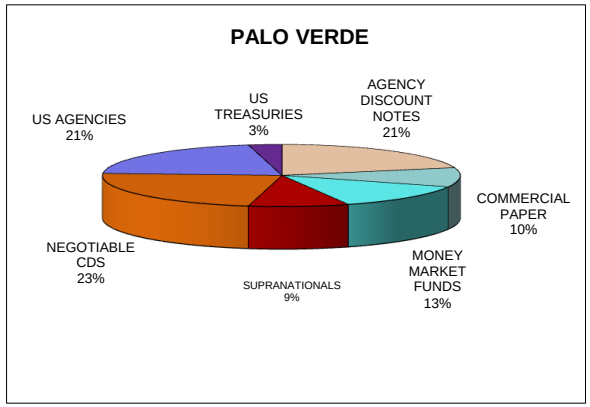
SCPPA
PORTFOLIO ASSET BREAKDOWN
As of December 31, 2019

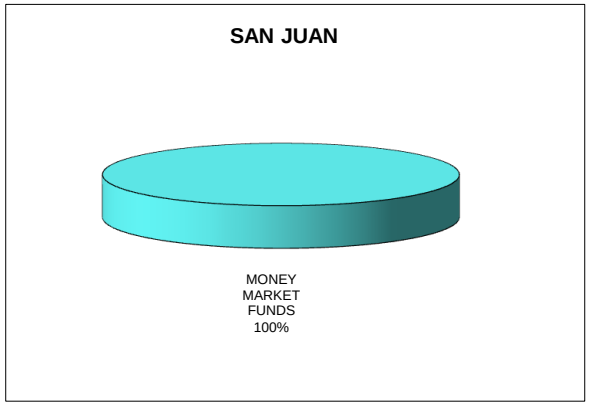
	POWER PURCHASE AGREEMENTS & MISCELLANEOUS									
	PWR PURCHASE AGREEMENTS (COMBINED)		SCPPA DECOMMISSIONING TRUST FUND		PROJECT DEVELOPMENT FUND		SAN JUAN MINE RECLAMATION TRUST FUND		SAN JUAN DECOMMISSIONING TRUST FUND	
	$	%	$	%	$	%	$	%	$	%
Agency Discount Notes	$ 50,980,607	*62.22%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Bankers Acceptance	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Bank Deposits	$ 17,182,421	*20.97%*	$ -	*0.00%*	$ 469,652	*100.00%*	$ -	*0.00%*	$ -	*0.00%*
Commercial Paper	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ 1,994,928	*7.71%*	$ -	*0.00%*
GICS	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Medium Term Corp. Notes	$ -	*0.00%*	$ 3,101,053	*1.69%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Money Market Funds	$ 7,372,449	*9.00%*	$ 15,588,591	*8.51%*	$ -	*0.00%*	$ 2,595,060	*10.03%*	$ 845,216	*23.45%*
Municipal Bonds	$ -	*0.00%*	$ 1,424,240	*0.78%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Supranationals	$ -	*0.00%*	$ 7,110,376	*3.88%*	$ -	*0.00%*	$ 2,500,000	*9.67%*	$ -	*0.00%*
Negotiable CDs	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
US Agencies	$ -	*0.00%*	$ 156,011,406	*85.14%*	$ -	*0.00%*	$ 18,774,654	*72.59%*	$ 2,758,400	*76.55%*
US Treasuries	$ 6,397,750	*7.81%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
TOTALS	$ 81,933,227	*100.00%*	$ 183,235,666	*100.00%*	$ 469,652	*100.00%*	$ 25,864,641	*100.00%*	$ 3,603,616	*100.00%*

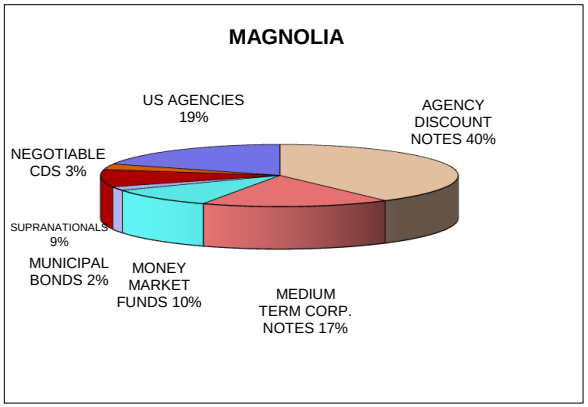
SCPPA PORTFOLIO ASSET BREAKDOWN

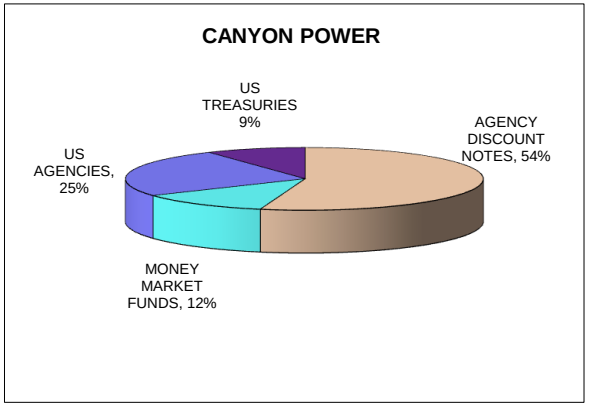
December 31, 2019

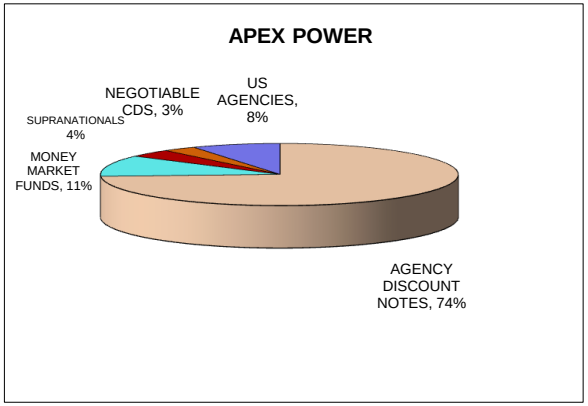
GENERATION







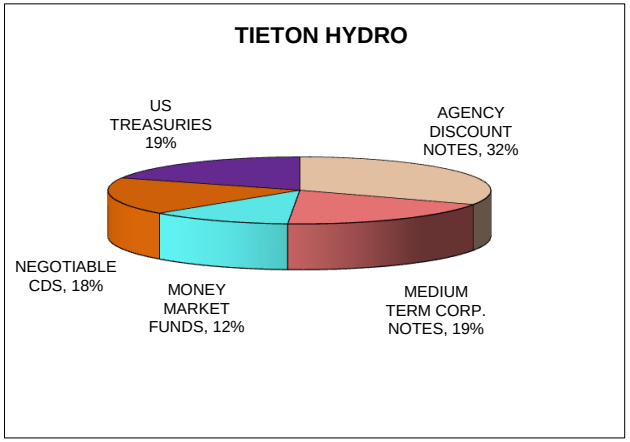


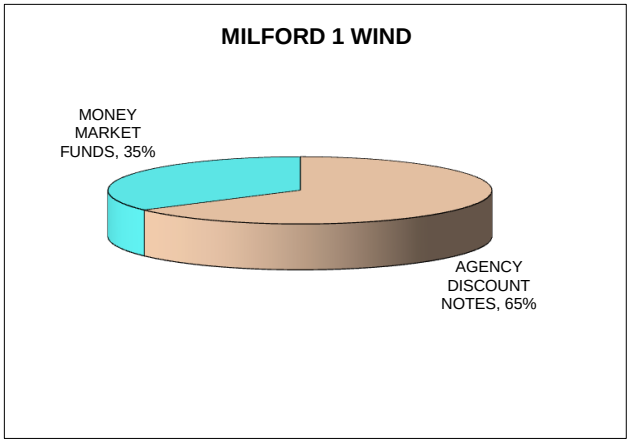


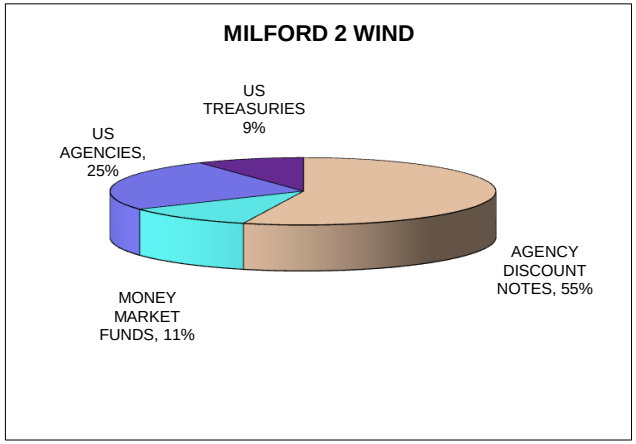
SCPPA PORTFOLIO ASSET BREAKDOWN

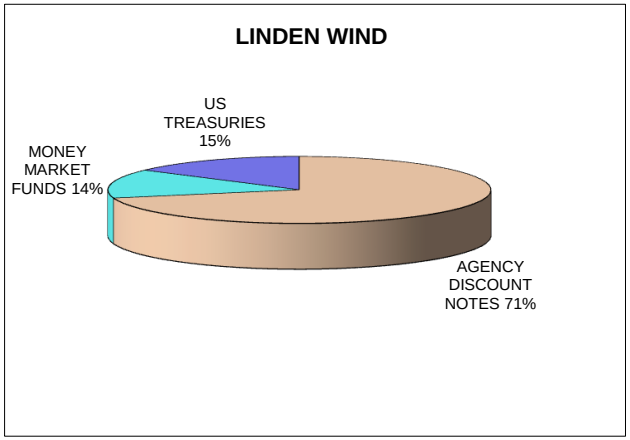
December 31, 2019

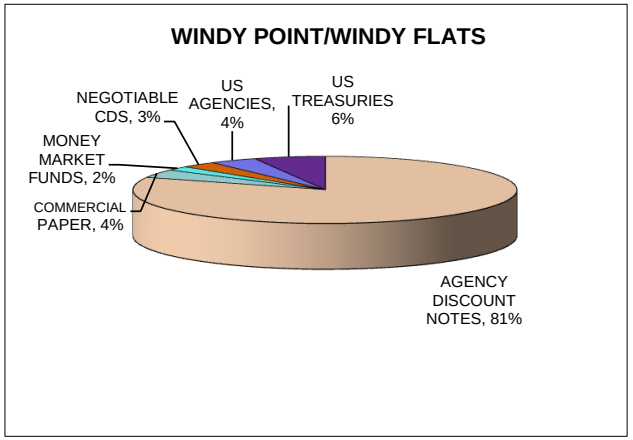
GREEN POWER







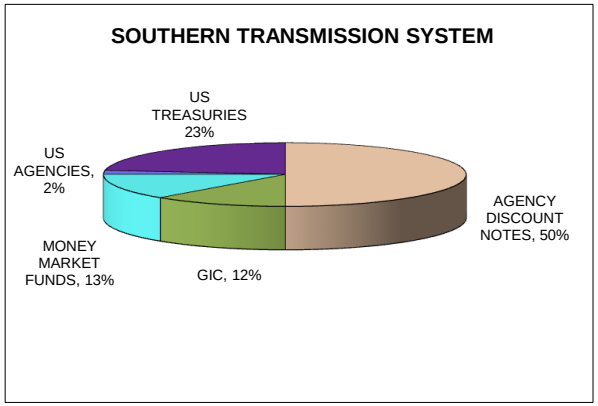


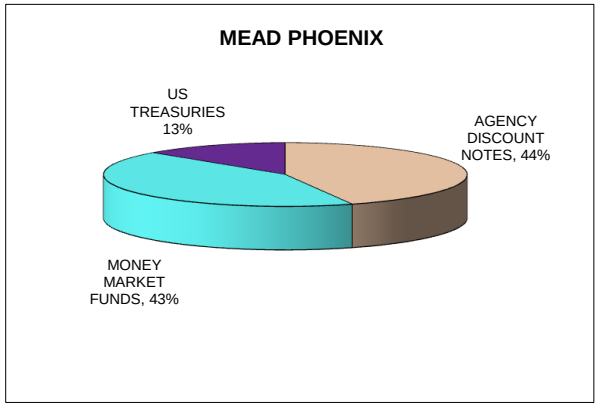


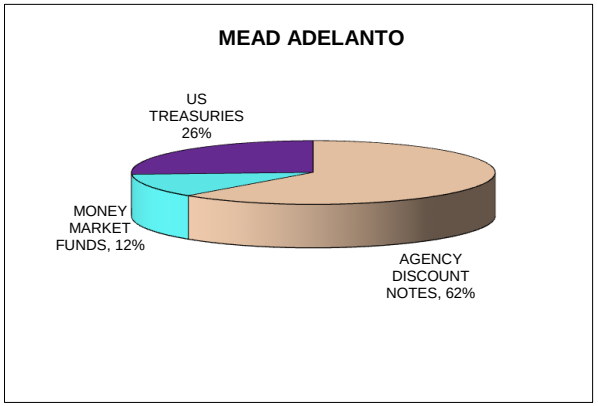
SCPPA PORTFOLIO ASSET BREAKDOWN

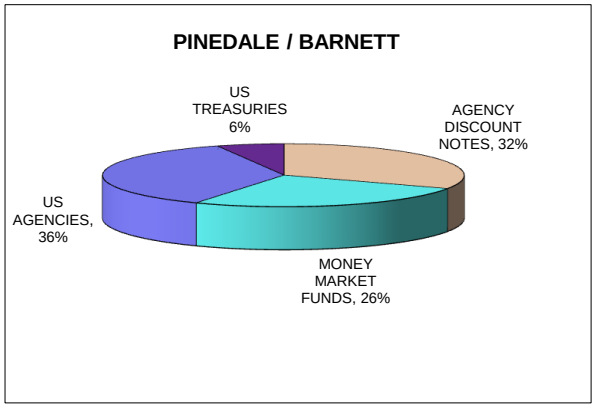
December 31, 2019

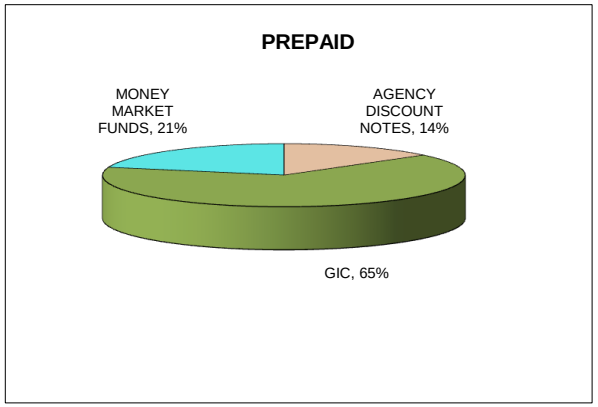
TRANSMISSION & NATURAL GAS







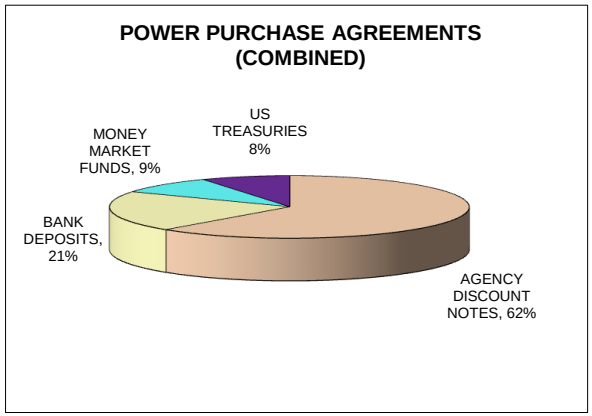


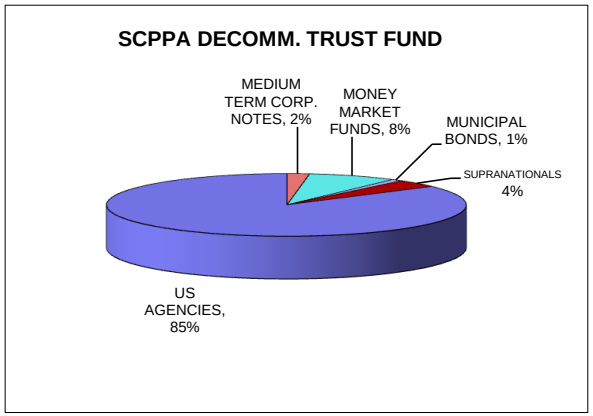


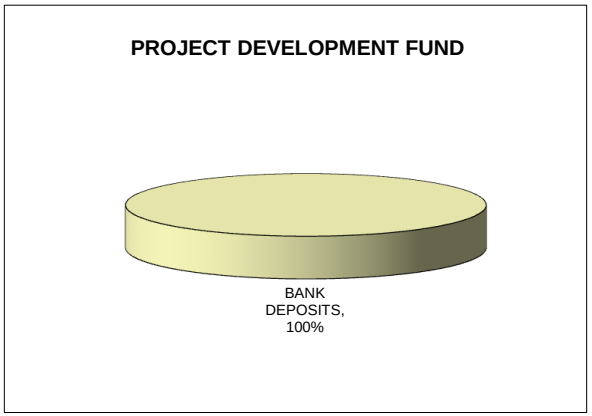
SCPPA PORTFOLIO ASSET BREAKDOWN

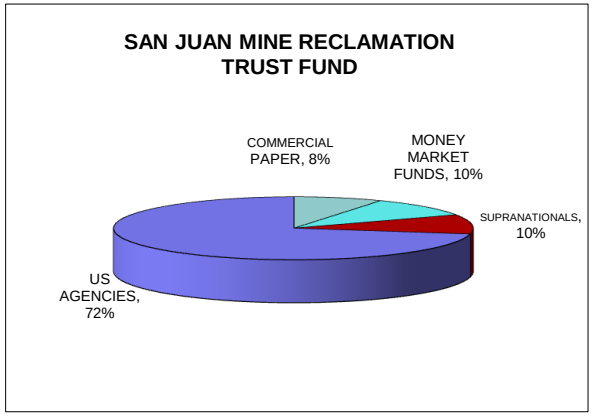
December 31, 2019

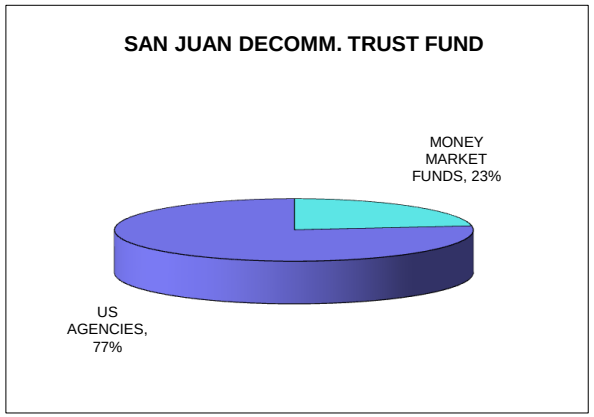
POWER PURCHASE AGREEMENTS & MISCELLANEOUS











SCPPA
PORTFOLIO MATURITY COMPOSITION
As of December 31, 2019

GENERATION

	PALO VERDE		SAN JUAN		MAGNOLIA		CANYON POWER		APEX POWER	
	$	%	$	%	$	%	$	%	$	%
Less Than 3 Mos.	$ 29,140,948	*70.61%*	$ 146,141	*100.00%*	$ 59,105,965	*65.79%*	$ 9,261,192	*49.10%*	$ 23,364,455	*62.84%*
3 Mos<=X<6 Mos.	$ -	*0.00%*	$ -	*0.00%*	$ 6,968,256	*7.76%*	$ -	*0.00%*	$ 8,349,730	*22.46%*
6 Mos<=X<1 Yr.	$ 3,529,920	*8.55%*	$ -	*0.00%*	$ 6,746,254	*7.51%*	$ 4,861,057	*25.77%*	$ 2,380,926	*6.40%*
1 Yr.<=X<2 Yrs.	$ -	*0.00%*	$ -	*0.00%*	$ 7,160,000	*7.97%*	$ 4,740,000	*25.13%*	$ 3,085,000	*8.30%*
2 Yrs.<=X<3 Yrs.	$ 6,105,000	*14.79%*	$ -	*0.00%*	$ 3,952,160	*4.40%*	$ -	*0.00%*	$ -	*0.00%*
3 Yrs.<=X<5 Yrs.	$ 2,495,000	*6.05%*	$ -	*0.00%*	$ 5,900,000	*6.57%*	$ -	*0.00%*	$ -	*0.00%*
=>5 Yrs.	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
TOTALS	$ 41,270,868	*100.00%*	$ 146,141	*100.00%*	$ 89,832,634	*100.00%*	$ 18,862,249	*100.00%*	$ 37,180,111	*100.00%*

SCPPA
PORTFOLIO MATURITY COMPOSITION
As of December 31, 2019

	GREEN POWER											
	TIETON HYDRO		MILFORD 1 WIND		MILFORD 2 WIND		LINDEN WIND		WINDY POINT/ WINDY FLATS			
	$	%	$	%	$	%	$	%	$	%		
Less Than 3 Mos.	$ 6,758,648	*81.04%*	$ 9,441,657	*69.38%*	$ 7,220,500	*56.72%*	$ 7,657,784	*77.05%*	$ 29,715,514	*79.14%*		
3 Mos<=X<6 Mos.	$ 1,581,125	*18.96%*	$ 2,975,588	*21.87%*	$ 2,294,730	*18.02%*	$ -	*0.00%*	$ 2,466,699	*6.57%*		
6 Mos<=X<1 Yr.	$ -	*0.00%*	$ 1,190,195	*8.75%*	$ -	*0.00%*	$ 2,281,431	*22.95%*	$ 3,868,135	*10.30%*		
1 Yr.<=X<2 Yrs.	$ -	*0.00%*	$ -	*0.00%*	$ 3,216,000	*25.26%*	$ -	*0.00%*	$ 1,500,000	*3.99%*		
2 Yrs.<=X<3 Yrs.	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*		
3 Yrs.<=X<5 Yrs.	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*		
=>5 Yrs.	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*		
TOTALS	$ 8,339,773	*100.00%*	$ 13,607,439	*100.00%*	$ 12,731,230	*100.00%*	$ 9,939,215	*100.00%*	$ 37,550,348	*100.00%*		

SCPPA
PORTFOLIO MATURITY COMPOSITION
As of December 31, 2019

	TRANSMISSION						*NATURAL GAS*			
	SOUTHERN TRANSMISSION SYSTEM		*MEAD PHOENIX*		*MEAD ADELANTO*		*PINEDALE/ BARNETT*		*PREPAID*	
	$	*%*	*$*	*%*	*$*	*%*	*$*	*%*	*$*	*%*
Less Than 3 Mos.	$ 31,543,158	*59.60%*	$ 4,976,494	*100.00%*	$ 7,607,697	*46.21%*	$ 19,817,867	*41.34%*	$ 5,066,769	*34.41%*
3 Mos<=X<6 Mos.	$ 7,201,125	*13.61%*	$ -	*0.00%*	$ 4,488,510	*27.27%*	$ 6,305,733	*13.16%*	$ -	*0.00%*
6 Mos<=X<1 Yr.	$ 6,538,543	*12.36%*	$ -	*0.00%*	$ 4,365,031	*26.52%*	$ 7,604,402	*15.87%*	$ -	*0.00%*
1 Yr.<=X<2 Yrs.	$ 7,634,657	*14.43%*	$ -	*0.00%*	$ -	*0.00%*	$ 5,200,000	*10.85%*	$ -	*0.00%*
2 Yrs.<=X<3 Yrs.	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ 2,000,000	*4.17%*	$ -	*0.00%*
3 Yrs.<=X<5 Yrs.	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ 7,000,000	*14.61%*	$ -	*0.00%*
=>5 Yrs.	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ 9,659,939	*65.59%*
TOTALS	$ 52,917,483	*100.00%*	$ 4,976,494	*100.00%*	$ 16,461,238	*100.00%*	$ 47,928,003	*100.00%*	$ 14,726,708	*100.00%*

SCPPA
PORTFOLIO MATURITY COMPOSITION
As of December 31, 2019

POWER PURCHASE AGREEMENTS & MISCELLANEOUS

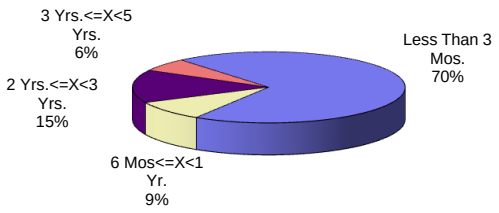
	POWER PURCHASE AGREEMENTS (COMBINED)		***SCPPA DECOMMISSIONING TRUST FUND***		***PROJECT DEVELOPMENT FUND***		***SAN JUAN MINE RECLAMATION TRUST FUND***		***SAN JUAN DECOMMISSIONING TRUST FUND***	
	$	***%***	***$***	***%***	***$***	***%***	***$***	***%***	***$***	***%***
Less Than 3 Mos.	$ 66,705,060	*81.41%*	$ 21,725,191	*11.86%*	$ 469,652	*100.00%*	$ 6,788,271	*26.24%*	$ 845,216	*23.45%*
3 Mos<=X<6 Mos.	$ 15,228,167	*18.59%*	$ 1,995,376	*1.09%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
6 Mos<=X<1 Yr.	$ -	*0.00%*	$ 10,909,678	*5.95%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
1 Yr.<=X<2 Yrs.	$ -	*0.00%*	$ 80,948,884	*44.18%*	$ -	*0.00%*	$ 6,876,370	*26.59%*	$ 2,758,400	*76.55%*
2 Yrs.<=X<3 Yrs.	$ -	*0.00%*	$ 6,639,266	*3.62%*	$ -	*0.00%*	$ 7,200,000	*27.84%*		*0.00%*
3 Yrs.<=X<5 Yrs.	$ -	*0.00%*	$ 59,469,983	*32.46%*	$ -	*0.00%*	$ 5,000,000	*19.33%*	$ -	*0.00%*
=>5 Yrs.	$ -	*0.00%*	$ 1,547,288	*0.84%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
TOTALS	$ 81,933,227	*100.00%*	$ 183,235,666	*100.00%*	*$ 469,652*	*100.00%*	*$ 25,864,641*	*100.00%*	*$ 3,603,616*	*100.00%*

SCPPA PORTFOLIO MATURITY COMPOSITON

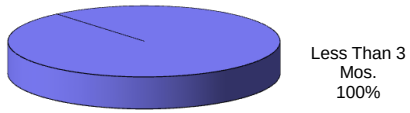
December 31, 2019

GENERATION

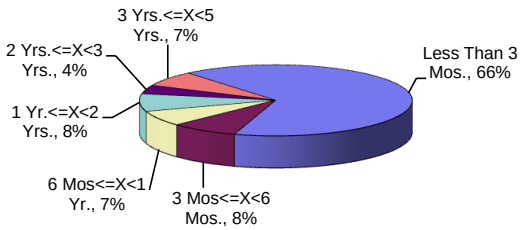
PALO VERDE



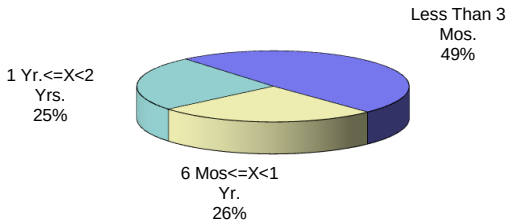
SAN JUAN



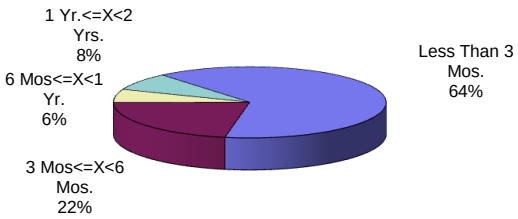
MAGNOLIA



CANYON POWER

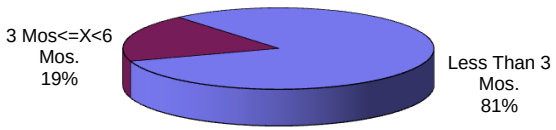


APEX POWER

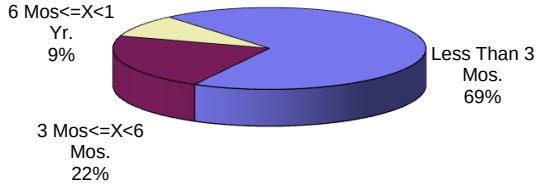


SCPPA PORTFOLIO MATURITY COMPOSITION
December 31, 2019
GREEN POWER

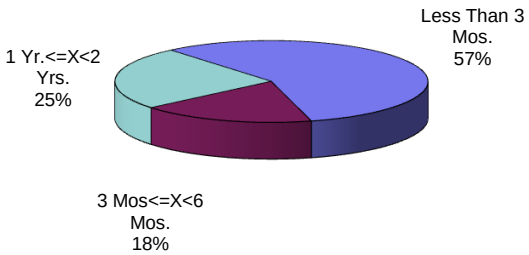
TIETON HYDRO



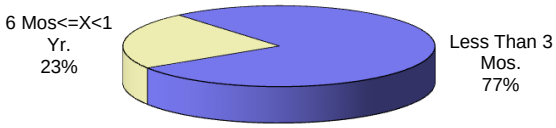
MILFORD 1 WIND



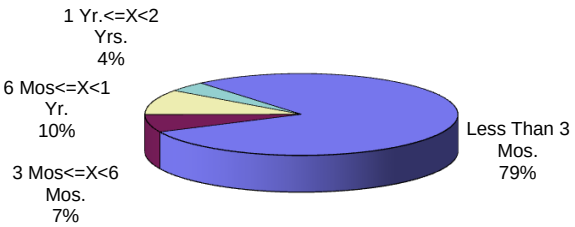
MILFORD 2 WIND



LINDEN WIND

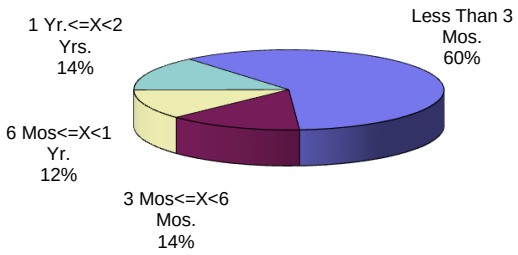


WINDY POINT / WINDY FLATS

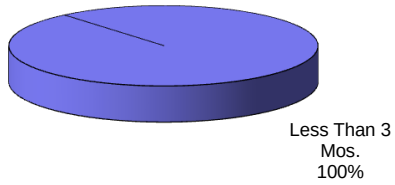


SCPPA PORTFOLIO MATURITY COMPOSITON
December 31, 2019
TRANSMISSION & NATURAL GAS

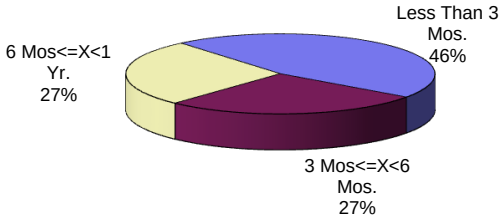
SOUTHERN TRANSMISSION SYSTEM



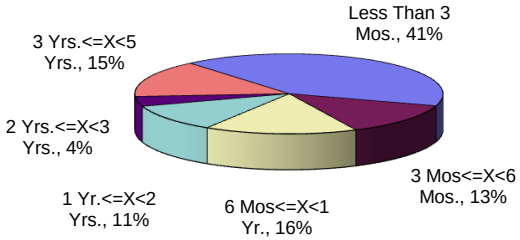
MEAD PHOENIX



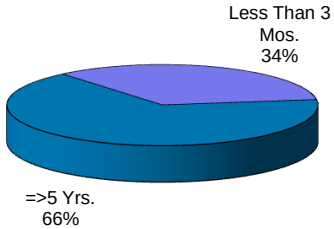
MEAD ADELANTO



PINEDALE/BARNETT



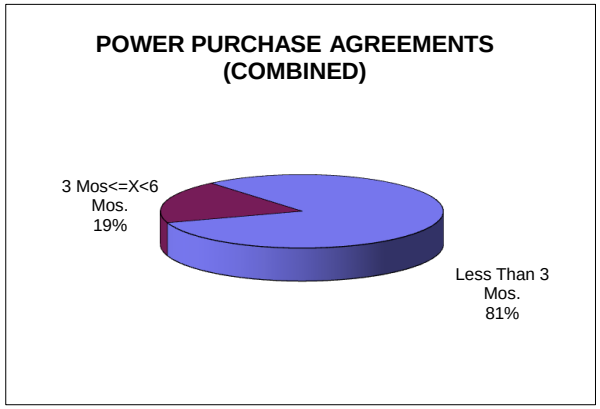
NATURAL GAS PREPAID

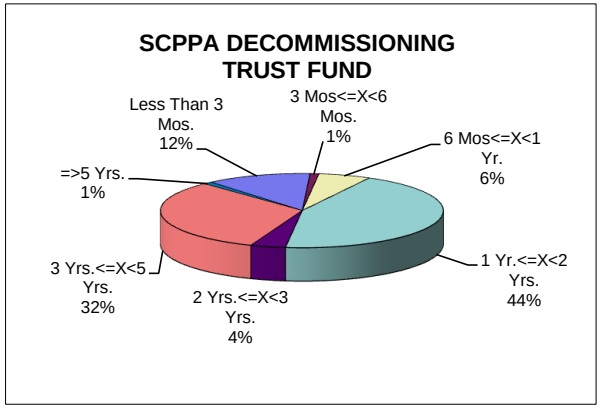


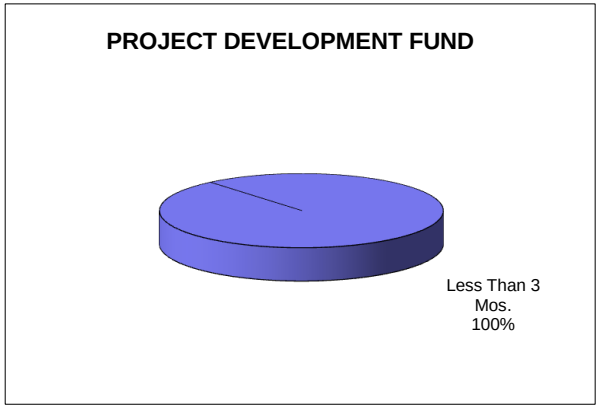
SCPPA PORTFOLIO MATURITY COMPOSITION

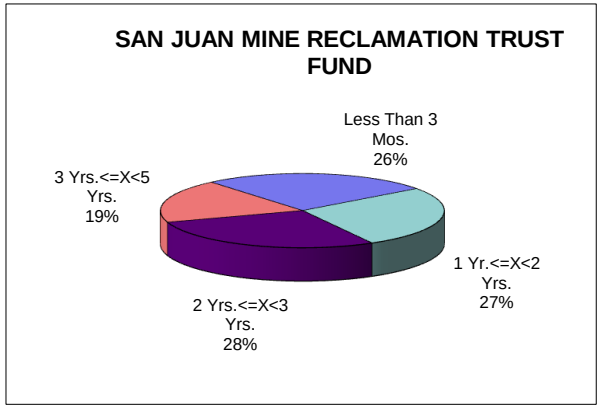
December 31, 2019

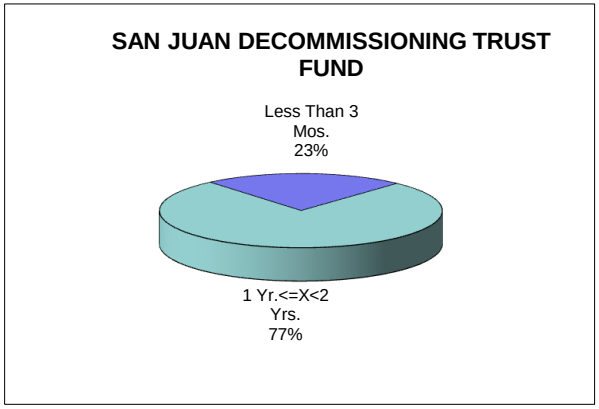
POWER PURCHASE AGREEMENTS & MISCELLANEOUS











SCPPA
BROKER/DEALER COVERAGE
As of December 31, 2019

GENERATION

	PALO VERDE		*SAN JUAN*		*MAGNOLIA*		*CANYON POWER*		*APEX POWER*	
	$	*%*	*$*	*%*	*$*	*%*	*$*	*%*	*$*	*%*
AIG	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Bank of New York Mellon	$ 5,498,783	*13.32%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Cantella	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ 1,000,000	*5.30%*	$ -	*0.00%*
Castle Oak Securities	$ 3,689,111	*8.94%*	$ -	*0.00%*	$ 6,772,509	*7.54%*	$ 1,708,522	*9.06%*	$ 6,556,176	*17.63%*
Daiwa Capital Market	$ -	*0.00%*	$ -	*0.00%*	$ 15,457,528	*17.21%*	$ -	*0.00%*	$ -	*0.00%*
FHN Financial	$ 1,191,000	*2.89%*	$ -	*0.00%*	$ 2,120,000	*2.36%*	$ 2,900,000	*15.37%*	$ 8,196,697	*22.04%*
Great Pacific Securities	$ 8,510,559	*20.62%*	$ -	*0.00%*	$ 2,007,197	*2.23%*	$ 998,269	*5.29%*	$ 1,297,750	*3.49%*
J Aron	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Morgan Stanley	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Multi-Bank Securities	$ -	*0.00%*	$ -	*0.00%*	$ 13,223,321	*14.72%*	$ 1,001,147	*5.31%*	$ 1,784,222	*4.80%*
Piper Jaffray	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ 3,688,370	*9.92%*
Ramirez & Co.	$ 2,495,000	*6.05%*	$ -	*0.00%*	$ 11,280,176	*12.56%*	$ -	*0.00%*	$ -	*0.00%*
Raymond James	$ -	*0.00%*	$ -	*0.00%*	$ 12,311,511	*13.70%*	$ 840,000	*4.45%*	$ -	*0.00%*
Stifel	$ -	*0.00%*	$ -	*0.00%*	$ 3,755,000	*4.18%*	$ 4,861,057	*25.78%*	$ 5,465,926	*14.70%*
UBS - Financial	$ 6,261,415	*15.17%*	$ -	*0.00%*	$ 8,276,096	*9.21%*	$ -	*0.00%*	$ -	*0.00%*
Union Bank	$ 9,600,000	*23.26%*	$ -	*0.00%*	$ 2,400,000	*2.67%*	$ 796,015	*4.22%*	$ 1,006,000	*2.71%*
U.S. Bank	$ -	*0.00%*	$ 146,141	*100.00%*	$ 8,944,296	*9.96%*	$ 2,165,649	*11.48%*	$ 4,207,574	*11.32%*
Wells Fargo Bank	$ 4,025,000	*9.75%*	$ -	*0.00%*	$ 3,285,000	*3.66%*	$ 2,591,590	*13.74%*	$ 4,977,397	*13.39%*
TOTALS	$ 41,270,868	*100.00%*	$ 146,141	*100.00%*	$ 89,832,634	*100.00%*	$ 18,862,249	*100.00%*	$ 37,180,111	*100.00%*

SCPPA
BROKER/DEALER COVERAGE
As of December 31, 2019

	GREEN POWER									
	TIETON HYDRO		MILFORD 1 WIND		MILFORD 2 WIND		LINDEN WIND		WINDY POINT/ WINDY FLATS	
	$	%	$	%	$	%	$	%	$	%
AIG	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
Bank of New York Mellon	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
Cantella	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ 1,500,000	3.99%
Castle Oak Securities	$ -	0.00%	$ 2,975,588	21.87%	$ 1,092,644	8.58%	$ 1,486,536	14.96%	$ 5,682,686	15.13%
Daiwa Capital Market	$ 1,468,746	17.61%	$ -	0.00%	$ 1,194,558	9.38%	$ -	0.00%	$ -	0.00%
FHN Financial	$ -	0.00%	$ 1,998,684	14.69%	$ 1,598,816	12.56%	$ -	0.00%	$ -	0.00%
Great Pacific Securities	$ 283,896	3.40%	$ 1,197,923	8.80%	$ 1,098,096	8.63%	$ -	0.00%	$ 3,394,114	9.04%
J Aron	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
Morgan Stanley	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
Multi-Bank Securities	$ -	0.00%	$ -	0.00%	$ 1,040,796	8.18%	$ 1,270,257	12.78%	$ 3,370,197	8.98%
Piper Jaffray	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
Ramirez & Co.	$ -	0.00%	$ -	0.00%	$ 3,216,000	25.26%	$ -	0.00%	$ 1,489,866	3.97%
Raymond James	$ 1,630,058	19.55%	$ 1,190,195	8.75%	$ -	0.00%	$ 1,289,378	12.97%	$ 3,868,135	10.30%
Stifel	$ 1,581,125	18.96%	$ -	0.00%	$ -	0.00%	$ 992,053	9.98%	$ -	0.00%
UBS - Financial	$ -	0.00%	$ 1,499,396	11.02%	$ 2,094,947	16.46%	$ 994,775	10.01%	$ 9,679,215	25.78%
Union Bank	$ 1,801,506	21.60%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ 4,961,895	13.21%
U.S. Bank	$ 976,383	11.71%	$ 4,745,654	34.87%	$ 1,395,373	10.96%	$ 1,364,464	13.73%	$ 613,943	1.64%
Wells Fargo Bank	$ 598,059	7.17%	$ -	0.00%	$ -	0.00%	$ 2,541,752	25.57%	$ 2,990,297	7.96%
TOTALS	$ 8,339,773	100.00%	$ 13,607,439	100.00%	$ 12,731,230	100.00%	$ 9,939,215	100.00%	$ 37,550,348	100.00%

SCPPA
BROKER/DEALER COVERAGE
As of December 31, 2019

	TRANSMISSION						NATURAL GAS			
	SOUTHERN TRANSMISSION SYSTEM		MEAD PHOENIX		MEAD ADELANTO		PINEDALE/ BARNETT		PREPAID	
	$	%	$	%	$	%	$	%	$	%
AIG	$ 6,574,657	12.42%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ 9,613,000	65.27%
Bank of New York Mellon	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
Cantella	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ 3,000,000	6.26%	$ -	0.00%
Castle Oak Securities	$ 11,708,314	22.13%	$ 645,662	12.97%	$ 3,771,713	22.91%	$ -	0.00%	$ -	0.00%
Daiwa Capital Market	$ 1,598,636	3.02%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
FHN Financial	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ 4,977,500	10.39%	$ -	0.00%
Great Pacific Securities	$ -	0.00%	$ 999,466	20.08%	$ -	0.00%	$ 4,638,482	9.68%	$ -	0.00%
J Aron	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ 46,939	0.32%
Morgan Stanley	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
Multi-Bank Securities	$ -	0.00%	$ -	0.00%	$ 792,988	4.82%	$ 6,305,733	13.16%	$ -	0.00%
Piper Jaffray	$ -	0.00%	$ 647,957	13.02%	$ 1,594,971	9.69%	$ 1,744,499	3.64%	$ -	0.00%
Ramirez & Co.	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ 5,200,000	10.85%	$ -	0.00%
Raymond James	$ 1,060,000	2.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
Stifel	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ 998,299	2.08%	$ -	0.00%
UBS - Financial	$ 16,608,782	31.39%	$ -	0.00%	$ -	0.00%	$ 5,599,356	11.68%	$ 1,999,194	13.58%
Union Bank	$ 7,201,125	13.61%	$ 547,260	11.00%	$ 4,047,064	24.59%	$ -	0.00%	$ -	0.00%
U.S. Bank	$ 6,920,012	13.08%	$ 2,136,149	42.93%	$ 1,889,472	11.48%	$ 12,498,213	26.07%	$ 3,067,574	20.83%
Wells Fargo Bank	$ 1,245,957	2.35%	$ -	0.00%	$ 4,365,031	26.51%	$ 2,965,920	6.19%	$ -	0.00%
TOTALS	$ 52,917,483	100.00%	$ 4,976,494	100.00%	$ 16,461,238	100.00%	$ 47,928,003	100.00%	$ 14,726,708	100.00%

SCPPA
BROKER/DEALER COVERAGE
As of December 31, 2019

POWER PURCHASE AGREEMENTS & MISCELLANEOUS

	POWER PURCHASE AGREEMENTS (COMBINED)		*SCPPA DECOMMISSIONING TRUST FUND*		*PROJECT DEVELOPMENT FUND*		*SAN JUAN MINE RECLAMATION TRUST FUND*		*SAN JUAN DECOMMISSIONING TRUST FUND*	
	$	*%*	*$*	*%*	*$*	*%*	*$*	*%*	*$*	*%*
AIG	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Bank of New York Mellon	$ 1,337,697	*1.63%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Cantella	$ -	*0.00%*	$ 9,265,000	*5.06%*	$ -	*0.00%*	$ 2,000,000	*7.73%*	$ -	*0.00%*
Castle Oak Securities	$ 6,987,301	*8.53%*	$ 4,547,288	*2.48%*	$ -	*0.00%*	$ 999,770	*3.87%*	$ -	*0.00%*
Daiwa Capital Market	$ -	*0.00%*	$ 2,000,000	*1.09%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
FHN Financial	$ 9,593,829	*11.71%*	$ 28,315,000	*15.45%*	$ -	*0.00%*	$ 2,198,284	*8.50%*	$ -	*0.00%*
Great Pacific Securities	$ 3,298,236	*4.03%*	$ 2,400,000	*1.31%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
J Aron	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Morgan Stanley	$ -	*0.00%*	$ 999,470	*0.55%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Multi-Bank Securities	$ 6,867,605	*8.38%*	$ 18,888,786	*10.31%*	$ -	*0.00%*	$ 5,700,000	*22.03%*	$ -	*0.00%*
Piper Jaffray	$ 8,360,562	*10.20%*	$ 13,270,000	*7.24%*	$ -	*0.00%*	$ -	*0.00%*	$ 1,200,000	*33.30%*
Ramirez & Co.	$ -	*0.00%*	$ 10,840,000	*5.92%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Raymond James	$ -	*0.00%*	$ 23,144,240	*12.63%*	$ -	*0.00%*	$ 876,600	*3.39%*	$ 1,558,400	*43.25%*
Stifel	$ 2,395,918	*2.92%*	$ 27,324,983	*14.91%*	$ -	*0.00%*	$ 4,500,000	*17.40%*	$ -	*0.00%*
UBS - Financial	$ -	*0.00%*	$ 21,977,254	*11.99%*	$ -	*0.00%*	$ -	*0.00%*	$ -	*0.00%*
Union Bank	$ 6,397,750	*7.81%*	$ -	*0.00%*	$ -	*0.00%*	$ 4,494,928	*17.38%*	$ -	*0.00%*
U.S. Bank	$ 6,034,752	*7.37%*	$ 15,588,591	*8.51%*	$ -	*0.00%*	$ 2,595,060	*10.03%*	$ 845,216	*23.45%*
Wells Fargo Bank	$ 30,659,577	*37.42%*	$ 4,675,055	*2.55%*	$ 469,652	*100.00%*	$ 2,500,000	*9.67%*	$ -	*0.00%*
TOTALS	$ 81,933,227	*100.00%*	$ 183,235,666	*100.00%*	$ 469,652	*100.00%*	$ 25,864,641	*100.00%*	$ 3,603,616	*100.00%*

SCPPA
COMBINED BROKER/DEALER COVERAGE
As of December 31, 2019

	GENERATION					TRANSMISSION			NATURAL GAS	
	PALO VERDE	SAN JUAN	MAGNOLIA	CANYON POWER	APEX POWER	SOUTHERN TRANSMISSION SYSTEM	MEAD PHOENIX	MEAD ADELANTO	PINEDALE BARNETT	PREPAID
AIG	$ -	$ -	$ -	$ -	$ -	$ 6,574,657	$ -	$ -	$ -	$ 9,613,000
BNY Mellon	$ 5,498,783	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cantella	$ -	$ -	$ -	$ 1,000,000	$ -	$ -	$ -	$ -	$ 3,000,000	$ -
Castle Oak Securities	$ 3,689,111	$ -	$ 6,772,509	$ 1,708,522	$ 6,556,176	$ 11,708,314	$ 645,662	$ 3,771,713	$ -	$ -
Daiwa Capital Market	$ -	$ -	$ 15,457,528	$ -	$ -	$ 1,598,636	$ -	$ -	$ -	$ -
FHN Financial	$ 1,191,000	$ -	$ 2,120,000	$ 2,900,000	$ 8,196,697	$ -	$ -	$ -	$ 4,977,500	$ -
Great Pacific Securities	$ 8,510,559	$ -	$ 2,007,197	$ 998,269	$ 1,297,750	$ -	$ 999,466	$ -	$ 4,638,482	$ -
J Aron	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 46,939
Morgan Stanley	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Multi-Bank Securities	$ -	$ -	$ 13,223,321	$ 1,001,147	$ 1,784,222	$ -	$ -	$ 792,988	$ 6,305,733	$ -
Piper Jaffray	$ -	$ -	$ -	$ -	$ 3,688,370	$ -	$ 647,957	$ 1,594,971	$ 1,744,499	$ -
Ramirez & Co.	$ 2,495,000	$ -	$ 11,280,176	$ -	$ -	$ -	$ -	$ -	$ 5,200,000	$ -
Raymond James	$ -	$ -	$ 12,311,511	$ 840,000	$ -	$ 1,060,000	$ -	$ -	$ -	$ -
Stifel	$ -	$ -	$ 3,755,000	$ 4,861,057	$ 5,465,926	$ -	$ -	$ -	$ 998,299	$ -
UBS Financial	$ 6,261,415	$ -	$ 8,276,096	$ -	$ -	$ 16,608,782	$ -	$ -	$ 5,599,356	$ 1,999,194
Union Bank	$ 9,600,000	$ -	$ 2,400,000	$ 796,015	$ 1,006,000	$ 7,201,125	$ 547,260	$ 4,047,064	$ -	$ -
U.S. Bank	$ -	$ 146,141	$ 8,944,296	$ 2,165,649	$ 4,207,574	$ 6,920,012	$ 2,136,149	$ 1,889,472	$ 12,498,213	$ 3,067,574
Wells Fargo Bank	$ 4,025,000	$ -	$ 3,285,000	$ 2,591,590	$ 4,977,397	$ 1,245,957	$ -	$ 4,365,031	$ 2,965,920	$ -
TOTALS	$ 41,270,868	$ 146,141	$ 89,832,634	$ 18,862,249	$ 37,180,111	$ 52,917,483	$ 4,976,494	$ 16,461,238	$ 47,928,003	$ 14,726,708

SCPPA
COMBINED BROKER/DEALER COVERAGE
As of December 31, 2019

	GREEN POWER				
	TIETON HYDRO	MILFORD 1 WIND	MILFORD 2 WIND	LINDEN WIND	WINDY POINT/ WINDY FLATS
AIG	$ -	$ -	$ -	$ -	$ -
BNY Mellon	$ -	$ -	$ -	$ -	$ -
Cantella	$ -	$ -	$ -	$ -	$ 1,500,000
Castle Oak Securities	$ -	$ 2,975,588	$ 1,092,644	$ 1,486,536	$ 5,682,686
Daiwa Capital Market	$ 1,468,746	$ -	$ 1,194,558	$ -	$ -
FHN Financial	$ -	$ 1,998,684	$ 1,598,816	$ -	$ -
Great Pacific Securities	$ 283,896	$ 1,197,923	$ 1,098,096	$ -	$ 3,394,114
J Aron	$ -	$ -	$ -	$ -	$ -
Morgan Stanley	$ -	$ -	$ -	$ -	$ -
Multi-Bank Securities	$ -	$ -	$ 1,040,796	$ 1,270,257	$ 3,370,197
Piper Jaffray	$ -	$ -	$ -	$ -	$ -
Ramirez & Co.	$ -	$ -	$ 3,216,000	$ -	$ 1,489,866
Raymond James	$ 1,630,058	$ 1,190,195	$ -	$ 1,289,378	$ 3,868,135
Stifel	$ 1,581,125	$ -	$ -	$ 992,053	$ -
UBS Financial	$ -	$ 1,499,396	$ 2,094,947	$ 994,775	$ 9,679,215
Union Bank	$ 1,801,506	$ -	$ -	$ -	$ 4,961,895
U.S. Bank	$ 976,383	$ 4,745,654	$ 1,395,373	$ 1,364,464	$ 613,943
Wells Fargo Bank	$ 598,059	$ -	$ -	$ 2,541,752	$ 2,990,297
TOTALS	$ 8,339,773	$ 13,607,439	$ 12,731,230	$ 9,939,215	$ 37,550,348

SCPPA
COMBINED BROKER/DEALER COVERAGE
As of December 31, 2019

	POWER PURCHASE AGREEMENTS							
	ORMAT GEOTHERMAL	MWD SMALL HYDRO	DON A CAMPBELL WILD ROSE GEOTHERMAL	DON A CAMPBELL 2 GEOTHERMAL	HEBER-1 GEOTHERMAL	ORMESA GEOTHERMAL	ORMAT NORTHERN NV GEOTHERMAL	PEBBLE SPRINGS WIND
AIG	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
BNY Mellon	$ -	$ -	$ 217,507	$ 367,772	$ -	$ -	$ -	$ 752,418
Cantella	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Castle Oak Securities	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,793,106	$ -
Daiwa Capital Market	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FHN Financial	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Great Pacific Securities	$ -	$ -	$ -	$ -	$ 3,298,236	$ -	$ -	$ -
J Aron	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Morgan Stanley	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Multi-Bank Securities	$ -	$ -	$ -	$ -	$ -	$ 7,265,727	$ 1,094,836	$ -
Piper Jaffray	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ramirez & Co.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Raymond James	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Stifel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
UBS Financial	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Union Bank	$ -	$ -	$ 2,599,086	$ 2,898,980	$ -	$ -	$ -	$ 899,684
U.S. Bank	$ -	$ -	$ -	$ -	$ 1,019,196	$ 816,588	$ 732,260	$ -
Wells Fargo Bank	$ 2,503,469	$ 1,435,523	$ 1,796,735	$ 2,297,475	$ -	$ 7,785,849	$ -	$ 1,597,097
TOTALS	$ 2,503,469	$ 1,435,523	$ 4,613,328	$ 5,564,227	$ 4,317,432	$ 15,868,164	$ 5,620,202	$ 3,249,199

SCPPA
COMBINED BROKER/DEALER COVERAGE
As of December 31, 2019

	POWER PURCHASE AGREEMENTS						
	AMERESCO CHIQUITA LANDFILL GAS	COPPER MOUNTAIN SOLAR 3	COLUMBIA 2 SOLAR	SPRINGBOK 1 SOLAR FARM	SPRINGBOK 2 SOLAR FARM	SPRINGBOK 3 SOLAR FARM	ARP LOYALTON BIOMASS
AIG	$ -	$ -	$ -	$ -	$ -	$ -	$ -
BNY Mellon	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cantella	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Castle Oak Securities	$ -	$ -	$ -	$ -	$ -	$ 3,194,195	$ -
Daiwa Capital Market	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FHN Financial	$ -	$ 2,698,224	$ -	$ 2,498,356	$ 2,897,854	$ -	$ 1,499,396
Great Pacific Securities	$ -	$ -	$ -	$ -	$ -	$ -	$ -
J Aron	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Morgan Stanley	$ -	$ -	$ -	$ -	$ -	$ 1,692,019	$ -
Multi-Bank Securities	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,175,586
Piper Jaffray	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ramirez & Co.	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Raymond James	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Stifel	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,395,918
UBS Financial	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Union Bank	$ -	$ -	$ -	$ -	$ -	$ -	$ -
U.S. Bank	$ -	$ 760,794	$ -	$ 782,001	$ 724,990	$ 895,387	$ 303,535
Wells Fargo Bank	$ 1,102,460	$ -	$ 670,554	$ -	$ -	$ -	$ -
TOTALS	$ 1,102,460	$ 3,459,018	$ 670,554	$ 3,280,357	$ 3,622,844	$ 5,781,601	$ 9,374,435

SCPPA
COMBINED BROKER/DEALER COVERAGE
As of December 31, 2019

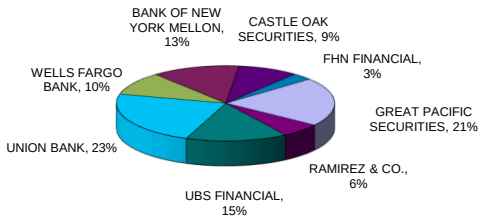
	POWER PURCHASE AGREEMENTS						
	KINGBIRD SOLAR B	SUMMER SOLAR	ASTORIA 2 SOLAR	ANTELOPE BIG SKY RANCH SOLAR	ANTELOPE DSR 1 SOLAR	ANTELOPE DSR 2 SOLAR	PUENTE HILLS LANDFILL GAS
AIG	$ -	$ -	$ -	$ -	$ -	$ -	$ -
BNY Mellon	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cantella	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Castle Oak Securities	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Daiwa Capital Market	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FHN Financial	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Great Pacific Securities	$ -	$ -	$ -	$ -	$ -	$ -	$ -
J Aron	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Morgan Stanley	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Multi-Bank Securities	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Piper Jaffray	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ramirez & Co.	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Raymond James	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Stifel	$ -	$ -	$ -	$ -	$ -	$ -	$ -
UBS Financial	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Union Bank	$ -	$ -	$ -	$ -	$ -	$ -	$ -
U.S. Bank	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wells Fargo Bank	$ 608,842	$ 923,543	$ 1,490,708	$ 1,232,143	$ 1,944,693	$ 160,401	$ 5,110,085
TOTALS	$ 608,842	$ 923,543	$ 1,490,708	$ 1,232,143	$ 1,944,693	$ 160,401	$ 5,110,085

SCPPA
COMBINED BROKER/DEALER COVERAGE
As of December 31, 2019

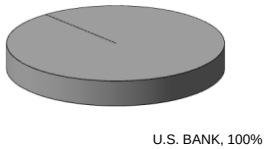
	POWER PURCHASE AGREEMENTS & MISCELLANEOUS						
	POWER PURCHASE AGREEMENTS (COMBINED)	DECOMMISSIONING TRUST FUND	PROJECT DEVELOPMENT	SAN JUAN MINE RECLAMATION TRUST FUND	SAN JUAN DECOMMISSIONING TRUST FUND	TOTAL	%
AIG	$ -	$ -	$ -	$ -	$ -	$ 16,187,657	2.31%
BNY Mellon	$ 1,337,697	$ -	$ -	$ -	$ -	$ 6,836,480	0.97%
Cantella	$ -	$ 9,265,000	$ -	$ 2,000,000	$ -	$ 16,765,000	2.39%
Castle Oak Securities	$ 6,987,301	$ 4,547,288	$ -	$ 999,770	$ -	$ 58,623,819	8.36%
Daiwa Capital Market	$ -	$ 2,000,000	$ -	$ -	$ -	$ 21,719,468	3.10%
FHN Financial	$ 9,593,829	$ 28,315,000	$ -	$ 2,198,284	$ -	$ 63,089,811	8.99%
Great Pacific Securities	$ 3,298,236	$ 2,400,000	$ -	$ -	$ -	$ 30,123,988	4.29%
J Aron	$ -	$ -	$ -	$ -	$ -	$ 46,939	0.01%
Morgan Stanley	$ -	$ 999,470	$ -	$ -	$ -	$ 2,691,489	0.38%
Multi-Bank Securities	$ 6,867,605	$ 18,888,786	$ -	$ 5,700,000	$ -	$ 66,913,594	9.54%
Piper Jaffray	$ 8,360,562	$ 13,270,000	$ -	$ -	$ 1,200,000	$ 22,145,796	3.16%
Ramirez & Co.	$ -	$ 10,840,000	$ -	$ -	$ -	$ 34,521,041	4.92%
Raymond James	$ -	$ 23,144,240	$ -	$ 876,600	$ 1,558,400	$ 47,768,517	6.81%
Stifel	$ 2,395,918	$ 27,324,983	$ -	$ 4,500,000	$ -	$ 51,874,361	7.39%
UBS Financial	$ -	$ 21,977,254	$ -	$ -	$ -	$ 74,990,430	10.69%
Union Bank	$ 6,397,750	$ -	$ -	$ 4,494,928	$ -	$ 43,253,542	6.17%
U.S. Bank	$ 6,034,752	$ 15,588,591	$ -	$ 2,595,060	$ 845,216	$ 76,134,514	10.84%
Wells Fargo Bank	$ 30,659,577	$ 4,675,055	$ 469,652	$ 2,500,000	$ -	$ 67,890,288	9.68%
TOTALS	$ 81,933,227	$ 183,235,666	$ 469,652	$ 25,864,641	$ 3,603,616	$ 701,576,734	100.00%

SCPPA
PORTFOLIO BROKER/DEALER COVERAGE
December 31, 2019
GENERATION

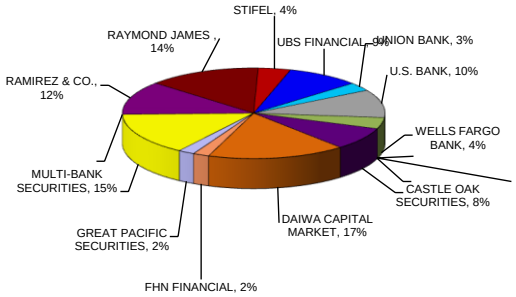
PALO VERDE



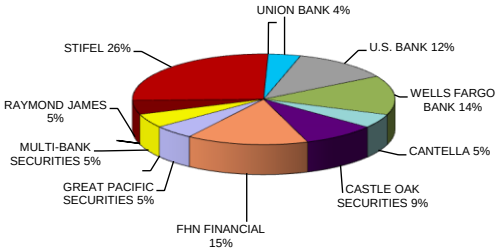
SAN JUAN



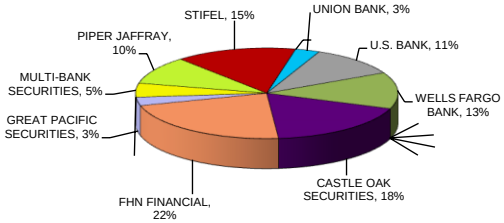
MAGNOLIA



CANYON POWER

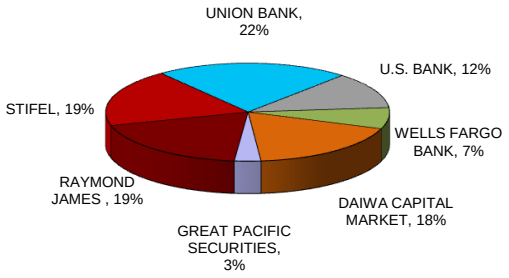


APEX POWER

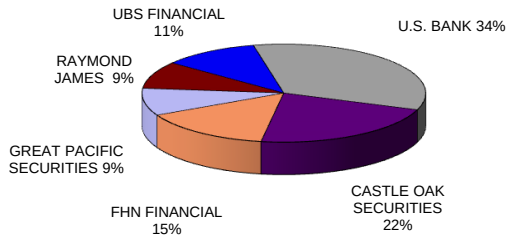


SCPPA
PORTFOLIO DEALER/BROKER COVERAGE
December 31, 2019
GREEN POWER

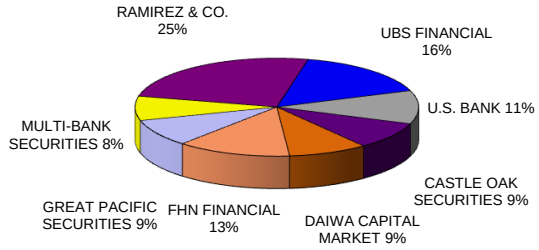
TIETON



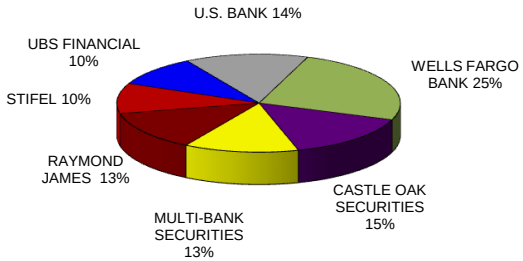
MILFORD 1 WIND



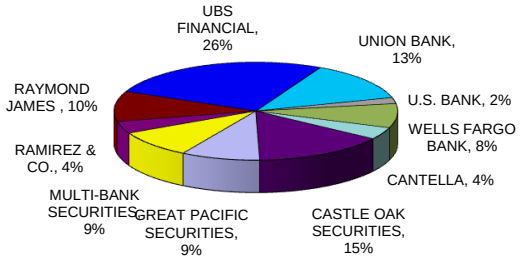
MILFORD 2 WIND



LINDEN WIND

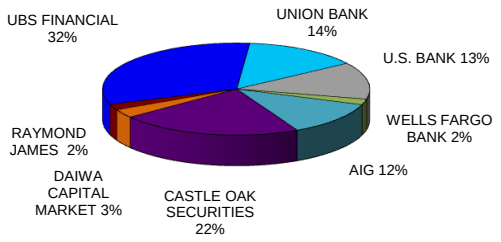


WINDY POINT/WINDY FLATS

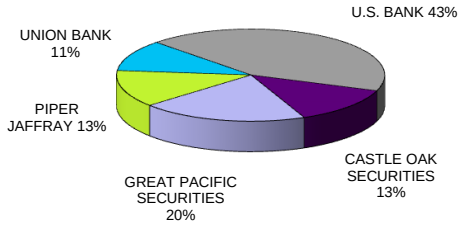


SCPPA
PORTFOLIO DEALER/BROKER COVERAGE
December 31, 2019
TRANSMISSION & NATURAL GAS

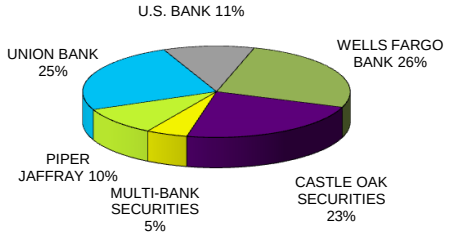
SOUTHERN TRANSMISSION SYSTEM



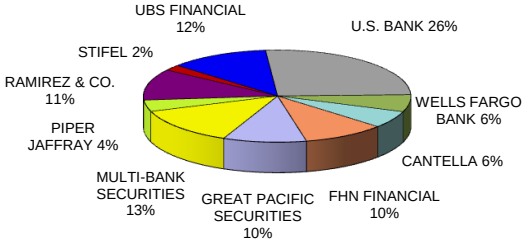
MEAD PHOENIX



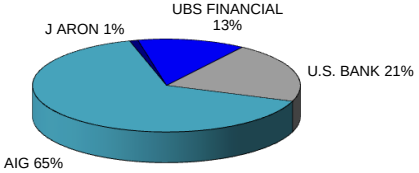
MEAD ADELANTO



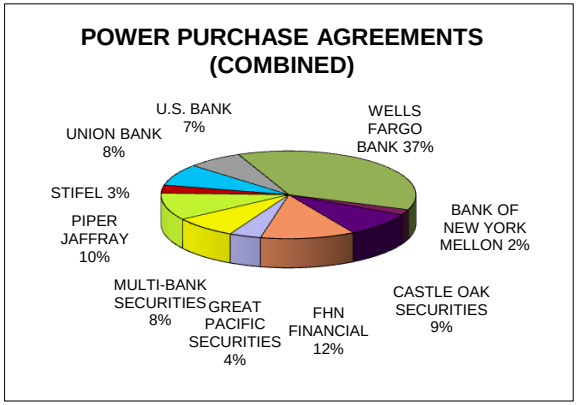
PINEDALE/BARNETT

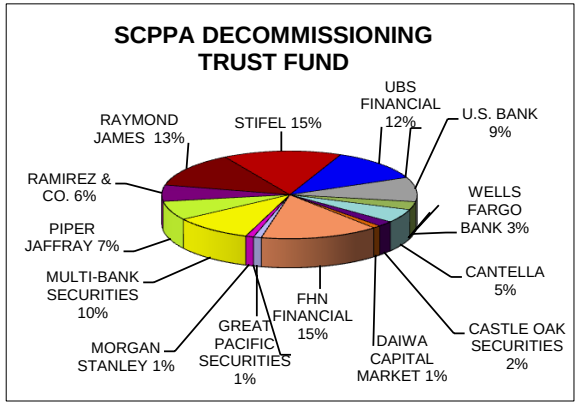


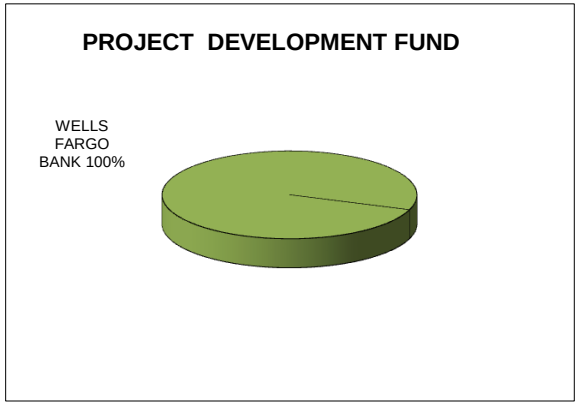
NATURAL GAS PREPAID

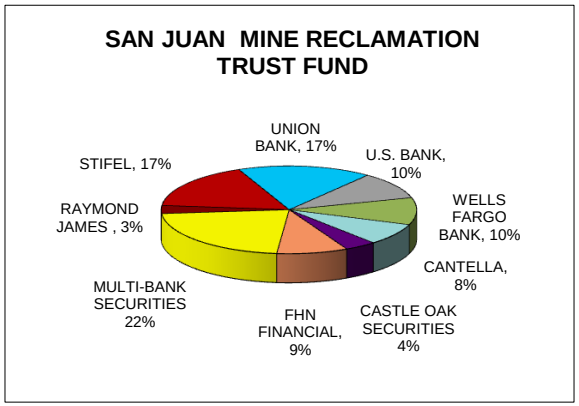


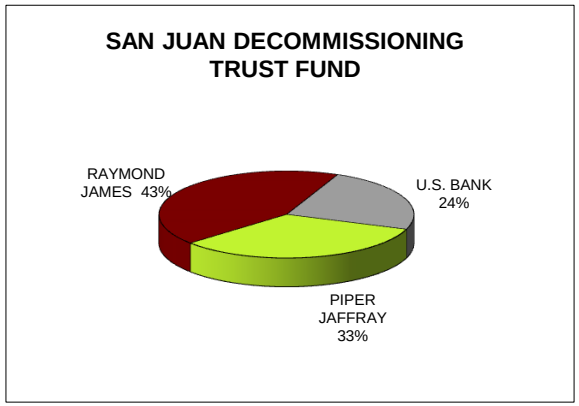
SCPPA
PORTFOLIO DEALER/BROKER COVERAGE
December 31, 2019
POWER PURCHASE AGREEMENTS & MISCELLANEOUS











Palo Verde Project
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA / CASH										
SYS427381	427381	01100	SCPPA	0.00	100.0000000	0.00	1.370			
SYS223508	223508	01101	SCPPA	0.00	100.0000000	0.00	1.500			
SYS427357	427357	03100	SCPPA	0.00	100.0000000	0.00				
SYS427354	427354	04100	SCPPA	0.00	100.0000000	0.00				
SYS427378	427378	05100	SCPPA	0.00	100.0000000	0.00	1.370			
SYS223505	223505	05101	SCPPA	875,460.86	100.0000000	875,460.86	1.500			
SYS427372	427372	06100	SCPPA	0.00	100.0000000	0.00	1.370			
SYS223504	223504	06101	SCPPA	59,715.05	100.0000000	59,715.05	1.500			
SYS427360	427360	07100	SCPPA	0.00	100.0000000	0.00	1.540			
SYS427363	427363	08100	SCPPA	0.00	100.0000000	0.00	1.370			
SYS223501	223501	08101	SCPPA	730,257.37	100.0000000	730,257.37	1.500			
SYS427369	427369	09100	SCPPA	0.00	100.0000000	0.00	1.370			
SYS223503	223503	09101	SCPPA	1,058,350.21	100.0000000	1,058,350.21	1.500			
SYS427366	427366	10100	SCPPA	0.00	100.0000000	0.00	1.370			
SYS223502	223502	10101	SCPPA	2,774,999.43	100.0000000	2,774,999.43	1.500			
SYS889261	889261	20081	SCPPA	0.00	100.0000000	0.00	0.850			
SYS889291	889291	20082	SCPPA	0.00	100.0000000	0.00	0.850			
SYS427251	427251	20930	SCPPA	0.00	100.0000000	0.00				
SYS427269	427269	20961	SCPPA	0.00	100.0000000	0.00	0.010			
SYS427339	427339	20962	SCPPA	0.00	100.0000000	0.00				
SYS427302	427302	20963	SCPPA	0.00	100.0000000	0.00				
SYS327190	327190	20971	SCPPA	0.00	100.0000000	0.00				
SYS327194	327194	20972	SCPPA	0.00	100.0000000	0.00				
SYS327215	327215	20991	SCPPA	0.00	100.0000000	0.00				
SYS889260	889260	21081	SCPPA	0.00	100.0000000	0.00	0.010			
SYS889290	889290	21082	SCPPA	0.00	100.0000000	0.00	0.740			
SYS427254	427254	21930	SCPPA	0.00	100.0000000	0.00				
SYS427266	427266	21961	SCPPA	0.00	100.0000000	0.00				
SYS427326	427326	21962	SCPPA	0.00	100.0000000	0.00				
SYS427239	427239	21963	SCPPA	0.00	100.0000000	0.00				
SYS327187	327187	21970	SCPPA	0.00	100.0000000	0.00				
SYS327191	327191	21971	SCPPA	0.00	100.0000000	0.00				
SYS327195	327195	21972	SCPPA	0.00	100.0000000	0.00				
SYS327214	327214	21991	SCPPA	0.00	100.0000000	0.00				

Palo Verde Project
Investments by All Types
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA / CASH										
SYS889263	889263	22081	SCPPA	0.00	100.0000000	0.00	0.850			
SYS889293	889293	22082	SCPPA	0.00	100.0000000	0.00	0.850			
SYS427263	427263	22961	SCPPA	0.00	100.0000000	0.00				
SYS427323	427323	22962	SCPPA	0.00	100.0000000	0.00				
SYS427293	427293	22963	SCPPA	0.00	100.0000000	0.00				
SYS327216	327216	22991	SCPPA	0.00	100.0000000	0.00				
SYS889264	889264	23081	SCPPA	0.00	100.0000000	0.00	0.850			
SYS889294	889294	23082	SCPPA	0.00	100.0000000	0.00	0.850			
SYS427330	427330	23962	SCPPA	0.00	100.0000000	0.00				
SYS427305	427305	23963	SCPPA	0.00	100.0000000	0.00				
SYS327192	327192	23971	SCPPA	0.00	100.0000000	0.00				
SYS327196	327196	23972	SCPPA	0.00	100.0000000	0.00				
SYS327217	327217	23991	SCPPA	0.00	100.0000000	0.00				
SYS427260	427260	24930	SCPPA	0.00	100.0000000	0.00				
SYS327197	327197	24972	SCPPA	0.00	100.0000000	0.00				
SYS889269	889269	25081	SCPPA	0.00	100.0000000	0.00	0.010			
SYS889299	889299	25082	SCPPA	0.00	100.0000000	0.00				
SYS327203	327203	25971	SCPPA	0.00	100.0000000	0.00				
SYS327198	327198	25972	SCPPA	0.00	100.0000000	0.00				
SYS327219	327219	25991	SCPPA	0.00	100.0000000	0.00				
SYS327181	327181	26871	SCPPA	0.00	100.0000000	0.00				
SYS327184	327184	26891	SCPPA	0.00	100.0000000	0.00				
SYS327183	327183	27871	SCPPA	0.00	100.0000000	0.00				
SYS327186	327186	27891	SCPPA	0.00	100.0000000	0.00				
SYS889296	889296	28082	SCPPA	0.00	100.0000000	0.00				
			Subtotal	**5,498,782.92**		**5,498,782.92**				
Negotiable CDs										
62478T7F0	24033	05101	MUFG Union Bank NA	2,600,000.00	100.0000000	2,600,000.00	1.670	04/01/2020		
62478U2B1	24035	06101	MUFG Union Bank NA	3,000,000.00	100.0000000	3,000,000.00	1.660	02/24/2020		
62478U2B1	24034	09101	MUFG Union Bank NA	2,000,000.00	100.0000000	2,000,000.00	1.660	02/24/2020		
62478T7F0	24032	10101	MUFG Union Bank NA	2,000,000.00	100.0000000	2,000,000.00	1.670	04/01/2020		
			Subtotal	**9,600,000.00**		**9,600,000.00**				
Commercial Paper Disc. -Amortizing										
30229AAT6	24030	06101	Exxon Mobil Corp	2,300,000.00	99.5575000	2,289,822.50	1.770	01/27/2020		

Palo Verde Project
Investments by All Types
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
Commercial Paper Disc. -Amortizing											
30229AAT6	24029	09101	Exxon Mobil Corp		1,900,000.00	99.5575000	1,891,592.50	1.770	01/27/2020		
				Subtotal	**4,200,000.00**		**4,181,415.00**				
Federal Agency Coupon Securities											
3133EKF27	24017	06101	Farm Credit Note		4,025,000.00	100.0000000	4,025,000.00	1.850	08/26/2022	08/26/2020	100.0000000
3130AGXY6	24018	06101	Federal Home Loan Note		2,495,000.00	100.0000000	2,495,000.00	2.150	08/28/2024	02/28/2020	100.0000000
3134GT2X0	24016	09101	Freddie Mac Note		2,080,000.00	100.0000000	2,080,000.00	2.000	08/19/2022	02/19/2020	100.0000000
				Subtotal	**8,600,000.00**		**8,600,000.00**				
Federal Agency Disc. -Amortizing											
313384ZU6	24012	09101	Fed Home Loan Discount Note		3,600,000.00	98.0533333	3,529,920.00	1.920	07/24/2020		
313384RX90	24027	10101	Fed Home Loan Discount Note		5,000,000.00	99.6127778	4,980,638.89	1.640	01/17/2020		
				Subtotal	**8,600,000.00**		**8,510,558.89**				
Treasury Coupon Securities											
912828W63	24001	06101	U.S. Treasury Bill		1,200,000.00	99.2500000	1,191,000.00	1.625	03/15/2020		
				Subtotal	**1,200,000.00**		**1,191,000.00**				
Supranationals Discount Notes											
459516RG7	24028	10101	WB Intl Finance Corp DN		3,700,000.00	99.7056944	3,689,110.69	1.630	01/02/2020		
				Subtotal	**3,700,000.00**		**3,689,110.69**				
				Total	**41,398,782.92**		**41,270,867.50**				

San Juan Power Project
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA / Cash											
SYS94613010	94613010	01000	SCPPA		0.00	100.0000000	0.00	2.254			
SYS94434280	94434280	01021	SCPPA		0.00	100.0000000	0.00				
SYS94613011	94613011	02000	SCPPA		0.00	100.0000000	0.00	2.254			
SYS94434281	94434281	02021	SCPPA		0.00	100.0000000	0.00				
SYS214089000	214089000	02200	SCPPA		146,140.80	100.0000000	146,140.80	1.491			
SYS94613013	94613013	03000	SCPPA		0.00	100.0000000	0.00				
SYS78939900	789399000	03005	SCPPA		0.00	100.0000000	0.00	0.100			
SYS94434283	94434283	03021	SCPPA		0.00	100.0000000	0.00	0.100			
SYS94471500	94471500	03022	SCPPA		0.00	100.0000000	0.00				
SYS213264000	213264000	03141	SCPPA		0.00	100.0000000	0.00	0.450			
SYS94613018	94613018	04000	SCPPA		0.00	100.0000000	0.00				
SYS78939901	789399001	04005	SCPPA		0.00	100.0000000	0.00	0.150			
SYS94434288	94434288	04021	SCPPA		0.00	100.0000000	0.00	0.100			
SYS94471501	94471501	04022	SCPPA		0.00	100.0000000	0.00				
SYS94613014	94613014	06000	SCPPA		0.00	100.0000000	0.00	2.282			
SYS94613016	94613016	08100	SCPPA		0.00	100.0000000	0.00	2.254			
SYS94613012	94613012	10000	SCPPA		0.00	100.0000000	0.00	0.150			
SYS94613017	94613017	13000	SCPPA		0.00	100.0000000	0.00				
SYS78939902	789399002	25005	SCPPA		0.00	100.0000000	0.00	0.150			
SYS94434289	94434289	25021	SCPPA		0.00	100.0000000	0.00				
SYS94471502	94471502	25022	SCPPA		0.00	100.0000000	0.00				
SYS213264002	213264002	25141	SCPPA		0.00	100.0000000	0.00				
				Subtotal	**146,140.80**		**146,140.80**				
				Total	**146,140.80**		**146,140.80**				

Magnolia Project
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA/Cash										
SYS94634400	94634400	01031	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS94634500	94634500	01032	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS94634403	94634403	02031	Southern California Public Pow	682,311.04	100.0000000	682,311.04	1.491			
SYS94634502	94634502	02032	Southern California Public Pow	685,386.91	100.0000000	685,386.91	1.491			
SYS94634401	94634401	03031	Southern California Public Pow	0.00	100.0000000	0.00	0.100			
SYS94634504	94634504	03032	Southern California Public Pow	429,570.05	100.0000000	429,570.05	1.491			
SYS103851000	103851000	03061	Southern California Public Pow	0.00	100.0000000	0.00	0.243			
SYS11221000	112421000	03071	Southern California Public Pow	0.00	100.0000000	0.00				
SYS132144000	132144000	03091	Southern California Public Pow	411,880.23	100.0000000	411,880.23	1.491			
SYS132145000	132145000	03092	Southern California Public Pow	0.00	100.0000000	0.00	0.893			
SYS155947000	155947000	03111	Southern California Public Pow	1,414,913.31	100.0000000	1,414,913.31	1.491			
SYS227835000	227835000	03171	Southern California Public Pow	542,065.02	100.0000000	542,065.02	1.491			
SYS94634402	94634402	04031	Southern California Public Pow	0.00	100.0000000	0.00	0.100			
SYS94634506	94634506	04032	Southern California Public Pow	861,577.52	100.0000000	861,577.52	1.491			
SYS103851001	103851001	04061	Southern California Public Pow	0.00	100.0000000	0.00	0.150			
SYS11221001	112421001	04071	Southern California Public Pow	0.00	100.0000000	0.00				
SYS132144001	132144001	04091	Southern California Public Pow	9,521.73	100.0000000	9,521.73	1.491			
SYS132145001	132145001	04092	Southern California Public Pow	0.00	100.0000000	0.00	0.933			
SYS155947001	155947001	04111	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS227835001	227835001	04171	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS94634405	94634405	06031	Southern California Public Pow	582,302.53	100.0000000	582,302.53	1.491			
SYS94634505	94634505	06032	Southern California Public Pow	664,305.29	100.0000000	664,305.29	1.491			
SYS94634406	94634406	08031	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS94634509	94634509	08032	Southern California Public Pow	0.00	100.0000000	0.00	0.100			
SYS209746000	209746000	09031	Southern California Public Pow	1,241,614.78	100.0000000	1,241,614.78	1.491			
SYS209746001	209746001	09032	Southern California Public Pow	312,350.40	100.0000000	312,350.40	1.491			
SYS94634404	94634404	10031	Southern California Public Pow	103,536.67	100.0000000	103,536.67	1.491			
SYS94634503	94634503	10032	Southern California Public Pow	206,187.30	100.0000000	206,187.30	1.491			
SYS209746002	209746002	12031	Southern California Public Pow	542,791.78	100.0000000	542,791.78	1.491			
SYS209746003	209746003	12032	Southern California Public Pow	127,342.76	100.0000000	127,342.76	1.491			
SYS94634408	94634408	13031	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS94634507	94634507	13032	Southern California Public Pow	0.00	100.0000000	0.00	0.100			
SYS94634407	94634407	15031	Southern California Public Pow	0.00	100.0000000	0.00	0.150			
SYS94634508	94634508	15032	Southern California Public Pow	0.00	100.0000000	0.00				

Magnolia Project
Investments by All Types
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA/Cash										
SYS112421004	112421004	15071	Southern California Public Pow	0.00	100.0000000	0.00				
SYS112421003	112421003	20071	Southern California Public Pow	0.00	100.0000000	0.00				
SYS132144002	132144002	20091	Southern California Public Pow	126,638.95	100.0000000	126,638.95	1.491			
SYS132145002	132145002	20092	Southern California Public Pow	0.00	100.0000000	0.00	0.933			
SYS94634409	94634409	25031	Southern California Public Pow	0.00	100.0000000	0.00	0.150			
SYS94634510	94634510	25032	Southern California Public Pow	0.00	100.0000000	0.00				
SYS789567000	789567000	90031	Southern California Public Pow	0.00	100.0000000	0.00				
			Subtotal	**8,944,296.27**		**8,944,296.27**				
Local Agency Investment Funds										
SYS1	1	13031	Local Agency Investment Fund	0.00	100.0000000	0.00				
			Subtotal	**0.00**		**0.00**				
Negotiable CDs										
62478U2A3	1259	03091	MUFG Union Bank NA	700,000.00	100.0000000	700,000.00	1.700	03/23/2020		
62478U2A3	1261	03171	MUFG Union Bank NA	700,000.00	100.0000000	700,000.00	1.700	03/23/2020		
62478U2A3	1260	04091	MUFG Union Bank NA	1,000,000.00	100.0000000	1,000,000.00	1.700	03/23/2020		
			Subtotal	**2,400,000.00**		**2,400,000.00**				
Medium Term Corporate Notes										
742651DU3	1241	02031	Private Export Funding	5,000,000.00	100.2100000	5,010,500.00	2.250	03/15/2020		
742651DU3	1207	04091	Private Export Funding	2,912,000.00	99.8810000	2,908,534.72	2.250	03/15/2020		
742651DU3	1206	06031	Private Export Funding	4,356,000.00	99.8810000	4,350,816.36	2.250	03/15/2020		
742651DU3	1180	09031	Private Export Funding	1,500,000.00	99.6600000	1,494,900.00	2.250	03/15/2020		
742651DU3	1181	12031	Private Export Funding	1,100,000.00	99.6600000	1,096,260.00	2.250	03/15/2020		
			Subtotal	**14,868,000.00**		**14,861,011.08**				
Federal Agency Coupon Securities										
3134GAMR2	1013	04091	Freddie Mac Note	120,000.00	100.0000000	120,000.00	1.600	09/30/2021	03/30/2020	100.0000000
3133EK4L7	1248	04111	FEDERAL FARM CREDIT BANK	3,285,000.00	100.0000000	3,285,000.00	1.760	01/28/2021	04/28/2020	100.0000000
3134GASF2	1018	04111	Freddie Mac Note	3,755,000.00	100.0000000	3,755,000.00	1.625	10/27/2021	01/27/2020	100.0000000
3133EKF27	1225	06031	FEDERAL FARM CREDIT BANK	2,000,000.00	100.0000000	2,000,000.00	1.850	08/26/2022	08/26/2020	100.0000000
3130AGTQ8	1218	06031	Federal Home Loan Note	1,500,000.00	100.0000000	1,500,000.00	2.150	07/30/2020	01/30/2020	100.0000000
3130AHG80	1242	06031	Federal Home Loan Note	2,800,000.00	100.0000000	2,800,000.00	2.100	10/30/2024	04/30/2020	100.0000000
3134GUHS2	1247	06031	Freddie Mac Note	3,100,000.00	100.0000000	3,100,000.00	2.050	10/16/2024	04/16/2020	100.0000000

Magnolia Project
Investments by All Types
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
Federal Agency Coupon Securities										
3130AGTQ8	1219	09031	Federal Home Loan Note	1,000,000.00	100.0000000	1,000,000.00	2.150	07/30/2020	01/30/2020	100.0000000
			Subtotal	**17,560,000.00**		**17,560,000.00**				
Federal Agency Disc. -Amortizing										
313384RX90	1240	02031	Fed Home Loan Discount Note	2,015,000.00	99.6127772	2,007,197.46	1.640	01/17/2020		
313384RL5	1255	02031	Fed Home Loan Discount Note	4,000,000.00	99.8211940	3,992,847.76	1.570	01/06/2020		
313384VH9	1262	02031	Fed Home Loan Discount Note	2,500,000.00	99.5465139	2,488,662.85	1.585	04/08/2020		
313396RG0	1228	03091	FREDDIE MAC DISCOUNT NOTE	850,000.00	99.3542500	844,511.13	1.845	01/02/2020		
313396RG0	1229	03111	FREDDIE MAC DISCOUNT NOTE	1,340,000.00	99.3542500	1,331,346.95	1.845	01/02/2020		
313396RG0	1230	03171	FREDDIE MAC DISCOUNT NOTE	650,000.00	99.3542492	645,802.62	1.845	01/02/2020		
313384RG60	1244	04091	Fed Home Loan Discount Note	3,600,000.00	99.7120000	3,589,632.00	1.620	01/02/2020		
313384SZ3	1253	04091	Fed Home Loan Discount Note	2,065,000.00	99.6565690	2,057,908.15	1.565	02/12/2020		
313384RL5	1256	06031	Fed Home Loan Discount Note	2,000,000.00	99.8211940	1,996,423.88	1.570	01/06/2020		
313384VA4	1258	06031	Fed Home Loan Discount Note	4,000,000.00	99.5187500	3,980,750.00	1.575	04/01/2020		
313384VH9	1263	06031	Fed Home Loan Discount Note	4,500,000.00	99.5465139	4,479,593.13	1.585	04/08/2020		
31315KJ50	1264	09031	FARMER MAC DISCOUNT NOTE	3,000,000.00	98.7500830	2,962,502.49	1.590	10/05/2020		
313384RG60	1243	10031	Fed Home Loan Discount Note	4,700,000.00	99.7120000	4,686,464.00	1.620	01/02/2020		
31315KJ50	1265	12031	FARMER MAC DISCOUNT NOTE	1,300,000.00	98.7500833	1,283,751.08	1.590	10/05/2020		
			Subtotal	**36,520,000.00**		**36,347,393.50**				
Supranationals Discount Notes										
459052VA1	1257	02031	WB Intl Bnk Recon Devt DN	5,000,000.00	99.5202770	4,976,013.85	1.570	04/01/2020		
459516RG7	1252	02032	WB Intl Finance Corp DN	1,500,000.00	99.7056940	1,495,585.41	1.630	01/02/2020		
459516RG7	1251	03111	WB Intl Finance Corp DN	1,300,000.00	99.7056938	1,296,174.02	1.630	01/02/2020		
			Subtotal	**7,800,000.00**		**7,767,773.28**				
Municipal Bonds										
13063DAD0	1144	06031	CALIFORNIA ST MUNI	2,000,000.00	97.6080000	1,952,160.00	2.367	04/01/2022		
			Subtotal	**2,000,000.00**		**1,952,160.00**				
GIC										
SYS12A	12	03031	AIG	0.00	100.0000000	0.00	1.821			
SYS14B	14	03032	AIG	0.00	100.0000000	0.00	1.640			
SYS457	457	04061	FSA CAPITAL MANAGEMENT	0.00	100.0000000	0.00	4.922			
SYS509	509	04071	FSA CAPITAL MANAGEMENT	0.00	100.0000000	0.00	5.484	06/26/2020		

Magnolia Project
Investments by All Types
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
GIC											
SYS48	48	13031	AIG		0.00	100.0000000	0.00	1.911			
SYS13A	13	13032	AIG		0.00	100.0000000	0.00	1.640			
				Subtotal	**0.00**		**0.00**				
				Total	**90,092,296.27**		**89,832,634.13**				

Canyon Power Project
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA / Cash										
SYS135060000	135060000	01091	SCPPA	0.00	100.0000000	0.00	1.491			
SYS135060010	135060010	01101	SCPPA	0.00	100.0000000	0.00				
SYS135060020	135060020	01102	SCPPA	0.00	100.0000000	0.00	2.282			
SYS135060003	135060003	02091	SCPPA	558,105.23	100.0000000	558,105.23	1.491			
SYS135060001	135060001	03091	SCPPA	0.00	100.0000000	0.00				
SYS135060013	135060013	03101	SCPPA	0.00	100.0000000	0.00	1.976			
SYS135060023	135060023	03102	SCPPA	0.00	100.0000000	0.00	0.450			
SYS242313000	242313000	03161	SCPPA	72,710.14	100.0000000	72,710.14	1.491			
SYS251113000	251113000	03171	SCPPA	0.00	100.0000000	0.00	1.491			
SYS223308000	223308000	03181	SCPPA	438,741.27	100.0000000	438,741.27	1.491			
SYS220045000	220045000	03182	SCPPA	385,431.01	100.0000000	385,431.01	1.491			
SYS135060002	135060002	03191	SCPPA	0.00	100.0000000	0.00				
SYS135060012	135060012	04101	SCPPA	0.00	100.0000000	0.00	1.491			
SYS135060022	135060022	04102	SCPPA	0.00	100.0000000	0.00	0.450			
SYS242313001	242313001	04161	SCPPA	0.00	100.0000000	0.00				
SYS251113001	251113001	04171	SCPPA	0.00	100.0000000	0.00	0.450			
SYS223308001	223308001	04181	SCPPA	0.00	100.0000000	0.00	1.491			
SYS220045001	220045001	04182	SCPPA	0.00	100.0000000	0.00	1.491			
SYS135060005	135060005	06091	SCPPA	0.00	100.0000000	0.00				
SYS135060007	135060007	08091	SCPPA	710,660.82	100.0000000	710,660.82	1.491			
SYS135060004	135060004	10091	SCPPA	0.00	100.0000000	0.00				
SYS135060008	135060008	13091	SCPPA	0.00	100.0000000	0.00				
SYS135060011	135060011	13101	SCPPA	0.00	100.0000000	0.00	0.150			
SYS135060021	135060021	13102	SCPPA	0.48	100.0000000	0.48	1.491			
SYS135060006	135060006	15091	SCPPA	0.00	100.0000000	0.00				
SYS135060009	135060009	25091	SCPPA	0.00	100.0000000	0.00				
SYS135060014	135060014	25101	SCPPA	0.00	100.0000000	0.00	0.150			
SYS135060024	135060024	25102	SCPPA	0.00	100.0000000	0.00	0.150			
SYS242313002	242313002	25161	SCPPA	0.00	100.0000000	0.00	0.250			
SYS251113002	251113002	25171	SCPPA	0.00	100.0000000	0.00	0.877			
SYS223308003	223308003	25181	SCPPA	0.00	100.0000000	0.00	2.282			
SYS220045002	220045002	25182	SCPPA	0.00	100.0000000	0.00	2.282			
			Subtotal	**2,165,648.95**		**2,165,648.95**				

Canyon Power Project
Investments by All Types
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
Federal Agency Coupon Securities											
3130ABZY5	265	08091	Federal Home Loan Note		840,000.00	100.0000000	840,000.00	2.500	08/24/2021		
3134G93V7	264	08091	Freddie Mac Note		1,000,000.00	100.0000000	1,000,000.00	1.625	08/25/2021	02/25/2020	100.0000000
3134GTR62	277	08091	Freddie Mac Note		2,900,000.00	100.0000000	2,900,000.00	2.000	07/30/2021	07/30/2020	100.0000000
				Subtotal	**4,740,000.00**		**4,740,000.00**				
Federal Agency Disc. -Amortizing											
313384RG6	283	03161	Fed Home Loan Discount Note		1,200,000.00	99.6765558	1,196,118.67	1.640	01/02/2020		
313384RG6	286	03161	Fed Home Loan Discount Note		1,000,000.00	99.8268880	998,268.88	1.520	01/02/2020		
313384YV51	288	03161	Fed Home Loan Discount Note		1,000,000.00	99.2052500	992,052.50	1.530	07/01/2020		
313396RG0	276	03161	Freddie Mac Discount Note		1,010,000.00	99.1234444	1,001,146.79	1.960	01/02/2020		
313396RG0	280	03161	Freddie Mac Discount Note		800,000.00	99.5018325	796,014.66	1.830	01/02/2020		
313384RG6	284	03181	Fed Home Loan Discount Note		850,000.00	99.6765565	847,250.73	1.640	01/02/2020		
313384RG6	285	03182	Fed Home Loan Discount Note		550,000.00	99.6765564	548,221.06	1.640	01/02/2020		
313384YV51	287	08091	Fed Home Loan Discount Note		3,900,000.00	99.2052500	3,869,004.75	1.530	07/01/2020		
				Subtotal	**10,310,000.00**		**10,248,078.04**				
Treasury Discounts -Amortizing											
912796RT8	278	02091	U.S. Treasury Bill		700,000.00	99.3326667	695,328.67	1.820	01/02/2020		
912796RT8	279	03161	U.S. Treasury Bill		1,020,000.00	99.3326667	1,013,193.20	1.820	01/02/2020		
				Subtotal	**1,720,000.00**		**1,708,521.87**				
				Total	**18,935,648.95**		**18,862,248.86**				

APEX POWER PROJECT
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA/Cash										
208566000	208566000	01100	U S Bank	0.00	100.0000000	0.00	1.491			
208566001	208566001	02100	U S Bank	3,116,421.96	100.0000000	3,116,421.96	1.491			
SYS208682000	208682000	02200	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
208566004	208566004	03141	U S Bank	31,987.19	100.0000000	31,987.19	1.491			
208566006	208566006	04141	U S Bank	995.28	100.0000000	995.28	1.491			
208566007	208566007	06100	U S Bank	1,017,816.41	100.0000000	1,017,816.41	1.491			
208566009	208566009	08100	U S Bank	0.00	100.0000000	0.00	1.491			
208566002	208566002	10100	U S Bank	0.00	100.0000000	0.00	0.030			
208566010	208566010	13141	U S Bank	20,176.42	100.0000000	20,176.42	1.491			
208566011	208566011	13142	U S Bank	20,176.43	100.0000000	20,176.43	1.491			
208566008	208566008	17100	U S Bank	0.00	100.0000000	0.00	0.030			
208566012	208566012	25141	U S Bank	0.00	100.0000000	0.00	0.030			
208566013	208566013	25142	U S Bank	0.00	100.0000000	0.00	0.030			
			Subtotal	**4,207,573.69**		**4,207,573.69**				
Negotiable CDs										
62478T6P9	213	04141	MUFG UNION BANK NA CD	1,006,000.00	100.0000000	1,006,000.00	1.650	02/03/2020		
			Subtotal	**1,006,000.00**		**1,006,000.00**				
Federal Agency Coupon Securities										
3134GASF2	102	04141	Freddie Mac Note	3,085,000.00	100.0000000	3,085,000.00	1.625	10/27/2021	01/27/2020	100.0000000
			Subtotal	**3,085,000.00**		**3,085,000.00**				
Federal Agency Disc. -Amortizing										
313384VH9	217	02100	Fed Home Loan Discount Note	5,000,000.00	99.5479440	4,977,397.20	1.580	04/08/2020		
313384RG6	207	03141	Fed Home Loan Discount Note	3,700,000.00	99.6856662	3,688,369.65	1.640	01/02/2020		
313384RG6	211	03141	Fed Home Loan Discount Note	1,300,000.00	99.8268877	1,297,749.54	1.520	01/02/2020		
313384YV50	218	03141	Fed Home Loan Discount Note	2,400,000.00	99.2052500	2,380,926.00	1.530	07/01/2020		
313396RG0	200	03141	FREDDIE MAC DISCOUNT NOTE	1,800,000.00	99.1234444	1,784,222.00	1.960	01/02/2020		
313396RG0	203	03141	FREDDIE MAC DISCOUNT NOTE	1,800,000.00	99.3313061	1,787,963.51	1.810	01/02/2020		
313384XP9	212	06100	Fed Home Loan Discount Note	3,400,000.00	99.1862500	3,372,332.50	1.550	06/01/2020		
313384RL5	214	06100	Fed Home Loan Discount Note	6,200,000.00	99.9597219	6,197,502.76	1.450	01/06/2020		

APEX POWER PROJECT
Investments by All Types
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
Federal Agency Disc. -Amortizing										
313384RL5	215	13141	Fed Home Loan Discount Note	1,000,000.00	99.9597222	999,597.22	1.450	01/06/2020		
313384RL5	216	13142	Fed Home Loan Discount Note	1,000,000.00	99.9597222	999,597.22	1.450	01/06/2020		
			Subtotal	**27,600,000.00**		**27,485,657.60**				
Supranationals Discount Notes										
459516RG7	210	04141	INTL FINANCE CORP DISC NOTE	1,400,000.00	99.7056943	1,395,879.72	1.630	01/02/2020		
			Subtotal	**1,400,000.00**		**1,395,879.72**				
			Total	**37,298,573.69**		**37,180,111.01**				

TIETON
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA/Cash											
SYS135130000	135130000	01100	Southern California Public Pow		0.00	100.0000000	0.00	1.491			
SYS135130001	135130001	02100	Southern California Public Pow		233,613.38	100.0000000	233,613.38	1.491			
SYS889320	889320	02200	Southern California Public Pow		0.00	100.0000000	0.00				
SYS135130006	135130006	03091	Southern California Public Pow		0.00	100.0000000	0.00				
SYS135130007	135130007	03092	Southern California Public Pow		0.00	100.0000000	0.00				
SYS135130020	135130020	03101	Southern California Public Pow		310,443.32	100.0000000	310,443.32	1.491			
SYS135130030	135130030	03102	Southern California Public Pow		4,005.40	100.0000000	4,005.40	1.491			
SYS135130021	135130021	04101	Southern California Public Pow		597.56	100.0000000	597.56	1.491			
SYS135130031	135130031	04102	Southern California Public Pow		8,942.08	100.0000000	8,942.08	1.491			
SYS135130003	135130003	06100	Southern California Public Pow		418,781.00	100.0000000	418,781.00	1.491			
SYS135130005	135130005	08100	Southern California Public Pow		0.00	100.0000000	0.00	1.491			
SYS135130002	135130002	10100	Southern California Public Pow		0.00	100.0000000	0.00				
SYS135130008	135130008	13091	Southern California Public Pow		0.00	100.0000000	0.00				
SYS135130010	135130010	13092	Southern California Public Pow		0.00	100.0000000	0.00				
SYS135130004	135130004	17100	Southern California Public Pow		0.00	100.0000000	0.00				
SYS135130009	135130009	25091	Southern California Public Pow		0.00	100.0000000	0.00				
SYS135130011	135130011	25092	Southern California Public Pow		0.00	100.0000000	0.00				
SYS135130022	135130022	25101	Southern California Public Pow		0.00	100.0000000	0.00	0.100			
SYS135130032	135130032	25102	Southern California Public Pow		0.00	100.0000000	0.00				
				Subtotal	**976,382.74**		**976,382.74**				
Negotiable CDs											
62478T6P9	60	04101	MUFG UNION BANK NA CD		1,503,000.00	100.0000000	1,503,000.00	1.650	02/03/2020		
				Subtotal	**1,503,000.00**		**1,503,000.00**				
Medium Term Corporate Notes											
742651DU3	54	04102	PEFCO		1,632,000.00	99.8810000	1,630,057.92	2.250	03/15/2020		
				Subtotal	**1,632,000.00**		**1,630,057.92**				
Federal Agency Disc. -Amortizing											
313384RG6	62	02100	Fed Home Loan Discount Note		1,000,000.00	99.9147222	999,147.22	1.535	01/02/2020		
313384RG6	58	03101	Fed Home Loan Discount Note		600,000.00	99.6765567	598,059.34	1.640	01/02/2020		

TIETON
Investments by All Types
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
Federal Agency Disc. -Amortizing										
313384RG6	63	03102	Fed Home Loan Discount Note	470,000.00	99.9147213	469,599.19	1.535	01/02/2020		
313396RG0	57	03102	FREDDIE MAC DISCOUNT NOTE	300,000.00	99.5018367	298,505.51	1.830	01/02/2020		
313384RX9	59	04101	Fed Home Loan Discount Note	285,000.00	99.6127754	283,896.41	1.640	01/17/2020		
			Subtotal	**2,655,000.00**		**2,649,207.67**				
Treasury Coupon Securities										
912828K58	48	04101	US TREASURY NOTE	1,600,000.00	98.8203125	1,581,125.00	1.375	04/30/2020		
			Subtotal	**1,600,000.00**		**1,581,125.00**				
			Total	**8,366,382.74**		**8,339,773.33**				

Milford Wind 1
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA/Cash										
SYS136003000	136003000	01100	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS136003001	136003001	02100	Southern California Public Pow	4,143,084.56	100.0000000	4,143,084.56	1.491			
SYS135142000	135142000	02200	Southern California Public Pow	0.00	100.0000000	0.00	0.150			
SYS136003003	136003003	03101	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS254944000	254944000	03191	Southern California Public Pow	55,180.01	100.0000000	55,180.01	1.491			
SYS136003004	136003004	04101	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS254944001	254944001	04191	Southern California Public Pow	0.00	100.0000000	0.00				
SYS136003005	136003005	06100	Southern California Public Pow	0.00	100.0000000	0.00				
SYS136003007	136003007	08100	Southern California Public Pow	521,315.56	100.0000000	521,315.56	1.491			
SYS136003002	136003002	10100	Southern California Public Pow	26,073.48	100.0000000	26,073.48	1.491			
SYS136003008	136003008	13100	Southern California Public Pow	0.00	100.0000000	0.00	0.100			
SYS136003006	136003006	17100	Southern California Public Pow	0.00	100.0000000	0.00				
SYS136003009	136003009	25101	Southern California Public Pow	0.00	100.0000000	0.00				
SYS254944002	254944002	25191	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
			Subtotal	**4,745,653.61**		**4,745,653.61**				
Federal Agency Disc. -Amortizing										
313384RL5	234	02100	Fed Home Loan Discount Note	1,500,000.00	99.9597220	1,499,395.83	1.450	01/06/2020		
313384RG6	233	03191	Fed Home Loan Discount Note	1,200,000.00	99.8268883	1,197,922.66	1.520	01/02/2020		
313396YV9	235	03191	FREDDIE MAC DISCOUNT NOTE	1,200,000.00	99.1829444	1,190,195.33	1.540	07/01/2020		
313384RN1	236	08100	Fed Home Loan Discount Note	2,000,000.00	99.9342222	1,998,684.44	1.480	01/08/2020		
313384XP9	231	10100	Fed Home Loan Discount Note	3,000,000.00	99.1862500	2,975,587.50	1.550	06/01/2020		
			Subtotal	**8,900,000.00**		**8,861,785.76**				
			Total	**13,645,653.61**		**13,607,439.37**				

Milford Wind 2
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA/Cash										
149687000	149687000	01100	U S Bank	0.00	100.0000000	0.00	1.491			
149687008	149687008	02100	US BANK	865,307.22	100.0000000	865,307.22	1.491			
SYS146180000	146180000	02200	US BANK	0.00	100.0000000	0.00	0.150			
SYS220099000	220099000	02300	Southern California Public Pow	0.00	100.0000000	0.00				
149687002	149687002	03111	US BANK	529,600.11	100.0000000	529,600.11	1.491			
149687003	149687003	04111	US BANK	465.63	100.0000000	465.63	1.491			
149687004	149687004	06100	US BANK	0.00	100.0000000	0.00	0.100			
149687006	149687006	08100	US BANK	0.00	100.0000000	0.00	0.150			
149687001	149687001	10100	US BANK	0.00	100.0000000	0.00	1.491			
149687007	149687007	13111	US BANK	0.00	100.0000000	0.00	0.100			
149687005	149687005	15100	US BANK	0.00	100.0000000	0.00	0.150			
149687009	149687009	25111	US BANK	0.00	100.0000000	0.00	0.100			
			Subtotal	**1,395,372.96**		**1,395,372.96**				
Federal Agency Coupon Securities										
3134GANW0	58	04111	Freddie Mac Note	3,216,000.00	100.0000000	3,216,000.00	1.750	10/27/2021	01/27/2020	100.0000000
			Subtotal	**3,216,000.00**		**3,216,000.00**				
Federal Agency Disc. -Amortizing										
313384RQ40	129	02100	Fed Home Loan Discount Note	1,600,000.00	99.9260000	1,598,816.00		01/10/2020		
313384VH9	130	02100	Fed Home Loan Discount Note	1,200,000.00	99.5465142	1,194,558.17	1.585	04/08/2020		
313384RG6	124	03111	Fed Home Loan Discount Note	1,000,000.00	99.4775000	994,775.00	1.900	01/02/2020		
313384RG6	128	03111	Fed Home Loan Discount Note	1,100,000.00	99.8268882	1,098,095.77	1.520	01/02/2020		
313396RG0	120	03111	FREDDIE MAC DISCOUNT NOTE	1,050,000.00	99.1234444	1,040,796.17	1.960	01/02/2020		
313396RG0	122	03111	FREDDIE MAC DISCOUNT NOTE	1,100,000.00	99.3313064	1,092,644.37	1.810	01/02/2020		
			Subtotal	**7,050,000.00**		**7,019,685.48**				
Treasury Coupon Securities										
912828XH8	126	03111	US TREASURY NOTES	1,100,000.00	100.0156255	1,100,171.88	1.625	06/30/2020		
			Subtotal	**1,100,000.00**		**1,100,171.88**				
			Total	**12,761,372.96**		**12,731,230.32**				

Linden Wind
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA / Cash										
SYS134623000	134623000	01100	SCPPA	0.00	100.0000000	0.00	1.491			
SYS134623023	134623023	01102	SCPPA	405,430.97	100.0000000	405,430.97	1.491			
SYS134623001	134623001	02100	SCPPA	55,846.36	100.0000000	55,846.36	1.491			
SYS134623003	134623003	03091	SCPPA	0.00	100.0000000	0.00	0.100			
SYS134623011	134623011	03101	SCPPA	44,254.10	100.0000000	44,254.10	1.491			
SYS134623021	134623021	03102	SCPPA	428,683.41	100.0000000	428,683.41	1.491			
SYS134623010	134623010	04101	SCPPA	339,528.59	100.0000000	339,528.59	1.491			
SYS134623020	134623020	04102	SCPPA	90,720.37	100.0000000	90,720.37	1.491			
SYS134623004	134623004	06100	SCPPA	0.00	100.0000000	0.00				
SYS134623006	134623006	08100	SCPPA	0.00	100.0000000	0.00	0.243			
SYS134623002	134623002	10100	SCPPA	0.00	100.0000000	0.00				
SYS134623008	134623008	13100	SCPPA	0.00	100.0000000	0.00	0.243			
SYS134623012	134623012	13101	SCPPA	0.00	100.0000000	0.00	0.100			
SYS134623005	134623005	17100	SCPPA	0.00	100.0000000	0.00				
SYS134623007	134623007	25091	SCPPA	0.00	100.0000000	0.00	0.100			
SYS134623013	134623013	25101	SCPPA	0.00	100.0000000	0.00	0.100			
SYS134623022	134623022	25102	SCPPA	0.00	100.0000000	0.00	0.150			
			Subtotal	**1,364,463.80**		**1,364,463.80**				
Federal Agency Disc. -Amortizing										
313384YV50	151	02100	Fed Home Loan Discount Note	1,000,000.00	99.2052500	992,052.50	1.530	07/01/2020		
313384RG6	144	03101	Fed Home Loan Discount Note	600,000.00	99.4775000	596,865.00	1.900	01/02/2020		
313384RG6	147	03101	Fed Home Loan Discount Note	650,000.00	99.6765554	647,897.61	1.640	01/02/2020		
313396RG0	140	03101	Freddie Mac Discount Note	640,000.00	99.1234444	634,390.04	1.960	01/02/2020		
313396RG0	142	03101	Freddie Mac Discount Note	640,000.00	99.3542500	635,867.20	1.845	01/02/2020		
313396YV90	150	03101	Freddie Mac Discount Note	1,300,000.00	99.1829444	1,289,378.28	1.540	07/01/2020		
313384RG6	145	03102	Fed Home Loan Discount Note	400,000.00	99.4775000	397,910.00	1.900	01/02/2020		
313384RG6	146	04101	Fed Home Loan Discount Note	1,200,000.00	99.6765558	1,196,118.67	1.640	01/02/2020		
313384RG6	148	04102	Fed Home Loan Discount Note	700,000.00	99.6765557	697,735.89	1.640	01/02/2020		
			Subtotal	**7,130,000.00**		**7,088,215.19**				
Treasury Discounts -Amortizing										

Linden Wind
Investments by All Types
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
Treasury Discounts -Amortizing											
912796RT8	139	02100	U.S. Treasury Bill		1,500,000.00	99.1023750	1,486,535.63	1.935	01/02/2020		
				Subtotal	**1,500,000.00**		**1,486,535.63**				
				Total	**9,994,463.80**		**9,939,214.62**				

Windy Point Flats
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA / Cash										
SYS142547000	142547000	01100	SCPPA	0.00	100.0000000	0.00	1.491			
SYS142547001	142547001	02100	SCPPA	563,555.08	100.0000000	563,555.08	1.491			
SYS135279000	135279000	02200	SCPPA	0.00	100.0000000	0.00				
SYS142547003	142547003	03101	SCPPA	40,932.64	100.0000000	40,932.64	1.491			
SYS142547004	142547004	04101	SCPPA	9,455.02	100.0000000	9,455.02	1.491			
SYS142547005	142547005	06100	SCPPA	0.00	100.0000000	0.00	1.491			
SYS142547007	142547007	08100	SCPPA	0.00	100.0000000	0.00	1.491			
SYS142547002	142547002	10100	SCPPA	0.00	100.0000000	0.00	1.491			
SYS142547008	142547008	13101	SCPPA	0.00	100.0000000	0.00	2.161			
SYS142547006	142547006	15100	SCPPA	0.00	100.0000000	0.00				
SYS142547009	142547009	25101	SCPPA	0.00	100.0000000	0.00				
			Subtotal	**613,942.74**		**613,942.74**				
Negotiable CDs										
62478T6P9	209	04101	MUFG Union Bank NA	999,000.00	100.0000000	999,000.00	1.650	02/03/2020		
			Subtotal	**999,000.00**		**999,000.00**				
Commercial Paper Disc. -Amortizing										
62478XBQ2	215	04101	MUFG UNION BANK CP	1,500,000.00	99.7463889	1,496,195.83	1.660	02/24/2020		
			Subtotal	**1,500,000.00**		**1,496,195.83**				
Federal Agency Coupon Securities										
3134G93V7	113	04101	Freddie Mac Note	1,500,000.00	100.0000000	1,500,000.00	1.625	08/25/2021	02/25/2020	100.0000000
			Subtotal	**1,500,000.00**		**1,500,000.00**				
Federal Agency Disc. -Amortizing										
313384RL5	214	02100	Fed Home Loan Discount Note	6,200,000.00	99.9597221	6,197,502.77	1.450	01/06/2020		
313384RG6	206	03101	Fed Home Loan Discount Note	3,500,000.00	99.4775000	3,481,712.50	1.900	01/02/2020		
313384RG6	208	03101	Fed Home Loan Discount Note	3,000,000.00	99.6765560	2,990,296.68	1.640	01/02/2020		
313384RG6	210	03101	Fed Home Loan Discount Note	3,400,000.00	99.8268879	3,394,114.19	1.520	01/02/2020		
313396RG0	201	03101	Freddie Mac Discount Note	3,400,000.00	99.1234444	3,370,197.11	1.960	01/02/2020		

Windy Point Flats
Investments by All Types
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
Federal Agency Disc. -Amortizing											
313396RG0	202	03101	Freddie Mac Discount Note		3,400,000.00	99.3313059	3,377,264.40	1.810	01/02/2020		
313396YV90	213	03101	Freddie Mac Discount Note		3,900,000.00	99.1829444	3,868,134.83		07/01/2020		
313384SZ3	211	04101	Fed Home Loan Discount Note		1,495,000.00	99.6565694	1,489,865.71	1.565	02/12/2020		
31315KVA5	204	04101	Farmer Mac Discount Note		2,330,000.00	98.9451389	2,305,421.74	1.750	04/01/2020		
				Subtotal	**30,625,000.00**		**30,474,509.93**				
Treasury Coupon Securities											
912828VA5	192	04101	U.S. Treasury Note / Bond		2,500,000.00	98.6679680	2,466,699.20	1.125	04/30/2020		
				Subtotal	**2,500,000.00**		**2,466,699.20**				
				Total	**37,737,942.74**		**37,550,347.70**				

Southern Transmission System
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA / Cash										
SYS94601590	94601590	01100	SCPPA	0.00	100.0000000	0.00	1.491			
SYS94601591	94601591	02100	SCPPA	3,507,199.04	100.0000000	3,507,199.04	1.491			
SYS94601592	94601592	03100	SCPPA	0.00	100.0000000	0.00				
SYS94601597	94601597	07100	SCPPA	2,961,261.23	100.0000000	2,961,261.23	1.491			
SYS129606005	129606005	12082	SCPPA	0.00	100.0000000	0.00				
SYS130010000	130010000	12082	SCPPA	0.00	100.0000000	0.00	0.100			
SYS94415721	94415721	20001	SCPPA	0.00	100.0000000	0.00	0.100			
SYS123323001	123323001	20008	SCPPA	0.00	100.0000000	0.00	2.282			
SYS94427921	94427921	20011	SCPPA	0.00	100.0000000	0.00	0.100			
SYS94467701	94467701	20022	SCPPA	0.00	100.0000000	0.00	0.100			
SYS129606001	129606001	20082	SCPPA	0.00	100.0000000	0.00	0.100			
SYS129990001	129990001	20091	SCPPA	0.00	100.0000000	0.00	2.017			
SYS145542001	145542001	20111	SCPPA	0.00	100.0000000	0.00	2.282			
SYS158879001	158879001	20121	SCPPA	0.00	100.0000000	0.00	2.017			
SYS204499001	204499001	20131	SCPPA	73,845.87	100.0000000	73,845.87	1.491			
SYS243243001	243243001	20151	SCPPA	109,220.34	100.0000000	109,220.34	1.491			
SYS230820002	230820002	20153	SCPPA	5,210.22	100.0000000	5,210.22	1.491			
SYS269363002	269363002	20171	SCPPA	59,216.18	100.0000000	59,216.18	1.491			
SYS277021001	277021001	20181	SCPPA	39,674.92	100.0000000	39,674.92	1.491			
SYS94611121	94611121	20920	SCPPA	52,374.45	100.0000000	52,374.45	1.491			
SYS94415720	94415720	21001	SCPPA	0.00	100.0000000	0.00				
SYS123323000	123323000	21008	SCPPA	0.00	100.0000000	0.00	2.282			
SYS94427920	94427920	21011	SCPPA	0.00	100.0000000	0.00	0.100			
SYS94467700	94467700	21022	SCPPA	0.00	100.0000000	0.00				
SYS129606000	129606000	21082	SCPPA	0.00	100.0000000	0.00				
SYS129990000	129990000	21091	SCPPA	0.00	100.0000000	0.00	2.282			
SYS145542000	145542000	21111	SCPPA	0.00	100.0000000	0.00	2.282			
SYS158879000	158879000	21121	SCPPA	0.00	100.0000000	0.00	2.282			
SYS204499000	204499000	21131	SCPPA	0.00	100.0000000	0.00	2.282			
SYS243243000	243243000	21151	SCPPA	0.00	100.0000000	0.00	2.282			
SYS230820000	230820000	21153	SCPPA	0.00	100.0000000	0.00	2.282			
SYS269363000	269363000	21171	SCPPA	0.00	100.0000000	0.00	2.282			
SYS277021000	277021000	21181	SCPPA	0.00	100.0000000	0.00	2.282			
SYS94611120	94611120	21920	SCPPA	0.00	100.0000000	0.00	2.282			

Southern Transmission System
Investments by All Types
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA / Cash										
SYS94415723	94415723	22001	SCPPA	0.00	100.0000000	0.00	0.100			
SYS123323003	123323003	22008	SCPPA	0.00	100.0000000	0.00	0.100			
SYS94427923	94427923	22011	SCPPA	0.00	100.0000000	0.00	0.100			
SYS129606003	129606003	22082	SCPPA	0.00	100.0000000	0.00				
SYS129990003	129990003	22091	SCPPA	0.00	100.0000000	0.00				
SYS145542003	145542003	22111	SCPPA	0.00	100.0000000	0.00	0.100			
SYS204499003	204499003	22131	SCPPA	0.00	100.0000000	0.00	0.010			
SYS243243003	243243003	22151	SCPPA	0.00	100.0000000	0.00				
SYS230820003	230820003	22153	SCPPA	0.00	100.0000000	0.00				
SYS269363003	269363003	22171	SCPPA	0.00	100.0000000	0.00				
SYS277021003	277021003	22181	SCPPA	0.00	100.0000000	0.00				
SYS94611123	94611123	22920	SCPPA	0.00	100.0000000	0.00				
SYS123323004	123323004	23008	SCPPA	0.00	100.0000000	0.00	2.282			
SYS94427924	94427924	23011	SCPPA	0.00	100.0000000	0.00	0.100			
SYS94467704	94467704	23022	SCPPA	0.00	100.0000000	0.00	0.100			
SYS129606004	129606004	23082	SCPPA	0.00	100.0000000	0.00	2.284			
SYS129990004	129990004	23091	SCPPA	0.00	100.0000000	0.00	2.282			
SYS145542004	145542004	23111	SCPPA	0.00	100.0000000	0.00	2.017			
SYS158879004	158879004	23121	SCPPA	0.00	100.0000000	0.00	2.017			
SYS204499004	204499004	23131	SCPPA	12,914.14	100.0000000	12,914.14	1.491			
SYS243243004	243243004	23151	SCPPA	7,568.22	100.0000000	7,568.22	1.491			
SYS230820004	230820004	23153	SCPPA	9,420.28	100.0000000	9,420.28	1.491			
SYS269363004	269363004	23171	SCPPA	22,352.39	100.0000000	22,352.39	1.491			
SYS277021004	277021004	23181	SCPPA	13,009.97	100.0000000	13,009.97	1.491			
SYS94611124	94611124	23920	SCPPA	46,745.18	100.0000000	46,745.18	1.491			
SYS94415722	94415722	24001	SCPPA	0.00	100.0000000	0.00				
SYS94427922	94427922	24011	SCPPA	0.00	100.0000000	0.00				
SYS129606002	129606002	24082	SCPPA	0.00	100.0000000	0.00				
SYS129990002	129990002	24091	SCPPA	0.00	100.0000000	0.00				
SYS145542002	145542002	24111	SCPPA	0.00	100.0000000	0.00	2.260			
SYS204499002	204499002	24131	SCPPA	0.00	100.0000000	0.00	0.010			
SYS243243002	243243002	24151	SCPPA	0.00	100.0000000	0.00				
SYS230820001	230820001	24153	SCPPA	0.00	100.0000000	0.00				
SYS269363001	269363001	24171	SCPPA	0.00	100.0000000	0.00				
SYS277021002	277021002	24181	SCPPA	0.00	100.0000000	0.00				
SYS94611122	94611122	24920	SCPPA	0.00	100.0000000	0.00	2.282			
SYS123323005	123323005	25008	SCPPA	0.00	100.0000000	0.00				
SYS129606006	129606006	25082	SCPPA	0.00	100.0000000	0.00				

Southern Transmission System
Investments by All Types
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA / Cash										
SYS129990005	129990005	25091	SCPPA	0.00	100.0000000	0.00				
SYS145542005	145542005	25111	SCPPA	0.00	100.0000000	0.00	0.100			
SYS158879005	158879005	25121	SCPPA	0.00	100.0000000	0.00	0.040			
SYS204499005	204499005	25131	SCPPA	0.00	100.0000000	0.00				
SYS243243005	243243005	25151	SCPPA	0.00	100.0000000	0.00				
SYS230820005	230820005	25153	SCPPA	0.00	100.0000000	0.00				
SYS269363005	269363005	25171	SCPPA	0.00	100.0000000	0.00	0.762			
SYS277021005	277021005	25181	SCPPA	0.00	100.0000000	0.00	2.282			
			Subtotal	**6,920,012.43**		**6,920,012.43**				
Federal Agency Coupon Securities										
3130ABZY5	22742	07100	Federal Home Loan Note	1,060,000.00	100.0000000	1,060,000.00	2.500	08/24/2021		
			Subtotal	**1,060,000.00**		**1,060,000.00**				
Federal Agency Disc. -Amortizing										
313384RG60	22818	20131	Fed Home Loan Discount Note	1,300,000.00	99.3086667	1,291,012.67	1.830	01/02/2020		
313384TG4	22830	20131	Fed Home Loan Discount Note	2,500,000.00	99.7053333	2,492,633.33	1.560	02/19/2020		
313384RG60	22819	20151	Fed Home Loan Discount Note	2,300,000.00	99.3086667	2,284,099.33	1.830	01/02/2020		
313384TG4	22831	20151	Fed Home Loan Discount Note	2,300,000.00	99.7053333	2,293,222.67	1.560	02/19/2020		
313396YV90	22827	20151	Freddie Mac Discount Note	2,300,000.00	99.0688333	2,278,583.17	1.510	07/01/2020		
313384RG60	22824	20153	Fed Home Loan Discount Note	1,250,000.00	99.6765560	1,245,956.95	1.640	01/02/2020		
313384RG60	22832	20153	Fed Home Loan Discount Note	1,600,000.00	99.9147222	1,598,635.56	1.535	01/02/2020		
313384RG60	22820	20171	Fed Home Loan Discount Note	1,800,000.00	99.3086667	1,787,556.00	1.830	01/02/2020		
313384TG4	22833	20171	Fed Home Loan Discount Note	1,000,000.00	99.7053333	997,053.33	1.560	02/19/2020		
313396YV90	22828	20171	Freddie Mac Discount Note	2,800,000.00	99.0688333	2,773,927.33	1.510	07/01/2020		
313384RG60	22821	20181	Fed Home Loan Discount Note	1,500,000.00	99.3086667	1,489,630.00	1.830	01/02/2020		
313384TG4	22834	20181	Fed Home Loan Discount Note	4,300,000.00	99.7053333	4,287,329.33	1.560	02/19/2020		
313396YV90	22829	20181	Freddie Mac Discount Note	1,500,000.00	99.0688333	1,486,032.50	1.510	07/01/2020		
			Subtotal	**26,450,000.00**		**26,305,672.17**				
Treasury Coupon Securities										
912828XH8	22825	20131	U.S. Treasury Note / Bond	2,600,000.00	100.0156250	2,600,406.25	1.625	06/30/2020		
912828XH8	22826	20151	U.S. Treasury Note / Bond	4,600,000.00	100.0156250	4,600,718.75	1.625	06/30/2020		
			Subtotal	**7,200,000.00**		**7,201,125.00**				

Southern Transmission System
Investments by All Types
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
Treasury Discounts -Amortizing											
912796RT8	22814	20131	U.S. Treasury Bill		1,200,000.00	99.1023750	1,189,228.50	1.935	01/02/2020		
912796RT8	22815	20151	U.S. Treasury Bill		2,300,000.00	99.1023750	2,279,354.63	1.935	01/02/2020		
912796RT8	22816	20181	U.S. Treasury Bill		1,400,000.00	99.1023750	1,387,433.25	1.935	01/02/2020		
				Subtotal	**4,900,000.00**		**4,856,016.38**				
GICs											
SYS4042	4042	24920	AIG		7,789,108.27	84.4083351	6,574,656.61	7.110	06/29/2021		
				Subtotal	**7,789,108.27**		**6,574,656.61**				
				Total	**54,319,120.70**		**52,917,482.59**				

89 Mead Phoenix
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA / Cash											
SYS94627705	94627705	01100P	US Bank		0.00	100.0000000	0.00	1.491			
SYS94627726	94627726	02100P	US Bank		394,666.92	100.0000000	394,666.92	1.491			
SYS94627692	94627692	03100P	US Bank		0.00	100.0000000	0.00	0.100			
SYS94627693	94627693	04100P	US Bank		0.00	100.0000000	0.00	0.100			
SYS94627715	94627715	05100P	US Bank		312,613.80	100.0000000	312,613.80	1.491			
SYS94627716	94627716	05101P	US Bank		0.00	100.0000000	0.00	0.100			
SYS94627699	94627699	13100P	US Bank		0.00	100.0000000	0.00	0.150			
SYS94627733	94627733	16100P	US Bank		118,678.75	100.0000000	118,678.75	1.491			
				Subtotal	**825,959.47**		**825,959.47**				
GIC - PNB											
SYS110	110	16100P	Pittsburg National Bank		0.00	100.0000000	0.00	7.350			
				Subtotal	**0.00**		**0.00**				
				Total	**825,959.47**		**825,959.47**				

94 Mead Phoenix
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA / Cash										
SYS94614550	94614550	03000	US Bank	0.00	100.0000000	0.00	0.100			
SYS128969000	128969000	03081	SCPPA	0.00	100.0000000	0.00	0.100			
SYS128970000	128970000	03082	SCPPA	0.00	100.0000000	0.00	0.100			
SYS165077000	165077000	03121	SCPPA	659,657.51	100.0000000	659,657.51	1.491			
SYS165078000	165078000	03122	SCPPA	457,506.79	100.0000000	457,506.79	1.491			
SYS7857510001	785751001	03141	SCPPA	0.00	100.0000000	0.00				
SYS128969001	128969001	04081	SCPPA	0.00	100.0000000	0.00	0.100			
SYS128970001	128970001	04082	SCPPA	0.00	100.0000000	0.00	0.100			
SYS785750002	785751002	04141	SCPPA	0.00	100.0000000	0.00				
SYS128969005	128969005	22081	SCPPA	0.00	100.0000000	0.00	0.100			
SYS128970003	128970003	22082	SCPPA	0.00	100.0000000	0.00	0.100			
SYS128969002	128969002	25081	SCPPA	0.00	100.0000000	0.00	0.100			
SYS128970002	128970002	25082	SCPPA	0.00	100.0000000	0.00				
SYS165077002	165077002	25121	SCPPA	0.00	100.0000000	0.00				
SYS165078002	165078002	25122	SCPPA	0.00	100.0000000	0.00	0.100			
SYS785751003	785751003	25141	SCPPA	0.00	100.0000000	0.00				
			Subtotal	**1,117,164.30**		**1,117,164.30**				
Federal Agency Disc. -Amortizing										
313384RG60	21123	03121	Fed Home Loan Discount Note	650,000.00	99.6856661	647,956.83	1.640	01/02/2020		
			Subtotal	**650,000.00**		**647,956.83**				
Treasury Discounts -Amortizing										
912796RT8	21122	03121	U.S. Treasury Bill	650,000.00	99.3326667	645,662.33	1.820	01/02/2020		
			Subtotal	**650,000.00**		**645,662.33**				
			Total	**2,417,164.30**		**2,410,783.46**				

2016 Mead Phoenix
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA / Cash										
SYS243104000	243104000	01100	SCPPA	0.00	100.0000000	0.00	1.491			
SYS243104001	243104001	02100	SCPPA	76,102.94	100.0000000	76,102.94	1.491			
SYS243104007	243104007	03161	SCPPA	74,012.04	100.0000000	74,012.04	1.491			
SYS243104008	243104008	04161	SCPPA	0.00	100.0000000	0.00	2.282			
SYS243104003	243104003	06100	SCPPA	36,437.54	100.0000000	36,437.54	1.491			
SYS243104004	243104004	08100	SCPPA	6,472.55	100.0000000	6,472.55	1.491			
SYS243104002	243104002	10100	SCPPA	0.00	100.0000000	0.00	2.282			
SYS243104005	243104005	13100	SCPPA	0.00	100.0000000	0.00	0.243			
SYS243104006	243104006	25161	SCPPA	0.00	100.0000000	0.00	1.061			
			Subtotal	**193,025.07**		**193,025.07**				
Federal Agency Disc. -Amortizing										
31315KRP7	8	02100	Farmer Mac Discount Note	500,000.00	99.9465556	499,732.78	1.480	01/09/2020		
313396RG0	7	03161	Freddie Mac Discount Note	550,000.00	99.5018333	547,260.08		01/02/2020		
31315KRP7	9	03161	Farmer Mac Discount Note	500,000.00	99.9465556	499,732.78	1.480	01/09/2020		
			Subtotal	**1,550,000.00**		**1,546,725.64**				
			Total	**1,743,025.07**		**1,739,750.71**				

89 Mead Adelanto
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA / Cash											
SYS94627701	94627701	01100A	US Bank		0.00	100.0000000	0.00	1.491			
SYS94627717	94627717	02100A	US Bank		1,041,789.78	100.0000000	1,041,789.78	1.491			
SYS94627683	94627683	03100A	US Bank		0.00	100.0000000	0.00	0.100			
SYS94627684	94627684	04100A	US Bank		0.00	100.0000000	0.00	0.100			
SYS94627706	94627706	05100A	US Bank		282,068.51	100.0000000	282,068.51	1.491			
SYS94627707	94627707	05101A	US Bank		0.00	100.0000000	0.00				
SYS94627695	94627695	13100A	US Bank		0.00	100.0000000	0.00				
SYS94627728	94627728	16100A	US Bank		183,573.40	100.0000000	183,573.40	1.491			
				Subtotal	**1,507,431.69**		**1,507,431.69**				
GIC - PNB											
SYS101	101	03100A	Pittsburg National Bank		0.00	100.0000000	0.00	7.350			
SYS102	102	04100A	Pittsburg National Bank		0.00	100.0000000	0.00	7.350			
SYS111	111	05101A	Pittsburg National Bank		0.00	100.0000000	0.00	7.350			
SYS103	103	13100A	Pittsburg National Bank		0.00	100.0000000	0.00	7.350			
SYS109	109	16100A	Pittsburg National Bank		0.00	100.0000000	0.00	7.350			
				Subtotal	**0.00**		**0.00**				
Federal Agency Disc. -Amortizing											
313384XP90	262	16100A	Federal Home Loan Banks DN		2,000,000.00	99.1862500	1,983,725.00	1.550	06/01/2020		
313384YV50	264	16100A	Federal Home Loan Banks DN		1,000,000.00	99.2052500	992,052.50	1.530	07/01/2020		
				Subtotal	**3,000,000.00**		**2,975,777.50**				
Treasury Coupon Securities											
912828VJ6	263	16100A	Treasury Note		2,500,000.00	100.1914060	2,504,785.15	1.875	06/30/2020		
				Subtotal	**2,500,000.00**		**2,504,785.15**				
				Total	**7,007,431.69**		**6,987,994.34**				

94 Mead Adelanto
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA / Cash										
SYS785750001	785750001	03041	SCPPA	0.00	100.0000000	0.00				
SYS128967000	128967000	03081	SCPPA	0.00	100.0000000	0.00	0.100			
SYS128968000	128968000	03082	SCPPA	0.00	100.0000000	0.00	0.100			
SYS94614090	94614090	03100	US Bank	0.00	100.0000000	0.00	0.100			
SYS165075000	165075000	03121	SCPPA	23,735.84	100.0000000	23,735.84	1.491			
SYS165076000	165076000	03122	SCPPA	14,900.96	100.0000000	14,900.96	1.491			
SYS785751002	785750002	04041	SCPPA	0.00	100.0000000	0.00				
SYS128967001	128967001	04081	SCPPA	0.00	100.0000000	0.00	0.100			
SYS128968001	128968001	04082	SCPPA	0.00	100.0000000	0.00	0.100			
SYS128967005	128967005	22081	SCPPA	0.00	100.0000000	0.00	0.100			
SYS128968003	128968003	22082	SCPPA	0.00	100.0000000	0.00	0.100			
SYS785750003	785750003	25041	SCPPA	0.00	100.0000000	0.00				
SYS128967002	128967002	25081	SCPPA	0.00	100.0000000	0.00				
SYS128968002	128968002	25082	SCPPA	0.00	100.0000000	0.00				
SYS165075002	165075002	25121	SCPPA	0.00	100.0000000	0.00				
SYS165076002	165076002	25122	SCPPA	0.00	100.0000000	0.00	0.100			
			Subtotal	**38,636.80**		**38,636.80**				
Federal Agency Disc. -Amortizing										
313384RG60	21201	03121	Fed Home Loan Discount Note	900,000.00	99.6856656	897,170.99	1.640	01/02/2020		
313384YV51	21203	03121	Fed Home Loan Discount Note	2,000,000.00	99.2052500	1,984,105.00	1.530	07/01/2020		
313396RG0	21197	03121	Freddie Mac Discount Note	800,000.00	99.1234444	792,987.56	1.960	01/02/2020		
313396RG0	21200	03121	Freddie Mac Discount Note	900,000.00	99.5018333	895,516.50	1.830	01/02/2020		
313384RG60	21202	03122	Fed Home Loan Discount Note	700,000.00	99.6856657	697,799.66	1.640	01/02/2020		
313384YV51	21204	03122	Fed Home Loan Discount Note	700,000.00	99.2052500	694,436.75	1.530	07/01/2020		
			Subtotal	**6,000,000.00**		**5,962,016.46**				
Treasury Discounts -Amortizing										
912796RT8	21198	03121	U.S. Treasury Bill	1,100,000.00	99.3326673	1,092,659.34	1.820	01/02/2020		
912796RT8	21199	03122	U.S. Treasury Bill	700,000.00	99.3326667	695,328.67	1.820	01/02/2020		
			Subtotal	**1,800,000.00**		**1,787,988.01**				

94 Mead Adelanto
Investments by All Types
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
				Total	7,838,636.80		7,788,641.27				

2016 Mead Adelanto
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA / Cash										
SYS245470000	245470000	01100	SCPPA	0.00	100.0000000	0.00	1.491			
SYS245470001	245470001	02100	SCPPA	191,383.42	100.0000000	191,383.42	1.491			
SYS245470007	245470007	03161	SCPPA	40,511.30	100.0000000	40,511.30	1.491			
SYS245470008	245470008	04161	SCPPA	0.00	100.0000000	0.00	1.752			
SYS245470003	245470003	06100	SCPPA	98,439.19	100.0000000	98,439.19	1.491			
SYS245470004	245470004	08100	SCPPA	13,069.66	100.0000000	13,069.66	1.491			
SYS245470002	245470002	10100	SCPPA	0.00	100.0000000	0.00	1.752			
SYS245470005	245470005	13100	SCPPA	0.00	100.0000000	0.00	0.245			
SYS245470006	245470006	25161	SCPPA	0.00	100.0000000	0.00	0.858			
			Subtotal	**343,403.57**		**343,403.57**				
Federal Agency Disc. -Amortizing										
313384YV5	11	03161	Fed Home Loan Discount Note	700,000.00	99.2052500	694,436.75		07/01/2020		
313396RG0	10	03161	Freddie Mac Discount Note	650,000.00	99.5018323	646,761.91	1.830	01/02/2020		
			Subtotal	**1,350,000.00**		**1,341,198.66**				
			Total	**1,693,403.57**		**1,684,602.23**				

Natural Gas Wyoming
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA/Cash										
SYS790066000	790066000	01051	Southern California Public Pow	0.00	100.0000000	0.00				
SYS120905005	120905005	01081	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS120906005	120906005	01085	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS120907005	120907005	01086	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS790341004	790341004	02050	Southern California Public Pow	904.72	100.0000000	904.72	1.491			
SYS790066001	790066001	02051	Southern California Public Pow	0.00	100.0000000	0.00				
SYS790341005	790341005	02052	Southern California Public Pow	166,346.66	100.0000000	166,346.66	1.491			
SYS790341006	790341006	02053	Southern California Public Pow	97,235.45	100.0000000	97,235.45	1.491			
SYS790341007	790341007	02054	Southern California Public Pow	1,005,987.29	100.0000000	1,005,987.29	1.491			
SYS790341009	790341009	02055	Southern California Public Pow	434,922.73	100.0000000	434,922.73	1.491			
SYS120905007	120905007	02081	Southern California Public Pow	355,490.00	100.0000000	355,490.00	1.491			
SYS120906007	120906007	02085	Southern California Public Pow	105,481.99	100.0000000	105,481.99	1.491			
SYS120907007	120907007	02086	Southern California Public Pow	61,667.01	100.0000000	61,667.01	1.491			
SYS790066002	790066002	03051	Southern California Public Pow	0.00	100.0000000	0.00				
SYS120905006	120905006	03081	Southern California Public Pow	739,074.82	100.0000000	739,074.82	1.491			
SYS120906006	120906006	03085	Southern California Public Pow	295,644.76	100.0000000	295,644.76	1.491			
SYS120907006	120907006	03086	Southern California Public Pow	157,080.90	100.0000000	157,080.90	1.491			
SYS120905010	120905010	05081	Southern California Public Pow	0.00	100.0000000	0.00				
SYS120906010	120906010	05085	Southern California Public Pow	0.00	100.0000000	0.00				
SYS120907010	120907010	05086	Southern California Public Pow	0.00	100.0000000	0.00				
SYS790341000	790341000	06050	Southern California Public Pow	27.98	100.0000000	27.98	1.491			
SYS790341001	790341001	06052	Southern California Public Pow	3,768.45	100.0000000	3,768.45	1.491			
SYS790341002	790341002	06053	Southern California Public Pow	147,619.72	100.0000000	147,619.72	1.491			
SYS790341003	790341003	06054	Southern California Public Pow	107,478.31	100.0000000	107,478.31	1.491			
SYS790341008	790341008	06055	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS790066003	790066003	08051	Southern California Public Pow	0.00	100.0000000	0.00				
SYS120905011	120905011	08081	Southern California Public Pow	0.00	100.0000000	0.00				
SYS120906011	120906011	08085	Southern California Public Pow	0.00	100.0000000	0.00				
SYS120907011	120907011	08086	Southern California Public Pow	0.00	100.0000000	0.00				
SYS120905008	120905008	10081	Southern California Public Pow	22,338.28	100.0000000	22,338.28	1.491			
SYS120906008	120906008	10085	Southern California Public Pow	6,226.33	100.0000000	6,226.33	1.491			
SYS120907008	120907008	10086	Southern California Public Pow	13,078.12	100.0000000	13,078.12	1.491			
SYS790066004	790066004	13051	Southern California Public Pow	0.00	100.0000000	0.00	1.786			
SYS120905009	120905009	13081	Southern California Public Pow	1,054,197.76	100.0000000	1,054,197.76	1.491			

Natural Gas Wyoming
Investments by All Types
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA/Cash											
SYS120906009	120906009	13085	Southern California Public Pow		452,388.81	100.0000000	452,388.81	1.491			
SYS120907009	120907009	13086	Southern California Public Pow		208,734.94	100.0000000	208,734.94	1.491			
SYS790066005	790066005	15051	Southern California Public Pow		0.00	100.0000000	0.00				
				Subtotal	**5,435,695.03**		**5,435,695.03**				
Federal Agency Disc. -Amortizing											
313384RL5	832	02054	Fed Home Loan Discount Note		1,600,000.00	99.9597219	1,599,355.55	1.450	01/06/2020		
				Subtotal	**1,600,000.00**		**1,599,355.55**				
				Total	**7,035,695.03**		**7,035,050.58**				

Natural Gas Texas
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA/Cash										
SYS790066000	790066000	01051	Southern California Public Pow	0.00	100.0000000	0.00	0.150			
SYS120905000	120905000	01081	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS120906000	120906000	01085	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS120907000	120907000	01086	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS790341004TX	790341014	02050	Southern California Public Pow	33.00	100.0000000	33.00	1.491			
SYS790066001	790066001	02051	Southern California Public Pow	0.00	100.0000000	0.00	0.150			
SYS790341015	790341015	02052	Southern California Public Pow	0.00	100.0000000	0.00				
SYS790341006TX	790341016	02053	Southern California Public Pow	751,977.52	100.0000000	751,977.52	1.491			
SYS790341017	790341017	02054	Southern California Public Pow	0.00	100.0000000	0.00				
SYS790341019TX	790341019	02055	Southern California Public Pow	499,404.46	100.0000000	499,404.46	1.491			
SYS120905002	120905002	02081	Southern California Public Pow	508,667.34	100.0000000	508,667.34	1.491			
SYS120906002	120906002	02085	Southern California Public Pow	339,895.74	100.0000000	339,895.74	1.491			
SYS120907002	120907002	02086	Southern California Public Pow	123,390.71	100.0000000	123,390.71	1.491			
SYS790066002	790066002	03051	Southern California Public Pow	0.00	100.0000000	0.00				
SYS120905001	120905001	03081	Southern California Public Pow	422,738.38	100.0000000	422,738.38	1.491			
SYS120906001	120906001	03085	Southern California Public Pow	307,619.64	100.0000000	307,619.64	1.491			
SYS120907001	120907001	03086	Southern California Public Pow	324,753.35	100.0000000	324,753.35	1.491			
SYS790341010	790341010	06050	Southern California Public Pow	0.00	100.0000000	0.00	1.976			
SYS790341001	790341011	06052	Southern California Public Pow	0.00	100.0000000	0.00				
SYS790341012	790341012	06053	Southern California Public Pow	679,707.20	100.0000000	679,707.20	1.491			
SYS790341003	790341013	06054	Southern California Public Pow	0.00	100.0000000	0.00	0.100			
SYS790341008TX	790341008	06055	Southern California Public Pow	0.00	100.0000000	0.00	0.100			
SYS120905003	120905003	10081	Southern California Public Pow	45.06	100.0000000	45.06	1.491			
SYS120906003	120906003	10085	Southern California Public Pow	5,846.17	100.0000000	5,846.17	1.491			
SYS120907003	120907003	10086	Southern California Public Pow	17,968.65	100.0000000	17,968.65	1.491			
SYS790066004	790066004	13051	Southern California Public Pow	0.00	100.0000000	0.00				
SYS120905004	120905004	13081	Southern California Public Pow	1,146,830.07	100.0000000	1,146,830.07	1.491			
SYS120906004	120906004	13085	Southern California Public Pow	1,068,272.82	100.0000000	1,068,272.82	1.491			
SYS120907004	120907004	13086	Southern California Public Pow	865,368.14	100.0000000	865,368.14	1.491			
			Subtotal	**7,062,518.25**		**7,062,518.25**				
Federal Agency Coupon Securities										
3133EHYL1	269	13081	Federal Farm Credit Bank	2,000,000.00	98.8640000	1,977,280.00	1.590	09/14/2020		

Natural Gas Texas
Investments by All Types
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
Federal Agency Coupon Securities										
3130AHFX6	289	13081	Federal Home Loan Note	1,000,000.00	100.0000000	1,000,000.00	1.900	10/28/2022	04/28/2020	100.0000000
3134GAPM0	190	13081	Freddie Mac Note	3,000,000.00	100.0000000	3,000,000.00	1.750	10/25/2021	01/25/2020	100.0000000
3134GUMY3	291	13081	Freddie Mac Note	2,000,000.00	100.0000000	2,000,000.00	2.125	10/30/2024	01/30/2020	100.0000000
3134GUMF4	293	13081	Freddie Mac Note	1,000,000.00	100.0000000	1,000,000.00	2.020	10/30/2024	04/30/2020	100.0000000
3133EHYL1	270	13085	Federal Farm Credit Bank	1,000,000.00	98.8640000	988,640.00	1.590	09/14/2020		
3130AHFX6	290	13085	Federal Home Loan Note	1,000,000.00	100.0000000	1,000,000.00	1.900	10/28/2022	04/28/2020	100.0000000
3134GAPM0	191	13085	Freddie Mac Note	1,200,000.00	100.0000000	1,200,000.00	1.750	10/25/2021	01/25/2020	100.0000000
3134GUMY3	292	13085	Freddie Mac Note	2,000,000.00	100.0000000	2,000,000.00	2.125	10/30/2024	01/30/2020	100.0000000
3134GUMF4	294	13085	Freddie Mac Note	1,000,000.00	100.0000000	1,000,000.00	2.020	10/30/2024	04/30/2020	100.0000000
3134GAPM0	192	13086	Freddie Mac Note	1,000,000.00	100.0000000	1,000,000.00	1.750	10/25/2021	01/25/2020	100.0000000
3134GUMF4	295	13086	Freddie Mac Note	1,000,000.00	100.0000000	1,000,000.00	2.020	10/30/2024	04/30/2020	100.0000000
			Subtotal	**17,200,000.00**		**17,165,920.00**				
Federal Agency Disc. -Amortizing										
313384RG6	287	03081	Fed Home Loan Discount Note	1,140,000.00	99.6856658	1,136,416.59	1.640	01/02/2020		
313384RG6	288	03085	Fed Home Loan Discount Note	610,000.00	99.6856656	608,082.56	1.640	01/02/2020		
313312YQ7	282	13081	FC Discount Note	4,000,000.00	98.5270830	3,941,083.32	1.750	06/26/2020		
313384M63	300	13081	Fed Home Loan Discount Note	3,600,000.00	98.6911111	3,552,880.00	1.550	10/30/2020		
313312YQ7	283	13085	FC Discount Note	2,400,000.00	98.5270829	2,364,649.99	1.750	06/26/2020		
313384M63	301	13085	Fed Home Loan Discount Note	1,100,000.00	98.6911111	1,085,602.22	1.550	10/30/2020		
313384SR1	299	13086	Fed Home Loan Discount Note	1,000,000.00	99.8299160	998,299.16	1.570	02/04/2020		
			Subtotal	**13,850,000.00**		**13,687,013.84**				
Treasury Coupon Securities										
912828W63	258	13081	US Treasury Bill	2,000,000.00	99.2500000	1,985,000.00	1.625	03/15/2020		
912828W63	259	13085	US Treasury Bill	1,000,000.00	99.2500000	992,500.00	1.625	03/15/2020		
			Subtotal	**3,000,000.00**		**2,977,500.00**				
			Total	**41,112,518.25**		**40,892,952.09**				

Natural Gas Prepay
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA/Cash										
SYS118639007	118639007	01071	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS118639010	118639010	01072	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS118639011	118639011	01073	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS118639008	118639008	01075	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS118639009	118639009	01076	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS118639018	118639018	02070	Southern California Public Pow	86.33	100.0000000	86.33	1.491			
SYS118639013	118639013	02071	Southern California Public Pow	12,266.45	100.0000000	12,266.45	1.491			
SYS118639016	118639016	02072	Southern California Public Pow	12,806.77	100.0000000	12,806.77	1.491			
SYS118639017	118639017	02073	Southern California Public Pow	21,964.82	100.0000000	21,964.82	1.491			
SYS118639014	118639014	02075	Southern California Public Pow	13,108.57	100.0000000	13,108.57	1.491			
SYS118639015	118639015	02076	Southern California Public Pow	35,495.66	100.0000000	35,495.66	1.491			
SYS118639019	118639019	03070	Southern California Public Pow	1,437,530.82	100.0000000	1,437,530.82	1.491			
SYS118639021	118639021	04071	Southern California Public Pow	0.00	100.0000000	0.00				
SYS118639024	118639024	04072	Southern California Public Pow	0.00	100.0000000	0.00				
SYS118639025	118639025	04073	Southern California Public Pow	0.00	100.0000000	0.00				
SYS118639022	118639022	04075	Southern California Public Pow	0.00	100.0000000	0.00				
SYS118639023	118639023	04076	Southern California Public Pow	0.00	100.0000000	0.00				
SYS118639026	118639026	08071	Southern California Public Pow	307,897.95	100.0000000	307,897.95	1.491			
SYS118639029	118639029	08072	Southern California Public Pow	305,669.85	100.0000000	305,669.85	1.491			
SYS118639030	118639030	08073	Southern California Public Pow	257,036.16	100.0000000	257,036.16	1.491			
SYS118639027	118639027	08075	Southern California Public Pow	252,009.48	100.0000000	252,009.48	1.491			
SYS118639028	118639028	08076	Southern California Public Pow	411,674.26	100.0000000	411,674.26	1.491			
SYS118639001	118639001	09071	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS118639004	118639004	09072	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS118639005	118639005	09073	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS118639002	118639002	09075	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS118639003	118639003	09076	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS118639000	118639000	13070	Southern California Public Pow	0.00	100.0000000	0.00	1.491			
SYS118639031	118639031	15070	Southern California Public Pow	0.00	100.0000000	0.00	0.150			
SYS118639020	118639020	26070	Southern California Public Pow	0.00	100.0000000	0.00				
SYS118639006	118639006	27070	Southern California Public Pow	0.00	100.0000000	0.00				
SYS118639012	118639012	28070	Southern California Public Pow	27.17	100.0000000	27.17	1.491			
			Subtotal	**3,067,574.29**		**3,067,574.29**				

Natural Gas Prepay
Investments by All Types
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
Federal Agency Disc. -Amortizing										
313384RL5	109	08071	Fed Home Loan Discount Note	700,000.00	99.9597214	699,718.05	1.450	01/06/2020		
313384RL5	110	08072	Fed Home Loan Discount Note	800,000.00	99.9597222	799,677.78	1.450	01/06/2020		
313384RL5	111	08073	Fed Home Loan Discount Note	500,000.00	99.9597222	499,798.61	1.450	01/06/2020		
			Subtotal	**2,000,000.00**		**1,999,194.44**				
GIC										
SYS10	10	03070	AMERICAN GENERAL LIFE	0.00	100.0000000	0.00	4.926	11/01/2038		
9AMGGBWK0	31	03070	J ARON	46,938.99	100.0000000	46,938.99	4.926	10/31/2035		
SYS1	1	09071	AMERICAN GENERAL LIFE	1,576,532.00	100.0000000	1,576,532.00	5.036	11/01/2038		
SYS4	4	09072	AMERICAN GENERAL LIFE	2,182,151.00	100.0000000	2,182,151.00	5.036	11/01/2038		
SYS5	5	09073	AMERICAN GENERAL LIFE	1,586,145.00	100.0000000	1,586,145.00	5.036	11/01/2038		
SYS2	2	09075	AMERICAN GENERAL LIFE	3,181,903.00	100.0000000	3,181,903.00	5.036	11/01/2038		
SYS3	3	09076	AMERICAN GENERAL LIFE	1,086,269.00	100.0000000	1,086,269.00	5.036	11/01/2038		
			Subtotal	**9,659,938.99**		**9,659,938.99**				
			Total	**14,727,513.28**		**14,726,707.72**				

Don A Campbell aka Wild Rose
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA/Cash											
366173	366173	02200	Southern California Public Pow		217,507.43	100.0000000	217,507.43	1.500			
				Subtotal	**217,507.43**		**217,507.43**				
Federal Agency Disc. -Amortizing											
313384RL5	36	02200	Fed Home Loan Discount Note		1,800,000.00	99.8185833	1,796,734.50	1.555	01/06/2020		
				Subtotal	**1,800,000.00**		**1,796,734.50**				
Treasury Coupon Securities											
912828W22	37	02200	US Treasury Note		2,600,000.00	99.9648438	2,599,085.94	1.375	02/15/2020		
				Subtotal	**2,600,000.00**		**2,599,085.94**				
				Total	**4,617,507.43**		**4,613,327.87**				

Don A Campbell 2
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA/Cash											
SYS639484	639484	02200	SCPPA		367,771.51	100.0000000	367,771.51	1.500			
				Subtotal	**367,771.51**		**367,771.51**				
Federal Agency Disc. -Amortizing											
313384RL5	51	02200	Fed Home Loan Discount Note		2,300,000.00	99.8902222	2,297,475.11	1.520	01/06/2020		
				Subtotal	**2,300,000.00**		**2,297,475.11**				
Treasury Coupon Securities											
912828W22	50	02200	US Treasury Note		2,900,000.00	99.9648438	2,898,980.47	1.375	02/15/2020		
				Subtotal	**2,900,000.00**		**2,898,980.47**				
				Total	**5,567,771.51**		**5,564,227.09**				

Heber 1 Geothermal
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA/Cash											
SYS226327000	226327000	02200	SCPPA		1,019,196.17	100.0000000	1,019,196.17	1.491			
				Subtotal	**1,019,196.17**		**1,019,196.17**				
Federal Agency Disc. -Amortizing											
31315KRP7	64	02200	FARMER MAC DN		3,300,000.00	99.9465548	3,298,236.31	1.480	01/09/2020		
				Subtotal	**3,300,000.00**		**3,298,236.31**				
				Total	**4,319,196.17**		**4,317,432.48**				

ORMESA
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA/Cash											
SYS230687000	230687000	02200	SCPPA		816,587.76	100.0000000	816,587.76	1.491			
				Subtotal	**816,587.76**		**816,587.76**				
Federal Agency Disc. -Amortizing											
313384RL5	32	02200	Federal Home Loan Discnt Note		7,800,000.00	99.8185829	7,785,849.47	1.555	01/06/2020		
313384VJ5	33	02200	Federal Home Loan Discnt Note		7,300,000.00	99.5305000	7,265,726.50		04/09/2020		
				Subtotal	**15,100,000.00**		**15,051,575.97**				
				Total	**15,916,587.76**		**15,868,163.73**				

Ormat NV
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA/Cash											
SYS258687000	258687000	02200	USBank		732,259.86	100.0000000	732,259.86	1.491			
				Subtotal	**732,259.86**		**732,259.86**				
Federal Agency Disc. -Amortizing											
313384RL5	33	02200	Federal Home Loan DN		3,800,000.00	99.8185834	3,793,106.17	1.555	01/06/2020		
313384VJ5	34	02200	Federal Home Loan DN		1,100,000.00	99.5305000	1,094,835.50		04/09/2020		
				Subtotal	**4,900,000.00**		**4,887,941.67**				
				Total	**5,632,259.86**		**5,620,201.53**				

Pebble Springs Wind Project
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA/Cash											
SYS889330	889330	02200	Southern California Public Pow		752,417.92	100.0000000	752,417.92	1.500			
				Subtotal	**752,417.92**		**752,417.92**				
Federal Agency Disc. -Amortizing											
313384RL5	112	02200	Fed Home Loan Discount Note		1,600,000.00	99.8185831	1,597,097.33	1.555	01/06/2020		
				Subtotal	**1,600,000.00**		**1,597,097.33**				
Treasury Coupon Securities											
912828W22	113	02200	US Treasury Note		900,000.00	99.9648433	899,683.59	1.375	02/15/2020		
				Subtotal	**900,000.00**		**899,683.59**				
				Total	**3,252,417.92**		**3,249,198.84**				

Copper Mountain Solar 3
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA/Cash											
209282000	209282000	02200	U S Bank		760,794.31	100.0000000	760,794.31	1.491			
				Subtotal	**760,794.31**		**760,794.31**				
Federal Agency Disc. -Amortizing											
313384RN1	88	02200	Fed Home Loan Discount Note		2,700,000.00	99.9342219	2,698,223.99	1.480	01/08/2020		
				Subtotal	**2,700,000.00**		**2,698,223.99**				
				Total	**3,460,794.31**		**3,459,018.30**				

Springbok 1 Solar
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA / Cash											
SYS225374000	225374000	02200	SCPPA		782,001.13	100.0000000	782,001.13	1.491			
				Subtotal	**782,001.13**		**782,001.13**				
Federal Agency Disc. -Amortizing											
313384RN1	37	02200	Federal Home Loan Discount Not		2,500,000.00	99.9342220	2,498,355.55	1.480	01/08/2020		
				Subtotal	**2,500,000.00**		**2,498,355.55**				
				Total	**3,282,001.13**		**3,280,356.68**				

Springbok 2 Solar
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA / Cash											
SYS250988000	250988000	02200	SCPPA		724,989.99	100.0000000	724,989.99	1.491			
				Subtotal	**724,989.99**		**724,989.99**				
Federal Agency Disc. -Amortizing											
313384RQ40	50	02200	Federal Home Loan Discnt Note		2,900,000.00	99.9260000	2,897,854.00		01/10/2020		
				Subtotal	**2,900,000.00**		**2,897,854.00**				
				Total	**3,624,989.99**		**3,622,843.99**				

Springbok 3 Solar
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA / Cash											
SYS270509000	270509000	02200	SCPPA		895,387.36	100.0000000	895,387.36	1.491			
				Subtotal	**895,387.36**		**895,387.36**				
Federal Agency Disc. -Amortizing											
313384RL5	10	02200	Fed Home Loan Discount Note		3,200,000.00	99.8185834	3,194,194.67	1.555	01/06/2020		
313384VJ5	11	02200	Fed Home Loan Discount Note		1,700,000.00	99.5305000	1,692,018.50		04/09/2020		
				Subtotal	**4,900,000.00**		**4,886,213.17**				
				Total	**5,795,387.36**		**5,781,600.53**				

ARP Loyalton Biomass Project
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA/Cash											
264264000	264264000	02200	SCPPA		224,914.59	100.0000000	224,914.59	1.491			
236044000	236044000	02300	SCPPA		78,620.53	100.0000000	78,620.53	1.491			
				Subtotal	**303,535.12**		**303,535.12**				
Federal Agency Disc. -Amortizing											
313384VJ5	22	02200	Fed Home Loan Discount Note		5,200,000.00	99.5305000	5,175,586.00		04/09/2020		
313384SR1	23	02200	Fed Home Loan Discount Note		2,400,000.00	99.8299158	2,395,917.98	1.570	02/04/2020		
313384RL5	24	02200	Fed Home Loan Discount Note		1,500,000.00	99.9597222	1,499,395.83	1.450	01/06/2020		
				Subtotal	**9,100,000.00**		**9,070,899.81**				
				Total	**9,403,535.12**		**9,374,434.93**				

SCPPA - Decom. Trust Fund
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
Cash/MMIA Accounts										
SYS94607571	94607571	17001	US Bank	3,441,971.66	100.0000000	3,441,971.66	1.491			
SYS94607572	94607572	17002	US Bank	2,885,806.38	100.0000000	2,885,806.38	1.491			
SYS94607573	94607573	17003	US Bank	4,531,789.24	100.0000000	4,531,789.24	1.491			
SYS94607574	94607574	18000	US Bank	0.00	100.0000000	0.00				
SYS94607575	94607575	18001	US Bank	8,259.29	100.0000000	8,259.29	1.491			
SYS94607576	94607576	18002	US Bank	2,635,143.10	100.0000000	2,635,143.10	1.491			
SYS94607577	94607577	18003	US Bank	2,085,621.08	100.0000000	2,085,621.08	1.491			
			Subtotal	**15,588,590.75**		**15,588,590.75**				
Equity Linked Notes										
SYS357	357	18001	AIG Matched Funding Corp	0.00	100.0000000	0.00				
SYS358	358	18002	AIG Matched Funding Corp	0.00	100.0000000	0.00				
			Subtotal	**0.00**		**0.00**				
Medium Term Corporate Notes										
QZ5682419	1465	17003	3M	1,000,000.00	99.9470000	999,470.00	1.625	09/19/2021	08/19/2021	100.0000000
742651DU3	1517	17003	Private Export Funding	1,000,000.00	99.6600000	996,600.00	2.250	03/15/2020		
084670BJ6	1505	18001	Berkshire Hathaway Inc	1,100,000.00	100.4530000	1,104,983.00	3.000	02/11/2023		
			Subtotal	**3,100,000.00**		**3,101,053.00**				
Federal Agency Coupon Securities										
3130AG7D1	1525	17001	Federal Home Loan Note	2,680,000.00	99.9880000	2,679,678.40	2.375	07/02/2020		
3130AHM34	1561	17001	Federal Home Loan Note	1,620,000.00	100.0000000	1,620,000.00	2.000	12/05/2024	06/05/2020	100.0000000
3134G93B1	1448	17001	Freddie Mac Note	6,740,000.00	100.0000000	6,740,000.00	1.500	08/23/2021	02/23/2020	100.0000000
3134G93V7	1456	17001	Freddie Mac Note	9,450,000.00	100.0000000	9,450,000.00	1.625	08/25/2021	02/25/2020	100.0000000
3134GT2L6	1539	17001	Freddie Mac Note	1,120,000.00	100.0000000	1,120,000.00	2.150	08/19/2024	02/19/2020	100.0000000
3134GUUQ1	1559	17001	Freddie Mac Note	2,270,000.00	100.0000000	2,270,000.00	1.730	11/26/2021	02/26/2020	100.0000000
3134GUUP3	1563	17001	Freddie Mac Note	1,585,000.00	100.0000000	1,585,000.00	2.050	12/06/2024		
3136G3JJ5	1414	17001	Fannie Mae Note	3,340,000.00	100.0000000	3,340,000.00	1.360	01/14/2020		
3136G4PP2	1499	17001	Fannie Mae Note	2,280,000.00	100.0000000	2,280,000.00	1.750	10/26/2020		
3133EKZN9	1544	17002	Farm Credit Note	3,000,000.00	100.0000000	3,000,000.00	2.060	08/13/2024	08/13/2020	100.0000000
3133EK6D3	1560	17002	Farm Credit Note	3,120,000.00	99.9120000	3,117,254.40	1.570	11/08/2021		

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
Federal Agency Coupon Securities										
3130AEWN6	1512	17002	Federal Home Loan Note	2,370,000.00	100.0000000	2,370,000.00	3.100	09/28/2023	09/28/2020	100.0000000
3130AHEY5	1558	17002	Federal Home Loan Note	4,430,000.00	100.0000000	4,430,000.00	2.125	10/28/2024	04/28/2020	100.0000000
3134G9LR6	1428	17002	Freddie Mac Note	1,950,000.00	100.0000000	1,950,000.00	1.750	06/07/2021	03/07/2020	100.0000000
3134G93B1	1449	17002	Freddie Mac Note	2,390,000.00	100.0000000	2,390,000.00	1.500	08/23/2021	02/23/2020	100.0000000
3134G9U47	1458	17002	Freddie Mac Note	3,800,000.00	100.0000000	3,800,000.00	1.625	08/25/2021	02/25/2020	100.0000000
3134GAUA0	1486	17002	Freddie Mac Note	4,310,000.00	100.0000000	4,310,000.00	1.625	11/30/2021	02/28/2020	100.0000000
3136G3XT7	1441	17002	Fannie Mae Note	5,580,000.00	100.0000000	5,580,000.00	1.500	07/27/2021	01/27/2020	100.0000000
3130A9XY2	1488	17003	Federal Home Loan Note	2,100,000.00	100.0000000	2,100,000.00	1.625	11/26/2021	02/26/2020	100.0000000
3130AGWU5	1541	17003	Federal Home Loan Note	2,430,000.00	100.0000000	2,430,000.00	2.000	08/21/2024	08/21/2020	100.0000000
3130AGWU5	1543	17003	Federal Home Loan Note	2,410,000.00	100.0000000	2,410,000.00	2.000	08/21/2024	08/21/2020	100.0000000
3134GASF2	1481	17003	Freddie Mac Note	4,045,000.00	100.0000000	4,045,000.00	1.625	10/27/2021	01/27/2020	100.0000000
3134GTHY2	1526	17003	Freddie Mac Note	2,000,000.00	100.0000000	2,000,000.00	2.800	04/24/2024	04/24/2020	100.0000000
3134GTHQ9	1527	17003	Freddie Mac Note	2,815,000.00	100.0000000	2,815,000.00	2.570	04/26/2024	10/26/2020	100.0000000
3134GUEG1	1552	17003	Freddie Mac Note	2,560,000.00	100.0000000	2,560,000.00	2.000	09/30/2024	09/30/2020	100.0000000
3134GUYL8	1566	17003	Freddie Mac Note	4,300,000.00	100.0000000	4,300,000.00	2.000	12/23/2024	06/23/2020	100.0000000
3136G3JJ5	1415	17003	Fannie Mae Note	1,800,000.00	100.0000000	1,800,000.00	1.360	01/14/2020		
31422BPY0	1564	18001	Farmer Mac Disc	1,550,000.00	99.8250000	1,547,287.50	2.280	12/02/2026	06/02/2020	100.0000000
3133EGNK7	1442	18001	Farm Credit Note	5,950,000.00	100.0000000	5,950,000.00	1.320	07/27/2020		
3133ELDU5	1565	18001	Farm Credit Note	2,000,000.00	99.8960000	1,997,920.00	1.580	12/13/2021		
3130AH3W1	1550	18001	Federal Home Loan Note	1,200,000.00	100.0000000	1,200,000.00	2.250	09/24/2024		
3134G9U47	1459	18001	Freddie Mac Note	5,000,000.00	100.0000000	5,000,000.00	1.625	08/25/2021	02/25/2020	100.0000000
3134GUZA1	1567	18001	Freddie Mac Note	2,000,000.00	100.0000000	2,000,000.00	2.100	12/30/2024	03/30/2020	100.0000000
3135GOW90	1557	18001	Fannie Mae Note	2,600,000.00	100.0000000	2,600,000.00	1.950	10/28/2022		
3133EKEW2	1524	18002	Farm Credit Note	2,040,000.00	99.9640000	2,039,265.60	2.280	03/28/2022		
3130AH3W1	1551	18002	Federal Home Loan Note	3,150,000.00	100.0000000	3,150,000.00	2.250	09/24/2024		
3130AHM34	1562	18002	Federal Home Loan Note	1,850,000.00	100.0000000	1,850,000.00	2.000	12/05/2024	06/05/2020	100.0000000
3134GTN41	1538	18002	Freddie Mac Note	2,315,000.00	100.0000000	2,315,000.00	2.260	07/29/2024	07/29/2020	100.0000000
3134GT2L6	1540	18002	Freddie Mac Note	1,920,000.00	100.0000000	1,920,000.00	2.150	08/19/2024	02/19/2020	100.0000000
3134GUEG1	1554	18002	Freddie Mac Note	2,300,000.00	100.0000000	2,300,000.00	2.000	09/30/2024	09/30/2020	100.0000000
3136G3XT7	1443	18002	Fannie Mae Note	9,025,000.00	100.0000000	9,025,000.00	1.500	07/27/2021	01/27/2020	100.0000000
3133EKBV7	1519	18003	Farm Credit Note	2,000,000.00	100.0000000	2,000,000.00	2.550	03/01/2022		
3130AGNA9	1532	18003	Federal Home Loan Note	2,475,000.00	100.0000000	2,475,000.00	2.200	06/26/2024	06/26/2020	100.0000000
3130AGWU5	1542	18003	Federal Home Loan Note	690,000.00	100.0000000	690,000.00	2.000	08/21/2024	08/21/2020	100.0000000
3130AHE66	1556	18003	Federal Home Loan Note	2,310,000.00	100.0000000	2,310,000.00	2.000	10/21/2024	10/21/2020	100.0000000
3134G9LR6	1429	18003	Freddie Mac Note	3,000,000.00	100.0000000	3,000,000.00	1.750	06/07/2021	03/07/2020	100.0000000
3134G9U47	1462	18003	Freddie Mac Note	5,200,000.00	100.0000000	5,200,000.00	1.625	08/25/2021	02/25/2020	100.0000000
3134GAET7	1474	18003	Freddie Mac Note	6,000,000.00	100.0000000	6,000,000.00	1.625	09/30/2021	03/30/2020	100.0000000
3134GAUA0	1487	18003	Freddie Mac Note	2,550,000.00	100.0000000	2,550,000.00	1.625	11/30/2021	02/28/2020	100.0000000

SCPPA - Decom. Trust Fund
Investments by All Types
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
Federal Agency Coupon Securities											
3134GUEG1	1555	18003	Freddie Mac Note		2,400,000.00	100.0000000	2,400,000.00	2.000	09/30/2024	09/30/2020	100.0000000
				Subtotal	**156,020,000.00**		**156,011,405.90**				
Supranationals Coupon Securities											
4581X0CX4	1516	17003	Inter-American Devl Bk		2,020,000.00	98.7810000	1,995,376.20	1.625	05/12/2020		
459058HG1	1546	17003	Intl Bk Recon & Develop		480,000.00	100.0000000	480,000.00	2.200	09/23/2024	09/23/2020	100.0000000
459058HG1	1547	18001	Intl Bk Recon & Develop		2,520,000.00	100.0000000	2,520,000.00	2.200	09/23/2024	09/23/2020	100.0000000
459058HD8	1545	18003	Intl Bk Recon & Develop		2,115,000.00	100.0000000	2,115,000.00	2.200	08/28/2024		
				Subtotal	**7,135,000.00**		**7,110,376.20**				
Municipal Bonds											
798135H36	1536	17002	City of San Jose CA -B-TX		420,000.00	100.6530000	422,742.60	2.350	09/01/2021		
798135H36	1537	17003	City of San Jose CA -B-TX		995,000.00	100.6530000	1,001,497.35	2.350	09/01/2021		
				Subtotal	**1,415,000.00**		**1,424,239.95**				
				Total	**183,258,590.75**		**183,235,665.80**				

San Juan Reclamation Trust
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA / Cash											
SYS200137000	200137000	17001	SCPPA		2,595,059.50	100.0000000	2,595,059.50	1.491			
				Subtotal	**2,595,059.50**		**2,595,059.50**				
Commercial Paper Disc. -Amortizing											
62478XBQ2	46	17001	MUFG UNION BANK CP		2,000,000.00	99.7463890	1,994,927.78	1.660	02/24/2020		
				Subtotal	**2,000,000.00**		**1,994,927.78**				
Federal Agency Coupon Securities											
3132X0GH8	25	17001	FARMER MAC		900,000.00	97.4000000	876,600.00	1.625	10/29/2021	01/29/2020	100.0000000
3130ADDK5	26	17001	Federal Home Loan Note		3,000,000.00	100.0000000	3,000,000.00	2.250	01/29/2021	01/29/2020	100.0000000
3130AFSS7	39	17001	Federal Home Loan Note		2,200,000.00	99.9220000	2,198,284.00	2.500	01/28/2020		
3134GSU78	40	17001	Freddie Mac Note		2,000,000.00	100.0000000	2,000,000.00	2.650	01/29/2021	01/29/2020	100.0000000
3134GTQ71	41	17001	Freddie Mac Note		4,500,000.00	100.0000000	4,500,000.00	2.300	07/29/2022	01/29/2020	100.0000000
3134GTS20	42	17001	Freddie Mac Note		2,500,000.00	100.0000000	2,500,000.00	2.070	08/02/2024	08/02/2021	100.0000000
3134GUVF4	45	17001	Freddie Mac Note		2,700,000.00	100.0000000	2,700,000.00	1.800	11/28/2022	05/28/2020	100.0000000
3135G0U35	31	17001	Fannie Mae Note		1,000,000.00	99.9770000	999,770.00	2.750	06/22/2021		
				Subtotal	**18,800,000.00**		**18,774,654.00**				
Supranationals Coupon Securities											
459058HR7	44	17001	Intl Bank Recon & Devt		2,500,000.00	100.0000000	2,500,000.00	2.110	11/27/2024		
				Subtotal	**2,500,000.00**		**2,500,000.00**				
				Total	**25,895,059.50**		**25,864,641.28**				

San Juan Decommissioning Trust
Investments by All Types
Active Investments
December 31, 2019

CUSIP	Investment #	Fund	Issuer		Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
MMIA/Cash											
SYS217041000	217041000	17001	SCPPA		845,215.75	100.0000000	845,215.75	1.491			
				Subtotal	**845,215.75**		**845,215.75**				
Federal Agency Coupon Securities											
3132X0GH8	2	17001	Farmer Mac		1,600,000.00	97.4000000	1,558,400.00	1.625	10/29/2021		
3133EKRW8	5	17001	Federal Farm Credit Bank		1,200,000.00	100.0000000	1,200,000.00	2.100	06/24/2021	06/24/2020	100.0000000
				Subtotal	**2,800,000.00**		**2,758,400.00**				
				Total	**3,645,215.75**		**3,603,615.75**				

SCPPA
Southern California Public Power Authority
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Riverside • Vernon • Imperial Irrigation District

Southern California Public Power Authority

Combined Financial Statements for the Quarter Ending September 30, 2019

The Authority's net position increased by $201 million mainly due to a decrease in assets and deferred outflows of resources of $85 million offset by a decrease in liabilities and deferred inflows of resources of $286 million.

The decrease in assets was mainly due to:

- The scheduled depreciation in the generation and transmission projects and the scheduled depletion in the Natural Gas Reserve Projects;
- The amortizations of the Prepaid Assets in Windy, Milford 1 and 2, and Prepaid Gas Project, and
- The decrease in the unamortized loss in refunding due to the Bond Refunding in the Southern Transmission Project.

The decrease in assets was offset by:

- The ongoing capital improvements in the Palo Verde and Apex Power Project; and
- The recognition of deferred outflow of resources in asset retirement obligation due to the implementation of GASB 83, Certain Asset Retirement Obligations (GASB 83).

The decrease in liabilities was mainly due to:

- The principal maturities and related amortizations for all debt funded projects offset by the increase in accumulated overbillings in various Projects; and the adjustment of Decommissioning obligation in the Palo Verde Project to recognize the current value of decommissioning costs and effects of general inflation or deflation to conform to the requirements of GASB 83.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Summary of Financial Condition and Changes in Net Position
COMBINED ALL PROJECTS
($ in thousands)

	SEPTEMBER 2019	SEPTEMBER 2018	Increase (Decrease)
Assets			
Net utility plant	$ 1,421,964	$ 1,494,279	$ (72,315)
Investments	597,174	582,318	14,856
Cash and cash equivalents	223,816	211,137	12,679
Prepaid and other assets	790,210	862,794	(72,584)
Total assets	3,033,164	3,150,528	$ (117,364)
Deferred ouflows of resources	150,790	118,146	32,644
Total assets and deferred outflows of resources	$ 3,183,954	$ 3,268,674	$ (84,720)
Liabilities			
Noncurrent liabilities			
Long-term debt	$ 2,323,828	$ 2,514,561	(190,733)
Fair value of derivative instruments	41,340	25,185	16,155
Notes payable, other and net pension liabilities	2,327	2,301	26
Advances from participants	19,025	20,929	(1,904)
Reclamation and decommission obligation	214,449	336,803	(122,354)
Total noncurrent liabilities	2,600,969	2,899,779	$ (298,810)
Current liabilities			
Debt due within one year	168,390	159,480	8,910
Notes payable and other liabilities due within one year	23,626	22,119	1,507
Advances from participants due within one year	56,084	65,442	(9,358)
Accrued interest	29,404	31,255	(1,851)
Accounts payable and accruals	178,099	164,682	13,417
Total current liabilities	455,603	442,978	12,625
Deferred inflows of resources	61	50	11
Total liabilities and deferred inflows of resources	3,056,633	3,342,807	(286,174)
Net position			
Net investment in capital assets	(50,585)	(84,454)	33,869
Restricted	298,841	257,342	41,499
Unrestricted	(120,935)	(247,021)	126,086
Total net position	127,321	(74,133)	201,454
Total liabilities, deferred inflows of resources, and net position	$ 3,183,954	$ 3,268,674	$ (84,720)
Revenues, Expenses and Changes in net position			
Operating revenues	$ 241,666	$ 275,572	$ (33,906)
Operating expenses	(213,159)	(240,258)	27,099
Operating income	28,507	35,314	(6,807)
Investment and other income	5,211	3,077	2,134
Debt expense	(26,221)	(27,615)	1,394
Net non operating revenues (expenses)	(21,010)	(24,538)	3,528
Change in net position	7,497	10,776	(3,279)
Net position - beginning of year	127,155	(83,611)	210,766
Net contribution/(distributions) by participants	(7,331)	(1,298)	(6,033)
Net position - end of period	$ 127,321	$ (74,133)	$ 201,454

Southern California Public Power Authority

Combined Financial Statements
September 30, 2019 and 2018

(Unaudited)

Southern California Public Power Authority
Combined Financial Statements (Unaudited)
Index

Pages

Summary of Financial Condition and Changes in Net Position
Combined All Projects……..……..…3

Combined Financial Statements:

Combining Statements of Net Position Ending September 30, 2019..……4-8
.

Combining Statements of Net Position Ending September 30, 2018..……9-13

Combining Statements of Revenues, Expenses and Changes in
Net Position for the Three Months Ended September 30, 2019.....14-18

Combining Statements of Revenues, Expenses and Changes in
Net Position for the Three Months Ended September 30, 2018 .....…..……19-23

Combining Statements of Cash Flows for the Three Months Ended
September 30, 2019 .....……...……24-28

Combining Statements of Cash Flows for the Three Months Ended
September 30, 2018..……29-33

Supplemental Information:

PPAs Combining Statements of Net Position as of September 30, 2019 …….34-35
.

PPAs Combining Statements of Net Position as of September 30, 2018 ……..36-37

PPAs Combining Statements of Revenues, Expenses and Changes in
Net Position for the Three Months Ended September 30, 2019 …….....38-39

PPAs Combining Statements of Revenues, Expenses and Changes in
Net Position for the Three Months Ended September 30, 2018 ……..…….....40-41

PPAs Combining Statements of Cash Flows for the Three Months Ended
September 30, 2019.....……...…….……...42-43

PPAs Combining Statements of Cash Flows for the Three months Ended
September 30, 2018. ……44-45

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Summary of Financial Condition and Changes in Net Position
COMBINED ALL PROJECTS
($ in thousands)

	SEPTEMBER	
	2019	2018
Assets		
Net utility plant	$ 1,421,964	$ 1,494,279
Investments	597,174	582,318
Cash and cash equivalents	223,816	211,137
Prepaid and other assets	790,210	862,794
Total assets	3,033,164	3,150,528
Deferred ouflows of resources	150,790	118,146
Total assets and deferred outflows of resources	$ 3,183,954	$ 3,268,674
Liabilities		
Noncurrent liabilities		
Long-term debt	$ 2,323,828	$ 2,514,561
Fair value of derivative instruments	41,340	25,185
Notes payable, other and net pension liabilities	2,327	2,301
Advances from participants	19,025	20,929
Reclamation and decommission obligation	214,449	336,803
Total noncurrent liabilities	2,600,969	2,899,779
Current liabilities		
Debt due within one year	168,390	159,480
Notes payable and other liabilities due within one year	23,626	22,119
Advances from participants due within one year	56,084	65,442
Accrued interest	29,404	31,255
Accounts payable and accruals	178,099	164,682
Total current liabilities	455,603	442,978
Deferred inflows of resources	61	50
Total liabilities and deferred inflows of resources	3,056,633	3,342,807
Net position		
Net investment in capital assets	(50,585)	(84,454)
Restricted	298,841	257,342
Unrestricted	(120,935)	(247,021)
Total net position	127,321	(74,133)
Total liabilities, deferred inflows of resources, and net position	$ 3,183,954	$ 3,268,674
Revenues, Expenses and Changes in net position		
Operating revenues	$ 241,666	$ 275,572
Operating expenses	(213,159)	(240,258)
Operating income	28,507	35,314
Investment and other income	5,211	3,077
Debt expense	(26,221)	(27,615)
Net non operating revenues (expenses)	(21,010)	(24,538)
Change in net position	7,497	10,776
Net position - beginning of year	127,155	(83,611)
Net contribution/(distributions) by participants	(7,331)	(1,298)
Net position - end of period	$ 127,321	$ (74,133)

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Net Position
As of September 30, 2019
($ in thousands)

	GENERATION				
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project
ASSETS					
Noncurrent assets					
Net Utility Plant	$ 279,497	$ -	$ 165,970	$ 212,554	$ 275,940
Investments - restricted	199,512	29,767	46,006	9,657	17,340
Investments - unrestricted	17,559	-	10,792	2,989	-
Advance to IPA - restricted	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-
Total noncurrent assets	496,568	29,767	222,768	225,200	293,280
Current assets					
Cash and cash equivalents - restricted	3,244	-	18,430	2,267	2,952
Cash and cash equivalents - unrestricted	10,808	159	11,597	269	4,330
Interest receivable	702	123	162	39	55
Accounts receivable	2,087	6	246	458	5,855
Materials and supplies	10,488	-	8,649	853	4,356
Prepaid and other assets	828	87	1,547	43	452
Total current assets	28,157	375	40,631	3,929	18,000
DEFERRED OUTFLOWS OF RESOURCES					
Deferred items related to pensions	-	-	-	-	-
Unamortized loss on refunding	-	-	6,992	42,666	-
Asset retirement obligation	33,824	-	-	-	7,147
Accumulated decrease in fair value of hedging derivatives	-	-	19,028	-	-
Total deferred outflows of resources	33,824	-	26,020	42,666	7,147
Total assets and deferred outflows of resources	$ 558,549	$ 30,142	$ 289,419	$ 271,795	$ 318,427
LIABILITIES					
Noncurrent liabilities					
Long-term debt	$ -	$ -	$ 274,090	$ 307,506	$ 272,440
Fair value of derivative instruments	-	-	30,840	-	-
Notes payable, other and net pension liabilities	-	-	-	-	-
Advances from participants	-	-	-	-	-
Reclamation and decommission obligation	172,040	29,223	-	-	9,933
Total noncurrent liabilities	172,040	29,223	304,930	307,506	282,373
Current Liabilities					
Debt due within one year	-	-	7,925	8,185	9,920
Notes payable and other liabilities due within one year	-	-	23,626	-	-
Advances from participants due within one year	-	-	17,757	10,219	4,589
Accrued interest	-	-	2,996	1,776	3,006
Accounts payable and accruals	22,639	282	6,178	655	14,548
Accrued property taxes	2,250	-	-	-	-
Total current liabilities	24,889	282	58,482	20,835	32,063
Total liabilities	196,929	29,505	363,412	328,341	314,436
DEFERRED INFLOWS OF RESOURCES					
Deferred items related to pensions	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
NET POSITION					
Net investment in capital assets	279,497	-	(109,053)	(60,468)	(570)
Restricted	65,225	555	28,859	-	4,114
Unrestricted	16,898	82	6,201	3,922	447
Total net position	361,620	637	(73,993)	(56,546)	3,991
Total liabilities, deferred inflows of resources, and net position	$ 558,549	$ 30,142	$ 289,419	$ 271,795	$ 318,427

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal years ended June 30, 2019

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Net Position
As of September 30, 2019
($ in thousands)

	GREEN POWER				
	Tieton Hydropower Project	Milford 1 Wind Project	Milford II Wind Project	Windy Point/ Windy Flats Energy Project	Linden Wind Energy Project
ASSETS					
Noncurrent assets					
Net Utility Plant	$ 34,647	$ -	$ -	$ -	$ 93,948
Investments - restricted	5,291	2,119	6,346	20,538	4,569
Investments - unrestricted	-	-	847	1,993	1,493
Advance to IPA - restricted	-	-	-	-	-
Prepaid and other assets	-	106,930	97,103	279,691	-
Total noncurrent assets	39,938	109,049	104,296	302,222	100,010
Current assets					
Cash and cash equivalents - restricted	995	26,070	88	32	713
Cash and cash equivalents - unrestricted	416	5,702	3,144	4,485	381
Interest receivable	29	9	24	44	2
Accounts receivable	-	3,263	-	-	202
Materials and supplies	-	-	-	-	-
Prepaid and other assets	952	8,559	6,528	20,798	29
Total current assets	2,392	43,603	9,784	25,359	1,327
DEFERRED OUTFLOWS OF RESOURCES					
Deferred items related to pensions	-	-	-	-	-
Unamortized loss on refunding	-	-	-	-	-
Asset retirement obligation	473	-	-	-	367
Accumulated decrease in fair value of hedging derivatives	-	-	-	-	-
Total deferred outflows of resources	473	-	-	-	367
Total assets and deferred outflows of resources	$ 42,803	$ 152,652	$ 114,080	$ 327,581	$ 101,704
LIABILITIES					
Noncurrent liabilities					
Long-term debt	$ 44,877	$ 150,057	$ 111,188	$ 333,630	$ 103,790
Fair value of derivative instruments	-	-	-	-	-
Notes payable, other and net pension liabilities	-	-	-	-	-
Advances from participants	-	-	-	-	-
Reclamation and decommission obligation	853	-	-	-	699
Total noncurrent liabilities	45,730	150,057	111,188	333,630	104,489
Current Liabilities					
Debt due within one year	1,050	11,090	7,000	24,125	4,555
Notes payable and other liabilities due within one year	-	-	-	-	-
Advances from participants due within one year	202	250	250	1,000	2,004
Accrued interest	578	1,945	1,466	4,230	1,401
Accounts payable and accruals	1,020	7,806	2,520	5,688	1,114
Accrued property taxes	-	-	-	-	102
Total current liabilities	2,850	21,091	11,236	35,043	9,176
Total liabilities	48,580	171,148	122,424	368,673	113,665
DEFERRED INFLOWS OF RESOURCES					
Deferred items related to pensions	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
NET POSITION					
Net investment in capital assets	(11,280)	-	-	-	(14,397)
Restricted	5,357	-	-	-	3,753
Unrestricted	146	(18,496)	(8,344)	(41,092)	(1,317)
Total net position	(5,777)	(18,496)	(8,344)	(41,092)	(11,961)
Total liabilities, deferred inflows of resources, and net position	$ 42,803	$ 152,652	$ 114,080	$ 327,581	$ 101,704

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal years ended June 30, 2019

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Net Position
As of September 30, 2019
($ in thousands)

	TRANSMISSION		
	Southern Transmission System Project	Mead-Phoenix Project	Mead-Adelanto Project
ASSETS			
Noncurrent assets			
Net Utility Plant	$ 143,468	$ 46,149	$ 95,301
Investments - restricted	22,773	1,194	7,126
Investments - unrestricted	7,080	-	-
Advance to IPA - restricted	10,930	-	-
Prepaid and other assets	-	-	-
Total noncurrent assets	184,251	47,343	102,427
Current assets			
Cash and cash equivalents - restricted	12,803	1,002	3,484
Cash and cash equivalents - unrestricted	737	935	1,485
Interest receivable	27	2	6
Accounts receivable	8,219	186	425
Materials and supplies	-	-	-
Prepaid and other assets	38	122	369
Total current assets	21,824	2,247	5,769
DEFERRED OUTFLOWS OF RESOURCES			
Deferred items related to pensions	-	-	-
Unamortized loss on refunding	26,619	238	681
Asset retirement obligation	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	1,094
Total deferred outflows of resources	26,619	238	1,775
Total assets and deferred outflows of resources	$ 232,694	$ 49,828	$ 109,971
LIABILITIES			
Noncurrent liabilities			
Long-term debt	$ 349,309	$ 20,323	$ 25,232
Fair value of derivative instruments	-	-	-
Notes payable, other and net pension liabilities	-	-	-
Advances from participants	-	-	-
Reclamation and decommission obligation	-	-	-
Total noncurrent liabilities	349,309	20,323	25,232
Current Liabilities			
Debt due within one year	59,900	5,990	17,110
Notes payable and other liabilities due within one year	-	-	-
Advances from participants due within one year	-	-	-
Accrued interest	4,376	269	454
Accounts payable and accruals	18,618	874	1,660
Accrued property taxes	-	75	-
Total current liabilities	82,894	7,208	19,224
Total liabilities	432,203	27,531	44,456
DEFERRED INFLOWS OF RESOURCES			
Deferred items related to pensions	-	-	-
Total deferred inflows of resources	-	-	-
NET POSITION			
Net investment in capital assets	(239,122)	19,835	53,639
Restricted	42,157	2,168	9,954
Unrestricted	(2,544)	294	1,922
Total net position	(199,509)	22,297	65,515
Total liabilities, deferred inflows of resources, and net position	$ 232,694	$ 49,828	$ 109,971

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal years ended June 30, 2019

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Net Position
As of September 30, 2019
($ in thousands)

	NATURAL GAS			PPAs
	Pinedale Project	Barnett Project	Prepaid Natural Gas Project	Power Purchase Agreements Combined Projects
ASSETS				
Noncurrent assets				
Net Utility Plant	$ 30,235	$ 37,903	$ -	$ -
Investments - restricted	-	28,484	18,354	-
Investments - unrestricted	-	-	-	29,045
Advance to IPA - restricted	-	-	-	-
Prepaid and other assets	126	-	185,887	-
Total noncurrent assets	30,361	66,387	204,241	29,045
Current assets				
Cash and cash equivalents - restricted	2,540	8,822	6,394	38
Cash and cash equivalents - unrestricted	4,494	2,464	77	60,093
Interest receivable	9	84	76	41
Accounts receivable	509	260	2,586	9,543
Materials and supplies	-	-	-	-
Prepaid and other assets	409	3	8,731	136
Total current assets	7,961	11,633	17,864	69,851
DEFERRED OUTFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	-	-
Unamortized loss on refunding	-	-	-	-
Asset retirement obligation	488	114	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	10,500	-
Total deferred outflows of resources	488	114	10,500	-
Total assets and deferred outflows of resources	$ 38,810	$ 78,134	$ 232,605	$ 98,896
LIABILITIES				
Noncurrent liabilities				
Long-term debt	$ 13,341	$ 31,389	$ 286,656	$ -
Fair value of derivative instruments	-	-	10,500	-
Notes payable, other and net pension liabilities	-	-	-	-
Advances from participants	12,457	6,568	-	-
Reclamation and decommission obligation	1,404	297	-	-
Total noncurrent liabilities	27,202	38,254	297,156	-
Current Liabilities				
Debt due within one year	1,522	3,573	6,445	-
Notes payable and other liabilities due within one year	-	-	-	-
Advances from participants due within one year	3,419	1,761	-	14,163
Accrued interest	215	507	6,185	-
Accounts payable and accruals	2,470	1,847	3,315	84,438
Accrued property taxes	-	-	-	-
Total current liabilities	7,626	7,688	15,945	98,601
Total liabilities	34,828	45,942	313,101	98,601
DEFERRED INFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	-	-
Total deferred inflows of resources	-	-	-	-
NET POSITION				
Net investment in capital assets	1,889	23,092	-	-
Restricted	-	8,216	-	-
Unrestricted	2,093	884	(80,496)	295
Total net position	3,982	32,192	(80,496)	295
Total liabilities, deferred inflows of resources, and net position	$ 38,810	$ 78,134	$ 232,605	$ 98,896

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal years ended June 30, 2019

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Net Position
As of September 30, 2019
($ in thousands)

	MISCELLANEOUS			
	Project Development Fund	Project Stabilization Fund	SCPPA Fund	**Total Combined**
ASSETS				
Noncurrent assets				
Net Utility Plant	$ -	$ -	$ 6,352	$ 1,421,964
Investments - restricted	-	106,300	-	525,376
Investments - unrestricted	-	-	-	71,798
Advance to IPA - restricted	-	-	-	10,930
Prepaid and other assets	-	-	-	669,737
Total noncurrent assets	-	106,300	6,352	2,699,805
Current assets				
Cash and cash equivalents - restricted	470	21,896	-	112,240
Cash and cash equivalents - unrestricted	-	-	-	111,576
Interest receivable	-	287	-	1,721
Accounts receivable	-	-	-	33,845
Materials and supplies	-	-	-	24,346
Prepaid and other assets	-	-	-	49,631
Total current assets	470	22,183	-	333,359
DEFERRED OUTFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	559	559
Unamortized loss on refunding	-	-	-	77,196
Asset retirement obligation	-	-	-	42,413
Accumulated decrease in fair value of hedging derivatives	-	-	-	30,622
Total deferred outflows of resources	-	-	559	150,790
Total assets and deferred outflows of resources	$ 470	$ 128,483	$ 6,911	$ 3,183,954
LIABILITIES				
Noncurrent liabilities				
Long-term debt	$ -	$ -	$ -	$ 2,323,828
Fair value of derivative instruments	-	-	-	41,340
Notes payable, other and net pension liabilities	-	-	2,327	2,327
Advances from participants	-	-	-	19,025
Reclamation and decommission obligation	-	-	-	214,449
Total noncurrent liabilities	-	-	2,327	2,600,969
Current Liabilities				
Debt due within one year	-	-	-	168,390
Notes payable and other liabilities due within one year	-	-	-	23,626
Advances from participants due within one year	470	-	-	56,084
Accrued interest	-	-	-	29,404
Accounts payable and accruals	-	-	-	175,672
Accrued property taxes	-	-	-	2,427
Total current liabilities	470	-	-	455,603
Total liabilities	470	-	2,327	3,056,572
DEFERRED INFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	61	61
Total deferred inflows of resources	-	-	61	61
NET POSITION				
Net investment in capital assets	-	-	6,353	(50,585)
Restricted	-	128,483	-	298,841
Unrestricted	-	-	(1,830)	(120,935)
Total net position	-	128,483	4,523	127,321
Total liabilities, deferred inflows of resources, and net position	$ 470	$ 128,483	$ 6,911	$ 3,183,954

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal years ended June 30, 2019

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Net Position
As of September 30, 2018
($ in thousands)

	GENERATION				
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project
ASSETS					
Noncurrent assets					
Net Utility Plant	$ 285,341	$ -	$ 176,678	$ 218,366	$ 281,951
Investments - restricted	188,318	29,137	60,959	9,721	16,387
Investments - unrestricted	16,426	-	6,378	-	-
Advance to IPA - restricted	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-
Total noncurrent assets	490,085	29,137	244,015	228,087	298,338
Current assets					
Cash and cash equivalents - restricted	10,657	9,837	11,155	5,525	1,529
Cash and cash equivalents - unrestricted	8,362	6,629	6,723	2,188	3,025
Interest receivable	774	105	227	57	74
Accounts receivable	6,380	-	904	413	3,749
Materials and supplies	10,393	-	8,654	1,186	3,763
Prepaid and other assets	552	-	232	52	756
Total current assets	37,118	16,571	27,895	9,421	12,896
DEFERRED OUTFLOWS OF RESOURCES					
Deferred items related to pensions	-	-	-	-	-
Unamortized loss on refunding	-	-	11,453	46,612	-
Accumulated decrease in fair value of hedging derivatives	-	-	12,248	-	-
Total deferred outflows of resources	-	-	23,701	46,612	-
Total assets and deferred outflows of resources	$ 527,203	$ 45,708	$ 295,611	$ 284,120	$ 311,234
LIABILITIES					
Noncurrent liabilities					
Long-term debt	-	-	283,259	317,701	283,107
Fair value of derivative instruments	-	-	16,542	-	-
Notes payable and other liabilities	-	-	-	-	-
Advances from participants	-	-	-	-	-
Reclamation and decommission obligation	307,905	28,898	-	-	-
Total noncurrent liabilities	307,905	28,898	299,801	317,701	283,107
Current Liabilities					
Debt due within one year	-	-	7,560	7,835	9,710
Notes payable and other liabilities due within one year	-	-	22,119	-	-
Advances from participants due within one year	-	19,955	17,269	1,745	3,467
Accrued interest	-	-	2,960	1,868	3,058
Accounts payable and accruals	24,728	8,136	5,464	1,034	6,857
Accrued property taxes	2,352	-	-	-	-
Total current liabilities	27,080	28,091	55,372	12,482	23,092
Total liabilities	334,985	56,989	355,173	330,183	306,199
DEFERRED INFLOWS OF RESOURCES					
Deferred items related to pensions	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
NET POSITION					
Net investment in capital assets	285,340	-	(102,688)	(57,156)	(3,741)
Restricted	-	-	52,107	8,284	4,332
Unrestricted	(93,122)	(11,281)	(8,981)	2,809	4,444
Total net position	192,218	(11,281)	(59,562)	(46,063)	5,035
Total liabilities, deferred inflows of resources, and net position	$ 527,203	$ 45,708	$ 295,611	$ 284,120	$ 311,234

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal years ended June 30, 2018

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Net Position
As of September 30, 2018
($ in thousands)

	GREEN POWER				
	Tieton Hydropower Project	Milford 1 Wind Project	Milford II Wind Project	Windy Point/ Windy Flats Energy Project	Linden Wind Energy Project
ASSETS					
Noncurrent assets					
Net Utility Plant	$ 35,994	$ -	$ -	$ -	$ 99,762
Investments - restricted	4,921	27,831	6,290	20,275	3,508
Investments - unrestricted	-	-	3,698	2,499	-
Advance to IPA - restricted	-	-	-	-	-
Prepaid and other assets	-	118,331	105,800	307,142	-
Total noncurrent assets	40,915	146,162	115,788	329,916	103,270
Current assets					
Cash and cash equivalents - restricted	1,294	1,104	40	78	2,555
Cash and cash equivalents - unrestricted	282	2,005	2,308	4,901	557
Interest receivable	27	72	23	44	17
Accounts receivable	-	3,814	-	1,385	361
Materials and supplies	-	-	-	-	-
Prepaid and other assets	608	8,558	6,528	20,787	29
Total current assets	2,211	15,553	8,899	27,195	3,519
DEFERRED OUTFLOWS OF RESOURCES					
Deferred items related to pensions	-	-	-	-	-
Unamortized loss on refunding	-	-	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	$ 43,126	$ 161,715	$ 124,687	$ 357,111	$ 106,789
LIABILITIES					
Noncurrent liabilities					
Long-term debt	45,991	161,967	119,439	361,453	108,950
Fair value of derivative instruments	-	-	-	-	-
Notes payable and other liabilities	-	-	-	-	-
Advances from participants	-	-	-	-	-
Reclamation and decommission obligation	-	-	-	-	-
Total noncurrent liabilities	45,991	161,967	119,439	361,453	108,950
Current Liabilities					
Debt due within one year	1,000	10,570	6,665	23,040	4,335
Notes payable and other liabilities due within one year	-	-	-	-	-
Advances from participants due within one year	202	250	250	1,000	2,004
Accrued interest	590	2,075	1,549	4,501	1,455
Accounts payable and accruals	542	5,631	4,516	7,966	743
Accrued property taxes	-	-	-	-	122
Total current liabilities	2,334	18,526	12,980	36,507	8,659
Total liabilities	48,325	180,493	132,419	397,960	117,609
DEFERRED INFLOWS OF RESOURCES					
Deferred items related to pensions	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
NET POSITION					
Net investment in capital assets	(10,997)	-	-	-	(13,523)
Restricted	5,652	-	-	-	4,825
Unrestricted	146	(18,778)	(7,732)	(40,849)	(2,122)
Total net position	(5,199)	(18,778)	(7,732)	(40,849)	(10,820)
Total liabilities, deferred inflows of resources, and net position	$ 43,126	$ 161,715	$ 124,687	$ 357,111	$ 106,789

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal years ended June 30, 2018

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Net Position
As of September 30, 2018
($ in thousands)

	TRANSMISSION		
	Southern Transmission System Project	Mead-Phoenix Project	Mead-Adelanto Project
ASSETS			
Noncurrent assets			
Net Utility Plant	$ 165,063	$ 48,841	$ 101,246
Investments - restricted	26,546	994	10,442
Investments - unrestricted	-	-	-
Advance to IPA - restricted	10,930	-	-
Prepaid and other assets	-	-	-
Total noncurrent assets	202,539	49,835	111,688
Current assets			
Cash and cash equivalents - restricted	9,823	1,591	2,183
Cash and cash equivalents - unrestricted	779	1,198	393
Interest receivable	46	3	18
Accounts receivable	16,789	-	95
Materials and supplies	-	-	-
Prepaid and other assets	34	173	370
Total current assets	27,471	2,965	3,059
DEFERRED OUTFLOWS OF RESOURCES			
Deferred items related to pensions	-	-	-
Unamortized loss on refunding	37,604	555	1,589
Accumulated decrease in fair value of hedging derivatives	-	-	-
Total deferred outflows of resources	37,604	555	1,589
Total assets and deferred outflows of resources	$ 267,614	$ 53,355	$ 116,336
LIABILITIES			
Noncurrent liabilities			
Long-term debt	418,632	27,029	43,882
Fair value of derivative instruments	-	-	1,218
Notes payable and other liabilities	-	-	-
Advances from participants	-	-	-
Reclamation and decommission obligation	-	-	-
Total noncurrent liabilities	418,632	27,029	45,100
Current Liabilities			
Debt due within one year	49,005	7,365	21,565
Notes payable and other liabilities due within one year	-	-	-
Advances from participants due within one year	-	-	-
Accrued interest	5,045	339	720
Accounts payable and accruals	15,664	963	886
Accrued property taxes	-	84	-
Total current liabilities	69,714	8,751	23,171
Total liabilities	488,346	35,780	68,271
DEFERRED INFLOWS OF RESOURCES			
Deferred items related to pensions	-	-	-
Total deferred inflows of resources	-	-	-
NET POSITION			
Net investment in capital assets	(264,970)	14,447	37,389
Restricted	42,300	2,804	11,910
Unrestricted	1,938	324	(1,234)
Total net position	(220,732)	17,575	48,065
Total liabilities, deferred inflows of resources, and net position	$ 267,614	$ 53,355	$ 116,336

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal years ended June 30, 2018

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Net Position
As of September 30, 2018
($ in thousands)

	NATURAL GAS			PPAs
	Pinedale Project	Barnett Project	Prepaid Natural Gas Project	Power Purchase Agreements Combined Projects
ASSETS				
Noncurrent assets				
Net Utility Plant	$ 33,299	$ 41,244	$ -	$ -
Investments - restricted	-	29,021	17,637	-
Investments - unrestricted	-	-	-	8,196
Advance to IPA - restricted	-	-	-	-
Prepaid and other assets	126	-	198,172	-
Total noncurrent assets	33,425	70,265	215,809	8,196
Current assets				
Cash and cash equivalents - restricted	2,757	7,225	6,079	105
Cash and cash equivalents - unrestricted	6,604	2,601	136	63,144
Interest receivable	11	172	70	31
Accounts receivable	551	414	2,488	10,899
Materials and supplies	-	-	-	-
Prepaid and other assets	514	3	8,611	134
Total current assets	10,437	10,415	17,384	74,313
DEFERRED OUTFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	-	-
Unamortized loss on refunding	-	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	7,425	-
Total deferred outflows of resources	-	-	7,425	-
Total assets and deferred outflows of resources	$ 43,862	$ 80,680	$ 240,618	$ 82,509
LIABILITIES				
Noncurrent liabilities				
Long-term debt	14,863	34,961	293,327	-
Fair value of derivative instruments	-	-	7,425	-
Notes payable and other liabilities	-	-	-	-
Advances from participants	13,662	7,267	-	-
Reclamation and decommission obligation	-	-	-	-
Total noncurrent liabilities	28,525	42,228	300,752	-
Current Liabilities				
Debt due within one year	1,627	3,818	5,385	-
Notes payable and other liabilities due within one year	-	-	-	-
Advances from participants due within one year	4,881	1,739	-	12,173
Accrued interest	238	560	6,297	-
Accounts payable and accruals	3,541	2,079	3,176	70,198
Accrued property taxes	-	-	-	-
Total current liabilities	10,287	8,196	14,858	82,371
Total liabilities	38,812	50,424	315,610	82,371
DEFERRED INFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	-	-
Total deferred inflows of resources	-	-	-	-
NET POSITION				
Net investment in capital assets	2,031	22,921	-	-
Restricted	-	6,393	-	-
Unrestricted	3,019	942	(74,992)	138
Total net position	5,050	30,256	(74,992)	138
Total liabilities, deferred inflows of resources, and net position	$ 43,862	$ 80,680	$ 240,618	$ 82,509

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal years ended June 30, 2018

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Net Position
As of September 30, 2018
($ in thousands)

	MISCELLANEOUS			
	Project Development Fund	Project Stabilization Fund	SCPPA Fund	**Total Combined**
ASSETS				
Noncurrent assets				
Net Utility Plant	$ -	$ -	$ 6,494	$ 1,494,279
Investments - restricted	-	93,134	-	545,121
Investments - unrestricted	-	-	-	37,197
Advance to IPA - restricted	-	-	-	10,930
Prepaid and other assets	-	-	-	729,571
Total noncurrent assets	-	93,134	6,494	2,817,098
Current assets				
Cash and cash equivalents - restricted	470	25,258	37	99,302
Cash and cash equivalents - unrestricted	-	-	-	111,835
Interest receivable	-	343	-	2,114
Accounts receivable	-	-	-	48,242
Materials and supplies	-	-	-	23,996
Prepaid and other assets	-	-	-	47,941
Total current assets	470	25,601	37	333,430
DEFERRED OUTFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	660	660
Unamortized loss on refunding	-	-	-	97,813
Accumulated decrease in fair value of hedging derivatives	-	-	-	19,673
Total deferred outflows of resources	-	-	660	118,146
Total assets and deferred outflows of resources	$ 470	$ 118,735	$ 7,191	$ 3,268,674
LIABILITIES				
Noncurrent liabilities				
Long-term debt	-	-	-	2,514,561
Fair value of derivative instruments	-	-	-	25,185
Notes payable and other liabilities	-	-	2,301	2,301
Advances from participants	-	-	-	20,929
Reclamation and decommission obligation	-	-	-	336,803
Total noncurrent liabilities	-	-	2,301	2,899,779
Current Liabilities				
Debt due within one year	-	-	-	159,480
Notes payable and other liabilities due within one year	-	-	-	22,119
Advances from participants due within one year	470	-	37	65,442
Accrued interest	-	-	-	31,255
Accounts payable and accruals	-	-	-	162,124
Accrued property taxes	-	-	-	2,558
Total current liabilities	470	-	37	442,978
Total liabilities	470	-	2,338	3,342,757
DEFERRED INFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	50	50
Total deferred inflows of resources	-	-	50	50
NET POSITION				
Net investment in capital assets	-	-	6,493	(84,454)
Restricted	-	118,735	-	257,342
Unrestricted	-	-	(1,690)	(247,021)
Total net position	-	118,735	4,803	(74,133)
Total liabilities, deferred inflows of resources, and net position	$ 470	$ 118,735	$ 7,191	$ 3,268,674

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal years ended June 30, 2018

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Revenues, Expenses, and Changes in Net Position
For the Three Months ended September 30, 2019
($ in thousands)

	GENERATION				
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project
Operating revenues					
Sales of electric energy	$ 16,085	$ 58	$ 18,154	$ 6,918	$ 28,258
Sales of transmission services	-	-	-	-	-
Sales of natural gas	-	-	-	-	-
Total operating revenues	16,085	58	18,154	6,918	28,258
Operating expenses					
Operations and maintenance	8,875	59	14,436	2,914	22,953
Depreciation, depletion and amortization	5,606	-	2,766	2,439	3,819
Amortization of nuclear fuel	3,577	-	-	-	-
Decommissioning	315	-	-	-	92
Total operating expenses	18,373	59	17,202	5,353	26,864
Operating income (loss)	(2,288)	(1)	952	1,565	1,394
Non operating revenues (expenses)					
Investment and other income	1,163	184	407	88	129
Debt expense	-	-	(2,994)	(2,598)	(2,819)
Net non operating revenues (expenses)	1,163	184	(2,587)	(2,510)	(2,690)
Change in net position	(1,125)	183	(1,635)	(945)	(1,296)
Net position - beginning of year	362,745	454	(72,358)	(55,601)	5,287
Net contributions /(withdrawals) by participants	-	-	-	-	-
Net position - end of period	$ 361,620	$ 637	$ (73,993)	$ (56,546)	$ 3,991

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2019

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Revenues, Expenses, and Changes in Net Position
For the Three Months ended September 30, 2019
($ in thousands)

	GREEN POWER				
	Tieton Hydropower Project	Milford 1 Wind Project	Milford II Wind Project	Windy Point/ Windy Flats Energy Project	Linden Wind Energy Project
Operating revenues					
Sales of electric energy	$ 1,230	$ 9,507	$ 4,801	$ 20,520	$ 4,295
Sales of transmission services	-	-	-	-	-
Sales of natural gas	-	-	-	-	-
Total operating revenues	1,230	9,507	4,801	20,520	4,295
Operating expenses					
Operations and maintenance	414	5,099	1,674	10,595	2,014
Depreciation, depletion and amortization	387	2,834	2,161	6,843	1,453
Amortization of nuclear fuel	-	-	-	-	-
Decommissioning	6	-	-	-	6
Total operating expenses	807	7,933	3,835	17,438	3,473
Operating income (loss)	423	1,574	966	3,082	822
Non operating revenues (expenses)					
Investment and other income	38	131	45	114	233
Debt expense	(562)	(1,771)	(1,198)	(3,413)	(1,266)
Net non operating revenues (expenses)	(524)	(1,640)	(1,153)	(3,299)	(1,033)
Change in net position	(101)	(66)	(187)	(217)	(211)
Net position - beginning of year	(5,676)	(18,430)	(8,157)	(40,875)	(11,750)
Net contributions /(withdrawals) by participants	-	-	-	-	-
Net position - end of period	$ (5,777)	$ (18,496)	$ (8,344)	$ (41,092)	$ (11,961)

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2019

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Revenues, Expenses, and Changes in Net Position
For the Three Months ended September 30, 2019
($ in thousands)

	TRANSMISSION		
	Southern Transmission System Project	Mead-Phoenix Project	Mead-Adelanto Project
Operating revenues			
Sales of electric energy	$ -	$ -	$ -
Sales of transmission services	25,029	2,197	5,640
Sales of natural gas	-	-	-
Total operating revenues	25,029	2,197	5,640
Operating expenses			
Operations and maintenance	5,942	452	825
Depreciation, depletion and amortization	5,688	696	1,559
Amortization of nuclear fuel	-	-	-
Decommissioning	-	-	-
Total operating expenses	11,630	1,148	2,384
Operating income (loss)	13,399	1,049	3,256
Non operating revenues (expenses)			
Investment and other income	920	10	50
Debt expense	(4,263)	(201)	(573)
Net non operating revenues (expenses)	(3,343)	(191)	(523)
Change in net position	10,056	858	2,733
Net position - beginning of year	(209,565)	21,439	62,782
Net contributions /(withdrawals) by participants	-	-	-
Net position - end of period	$ (199,509)	$ 22,297	$ 65,515

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2019

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Revenues, Expenses, and Changes in Net Position
For the Three Months ended September 30, 2019
($ in thousands)

	NATURAL GAS			PPAs
	Pinedale Project	Barnett Project	Prepaid Natural Gas Project	Power Purchase Agreements Combined Projects
Operating revenues				
Sales of electric energy	$ -	$ -	$ -	$ 90,540
Sales of transmission services	-	-	-	-
Sales of natural gas	1,170	2,036	5,228	-
Total operating revenues	1,170	2,036	5,228	90,540
Operating expenses				
Operations and maintenance	261	499	2,994	91,110
Depreciation, depletion and amortization	761	931	-	-
Amortization of nuclear fuel	-	-	-	-
Decommissioning	2	2	-	-
Total operating expenses	1,024	1,432	2,994	91,110
Operating income (loss)	146	604	2,234	(570)
Non operating revenues (expenses)				
Investment and other income	17	-	220	690
Debt expense	(215)	(529)	(3,819)	-
Net non operating revenues (expenses)	(198)	(529)	(3,599)	690
Change in net position	(52)	75	(1,365)	120
Net position - beginning of year	4,034	32,117	(79,131)	175
Net contributions /(withdrawals) by participants	-	-	-	-
Net position - end of period	$ 3,982	$ 32,192	$ (80,496)	$ 295

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2019

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Revenues, Expenses, and Changes in Net Position
For the Three Months ended September 30, 2019
($ in thousands)

	MISCELLANEOUS			
	Project Development Fund	Project Stabilization Fund	SCPPA Fund	**Total Combined**
Operating revenues				
Sales of electric energy	$ -	$ -	$ -	$ 200,366
Sales of transmission services	-	-	-	32,866
Sales of natural gas	-	-	-	8,434
Total operating revenues	-	-	-	241,666
Operating expenses				
Operations and maintenance	-	-	55	171,171
Depreciation, depletion and amortization	-	-	45	37,988
Amortization of nuclear fuel	-	-	-	3,577
Decommissioning	-	-	-	423
Total operating expenses	-	-	100	213,159
Operating income (loss)	-	-	(100)	28,507
Non operating revenues (expenses)				
Investment and other income	-	717	55	5,211
Debt expense	-	-	-	(26,221)
Net non operating revenues (expenses)	-	717	55	(21,010)
Change in net position	-	717	(45)	7,497
Net position - beginning of year	-	135,102	4,563	127,155
Net contributions /(withdrawals) by participants	-	(7,336)	5	(7,331)
Net position - end of period	$ -	$ 128,483	$ 4,523	$ 127,321

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2019

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Revenues, Expenses, and Changes in Net Position
For the Three Months ended September 30, 2018
($ in thousands)

	GENERATION				
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project
Operating revenues					
Sales of electric energy	$ 15,593	$ (47)	$ 30,736	$ 13,078	$ 48,993
Sales of transmission services	-	-	-	-	-
Sales of natural gas	-	-	-	-	-
Total operating revenues	15,593	(47)	30,736	13,078	48,993
Operating expenses					
Operations and maintenance	8,920	31	26,696	9,151	33,750
Depreciation, depletion and amortization	5,659	-	2,746	2,405	3,450
Amortization of nuclear fuel	3,380	-	-	-	-
Decommissioning	4,143	-	-	-	-
Total operating expenses	22,102	31	29,442	11,556	37,200
Operating income (loss)	(6,509)	(78)	1,294	1,522	11,793
Non operating revenues (expenses)					
Investment and other income	606	89	379	7	66
Debt expense	-	-	(3,151)	(2,627)	(2,872)
Net non operating revenues (expenses)	606	89	(2,772)	(2,620)	(2,806)
Change in net position	(5,903)	11	(1,478)	(1,098)	8,987
Net position - beginning of year	198,121	(11,292)	(58,084)	(44,965)	(3,952)
Net contributions (distributions) by participants	-	-	-	-	-
Net position - end of period	$ 192,218	$ (11,281)	$ (59,562)	$ (46,063)	$ 5,035

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2018

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Revenues, Expenses,
and Changes in Net Position
For the Three Months ended September 30, 2018
($ in thousands)

	GREEN POWER				
	Tieton Hydropower Project	Milford 1 Wind Project	Milford II Wind Project	Windy Point/ Windy Flats Energy Project	Linden Wind Energy Project
Operating revenues					
Sales of electric energy	$ 1,383	$ 11,062	$ 4,933	$ 21,732	$ 4,252
Sales of transmission services	-	-	-	-	-
Sales of natural gas	-	-	-	-	-
Total operating revenues	1,383	11,062	4,933	21,732	4,252
Operating expenses					-
Operations and maintenance	411	6,528	1,770	11,676	1,955
Depreciation, depletion and amortization	389	2,834	2,161	6,843	1,453
Amortization of nuclear fuel	-	-	-	-	-
Decommissioning	-	-	-	-	-
Total operating expenses	800	9,362	3,931	18,519	3,408
Operating income (loss)	583	1,700	1,002	3,213	844
Non operating revenues (expenses)					
Investment and other income	25	125	39	82	225
Debt expense	(574)	(1,881)	(1,239)	(3,567)	(1,298)
Net non operating revenues (expenses)	(549)	(1,756)	(1,200)	(3,485)	(1,073)
Change in net position	34	(56)	(198)	(272)	(229)
Net position - beginning of year	(5,233)	(18,722)	(7,534)	(40,577)	(10,591)
Net contributions (distributions) by participants	-	-	-	-	-
Net position - end of period	$ (5,199)	$ (18,778)	$ (7,732)	$ (40,849)	$ (10,820)

These unaudited financial statements should be read in conjunction to the notes to
the audited financial statements for the fiscal year ended June 30, 2018

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Revenues, Expenses,
and Changes in Net Position
For the Three Months ended September 30, 2018
($ in thousands)

	TRANSMISSION		
	Southern Transmission System Project	Mead- Phoenix Project	Mead-Adelanto Project
Operating revenues			
Sales of electric energy	$ -	$ -	$ -
Sales of transmission services	17,588	2,466	7,230
Sales of natural gas	-	-	-
Total operating revenues	17,588	2,466	7,230
Operating expenses			
Operations and maintenance	782	336	1,364
Depreciation, depletion and amortization	5,688	697	1,559
Amortization of nuclear fuel	-	-	-
Decommissioning	-	-	-
Total operating expenses	6,470	1,033	2,923
Operating income (loss)	11,118	1,433	4,307
Non operating revenues (expenses)			
Investment and other income	101	23	124
Debt expense	(4,980)	(228)	(517)
Net non operating revenues (expenses)	(4,879)	(205)	(393)
Change in net position	6,239	1,228	3,914
Net position - beginning of year	(226,971)	16,347	44,151
Net contributions (distributions) by participants	-	-	-
Net position - end of period	$ (220,732)	$ 17,575	$ 48,065

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2018

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Revenues, Expenses,
and Changes in Net Position
For the Three Months ended September 30, 2018
($ in thousands)

	NATURAL GAS			PPAs
	Pinedale Project	Barnett Project	Prepaid Natural Gas Project	Power Purchase Agreements Combined Projects
Operating revenues				
Sales of electric energy	$ -	$ -	$ -	$ 87,991
Sales of transmission services	-	-	-	-
Sales of natural gas	1,329	2,233	5,020	-
Total operating revenues	1,329	2,233	5,020	87,991
Operating expenses				
Operations and maintenance	309	675	2,942	88,190
Depreciation, depletion and amortization	820	400	-	-
Amortization of nuclear fuel	-	-	-	-
Decommissioning	-	-	-	-
Total operating expenses	1,129	1,075	2,942	88,190
Operating income (loss)	200	1,158	2,078	(199)
Non operating revenues (expenses)				
Investment and other income	17	118	210	256
Debt expense	(238)	(560)	(3,883)	-
Net non operating revenues (expenses)	(221)	(442)	(3,673)	256
Change in net position	(21)	716	(1,595)	57
Net position - beginning of year	5,071	29,540	(73,397)	81
Net contributions (distributions) by participants	-	-	-	-
Net position - end of period	$ 5,050	$ 30,256	$ (74,992)	$ 138

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2018

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Revenues, Expenses, and Changes in Net Position
For the Three Months ended September 30, 2018
($ in thousands)

	MISCELLANEOUS			
	Project Development Fund	Project Stabilization Fund	SCPPA Fund	**Total Combined**
Operating revenues				
Sales of electric energy	$ -	$ -	$ -	$ 239,706
Sales of transmission services	-	-	-	27,284
Sales of natural gas	-	-	-	8,582
Total operating revenues	-	-	-	275,572
Operating expenses				
Operations and maintenance	-	-	104	195,590
Depreciation, depletion and amortization	-	-	41	37,145
Amortization of nuclear fuel	-	-	-	3,380
Decommissioning	-	-	-	4,143
Total operating expenses	-	-	145	240,258
Operating income (loss)	-	-	(145)	35,314
Non operating revenues (expenses)				
Investment and other income	-	480	105	3,077
Debt expense	-	-	-	(27,615)
Net non operating revenues (expenses)	-	480	105	(24,538)
Change in net position	-	480	(40)	10,776
Net position - beginning of year	-	119,553	4,843	(83,611)
Net contributions (distributions) by participants	-	(1,298)	-	(1,298)
Net position - end of period	$ -	$ 118,735	$ 4,803	$ (74,133)

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2018

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Cash Flows
For the Three Months ended September 30, 2019
($ in thousands)

	GENERATION				
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project
Cash flows from operating activities					
Receipts from participants	$ 19,302	$ 52	$ 12,968	$ 5,700	$ 11,710
Receipts from sale of oil and gas	-	-	-	-	-
Payments to operating managers	(5,748)	(101)	(5,643)	(895)	(5,192)
Other disbursements and receipts	-	-	3	(2)	-
Net cash flow from operating activities	13,554	(49)	7,328	4,803	6,518
Cash flows from noncapital financing activities					
Advances (withdrawals) by participants,net	-	-	-	-	-
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	(8,322)	-	(16)	(50)	(3,349)
Debt interest and swap payments	-	-	(3,391)	(3,935)	(6,117)
Transfer of funds from (to) Mine Reclamation Trust Fund	-	(10)	-	-	-
Principal payments on debt	-	-	(7,560)	(7,835)	(9,710)
Payment of bond issue costs	-	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(8,322)	(10)	(10,967)	(11,820)	(19,176)
Cash flows from investing activities					
Interest received on investments	213	1	366	66	62
Purchases of investments	(23,397)	-	(13,654)	(10,773)	(5,859)
Proceeds from sale/maturity of investments	17,735	-	34,117	5,410	10,400
Net cash provided by (used for) investing activities	(5,449)	1	20,829	(5,297)	4,603
Net increase (decrease) in cash and cash equivalents	(217)	(58)	17,190	(12,314)	(8,055)
Cash and cash equivalents, beg. of year	14,269	217	12,837	14,850	15,337
Cash and cash equivalents, end of period	$ 14,052	$ 159	$ 30,027	$ 2,536	$ 7,282
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	$ (2,288)	$ (1)	$ 952	$ 1,565	$ 1,394
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation, depletion and amortization	5,606	-	2,766	2,439	3,819
Decommissioning	315	-	-	-	92
Amortization of nuclear fuel	3,577	-	-	-	-
Changes in assets and liabilities:					
Accounts receivable	(45)	-	(43)	(458)	(5,854)
Accounts payable and accruals	4,545	34	2,281	1,245	5,171
Other	1,844	(82)	1,372	12	1,896
Net cash provided by operating activities	$ 13,554	$ (49)	$ 7,328	$ 4,803	$ 6,518
Cash and cash equivalents as stated in the Combined Statements of Net Position					
Cash/cash equivalents - restricted	3,244	-	18,430	2,267	2,952
Cash/cash equivalents - unrestricted	10,808	159	11,597	269	4,330
	$ 14,052	$ 159	$ 30,027	$ 2,536	$ 7,282

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2019

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Cash Flows
For the Three Months ended September 30, 2019
($ in thousands)

	GREEN POWER				
	Tieton Hydropower Project	Milford 1 Wind Project	Milford II Wind Project	Windy Point/ Windy Flats Energy Project	Linden Wind Project
Cash flows from operating activities					
Receipts from participants	$ 1,938	$ 12,849	$ 5,022	$ 20,811	$ 4,311
Receipts from sale of oil and gas	-	-	-	-	-
Payments to operating managers	(1,314)	(1,181)	(1,890)	(10,264)	(1,944)
Other disbursements and receipts	1	-	-	(1)	-
Net cash flow from operating activities	625	11,668	3,132	10,546	2,367
Cash flows from noncapital financing activities					
Advances (withdrawals) by participants,net	-	-	-	-	-
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	-	-	-	-	-
Debt interest and swap payments	(1,181)	(4,150)	(3,098)	(9,002)	(2,910)
Transfer of funds from (to) Mine Reclamation Trust Fund	-	-	-	-	-
Principal payments on debt	(1,000)	(10,570)	(6,665)	(23,040)	(4,335)
Payment of bond issue costs	-	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(2,181)	(14,720)	(9,763)	(32,042)	(7,245)
Cash flows from investing activities					
Interest received on investments	27	199	16	62	9
Purchases of investments	(299)	(1,487)	(3,972)	(14,520)	(3,752)
Proceeds from sale/maturity of investments	700	26,402	5,700	24,211	3,800
Net cash provided by (used for) investing activities	428	25,114	1,744	9,753	57
Net increase (decrease) in cash and cash equivalents	(1,128)	22,062	(4,887)	(11,743)	(4,821)
Cash and cash equivalents, beg. of year	2,539	9,710	8,119	16,260	5,915
Cash and cash equivalents, end of period	$ 1,411	$ 31,772	$ 3,232	$ 4,517	$ 1,094
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	$ 423	$ 1,574	$ 966	$ 3,082	$ 822
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation, depletion and amortization	387	2,834	2,161	6,843	1,453
Decommissioning	6	-	-	-	6
Amortization of nuclear fuel	-	-	-	-	-
Changes in assets and liabilities:					
Accounts receivable	146	(1)	-	-	-
Accounts payable and accruals	438	7,261	5	428	87
Other	(775)	-	-	193	(1)
Net cash provided by operating activities	$ 625	$ 11,668	$ 3,132	$ 10,546	$ 2,367
Cash and cash equivalents as stated in the Combined Statements of Net Position					
Cash/cash equivalents - restricted	995	26,070	88	32	713
Cash/cash equivalents - unrestricted	416	5,702	3,144	4,485	381
	$ 1,411	$ 31,772	$ 3,232	$ 4,517	$ 1,094

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2019

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Cash Flows
For the Three Months ended September 30, 2019
($ in thousands)

	TRANSMISSION		
	Southern Transmission System Project	Mead-Phoenix Project	Mead-Adelanto Project
Cash flows from operating activities			
Receipts from participants	$ 32,337	$ 2,268	$ 5,865
Receipts from sale of oil and gas	-	-	-
Payments to operating managers	(11,518)	(453)	(422)
Other disbursements and receipts	3	-	-
Net cash flow from operating activities	20,822	1,815	5,443
Cash flows from noncapital financing activities			
Advances (withdrawals) by participants,net	-	-	-
Cash flows from capital financing activities			
Additions to plant and prepaid projects, net	-	(5)	(25)
Debt interest and swap payments	(9,912)	(678)	(1,630)
Transfer of funds from (to) Mine Reclamation Trust Fund	-	-	-
Principal payments on debt	(48,730)	(7,365)	(21,565)
Payment of bond issue costs	-	-	-
Net cash provided by (used for) capital and related financing activities	(58,642)	(8,048)	(23,220)
Cash flows from investing activities			
Interest received on investments	134	10	23
Purchases of investments	(16,771)	(1,193)	(7,107)
Proceeds from sale/maturity of investments	41,500	3,700	17,400
Net cash provided by (used for) investing activities	24,863	2,517	10,316
Net increase (decrease) in cash and cash equivalents	(12,957)	(3,716)	(7,461)
Cash and cash equivalents, beg. of year	26,497	5,653	12,430
Cash and cash equivalents, end of period	$ 13,540	$ 1,937	$ 4,969
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	$ 13,399	$ 1,049	$ 3,256
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation, depletion and amortization	5,688	696	1,559
Decommissioning	-	-	-
Amortization of nuclear fuel	-	-	-
Changes in assets and liabilities:			
Accounts receivable	(4,505)	-	400
Accounts payable and accruals	7,402	191	17
Other	(1,162)	(121)	211
Net cash provided by operating activities	$ 20,822	$ 1,815	$ 5,443
Cash and cash equivalents as stated in the Combined Statements of Net Position			
Cash/cash equivalents - restricted	12,803	1,002	3,484
Cash/cash equivalents - unrestricted	737	935	1,485
	$ 13,540	$ 1,937	$ 4,969

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2019

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Cash Flows
For the Three Months ended September 30, 2019
($ in thousands)

	NATURAL GAS			PPAs
	Pinedale Project	Barnett Project	Prepaid Natural Gas Project	Power Purchase Agreements Combined Projects
Cash flows from operating activities				
Receipts from participants	$ 745	$ 1,567	$ 3,127	$ 84,105
Receipts from sale of oil and gas	167	376	3,801	-
Payments to operating managers	(884)	(1,154)	(59)	(82,591)
Other disbursements and receipts	-	-	-	4,412
Net cash flow from operating activities	28	789	6,869	5,926
Cash flows from noncapital financing activities				
Advances (withdrawals) by participants,net	261	40	-	-
Cash flows from capital financing activities				
Additions to plant and prepaid projects, net	(3)	(10)	-	-
Debt interest and swap payments	(477)	(1,120)	-	-
Transfer of funds from (to) Mine Reclamation Trust Fund	-	-	-	-
Principal payments on debt	(1,627)	(3,818)	-	-
Payment of bond issue costs	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(2,107)	(4,948)	-	-
Cash flows from investing activities				
Interest received on investments	17	192	204	254
Purchases of investments	-	(7,306)	(5,675)	(4,967)
Proceeds from sale/maturity of investments	-	11,000	-	10,500
Net cash provided by (used for) investing activities	17	3,886	(5,471)	5,787
Net increase (decrease) in cash and cash equivalents	(1,801)	(233)	1,398	11,713
Cash and cash equivalents, beg. of year	8,835	11,519	5,073	48,418
Cash and cash equivalents, end of period	$ 7,034	$ 11,286	$ 6,471	$ 60,131
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	$ 146	$ 604	$ 2,234	$ (570)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation, depletion and amortization	761	931	-	-
Decommissioning	2	2	-	-
Amortization of nuclear fuel	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable	8	283	(1,010)	(7,944)
Accounts payable and accruals	(587)	(862)	2,738	14,140
Other	(302)	(169)	2,907	300
Net cash provided by operating activities	$ 28	$ 789	$ 6,869	$ 5,926
Cash and cash equivalents as stated in the Combined Statements of Net Position				
Cash/cash equivalents - restricted	2,540	8,822	6,394	38
Cash/cash equivalents - unrestricted	4,494	2,464	77	60,093
	$ 7,034	$ 11,286	$ 6,471	$ 60,131

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2019

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Cash Flows
For the Three Months ended September 30, 2019
($ in thousands)

	MISCELLANEOUS			
	Project Development Fund	Projects Stabilization Fund	SCPPA Fund	**Total Combined**
Cash flows from operating activities				
Receipts from participants	$ -	$ -	$ -	$ 224,677
Receipts from sale of oil and gas	-	-	-	4,344
Payments to operating managers	-	-	-	(131,253)
Other disbursements and receipts	(5,201)	-	(55)	(840)
Net cash flow from operating activities	(5,201)	-	(55)	96,928
Cash flows from noncapital financing activities				
Advances (withdrawals) by participants,net	-	(7,336)	55	(6,980)
Cash flows from capital financing activities				
Additions to plant and prepaid projects, net	-	-	(1)	(11,781)
Debt interest and swap payments	-	-	-	(47,601)
Transfer of funds from (to) Mine Reclamation Trust Fund	-	-	-	(10)
Principal payments on debt	-	-	-	(153,820)
Payment of bond issue costs	-	-	-	-
Net cash provided by (used for) capital and related financing activities	-	-	(1)	(213,212)
Cash flows from investing activities				
Interest received on investments	-	527	-	2,382
Purchases of investments	-	(29,800)	-	(150,532)
Proceeds from sale/maturity of investments	-	34,800	-	247,375
Net cash provided by (used for) investing activities	-	5,527	-	99,225
Net increase (decrease) in cash and cash equivalents	(5,201)	(1,809)	(1)	(24,039)
Cash and cash equivalents, beg. of year	5,671	23,705	1	247,855
Cash and cash equivalents, end of period	$ 470	$ 21,896	$ -	$ 223,816
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	$ -	$ -	$ (100)	$ 28,507
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation, depletion and amortization	-	-	45	37,988
Decommissioning	-	-	-	423
Amortization of nuclear fuel	-	-	-	3,577
Changes in assets and liabilities:				
Accounts receivable	-	-	-	(19,023)
Accounts payable and accruals	(5,201)	-	-	39,333
Other	-	-	-	6,123
Net cash provided by operating activities	$ (5,201)	$ -	$ (55)	$ 96,928
Cash and cash equivalents as stated in the Combined Statements of Net Position				
Cash/cash equivalents - restricted	470	21,896	-	112,240
Cash/cash equivalents - unrestricted	-	-	-	111,576
	$ 470	$ 21,896	$ -	$ 223,816

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2019

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Cash Flows
For the Three Months ended September 30, 2018
($ in thousands)

	GENERATION				
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project
Cash flows from operating activities					
Receipts from participants	$ 14,936	$ 39	$ 13,860	$ 5,610	$ 24,322
Receipts from sale of oil and gas	-	-	-	-	-
Payments to operating managers	(9,987)	(176)	(7,785)	(925)	(12,292)
Other disbursements and receipts	4	(25)	2	(2)	33
Net cash flow from operating activities	4,953	(162)	6,077	4,683	12,063
Cash flows from noncapital financing activities					
Advances (withdrawals) by participants,net	-	-	-	-	-
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	(2,927)	-	139	(141)	(7,901)
Debt interest and swap payments	-	-	(3,246)	(3,171)	(6,199)
Principal payments on debt	-	-	(7,210)	(7,540)	(9,545)
Payment of bond issue costs	-	-	-	(1)	-
Net cash provided by (used for) capital and related financing activities	(2,927)	-	(10,317)	(10,853)	(23,645)
Cash flows from investing activities					
Interest received on investments	175	79	282	70	43
Purchases of investments	-	-	(14,413)	(3,374)	(5,358)
Proceeds from sale/maturity of investments	4,200	-	7,600	7,200	6,600
Net cash provided by (used for) investing activities	4,375	79	(6,531)	3,896	1,285
Net increase (decrease) in cash and cash equivalents	6,401	(83)	(10,771)	(2,274)	(10,297)
Cash and cash equivalents, beg. of year	12,618	16,549	28,649	9,987	14,851
Cash and cash equivalents, end of period	$ 19,019	$ 16,466	$ 17,878	$ 7,713	$ 4,554
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	$ (6,509)	$ (78)	$ 1,294	$ 1,522	$ 11,793
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation, depletion and amortization	5,659	-	2,746	2,405	3,450
Decommissioning	4,143	-	-	-	-
Amortization of nuclear fuel	3,380	-	-	-	-
Changes in assets and liabilities:					
Accounts receivable	(4,855)	-	244	(413)	(3,749)
Accounts payable and accruals	3,153	(84)	63	1,178	1,202
Other	(18)	-	1,730	(9)	(633)
Net cash provided by operating activities	$ 4,953	$ (162)	$ 6,077	$ 4,683	$ 12,063
Cash and cash equivalents as stated in the Combined Statements of Net Position					
Cash/cash equivalents - restricted	10,657	9,837	11,155	5,525	1,529
Cash/cash equivalents - unrestricted	8,362	6,629	6,723	2,188	3,025
	$ 19,019	$ 16,466	$ 17,878	$ 7,713	$ 4,554

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2018

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Cash Flows
For the Three Months ended September 30, 2018
($ in thousands)

	GREEN POWER				
	Tieton Hydropower Project	Milford 1 Wind Project	Milford II Wind Project	Windy Point/ Windy Flats Energy Project	Linden Wind Project
Cash flows from operating activities					
Receipts from participants	$ 1,575	$ 7,248	$ 5,235	$ 20,391	$ 4,092
Receipts from sale of oil and gas	-	-	-	-	-
Payments to operating managers	(1,085)	(3,425)	(2,303)	(9,158)	(1,980)
Other disbursements and receipts	1	(1)	(1)	-	-
Net cash flow from operating activities	491	3,822	2,931	11,233	2,112
Cash flows from noncapital financing activities					
Advances (withdrawals) by participants,net	-	-	-	-	-
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	(151)	-	-	-	-
Debt interest and swap payments	(1,204)	(4,395)	(3,247)	(9,513)	(2,993)
Principal payments on debt	(950)	(10,085)	(6,370)	(22,020)	(4,170)
Payment of bond issue costs	-	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(2,305)	(14,480)	(9,617)	(31,533)	(7,163)
Cash flows from investing activities					
Interest received on investments	14	120	14	67	9
Purchases of investments	-	(10,143)	(3,176)	(12,689)	(1,191)
Proceeds from sale/maturity of investments	800	15,270	4,300	20,425	4,000
Net cash provided by (used for) investing activities	814	5,247	1,138	7,803	2,818
Net increase (decrease) in cash and cash equivalents	(1,000)	(5,411)	(5,548)	(12,497)	(2,233)
Cash and cash equivalents, beg. of year	2,576	8,520	7,896	17,476	5,345
Cash and cash equivalents, end of period	$ 1,576	$ 3,109	$ 2,348	$ 4,979	$ 3,112
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	$ 583	$ 1,700	$ 1,002	$ 3,213	$ 844
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation, depletion and amortization	389	2,834	2,161	6,843	1,453
Decommissioning	-	-	-	-	-
Amortization of nuclear fuel	-	-	-	-	-
Changes in assets and liabilities:					
Accounts receivable	-	(3,816)	-	(1,341)	(160)
Accounts payable and accruals	102	3,104	(230)	2,338	(23)
Other	(583)	-	(2)	180	(2)
Net cash provided by operating activities	$ 491	$ 3,822	$ 2,931	$ 11,233	$ 2,112
Cash and cash equivalents as stated in the Combined Statements of Net Position					
Cash/cash equivalents - restricted	1,294	1,104	40	78	2,555
Cash/cash equivalents - unrestricted	282	2,005	2,308	4,901	557
	$ 1,576	$ 3,109	$ 2,348	$ 4,979	$ 3,112

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2018

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Cash Flows
For the Three Months ended September 30, 2018
($ in thousands)

	TRANSMISSION		
	Southern Transmission System Project	Mead-Phoenix Project	Mead-Adelanto Project
Cash flows from operating activities			
Receipts from participants	$ 26,184	$ 2,607	$ 7,188
Receipts from sale of oil and gas	-	-	-
Payments to operating managers	(13,039)	(198)	(1,890)
Other disbursements and receipts	5	31	-
Net cash flow from operating activities	13,150	2,440	5,298
Cash flows from noncapital financing activities			
Advances (withdrawals) by participants,net	-	-	-
Cash flows from capital financing activities			
Additions to plant and prepaid projects, net	-	-	-
Debt interest and swap payments	(11,468)	(794)	(1,830)
Principal payments on debt	(56,100)	(7,185)	(20,705)
Payment of bond issue costs	-	-	-
Net cash provided by (used for) capital and related financing activities	(67,568)	(7,979)	(22,535)
Cash flows from investing activities			
Interest received on investments	101	24	50
Purchases of investments	(11,419)	(993)	(6,461)
Proceeds from sale/maturity of investments	46,517	4,940	17,060
Net cash provided by (used for) investing activities	35,199	3,971	10,649
Net increase (decrease) in cash and cash equivalents	(19,219)	(1,568)	(6,588)
Cash and cash equivalents, beg. of year	29,821	4,357	9,164
Cash and cash equivalents, end of period	$ 10,602	$ 2,789	$ 2,576
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	$ 11,118	$ 1,433	$ 4,307
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation, depletion and amortization	5,688	697	1,559
Decommissioning	-	-	-
Amortization of nuclear fuel	-	-	-
Changes in assets and liabilities:			
Accounts receivable	(15,410)	-	(8)
Accounts payable and accruals	11,754	315	(721)
Other	-	(5)	161
Net cash provided by operating activities	$ 13,150	$ 2,440	$ 5,298
Cash and cash equivalents as stated in the Combined Statements of Net Position			
Cash/cash equivalents - restricted	9,823	1,591	2,183
Cash/cash equivalents - unrestricted	779	1,198	393
	$ 10,602	$ 2,789	$ 2,576

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2018

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Cash Flows
For the Three Months ended September 30, 2018
($ in thousands)

	NATURAL GAS			PPAs
	Pinedale Project	Barnett Project	Prepaid Natural Gas Project	Power Purchase Agreements Combined Projects
Cash flows from operating activities				
Receipts from participants	$ 779	$ 1,730	$ 5,607	$ 75,352
Receipts from sale of oil and gas	185	571	1,057	-
Payments to operating managers	(270)	(599)	(92)	(77,166)
Other disbursements and receipts	-	-	-	9,088
Net cash flow from operating activities	694	1,702	6,572	7,274
Cash flows from noncapital financing activities				
Advances (withdrawals) by participants,net	(731)	(2)	-	-
Cash flows from capital financing activities				
Additions to plant and prepaid projects, net	-	(1)	-	-
Debt interest and swap payments	(526)	(1,237)	-	-
Principal payments on debt	(1,770)	(4,150)	-	-
Payment of bond issue costs	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(2,296)	(5,388)	-	-
Cash flows from investing activities				
Interest received on investments	21	60	197	202
Purchases of investments	-	(3,982)	(5,453)	-
Proceeds from sale/maturity of investments	-	3,880	-	7,000
Net cash provided by (used for) investing activities	21	(42)	(5,256)	7,202
Net increase (decrease) in cash and cash equivalents	(2,312)	(3,730)	1,316	14,476
Cash and cash equivalents, beg. of year	11,673	13,556	4,899	48,773
Cash and cash equivalents, end of period	$ 9,361	$ 9,826	$ 6,215	$ 63,249
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	$ 200	$ 1,158	$ 2,078	$ (199)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation, depletion and amortization	820	400	-	-
Decommissioning	-	-	-	-
Amortization of nuclear fuel	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable	(6)	209	(973)	(4,558)
Accounts payable and accruals	27	(65)	2,603	12,059
Other	(347)	-	2,864	(28)
Net cash provided by operating activities	$ 694	$ 1,702	$ 6,572	$ 7,274
Cash and cash equivalents as stated in the Combined Statements of Net Position				
Cash/cash equivalents - restricted	2,757	7,225	6,079	105
Cash/cash equivalents - unrestricted	6,604	2,601	136	63,144
	$ 9,361	$ 9,826	$ 6,215	$ 63,249

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2018

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Cash Flows
For the Three Months ended September 30, 2018
($ in thousands)

	MISCELLANEOUS			
	Project Development Fund	Project Stabilization Fund	SCPPA Fund	**Total Combined**
Cash flows from operating activities				
Receipts from participants	$ -	$ -	$ -	$ 216,755
Receipts from sale of oil and gas	-	-	-	1,813
Payments to operating managers	-	-	-	(142,370)
Other disbursements and receipts	-	-	(104)	9,031
Net cash flow from operating activities	-	-	(104)	85,229
Cash flows from noncapital financing activities				
Advances (withdrawals) by participants,net	-	(1,298)	104	(1,927)
Cash flows from capital financing activities				
Additions to plant and prepaid projects, net	-	-	-	(10,982)
Debt interest and swap payments	-	-	-	(49,823)
Principal payments on debt	-	-	-	(157,800)
Payment of bond issue costs	-	-	-	(1)
Net cash provided by (used for) capital and related financing activities	-	-	-	(218,606)
Cash flows from investing activities				
Interest received on investments	-	386	-	1,914
Purchases of investments	-	(12,958)	-	(91,610)
Proceeds from sale/maturity of investments	-	8,700	-	158,492
Net cash provided by (used for) investing activities	-	(3,872)	-	68,796
Net increase (decrease) in cash and cash equivalents	-	(5,170)	-	(66,508)
Cash and cash equivalents, beg. of year	470	30,428	37	277,645
Cash and cash equivalents, end of period	$ 470	$ 25,258	$ 37	$ 211,137
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	$ -	$ -	$ (145)	$ 35,314
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation, depletion and amortization	-	-	41	37,145
Decommissioning	-	-	-	4,143
Amortization of nuclear fuel	-	-	-	3,380
Changes in assets and liabilities:				
Accounts receivable	-	-	-	(34,836)
Accounts payable and accruals	-	-	-	36,775
Other	-	-	-	3,308
Net cash provided by operating activities	$ -	$ -	$ (104)	$ 85,229
Cash and cash equivalents as stated in the Combined Statements of Net Position				
Cash/cash equivalents - restricted	470	25,258	37	99,302
Cash/cash equivalents - unrestricted	-	-	-	111,835
	$ 470	$ 25,258	$ 37	$ 211,137

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2018

SUPPLEMENTAL INFORMATION

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Net Position
As of September 30, 2019
($ in thousands)

	POWER PURCHASE AGREEMENTS									
	Ormat Geothermal Energy Project	MWD Small Hydro Project	Pebble Springs Project	Ameresco Chiquita Landfill Gas Project	Don A. Campbell/ Wild Rose Energy Project # 1	Copper Mountain Solar 3 Project	Columbia2 Solar Project	Heber 1 Geothermal Project	Kingbird Solar Project	Don A. Campbell 2
ASSETS										
Noncurrent assets										
Investments - unrestricted	$ -	$ -	$ -	$ -	$ -	$ 2,994	$ -	$ -	$ -	$ -
Current assets										
Cash and cash equivalents - restricted	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents - unrestricted	2,587	1,685	3,612	930	5,547	1,725	890	2,912	836	6,041
Interest receivable	-	-	5	-	2	6	-	4	-	3
Accounts receivable	-	-	1,553	-	-	2,078	147	977	175	-
Prepaid and other assets	5	2	6	2	4	12	2	12	4	3
Total current assets	2,592	1,687	5,176	932	5,553	3,821	1,039	3,905	1,015	6,047
Total assets	$ 2,592	$ 1,687	$ 5,176	$ 932	$ 5,553	$ 6,815	$ 1,039	$ 3,905	$ 1,015	$ 6,047
LIABILITIES										
Current Liabilities										
Advances from participants due within one year	$ 857	$ 500	$ -	$ 400	$ 960	$ -	$ 405	$ 400	$ 171	$ 960
Accounts payable and accruals	1,735	1,187	5,169	532	4,578	6,783	634	3,501	844	5,077
Total liabilities	2,592	1,687	5,169	932	5,538	6,783	1,039	3,901	1,015	6,037
NET POSITION										
Unrestricted	-	-	7	-	15	32	-	4	-	10
Total net position	-	-	7	-	15	32	-	4	-	10
Total liabilities and net position	$ 2,592	$ 1,687	$ 5,176	$ 932	$ 5,553	$ 6,815	$ 1,039	$ 3,905	$ 1,015	$ 6,047

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Net Position
As of September 30, 2019
($ in thousands)

	POWER PURCHASE AGREEMENTS												
	Springbok 1 Project	Springbok 2 Project	Summer Solar Project	Astoria 2 Solar Project	Antelope Big Sky Ranch Project	Antelope DSR 1 Solar Project	Antelope DSR 2 Solar Project	Puente Hills Landfill Gas Project	Ormat Nevada Geothermal Project	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok 3 Project	**Totals**
ASSETS													
Noncurrent assets													
Investments - unrestricted	$ 2,296	$ 2,497	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,993	$ 6,987	$ 7,787	$ 2,491	$ 29,045
Current assets													
Cash and cash equivalents - restricted	-	-	-	-	-	-	-	-	-	-	38	-	38
Cash and cash equivalents - unrestricted	1,326	1,328	1,189	1,628	1,585	2,107	283	6,560	4,520	8,211	1,040	3,551	60,093
Interest receivable	2	2	-	-	-	-	-	-	5	8	1	3	41
Accounts receivable	1,176	1,393	212	375	59	482	33	699	-	-	184	-	9,543
Prepaid and other assets	4	5	4	9	5	6	2	22	11	8	4	4	136
Total current assets	2,508	2,728	1,405	2,012	1,649	2,595	318	7,281	4,536	8,227	1,267	3,558	69,851
Total assets	$ 4,804	$ 5,225	$ 1,405	$ 2,012	$ 1,649	$ 2,595	$ 318	$ 7,281	$ 8,529	$ 15,214	$ 9,054	$ 6,049	$ 98,896
LIABILITIES													
Current Liabilities													
Advances from participants due within one year	$ 2,000	$ 2,000	$ 600	$ 800	$ 300	$ 900	$ 90	$ 420	$ 400	$ -	$ -	$ 2,000	$ 14,163
Accounts payable and accruals	2,782	3,202	805	1,212	1,349	1,695	228	6,861	8,089	15,145	8,998	4,032	84,438
Total liabilities	4,782	5,202	1,405	2,012	1,649	2,595	318	7,281	8,489	15,145	8,998	6,032	98,601
NET POSITION													
Unrestricted	22	23	-	-	-	-	-	-	40	69	56	17	295
Total net position	22	23	-	-	-	-	-	-	40	69	56	17	295
Total liabilities and net position	$ 4,804	$ 5,225	$ 1,405	$ 2,012	$ 1,649	$ 2,595	$ 318	$ 7,281	$ 8,529	$ 15,214	$ 9,054	$ 6,049	$ 98,896

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Net Position
As of September 30, 2018
($ in thousands)

	POWER PURCHASE AGREEMENTS									
	Ormat Geothermal Energy Project	MWD Small Hydro Project	Pebble Springs Project	Ameresco Chiquita Landfill Gas Project	Don A. Campbell / Wild Rose Energy Project # 1	Copper Mountain Solar 3 Project	Columbia 2 Solar Project	Heber 1 Geothermal Project	Kingbird Solar Project	Don A. Campbell 2
ASSETS										
Noncurrent assets										
Investments - unrestricted	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,999	$ -	$ -
Current assets										
Cash and cash equivalents - restricted	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents - unrestricted	1,389	977	3,486	866	3,748	2,122	1,150	8,910	829	3,583
Interest receivable	-	-	2	-	2	5	-	3	-	2
Accounts receivable	501	236	518	-	-	3,286	134	-	245	-
Prepaid and other assets	5	2	7	2	4	13	3	12	5	3
Total current assets	1,895	1,215	4,013	868	3,754	5,426	1,287	8,925	1,079	3,588
Total assets	$ 1,895	$ 1,215	$ 4,013	$ 868	$ 3,754	$ 5,426	$ 1,287	$ 10,924	$ 1,079	$ 3,588
LIABILITIES										
Current Liabilities										
Advances from participants due within one year	$ 862	$ 502	$ -	$ 400	$ 960	$ -	$ 405	$ 400	$ 174	$ 960
Accounts payable and accruals	1,033	713	4,003	468	2,787	5,421	882	10,491	905	2,622
Total liabilities	1,895	1,215	4,003	868	3,747	5,421	1,287	10,891	1,079	3,582
NET POSITION										
Unrestricted	-	-	10	-	7	5	-	33	-	6
Total liabilities and net position	$ 1,895	$ 1,215	$ 4,013	$ 868	$ 3,754	$ 5,426	$ 1,287	$ 10,924	$ 1,079	$ 3,588

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Net Position
As of September 30, 2018
($ in thousands)

	POWER PURCHASE AGREEMENTS												
	Springbok 1 Project	Springbok 2 Project	Summer Solar Project	Astoria 2 Solar Project	Antelope Big Sky Ranch Project	Antelope DSR 1 Solar Project	Antelope DSR 2 Solar Project	Puente Hills Landfill Gas Project	Ormat Nevada Geothermal Project	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok 3 Project	**Totals**
ASSETS													
Noncurrent assets													
Investments - unrestricted	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,199	$ 2,998	$ -	$ -	$ 8,196
Current assets													
Cash and cash equivalents - restricted	-	-	-	-	-	-	-	-	-	-	105	-	105
Cash and cash equivalents - unrestricted	2,123	4,348	596	1,144	751	2,924	120	4,954	7,936	7,109	4,079	-	63,144
Interest receivable	2	3	-	-	-	-	-	-	5	4	3	-	31
Accounts receivable	1,789	1,062	825	1,295	429	250	64	60	-	-	205	-	10,899
Prepaid and other assets	4	5	4	7	5	6	2	21	9	11	4	-	134
Total current assets	3,918	5,418	1,425	2,446	1,185	3,180	186	5,035	7,950	7,124	4,396	-	74,313
Total assets	$ 3,918	$ 5,418	$ 1,425	$ 2,446	$ 1,185	$ 3,180	$ 186	$ 5,035	$ 11,149	$ 10,122	$ 4,396	$ -	$ 82,509
LIABILITIES													
Current Liabilities													
Advances from participants due within one year	$ 2,000	$ 2,000	$ 600	$ 800	$ 300	$ 900	$ 90	$ 420	$ 400	$ -	$ -	$ -	$ 12,173
Accounts payable and accruals	1,916	3,411	825	1,646	885	2,280	96	4,615	10,718	10,091	4,390	-	70,198
Total liabilities	3,916	5,411	1,425	2,446	1,185	3,180	186	5,035	11,118	10,091	4,390	-	82,371
NET POSITION													
Unrestricted	2	7	-	-	-	-	-	-	31	31	6	-	138
Total liabilities and net position	$ 3,918	$ 5,418	$ 1,425	$ 2,446	$ 1,185	$ 3,180	$ 186	$ 5,035	$ 11,149	$ 10,122	$ 4,396	$ -	$ 82,509

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Revenues, Expenses, and Changes in Net Position
For the Three Months ended September 30, 2019
($ in thousands)

	POWER PURCHASE AGREEMENTS									
	Ormat Geothermal Energy Project	MWD Small Hydro Project	Pebble Springs Project	Ameresco Chiquita Landfill Gas Project	Don A. Campbell / Wild Rose Energy Project # 1	Copper Mountain Solar 3 Project	Columbia 2 Solar Project	Heber 1 Geothermal Project	Kingbird Solar Project	Don A. Campbell 2
Operating revenues										
Sales of electric energy	$ 2,265	$ 63	$ 6,862	$ 675	$ 2,587	$ 16,826	$ 1,200	$ 6,195	$ 1,730	$ 1,811
Operating expenses										
Operations and maintenance	2,265	63	6,898	675	2,604	16,855	1,200	6,212	1,730	1,838
Operating income (loss)	-	-	(36)	-	(17)	(29)	-	(17)	-	(27)
Non operating revenues (expenses)										
Investment and other income	-	-	29	-	23	39	-	16	-	21
Change in net position	-	-	(7)	-	6	10	-	(1)	-	(6)
Net position - beginning of year	-	-	14	-	9	22	-	5	-	16
Net position - end of period	$ -	$ -	$ 7	$ -	$ 15	$ 32	$ -	$ 4	$ -	$ 10

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Revenues, Expenses, and Changes in Net Position
For the Three Months ended September 30, 2019
($ in thousands)

	POWER PURCHASE AGREEMENTS												
	Springbok 1 Project	Springbok 2 Project	Summer Solar Project	Astoria 2 Solar Project	Antelope Big Sky Ranch Project	Antelope DSR 1 Solar Project	Antelope DSR 2 Solar Project	Puente Hills Landfill Gas Project	Ormat Nevada Geothermal Project	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok 3 Project	Totals
Operating revenues													
Sales of electric energy	$ 6,264	$ 7,600	$ 1,705	$ 2,988	$ 1,781	$ 3,196	$ 246	$ 6,445	$ 12,968	$ 2,816	$ 824	$ 3,493	$ 90,540
Operating expenses													
Operations and maintenance	6,280	7,618	1,705	2,988	1,781	3,196	246	6,445	12,999	2,860	834	3,818	91,110
Operating income (loss)	(16)	(18)	-	-	-	-	-	-	(31)	(44)	(10)	(325)	(570)
Non operating revenues (expenses)													
Investment and other income	26	28	-	-	-	-	-	-	45	74	47	342	690
Change in net position	10	10	-	-	-	-	-	-	14	30	37	17	120
Net position - beginning of year	12	13	-	-	-	-	-	-	26	39	19	-	175
Net position - end of period	$ 22	$ 23	$ -	$ -	$ -	$ -	$ -	$ -	$ 40	$ 69	$ 56	$ 17	$ 295

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Revenues, Expenses, and Changes in Net Position
For the Three Months ended September 30, 2018
($ in thousands)

	POWER PURCHASE AGREEMENTS									
	Ormat Geothermal Energy Project	MWD Small Hydro Project	Pebble Springs Project	Ameresco Chiquita Landfill Gas Project	Don A. Campbell / Wild Rose Energy Project # 1	Copper Mountain Solar 3 Project	Columbia 2 Solar Project	Heber 1 Geothermal Project	Kingbird Solar Project	Don A. Campbell 2
Operating revenues										
Sales of electric energy	$ 2,217	$ 701	$ 6,125	$ 743	$ 2,752	$ 16,324	$ 1,638	$ 6,070	$ 2,283	$ 2,349
Operating expenses										
Operations and maintenance	2,217	701	6,138	743	2,762	16,344	1,638	6,116	2,283	2,360
Operating income (loss)	-	-	(13)	-	(10)	(20)	-	(46)	-	(11)
Non operating revenues (expenses)										
Investment and other income	-	-	20	-	13	21	-	53	-	14
Change in net position	-	-	7	-	3	1	-	7	-	3
Net position - beginning of year	-	-	3	-	4	4	-	26	-	3
Net position - end of period	$ -	$ -	$ 10	$ -	$ 7	$ 5	$ -	$ 33	$ -	$ 6

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Revenues, Expenses, and Changes in Net Position
For the Three Months ended September 30, 2018
($ in thousands)

	POWER PURCHASE AGREEMENTS												
	Springbok 1 Project	Springbok 2 Project	Summer Solar Project	Astoria 2 Solar Project	Antelope Big Sky Ranch Project	Antelope DSR 1 Solar Project	Antelope DSR 2 Solar Project	Puente Hills Landfill Gas Project	Ormat Nevada Geothermal Project	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok 3 Project	Totals
Operating revenues													
Sales of electric energy	$ 6,141	$ 7,266	$ 2,171	$ 3,774	$ 2,355	$ 4,409	$ 248	$ 9,119	$ 5,125	$ 4,396	$ 1,785	$ -	$ 87,991
Operating expenses													
Operations and maintenance	6,155	7,289	2,171	3,774	2,355	4,409	248	9,119	5,146	4,423	1,799	-	88,190
Operating income (loss)	(14)	(23)	-	-	-	-	-	-	(21)	(27)	(14)	-	(199)
Non operating revenues (expenses)													
Investment and other income	13	24	-	-	-	-	-	-	40	42	16	-	256
Change in net position	(1)	1	-	-	-	-	-	-	19	15	2	-	57
Net position - beginning of year	3	6	-	-	-	-	-	-	12	16	4	-	81
Net position - end of period	$ 2	$ 7	$ -	$ -	$ -	$ -	$ -	$ -	$ 31	$ 31	$ 6	$ -	$ 138

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Cash Flows
As of September 30, 2019

	POWER PURCHASE AGREEMENTS									
	Ormat Geothermal Energy Project	MWD Small Hydro Project	Pebble Springs Project	Ameresco Chiquita Landfill Gas Project	Don A. Campbell / Wild Rose Energy Project # 1	Copper Mountain Solar 3 Project	Columbia 2 Solar Project	Heber 1 Geothermal Project	Kingbird Solar Project	Don A. Campbell 2
Cash flows from operating activities										
Receipts from participants	$ 2,598	$ 453	$ 5,310	$ 792	$ 4,269	$ 14,748	$ 508	$ 7,065	$ 667	$ 3,498
Payments to operating managers	(2,256)	(36)	(7,739)	(742)	(2,565)	(17,524)	(960)	(6,444)	(1,235)	(1,891)
Other disbursements and receipts	-	-	-	-	-	(1)	328	(1)	460	-
Net cash flow from operating activities	342	417	(2,429)	50	1,704	(2,777)	(124)	620	(108)	1,607
Cash flows from noncapital financing activities										
Advances (withdrawals) by participants, net	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities										
Interest received on investments	-	-	34	-	27	25	-	19	-	32
Purchases of investments	-	-	-	-	-	-	-	-	-	-
Proceeds from sale/maturity of investments	-	-	4,000	-	2,000	-	-	-	-	2,000
Net cash provided by (used for) investing activities	-	-	4,034	-	2,027	25	-	19	-	2,032
Net inc (dec) in cash and cash equivalents	342	417	1,605	50	3,731	(2,752)	(124)	639	(108)	3,639
Cash and cash equivalents, beg. of year	2,245	1,268	2,007	880	1,816	4,477	1,014	2,273	944	2,402
Cash and cash equivalents, end of period	$ 2,587	$ 1,685	$ 3,612	$ 930	$ 5,547	$ 1,725	$ 890	$ 2,912	$ 836	$ 6,041
Reconciliation of operating income (loss) to net cash provided by operating activities										
Operating income (loss)	$ -	$ -	$ (36)	$ -	$ (17)	$ (29)	$ -	$ (17)	$ -	$ (27)
Changes in assets and liabilities:										
Accounts receivable	-	-	(1,553)	-	-	(2,078)	(113)	(567)	(131)	-
Accounts payable and accruals	342	417	(840)	50	1,722	(669)	(12)	1,206	23	1,635
Other	-	-	-	-	(1)	(1)	1	(2)	-	(1)
Net cash provided by operating activities	$ 342	$ 417	$ (2,429)	$ 50	$ 1,704	$ (2,777)	$ (124)	$ 620	$ (108)	$ 1,607
Cash and cash equivalents as stated in the Combining Statement of Net Position										
Cash/cash equivalents - restricted	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents - unrestricted	2,587	1,685	3,612	930	5,547	1,725	890	2,912	836	6,041
Cash/cash equivalents	$ 2,587	$ 1,685	$ 3,612	$ 930	$ 5,547	$ 1,725	$ 890	$ 2,912	$ 836	$ 6,041

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Cash Flows
As of September 30, 2019

	POWER PURCHASE AGREEMENTS												
	Springbok 1 Project	Springbok 2 Project	Summer Solar Project	Astoria 2 Solar Project	Antelope Big Sky Ranch Project	Antelope DSR 1 Solar Project	Antelope DSR 2 Solar Project	Puente Hills Landfill Gas Project	Ormat Nevada Geothermal Project	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok 3 Project	Totals
Cash flows from operating activities													
Receipts from participants	$ 5,088	$ 6,207	$ 625	$ 1,071	$ 803	$ 923	$ 213	$ 2,944	$ 14,505	$ 6,225	$ 1,119	$ 4,474	$ 84,105
Payments to operating managers	(6,898)	(8,247)	(1,303)	(2,194)	(1,333)	(2,445)	(261)	(2,649)	(12,902)	(3,304)	(683)	1,020	(82,591)
Other disbursements and receipts	(1)	1	450	875	468	1,054	-	1	1	(2)	263	516	4,412
Net cash flow from operating activities	(1,811)	(2,039)	(228)	(248)	(62)	(468)	(48)	296	1,604	2,919	699	6,010	5,926
Cash flows from noncapital financing activities													
Advances (withdrawals) by participants, net	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities													
Interest received on investments	15	15	-	-	-	-	-	-	24	32	9	22	254
Purchases of investments	-	-	-	-	-	-	-	-	-	-	(2,486)	(2,481)	(4,967)
Proceeds from sale/maturity of investments	-	-	-	-	-	-	-	-	1,000	1,500	-	-	10,500
Net cash provided by (used for) investing activities	15	15	-	-	-	-	-	-	1,024	1,532	(2,477)	(2,459)	5,787
Net inc (dec) in cash and cash equivalents	(1,796)	(2,024)	(228)	(248)	(62)	(468)	(48)	296	2,628	4,451	(1,778)	3,551	11,713
Cash and cash equivalents, beg. of year	3,122	3,352	1,417	1,876	1,647	2,575	331	6,264	1,892	3,760	2,856	-	48,418
Cash and cash equivalents, end of period	$ 1,326	$ 1,328	$ 1,189	$ 1,628	$ 1,585	$ 2,107	$ 283	$ 6,560	$ 4,520	$ 8,211	$ 1,078	$ 3,551	$ 60,131
Reconciliation of operating income (loss) to net cash provided by operating activities													
Operating income (loss)	$ (16)	$ (18)	$ -	$ -	$ -	$ -	$ -	$ -	$ (31)	$ (44)	$ (10)	$ (325)	$ (570)
Changes in assets and liabilities:													
Accounts receivable	(1,176)	(1,393)	(187)	(375)	(16)	(392)	(33)	(285)	-	-	(158)	513	(7,944)
Accounts payable and accruals	(618)	(628)	(41)	127	(46)	(77)	(15)	581	1,636	2,964	868	5,515	14,140
Other	(1)	-	-	-	-	1	-	-	(1)	(1)	(1)	307	300
Net cash provided by operating activities	$ (1,811)	$ (2,039)	$ (228)	$ (248)	$ (62)	$ (468)	$ (48)	$ 296	$ 1,604	$ 2,919	$ 699	$ 6,010	$ 5,926
Cash and cash equivalents as stated in the Combining Statement of Net Position													
Cash/cash equivalents - restricted	-	-	-	-	-	-	-	-	-	-	38	-	38
Cash/cash equivalents - unrestricted	1,326	1,328	1,189	1,628	1,585	2,107	283	6,560	4,520	8,211	1,040	3,551	60,093
Cash/cash equivalents	$ 1,326	$ 1,328	$ 1,189	$ 1,628	$ 1,585	$ 2,107	$ 283	$ 6,560	$ 4,520	$ 8,211	$ 1,078	$ 3,551	$ 60,131

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Cash Flows
As of September 30, 2018
($ in thousands)

	POWER PURCHASE AGREEMENTS									
	Ormat Geothermal Energy Project	MWD Small Hydro Project	Pebble Springs Project	Ameresco Chiquita Landfill Gas Project	Don A. Campbell / Wild Rose Energy Project # 1	Copper Mountain Solar 3 Project	Columbia 2 Solar Project	Heber 1 Geothermal Project	Kingbird Solar Project	Don A. Campbell 2
Cash flows from operating activities										
Receipts from participants	$ 2,500	$ 465	$ 5,607	$ 825	$ 4,257	$ 14,436	$ 328	$ 6,663	$ 380	$ 3,483
Payments to operating managers	(2,316)	(522)	(6,815)	(778)	(2,712)	(17,205)	(1,003)	(6,447)	(1,295)	(2,318)
Other disbursements and receipts	-	1	-	-	-	-	717	(1)	1,045	-
Net cash flow from operating activities	184	(56)	(1,208)	47	1,545	(2,769)	42	215	130	1,165
Cash flows from noncapital financing activities										
Advances from participants	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities										
Interest received on investments	-	-	22	-	13	18	-	39	-	14
Purchases of investments	-	-	-	-	-	-	-	-	-	-
Proceeds from sale/maturity of investments	-	-	-	-	-	-	-	3,500	-	-
Net cash provided by (used for) investing activities	-	-	22	-	13	18	-	3,539	-	14
Net inc (dec) in cash and cash equivalents	184	(56)	(1,186)	47	1,558	(2,751)	42	3,754	130	1,179
Cash and cash equivalents, beg. of year	1,205	1,033	4,672	819	2,190	4,873	1,108	5,156	699	2,404
Cash and cash equivalents, end of period	$ 1,389	$ 977	$ 3,486	$ 866	$ 3,748	$ 2,122	$ 1,150	$ 8,910	$ 829	$ 3,583
Reconciliation of operating income (loss) to net cash provided by operating activities										
Operating income (loss)	$ -	$ -	$ (13)	$ -	$ (10)	$ (20)	$ -	$ (46)	$ -	$ (11)
Changes in assets and liabilities:										
Accounts receivable	(98)	(236)	(518)	-	-	(1,888)	(114)	-	(131)	-
Accounts payable and accruals	282	180	(677)	47	1,555	(859)	156	263	261	1,176
Other	-	-	-	-	-	(2)	-	(2)	-	-
Net cash provided by operating activities	$ 184	$ (56)	$ (1,208)	$ 47	$ 1,545	$ (2,769)	$ 42	$ 215	$ 130	$ 1,165
Cash and cash equivalents as stated in the Combining Statement of Net Position										
Cash/cash equivalents - restricted	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents - unrestricted	1,389	977	3,486	866	3,748	2,122	1,150	8,910	829	3,583
	$ 1,389	$ 977	$ 3,486	$ 866	$ 3,748	$ 2,122	$ 1,150	$ 8,910	$ 829	$ 3,583

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Cash Flows
As of September 30, 2018
($ in thousands)

	POWER PURCHASE AGREEMENTS												
	Springbok 1 Project	Springbok 2 Project	Summer Solar Project	Astoria 2 Solar Project	Antelope Big Sky Ranch Project	Antelope DSR 1 Solar Project	Antelope DSR 2 Solar Project	Puente Hills Landfill Gas Project	Ormat Nevada Geothermal Project	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok 3 Project	Totals
Cash flows from operating activities													
Receipts from participants	$ 5,256	$ 6,204	$ 387	$ 595	$ 566	$ 807	$ 201	$ 2,235	$ 11,031	$ 7,293	$ 1,833	$ -	$ 75,352
Payments to operating managers	(6,670)	(7,921)	(1,289)	(2,236)	(1,307)	(2,398)	(264)	(1,441)	(5,905)	(4,571)	(1,753)	-	(77,166)
Other disbursements and receipts	-	-	981	1,884	996	2,305	1	1	8	10	1,140	-	9,088
Net cash flow from operating activities	(1,414)	(1,717)	79	243	255	714	(62)	795	5,134	2,732	1,220	-	7,274
Cash flows from noncapital financing activities													
Advances from participants	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities													
Interest received on investments	12	21	-	-	-	-	-	-	21	24	18	-	202
Purchases of investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale/maturity of investments	-	-	-	-	-	-	-	-	1,500	2,000	-	-	7,000
Net cash provided by (used for) investing activities	12	21	-	-	-	-	-	-	1,521	2,024	18	-	7,202
Net inc (dec) in cash and cash equivalents	(1,402)	(1,696)	79	243	255	714	(62)	795	6,655	4,756	1,238	-	14,476
Cash and cash equivalents, beg. of year	3,525	6,044	517	901	496	2,210	182	4,159	1,281	2,353	2,946	-	48,773
Cash and cash equivalents, end of period	$ 2,123	$ 4,348	$ 596	$ 1,144	$ 751	$ 2,924	$ 120	$ 4,954	$ 7,936	$ 7,109	$ 4,184	$ -	$ 63,249
Reconciliation of operating income (loss) to net cash provided by operating activities													
Operating income (loss)	$ (14)	$ (23)	$ -	$ -	$ -	$ -	$ -	$ -	$ (21)	$ (27)	$ (14)	$ -	$ (199)
Changes in assets and liabilities:													
Accounts receivable	(885)	(1,062)	(86)	(169)	(13)	83	(47)	741	-	-	(135)	-	(4,558)
Accounts payable and accruals	(514)	(632)	165	412	268	631	(15)	54	5,166	2,769	1,371	-	12,059
Other	(1)	-	-	-	-	-	-	-	(11)	(10)	(2)	-	(28)
Net cash provided by operating activities	$ (1,414)	$ (1,717)	$ 79	$ 243	$ 255	$ 714	$ (62)	$ 795	$ 5,134	$ 2,732	$ 1,220	$ -	$ 7,274
Cash and cash equivalents as stated in the Combining Statement of Net Position													
Cash/cash equivalents - restricted	-	-	-	-	-	-	-	-	-	-	105	-	105
Cash/cash equivalents - unrestricted	2,123	4,348	596	1,144	751	2,924	120	4,954	7,936	7,109	4,079	-	63,144
	$ 2,123	$ 4,348	$ 596	$ 1,144	$ 751	$ 2,924	$ 120	$ 4,954	$ 7,936	$ 7,109	$ 4,184	$ -	$ 63,249

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
1160 NICOLE COURT
GLENDORA, CA 91740
(626) 793-9364 – FAX: (626) 793-9461
WWW.SCPPA.ORG

MEMO

To: SCPPA Finance Committee

From: Aileen Ma

Date: February 3, 2020

Re: **Fiscal Year 2019-20 First Quarter Administrative & General (A&G) Budget to Actual Comparison Report**

Attached is FY 2019-20 first quarter budget to actual comparison report of SCPPA A&G expenditures. The report is structured slightly different from the format presented at the time of budget approval. The expenditure categories have been reorganized into the following categories:

- Indirect A&G
- Direct A&G
- Non-A&G – Resolution Billings

Using the categories of Indirect and Direct A&G will provide a better correlation to the A&G expenditure components of the Project budgets. Non-A&G items such as membership dues with APPA, WEI and SEPA that are not SCPPA administrative expenditures should be segregated into its own category as these items are directly invoiced to the Members through resolution billings.

Overall, SCPPA A&G expenditure annual budget to be monitored for FY 2019-20 should be $8,712,100 instead of $9,520,400.

At the end of the first quarter as of September 30, 2019, total A&G expenditures were $253,016 or 11.8% under budget. This under budget was primarily due to savings in salaries and benefits as a result of one vacant position and the timing of expenditures and invoices received from vendors and consultants.

In the Indirect A&G category, Office Equipment/Furniture and Corporate Counsel were over budget for the first quarter mainly due to the timing of expenditures.

In the Direct A&G category, there were expenditures for Other Legal Services, Consulting Services and annual Rating Agency fees where no budget has been established for the fiscal year. The effect of these expenditures to the overall A&G budget will be monitored for the balance of the fiscal year. These types of expenditures will be incorporated in the development of the FY 2020-21 budget.

Southern California Public Power Authority
FY 2019-20 SCPPA Administrative & General Budget to Actual
September 30, 2019

	ANNUAL BUDGET FY 2019-20	YTD BUDGET 9/30/2019	YTD ACTUAL 9/30/2019	Under / (Over) Budget	% Variance
INDIRECT A&G					
Salaries	$ 2,786,700	$ 696,675	$ 592,627	$ 104,048	14.9%
Employee Benefits	580,000	144,996	124,088	20,908	14.4%
Meeting Expense	85,000	18,747	7,014	11,733	62.6%
Office Building Costs	167,200	41,775	25,590	16,185	38.7%
Office Equipment and Furniture	87,800	21,870	31,304	(9,434)	-43.1%
Office Expenses	92,000	22,992	17,727	5,265	22.9%
Travel and Conference	62,550	15,627	4,185	11,442	73.2%
Insurance	122,100	79,271	68,940	10,331	13.0%
Memberships and Dues	18,700	1,627	1,070	557	34.2%
Staff Training and Development	98,000	24,498	5,038	19,460	79.4%
Auditing Services	6,300	269	269	-	0.0%
Regulatory (Sacramento Office)	163,300	40,812	35,313	5,499	13.5%
Corporate Counsel	40,000	9,999	13,403	(3,404)	-34.0%
Consulting Services	125,000	31,248	28,629	2,619	8.4%
Annual Report	5,000	-	-	-	
Financial Advisor	101,000	25,248	16,000	9,248	36.6%
Bond Counsel (not a funded project)	30,000	7,500	-	7,500	100.0%
Legislative Advocacy	348,400	111,350	86,052	25,298	22.7%
Budget Contingency Reserve	136,300	-	-	-	
TOTAL INDIRECT A&G	**$ 5,055,350**	**$ 1,294,504**	**$ 1,057,248**	**$ 237,256**	**18.3%**
DIRECT A&G					
Authority Bond Counsel (Norton-Rose)	$ 355,000	$ 88,750	$ 16,039	$ 72,711	81.9%
Agent Billable Costs	2,624,700	656,175	640,572	15,603	2.4%
Authority Trustee Costs	377,000	94,250	61,522	32,728	34.7%
Project Travel Costs	18,150	4,537	1,945	2,592	57.1%
Auditing Services	281,800	12,031	12,031	-	0.0%
Dues - Arizona Corp Commission	100	-	-	-	
Other Legal Services	-	-	37,303	(37,303)	
Consulting Services	-	-	13,625	(13,625)	
Rating Agency Annual Fees	-	-	56,946	(56,946)	
TOTAL DIRECT A&G	**$ 3,656,750**	**$ 855,743**	**$ 839,983**	**$ 15,760**	**1.8%**
TOTAL ADMISTRATIVE & GENERAL EXPENSES	**$ 8,712,100**	**$ 2,150,247**	**$ 1,897,231**	**$ 253,016**	**11.8%**
NON-A&G - RESOLUTION BILLINGS					
APPA Dues	$ 749,300	$ 749,300	$ 691,594	$ 57,706	7.7%
WEI Dues	31,000	31,000	30,684	316	1.0%
SEPA Dues	28,000	28,000	28,000	-	0.0%
TOTAL NON-A&G	**$ 808,300**	**$ 808,300**	**$ 750,278**	**$ 58,022**	**7.2%**
TOTAL - A&G AND NON-A&G	**$ 9,520,400**	**$ 2,958,547**	**$ 2,647,509**	**$ 311,038**	**10.5%**

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Board of Directors Meeting

AGENDA ITEM STAFF REPORT

MEETING DATE: February 20, 2020 **RESOLUTION NUMBER:** 2020-003

CONSENT [X] DISCUSSION [ ] RENEWAL [ ] NEW [ ]

Place an X in box next to the appropriate consideration(s) above.

FROM:		METHOD OF SELECTION:	
Finance		Competitive	
Project Development		Cooperative Purchase	
Program Development		Sole Source	
Regulatory/Legislative		Single Source	
Project Administration		Other	
Legal	X	*If other, please describe:*	

Place an X in box next to the appropriate consideration(s) above.

Approved By Executive Director: Michael S. Webster

INITIAL MEMBER PARTICIPANTS:					
Anaheim	X	Colton		LADWP	X
Azusa		Cerritos		Pasadena	
Banning		Glendale		Riverside	
Burbank		IID	X	Vernon	

Place an X in box next to the applicable Member(s) shown above.

SUBJECT: EPS Compliance Filing for Roseburg SB 859 Biomass Project.

BACKGROUND: On October 17, 2019, the Board of Directors approved a Power Purchase Agreement ("PPA") between SCPPA and Roseburg Forest Products Co. ("Seller") for capacity associated with an existing biomass-fueled generation station located in Weed, California ("Project"). The procurement is intended to assist three SCPPA members – Anaheim, IID, and Los Angeles – comply with the mandate for biomass procurement imposed by the Legislature in 2016 by enactment of SB 859.

In 2007, the California Energy Commission ("CEC") adopted regulations to implement an "emissions performance standard" as directed in legislation commonly referred to as SB 1368. Among other things, the regulations establish an emissions limit for carbon dioxide of 1100 lbs/MWH for "baseload generation" (defined as generation with a capacity factor of at least 60%) and require a "compliance filing" whenever a public agency enters into a "covered procurement" for such baseload generation, including procurement by a contract with a term of 5 years or more. This procurement is subject to a compliance filing under these regulations.

A compliance filing is due within 10 days after a public agency enters into a covered procurement. The regulations require that the compliance filing be approved by the governing body of the procuring agency. In this instance, SCPPA expects to execute the PPA on or before May 31, 2020, meaning the compliance filing would be due no later than April 10th, or more than a week before April Board meeting. Hence the compliance filing for this project is being submitted to the board for its approval now so that it may be submitted to the CEC in a timely manner.

A copy of the proposed compliance filing accompanies this report.

RECOMMENDATION: Adopt Resolution 2020-003

FISCAL IMPACT: None.

RESOLUTION NO. 2020-003

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY APPROVING A COMPLIANCE FILING FOR THE ROSEBURG SB859 BIOMASS PROJECT FOR SUBMISSION TO THE CALIFORNIA ENERGY COMMISSION PURSUANT TO THE COMMISSION'S EMISSION PERFORMANCE STANDARD REGULATIONS

WHEREAS, on October 17, 2019, the Board of Directors of the Southern California Public Power Authority ("Authority" or "SCPPA"), by adoption of Resolution 2019-121, approved and authorized execution of an 859 Purchase Agreement ("PPA") between the Authority and Roseburg Forest Products Co ("Seller") for capacity associated with an existing biomass generation station located in Weed, California ("Project"); and

WHEREAS, the Project is subject to the California Energy Commission's ("Commission") Emission Performance Standard regulations ("EPS Regulations;" 20 CCR § 2900 *et seq.*), including the requirement in 20 CCR § 2909 that a publicly-owned utility submit a "compliance filing" with the Commission whenever it enters into a "covered procurement" as therein defined; and

WHEREAS, SCPPA expects to execute the PPA for the Project on or before May 31, 2020, and is required to submit its compliance filing to the Commission no later than 10 days thereafter as prescribed in 20 CCR § 2909; and

WHEREAS, the EPS Regulations require that any compliance filing be approved by the governing body of the entity submitting it.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Southern California Public Power Authority as follows:

1. The Authority hereby approves and authorizes the Executive Director and General Counsel to execute and submit the compliance filing as submitted to the Board in substantial final form attached to the Agenda Report accompanying this Resolution, with such changes, corrections and revisions and such officials may deemed necessary and advisable.

2. Each of the President, Vice President, Executive Director, Secretary, any Assistant Secretary and any other officer of the Authority is hereby authorized to approve, execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things deemed necessary or advisable for carrying out the actions contemplated by this Resolution. Each reference in this Resolution to the President, Vice President, Executive Director, Secretary or Assistant Secretary shall refer to the person holding such office or position, as applicable, at the time a given action is taken and shall not be limited to the person holding such office or position at the time of the adoption of this Resolution. All actions heretofore taken by the officers, employees and agents of the Authority in furtherance of the actions contemplated by this Resolution are hereby approved, ratified and confirmed.

3. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 20th day of February 2020.

_____

PRESIDENT
Southern California Public
Power Authority

ATTEST:

_____

ASSISTANT SECRETARY
Southern California Public
Power Authority

Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
626.793.9364 fax: 626.793.9461
www.scppa.org

May __, 2020

California Energy Commission
EPS Compliance
1516 Ninth Street
Sacramento, CA 95814-512
Attention: Compliance Filing

Re: EPS Compliance Filing for Roseburg SB 859 Biomass Project

Dear Sir or Madam:

Please be advised that on October 17, 2019, the Board of Directors of the Southern California Public Power Authority ("SCPPA"), at a noticed public meeting, approved and authorized execution and delivery of an SB 859 Purchase Agreement ("Purchase Agreement") between SCPPA and Roseburg Forest Products Co. ("Seller") for 11 MW of capacity associated with an existing biomass-fueled generation station located in or near Weed, California ("Project").

SCPPA is a joint powers agency formed in 1980 pursuant to the Joint Exercise of Powers Act (Cal. Govt. Code § 6500 *et seq.*). SCPPA is comprised of eleven cities and one irrigation district ("Members"), each of which owns and operates an electric utility within its jurisdictional boundaries.

SCPPA entered into the PPA on May __, 2020, on behalf of three of its Members – the City of Los Angeles, the City of Anaheim, and the Imperial Irrigation District ("Participating Members") to fulfill the mandate imposed upon them pursuant to Public Utilities Code § 399.20.3, as enacted in 2016 by adoption of Senate Bill 859 (the "SB 859 Mandate"). Each Participating Member will receive its proportionate share of capacity pursuant to individual SB 859 Sales Agreements with SCPPA. Four additional publicly-owned utilities subject to the SB 859 Mandate – the Sacramento Municipal Utilities District ("SMUD"), the Modesto Irrigation District ("MID"), the Turlock Irrigation District ("TID"), and the City of Riverside (Riverside) – are also parties to the PPA but take their shares directly from the facility owner rather than through SCPPA. The entitlement shares of the Participating Members, SMUD, MID and TID are shown in Attachment A.

This compliance filing is made on behalf of the Participating Members as well as for SCPPA's own account pursuant to the Commission's Emission Performance Standard("EPS") regulations (20 CCR. § 2900 et seq.).

Additional information about the Project is shown on Attachment A. Attachment B includes the Agenda Report presented to the SCPPA Board of Directors for its October 17, 2019 meeting (Attachment B-1) and SCPPA Board Resolution No. 2019-121, adopted the same date (Attachment B-2). Attachment C is the attestation required by 20 CCR § 2909.

SCPPA respectfully requests that the Commission determine that the covered procurement that is the subject of this filing is compliant with the Commission's EPS regulations.

Sincerely

Richard J. Morillo
General Counsel

Attachments

Roseburg SB 859 Biomass Project

Facility Information for SB 1368 Compliance Filing

- NAME OF UTILITIES: The Southern California Public Power Authority ("SCPPA") has acquired a share of the Roseburg SB 859 Biomass Project on behalf of three of its Members — the City of Los Angeles, the City of Anaheim, and the Imperial Irrigation District ("Participating Members"). Four additional publicly owned utilities — SMUD, MID, TID, and the City of Riverside -- have acquired a share of the Project pursuant to the same SB 859 Purchase Agreement. The entitlement shares of the Participating Members, SMUD, MID and TID are shown in the following chart:

Name of Agency	Capacity **(MW)**	% of Total Capacity
City of Anaheim	0.4928	4.48%
Imperial Irrigation District	0.9108	8.28%
City of Los Angeles	5.4241	49.31%
City of Riverside	0.4928	4.48%
SMUD	2.5795	23.45%
MID	0.6072	5.52%
TID	0.4928	4.48%
TOTAL	**11**	**100.00%**

This filing is made by SCPPA for its own account and on behalf of its three Participating Members. SMUD, MID, TID and Riverside have filed or will file their own Compliance Filings with the Commission.

- CONTRACT DATE: November 25, 2019

- NAME OF COUNTERPARTY: Roseburg Forest Products Co.

- NAME OF FACILITY: Weed Cogeneration Plant

- LOCATION OF FACILITY: 98 Mill Street, Weed, CA 96094

- TECHNOLOGY/FUEL: Biomass

- NAMEPLATE CAPACITY OF FACILITY: 13.4 MW

ATTACHMENT A

- PRODUCT DESCRIPTION: 11 MW of capacity in which the Seller will burn SB 859-compliant Tier 1 and Tier 2 high-hazard biomass fuels.

- SUBSTITUTE ENERGY ALLOWED: No

- DELIVERY START DATE: June 1, 2020 (expected date of Commercial Operation)

- DELIVERY END DATE: The fifth anniversary of the date Commercial Operation

- FURTHER DESCRIPTION OF TECHNOLOGY, IF NECESSARY: None

- FURTHER DESCRIPTION OF FACILITY OUTPUT PROFILE, IF NECESSARY: None

- DESCRIPTION OF CONTRACT TERMS RELATED TO THE PROVISION OF SUBSTITUTE ENERGY, IF NECESSARY: None

- DESCRIPTION OF OTHER RELEVANT INFORMATION AND CONTRACT TERMS:

  While the nameplate capacity of the Project facility is 13.4 MW, SCPPA and the other parties to the PPA (that is, SMUD, MID, TID and Riverside) are procuring a total of just 11 MW. SCPPA's share is of the contracted amount is 6.8277 MW, all of which in turn is delivered to the three SCPPA Participating Members pursuant to power sales agreements in the capacity amounts shown on the chart above.

  The transaction involves acquisition of capacity only and the Seller's commitment to burn SB 859-compliant Tier 1 and Tier 2 biomass fuels during plant operation. Electric output of the facility is sold to PacifiCorp under a QF contract.

  As a biomass-fueled facility, the Weed Cogeneration station is "determined to be compliant" with the Commission's EPS regulations pursuant to 20 CCR § 2903(b)(2). SCPPA respectfully requests that the Commission make a finding to that effect in its decision in this matter.

SCPPA
Southern California Public Power Authority

AGENDA ITEM STAFF REPORT

MEETING DATE: 10/17/2019

RESOLUTION NUMBER: 2019-121

SUBJECT: Roseburg Forest Products Biomass SB 859 Agreement

DISCUSSION: ☒ **OR** **CONSENT:** ☐

Select the appropriate box(es):

FROM:		METHOD OF SELECTION:	
Finance	☐	Competitive	☒
Project Development	☒	Cooperative Purchase	☐
Program Development	☐	Sole Source	☐
Regulatory/Legislative	☐	Single Source	☐
Project Administration	☐	Other *(Please describe)*:	
Legal	☐		
Executive Director	☐		

Approved by Executive Director: [signature]
for MSW

RECOMMENDATION:

Authorize and approve the negotiation, execution and delivery of the SB859 Purchase Agreement, SB859 Sales Agreement, Buyers' Joint Project Agreement, and Fiscal Agency Agreement for the Roseburg SB 859 Biomass Project ("Project").

The participating utilities are three SCPPA Members – the City of Los Angeles acting by and through its Department of Water and Power ("LADWP"), the Imperial Irrigation District ("IID"), and the City of Anaheim ("Anaheim") The City of Riverside ("Riverside"), though a SCPPA Member, has elected to participate as a separate party rather than through SCPPA. The three participating non-SCPPA Members are the Sacramento Municipal Utility District ("SMUD"), the Modesto Irrigation District ("MID"), and the Turlock Irrigation District ("TID"). (These seven entities are collectively referred to herein as "Participants.")

BACKGROUND:

In response to the mandate imposed on publicly owned utilities (POUs) by the State of California in 2016 by passage of Senate Bill 859 (SB 859), effective September 4,2016, POUs serving more than 100,000 customers are required to procure their proportionate share of 125MWs. SB 859 thus the

ATTACHMENT B-1

Participants to procure their share of 29 MW for a term of 5 years of generation utilizing a specific percentage of high hazard tier 1 and 2 biomass-fueled resources. In 2017, SCPPA and the participants were able to meet 18 MW of the commitment by executing agreements for the ARP-Loyalton Biomass Project. The Participants' obligation to procure the remaining 11 MW under SB 859 will be complete upon approval and execution of the SB859 Purchase Agreement with Roseburg Forest Products Co. ("Roseburg"). The Roseburg facility is located in Weed, California, a city just north of Redding near the California-Oregon border. Roseburg's facility is a cogeneration biomass generating plant able to utilize SB 859 tier 1 and tier 2 high hazard fuel to generate electricity as well as use the boiler and steam in their wood products business. Roseburg's specialty is wood veneer that can be commonly found in Lowe's Home Improvement stores.

Applicable MW share and capacity percentage of the 11 MW for each Participant is shown in the table below:

	Capacity (MW)	% of Total Capacity
City of Anaheim	0.4928	4.48%
Imperial Irrigation District	0.9108	8.28%
LADWP	5.4241	49.31%
City of Riverside	0.4928	4.48%
SMUD	2.5795	23.45%
MID	0.6072	5.52%
TID	0.4928	4.48%
Total	11	100.00%

DISCUSSION:

- **Scope of Contract Services:**
  SB 859 Purchase Agreement includes a contract price of $46.00/MWh for 11 MW utilizing tier 1 and 2 high-hazard Biomass. Each participant will pay their percentage of capacity based on the table provided above. The agreement is strictly for capacity of the facility in which Roseburg will burn SB 859 compliant biomass fuels.

  The other agreements before the Board include a Buyers' Joint Project Agreement among SCPPA, Riverside, SMUD, MID and TID, to facilitate project administration; SB 859 Sales Agreements with the LADWP, Anaheim and IID, by which SCPPA will sell its share of the capacity in the Project to the participating SCPPA Members; and a Fiscal Agency Agreement between SCPPA and LADWP pursuant to which LADWP will provide its customary fiscal management services for the Project.

- **Selection Method:**
  SCPPA rereleased an RFP on April 11, 2018 for Biomass facilities able to meet the SB 859 mandate in providing 11 MW of generation to our participants. SCPPA closed the RFP on April 30, 2018 and received three proposals. Out of the 3 bids received, Roseburg submission is the most cost-effective and competitive bid compared to the others. Similar to the 2017 agreement, SCPPA and 3 non-members (SMUD, MID, and TID) will be participating in the

agreement. The percentage for each participant will be the same proportional percentage that was established in the other project Loyalton.

- **SCPPA's Authority:**
  This transaction involving procurement of electric generation capacity for SCPPA Members falls squarely within the purposes for which SCPPA was formed as set forth in the Joint Powers Agreement.

FISCAL IMPACT:
None. All costs and expenses will be borne by the Participants as a Project cost.

[Voice Vote]

RESOLUTION NO. 2019-121

RESOLUTION RELATING TO THE ROSEBURG SB 859 BIOMASS PROJECT: (I) AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF (A) AN SB 859 PURCHASE AGREEMENT AND RELATED DOCUMENTS BY AND AMONG ROSEBURG FOREST PRODUCTS CO., AS SELLER, AND THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY, THE SACRAMENTO MUNICIPAL UTILITY DISTRICT, THE MODESTO IRRIGATION DISTRICT, THE TURLOCK IRRIGATION DISTRICT AND THE CITY OF RIVERSIDE, AS BUYERS; (B) A BUYERS' JOINT PROJECT AGREEMENT BY AND AMONG THE AFORESAID BUYERS; (C) THREE SB 859 SALES AGREEMENTS BETWEEN THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AND, RESPECTIVELY, THE CITY OF LOS ANGELES ACTING BY AND THROUGH THE DEPARTMENT OF WATER AND POWER, THE CITY OF ANAHEIM AND THE IMPERIAL IRRIGATION DISTRICT; (D) A FISCAL AGENCY AGREEMENT BETWEEN THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AND THE CITY OF LOS ANGELES ACTING BY AND THROUGH THE DEPARTMENT OF WATER AND POWER; AND (E) SUCH OTHER DOCUMENTS, INSTRUMENTS AND AGREEMENTS AS MAY BE NECESSARY OR APPROPRIATE TO ADMINISTRATION OF THE PROJECT.

WHEREAS, the State of California, by passage of Senate Bill 859 (Stats.2016, c.368, eff. Sept. 14, 2016) imposed a mandate on investor-owned utilities ("IOUs") and publicly owned utilities ("POUs") serving more than 100,000 customers to each procure a proportionate share of 125 MW of electric generation capacity from biomass-fueled resources, with such proportionate shares to be determined by the California Public Utilities Commission ("CPUC"); and

WHEREAS, the CPUC, in its Resolution E-4805 dated October 13, 2016, determined that seven POUs, namely, the City of Anaheim ("Anaheim"), the City of Los Angeles acting by and through its Board of Water and Power Commissioners ("LADWP"), the Imperial Irrigation District ("IID"), the City of Riverside ("Riverside"), the Sacramento Municipal Utility District ("SMUD"), the Modesto Irrigation District ("MID") and the Turlock Irrigation District ("TID"), constituted those POUs in the State that serve more than 100,000 customers, and further determined that the combined share of the 125 MW statewide mandate to be allocated to them is 29 MW, with the balance of the mandated amount (96 MW) allocated to the IOUs; and

WHEREAS, SCPPA, for the benefit of the Anaheim, LADWP, and IID, (collectively, the "SCPPA Participating Members"), and working with SMUD, MID, TID and the City of Riverside, issued a Request for Proposals ("RFP") on or about March 13, 2017 to identify potential biomass generation resources to meet the SB 859 mandate, and through that process have focused on a facility known as the Weed Cogeneration Project ("the Project") located in Weed, California, which has a nameplate rating of 11 MW ("Facility Capacity") and is owned and operated by Roseburg Forest Products Co, an Oregon corporation ("Roseburg"); and

WHEREAS, SCPPA, for the benefit of the SCPPA Participating Members, and SMUD, MID TID and Riverside, have negotiated and developed an SB 859 Purchase Agreement ("Purchase Agreement") with Roseburg to facilitate the acquisition of the Facility Capacity and other rights associated with the Project for a term of five (5) years, of which SCPPA will take 6.8277 MW (or 62.07% of the Facility Capacity) for the SCPPA Participating Members (the "SCPPA Capacity Share")[1], SMUD will take 2.5795 MW (or 23.45%), MID will take 0.6072 MW (or 5.52%) TID will take 0.4928 MW (or 4.48%), and Riverside will 0.4928 MW, or 4.48%; and

WHEREAS, SCPPA, SMUD, MID, TID and Riverside have negotiated and desire to enter into a Buyers' Joint Project and Agency Agreement to establish a decision making process for them to follow as joint buyers under the Purchase Agreement and to designate SCPPA to act as the "Buyers' Agent" in dealings with Roseburg as contemplated in the Purchase Agreement; and

WHEREAS, SCPPA and each of the SCPPA Participating Members desire to enter into the Roseburg SB 859 Biomass Project SB 859 Sales Agreements (collectively, the "SB 859 Sales Agreements"), whereby SCPPA will provide to each of such SCPPA Participating Members its proportionate share of the SCPPA Capacity Share of the Facility Capacity along with other rights and resources associated with the Project, and each such SCPPA Participating Member will agree to pay its proportionate share of all costs, liabilities and obligations of SCPPA in connection with the Project, including, but not limited to, the costs for acquisition and delivery of capacity and other attributes pursuant to the Purchase Agreement and all of SCPPA's other costs associated therewith; and

WHEREAS, SCPPA and the SCPPA Participating Members desire to provide for the further development, negotiation, execution and delivery of such other documents, instruments, agreements and arrangements with respect to the Project so as to facilitate administration, including without limitation a Fiscal Agency Agreement for services from LADWP.

WHEREAS, a copy of each of the Purchase Agreement, the Buyers' Joint Project Agreement, the SB 859 Sales Agreement[2] and the Fiscal Agency Agreement have been provided to the Board substantially in final form.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Southern California Public Power Authority as follows:

1. The Power Purchase Agreement, the Buyers' Joint Project Agreement, the SB 859 Sales Agreement and the Fiscal Agency Agreement, as presented to the Board substantially in final form, are hereby approved.

---

[1] The shares of the SCPPA Participating Members are: Anaheim, 0.4928 MW, or 4.48%; IID, 0.9108 MW, or 8.28%; and LADWP, 5.4241 MW, or 49.31%.

[2] To avoid unnecessary duplication, the only form of a SB 859 Sales Agreement provided is between SCPPA and LADWP. The SB 859 Sales Agreements for the other SCPPA Participating Members will be identical save for designation of the parties.

2. The Executive Director is hereby delegated the right, power and authority to negotiate and finalize, and each of the President, Vice President and Executive Director of SCPPA is hereby authorized and directed, upon the successful negotiation thereof, to execute and deliver (A) the Purchase Agreement, as described herein, and each of such other agreements, documents and instruments the substance or form of which are referenced in or otherwise attached to the Purchase Agreement and related documents or which may be contemplated by the terms of the Purchase Agreement and to which SCPPA is to be a party or is to sign; and (B) the Buyers Joint Project Agreement, the SB 859 Sales Agreement and the Fiscal Agency Agreement as described herein, each with such changes, insertions and omissions are hereby approved by said President, Vice President or Executive Director (such approval to be conclusively evidenced by her or his execution and delivery thereof).

3. Each of the President, Vice President, Secretary, any Assistant Secretary, the Executive Director and any other officer of SCPPA is hereby authorized to execute and deliver any and all agreements, documents and instruments and to do and cause to be done any and all acts and things deemed necessary or advisable for carrying out the transactions contemplated by this Resolution (including, but not limited to, making such changes to the agreements, documents and instruments referred to in this Resolution if such changes are determined by the President, Vice President or Executive Director to be necessary or advisable). Each reference in this Resolution to the President, Vice President, Secretary, Assistant Secretary or Executive Director shall refer to the person holding such office or position, as applicable, at the time a given action is taken and shall not be limited to the person holding such office or position at the time of the adoption of this Resolution. All actions heretofore taken by the officers, employees and agents of SCPPA in furtherance of the transactions contemplated by this Resolution are hereby approved, ratified and confirmed.

4. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by SCPPA this 17th day of October 2019.

PRESIDENT
Southern California Public
Power Authority

ATTEST:

SECRETARY
Southern California Public
Power Authority

CALIFORNIA ENERGY COMMISSION

EMISSION PEFORMANCE STANDARD COMPLIANCE FILING

COMPLIANCE FILING ATTESTATION

I, the official named below, certify under penalty of perjury, the following:

1. I am an agent of the Southern California Public Power Authority (SCPPA) authorized by its governing board to sign this attestation on its behalf. (Capitalized terms used herein have the meanings given in the cover letter submitted herewith.)

2. The SCPPA Board of Directors has reviewed and approved in public meetings both the covered procurement (on October 17, 2019) and the compliance filing described above (February 20, 2020).

3. Based on the SCPPA Board of Director's knowledge, information, and belief, the compliance filing does not contain a material misstatement or omission of fact;

4. Based on the SCPPA Board of Director's knowledge, information, or belief, the covered procurement complies with Title 20, Division 2, Chapter 11, Article 1 of the California Code of Regulations; and

5. While the Purcahse Agreement does not contain the contractual terms specified in 20 CCR § 2909(a)(4), it does contain a warranty by the Seller that the Project is and will remain EPS Compliant for the duration of the Agreement and provides SCPPA with a right to terminate the Purchase Agreement in the event of a breach of said warranty.

Executed this __ day of May 2020, at Glendora, California.

_____

Michael S. Webster, Executive Director
Southern California Public Power Authority

ATTACHMENT C

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

WORKING GROUP UPDATE

(Regularly Scheduled Working Group Meetings)*

EXECUTIVE DIRECTOR'S REPORT

February 20, 2020 Board Meeting

NATURAL GAS:

The Natural Gas Working Group held its quarterly meeting on January 28th. The group discussed pertinent issues to SCPPA's current natural gas reserves projects as well as the award of a new Professional Services Agreement to the incoming gas consultant, who will begin in March. The Risk Management Working Group also joined this meeting to discuss potentially hiring a hedging consultant to manage individual members' hedging strategies. The next meeting is scheduled for April 28th, 2020.

RENEWABLES WORKING GROUP:

Three RFP will be release by next month: 2020 Rolling Renewables RFP, Resource Adequacy RFP, and the Standalone Storage RFP. Currently, SCPPA Members are reviewing the RFP and providing their feedback.

RESOURCE PLANNING:

SCPPA will be reaching out to the 4 vendors for a Master Professional Service Agreement with SCPPA. This is for the quarterly presentations as well as independent studies for individual Members. The plan is to bring this for Board approval in March.

PUBLIC BENEFITS:

The Evaluation, Measurement, and Verification of Energy Efficiency Programs RFP Interviews have been scheduled with five (5) of the Respondents for the week of February 24-28. Selections are expected to be made within the month and any Agreement(s) with the Bidder(s) suggested for award will be brought to the Board in March or April for consideration and approval.

The Public Benefits Working Group is currently finalizing their data in the Cost-effectiveness Tool/Reporting Platform for the statewide Energy Efficiency Report.

The Public Benefits Working Group is currently working on developing a potential white-labeled statewide Solar Consumer Protection Guide similar to the one produced by the CPUC.

BUILDING ELECTRIFICATION:

The Building Electrification Sub-Working Group is making great strides to develop a workshop to be hosted in early April. Stay tuned.

*Excludes Finance Committee and Legislative and Regulatory Working Groups, all three provide a separate report to the Board.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

WORKING GROUP UPDATE

(Regularly Scheduled Working Group Meetings)*

EXECUTIVE DIRECTOR'S REPORT

February 20, 2020 Board Meeting

TRANSPORTATION ELECTRIFICATION:

The Transportation Electrification Workshop Save the Date (March 5) has been sent out to all SCPPA Members. We hope Member staff from all facets of your utility's operations will join us for a comprehensive, one-day workshop where we will be exploring the technological and operational challenges and opportunities related to Transportation Electrification.

The Transportation Electrification Working Group received a presentation from CALeVIP for a potential partnership in offering incentive programs for Level 2 chargers in 2021. As you may recall, SCPPA applied for and was granted funds under the previous incentive offering for the DCFC installation.

SCPPA has secured and made available seven (7) EVSE and EV Charging Service Discount offerings received in response to SCPPA's RFP for Electric Vehicle and Electric Vehicle Service Equipment Purchasing Discount Programs issued in July of 2019. As a reminder, the EVSE and EV Charging Service Discount offerings are available to all SCPPA Members and customers in SCPPA Member service areas.

T&D E&O:

The 2020 T&D Annual Conference will be hosted in Burbank in either late October or early November. A presentation for Substation Event Reporting was deliver in the Working Group Meeting. It showcases that collecting and reporting system events at the relay level at a substation, one will be able to detect an outage and manage it before it happens.

MUTUAL ASSISTANCE:

There will be a new CUEA Board Membership opportunity in June of this year. Todd Dusenberry from the City of Vernon has been a member of the Board for 2 years and highly recommends a SCPPA Member to participate and be voted into the Board. Each utility gets one vote so it's imperative that our members attend the CUEA Conference to vote a SCPPA Member to the CUEA Board.

*Excludes Finance Committee and Legislative and Regulatory Working Groups, all three provide a separate report to the Board.

AGENDA ITEM STAFF REPORT

MEETING DATE: February 20, 2020

RESOLUTION NUMBER: 2020-012

SUBJECT: Resolution to establish an Energy Efficiency and Demand Reduction Program

DISCUSSION: ☒ **OR** **CONSENT:** ☐

Select the appropriate box(es):

FROM:		**METHOD OF SELECTION:**	
Finance	☐	Competitive	☐
Project Development	☐	Cooperative Purchase	☐
Program Development	☐	Sole Source	☐
Regulatory/Legislative	☐	Single Source	☐
Project Administration	☐	Other *(Please describe):*	
Legal	☐	Not Applicable	
Executive Director	☒		

Approved by Executive Director: Michael S. Dekoter

RECOMMENDATION:

Approve the resolution to establish an Energy Efficiency and Demand Reduction Program to provide a clear structure and formality for SCPPA's facilitation of contracts for the procurement of energy efficiency and demand reduction goods and services by the Members.

BACKGROUND and DISCUSSION:

SCPPA was formed pursuant to the Joint Powers Agreement (JPA) in 1980 for the purpose of undertaking the planning, financing, development, acquisition, construction, reconstruction, improvement, enlargement, betterment, operation or maintenance of one or more projects. However, in 2006 the legislature added Section 9615 to the Public Utilities Code which states that "each local publicly owned electric utility, in procuring energy to serve the load of its retail end-use customers, shall first acquire all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible." This essentially put energy efficiency and demand reduction as part of the generation stack to be accomplished before other generation projects could be considered.

Section 224.3 of the Public Utilities Code provides that a ""local publicly owned electric utility" means a municipality or municipal corporation operating as a "public utility" furnishing electric service..., an

irrigation district furnishing electric services..., or a joint powers authority that includes one or more of these agencies and that owns generation or transmission facilities." As a joint powers authority that includes municipally owned electric utilities and an irrigation district and owns both generation and transmission, SCPPA qualifies as a "local publicly owned electric utility" under Section 224.3. SCPPA and/or its Members must acquire energy efficiency and demand reduction resources that are cost effective, reliable, and feasible before acquiring capacity or an ownership interest in other generation projects for its Members. Under Section 5 of the JPA, SCPPA is authorized and empowered to do or cause to be done all acts "necessary for the exercise" of its power to finance, acquire, construct, maintain and operate one or more Projects.

SCPPA does not have its own retail end-use customers. Despite this fact, there are procedural requirements in the Joint Powers Act that tie Section 9615 of the Public Utilities Code to SCPPA. Section 6509 of the Joint Powers Act provides that a joint power authority's power, as specified in the joint powers agreement giving rise to its formation, "is subject to the restriction upon the manner of exercising the power of one of the contracting parties, which party shall be designated by the agreement." At the end of Section 5, the JPA states that SCPPA's express powers therein are subject only to such restrictions upon the manner of exercising such powers as are imposed upon the City of Riverside, California, in the exercise of similar powers.

As a local publicly owned electric utility with retail end-use customers, the City of Riverside is effectively restricted in the manner in which it is empowered to exercise its express authority to acquire capacity or an ownership interest in generation projects, because it is mandated to first acquire energy efficiency and demand reduction resources pursuant to Section 9615 of the Public Utilities Code. SCPPA is also similarly restricted in the manner in which it is expressly empowered to acquire, construct, maintain and operate facilities for Projects. The Members of SCPPA are not relieved of their obligations under Section 9615 of the Public Utilities Code simply by acting through SCPPA, since SCPPA itself is also subject to such obligations.

Because the acquisition of energy efficiency and demand reduction resources is a prerequisite to SCPPA's exercise of its power, the acquisition of these resources is "necessary for the exercise" of SCPPA's power to acquire, construct, maintain and operate one or more Projects.

SCPPA has facilitated energy efficiency and demand reduction goods and services to Members since Section 9615 of the Public Utilities Code was adopted, however, there was no clear documentation connecting energy efficiency and demand reduction goods and services procurement to the authority granted in the JPA. This raised legitimate questions that required legal analysis as summarized above.

Thus, it is recommended that SCPPA formalize and document it's authority to offer goods and services to Members for energy efficiency and demand reduction through the establishment of an Energy Efficiency and Demand Reduction Program.

For the purposes of the Energy Efficiency and Demand Reduction Program, the following definitions apply:

> "Energy Efficiency" is defined as ""using less electrical energy to do the same task," as applied to the customer or the utility, which can be achieved through, among other means, resources to facilitate behavioral changes of energy users, use of more efficient equipment, or materials, or application of control devices; and
>
> "Demand Reduction" is defined as any measure, system or tool that serves to reduce or avoid peak or off-peak electric energy service requirements, electric energy generation or transmission capacity or energy requirements.

To implement the Energy Efficiency and Demand Reduction Program effectively, and to have in place a mechanism to consider other future programs, the Executive Director, in consultation with SCPPA legal counsel, has developed a review and approval process to determine if the goods and services SCPPA may provide is consistent with the authority under the JPA and a process for documenting and recording the justifications and decisions for future reference and guidance. The Executive Director will also ensure that requests for facilitation of goods and services by SCPPA are aligned with the authority granted in the JPA and make necessary changes as may be required.

ATTACHMENTS:

Attachment A: Current version of the SCPPA Joint Powers Agreement as last amended in 1983.

[Conformed Copy, with Amendments
as of April, 2005]

Attachment A

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

JOINT POWERS AGREEMENT

Dated as of November 1, 1980

TABLE OF CONTENTS

Page

SECTION 1. PURPOSE 1

SECTION 2. DEFINITIONS 1

SECTION 3. CREATION OF AUTHORITY 3

SECTION 4. TERM 4

SECTION 5. POWERS 4

SECTION 6. BONDS AND NOTES 5

SECTION 7. LIMITATIONS AND CONTRIBUTION 6

SECTION 8. TERMINATION OF POWERS; LIQUIDATION; DISTRIBUTION 7

SECTION 9. BOARD OF DIRECTORS 7

SECTION 10. MEETINGS OF BOARD OF DIRECTORS 8

SECTION 11. OFFICERS 9

SECTION 12. CONTRIBUTIONS; PAYMENTS; ADVANCES; ETC 10

SECTION 13. ADDITIONAL MEMBERS 10

SECTION 14. WITHDRAWAL OR EXCLUSION OF MEMBER 11

SECTION 15. ACCOUNTS AND REPORTS 12

SECTION 16. BREACH 12

SECTION 17. SEVERABILITY 13

SECTION 18. SUCCESSORS AND ASSIGNS; AMENDMENTS 13

SECTION 19. NOTICES 13

SECTION 20. EXECUTION OF COUNTERPARTS 15

JOINT POWERS AGREEMENT

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

THIS AGREEMENT, dated as of November 1, 1980, by and among City of Anaheim, City of Azusa, City of Banning, City of Burbank, City of Colton, City of Glendale, City of Los Angeles, City of Pasadena, City of Riverside and Imperial Irrigation District;

W I T N E S S E T H :

WHEREAS, each Member is a city, public corporation or public district of the State of California and is empowered by law to acquire, construct, maintain and operate facilities for the generation or transmission of electrical energy for public or private use and all rights, properties and improvements necessary therefor, including fuel and water facilities and resources; and

WHEREAS, each Member desires to enter into an agreement to create a separate public entity pursuant to the provisions of the Joint Powers Act for the purpose set forth herein and desires that such separate public entity have the powers provided herein in connection with such purpose;

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do hereby agree as follows:

SECTION 1. PURPOSE. This Agreement is made pursuant to the provisions of Chapter 5, Division 7, Title 1, of the Government Code of the State of California, as amended (the "Joint Powers Act"), to create a separate public entity for the purpose of undertaking the planning, financing, development, acquisition, construction, reconstruction, improvement, enlargement, betterment, operation or maintenance of one or more Projects.

SECTION 2. DEFINITIONS. In addition to the other terms defined herein, the following terms, whether in the singular or in the plural, when used herein and initially capitalized, shall have the meanings specified.

(a) **Authority.** The term "Authority" shall mean the separate public entity created by this Agreement.

(b) **Fiscal Year.** The term "Fiscal Year" shall mean the Fiscal Year of the Authority as established from time to time by the Board of Directors, being at the date of this Agreement the period from July 1 to and including the following June 30.

(c) **Member.** The term "Member" shall mean (i) the parties first listed above, each of which is a city, public corporation or public district of the State of California and each of which executed this Agreement on or before the date first above written; (ii) a city, public corporation or public district which shall have met the requirements of Section 13 hereof; and (iii) a successor of a city, public corporation or public district referred to in clause (i) or clause (ii) of this subsection (c). The term "Member" shall, however, exclude any city, public corporation or public district which shall have withdrawn or been excluded from the Authority pursuant to Section 14 hereof.

(d) **Project.** The term "Project" shall mean (i) facilities for the generation or transmission of electrical energy for public or private uses and all rights, properties and improvements necessary therefor, including fuel and water facilities and resources, and buildings, structures, improvements and facilities appurtenant thereto or provided therefor together with land necessary therefor and (ii) an ownership interest or a capacity right in any facility for the generation or transmission of electric energy. Any such facility for the generation or transmission of electric energy may be situated in whole or in part within or without the State of California. As used in the first sentence of this subsection (d), "transmission of electrical energy" shall not include the final distribution of electric energy to the consumer. Except where the context shall indicate otherwise, the meaning of the term "Project" shall include a Study Project.

(e) **Project Contract.** The term "Project Contract" shall mean a contract between the Authority and a Member providing to such Member an entitlement or a right to participate in the capacity, output or service of a Project or a Study Project of the Authority and obligating such Member to make payments with respect to the costs thereof, all in accordance with the terms and conditions of such Contract.

(f) **Project Matter.** The term, "Project Matter" shall mean a matter for decision by the Board of Directors involving a question pertinent to the studying, planning, financing, developing, acquiring, constructing, reconstructing, improving, enlarging, bettering, operating or maintaining of a Project as to which there shall be one or more Project Contracts.

(g) **Project Votes.** The term "Project Votes" shall mean the number of votes a Director shall be entitled to cast with respect to a Project Matter. Each Director shall be entitled to cast that number of votes with respect to a Project Matter computed, with respect to the Member such Director represents, as follows:

(i) 1 vote, plus

(ii) that number of votes (rounded to the next higher whole number) equal to 1000 multiplied by the result of dividing (aa) the amount of the Member's then existing entitlement or right to participate in the Project or Study Project to which the Project Matter relates, by (bb) the aggregate amount of all Members' then existing entitlements or rights to participate in such Project or Study Project.

In the event a Project involves both generation and transmission facilities and any Member's entitlement or right to participate in such Project's generation differs from that with respect to such Project's transmission, the calculation pursuant to clause (ii) of this subsection (g) shall be made on the basis of Project generation.

In the event that a calculation under clause (ii) of this subsection (g) is being made with respect to a Project (other than a Study Project) prior to the date of commercial operation of the Project, such calculation shall be made as of the anticipated date of commercial operation of such Project.

Each computation of Project Votes shall be prepared by the Secretary of the Authority and submitted to and verified by the Board of Directors.

(h) **Study Project.** The term "Study Project" shall mean one or more proposed Projects as to which the Authority undertakes to make studies or to acquire options or permits and to incur other preliminary costs prior to the undertaking of the construction or acquisition of such proposed Project or Projects.

SECTION 3. CREATION OF AUTHORITY. Pursuant to the Joint Powers Act, there is hereby created a public entity, to be known as the "Southern California Public Power Authority", and said Authority shall be a public entity separate and apart from the Members.

SECTION 4. TERM. This Agreement shall become effective as of the date hereof and, subject to the right to rescind provided by Section 8 hereof, shall continue in full force and effect for a period of fifty (50) years from the date hereof or until such later date as all bonds and notes

of the Authority and the interest thereon shall have been paid in full or adequate provision for such payment shall have been made in accordance with the instruments governing such bonds and notes.

SECTION 5. POWERS. The Authority shall have power to finance, acquire, construct, maintain and operate one or more Projects. The Authority is hereby authorized and empowered, in its own name, to do or cause to be done all acts necessary for the exercise of said power, including but not limited to any or all of the following:

(a) To plan, develop, acquire, construct, manage, maintain or operate any buildings, facilities, works, roads or improvements or any interest therein, including, without limitation, to acquire, construct, reconstruct, improve, and rehabilitate, repair, operate and maintain (separately or jointly) generating plants or transmission systems for the purpose of delivering electrical power and energy generated thereby and any mine, well, pipeline, plant, reservoir, structure or other facility for the development, production, manufacture, management, storage, fabrication or processing of fuel of any kind or water for use in any of such generating plants, and any railroad cars, trackage, pipes, slurry lines, equipment and any structures or facilities of any kind used or useful in the transporting of fuel of any kind or water to any of such generating plants, to act as agent or to designate one or more other utilities participating in a joint undertaking to act as agent in connection with any of the foregoing, and to sell, deliver, exchange, and otherwise dispose of the power and energy generated by said plants, and any of the waste or byproducts therefrom, and to purchase, lease or otherwise acquire and equip, maintain, operate, sell, assign, convey, lease and otherwise dispose of electrical generating plants or transmission systems or both, together with all lands, buildings, equipment, and all other real or personal property, tangible or intangible, necessary or incidental thereto.

(b) To acquire (by exercise of the power of eminent domain or otherwise), hold, lease (as lessor or lessee), sell, or otherwise dispose of any real or personal property, commodity, or service including, without limitation, to buy, lease, construct, appropriate, contract for, invest in, and otherwise acquire, and to own, hold, maintain, equip, operate, manage, improve, develop, and deal in and with, and to sell, lease, exchange, transfer, convey and otherwise dispose of, real and personal property of every kind, tangible and intangible, commodities (including fuel and water) and services; provided that the power to acquire property for the purposes of a project for the generation or transmission of electrical energy shall not

include the power of condemnation of property owned or otherwise subject to use or control by any public utility within the State of California.

(c) To make and enter into contracts with any Member or any other entity, public or private, with respect to the purchase, sale or transmission of electric power or energy or both, or with respect to the ownership, location, acquisition, construction, operation or disposal of any Project, or with respect to any other matters relating to any Project, on such terms and conditions as shall be determined by the Board of Directors.

(d) To establish or agree to establish, pursuant to any contract with respect to a Project, management or other committees composed of representatives of participating entities and to agree to the powers, duties, procedures and responsibilities of any such committee.

(e) To make and enter into other contracts of every kind with the Members, the United States, any state or political subdivision thereof, and any individual, firm, association, partnership, corporation or any other organization of any kind.

(f) To employ agents and employees.

(g) To incur debts, liabilities or obligations which do not constitute a debt, liability or obligation of any Member.

(h) To sue and be sued in its own name.

(i) To exercise any other power permitted by the Joint Powers Act.

Such powers shall be exercised in the manner provided in Section 6509 of the Government Code of the State of California, as amended, subject only to such restrictions upon the manner of exercising such powers as are imposed upon the City of Riverside, California, in the exercise of similar powers.

SECTION 6. BONDS AND NOTES. The Authority shall also have the power to issue, sell and deliver, in accordance with the provisions of the Joint Powers Act, (i) bonds to provide funds for the acquisition, construction and financing of one or more Projects, (ii) refunding bonds for the purpose of redeeming or retiring any bonds issued by the Authority and any other indebtedness incurred by the Authority, and (iii) notes for the purpose of financing one or more Study Projects and for the purpose of providing temporary financing of costs of construction or acquisition of one or more Projects. The terms and conditions of the issuance of any such bonds, refunding bonds or notes shall be set forth in such resolution, indenture or other instrument, shall

include such security provisions and shall specify such source or sources of payment, as in accordance with law shall be determined by the Board of Directors.

SECTION 7. LIMITATIONS AND CONTRIBUTION. (a) Bonds or notes issued by the Authority under Section 6, and contracts or obligations which are entered into by the Authority to carry out the purposes for which such bonds or notes are issued and which are payable in whole or in part from the proceeds of said bonds or notes, shall not constitute a debt, liability or obligation of any Member. Pursuant to Section 6508.1 of the Government Code of the State of California, as amended, no debt, liability or obligation of the Authority shall be a debt, liability or obligation of any Member except as provided by Section 895.2 of the Government Code of the State of California in the case of injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement.

(b) In the event any Member is held liable upon any judgment for damages caused by a negligent or wrongful act or omission occurring in the performance of this Agreement, and pays in excess of its Liability Share of such judgment, such Member shall be entitled to contribution from each other Member, and such Member may require each other Member to pay any amount in excess of such Member's Liability Share of such judgment which such Member has paid, but in no event shall any such other Member be so required to pay in excess of such other Member's Liability Share of such judgment.

(c) As used in clause (b), subject to clause (d), the term "Liability Share" shall mean, with respect to any Member, the amount of the judgment divided by the number of Members at the time the act or omission occurred.

(d) Notwithstanding clause (c), if any portion of the judgment arises from an act or omission directly related to the studying, planning, financing, developing, acquiring, constructing, reconstructing, improving, enlarging, bettering, operating, maintaining or decommissioning any Project as to which there shall be one or more Project Contracts, with respect to such portion the term "Liability Share" shall mean, with respect to any Member, the amount of such portion multiplied by a fraction equal to (i) such Member's then existing entitlement or right, if any, to participate in such Project, divided by (ii) the aggregate amount of all Member's then existing entitlements or rights to participate in such Project. In the event such Project involves both generation and transmission facilities and any Member's entitlement or right to participate in such Project's generation differs from that with respect to such Project's

transmission, the calculation pursuant to this clause (d) shall be made on the basis of Project generation, and in the event that such calculation is being made with respect to a Project (other than a Study Project) prior to the date of commercial operation of the Project, such calculation shall be made as of the anticipated date of commercial operation of such Project.

(e) Nothing in this Section contained shall in any way diminish the liability of any Member or other party with respect to any contract between such Member or other party and the Authority.

SECTION 8. TERMINATION OF POWERS; LIQUIDATION; DISTRIBUTION. This Agreement shall continue in full force and effect, and the Authority shall continue to possess the powers herein conferred upon it, until the expiration (pursuant to Section 4 of this Agreement) of the term of this Agreement or until the Members shall have rescinded this Agreement (pursuant to this Section 8). Rescission of this Agreement may only be accomplished by a writing or writings executed by each Member and approved by resolution of each Member's governing body. In no event shall this Agreement or the powers herein granted to the Authority be rescinded until (a) all bonds and notes of the Authority and the interest thereon shall have been paid or adequate provision for such payment shall have been made in accordance with the instruments governing such bonds and notes and (b) all other obligations and liabilities of the Authority shall have been met or adequately provided for.

Upon any such expiration or rescission, the Board of Directors shall liquidate the business and assets and property of the Authority as expeditiously as possible, and distribute any net proceeds to any Members in such manner in accordance with law as shall be determined by the Board of Directors.

SECTION 9. BOARD OF DIRECTORS. The Authority shall be administered by a governing board (the "Board of Directors") which shall consist of one Director representing each Member. The Director representing each Member shall be the chief executive officer of the electric utility of such Member or the designee of such chief executive officer. Each Director will serve in his individual capacity as a member of the Board of Directors. The Board of Directors shall have the general management of the affairs, property and business of the Authority and may adopt and modify from time to time such by-laws and other rules and regulations for that purpose and for the conduct of its meetings as it may deem proper. The

Board of Directors may exercise and shall be vested with all powers of the Authority insofar as not inconsistent with law or this Agreement.

SECTION 10. MEETINGS OF BOARD OF DIRECTORS.

(a) **Regular Meetings.** The Board of Directors shall hold a regular meeting not less than once each calendar year. The date upon which, and the hour and place at which, each regular meeting shall be held shall be fixed by resolution of the Board of Directors.

(b) **Special Meetings.** Special meetings of the Board of Directors may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California, as amended.

(c) **Legal Notice.** All meetings of the Board of Directors shall be held subject to the provisions of the laws of the State of California requiring notice of meetings of public bodies to be given in the manner in such laws provided.

(d) **Minutes.** The Secretary of the Authority shall cause to be kept minutes of the meetings of the Board of Directors, both regular and special, and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director.

(e) **Quorum.** A majority of the Board of Directors shall constitute a quorum for the transaction of business, except that, if less than a majority is present at a meeting, a majority of those Directors present may adjourn the meeting from time to time.

(f) **Voting.** When a quorum is present at a meeting of the Board of Directors, the vote of the Directors present at such meeting shall decide any question brought before such meeting and such decision shall be deemed to be the action of the Board. Except as provided in subsection (g) of this Section 10 and in Section 13(b)(i) of this Agreement, each Director shall have one vote and the vote of the majority shall decide any question.

(g) **Voting on Project Matters.** All questions regarding Project Matters shall be decided by 80% of the Project Votes cast thereon; provided, that, upon the unanimous vote of the Board of Directors and the inclusion of a provision to such effect in each Project Contract for a Project, all questions or specified questions regarding Project Matters with respect to such Project will be decided by a majority of the Project Votes cast thereon. Each Director shall be entitled to cast all or any portion of the number of such Director's Project Votes. No vote shall be taken on any Project Matter unless there shall be present at the meeting Directors entitled to cast more than 50% of the Project Votes relative to such Project Matter.

(h) **Other Voting Arrangements.** No provision of this Agreement shall in any way restrict the ability of the Authority to make and enter into from time to time contracts providing for representation on management or other committees with respect to a Project and/or voting by the parties to such contracts on matters related thereto, on the terms provided therein.

SECTION 11. OFFICERS.

(a) At its first meeting in each calendar year, the Board of Directors shall elect or re-elect a President and a Vice President each of whom shall be selected from among the Directors and shall also appoint or re-appoint a Secretary and a Treasurer/Auditor each of whom may, but need not, be selected from among the Directors. In the event that the President, Vice President, Secretary or Treasurer/Auditor so elected or appointed ceases (in the case of the President or the Vice President) to be a Director, resigns from such office or is otherwise unable to perform the duties of such office, the resulting vacancy shall be filled at the next regular meeting of the Board of Directors held after such vacancy occurs. In the absence or inability of the President to act, the Vice President shall act as President. The President, or in his absence the Vice President, shall preside at and conduct all meetings of the Board of Directors.

(b) The Treasurer/Auditor is designated as the treasurer and the auditor of the Authority and as such (i) shall be the depositary of the Authority to have custody of all the money of the Authority, from whatever source, (ii) shall draw warrants to pay demands against the Authority when the demands have been approved by the President or the Vice President of the Authority, and (iii) shall have the other powers, duties and responsibilities of such officers as specified in Section 6505.5 of the Government Code of the State of California, as amended, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed, as is provided for and authorized by Section 6558 of the Government Code of the State of California, as amended, pursuant to any resolution, indenture or other instrument providing for the issuance of bonds or notes of the Authority pursuant to Section 6 of this Agreement.

(c) The President, the Vice President and (to the extent such officer's duties and responsibilities pursuant to the Joint Powers Act require) the Treasurer/Auditor are designated as the public officers or persons who have charge of, handle, or have access to any property of the Authority, and each such officer shall file an official bond with the Secretary of the Authority in the amount of $100,000.

(d) In addition to the powers, duties and responsibilities provided herein or by law, the President, the Vice President and the Secretary shall have such powers, duties and responsibilities as are provided in the by-laws of the Authority. The Treasurer/Auditor shall have such powers, duties and responsibilities as are provided herein or by law.

(e) The Board of Directors shall have the power to appoint an Executive Director, who may be an employee of a Member and who shall have such powers, duties and responsibilities as are provided in the by-laws of the Authority.

(f) The Board of Directors shall have the power to appoint such other officers and employees as it may deem necessary, any of whom may be employees of a Member, and who shall have such powers, duties and responsibilities as are determined by the Board of Directors.

SECTION 12. CONTRIBUTIONS; PAYMENTS; ADVANCES; ETC. In accordance with Section 6504 of the Government Code of the State of California, as amended, the Members shall make such contributions, payments and advances to the Authority as are approved from time to time by the Board of Directors. The Authority may make such arrangements relative to the repayment or return to the Members of such contributions, payments and advances as are approved from time to time by the Board of Directors.

Any Member which fails to make or pay when due any required contribution, payment or advance to the Authority, may have its rights under this Agreement terminated and may be excluded from participation in the Authority as provided in Section 14(c) of this Agreement.

SECTION 13. ADDITIONAL MEMBERS. Any city, public corporation or public district organized and existing under the laws of the State of California or under a city charter adopted pursuant thereto, authorized by or pursuant to such laws or charter to engage in the activities described in the first recital of this Agreement, and located in either Imperial County, Los Angeles County, Orange County, Riverside County, San Bernardino County, San Diego County or Ventura County, may become a Member upon meeting the following conditions:

(a) The city, public corporation or public district shall file with the Board of Directors a certified copy of a resolution of its governing body whereby the city, public

corporation or public district (i) agrees to the provisions of this Agreement and (ii) requests to become a Member.

(b) No such city, public corporation or public district shall become a Member until (i) its admission is approved at a regular or special meeting of the Board of Directors by unanimous vote and (ii) such city, public corporation or public district deposits or agrees to deposit with the Authority an amount equal to such share of the costs and expenses incurred by the Authority prior to the date of admission of such city, public corporation or public district as a Member as shall be determined by the Board of Directors.

Upon completion of the foregoing, the city, public corporation or public district shall become a Member for all purposes of this Agreement.

SECTION 14. WITHDRAWAL OR EXCLUSION OF MEMBER. (a) Any member may withdraw from the Authority upon the following conditions: (i) the Member shall have filed with the Board of Directors a certified copy of a resolution of its governing body expressing its desire to so withdraw and (ii) if the Authority, prior to the filing of such resolution, shall have incurred any obligation payable from contributions, payments or advances in accordance with Section 12 hereof which obligation matures after the date of such filing, the withdrawing Member shall have paid, or made arrangements satisfactory to the Board of Directors to pay, to the Authority its pro rata portion of such obligation.

(b) Upon compliance with the conditions specified in subsection (a) of this Section 14, the withdrawing Member shall no longer be considered a Member for any reason or purpose under this Agreement and its rights and obligations under this Agreement shall terminate. The withdrawal of a Member shall not affect any obligations of such Member under any contract between the withdrawing Member and the Authority.

(c) Any Member which has (i) defaulted under a contract with the Authority, or (ii) failed to pay any required contributions, payments or advances in accordance with Section 12 hereof, may have its rights under this Agreement terminated and may be excluded from participation in the Authority by the vote (taken at a regular or special meeting of the Board of Directors) of a majority of the Board of Directors (including the Director representing the defaulting Member), each casting one vote. Any excluded Member shall continue to be liable for its obligations under any contract with the Authority and for any unpaid contribution, payment or advance approved by the Board of Directors prior to such Member's exclusion and

not objected to by such Member by written notice to the Authority within thirty days after such approval.

SECTION 15. ACCOUNTS AND REPORTS. There shall be strict accountability of all funds and reporting of all receipts and disbursements of the Authority. The Authority shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any resolution, indenture or other instrument of the Authority securing its bonds or notes, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed pursuant to such resolution, indenture or other instrument. The books and records of the Authority shall be open to inspection at all reasonable times to each Member and its representatives. The Authority, within 120 days after the close of each Fiscal Year, shall give a complete written report of all financial activities for such Fiscal Year to the Members.

The Treasurer/Auditor shall cause an annual independent audit of the accounts and records of the Authority to be made by a certified public accountant or public accountant, all in accordance with, and at the time or times required by, law.

All the books, records, accounts and files referred to in this Section 15 shall be open to the inspection of holders of bonds or notes of the Authority to the extent and in the manner provided in the resolution, indenture or other instrument providing for the issuance of such bonds or notes.

SECTION 16. BREACH. If default shall be made by any Member in any undertaking contained in this Agreement, such default shall not excuse such Member or any other Member from fulfilling its obligations under this Agreement and each Member shall continue to be liable for the payment of contributions, payments and advances pursuant to Section 12 hereof and the performance of all conditions herein contained. Each Member hereby declares that this Agreement is entered into for the benefit of the Authority created hereby and each Member hereby grants to the Authority the right to enforce by whatever lawful means the Authority deems appropriate all of the obligations of each of the Members hereunder. Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Authority to any or all other remedies.

SECTION 17. SEVERABILITY. In the event that any term, covenant or condition of this Agreement or the application of such term, covenant or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction in the premises, all other terms, covenants or conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect unless a court holds that the provisions are not separable from all other provisions of this Agreement.

SECTION 18. SUCCESSORS AND ASSIGNS; AMENDMENTS. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Members. No Member may assign any right or obligation hereunder without the consent of all other Members. The immediately preceding sentence shall not affect, in any respect, any right of assignment under any contract between any Member and the Authority. Subject to any requirements of law (including Section 6573 of the Government Code of the State of California, as amended), this Agreement may be amended at any time and from time to time by a writing or writings executed by each Member and approved by resolution of each Member's governing body.

SECTION 19. NOTICES. (a) Any notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given, or made if delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

if to the Authority:

Public Utilities Director
Riverside Public Utilities Department
3900 Main Street
Riverside, California 92522

if to City of Anaheim:

City Clerk
200 South Anaheim Boulevard
Anaheim, California 92805

with a copy to:

General Manager
Public Utilities Department
200 South Anaheim Boulevard
Anaheim, California 92805

if to City of Azusa:

City Administrator
213 East Foothill Boulevard
Azusa, California 91702

if to City of Banning:

City Manager
161 West Ramsey Street
Banning, California 92220

if to City of Burbank:

General Manager
Public Service Department
164 West Magnolia
Burbank, California 91503

if to City of Colton:

Utilities Director
650 North La Cadena Drive
Colton, California 92324

if to City of Glendale:

General Manager and Chief Engineer
Public Service Department
111 North Glendale Avenue
Glendale, California 91206

if to City of Los Angeles:

Chief Engineer and Assistant Manager
Department of Water and Power
111 North Hope Street
Los Angeles, California 90012

if to City of Pasadena:

General Manager
Water and Power Department
100 North Garfield Avenue
Pasadena, California 91109

if to City of Riverside:

Public Utilities Director
3900 Main Street
Riverside, California 92522

if to Imperial Irrigation District:

General Manager
333 East Main Street
Imperial, California 92251

(b) A Member may, at any time, by written notice to each other Member and the Authority, designate different or additional persons or different addresses for giving of notices, demands or requests to it hereunder.

(c) The Authority may, at any time, by written notice to each Member, designate a different or additional person or a different address for giving of notices, demands or requests to it hereunder.

SECTION 20. EXECUTION OF COUNTERPARTS. This Agreement may be executed in any number of counterparts. All such counterparts shall be deemed to be originals and shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Members hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

CITY OF ANAHEIM

(seal)
ATTEST:

By: _____

_____

CITY OF AZUSA

(seal)
ATTEST:

By: _____

_____

CITY OF BANNING

(seal)
ATTEST:

By: _____

_____

CITY OF BURBANK

(seal)
ATTEST:

By: _____

_____

CITY OF COLTON

(seal)
ATTEST:

By: _____

_____

CITY OF GLENDALE

(seal)
ATTEST:

By: _____

_____

CITY OF LOS ANGELES
By DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES

(seal)
ATTEST:

By: _____

_____

CITY OF PASADENA

(seal)
ATTEST:

By: _____

_____

CITY OF RIVERSIDE

(seal)
ATTEST:

By: _____

_____

IMPERIAL IRRIGATION DISTRICT

(seal)
ATTEST:

By: _____

_____

RESOLUTION NO. 2020-012

RESOLUTION OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY ESTABLISHING AN ENERGY EFFICIENCY AND DEMAND REDUCTION PROGRAM FOR THE BENEFIT OF MEMBERS AND TAKING CERTAIN RELATED ACTION

WHEREAS, the Southern California Public Power Authority ("SCPPA" or the "Authority") was created pursuant to a joint powers agreement ("JPA") by its members as a separate public entity with broad express powers to carry out the planning, development, operation and maintenance of electric generation and transmission projects; and

WHEREAS, the term "Project" expressly defined in the JPA provides SCPPA with broad authority to facilitate procurements and engage in activities connected to electric generation and transmission facilities; and

WHEREAS, in exercising its express powers described above, SCPPA is subject to and must necessarily comply with a variety of other statutory and regulatory requirements, including the provisions of Section 9615 of the California Public Utilities Code which requires that each local publicly owned electric utility, in procuring energy, "shall first acquire all available energy efficiency and demand reduction resources that are cost effective, reliable and feasible;" and

WHEREAS, SCPPA member utilities ("Members") also subject to the provisions of Section 9615 of the California Public Utilities Code have planned, developed and implemented energy efficiency and demand reduction programs and services within their individual utilities that encompass a broad range of activities and functions; and

WHEREAS, the Members have looked to SCPPA to facilitate certain energy efficiency and demand reduction goods and services contracts to help Members fulfill their obligations to comply with the requirements of Section 9615 of the California Public Utilities Code and to carry out the goals of their individual utility energy efficiency and demand reduction programs and services, and SCPPA has successfully and cost effectively facilitated such contracts in the form of master professional services agreements, goods and services agreements and other similar agreements ("Agreements"); and

WHEREAS, SCPPA now desires to provide an added level of structure and formality to the facilitation of such Agreements by establishing an energy efficiency and demand reduction program; and

WHEREAS, the energy efficiency and demand reduction program by SCPPA shall be denominated as the "SCPPA Energy Efficiency and Demand Reduction Program."

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

1. The Authority Board hereby formally establishes the SCPPA Energy Efficiency and Demand Reduction Program ("Program") for the benefit of Members that will allow

SCPPA to continue to assist Members in achieving the goals and objectives of their energy efficiency and demand reduction programs and services, whereby;

a. For purposes of the Program “Energy Efficiency” shall be defined as “using less electrical energy to do the same task,” which can be achieved through, among other means, resources to facilitate behavioral changes of energy users, use of more efficient equipment materials, or application of control devices;and

b. For purposes of the Project, “Demand Reduction” shall mean any measure, system or tool that serves to reduce or avoid the peak or off-peak electric energy service requirement, electric energy generation or transmission capacity requirements.

2. In pursuit of the Project, the Authority Board further authorizes SCPPA to facilitate, plan, develop and negotiate various agreements for energy efficiency and demand reduction services and goods at the request of and for the benefit of Members, all in accordance with the SCPPA Procurement Code, which may include, among other things, the following energy efficiency and demand reduction related services and goods:

   a. Equipment, materials, products, devices, tools or software to use less energy and reduce demand, as defined in 1a and 1b; and

   b. Expertise and professional services for planning, market research, surveys, audits, studies, customer engagement and communication, rate design to influence customer behavior, and installation and implementation of measures, systems, and platforms for rebate processing or reporting functions; and other related areas of expertise and professional services to achieve the goals and objectives of the Project.

3. The President, Vice President, Secretary, any Assistant Secretary, Executive Director and any other officer of the Authority are each hereby authorized to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.

4. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 20th day of February 2020.

_____

PRESIDENT
Southern California Public
Power Authority

ATTEST:

ASSISTANT SECRETARY
Southern California Public
Power Authority

AGENDA ITEM STAFF REPORT

MEETING DATE:	February 20, 2020	**RESOLUTION NUMBER:**	2020-005

SUBJECT: Power Purchase Agreement with Whitegrass No. 1, LLC and a Power Sales Agreement with the City of Glendale.

DISCUSSION: ☒ **OR** **CONSENT:** ☐

Select the appropriate box(es):

FROM:		**METHOD OF SELECTION:**	
Finance	☐	Competitive	☒
Project Development	☒	Cooperative Purchase	☐
Program Development	☐	Sole Source	☐
Regulatory/Legislative	☐	Single Source	☐
Project Administration	☐	Other *(Please describe):*	
Legal	☐		
Executive Director	☐		

Approved by Executive Director: Michael S. Webster

RECOMMENDATION:
Authorize the negotiation, execution, and delivery of the project Power Purchase Agreement ("PPA) and Power Sales Agreement ("PSA") for the Whitegrass No.1, LLC Geothermal Power Plant ("Whitegrass No. 1") to provide in total approximately 3 MWs of long-term geothermal supply of renewable electrical energy through the Southern California Public Power Authority ("SCPPA" or "the Authority") to one of its participating Members, the City of Glendale ("Glendale") for all 3 MWs, for the purpose of satisfying the utility's renewable electrical energy resource goals.

BACKGROUND:
In pursuit of the goals of the renewable development study project to provide opportunities for its members to supply 33 percent by 2020, the Authority has issued Request for Proposals for Renewable Energy Resources and Energy Storage Solutions to address the renewable electrical energy needs of its members, including Glendale (the "Project Participant").

The developer of Whitegrass No. 1, Open Mountain Energy, LLC ("OME"), is a Delaware limited liability company with sixty plus (60+) years of collective experience developing, constructing, and operating geothermal, biogas, PV solar, and other clean energy projects. OME currently owns over fourteen thousand (14,000) acres or geothermal leases in Nevada with over fifty-four (54) drilled wells (combined full size and gradient/monitoring).

DISCUSSION:

- **Scope of Contract Services:**
  Whitegrass No.1 is a geothermal power plant located in Yerington, Nevada with a net nameplate capacity of 3.0 MW. The energy point of delivery ("POD") is at McCullough 500kV. Commercial operations for Whitegrass No.1 have already occurred, however delivery under the PPA will commence on April 1, 2020. The twenty-five (25) year term PPA is expected to begin upon completion of certain conditions as required under the PPA and is expected to end on December 31, 2045. The energy price under the PPA shall be:

  - $67.50/MWh with up to 4% non-compensable Curtailment Option
  - A credit of $33.75/MWh for not exercising the Curtailment Option of geothermal energy
  - A credit of $39.50/MWh for any solar energy that offsets geothermal parasitic load

- **Selection Method:**
  The OME Whitegrass No.1 Geothermal Power Plant was selected from the forty-eight (48) developer responses received in response to the Request for Proposals for Renewable Energy Resources and Energy Storage Solutions competitive solicitation issued on January 23, 2019 and closed on December 30, 2019.

  The RFP solicited competitive proposals for renewable energy projects or products consistent with the California Renewable Energy Resources Program (Public Resources Code sec. 25740 et seq.) and the California Renewables Portfolio Standard Program (Public Utilities Code sec. 399.11 et seq.), including amendments enacted by passage of SB 100 (De Leon 2018). SCPPA is targeting proposals for renewable resources with commercial operation or delivery starting in 2019 and beyond..

  Whitegrass No. 1 was selected by the Glendale as a viable geothermal power project which will further its renewable electrical energy goals and needs. Based on Glendale's selection, SCPPA desires to enter into a PPA with Whitegrass No. 1, LLC. The developer, OME, has agreed to this intent.

- **SCPPA's Authority:**
  In accordance with the Joint Powers Agreement, SCPPA may facilitate contracts for the transaction involving procurement of electric generation capacity for SCPPA Members.

FISCAL IMPACT:

There is de minimis impact on SCPPA's Administrative and General Budget outside of staff time to administer the PPA.

Glendale has committed in writing to pay for any, and all, energy products and services received from Whitegrass No. 1, LLC over the term of the Agreements through project billing.

[Voice Vote]

RESOLUTION NO. 2020-005

RESOLUTION RELATING TO THE WHITEGRASS NO. 1 GEOTHERMAL ENERGY PROJECT: AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF A POWER PURCHASE AGREEMENT, A POWER SALES AGREEMENT WITH THE CITY OF GLENDALE AND SUCH OTHER DOCUMENTS, INSTRUMENTS AND AGREEMENTS AS MAY BE NECESSARY OR APPROPRIATE TO ACHIEVE THE FULL UTILIZATION OF THE RESOURCES OF THE PROJECT AND AS SHALL BEST CARRY FORWARD THE INTERESTS AND OBJECTIVES OF THE AUTHORITY AND THE CITY OF GLENDALE.

WHEREAS, the Southern California Public Power Authority ("SCPPA" or "the Authority") has issued Requests for Proposals for potential renewable electric resources to address SCPPA member renewable energy needs, as part of that process the Authority together with the City of Glendale (the "Project Participant") have identified a geothermal energy generation resource denominated as the Whitegrass No. 1 Geothermal Energy Project ("Project"). The Project is being developed by Whitegrass No. 1, LLC ("Power Purchase Provider"), a Nevada limited liability company, and an affiliate of Open Mountain Energy, LLC. The Project is planned to be situated in Lyon County, Nevada;

WHEREAS, SCPPA and the Project Participant have negotiated and developed in substantial final form with the Power Purchase Provider a power purchase agreement with a term of 25 years (the "Power Purchase Agreement") whereby the Power Purchase Provider, will sell and SCPPA will purchase geothermal renewable energy and associated environmental rights and benefits;

WHEREAS, the Authority and the Project Participant desire to enter into a power sales agreement (the "Power Sales Agreement"), whereby the Authority will provide to the Project Participant the full output of the Project, and the Project Participant will pay all costs, liabilities and obligations of the Authority in connection with the Project;

WHEREAS, the Project is subject to the California Energy Commission's ("Commission") Emission Performance Standard regulations ("EPS Regulations;" 20 CCR § 2900 *et seq.*), including the requirement in 20 CCR § 2909 that a publicly-owned utility submit a "compliance filing" with the Commission within 10 business days after it enters into a "covered procurement" as therein defined; and

WHEREAS, SCPPA and the Project Participant desire to provide for the further development, negotiation, entering into, execution and delivery of such other documents, instruments, agreements and arrangements with respect to the resources of the Project so as to facilitate the generation, transmission and delivery of energy associated with the Project and to provide for the negotiation and approval of those terms and conditions with respect to such agreements and arrangements as shall best carry forward the interests of the Authority and the

Project Participant and as shall best achieve the Authority's and the Project Participant's objectives.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Southern California Public Power Authority as follows:

1. The Executive Director is hereby delegated all right power and authority to negotiate and finalize, and each of the President, Vice President and Executive Director of the Authority is hereby authorized and directed, upon the successful negotiation thereof, to execute and deliver the Power Purchase Agreement, in substantial form as presented to the Board of Directors, and each of such other agreements, documents and instruments the substance or form of which are referenced in or otherwise attached to the Power Purchase Agreement or which may be contemplated by the terms of the Power Purchase Agreement and to which the Authority is to be a party or is to sign, each with such changes, insertions and omissions as shall be approved by said President, Vice President or Executive Director (such approval to be conclusively evidenced by her or his execution and delivery thereof), and each of the Secretary and any Assistant Secretary is hereby authorized to attest to such signature. The Power Purchase Agreement (including such other agreements, documents and instruments the form of which is attached to the Power Purchase Agreement or is referenced therein) is hereby approved in substantial final form as presented to the Board of Directors.

2. Each of the President, Vice President and Executive Director of the Authority is hereby authorized and directed to execute and deliver the Power Sales Agreement, with the City of Glendale, in substantially form as presented to the Board of Directors, with such changes, insertions and omissions as shall be approved by said President, Vice President or Executive Director (such approval to be conclusively evidenced by her or his execution and delivery thereof), and each of the Secretary and any Assistant Secretary is hereby authorized to attest to such signature. The form of the Power Sales Agreement in substantial final form as presented to the Board of Directors is hereby approved.

3. In addition to the foregoing, in order to facilitate the negotiation and consummation of the contemplated arrangements for the generation and delivery of energy from the Project and to carry forward other necessary or appropriate agreements associated with the acquisition of energy and geothermal generation resources of the Project and the delivery of the energy and environmental attributes of the Project to Southern California, and to achieve the full utilization of the resources of the Project, the Board of Directors hereby delegates to the Executive Director of the Authority all right, power and authority to negotiate, approve and execute agreements and arrangements with respect to the resources of the Project to facilitate the generation, transmission and delivery of energy associated with the Project and to negotiate and approve those terms and conditions with respect to such agreements and arrangements as shall best carry forward the interests of the Authority and the Project Participant and as shall best achieve the Authority's and the Project Participant's objectives, including the negotiation, development and execution of any consent agreement or other agreement pursuant to a change in control, project related financing, or as otherwise necessary or appropriate to carry forward the interests of the Authority and the Project Participants which does not require a material modification to or material change to the Power Purchase Agreement.

4. Each of the President, Vice President, Secretary, any Assistant Secretary, the Executive Director and any other officer of the Authority is hereby authorized to execute and deliver any and all agreements, documents and instruments and to do and cause to be done any and all acts and things deemed necessary or advisable for carrying out the transactions contemplated by this Resolution (including, but not limited to, making such changes to the agreements, documents and instruments referred to in this Resolution if such changes are determined by the President, Vice President or Executive Director to be necessary or advisable). Each reference in this Resolution to the President, Vice President, Secretary, Assistant Secretary or Executive Director shall refer to the person holding such office or position, as applicable, at the time a given action is taken and shall not be limited to the person holding such office or position at the time of the adoption of this Resolution. All actions heretofore taken by the officers, employees and agents of the Authority in furtherance of the transactions contemplated by this Resolution are hereby approved, ratified and confirmed.

5. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 20th day of February 2020.

_____

PRESIDENT
Southern California Public
Power Authority

ATTEST:

_____

ASSISTANT SECRETARY
Southern California Public
Power Authority

POWER PURCHASE AGREEMENT

BETWEEN

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

AND

WHITEGRASS NO. 1, LLC

DATED AS OF [_____], 2020

TABLE OF CONTENTS

Page

Article I DEFINITIONS AND INTERPRETATION 1

Section 1.1 Definitions 1
Section 1.2 Interpretation 23
Section 1.3 Order of Precedence 24

Article II EFFECTIVE DATE, TERM AND EARLY TERMINATION 24

Section 2.1 Effective Date 24
Section 2.2 Agreement Term and Delivery Term 24
Section 2.3 Survivability 25
Section 2.4 Early Termination 25

Article III DEVELOPMENT OF THE FACILITY 25

Section 3.1 In General 25
Section 3.2 Commencement Date Notices 26
Section 3.3 Other Information 27
Section 3.4 Reserved 27
Section 3.5 Performance Damages 27
Section 3.6 Remedial Action Plan 28
Section 3.7 Decommissioning and Other Costs 28

Article IV OPERATION AND MAINTENANCE OF THE FACILITY 28

Section 4.1 Compliance with Electrical Service Requirements 28
Section 4.2 General Operational Requirements 29
Section 4.3 Operation and Maintenance Plan 29
Section 4.4 Forecasting and Scheduling of Energy and Scheduled Outages 30
Section 4.5 Dynamic Scheduling 33
Section 4.6 Reporting and Information 34

Article V COMPLIANCE DURING OPERATION PERIOD 34

Section 5.1 In General 34
Section 5.2 Compliance with Standards 35
Section 5.3 Quality Assurance Program 35
Section 5.4 Security Provided by Seller 35
Section 5.5 Effect of Review by Buyer 36

Article VI PURCHASE AND SALE OF POWER 37

Section 6.1 Purchases by Buyer 37
Section 6.2 Point of Delivery 38
Section 6.3 Expected Monthly Generation Adjustment 38

TABLE OF CONTENTS
(continued)

Page

Section 6.4 Buyer's Failure 38
Section 6.5 Nature of Remedies 38
Section 6.6 Energy to Come Exclusively from Facility 39
Section 6.7 Sales to Third Parties 39
Section 6.8 Curtailment Requested by Buyer 39

Article VII TRANSMISSION AND SCHEDULING; TITLE AND RISK OF LOSS 41

Section 7.1 In General 41
Section 7.2 Costs 41
Section 7.3 Title; Risk of Loss 41

Article VIII ENVIRONMENTAL ATTRIBUTES; EPS AND RPS COMPLIANCE 42

Section 8.1 Transfer of Environmental Attributes 42
Section 8.2 Reporting of Ownership of Environmental Attributes 42
Section 8.3 Environmental Attributes 42
Section 8.4 Use of Accounting System to Transfer Environmental Attributes 43
Section 8.5 Further Actions Regarding Environmental Attributes 43
Section 8.6 RPS and EPS Compliance 44
Section 8.7 Change in Law 44

Article IX MAKEUP OF SHORTFALL ENERGY 45

Section 9.1 Makeup of Shortfall 45
Section 9.2 Makeup Energy 45
Section 9.3 Shortfall Remedies 45
Section 9.4 Replacement Energy 46
Section 9.5 Application of Shortfall Energy or Replacement Energy 46

Article X CAPACITY RIGHTS 46

Section 10.1 Purchase and Sale of Capacity Rights 46
Section 10.2 Representation Regarding Ownership of Capacity Rights 47
Section 10.3 Further Action by Seller Regarding Capacity Rights 47

Article XI BILLING; PAYMENT; AUDITS; METERING; ATTESTATIONS; POLICIES 47

Section 11.1 Billing and Payment 47
Section 11.2 Calculation of Energy Delivered; Payment 49
Section 11.3 Payment 49
Section 11.4 WREGIS Withholding 49
Section 11.5 Disputed Invoices 50

TABLE OF CONTENTS
(continued)

Page

Section 11.6 Right of Setoff ... 50
Section 11.7 Records and Audits ... 50
Section 11.8 Electric Metering Devices ... 52
Section 11.9 Taxes ... 53

Article XII REPRESENTATIONS AND WARRANTIES; COVENANTS OF SELLER . 54

Section 12.1 Representations and Warranties of Buyer ... 54
Section 12.2 Representations and Warranties of Seller ... 54
Section 12.3 Covenants of Seller Related to Real Property Agreements ... 57
Section 12.4 Covenants of Seller Related to Tax Equity Financing ... 59
Section 12.5 Additional Covenants of Seller ... 59
Section 12.6 Additional Related Projects ... 60
Section 12.7 Storage Technology ... 60
Section 12.8 Solar Technology ... 60

Article XIII DEFAULT; TERMINATION AND REMEDIES; PERFORMANCE DAMAGE ... 61

Section 13.1 Default ... 61
Section 13.2 Default Remedy ... 64
Section 13.3 Termination for Default ... 64

Article XIV MISCELLANEOUS ... 66

Section 14.1 Authorized Representative ... 66
Section 14.2 Notices ... 67
Section 14.3 Dispute Resolution ... 67
Section 14.4 Further Assurances ... 68
Section 14.5 No Dedication of Facilities ... 68
Section 14.6 Force Majeure ... 68
Section 14.7 Assignment of Agreement; Change in Control ... 70
Section 14.8 Ambiguity ... 72
Section 14.9 Attorneys' Fees and Costs ... 72
Section 14.10 Voluntary Execution ... 72
Section 14.11 Entire Agreement; Amendments ... 72
Section 14.12 Governing Law ... 73
Section 14.13 Venue ... 73
Section 14.14 Execution in Counterparts ... 73
Section 14.15 Effect of Section Headings ... 73
Section 14.16 Waiver ... 73
Section 14.17 Relationship of the Parties ... 73
Section 14.18 Third Party Beneficiaries ... 73
Section 14.19 Indemnification; Damage or Destruction; Insurance; Condemnation; Limit of Liability ... 74

TABLE OF CONTENTS
(continued)

		Page
Section 14.20	Severability	75
Section 14.21	Confidentiality	75
Section 14.22	Mobile-Sierra	77
Section 14.23	Service Contract	78
Section 14.24	Time is of the Essence	78
Section 14.25	Right of First Offer and Right of First Refusal	78
Section 14.26	Market Disruption Event	79

Appendices

APPENDIX A	CONTRACT PRICE AND PAYMENT SCHEDULE
APPENDIX B	FACILITY
APPENDIX C	BUYER AND SELLER BILLING, NOTIFICATION AND SCHEDULING CONTACT INFORMATION
APPENDIX D	FORM OF ATTESTATION
APPENDIX E	FORM OF LETTER OF CREDIT
APPENDIX F	INSURANCE
APPENDIX G	QUALITY ASSURANCE PROGRAM
APPENDIX H	[RESERVED]
APPENDIX I	NON-CONSOLIDATION OPINION
APPENDIX J	REAL PROPERTY AGREEMENTS
APPENDIX K	[RESERVED]
APPENDIX L	FORM OF CASH ESCROW AGREEMENT
APPENDIX M	COMMENCEMENT DATE
APPENDIX N	ORGANIZATIONAL STRUCTURE AND OWNERSHIP OF SELLER AND PARENT ENTITIES
APPENDIX O	METEOROLOGICAL AND PYRANOMETER MEASUREMENTS
APPENDIX P	FORM OF QUARTERLY CERTIFICATE
APPENDIX Q	ENERGY GENERATION AND PRODUCTION
APPENDIX R	SINGLE-LINE DIAGRAM
APPENDIX S	METERING DIAGRAM
APPENDIX T	POINT OF METERING DIAGRAM
APPENDIX U	[RESERVED]

APPENDIX V FORM OF MONTHLY REPORT

APPENDIX W FORM OF CONSENT TO COLLATERAL ASSIGNMENT

APPENDIX X LIST OF ANCILLARY DOCUMENTS

APPENDIX Y SPECIFIED REAL PROPERTY

POWER PURCHASE AGREEMENT

PARTIES

THIS POWER PURCHASE AGREEMENT ("***Agreement***"), which is dated for convenience as of this **[___]** day of **[_____]**, 2020, is being entered into by and between the Southern California Public Power Authority, a public entity and joint powers authority formed and organized pursuant to the California Joint Exercise of Powers Act (California Government Code Section 6500, et seq.) ("***Buyer***"), and Whitegrass No. 1, LLC ("***Seller***"), a limited liability company organized and existing under the laws of the State of Nevada. Each of Buyer and Seller is referred to individually in this Agreement as a *"**Party**"* and together they are referred to as the *"**Parties***".

RECITALS

WHEREAS, Buyer's Members have adopted or are adopting policies to comply with the California Renewable Energy Resources Act that are designed to increase the amount of energy that they provide to their retail customers from eligible renewable energy resources; and

WHEREAS, on January 12, 2018, Buyer issued a request for proposals to acquire eligible renewable energy resources; and

WHEREAS, on February 22, 2018, Seller's Ultimate Parent Entity on behalf of Seller submitted its initial response to Buyer's request for proposals and, following negotiation, Seller has agreed to sell to Buyer, and Buyer has agreed to purchase, certain renewable energy, capacity rights and associated environmental attributes; and

WHEREAS, the Parties desire to set forth the terms and conditions pursuant to which such sales and purchases shall be made.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein, and the mutual covenants and agreements herein set forth, the Parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. The following terms in this Agreement and the appendices hereto shall have the following meanings when used with initial capitalized letters:

"**Acceptable Form of Performance Assurance**" means a letter of credit issued by a Qualified Issuer, substantially in the form attached hereto as Appendix E, or cash that shall be delivered in one installment to a custodian and held, for the benefit of Buyer, pursuant to a Cash Escrow Agreement in substantially the form attached as Appendix L, which will guarantee Seller's obligations under this Agreement.

"**Act**" means all of the provisions contained in the California Joint Exercise of Powers Act found in Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, beginning at California Government Code Section 6500 *et seq*.

"**Additional System**" has the meaning set forth in Section 12.8.

"**Affiliate**" means, as to any Person, any other Person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such Person or is a director or officer of such Person or of an Affiliate of such Person.

"**Agreement**" has the meaning set forth in the preamble of this Agreement and includes Appendices A through Y, attached hereto.

"**Agreement Term**" has the meaning set forth in Section 2.2.

"**Ancillary Documents**" means any agreement, instrument, certificate or other document required to be executed and delivered between Buyer, on the one hand, and any Seller Party, on the other hand, in connection with this Agreement. As of the Effective Date, there are no Ancillary Documents.

"**ASCE**" means American Society of Civil Engineers and any successor thereto.

"**ASME**" means American Society of Mechanical Engineers and any successor thereto.

"**Assumed Daily Deliveries**" has the meaning set forth in Section 13.3(c).

"**ASTM**" means American Society for Testing and Materials and any successor thereto.

"**Authorized Auditors**" means representatives of Buyer or Buyer's Agents who are authorized to conduct audits on behalf of Buyer.

"**Authorized Representative**" means, with respect to each Party, the Person designated as such Party's authorized representative pursuant to Section 14.1.

"**AWS**" means American Welding Society and any successor thereto.

"**Bankruptcy**" means any case, action or proceeding under any bankruptcy, reorganization, debt arrangement, insolvency or receivership law or any dissolution or liquidation proceeding commenced by or against a Person and, if such case, action or proceeding is not commenced by such Person, such case, action or proceeding that is consented to or acquiesced in by such Person or that results in an order for relief or that remains undismissed for sixty (60) days.

"**Bankruptcy Code**" means Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect, or any successor statute thereto.

"**Brown Act**" has the meaning set forth in Section 14.21(d).

"**Business Day**" means any day that is not a Saturday, a Sunday, or a day on which commercial banks are authorized or required to be closed in Los Angeles, California, or New York, New York.

"**Buyer**" has the meaning set forth in the preamble of this Agreement.

"**Buyer's Agent**" means any Person that Buyer may designate from time to time to perform certain tasks acting as Buyer's agent, including the Participating Member.

"**Buyer's Check Meters**" has the meaning set forth in Section 11.8(e).

"**Buyer's Members**" means any member of Buyer that has entered into the Joint Powers Agreement.

"**Buyer's Non-Compensable Curtailment Hours**" has the meaning set forth in Section 6.8(b).

"**Cal-OSHA**" means California Occupational Safety and Health Administration and any successor thereto.

"**CAMD**" means the Clean Air Markets Division of the EPA and any other state, regional or federal or intergovernmental entity or Person that is given authorization or jurisdiction or both over a program involving the registration, validation, certification or transferability of Environmental Attributes.

"**Capacity Rights**" means the rights, whether in existence as of the Effective Date or arising thereafter during the Agreement Term, to capacity, resource adequacy, associated attributes, excluding Environmental Attributes, or reserves associated with the electric generating capability of the Facility, including the right to resell such rights.

"**CARB**" means California's Air Resources Board, and any successor agency thereto.

"**CEC**" means California's State Energy Resources Conservation and Development Commission, also known as the California Energy Commission, and any successor agency thereto.

"**CEC Certified**" or "**CEC Certification**" means that the CEC has certified that the Facility is an eligible renewable energy resource in accordance with Section 399.12(e) of the Public Utilities Code and the guidelines adopted by the CEC relating thereto/RPS Law.

"**CEC Performance Standard**" means, at any time, the applicable greenhouse gas emissions performance standard in effect at such time for baseload electric generation facilities that are owned or operated (or both) by local publicly owned electric utilities, or for which a local publicly owned electric utility has entered into a contractual agreement for the purchase of power from such facilities, as established by the CEC or other Governmental Authority having jurisdiction over the Buyer.

"**CEQA**" means the California Environmental Quality Act, California Public Resources Code Section 21000 et seq., as amended from time to time, and any successor statute.

"**Change in Control**" means the occurrence, whether voluntary or by operation of law and whether in a single transaction or in a series of related transactions following which the Ultimate Parent Entity directly or indirectly no longer (i) remains the owner of more than fifty percent (50%) of the equity ownership of Seller, or (ii) retains the power to control the management and policies of Seller; *provided, however,* that a Change in Control shall not include any (i) transaction or series of transactions in which a membership interest or other equity interest in Seller or any Parent Entity is issued or transferred to another Person solely for the purpose of a Tax Equity Financing, or (ii) a sale or transfer in accordance with Section 14.7(g).

"**Commencement Date**" means the first day of the first full month following the date on which (x) Seller has demonstrated, to the reasonable satisfaction of Buyer, that all Commencement Date Conditions have been satisfied with respect to the Facility as a whole and (y) the certificate associated therewith in the form attached as Appendix M has been accepted by Buyer, as determined in accordance with Section 3.5.

"**Commencement Date Conditions**" means the conditions to the Commencement Date identified on Appendix M.

"**Compensable Curtailments**" has the meaning set forth in Section 6.8(a).

"**Compliance Standards**" has the meaning set forth in Section 8.6.

"**Confidential Information**" has the meaning set forth in Section 14.21(a).

"**Contract Month**" means any month during the Delivery Term for which the first date and last date of such month occur during the Delivery Term.

"**Contract Year**" means (i) the stub year period beginning on the Commencement Date and ending on December 31 of the year in which the Commencement Date occurs; and (ii) each of the following calendar years, until and including the calendar year ending December 31, 2045.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of management, policies, or activities of a Person, whether through ownership of voting securities, by contract or otherwise.

"**Costs**" has the meaning set forth in Section 13.3(f)(3).

"**CPRA**" has the meaning set forth in Section 14.21(d).

"**Daily Delay Damages**" has the meaning set forth in Section 3.5.

"**Daily Delay Damages Cap**" has the meaning set forth in Section 3.5

"**Day Ahead Schedule**" has the meaning set forth in Section 4.4(e).

"**Deemed Additional System Output**" has the meaning set forth in Section 12.8.

"**Deemed Delivered Energy**" has the meaning set forth in Section 6.8(b).

"**Default**" has the meaning set forth in Section 13.1.

"**Defaulting Party**" has the meaning set forth in Section 13.1.

"**Delivered Energy**" means:

(a) for any Contract Month commencing prior to the earlier of (x) the Dynamic Schedule Effective Date and (y) the Second Anniversary, the MWh of energy scheduled and delivered by Seller and received by Buyer during such Contract Month at the Point of Delivery, which amount will not include Station Service, Parasitic Load, or transmission or transformation losses to the Point of Delivery in conformance with the most-current edition of the guidebook promulgated by the CEC;

(b) if the Dynamic Schedule Effective Date has not occurred prior to the Second Anniversary, then for any Contract Month commencing on or after the Second Anniversary (but before the Dynamic Schedule Effective Date), the lesser of (x) the MWh of Facility Energy scheduled and delivered by Seller and received by Buyer during such Contract Month at the Point of Delivery, which amount will not include Station Service, Parasitic Load, or transmission or transformation losses to the Point of Delivery in conformance with the most-current edition of the guidebook promulgated by the CEC, and (y) the MWh of Facility Energy measured by the Electric Metering Devices during such Contract Month pursuant to Section 11.8, and

(c) for any Contract Month commencing on or after the Dynamic Schedule Effective Date, the amount of Facility Energy included in the dynamic schedule with respect to such Contract Month.

"**Delivery Term**" has the meaning set forth in Section 2.2.

"**Dispute**" has the meaning set forth in Section 14.3(a).

"**Dispute Notice**" has the meaning set forth in Section 14.3(a).

"**DNP**" has the meaning set forth in Section 4.4(j).

"**Downgrade Event**" means any event that results in a Person failing to meet the credit requirements of a Qualified Issuer or the commencement of involuntary or voluntary bankruptcy, insolvency, reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar proceeding (whether under any present or future statute, law, or regulation) with respect to such Person.

"**Dynamic Schedule Effective Date**" means the date when (x) Seller (or its authorized agent) is authorized by the Transmission Provider providing Transmission Services at the Point of Delivery to dynamically schedule Facility Energy to the Point of Delivery and (y) dynamic

scheduling of the Facility has been implemented and has commenced, in each case, subject to the terms of this Agreement.

"**Early Termination Date**" has the meaning set forth in Section 13.3(a).

"**EEI**" means Edison Electric Institute and any successor thereto.

"**Effective Date**" has the meaning set forth in Section 2.1.

"**Electric Metering Devices**" means all meters, metering equipment and data processing equipment conforming to the requirements set forth in Section 11.8 and used to measure, record or transmit data relating to the Energy output from the Facility. Electric Metering Devices include the metering current transformers and the metering voltage transformers.

"**Energy**" means electrical energy.

"**Environmental Attribute Reporting Rights**" means all rights to report ownership of the Environmental Attributes to any Person, including under Section 1605(b) of the Energy Policy Act of 1992, as amended from time to time or any successor statute, or any other current or future international, federal, state or local law, regulation or bill, or otherwise.

"**Environmental Attributes**" means RECs, and any and all other current or future credits, benefits, emissions reductions, offsets or allowances, howsoever entitled, named, registered, created, measured, allocated or validated (A) that are at any time recognized or deemed of value (or both) by Buyer, applicable law, or any voluntary or mandatory program of any Governmental Authority or other Person, and (B) that are attributable to (i) Facility Energy generation capability or generation during the Agreement Term or Replacement Energy required to be delivered by Seller to Buyer during the Delivery Term and (ii) the emissions or other environmental characteristics of such Facility Energy generation or such Replacement Energy or its displacement of conventional or other types of Energy generation. Environmental Attributes include any of the aforementioned arising out of legislation or regulation concerned with oxides of nitrogen, sulfur, carbon, or any other greenhouse gas or chemical compound, particulate matter, soot, or mercury, or implementing the United Nations Framework Convention on Climate Change (the "***UNFCCC***"), the Kyoto Protocol to the UNFCCC, the principles identified in the Paris Agreement of the UNFCCC that took effect in 2016, the Clean Power Plan promulgated by the United States Environmental Protection Agency, California's greenhouse gas legislation (including RPS Law and California Assembly Bill 32 (Global Warming Solutions Act of 2006) and any regulations implemented pursuant to that act, including any compliance instruments accepted under the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms regulations of the California Air Resources Board or any successor regulations thereto) or any similar international, federal, state or local program or crediting "early action" with a view thereto, laws or regulations involving or administered by the CAMD and all Environmental Attribute Reporting Rights, including all evidences (if any) thereof such as renewable energy certificates of any kind. Environmental Attributes for purposes of this definition are separate from the Energy produced from the Facility. Notwithstanding any other provision in this definition, Environmental Attributes do not include (X) any tax credits associated with the Facility and (Y) any grants or any similar benefits related to the Facility.

"**Environmental Laws**" means any federal, state or local laws (including common law), statutes, ordinances, rules, regulations, binding orders, injunctions or judgments pertaining to public health, safety, pollution, or the presence of or release of Hazardous Materials on, under or about the Site.

"**EPA**" means the United States Environmental Protection Agency and any successor agency.

"**EPS Compliant**," means, when used with respect to the Facility or any other facility at any time, that the Facility or other facility, as applicable, satisfies both the PUC Performance Standard and the CEC Performance Standard in effect at the time; *provided*, if it is impossible for the Facility or facility, as applicable, to satisfy both the PUC Performance Standard and the CEC Performance Standard in effect at any time, the Facility or facility, as applicable, shall be deemed EPS Compliant if it satisfies the CEC Performance Standard in effect at the time and those portions of the PUC Performance Standard in effect at the time that it is possible for the Facility or facility, as applicable, to satisfy while at the same time satisfying the CEC Performance Standard in effect at the time.

"**EPS Law**" means Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, or any successor laws or regulations in the State of California.

"**Escrow Account**" means the account established in accordance with Appendix L.

"**e-tag**" has the meaning set forth in Section 7.1."**Excess Energy**" means the portion of the Delivered Energy and Deemed Delivered Energy for any Contract Month that is in excess of the Expected Monthly Generation, other than any Delivered Energy received by Buyer in such Contract Month that cures outstanding Shortfall Energy from the prior two months in accordance with Article IX.

"**Excess Energy Rate**" means the price per MWh ($/MWh) to be paid to Seller by Buyer for Excess Energy according to the provisions in paragraph 2 of Appendix A.

"**Excess Monthly Generation**" means, for any Contract Month commencing prior to the earlier of (x) the Dynamic Schedule Effective Date and (y) the Second Anniversary, the sum of the following for all hours in such Contract Month: the positive difference (if any) by which (a) the MWh of Delivered Energy for each hour exceeds (b) the MWh of Facility Energy measured during such hour by the Electric Metering Devices in accordance with Section 11.8. The calculation of Excess Monthly Generation shall not include any hours for which clause (b) of the foregoing sentence exceeds clause (a) of the foregoing sentence.

"**Excused Conditions**" has the meaning set forth in Section 9.1.

"**Expected Annual Generation**" means, with respect to any Contract Year, the sum of the Expected Monthly Generation for all Contract Months during such Contract Year.

"**Expected Monthly Generation**" means, with respect to any Contract Month, subject to Section 6.3, the applicable MWh set forth on Appendix Q for such Contract Month.

"**Expected Monthly Generation Adjustment Period**" has the meaning given in Section 6.3.

"**Facility**" means the four (4) MW nominal nameplate capacity geothermal generating facility known as the Whitegrass No. 1 Geothermal Energy Project, located in Lyon County, Nevada, including all property interests and related transmission and other facilities, described in Appendix B.

"**Facility Assets**" has the meaning given in Section 14.25.

"**Facility Cost**" means, measured as of the applicable measurement date, the aggregate amount of all costs and expenses incurred by Seller for the development, design, engineering, equipping, procuring, constructing, installing, starting up and testing of the Facility, including (a) the cost of all labor, services, materials, supplies, equipment, tools, transportation, supervision, storage, training, demolition, site preparation, civil works, and remediation in connection therewith, (b) the cost of acquiring the leasehold interest and any other property, easement or other interest in the Site, (c) the cost of acquiring the Permits for the Facility, (d) real and personal property taxes, ad valorem taxes, sale, use, and excise taxes, and insurance (including title insurance) premiums payable with respect to the Facility, (e) initial working capital requirements of the Facility, (f) financial, legal, and consulting fees, costs, and expenses and (g) the cost of establishing a spare parts inventory for the Facility, if any.

"**Facility Debt**" means, measured as of the applicable measurement date, any payment obligations of Seller in connection with borrowed money, including (a) principal of and premium on indebtedness, (b) fees, charges, expenses and penalties related to indebtedness, (c) amounts due upon acceleration or in connection with prepayment or restructuring of indebtedness, (d) swap or interest rate hedging breakage costs and (e) any claims or interest due with respect to any of the foregoing.

"**Facility Energy**" means Energy generated by the Facility, including Energy used to serve Parasitic Load.

"**Facility Lender**" means any lender providing senior or subordinated construction, interim or long-term debt or equity financing or refinancing for or in connection with the development, construction, purchase, installation or operation of the Facility, including any equity and tax investor providing financing or refinancing for the Facility or purchasing equity ownership interests of Seller or its Affiliates, and any trustee or agent acting on their behalf, and any Person providing interest rate protection agreements to hedge any of the foregoing debt obligations.

"**Facility's Point of Delivery**" means the interconnection facilities of Seller located at the point of interconnection between the Facility's transmission line and the NV Energy North System (distribution line near Fort Churchill Substation) near Yerrington, NV.

"**FERC**" means the Federal Energy Regulatory Commission or any successor agency thereto.

"**Financing Agreement**" shall mean any credit agreement, loan agreement or similar agreement, to be executed between Seller and a Facility Lender.

"**Firm Transmission**" means transmission that cannot be curtailed within an operating hour for economic reasons or for higher priority transmission within the operating hour.

"**Force Majeure**" has the meaning set forth in Section 14.6(b).

"**Force Majeure Notice**" has the meaning set forth in Section 14.6(a).

"**Forced Outage**" means the removal of service availability of the Facility, or any portion of the Facility, for emergency reasons or conditions in which the Facility, or any portion thereof, is unavailable due to unanticipated failure, including as a result of Force Majeure.

"**FTP**" has the meaning set forth in Section 4.4(a).

"**GAAP**" means generally accepted accounting principles set forth in opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, in each case as the same are applicable to the circumstances as of the date of determination.

"**Gains**" has the meaning set forth in Section 13.3(f)(1).

"**Guaranteed Commencement Date**" means the guaranteed Commencement Date and shall be April 1, 2020.

"**Generator Interconnection Agreement**" means that certain small generator interconnection agreement and associated documents (or any successor agreement and associated documentation) by and between Seller and Transmission Provider governing the terms and conditions of Seller's interconnection with the Transmission System and allowing for delivery of Facility Energy to the Point of Delivery.

"**Governmental Authority**" means any federal, state, regional, city or local government, any intergovernmental association or political subdivision thereof, other governmental, regulatory or administrative agency, court, commission, administration, department, board, other governmental subdivision, legislature, rulemaking board, tribunal, other governmental authority with jurisdiction over the Person or matter at issue, or any Person acting as a delegate or agent of any Governmental Authority; provided that "Governmental Authority" specifically excludes Buyer, any successor or assignee of Buyer and the Participating Member.

"**Green Value**" consists of the market value of (a) avoided greenhouse gas emissions and/or credits associated with RPS Compliant Energy, and (b) all other Environmental Attributes and avoided emissions-related attributes and benefits that would otherwise have been realized had Seller generated Facility Energy, and shall be calculated as an amount equal to the time-weighted average of the prices of greenhouse gases and other Environmental Attributes (as published in commercial indices related to California energy markets) that would have been

realized as available from the Facility and included in the Environmental Attributes transferred to Buyer hereunder from the Facility for each MWh of the Shortfall Energy, provided that if for any Contract Month there does not exist a liquid trading market that is mutually agreeable to the Parties to determine such Green Value, the Green Value will be equal to the higher of the replacement cost for the attributes described in clauses (a) and (b) above, expressed in $/MWh, or $15/MWh.

"**Guaranteed Monthly Delivered Energy**" means the amount of Net Delivered Energy guaranteed by Seller during each Contract Month, as set forth in Appendix Q, subject to Section 6.3.

"**Hazardous Materials**" means any hazardous substances, pollutants, contaminants, wastes, or materials (including petroleum (including crude oil or any fraction thereof), petroleum wastes, radioactive materials, hazardous wastes, toxic substances, or asbestos or any materials containing asbestos) designated, regulated, or defined under any Environmental Law.

"**IEEE**" means Institute of Electrical and Electronics Engineers and any successor thereto.

"**Indemnified Liability**" has the meaning set forth in Section 14.19(a).

"**Indemnitee**" has the meaning set forth in Section 14.19(a).

"**Independent Engineer**" means Geologica, or such other engineer as may be jointly selected by the Seller and Buyer's Authorized Representative.

"**Independent Manager**" means a manager who is not, at the time of initial appointment or at any time while serving as Independent Manager, and has not been at any time during the preceding five (5) years: (a) a member, stockholder, equity holder, director, manager (except as such Independent Manager of the Seller), officer, employee, partner, attorney or counsel of the Seller, any member of Seller or any Affiliate of the Seller; (b) a customer, supplier or other Person who derives any of its purchases or revenues from its activities with any member of the Seller, the Seller or any Affiliate of the Seller (other than for serving as Independent Manager of the Seller); (c) a Person Controlling or under common Control with any such stockholder, equity holder, partner, manager, customer, supplier or other like Person; or (d) a member of the immediate family of any such member, stockholder, equity holder, director, officer, employee, manager, partner, customer, supplier or other like Person. "**Initial Security Amount**" means One Hundred Thirty-Five Thousand Dollars ($135,000).

"**Initial Synchronization**" means that (i) the Facility is receiving back-feed energy, (ii) both the generator tie line and the Facility's transformers are energized, (iii) the Transmission System's circuit breakers and the Facility's circuit breakers are closed, and (iv) the Facility is interconnected with the Transmission System.

"**Insurance**" means the policies of insurance as set forth in Appendix F.

"**Interest Rate**" has the meaning set forth in Section 11.5.

"**ISA**" means Instrument Society of America and any successor thereto.

"**Joint Powers Agreement**" means the "Southern California Public Power Authority Joint Powers Agreement" entered into pursuant to the provisions of the Act among Buyer and Buyer's members, dated as of November 1, 1980. "**Knowledge**" means the actual knowledge, after due inquiry, of any officer or any other agent, employee or representative of Seller responsible for the management of the operation or maintenance of the Facility.

"**Legal Opinion**" means an executed original of a written legal opinion of Stoel Rives LLP, counsel for Seller, or other counsel reasonably acceptable to Buyer, addressed to Buyer and in form and substance reasonably acceptable to Buyer, concerning, among others, the enforceability and due authorization of this Agreement, and the other Ancillary Documents that are agreements between the Parties, dated as of the Effective Date.

"**Lessor**" means the lessor or landowner under any Real Property Agreement. "**Lien**" means any mortgage, deed of trust, lien, security interest, retention of title or lease for security purposes, pledge, charge, encumbrance, equity, attachment, claim, easement, right of way, covenant, condition or restriction, leasehold interest, purchase right or other right of any kind, including any option, of any other Person in or with respect to any real or personal property.

"**Losses**" has the meaning set forth in Section 13.3(f).

"**Major Maintenance Blockout**" has the meaning set forth in Section 4.4(k).

"**Makeup Energy**" has the meaning set forth in Section 9.2.

"**Makeup Deadline**" has the meaning set forth in Section 9.3.

"**Market Price**" means (a) in the case of all Delivered Energy that is not Excess Energy, the lower of (i) the Market Price Index applicable to Delivered Energy and (ii) the applicable price set forth in Appendix A for such Delivered Energy, and (b) in the case of Excess Energy, 50% of the lower of the foregoing clauses (i) and (ii).

"**Market Price Index**" means the monthly firm forward market price at Palo Verde for On Peak hours and Off Peak hours, as reasonably calculated by Buyer, and verified by Seller, taking into account, among other valuations, a minimum of three (3) quotations from leading brokers in Energy contracts that are not Affiliates of either Party, settlement prices on established, actively traded power exchanges for Palo Verde and other bona fide third party offers, and other relevant market information, provided that in the event there are no longer market prices for Palo Verde, the Parties will mutually agree to a replacement market price index that most closely reflects the geographic location of the Palo Verde market at the Effective Date; *provided*, further, that if a market price index for Energy that would more accurately track the price of the Delivered Energy is created, the Parties may mutually agree to adapt such index price as the Market Price Index at such time.

"**Market Value**" means the median price of three bona fide offers from third parties for Facility Energy (excluding the value of Environmental Attributes), which shall be solicited by Seller in good faith if the RPS Law or EPS Law ceases to be effective and is not replaced with a

functional equivalent as provided in Section 8.7(b) or if compliance with EPS Law and RPS Law becomes impossible as provided in Section 8.7(c).

"**Monthly Report**" means the report required to be delivered by Seller pursuant to Section 4.5 in form and substance substantially similar to Appendix V.

"**MW**" means megawatt(AC).

"**MWh**" means megawatt-hour.

"**NEPA**" means the National Environmental Policy Act, as amended.

"**NERC**" means the North American Electric Reliability Corporation and any successor thereto.

"**NERC Reliability Standards**" means the reliability standards developed by NERC or by any regional authority having jurisdiction, which are applicable to the owner or operator of the Facility or the Facility itself.

"**Net Delivered Energy**" means Delivered Energy that is not Excess Monthly Generation.

"**NV Energy**" means NV Energy, Inc., a Nevada corporation.

"**Nominal Capacity Net of Parasitic Load**" means 3.0 MW.

"**Nominal Nameplate Capacity**" means 4.0 MW.

"**Non-Compensable Curtailments**" has the meaning set forth in Section 6.8(a).

"**Non-Consolidation Opinion**" means a reasoned opinion of Seller's legal counsel, Stoel Rives LLP, addressed to the Buyer on or prior to the Effective Date, in form and substance reasonably acceptable to Buyer's Authorized Representative, as to the non-consolidation of the Seller in a bankruptcy proceeding of any member of Seller, the Ultimate Parent Entity or other Affiliate of Seller, attached hereto as Appendix I.

"**Non-Defaulting Party**" has the meaning set forth in Section 13.3(a).

"**Notice of Exemption**" means a notice of exemption as described in California Public Resources Code Section 21108(b) and Title 14, California Code of Regulations, Section 15277.

"**Notice of Proposed Third Party Sale**" has the meaning set forth in Section 14.25(b).

"**Notifying Party**" has the meaning set forth in Section 14.3(a).

"**Off Peak**" means any time other than On Peak.

"**On Peak**" means 06:00 a.m. to 10:00 p.m. every day of the week except Sunday.

"**Operation and Maintenance Plan**" has the meaning set forth in Section 4.3(a).

"**OSHA**" means Occupational Safety and Health Administration of the United States Department of Labor and any successor thereto.

"**Outside Commencement Date**" has the meaning set forth in Section 3.5.

"**Outside Commencement Date Damages Cap**" has the meaning set forth in Section 3.5.

"**Pacific Prevailing Time**" means the local time in Los Angeles, California.

"**Parasitic Capacity**" means the electric capacity required to serve the maximum Parasitic Load of the Facility, as determined and certified by the Independent Engineer prior to the date of commercial operation of the Additional System.

"**Parasitic Load**" means Facility Energy that is used to power the lights, motors, pumps, auxiliary facilities of the well field, control systems, cooling systems, ancillary equipment, and other electrical loads that are necessary for the operation of the power systems and related facilities for the production of Facility Energy.

"**Parent Entity**" or "**Parent Entities**" means any direct or indirect owner of Seller at any level below the Ultimate Parent Entity.

"**Participating Member**" means the City of Glendale, the member of Buyer participating in this Agreement

"**Party**" or "**Parties**" has the meaning set forth in the preamble of this Agreement.

"**Performance Assurance**" means Development Security or Performance Security.

"**Performance Security**" has the meaning set forth in Section 5.4(b).

"**Permit**" means all applications, permits, licenses, franchises, certificates, concessions, consents, authorizations, certifications, self-certifications, approvals, registrations, orders, filings, entitlements and similar requirements of whatever kind and however described which are required to be filed, submitted, obtained or maintained by any Person with respect to the equipping, financing, ownership, possession, shakedown, operation or maintenance of the Facility, the production, sale and delivery of Facility Energy or Replacement Energy to Buyer, as applicable, Capacity Rights and Environmental Attributes or any other transactions or matter contemplated by this Agreement (including those pertaining to electrical, building, zoning, environmental and occupational safety and health requirements), including those described in Appendix B.

"**Permitted Encumbrances**" means (i) the Lien in favor of the Facility Lender, (ii) any Lien approved by Buyer in a writing separate from this Agreement which expressly identifies the Lien as a Permitted Encumbrance, (iii) Liens for Taxes not yet due or for taxes being contested in good faith by appropriate proceedings, so long as such proceedings do not involve a risk of the

sale, forfeiture, loss or restriction on the use of the Facility or any part thereof, *provided* that such proceedings end by the expiration of the Agreement Term, (iii) suppliers', vendors', mechanics', workman's, repairman's, employees' or other like Liens arising in the ordinary course of business for work or service performed or materials furnished in connection with the Facility for amounts the payment of which is either not yet delinquent or is being contested in good faith by appropriate proceedings so long as such proceedings do not involve a risk of the sale, forfeiture, loss or restriction on use of the Facility or any part thereof, and (iv) easements, rights of way, use rights, exceptions, encroachments, reservations, restrictions, conditions or limitations, so long as they have been identified by Seller to Buyer in writing prior to the Effective Date and do not materially interfere with or impair the operation of the Facility as contemplated by this Agreement.

"**Permitted Transfer**" has the meaning set forth in Section 14.25.

"**Person**" means any individual, corporation, partnership, joint venture, limited liability company, association, joint stock company, trust, unincorporated organization, entity, government or other political subdivision.

"**Point of Delivery**" means the point where any Energy sold and purchased under this Agreement is required to be delivered by Seller to Buyer, specifically McCullough 500kV Substation located in Clark County, Nevada.

"**Pre-Commencement Date Security**" has the meaning set forth in Section 5.4(a).

"**Present Value Rate**" means, at any date, the sum of one-half percent (0.50%) plus the yield reported on page "USD" of the Bloomberg Financial Markets Services Screen (or, if not available, any other nationally recognized trading screen reporting on-line intraday trading in United States government securities) at 11:00 a.m. (New York City, New York time) for the United States government securities having a maturity that most nearly matches the Remaining Term at that date.

"**Principals**" means any board chair, president, chief executive officer, chief operating officer and any other individual who serves in the functional equivalent of one or more of those positions, as well as any individual who holds an ownership interest in Seller or any upstream equity owner of Seller of at least twenty percent (20%).

"**Project Substation**" has the meaning set forth in Section 11.8(a).

"**Proposed Purchase Notice**" has the meaning set forth in Section 14.25(a).

"**Proposed Sale Notice**" has the meaning set forth in Section 14.25(a).

"**Prudent Utility Practices**" means those practices, methods and acts, that are commonly used by a significant portion of the geothermal electric generation industry in prudent engineering and operations to operate and maintain electric equipment (including geothermal facilities) lawfully and with safety, dependability, reliability, efficiency and economy, including any applicable practices, methods, acts, guidelines, standards and criteria of FERC, NERC, WECC, as each may be amended from time to time, and all applicable Requirements of Law.

Prudent Utility Practices are not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather is intended to include acceptable practices, methods, and acts generally accepted in the geothermal-powered electric generation industry.

"**Public Utilities Code**" means the Public Utilities Code of the State of California, as amended from time to time, and any successor thereto.

"**PUC**" means the California Public Utilities Commission and any successor thereto.

"**PUC Performance Standard**" means, at any time, the greenhouse gas emission performance standard in effect at such time for baseload electric generation facilities owned or operated (or both) by load-serving entities and not local publicly-owned electric utilities, or for which a load-serving entity and not a local publicly owned electric utility has entered into a contractual agreement for the purchase of power from such facilities, as established by the PUC or other Governmental Authority under the EPS Law.

"**Q/A**" has the meaning set forth in Appendix G.

"**Q/A Manual**" has the meaning set forth in Appendix G.

"**Q/C**" has the meaning set forth in Appendix G.

"**Qualified Issuer**" means a U.S. Issuer Bank that has a current long-term credit rating (corporate or long-term senior unsecured debt) of (1) "A2" or higher by Moody's Investors Service, Inc. and "A" or higher by Standard & Poor's, if rated by both rating agencies; or (2) "A2" or higher by Moody's Investors Service, Inc. or "A" or higher by Standard & Poor's, if rated by only one rating agency.

"**Qualified Operator**" means, with respect to the Facility, (i) an Affiliate of Seller, or (ii) a Person reasonably acceptable to Buyer that, in either case, has at least three (3) years of operating experience with types of generation facilities similar to the Facility.

"**Qualified Transferee**" means a Person that when considered collectively with its Affiliates,

(a) (i) has or is a direct or indirect subsidiary of a Person that has, a tangible net worth assets under management, or to the extent its securities are publicly traded, equity value of at least $500,000,000, or (ii) has a minimum long term unsecured credit rating of at least Baa2 or higher by Moody's or at least BBB or higher by S&P,

(ii) retains a Qualified Operator or Qualified Operators to operate the Facility (or otherwise agrees not to interfere with the existing Qualified Operator for the Facility),

(iii) executes a written assumption agreement in favor of Buyer pursuant to which such Person shall assume all of the obligations of Seller under this Agreement and the Ancillary Documents,

(iv) is a Special Purpose Entity, and

(v) is not at the time of transfer in active litigation against Buyer or the Participating Member, or

(b) is reasonably acceptable to Buyer.

"**Quality Assurance Program**" has the meaning set forth in Section 5.3.

"**Quarterly Certificate**" has the meaning set forth in Section 12.5(d).

"**Real Property Agreements**" means the geothermal resource leases and the other leases, easements, rights-of-way or other real property agreements relating to the Site listed in Appendix J.

"**Recipient Party**" has the meaning set forth in Section 14.3(a).

"**RECs**" or "**Renewable Energy Credits**" means a certificate of proof associated with the generation of electricity from an RPS Complaint eligible renewable energy resource, which certificate is issued through the accounting system established by the CEC pursuant to the RPS Law, evidencing that one (1) MWh of Energy was generated from such eligible renewable energy resource. Such certificate is a tradable environmental commodity (also known as a "green tag" or "renewable energy credit") for which the owner of the REC can prove that it has purchased renewable Energy.

"**Reliability Authorities**" means WECC and the Transmission Providers, balancing authorities, and independent system operators involved in dynamic scheduling of the Facility.

"**Remaining Term**" means, at any date, the remaining portion of the Agreement Term at that date without regard to any early termination of this Agreement.

"**Remedial Action Plan**" has the meaning set forth in Section 3.6.

"**Replacement Energy**" has the meaning set forth in Section 9.4.

"**Replacement Energy Point of Delivery**" has the meaning set forth in Section 9.4.

"**Requirement of Law**" means federal, state and local laws, statutes, regulations, rules, codes, ordinances, resolutions, standards, directives, orders, judgments, decrees, rulings or determinations enacted, adopted, issued or promulgated by any federal, state, local or other Governmental Authority (including those pertaining to electrical, building, zoning, Environmental Laws, and occupational safety and health requirements).

"**Right of First Offer**" or "**ROFO**" has the meaning set forth in Section 14.25.

"**Right of First Refusal**" or "**ROFR**" has the meaning set forth in Section 14.25.

"**RPS Compliant**" means, when used with respect to the Facility or any other facility at any time, that all Energy generated by such Facility or other facility, as applicable, at all times

shall, together with all of the associated Environmental Attributes, qualify as a "portfolio content category 1" eligible renewable resource under the RPS Law and meet the requirements of Public Utilities Code Section 399.16(b)(1).

"**RPS Law**" means the California Renewable Energy Resources Act (also known as Senate Bill or SB X1-2), the Clean Energy and Pollution Reduction Act of 2015 (also known as SB 350) and The 100 Percent Clean Energy Act of 2018 (also known as SB 100), including the California Renewables Portfolio Standard Program (Article 16, commencing with Section 399.11, of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code) along with the Renewable Energy Resources Program administered by the CEC and established pursuant to Chapter 8.6, commencing with Section 25740, of Division 15 of the Public Resources Code, and all policies established pursuant to Section 454.53 of the Public Utilities Code, any related regulations or guidebooks promulgated by the CEC, CARB, and, as applicable, the PUC, and as all of the foregoing may be promulgated, implemented or amended from time to time, and any successor or replacement laws or regulations.

"**Sales Price**" has the meaning set forth in Section 6.4.

"**SCADA**" has the meaning set forth in Section 4.4(a).

"**Schedule**" or "**Scheduling**" means the actions of Seller and Buyer or their Authorized Representatives, including each Party's Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity of Energy to be delivered hourly at the Point of Delivery on any given date during the Delivery Term.

"**Scheduled Outage**" means any outage with respect to the Facility other than a Forced Outage.

"**Scheduled Outage Projection**" has the meaning set forth in Section 4.4(k).

"**Scheduler**" means the Persons doing Scheduling for each Party.

"**Scheduling Procedures**" has the meaning set forth in Section 4.4(a).

"**Second Anniversary**" means the second anniversary of the Effective Date.

"**Seller**" has the meaning set forth in the preamble of this Agreement.

"**Seller Party(ies)**" means Seller and any Affiliates of Seller executing any Ancillary Document.

"**Shortfall**" has the meaning set forth in Section 9.1.

"**Shortfall Cure Period**" has the meaning set forth in Section 9.2.

"**Shortfall Damages**" has the meaning set forth in Section 9.3.

"**Shortfall Energy**" has the meaning set forth in Section 9.1.

"**Site**" means the real property (including all fixtures and appurtenances thereto), water, and related physical and intangible property generally identified in Appendix B as owned or leased by Seller or over which Seller has an easement, right-of-way or other right to use or access the property where the Facility is located or will be located, and including the well fields and land subject to the Real Property Agreements held or to be held by Seller for transmission lines or roadways servicing such Site or the Facility located (or to be located) thereon.

"**Site Control**" means that Seller shall: (i) own the Site; (ii) be the grantee, licensee, or lessee under one or more Real Property Agreements that permit Seller to perform all of its obligations under this Agreement and, as applicable, the other Ancillary Documents; or (iii) have otherwise provided evidence satisfactory to Buyer of Seller's exclusive right to control the Site so as to permit Seller to perform all of its obligations under this Agreement and the Ancillary Documents to which it is a party; each of the foregoing clauses (i) through (iii), for the Agreement Term.

"**Six-Month Cure**" has the meaning set forth in Section 11.4.

"**Special Purpose Entity**" means a limited liability company which at all times prior to (except as otherwise provided below), on and after the Effective Date hereof:

(a) shall not (without the prior written consent of Buyer) (i) engage in any dissolution, liquidation or consolidation or merger with or into any other business entity, (ii) acquire by purchase or otherwise all or substantially all of the business or assets of or beneficial interest in any other entity, (iii) transfer, lease or sell, in one transaction or any combination of transactions, all or substantially all of its properties or assets except to the extent permitted herein, (iv) modify, amend or waive any provisions of its organizational documents related to its status as a Special Purpose Entity, or (v) terminate its organizational documents or its qualifications and good standing in any jurisdiction;

(b) has limited, is limiting and will limit its activities to acquiring, developing, owning, holding, selling, financing, leasing, transferring, exchanging, managing and operating the Facility, entering into this Agreement with Buyer and the Ancillary Documents and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing;

(c) has not been, is not, and will not be engaged in any business other than that relating to its limited purpose as set forth in the immediately preceding subsection (b);

(d) has not had, does not have and will not have, any assets other than those related to the Facility;

(e) has held itself out and will hold itself out to the public as a legal entity separate and distinct from any other entity and has not failed and will not fail to correct any known misunderstanding regarding the separate identity of such entity, provided that (for the avoidance of doubt), the foregoing shall not restrict any Parent Entity, Ultimate Parent Entity or any other Seller Affiliate from identifying its indirect relationship to the Facility through Seller;

(f) has maintained and will maintain its financial statements, bank accounts, accounts, books, resolutions, agreements and records separate from any other Person except as required by GAAP; *provided, however*, that to the extent permitted by GAAP, any such consolidated financial statement shall contain a note indicating that its separate assets and liabilities are neither available to pay the debts of the consolidated entity nor constitute obligations of the consolidated entity, and has filed and will file its own tax returns (except to the extent such limited liability company is treated as a "disregarded entity" for tax purposes and is not required to file separate tax returns under applicable law);

(g) has held itself out and identified itself, and will hold itself out and identify itself, as a separate and distinct entity under its own name or in a name franchised or licensed to it by an entity other than an Affiliate of Seller (except to the extent such limited liability company is treated as a "disregarded entity" for tax purposes and is not required to file separate tax returns under applicable law) and not as a division, department or part of any other Person;

(h) has maintained and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(i) has not made and will not make loans or advances to any Person or hold evidence of indebtedness issued by any other Person (other than cash and investment-grade securities issued by an entity that is not an Affiliate of or subject to common ownership with such entity) or made any gifts or fraudulent conveyances to any Person;

(j) has not identified and will not identify its members, or any Affiliate of any member, as a division or department or part of it, and has not identified itself and shall not identify itself as a division or department of any other Person;

(k) has not entered into or been a party to, and will not enter into or be a party to, any transaction with its members or Affiliates, except in the ordinary course of its business and on terms which are commercially reasonable and comparable with those which could be obtained in a comparable arm's-length transaction with an unrelated third party;

(l) has not had and will not have any obligation to indemnify, and has not indemnified and will not indemnify its officers, managers or members, as the case may be, other than (i) the Independent Manager in connection with the Independent Manager's actions related to the performance of this Agreement, and (ii) its officers, managers, and members with respect to actions taken or omitted to be taken in good faith by such officer, manager or member with respect to the development, construction, financing, ownership and operation of the Facility;

(m) has considered and shall consider the interests of its creditors in connection with all limited liability company actions;

(n) except for obligations to Facility Lenders or Tax Equity Investors, does not and will not have any of its obligations guaranteed by any Affiliate and will not hold itself out as being responsible for the debts or obligations of any other Person;

(o) will comply with all of the terms and provisions contained in its organizational documents including the provision requiring that there be an Independent Manager at all times on and after the Effective Date and has done or caused to be done and will do all things necessary to preserve its existence;

(p) will not commingle, its funds or assets with those of any Person and will not participate in any cash management system with any other Person;

(q) will conduct all business in its own name and, except in connection with a Tax Equity Financing utilizing a lease or inverted lease structure, from and after the Commencement Date, has held, and will hold, its assets in its own name and conducted and will conduct all business in its own name;

(r) has maintained and will maintain its financial statements, accounting records and other entity documents separate from any other Person and has not permitted and will not permit its assets to be listed as assets on the financial statement of any other entity except as required by GAAP; *provided, however*, that to the extent permitted by GAAP, any such consolidated financial statement shall contain a note indicating that its separate assets and liabilities are neither available to pay the debts of the consolidated entity nor constitute obligations of the consolidated entity;

(s) has paid and will pay its own liabilities and expenses, including the salaries of its own employees, out of its own funds and assets, and has maintained and will maintain a sufficient number of employees in light of its contemplated business operations (it being acknowledged and agreed that Seller may have no employees to the extent it contracts out its requirements for all necessary managerial, operational and other services);

(t) has observed and will observe all limited liability company formalities;

(u) has not assumed or guaranteed or become obligated for, and will not assume or guarantee or become obligated for, the debts of any other Person and has not held out and will not hold out its credit as being available to satisfy the obligations of any other Person;

(v) has not acquired and will not acquire obligations or securities of its members or any Affiliate;

(w) will allocate fairly and reasonably any overhead expenses that are shared with any Affiliate, including paying for shared space and services performed by any employee of an Affiliate;

(x) now maintains and uses, and will maintain and use separate stationery, invoices and checks bearing its name; such stationery, invoices and checks utilized by it or utilized to collect its funds or pay its expenses have borne and shall bear its own name and shall not bear the name of any other entity unless such entity is clearly designated as being its agent;

(y) [except in connection with the development or construction, or financing of the development or construction of the Facility,] has not pledged and will not pledge its assets for the benefit of any other Person;

(z) now has, and will have articles of organization, a certificate of formation or an operating agreement, as applicable, that provides that it will not: (A) dissolve, merge, liquidate or consolidate; (B) sell, transfer, lease or otherwise convey all or substantially all of its assets (other than as permitted under Section 14.7); (C) engage in any other business activity, or amend its organizational documents with respect to the matters set forth in this definition without the affirmative vote of its Independent Manager; or (D) without the affirmative vote of its Independent Manager, file a bankruptcy or insolvency petition or otherwise institute insolvency proceedings with respect to itself or to any other entity in which it has a direct or indirect legal or beneficial ownership interest;

(aa) has been, is and intends to remain solvent and has paid and intends to continue to pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets as the same shall have or become due, and has maintained, is maintaining and intends to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; and

(bb) has and will have no indebtedness other than (i) Facility Debt relating to the development, construction or permanent financing or refinancing for the Facility, including indebtedness in its replacement or substitution thereof, (ii) Taxes and Insurance premiums, (iii) liabilities incurred in the ordinary course of business relating to its ownership, management, administration leasing and operation of the Facility and its routine administration, which liabilities are not more than sixty (60) days past due, are not evidenced by a note and are paid when due, and which amounts are normal and reasonable under the circumstances, and in any event not in excess of one percent (1%) of the Facility Cost in the aggregate, (iv) the Performance Security and indebtedness incurred in support of or connection with the Performance Security, and (v) such other liabilities that are permitted pursuant to this Agreement.

"**Specified Transmission Path**" means (i) the NV Energy north system to McCullough 500 kV Substation located in Clark County, Nevada, and (ii) any transmission path used by Seller to deliver Replacement Energy to Buyer at the Replacement Energy Point of Delivery as specified in Section 9.4.

"**Station Service**" has the meaning set forth in the guidebook promulgated by the CEC, as amended from time to time, or in other RPS Law, whichever is controlling.

"**System Credit**" has the meaning set forth in Section 12.8.

"**System Emergency**" means Emergency Conditions as set forth in the Generator Interconnection Agreement.

"**Tax**" or "**Taxes**" means each federal, state, county, local and other (a) net income, gross income, gross receipts, sales, use, ad valorem, business or occupation, transfer, franchise, profits,

withholding, payroll, employment, excise, property or leasehold tax and (b) customs, duty or other fee, assessment or charge of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amount with respect thereto.

"**Tax Equity Financing**" means, with respect to Seller, any Parent Entity, or the Ultimate Parent Entity, any transaction or series of transactions (including without limitation any transaction of the type described in this definition that utilizes a lease or inverted lease structure) resulting in (i) a portion of the membership interests of Seller or any Parent Entity, as applicable, being issued or otherwise provided to another Person (a "***Tax Equity Investor***") in exchange for capital contributions to Seller, a Parent Entity, or the Ultimate Parent Entity, as applicable, or the Facility being sold to and leased by Seller from a Tax Equity Investor, in either case for the purpose of raising a portion of the funds needed to finance the construction of the Facility by monetizing the Tax credits, depreciation and other tax benefits associated with the Facility and (ii) the Tax Equity Investor being granted only such management responsibilities in Seller, a Parent Entity, or the Ultimate Parent Entity, as applicable, as are permitted in a tax equity investment that is not subject to FERC's review under Section 203 of the Federal Power Act.

"**Tax Equity Investor**" has the meaning set forth in the definition of Tax Equity Financing.

"**Termination Notice**" has the meaning set forth in Section 13.3(a).

"**Termination Payment**" has the meaning set forth in Section 13.3(d).

"**Transmission Provider(s)**" means the Person(s) operating the Transmission System(s) providing Transmission Services to or from the Point of Delivery.

"**Transmission Services**" means the transmission and other services required to transmit Energy to or from the Point of Delivery.

"**Transmission System**" means the facilities utilized to provide Transmission Services.

"**Ultimate Parent Entity**" Open Mountain Energy, LLC, a Delaware limited liability company, together with its successors and assigns.

"**Unexcused Cause**" has the meaning set forth in Section 14.6(b).

"**UNFCCC**" has the meaning set forth in the definition of Environmental Attributes.

"**Unused Curtailment Credit**" has the meaning set forth in Section 6.8(d).

"**U.S. Issuer Bank**" means any issuer of a letter of credit that is organized under the laws of the United States or any state thereof.

"**WECC**" means the Western Electricity Coordinating Council and any successor entity thereto.

"**Withholding Trigger Event**" has the meaning set forth in Section 11.4.

"**WREGIS**" means Western Renewable Energy Generation Information System, any successor thereto, including any replacement system required by the CEC, or any replacement system as determined by Buyer.

"**WREGIS Certificates**" has the meaning set forth in Section 8.4.

"**WREGIS Operating Rules**" means the rules describing the operations of WREGIS, as published by WREGIS and as may be amended from time to time.

"**WREGIS Withhold Amount**" has the meaning set forth in Section 11.4.

Other terms defined herein have the meanings so given them in this Agreement.

Section 1.2 Interpretation. In this Agreement, unless a clear contrary intention appears:

(a) the singular number includes the plural number and vice versa;

(b) reference to any Person includes such Person's successors and assigns but, in case of a Party hereto, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;

(c) reference to any gender includes the other;

(d) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof;

(e) reference to any Article, Section, or Appendix means such Article of this Agreement, Section of this Agreement, or such Appendix to this Agreement, as the case may be, and references in any Article or Section or definition to any clause means such clause of such Article or Section or definition;

(f) "herein", "hereunder", "hereof", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or Section or other provision hereof or thereof;

(g) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term;

(h) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including";

(i) reference to time shall always refer to Pacific Prevailing Time;

(j) reference to any "day" or "month" shall mean a calendar day or calendar month respectively, unless otherwise indicated, and assumes the use of Pacific Prevailing Time to determine the start and end of each referenced "day" or "month", unless otherwise indicated;

(k) the term "or" is not exclusive; and

(l) with respect to obligations, the terms "shall" and "will" shall have the same meaning and be of equal force and effect.

Section 1.3 Order of Precedence. In the event of any conflict or inconsistency between or among the terms and conditions of any of the body of this Agreement, the Appendices and Exhibits attached to the body of this Agreement and the Ancillary Documents, the following order of precedence, consistent with the controlling Requirements of Law, shall govern the interpretation of this Agreement: (i) the body of this Agreement, (ii) the Appendices and Exhibits attached to the body of this Agreement, and (iii) the Ancillary Documents.

ARTICLE II
EFFECTIVE DATE, TERM AND EARLY TERMINATION

Section 2.1 Effective Date. This Agreement shall be effective as of the "***Effective Date,***" which shall occur as of the date upon which (x) Seller and Buyer have executed and delivered this Agreement and (y) Buyer has confirmed receipt of delivery of such fully-executed Agreement. On or prior to the Effective Date, Seller shall deliver to Buyer (a) the Generator Interconnection Agreement, duly executed by Seller and Transmission Provider, (b) the Legal Opinion, (c) the Non-Consolidation Opinion, (d) the Real Property Agreements, duly executed by the parties thereto, (e) copies of (i) the true, correct and complete certificate of formation and limited liability company agreement of Seller, (ii) a certificate for Seller, dated no earlier than ten (10) days prior to the Effective Date, from the Secretary of State of the State of Nevada as to Seller's valid existence and good standing, and (iii) all resolutions and other documents evidencing all limited liability company actions required to execute, deliver, and perform the Seller Parties' obligations under this Agreement and the Ancillary Documents, in each case, certified by an authorized representative of the applicable Seller Party as being true, correct and complete, and (f) an incumbency certificate signed by the secretary of each Seller Party certifying as to the names and signatures of the authorized representatives, signatories, and officers of such Seller Party, in each case, in form and substance reasonably satisfactory to Buyer. No more than five (5) Business Days after the Effective Date, Seller shall deliver to Buyer acceptable evidence of the Insurance. No more than ten (10) days after the Effective Date, Seller shall deliver to Buyer the Pre-Commencement Date Security.

Section 2.2 Agreement Term and Delivery Term. This Agreement shall have a delivery term (the "***Delivery Term***") commencing on the Commencement Date and ending on December 31, 2045, unless sooner terminated in accordance with the terms of this Agreement. The term of this Agreement (the "***Agreement Term***") shall commence on the Effective Date and shall end upon the expiration of the Delivery Term or earlier termination of this Agreement in accordance with the terms hereof.

Section 2.3 Survivability. The provisions of this Article II, Article VII, Section 14.19 and Section 14.21 shall survive for a period of one year following the termination of this Agreement. The provisions of Article XI shall survive for a period of four (4) years following final payment made by the Buyer hereunder or the expiration or termination date of this Agreement, whichever is later. The provisions of Article V, Article VI, Article VIII and Article IX shall continue in effect after termination to the extent necessary to provide for final billing, adjustments and deliveries related to any period prior to termination of this Agreement.

Section 2.4 Early Termination.

(a) **Early Termination by Mutual Agreement.** This Agreement may be terminated by mutual written agreement of the Parties.

(b) **Early Termination for Default.** Upon the occurrence of a Default, the Non-Defaulting Party may terminate this Agreement as set forth in Section 13.3.

(c) **Early Termination for Force Majeure.** This Agreement may be terminated pursuant to Section 14.6(d).

(d) **Early Termination for Exercise of ROFO or ROFR**. If Buyer accepts the Right of First Offer or Right of First Refusal for any Facility Asset, at the option of Buyer, this Agreement shall terminate effective upon the consummation of any such sale to Buyer pursuant to Section 14.25.

(e) **Termination Due to Market Disruption Event**. This Agreement may be terminated as provided in Section 14.26.

(f) **Early Termination for Agreement's failure to comply with Article I of Chapter 11 of Division 2 of Title 20 of the California Code of Regulations**. Notwithstanding the provisions of Section 8.7, in the event that, within sixty (60) days after the CEC's receipt of a complete compliance filing under Sections 2909 and 2910 of Article 1 of Chapter 1l of Division 2 of Title 20 of the California Code of Regulations, the CEC issues a decision pursuant to Section 2910 thereof finding that this Agreement fails to comply with Article 1 of Chapter 11 of Division 2 of Title 20 of the California Code of Regulations, then this Agreement shall be void, and any and all deliveries of Delivered Energy shall be terminated no later than the effective date of such decision of noncompliance by the CEC.

(g) **Effect of Termination.** Any early termination of this Agreement under this Section 2.4 shall be without prejudice to the rights and remedies of either Party for Defaults occurring prior to such termination.

ARTICLE III
DEVELOPMENT OF THE FACILITY

Section 3.1 In General.

(a) **Permitting.** Seller, at its expense, shall timely take all steps necessary to obtain and maintain all Permits required to own, maintain or operate the Facility in

accordance with the requirements of this Agreement and all applicable Requirements of Law and for the performance of Seller's obligations hereunder.

(b) **Meetings with Governmental Authorities.** Seller shall represent the Facility as necessary in all meetings with and proceedings before all Governmental Authorities.

(c) **CEQA Exemption.** Seller represents and warrants that (1) the Facility is subject to environmental review pursuant to NEPA in connection with the procurement of right-of-way(s) from the U.S. Department of Interior, Bureau of Land management for the construction and installation of certain electrical facilities, (2) pursuant to NEPA, Seller has caused, or has caused its Affiliates to, submit to and complete the NEPA Environmental Assessment with respect to the Facility, (3) the lead agency conducting the review of the Facility as required under NEPA has certified a final environmental impact report (or equivalent environmental document) for the Facility and issued a final approval for the Facility, and Seller has delivered to Buyer a Record of Decision or Decision Record in connection therewith; and (4) the lead agency conducting the review of the Facility as required under the environmental laws of the State of Nevada has certified a final environmental impact report (or equivalent environmental document) for the Facility in compliance with NEPA, and Seller has delivered to Buyer a Record of Decision or Decision Record in connection therewith; and (5) the Facility is statutorily exempt from CEQA pursuant to Title 14, California Code of Regulations, Section 15277.

(d) **Ownership of the Facility.** Except as otherwise permitted by this Agreement, the Facility shall be owned by Seller during the Agreement Term. As more fully described in Section 5.1, Seller shall operate and maintain the Facility, at its sole risk and expense, and in compliance with the requirements of this Agreement, all applicable Requirements of Law, Prudent Utility Practices, and applicable manufacturer's and operator's specifications and recommended procedures; *provided, however,* meeting these requirements shall not relieve Seller of its other obligations under this Agreement. Seller shall not sell or otherwise dispose of or create, incur, assume or permit to exist any Lien (other than Permitted Encumbrances) on any portion of the Facility or any other property or assets which are related to the operation, maintenance and use of the Facility without the prior written approval of Buyer. The Facility shall be operated during the Delivery Term by the party listed as the operator on Appendix B or such other Person as Buyer shall approve in the exercise of its reasonable discretion.

Section 3.2 Commencement Date Notices. Seller shall provide Buyer no fewer than five (5) days' prior written notice of the date on which Seller anticipates achieving the Commencement Date Conditions. Seller shall provide Buyer with an additional notice when Seller believes that all Commencement Date Conditions have been satisfied. Buyer's Authorized Representative shall in writing either accept or reject this notice in its reasonable discretion within ten (10) Business Days after receipt of Seller's notice, and if Buyer's Authorized Representative rejects the notice, Seller shall promptly correct any defects or deficiencies and resubmit the notice. If Buyer fails to respond within such ten (10) Business Day period, it shall be deemed to have accepted Seller's notice. If Buyer rejects the notice, Buyer shall state in detail the reason for its rejection and the Parties shall immediately meet and confer to address

Buyer's concerns. The Commencement Date shall occur as of the first day of the first full month following the date upon which the Seller certification of satisfaction of the Commencement Date Conditions is accepted or deemed accepted by Buyer.

Section 3.3 Other Information. Seller shall provide to Buyer such other information regarding the permitting or operations of Seller, its subcontractors or the Facility, financial or otherwise, and other data concerning the Seller, its subcontractors or the Facility as Buyer or Buyer's Authorized Representative may, from time to time, reasonably request. Until the Commencement Date, Seller shall provide to Buyer notice of any significant developments or delays and Seller's estimation of the Commencement Date and anticipated progress and activities for the upcoming month. Buyer and Buyer's Authorized Representative shall be permitted to inspect the Facility from time to time upon reasonable notice to Seller and during reasonable business hours.

Section 3.4 [Reserved].

Section 3.5 Performance Damages. If Seller fails to achieve the Commencement Date by the Guaranteed Commencement Date, Seller shall pay liquidated damages to Buyer in an amount equal to the applicable per day amount set forth in Appendix H ("***Daily Delay Damages***") for each day intervening between the Guaranteed Commencement Date and the earlier of (i) the date the Commencement Date is achieved, and (ii) the date, if any, on which this Agreement is terminated by Buyer pursuant to Section 2.4, up to a maximum of the Initial Security Amount in the aggregate for Daily Damages for the achievement of the Commencement Date ("***Daily Delay Damages Cap***"). The Parties agree that (x) it is impractical or extremely difficult to determine actual damages to which Buyer would be entitled in the foregoing circumstance, and (y) the liquidated damages provided for in this subsection are a fair and reasonable calculation of actual damages to Buyer and are not a penalty in such a circumstance. Buyer may draw from the Pre-Commencement Date Security the amount of any such Daily Delay Damages due and owing to Buyer. Notwithstanding anything to the contrary set forth in this Agreement, in no event shall the Commencement Date occur later than June 1, 2020 (the "***Outside Commencement Date***") and the failure to achieve the Commencement Date by the Outside Commencement Date shall be an immediate Default by Seller, not subject to extension or cure of any kind; provided that Seller's liability for such Default shall be limited to damages not to exceed three times the Initial Security Amount in the aggregate minus all Daily Delay Damages paid by Seller (the "***Outside Commencement Date Damages Cap***"). Except as set forth herein, the payment of Daily Delay Damages shall not limit Buyer's right to (i) exercise any right or remedy available under this Agreement or at law or in equity for any other breach or default occurring concurrently with, before, or after Seller's delay in achieving the Commencement Date by the Guaranteed Commencement Date therefor, (ii) recover any damages not directly attributable to such delay or to pursue any indemnity claims in accordance with this Agreement, or (iii) terminate this Agreement pursuant to Section 2.4.

Section 3.6 Remedial Action Plan. In addition to the payment of Daily Delay Damages in accordance with Section 3.5 for failing to achieve the Commencement Date by the Guaranteed Commencement Date, if Seller fails to achieve the Commencement Date by the Guaranteed Commencement Date (or if Seller anticipates that it will not achieve the Commencement Date by the Guaranteed Commencement Date), Seller shall immediately notify

Buyer of such failure and, no more than ten (10) days following the failure to achieve the Commencement Date (or the date upon which Seller anticipates such a failure will occur), provide Buyer with a written action plan detailing how Seller will cure such failure (such plan, in the form approved by Buyer in accordance with this Section, a "***Remedial Action Plan***"). The Remedial Action Plan shall specify in reasonable detail Seller's analysis of the causes of the missed Guaranteed Commencement Date (or anticipated missed Guaranteed Commencement Date), the commercially reasonable actions that Seller plans to take to correct such underperformance and to ensure that the Guaranteed Commencement Date will be achieved, and the time needed to complete such corrective actions. Buyer shall approve or reject Seller's proposed Remedial Action Plan in its reasonable discretion within ten (10) days of receipt thereof. If Buyer rejects a proposed Remedial Action Plan, Seller shall explain the reasons for such rejection and identify the changes necessary for Buyer to approve such plan. Seller shall thereafter revise the Remedial Action Plan to incorporate such changes and re-submit it to Buyer for Buyer's approval within ten (10) days after receipt of Buyer's rejection. Seller shall complete all corrective action pursuant to the provisions of any Remedial Action Plan. Seller may (a) supplement the Remedial Action Plan, as may be reasonably required, or (b) provide Buyer with written notice of any deviations from the approved Remedial Action Plan; provided that in the case of (a) or (b), any supplements to, or deviations from, the Remedial Action Plan must be reasonably acceptable to Buyer. Seller shall provide additional information or documentation related to the missed Guaranteed Commencement Date and Remedial Action Plan related thereto as Buyer may from time to time reasonably request.

Section 3.7 Decommissioning and Other Costs. Except to the extent that Buyer purchases any portion of the Facility Assets in connection with Buyer's exercise of its Right of First Offer or Right of First Refusal, Buyer shall not be responsible for any cost of decommissioning or demolition of the Facility Assets or any environmental or other liability associated with the decommissioning or demolition of the Facility Assets without regard to the timing or cause of the decommissioning or demolition of the Facility Assets.

[Note to Seller: We are requiring that the Facility be CEC certified as a condition to the Commencement Date and have removed provisions relating to pre-certification and filing for certification since we anticipate these are already effective. Please confirm this is accurate.]

ARTICLE IV
OPERATION AND MAINTENANCE OF THE FACILITY

Section 4.1 Compliance with Electrical Service Requirements. Seller shall, at its sole expense, operate and maintain, or cause a Qualified Operator to operate and maintain, the Facility (i) in accordance with Prudent Utility Practices, the requirements of this Agreement, all applicable Requirements of Law and the requirements of applicable manufacturers' and operators' specifications, using commercially reasonable efforts to comply with any published recommendations of the manufacturers and suppliers of the major components of the Facility, (ii) with due regard for the safety, security and reliability of the interconnection facilities and the Transmission System and (iii) in a manner that is reasonably likely to maximize the output of the Facility and result in a useful life for the Facility through the end of the Delivery Term.

Section 4.2 General Operational Requirements.

In addition to the requirements set forth in Section 4.1 and elsewhere in this Agreement, Seller shall or shall cause its Qualified Operator to, at all times:

(a) Employ qualified and trained personnel for managing, operating and maintaining the Facility and for coordinating with Buyer and Buyer's Agent. Seller shall ensure that necessary personnel are available on-site or on-call twenty-four (24) hours per day during the Delivery Term;

(b) Operate and maintain the Facility with due regard for the safety, security and reliability of the interconnected facilities and Transmission System; and

(c) Comply with operating and maintenance standards recommended by, and required by, the Facility's equipment suppliers.

Section 4.3 Operation and Maintenance Plan.

Following the Commencement Date, Seller shall:

(a) Devise, implement and maintain, or cause the Qualified Operator to devise, implement and maintain, a plan of inspection, maintenance and repair for the Facility and the components thereof in order to maintain such equipment in accordance with Prudent Utility Practices (the "***Operation and Maintenance Plan***"), and shall keep records with respect to inspections, maintenance and repairs thereto. The aforementioned plan and all records of such activities shall be available for inspection by Buyer and Buyer's Authorized Representative during Seller's regular business hours upon reasonable notice.

(b) Provide to Buyer, on a monthly basis, any regularly prepared operation and maintenance status reports of the Facility provided to WECC or Facility Lenders pursuant to a Financing Agreement.

(c) In addition to the other required and preventive maintenance actions contained in this Agreement, provide notification to Buyer of its actions to: (i) conduct regular visual equipment inspections and log significant parameters; (ii) identify all preventive maintenance requirements for the following calendar year, including the performance of maintenance in accordance with Section 4.4(k); (iii) conduct periodic maintenance of various equipment, including a report about any findings, and provide a report about any findings to Buyer; (iv) conduct periodic Q/A and Q/C activities and inspections in accordance with Appendix G, including a report thereof; (v) hire subcontractors, as applicable, to meet the Facility's maintenance, betterment and improvement needs; and (vi) schedule and assign routine maintenance during operations, planned outages, as well as maintenance that can be conducted during a Forced Outage, or during an outage occurring as a result of curtailment notifications.

Section 4.4 Forecasting and Scheduling of Energy and Scheduled Outages.

(a) The Parties agree to the following scheduling procedures: (i) Seller shall notify Buyer and Buyer's Agent on a forward (monthly, weekly and day ahead) basis, as provided in this Section 4.4 and, as needed, in real time, of any reduction in availability of the Facility that exceeds one (1) MW; (ii) Seller shall make available to Buyer and Buyer's Agent, as a graphical display, the forecasted and actual output for the Facility in increments not to exceed fifteen (15) minute averages via a web portal and secure client login, including secure file transfer protocol ("***FTP***"); (iii) Seller shall make available to Buyer and Buyer's Agent real-time data of actual output, which shall be automatically telemetered to Buyer's or Buyer's Agent's supervisory control and data acquisition ("***SCADA***") system; and (iv) either Buyer's Authorized Representative, Buyer's Agent or Buyer's Transmission Provider shall have the right, in accordance with Section 6.8, to contact Seller and require that the Facility be curtailed or to directly curtail the Facility (collectively, the "***Scheduling Procedures***"), which may be modified, from time to time, by written agreement between the Seller's Authorized Representative and, with respect to Buyer, Buyer's Authorized Representative or Buyer's Agent, in order to comply with all applicable requirements, including those of the Transmission Provider, WECC or any balancing authority involved in the Scheduling of Energy under this Agreement. The Authorized Representatives shall promptly cooperate with respect to any reasonably necessary and appropriate modifications to Scheduling Procedures.

(b) Seller or Seller's designee shall be responsible for providing a forecast of Delivered Energy during the Delivery Term consistent with the Scheduling Procedures, as may be updated from time to time in accordance with Section 4.4(a). All generation Scheduling and Transmission Services shall be performed in accordance with the applicable NERC and WECC operating policies, criteria and any other applicable guidelines. This may include, but not be limited to, dynamic adjustments to e-tags in order to reflect the previous hour's metered Energy output. The procedures shall be developed so as to maximize the amount of Energy that is RPS Compliant and EPS Compliant that may be delivered by Seller under this Agreement consistent with the requirements of the Transmission Provider, WECC and any balancing authority involved in the Scheduling of Energy under this Agreement. The Authorized Representatives shall promptly cooperate with respect to any reasonably necessary and appropriate modifications to such forecasting or scheduling procedures. The Parties acknowledge that, because Scheduling takes place in advance of generation, there may be deviations between the amount of Energy generated by a Facility and the amount of Energy Scheduled by Buyer and Seller for delivery at the Point of Delivery. Seller shall fulfill any contractual, metering and interconnection requirements so as to be able to deliver Energy to the Point of Delivery.

(c) No later than forty-five (45) days before the beginning of each Contract Year, Seller or Seller's designee shall provide, or cause to be provided, a non-binding forecast of each month's average day deliveries of Energy, by hour, for the following eighteen (18) months.

(d) Ten (10) Business Days before the beginning of each month during the Delivery Term, Seller or Seller's designee shall provide, or cause to be provided, a non-binding forecast of each day's average deliveries of Energy, by hour, for the following month.

(e) By 5:00 a.m. on the WECC pre-scheduling day immediately preceding the date of delivery of Energy during the Delivery Term, Seller or Seller's designee shall provide Buyer or Buyer's Agent with a copy of a non-binding hourly forecast of deliveries of Energy for each hour of the next date of delivery of Energy (the "***Day Ahead Schedule***"). If the WECC pre-scheduling day pertains to multiple dates of delivery, then this requirement shall apply to each of those dates. After 4:30 a.m. on such WECC pre-scheduling day, subject to Section 4.4(k), Seller or Seller's designee may contact Buyer or Buyer's Agent by telephone to provide any Scheduling updates or changes and the reason for such updates or changes. Acceptable reasons for such updates shall be with respect to current conditions (other than commercial considerations), including weather and applicable balancing authority rules.

(f) By 12:00 p.m. on the Business Day prior to each WECC pre-scheduling day during the Delivery Term, Seller shall provide Buyer, Buyer's Authorized Representative, Buyer's Agent, Buyer's real-time operators, Buyer's Scheduler and any other designated Scheduling representative of Buyer, via email, day-ahead pre-schedules for each of the succeeding twenty-four (24) hours in the form of an Excel spreadsheet. In order to allow Buyer or Buyer's Agent to make schedule changes in conformity with applicable scheduling deadlines, Seller shall notify Buyer or Buyer's Agent via telephone of any hourly changes due to a change in unit availability or an outage no later than one-hundred five (105) minutes prior to the start of such Scheduling hour.

(g) Commencing on the Commencement Date, and continuing throughout the Delivery Term, Seller shall provide to Buyer and Buyer's Agent the following data on a real-time basis:

(1) Read only access to meteorological and pyranometer measurements, the parameters of which are provided in Appendix O, MW capacity, and any other Facility availability information;

(2) Read only access to energy output information collected by the SCADA system for the Facility; provided that if Buyer or Buyer's Agent is unable to access the Facility's SCADA system, then upon written request from Buyer or Buyer's Agent, Seller shall provide energy output information and pyranometer and meteorological measurements to Buyer and Buyer's Agent in four (4) second intervals in the form of a one (1) hour flat file to Buyer and Buyer's Agent through a FTP system with an email back up for each flat file submittal. Seller shall store such information for up to three (3) months after delivery thereof to Buyer and Buyer's Agent; and

(3) Unless the Transmission Provider at the Facility's Point of Delivery requires otherwise, read only access to all Electric Metering Devices (other than meteorological data) installed, owned and operated by Seller at the Project Substation that are used to measure Delivered Energy.

(h) Commencing on the Commencement Date, and continuing throughout the Delivery Term, Seller shall provide to Buyer NERC, WECC and FERC compliance reports regarding the Facility when they are issued.

(i) During the Delivery Term, if Seller or Seller or Seller's designee becomes aware of changes to the Day Ahead Schedule on the actual date of delivery of Energy due to current conditions, including weather or environmental conditions, an unscheduled outage or a scheduling change imposed by Buyer or a Transmission Provider that results in a change to the Facility's deliveries (whether in part or in whole), Seller or Seller's designee shall immediately notify Buyer of any and all changes to the Day Ahead Schedule and provide a revised schedule as soon as possible in an electronic format, either via an internet website accessible to Buyer, Buyer's Authorized Representative, Buyer's Agent, Buyer's real-time operators, Buyer's Scheduler and any other designated Scheduling representative of Buyer or via email in the form of an excel spreadsheet (or any combination thereof); provided that Seller shall deliver any revised Day Ahead Schedule which reflects an increase in forecasted delivery of Energy in any hour in such Day Ahead Schedule no later than two (2) hours prior to the first updated hour.

(j) Seller shall provide forecasts and data required under this Section 4.4 in a format mutually agreeable to Seller and Buyer, which may include the following protocols: (i) Distributed Network Protocol ("***DNP***") 3.0 TCP/IP for primary communications between the Facility and Buyer, (ii) DNP 3.0 Serial for backup communication between the Facility and Buyer, and (iii) DNP 3.0 for communication between the Participating Member's Distributed Control Systems and Intelligent Electronic Devices (such as SEL Relays, ION Meters and Areva Relays).

(k) Buyer and Seller shall cooperate to minimize Scheduled Outages during certain consecutive or nonconsecutive weeks of each Contract Year (not to exceed twelve (12) weeks per Contract Year) specified by Buyer's Authorized Representative (the "***Major Maintenance Blockout***"), but in accordance with Prudent Utility Practices. No later than May 1, 2020 and the commencement of each Contract Year thereafter, Buyer's Authorized Representative shall provide Seller with Buyer's specified Major Maintenance Blockout. In the absence of such updated notification, the most recent previous Major Maintenance Blockout notification shall apply. Seller shall attempt to minimize its Scheduled Outages during the Major Maintenance Blockout consistent with Prudent Utility Practices. No later than sixty (60) days prior to the Commencement Date, and the commencement of each Contract Year thereafter, Seller shall provide Buyer or Buyer's Agent with its non-binding written projection of all Scheduled Outages for the succeeding three (3) years (the "***Scheduled Outage Projection***") reflecting a minimized schedule of scheduled maintenance during the Major Maintenance Blockout. In addition, Seller shall use commercially reasonable efforts to accommodate Buyer's reasonable maintenance scheduling requests consistent with Prudent Utility Practices. The Scheduled Outage Projection shall include information concerning all projected Scheduled Outages during such period, including (i) the anticipated start and end dates of each Scheduled Outage; (ii) a description of the maintenance or repair work to be performed during the Scheduled Outage; and (iii) the anticipated MW of operational capacity, if any, during the Scheduled Outage. Seller shall notify Buyer or Buyer's Agent of any change in the Scheduled Outage Projection as soon as practicable, but in no event later than thirty (30) days prior to the originally scheduled date of the Scheduled Outage. Seller shall use commercially reasonable efforts to accommodate reasonable requests of Buyer or Buyer's Authorized Representative with respect to the timing of Scheduled Outages, and Seller shall, to the extent feasible and consistent with Prudent Utility Practices, arrange for Scheduled

Outages to occur between October 1 and May 1 of each year and coincident with planned transmission outages, but not to overlap with the Major Maintenance Blockout. In the event of a System Emergency, Seller shall make all reasonable efforts to reschedule any Scheduled Outage previously scheduled so that it occurs during the System Emergency.

(l) In the event of a Forced Outage affecting at least ten percent (10%) of the Nominal Capacity Net of Parasitic Load of the Facility, to the extent practicable, Seller shall notify Buyer or Buyer's Agent within two (2) hours of the Forced Outage and provide detailed information concerning the Forced Outage, including (i) the start and anticipated end dates of the Forced Outage; (ii) a description of the cause of the Forced Outage; (iii) a description of the maintenance or repair work to be performed during the Forced Outage; and (iv) the anticipated MW of operational capacity, if any, during the Forced Outage. Seller shall take all reasonable measures and exercise commercially reasonable efforts to avoid Forced Outages and to limit the duration and extent of any such outages.

(m) Consistent with Prudent Utility Practices, Seller shall at all times maintain the ability to continue to provide real-time data to Buyer, to implement curtailments, and to adjust curtailment amounts in real-time in the event that Seller's primary communications means become unavailable at any point in time.

Section 4.5 Dynamic Scheduling.

(a) Seller shall use commercially reasonable efforts to (i) execute, complete, file, and deliver (as applicable) any documents or agreements with or for the applicable Reliability Authorities required for Seller to dynamically schedule Facility Energy to the Point of Delivery, (ii) acquire and install any equipment and software required for dynamic scheduling of the Facility, subject to the terms of this Agreement, Requirements of Law, and any requirements of the applicable Reliability Authorities, and (iii) obtain any Permits from the applicable Reliability Authorities and Governmental Authorities required in order to implement dynamic scheduling for the Facility, in all cases, prior to the Second Anniversary.

(b) From and after the Dynamic Schedule Effective Date, Seller shall (i) cause all schedules for delivery of Facility Energy to the Point of Delivery to be dynamic schedules, prepared in accordance with the terms of this Agreement and the requirements of the applicable Reliability Authorities providing Transmission Services at the Point of Delivery, (ii) from time to time repair, update, and maintain any equipment or software required in order to continue to use dynamic scheduling for the Facility as provided herein, and (iii) comply with the rules, guidelines, and standards for dynamic scheduling of the applicable Reliability Authorities. The dynamic schedule shall be calculated in real-time and integrated on an hourly basis or as otherwise required by the applicable Reliability Authorities.

Section 4.6 Reporting and Information. Commencing on the Commencement Date, Seller shall provide to Buyer (a) Monthly Reports of the operation of the Facility on or before the fifteenth (15th) day of each month, which shall include (i) a performance summary of the Contract Month- and Contract Year-to-date MWh delivery of Facility Energy, capacity factor, availability (including actual availability vs. expected availability), average illumination, weather

for the month and reasons for downtimes, (ii) reports of expected generation indicators of when a Shortfall may occur; (iii) any regularly prepared operations and maintenance status reports of the Facility provided to WECC or any Facility Lenders, (iv) reports regarding the ongoing operations of the Facility during such month, which set forth the status of the operation of the Facility or any component thereof, including any equipment or other operational or maintenance failures, defects or other issues and any repairs, replacements or other remediation provided or to be provided therefor, (v) descriptions of weather, reasons for any downtime, maintenance or repairs, and curtailment periods during the applicable month, and (vi) a safety and environmental summary, and (b) such other information regarding the permitting, engineering, construction or operations of the Facility as Buyer may, from time to time, reasonably request.

ARTICLE V
COMPLIANCE DURING OPERATION PERIOD

Section 5.1 In General.

(a) **The Facility.** Seller represents and warrants that Seller performed, or caused to be performed, all engineering, design, development and construction of the Facility, and shall perform or cause to be performed any future engineering, design, development and construction the Facility, in a good and workmanlike manner and in accordance with applicable standards, Prudent Utility Practices, all applicable Requirements of Law, Seller's quality assurance program and all other requirements of this Agreement. Seller warrants and guarantees that throughout the Delivery Term: (i) the Facility, its engineering, design and construction, its components and related work, shall be free from material defects caused by errors or omissions in design, engineering and construction or repaired as provided herein, (ii) the Facility will be free and clear of all Liens other than Permitted Encumbrances, and (iii) the Facility will comply in all respects with the requirements of this Agreement and all applicable Requirements of Law. Seller also warrants and guarantees that throughout the Agreement Term it will monitor the operation and maintenance of the Facility and that said operation and maintenance is, and will be, in full compliance with all applicable standards, Prudent Utility Practices, Requirements of Law, Seller's Quality Assurance Program and other provisions of this Agreement. Without limiting the foregoing, Seller shall promptly repair or replace, consistent with Prudent Utility Practices, any component of the Facility that does not comply with the foregoing warranties or guarantees. Seller shall at all times exercise commercially reasonable efforts to undertake all recommended or required updates or modifications to the Facility, its equipment and materials, including procedures, programming and software in a timely manner. Seller shall, at its expense, maintain throughout the Agreement Term an inventory of spare parts for the Facility in a quantity that is consistent with applicable manufacturers' recommendations and Prudent Utility Practices.

(b) **Buyer's Right to Monitor in General.** Buyer shall have the right upon prior written notice to Seller, and Seller shall permit Buyer and its representatives, advisors, engineers and consultants to observe, inspect and monitor all operations and activities at the Site; *provided, however*, that Buyer shall comply with all of Seller's applicable safety and health rules and requirements and shall not unreasonably interfere with or disrupt the activities of Seller.

Section 5.2 Compliance with Standards. Seller shall cause the Facility and all parts thereof to be operated and maintained to meet (i) all of the requirements of this Agreement, (ii) all applicable standards and requirements of the latest revision of standards or requirements of the ASTM, ASME, ASCE, AWS, EPA, EEI, IEEE, ISA, National Electrical Code, National Electric Safety Code, OSHA, Cal-OSHA, Uniform Building Code, Uniform Plumbing Code, Underwriters Laboratory Standards and the applicable local County Fire Department Standards of the applicable county, National Fire Protection Agency standards and requirements, or their successors, (iii) all FERC-approved NERC Reliability Standards, (iv) any other codes, standards and operations and maintenance requirements applicable to the services, equipment, and work as generally shown in this Agreement and (v) all applicable Requirements of Law not specifically mentioned in this Section 5.2. If Seller contracts with another Person to operate or maintain the Facility, Seller shall cause such contract to provide that such Person shall operate or maintain, as applicable, the Facility in compliance with the laws, regulations, standards and other requirements identified in clauses (i) through (v) of the prior sentence.

Section 5.3 Quality Assurance Program. As a condition of, and no later than the occurrence of the Commencement Date, Seller shall develop and initiate a written quality assurance policy ("***Quality Assurance Program***") attached hereto as Appendix G. Seller shall maintain and comply with said Quality Assurance Program, and Seller shall cause all work performed on or in connection with the Facility to comply with said Quality Assurance Program.

Section 5.4 Security Provided by Seller.

(a) Seller shall, by no later than ten (10) Business Days following the Effective Date, execute and deliver to Buyer an Acceptable Form of Performance Assurance in the Initial Security Amount, which Acceptable Form of Performance Assurance shall be subject to replenishment as set forth in Section 5.4(d) below and shall guarantee Seller's obligations under this Agreement prior to the Commencement Date (the "***Pre-Commencement Date Security***"). Seller shall maintain the Pre-Commencement Date Security until Seller executes and delivers the Performance Security pursuant to Section 5.4(b) below, or until the requirement to maintain the Pre-Commencement Date Security ceases under Section 5.4(c) below.

(b) Seller shall, by the Commencement Date, execute, deliver to Buyer and maintain an Acceptable Form of Performance Assurance in the amount of Six Hundred Seven Thousand Five Hundred Dollars ($607,500), which Acceptable Form of Performance Assurance shall guarantee Seller's obligations under this Agreement from and after the Commencement Date (the "***Performance Security***"). Seller may elect to use any amounts remaining under its Pre-Commencement Date Security as a component of the Performance Security.

(c) If (i) upon the Commencement Date, no damages or other amounts are due and owing to Buyer under this Agreement, and Seller does not elect to use the Pre-Commencement Date Security as a component of the Performance Security, or (ii) this Agreement terminates prior to the occurrence of the Commencement Date while the Pre-Commencement Date Security is outstanding and no damages or other amounts are due and owing to Buyer under this Agreement, then Seller is no longer required to maintain the Pre-

Commencement Date Security; provided that Buyer may draw on such Pre-Commencement Date Security in accordance with clause (d).

(d) Buyer may draw on the Performance Assurance for any undisputed amount owed to Buyer that is not timely paid due to Seller's obligations under this Agreement, including any liquidated damages, Shortfall Damages, and Daily Delay Damages and any such draw shall be deemed a cure for such non-payment to the extent of the draw. Promptly, and in no event more than five (5) Business Days following any draw by Buyer on the Performance Assurance, Seller shall replenish the amount drawn on the Performance Assurance such that the amount of the Performance Assurance is restored to the full amount set forth in Section 5.4(a) or Section 5.4(b), as applicable.

(e) Seller shall, from time to time as requested by Buyer or Buyer's Authorized Representative, execute, acknowledge, record, register, deliver and file all such notices, statements, instruments and other documents as may be necessary or advisable to render fully valid, perfected and enforceable under all applicable law the Performance Assurance contemplated by this Agreement and the Ancillary Documents and the rights, Liens and priorities of Buyer with respect to such credit support.

(f) Seller shall notify Buyer of the occurrence of a Downgrade Event with respect to an issuer of Performance Assurance, which notice shall be given by Seller within five (5) Business Days of obtaining knowledge of the occurrence of such event. If, at any time, (i) there shall occur a Downgrade Event with respect to an issuer of Performance Assurance or (ii) Buyer elects to terminate any relationship with such issuer pursuant to directives from any Governmental Authorities applicable to Buyer or the Participating Member, then Buyer may require that Seller replace the Performance Assurance from the issuer that has suffered the Downgrade Event or with whom the relationship has been terminated by Buyer with Performance Assurance from a Qualified Issuer within ten (10) Business Days of notice from Buyer to Seller requesting such replacement Performance Assurance.

(g) Notwithstanding the other provisions of this Agreement, the Performance Assurance contemplated by this Agreement: (a) constitutes security for, but is not a limitation of, Seller's obligations under this Agreement, and (b) shall not be Buyer's exclusive remedy against Seller for the Seller's failure to perform in accordance with this Agreement.

Section 5.5 Effect of Review by Buyer. Any review by Buyer of the operation or maintenance of the Facility is solely for the information of Buyer. Buyer shall have no obligation to share the results of any such review or observation with Seller, nor shall any such review or observation or the results thereof (whether or not the results are shared with Seller), nor any failure to conduct any such review, relieve Seller from any of its obligations under this Agreement. By making any such review, Buyer makes no representation as to the economic and technical feasibility, operational capability or reliability of the Facility. Seller shall in no way represent to any third party that any such review by Buyer of the Facility, including any review of the operation or maintenance of the Facility by Buyer is a representation by Buyer as to the economic and technical feasibility, operational capability or reliability of the Facility. Seller is

solely responsible for the economic and technical feasibility, operational capability and reliability thereof.

ARTICLE VI
PURCHASE AND SALE OF POWER

Section 6.1 Purchases by Buyer.

(a) On and after the Commencement Date and continuing for the Delivery Term, Seller shall sell and deliver, and Buyer shall receive and purchase, all Delivered Energy for the price set forth in paragraph 2 (for Excess Energy) or paragraph 1 (for other Delivered Energy and all Makeup Energy) of Appendix A, except as described in Section 6.8 or Section 8.7; provided, that for any Contract Month commencing prior to the earlier of (i) the Second Anniversary and (ii) the Dynamic Schedule Effective Date: (x) Buyer shall not be obligated to purchase any Excess Monthly Generation in an amount greater than seventeen percent (17%) of the amount of Delivered Energy in such Contract Month, (y) subject to the cap on Excess Monthly Generation in clause (x), the price for any Excess Monthly Generation shall be the price set forth in paragraph 3 of Appendix A and (z) [no later than five (5) Business Days] after the end of each such Contract Month, Seller shall provide Buyer a summary of the Facility Energy as measured at the Electric Metering Devices detailed by day and hour and a calculation of Excess Monthly Generation for such Contract Month.

(b) Notwithstanding the foregoing, (i) with respect to any Contract Month, Buyer has no obligation to receive or purchase Excess Energy in excess of the greater of (x) an amount equal to the Guaranteed Monthly Delivered Energy for such Contract Month plus the amount of any outstanding Shortfall Energy from the prior two (2) months or (y) one hundred twenty percent (120%) of the Expected Monthly Generation for such Contract Month, and (ii) in no event shall Buyer be required to receive or purchase at the Point of Delivery a quantity of Delivered Energy in any hour that exceeds the quantity of Delivered Energy that the Facility is capable of producing when operating at the Nominal Nameplate Capacity, unless Buyer agrees otherwise in its sole discretion.

(c) For any month during which the WREGIS Withhold Amount provisions of Section 11.4 are not applicable or Buyer otherwise elects not to withhold the WREGIS Withhold Amount, a "***WREGIS Certificate Deficit***" means any deficit or shortfall in WREGIS Certificates delivered to Buyer for such month as compared to the Delivered Energy less any Excess Actual Generation, if applicable, for the same month ("***Deficient Month***") (excluding any deficits or shortfalls caused by an error or omission of Buyer). If any WREGIS Certificate Deficit is caused, and such WREGIS Certificate Deficit is not caused by an error omission of Buyer, then Buyer will be entitled to a credit in the next monthly invoice after the Deficient Month equal to fifteen dollars ($15) per MWh for each WREGIS Certificate Deficit.

Section 6.2 Point of Delivery. Seller shall deliver all Delivered Energy to Buyer at the Point of Delivery. Buyer, or its designee, shall receive all such Delivered Energy from Seller under this Agreement at the Point of Delivery.

Section 6.3 Expected Monthly Generation Adjustment. During the Expected Monthly Generation Adjustment Period, Seller shall have the option to make one adjustment to the Expected Monthly Generation applicable to each month of a Contract Year; provided that (i) such adjustment shall not result in a change of more than 7.5% in the Expected Annual Generation, (ii) such adjustment shall result in the Expected Monthly Generation for each month in a Contract Year specified in Appendix Q changing by the same percentage (i.e., the percentage change to the Expected Annual Generation shall be equal to the percentage change to the Expected Monthly Generation of each month in a Contract Year), (iii) if Seller elects to make such an adjustment, the Guaranteed Monthly Delivered Energy of each month in a Contract Year specified on Appendix Q shall be adjusted by the same percentage applied to adjust each Expected Monthly Generation, and (iv) Seller shall deliver notice of such adjustment in accordance with the following sentence within the one year period following the Commencement Date, and such adjustment (if any) will be effected by the first day of the first full month following the date that is ninety (90) days after Seller provides such notice (the "***Expected Monthly Generation Adjustment Period***"). If Seller elects to make an adjustment under this Section 6.3, Seller shall give Buyer ninety (90) days prior written notice with respect to such adjustment, including (x) the percentage change that will be applied (subject to the prior sentence) and (y) an updated version of the table in Appendix Q, specifying the Expected Monthly Generation for each month in a Contract Year, the Guaranteed Monthly Delivered Energy for each such month, and the Expected Annual Generation following application of Seller's adjustment subject to the terms of this Section 6.3. Upon the first day of the first full month after the end of the ninety (90) day period following delivery of notice of an adjustment, the updated version of Appendix Q delivered by Seller in connection with such notice shall hereby replace the table in Appendix Q so long as Seller has complied with this Section 6.3.

Section 6.4 Buyer's Failure. Unless excused by Force Majeure, a curtailment required by Buyer under Section 6.8, or Seller's failure to perform, if Buyer fails to receive at the Point of Delivery all or any part of any Energy required to be received by Buyer under this Article VI, Article VIII or Article IX, Buyer shall pay Seller, on the date payment would otherwise be due to Seller, an amount for each MWh of such deficiency equal to the positive difference, if any, obtained by subtracting the Sales Price from price per MWh which would have been payable by Buyer for the Energy not received by Seller. "***Sales Price***" means the price at which Seller, acting in a commercially reasonable manner, resells the Energy, including the Environmental Attributes associated therewith, or, absent a resale following commercially reasonable efforts by Seller to resell such Energy, $0/MWh. Seller shall provide Buyer prompt written notice of the Sales Price together with back-up documentation. Seller shall use, and demonstrate to Buyer its use of, commercially reasonable efforts to resell the Energy that Buyer fails to receive, including the Environmental Attributes associated therewith.

Section 6.5 Nature of Remedies. The remedy set forth in Section 6.4 is the sole and exclusive remedy of Seller for any failure by Buyer to receive Energy as and when required by this Agreement, and all other remedies and damages for any such failure are hereby waived by Seller.

Section 6.6 Energy to Come Exclusively from Facility. Except as provided in Article IX, in no event shall Seller have the right to procure energy from sources other than the Facility for sale and delivery pursuant to this Agreement.

Section 6.7 Sales to Third Parties. Seller may sell to Persons any Facility Energy or Replacement Energy, and associated Capacity Rights and Environmental Attributes that Seller would otherwise be required to deliver to Buyer, during periods in which Buyer is excused from receiving, or otherwise unable to receive, at the Point of Delivery or the Replacement Energy Point of Delivery, as applicable. Except as provided in the preceding sentence, Seller shall not sell or otherwise transfer any Facility Energy, Replacement Energy required to be delivered to Buyer under this Agreement, Capacity Rights or Environmental Attributes to any Person other than Buyer during the Agreement Term. Any purported sale or transfer in violation of this provision shall be null and void at inception and of no force or effect.

Section 6.8 Curtailment Requested by Buyer.

(a) Buyer, Buyer's Agent or Buyer's Transmission Provider may require Seller to reduce deliveries of all or any portion of the Facility Energy, and Seller shall comply with any such requirement of Buyer, Buyer's Agent or Buyer's Transmission Provider, at any time and for the duration specified by Buyer, Buyer's Agent or Buyer's Transmission Provider in a notice to Seller, including for curtailments required by (i) a System Emergency; (ii) an event of Force Majeure on Buyer's side after the Point of Delivery (curtailments under preceding clauses (i), or (ii), "***Non-Compensable Curtailments***"); (iii) system improvements, scheduled or unscheduled repairs or maintenance on Buyer's side of the Point of Delivery (other than due a Force Majeure event as described in (ii) above); (iv) Buyer's failure or inability to Schedule the Delivered Energy from the Point of Delivery (other than due to a Force Majeure event as described in (ii) above); and (v) for any other reason in the sole discretion of whichever representative of Buyer provided the applicable notice (curtailments under preceding clauses (iii), (iv) or (v), "***Compensable Curtailments***"). Curtailments shall be measured in five (5) minute increments and in a manner that is consistent with the Scheduling Procedures. Seller shall be excused from delivering the reduced deliveries of Facility Energy described in the notice described in this subsection. Subject to Section 6.8(b), Buyer shall be excused from receiving the reduced deliveries of Facility Energy described in the notice described in this subsection.

(b) Buyer shall not pay Seller for any Non-Compensable Curtailments. Buyer shall pay Seller for Deemed Delivered Energy during Compensable Curtailments occurring during the Delivery Term that is in excess of four percent (4%) of the Expected Annual Generation in each Contract Year. The Compensable Curtailments less than or equal to four percent (4%) of the Expected Annual Generation in such Contract Year are "***Buyer's Non-Compensable Curtailment Hours***". During the Delivery Term, the Parties shall reasonably estimate the amount of curtailed Facility Energy that would have been delivered at the Point of Delivery during each Contract Month had the Non-Compensable or Compensable Curtailments not occurred, which shall include the Facility Energy actually generated during such Non-Compensable or Compensable Curtailments ("***Deemed Delivered Energy***"), and such Deemed Delivered Energy shall count toward the Guaranteed Monthly Delivered Energy or, if the Guaranteed Monthly Delivered Energy has been met for such Contract Month, toward reducing any outstanding Shortfall Energy.

(c) With respect to any Compensable Curtailment, Buyer shall pay: (i) the price set forth in paragraph 1 of Appendix A for Deemed Delivered Energy that, had it been

delivered to the Point of Delivery, would not have been Excess Energy or Excess Monthly Generation, (ii) the price set forth in paragraph 2 of Appendix A for Deemed Delivered Energy that, had it been delivered to the Point of Delivery, would have been Excess Energy and (iii) the price set forth in paragraph 3 of Appendix A for Deemed Delivered Energy that, had it been delivered to the Point of Delivery, would have been Excess Monthly Generation subject to Section 6.1(c).

(d) At the end of every Contract Year, Seller will provide to Buyer in the invoice delivered to Buyer pursuant to Section 11.1, a calculation of the total MWh Deemed Delivered Energy during Buyer's Non-Compensable Curtailment Hours. If the total MWh of Deemed Delivered Energy during Buyer's Non-Compensable Curtailment Hours is less than four percent (4%) of the Expected Annual Generation in each Contract Year, then Buyer will receive a credit equal to the product of (i) thirty-five dollars and twelve cents ($35.12), and (ii) the difference between (a) four percent (4%) of the Expected Annual Generation in each Contract Year and (b) the total MWh of Deemed Delivered Energy during Buyer's Non-Compensable Curtailment Hours in such Contract Year ("***Unused Curtailment Credit***"). The total Unused Curtailment Credit amount will be credited against amounts otherwise owing by Buyer to Seller for Energy in the first, and if necessary, subsequent months of the subsequent Contract Year.

(e) For the avoidance of doubt, Buyer shall not pay Seller for any Deemed Delivered Energy calculated during Buyer's Non-Compensable Curtailment Hours or during any Non-Compensable Curtailments.

(f) Seller shall provide the capability to implement curtailments and adjust curtailment amounts in real time by means of setpoints received from Buyer's SCADA system. Seller shall install sufficient measuring equipment at the Facility to collect data necessary to reasonably determine the amount of curtailed Facility Energy, including any Deemed Delivered Energy.

(g) Seller shall use, and demonstrate to Buyer its use of, commercially reasonable efforts to sell Deemed Delivered Energy arising during any Compensable Curtailments, including the Environmental Attributes associated therewith. Any proceeds from the sale of any Deemed Delivered Energy to a third party purchaser shall be the property of Seller, and Seller shall credit any such proceeds against any amounts owed by Buyer to Seller for such Deemed Delivered Energy pursuant to this Section 6.8.

ARTICLE VII
TRANSMISSION AND SCHEDULING; TITLE AND RISK OF LOSS

Section 7.1 In General. Seller shall arrange and be responsible for any Transmission Services required to deliver Facility Energy or Replacement Energy to the Point of Delivery or the Replacement Energy Point of Delivery, as applicable. Seller shall Schedule or arrange for Scheduling services with its Transmission Providers to deliver the Facility Energy to Buyer at the Point of Delivery. Buyer shall arrange and be responsible for Transmission Services at and from the Point of Delivery, and shall Schedule or arrange for Scheduling services with its Transmission Providers to receive Delivered Energy or Replacement Energy at the Point of

Delivery or the Replacement Energy Point of Delivery, as applicable. This includes creation by Seller and, as needed, revisions of electronic tags ("***e-tags***") associated with such Energy schedules. Seller shall provide additional information as reasonably requested by Buyer on e-tags or as reasonably necessary to facilitate Buyer's reporting requirements under RPS Law. Each Party shall designate an authorized Scheduler to effect the Scheduling of all Delivered Energy or Replacement Energy, as applicable. The contact information for Buyer's Scheduler and Seller's Scheduler as of the Effective Date shall be set forth in Appendix C and shall be revised by the Authorized Representative of the respective Party, as needed.

Section 7.2 Costs. Seller shall be responsible for any costs, expenses or charges imposed on or associated with Facility Energy up to the Point of Delivery, including charges related to control area services, inadvertent energy flows, transmission losses and the transmission of Facility Energy, and costs associated with transmission outages, congestion or curtailment. Subject to Section 6.7, Buyer shall be responsible for any costs, expenses or charges imposed on or–associated with Delivered Energy at and from the Point of Delivery, including charges related to control area services, inadvertent energy flows, transmission losses and the transmission of Delivered Energy, and costs associated with transmission outages, congestion or curtailment.

Section 7.3 Title; Risk of Loss. As between the Parties, Seller shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of all Facility Energy prior to and at the Point of Delivery, and Buyer shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of all Delivered Energy from the Point of Delivery. Seller shall deliver all Delivered Energy, Replacement Energy, Capacity Rights and Environmental Attributes to Buyer free and clear of all Liens created by any Person other than Buyer. Title to and risk of loss as to all Delivered Energy, Replacement Energy, Capacity Rights and Environmental Attributes shall pass from Seller to Buyer at the Point of Delivery; *provided, however,* that title and risk of loss as to any Replacement Energy specified by Buyer to be delivered to a Replacement Energy Point of Delivery and all of the associated Environmental Attributes shall pass from Seller to Buyer upon delivery of such Replacement Energy to such Replacement Energy Point of Delivery.

ARTICLE VIII
ENVIRONMENTAL ATTRIBUTES; EPS AND RPS COMPLIANCE

Section 8.1 Transfer of Environmental Attributes. For and in consideration of Buyer entering into this Agreement, and in addition to the agreement by and between Buyer and Seller to purchase and sell Delivered Energy on the terms and conditions set forth herein, Seller shall transfer to Buyer, and Buyer shall receive from Seller, all right, title, and interest in and to all Environmental Attributes, free and clear of all Liens, whether now existing or acquired by Seller or that hereafter come into existence or are acquired by Seller during the Agreement Term, for all Facility Energy and Replacement Energy, in each case, purchased by Buyer hereunder. In addition, Buyer shall be entitled to all Environmental Attributes associated with Facility Energy generated by Seller during a Compensable Curtailment and during a Buyer Failure to perform for which Buyer pays Seller pursuant to Section 6.4, in each case, that Seller was unable to sell notwithstanding its commercially reasonable efforts to do so. For the avoidance of doubt, Buyer is not entitled to, and Seller shall retain for its own benefit, all Environmental Attributes

associated with (i) all Non-Compensable Curtailments and (ii) all Facility Energy during Buyer's Non-Compensable Curtailment Hours. Environmental Attributes that are in, or that shall come into, existence with respect to Energy generated by the Facility that services Parasitic Load shall be transferred by Seller to, and received by, Buyer. Seller agrees to transfer and make available to Buyer such Environmental Attributes to the fullest extent allowed by applicable law immediately upon Seller's production or acquisition of the Environmental Attributes. Except as otherwise permitted herein, including as provided in Section 6.7, Seller represents and covenants that it has not assigned, transferred, conveyed, encumbered, sold or otherwise disposed of and will not in the future assign, transfer, convey, encumber, sell or otherwise dispose of all or any portion of such Environmental Attributes to any Person other than Buyer or attempt to do any of the foregoing with respect to any of the Environmental Attributes. Buyer and Seller acknowledge and agree that the consideration for the transfer of Environmental Attributes is contained within the relevant prices for Delivered Energy under Article VI and Article IX and Appendix A. If at any time Seller becomes obligated to obtain pollution or environmental credits or offsets in order to own, operate or maintain the Facility in compliance with the Requirements of Law, Seller shall ensure that such credits or offsets are obtained in Seller's own name and at Seller's sole cost and expense. In no event shall Seller use any Environmental Attributes to satisfy the foregoing obligation.

Section 8.2 Reporting of Ownership of Environmental Attributes. During the Agreement Term, Seller shall not report to any Person that the Environmental Attributes granted hereunder to Buyer belong to any Person other than Buyer, and Buyer may report under any program that such Environmental Attributes purchased hereunder belong to it.

Section 8.3 Environmental Attributes. Upon the request of Buyer or Buyer's Authorized Representative, Seller shall take all reasonable actions and execute all documents or instruments as are reasonable and necessary under all law, regulations, guidebooks promulgated by the CEC or PUC, bilateral arrangements or other voluntary Environmental Attribute programs of any kind, as applicable, to maximize the attribution, accrual, realization, generation, production, recognition and validation of Environmental Attributes throughout the Agreement Term.

Section 8.4 Use of Accounting System to Transfer Environmental Attributes. In furtherance and not in limitation of Section 8.3, Seller shall use WREGIS to evidence the transfer of any Environmental Attributes under applicable laws or any voluntary program ("***WREGIS Certificates***"), associated with Facility Energy or Replacement Energy, in either case, to be transferred to Buyer, in accordance with WREGIS reporting protocols and shall register the Facility with WREGIS. Within five (5) days after the Effective Date, Seller shall deliver sufficient evidence to Buyer that it has prepared and registered all required documents and has taken all necessary steps for final WREGIS approval, including the notice of substantial completion or commercial operation date to WREGIS, as appropriate. Seller shall deliver to Buyer sufficient evidence that substantial completion of the Facility is verified with WREGIS, and it has provided WREGIS with notice of the commercial operation date. After the Facility is registered with WREGIS, at the option of Buyer's Authorized Representative, Seller shall transfer WREGIS Certificates using the Forward Certificate Transfer method, as described in WREGIS Operating Rules, from Seller's WREGIS account to up to three WREGIS accounts, as designated by Buyer's Authorized Representative. Seller shall be responsible for the WREGIS

expenses associated with registering the Facility, maintaining its account, WREGIS Certificate issuance fees and transferring WREGIS Certificates to Buyer or Buyer's Agent, or any other designees, and Buyer shall be responsible for the WREGIS expenses associated with maintaining its account, or the accounts of its designees, if any, and subsequent transferring or retiring of WREGIS Certificates. Buyer is not a QRE as defined by the WREGIS Operating Rules for Seller. Forward Certificate Transfers shall occur monthly based on the certificate creation timeline established by the WREGIS Operating Rules. Seller shall be responsible for, at its expense, validating and disputing data with WREGIS prior to WREGIS Certificate creation each month. In the event that WREGIS is not in operation, or WREGIS does not track Seller's transfer of WREGIS Certificates to Buyer, Buyer's Agent or Buyer's designees for purposes of any Environmental Attributes attributed, accrued, realized, generated, produced, recognized or validated relative to the Facility Energy or Replacement Energy to which Buyer is entitled hereunder, or Buyer chooses not to use WREGIS for any reason, Seller shall document the production and transfer of Environmental Attributes under this Agreement by delivering to Buyer an attestation for the Environmental Attributes produced by the Facility, or Replacement Energy, measured in whole MWh, or by such other method as Buyer or Buyer's Authorized Representative shall designate. If any of the foregoing is or becomes inconsistent with the WREGIS rules, the Parties shall reasonably cooperate to amend the foregoing procedures in a manner reasonably requested by Buyer consistent with the then effective WREGIS rules. Buyer shall take all reasonably necessary actions to facilitate the transfer of Environmental Attributes as provided above, including accepting any transfer request made by Seller through WREGIS in accordance with the foregoing.

Section 8.5 Further Actions Regarding Environmental Attributes. If WREGIS (or any successor thereto) is no longer available to provide the services described in Section 8.4, Seller shall, until such time as a substitute provider reasonably acceptable to both Parties is available to provide such services, continue to document the production of Environmental Attributes by delivering with each invoice to Buyer an attestation and bill of sale for Environmental Attributes (i) produced by the Facility to which Buyer is entitled as provided hereunder or (ii) included with Replacement Energy deliver to Buyer for the preceding month. The form of attestation and bill of sale is set forth as Appendix D. Upon the reasonable request of Buyer or Buyer's Authorized Representative, the Parties shall execute all such documents and instruments and take such other action in order to effect the transfer of the Environmental Attributes specified in this Agreement to Buyer and to maximize the attribution, accrual, realization, generation, production, recognition and validation of the Environmental Attributes to which Buyer is entitled. In the event of the promulgation of a scheme involving Environmental Attributes administered by CAMD, upon notification by CAMD that any transfers contemplated by this Agreement shall not be recorded, the Parties shall promptly cooperate in taking all reasonable actions necessary so that such transfer can be recorded. Each Party shall promptly give the other Party copies of all documents it submits to CAMD to effectuate any transfers.

Section 8.6 RPS and EPS Compliance. Except as provided in Section 8.7, the Seller warrants and guarantees that, upon the achievement of the Commencement Date and at all times thereafter, the Facility will be both RPS Compliant and EPS Compliant (the "***Compliance Standards***"). In accordance with the terms set forth herein, including Section 8.7, Seller shall be responsible for all costs and charges associated with maintaining the Compliance Standards should the Facility not be RPS Compliant and EPS Compliant after the Commencement Date and

throughout the Delivery Term. From time to time and at any time requested by Buyer or Buyer's Authorized Representative, Seller will furnish to Buyer, Governmental Authorities or other Persons designated by Buyer, all certificates and other documentation reasonably requested by Buyer or Buyer's Authorized Representative in order to establish compliance with the preceding sentence.

Section 8.7 Change in Law.

(a) Notwithstanding the foregoing, if at any time during the Delivery Term a change in law occurs that causes the Facility to fail to comply with the Compliance Standards, then Seller shall use commercially reasonable efforts to bring the Facility into compliance with the Compliance Standards. During the Delivery Term, during all times in which the Facility fails to meet the Compliance Standards, including when Seller is using commercially reasonable efforts to bring the Facility into compliance with the Compliance Standards, the price for Delivered Energy set forth in paragraph 2 of Appendix A shall be the Market Price.

(b) If, at any time during the Delivery Term, the RPS Law or EPS Law ceases to be effective and is not replaced with a functional equivalent law, where permitted by applicable laws, rules and regulations, the price for Delivered Energy set forth in paragraph 2 of Appendix A shall be, for the remainder of the Delivery Term, the higher of (x) the Market Price (excluding the value of the Environmental Attributes) or (y) the Market Value, subject to Section 8.7(d).

(c) If, Buyer determines, in its reasonable discretion, that it is impossible for Seller to comply with the RPS Law or the EPS Law, Buyer shall have the option to (i) cause the price for Delivered Energy set forth in paragraph 2 of Appendix A to be, for the remainder of the Delivery Term, the higher of (x) the Market Price (excluding the value of the Environmental Attributes) or (y) the Market Value, subject to Section 8.7(d), or (ii) terminate this Agreement.

(d) Seller shall in good faith determine the Market Value as soon as reasonably practicable after the RPS Law or EPS Law ceases to be effective or Buyer makes a determination pursuant to Section 8.7(c) and promptly notify Buyer thereof. Buyer shall either accept or reject such Market Value within **[thirty (30) days]** after receiving such notice. If Buyer accepts such Market Value, the price set forth in paragraph 2 of Appendix A for Delivered Energy for the remainder of the Delivery Term shall be the higher of the Market Price and such Market Value. If Buyer rejects such Market Value, Seller may either, by notice to Buyer within **[thirty (30) days]** after receiving such rejection (i) agree that the price set forth in paragraph 2 of Appendix A for Delivered Energy for the remainder of the Delivery Term will be the Market Price, in which case such price shall be the Market Price, or (ii) terminate this Agreement. Seller will be deemed to have agreed that the price set forth in paragraph 2 of Appendix A for Delivered Energy will be the Market Price if Seller does not respond within such **[thirty (30) day]** period.

ARTICLE IX
MAKEUP OF SHORTFALL ENERGY

Section 9.1 Makeup of Shortfall. Unless excused by (a) a Force Majeure, (b) a System Emergency, (c) Buyer's Default or a failure to schedule energy from the Point of Delivery or any other Buyer failure under Section 6.4, or (d) a Non-Compensable Curtailment or a Compensable Curtailment ((a)-(d), collectively, "***Excused Conditions***"), if in any Contract Month beginning with the sixth (6th) Contract Month, the amount of Net Delivered Energy is less than the Guaranteed Monthly Delivered Energy for such Contract Month (such failure, a "***Shortfall***"), then Seller shall make up such shortfall of Net Delivered Energy ("***Shortfall Energy***") in accordance with this Article IX; provided that any Excess Energy (excluding Excess Monthly Generation) delivered in the Contract Month immediately preceding the Contract Month in which the Net Delivered Energy is less than the Guaranteed Monthly Delivered Energy shall be credited to the Shortfall Energy, so long as both Contract Months are in the same compliance period and Buyer is able to use such Excess Energy for purposes of demonstrating its compliance obligations for such compliance period for purposes of RPS Law, unless Buyer elects that the foregoing shall not apply in such Contract Month.

Section 9.2 Makeup Energy. During any two-month period (the "***Shortfall Cure Period***") following a Contract Month in respect of which there is Shortfall Energy due to Buyer, Seller may deliver additional Net Delivered Energy ("***Makeup Energy***") to make up such Shortfall Energy until all Shortfall Energy is provided to Buyer; provided that no Net Delivered Energy in a Contract Month shall count toward curing Shortfall Energy until Buyer has received Net Delivered Energy (including Deemed Delivered Energy for such Contract Month counted toward the Guaranteed Monthly Delivered Energy) up to the Guaranteed Monthly Delivered Energy for such Contract Month. Except as provided in Section 6.1(b), all such Makeup Energy shall be paid for at the price specified in paragraph 1 of Appendix A.

Section 9.3 Shortfall Remedies. If Seller fails to make up the full amount of any Shortfall Energy by the end of the applicable Shortfall Cure Period (the "***Makeup Deadline***"), Buyer may elect, in its sole discretion, that (a) Seller pay to Buyer an amount for each MWh of then-remaining Shortfall Energy equal to the positive difference, if any, determined by subtracting (i) the sum of the time weighted average of the (x) Market Price Index for such Energy and (y) Green Value associated therewith, from (ii) the per-MWh price for Delivered Energy identified in paragraph 1 of Appendix A; provided that (y) shall not apply if Section 8.7 applies such that Buyer is paying the Market Price for Delivered Energy (collectively, the "***Shortfall Damages***") or (b) Seller, within ninety (90) days after the Makeup Deadline**,** provide Buyer with the quantity of Replacement Energy sufficient to cure any then-remaining Shortfall Energy from such Shortfall Cure Period pursuant to Section 9.4: provided, however, that if Seller is unable to provide Buyer with Replacement Energy pursuant to Section 9.4 within such ninety (90) day period notwithstanding its commercially reasonable efforts to do so, Seller shall cure the then-remaining amount of Shortfall Energy as if Buyer elected a cure pursuant to Section 9.3(a) (payment of Shortfall Damages). The Parties agree that (x) it is impractical or extremely difficult to determine actual damages to which Buyer would be entitled in the foregoing circumstance, and (y) the liquidated damages provided for in this subsection are a fair and reasonable calculation of actual damages to Buyer and are not a penalty in such a circumstance.

Section 9.4 Replacement Energy. Seller shall Schedule or arrange for Scheduling services with its Transmission Providers to deliver the Replacement Energy to the Point of Delivery; *provided* that the Replacement Energy shall be delivered to Buyer on a fixed twenty-four (24) hour per day delivery schedule consistent with the Facility's historic percentage of on-peak and off-peak Delivered Energy or as otherwise mutually agreed to by the Parties. If Seller and Buyer mutually agree on a point or points of interconnection on Buyer's transmission system other than the Point of Delivery for delivery of any Replacement Energy, Seller shall Schedule or arrange for Scheduling services with its Transmission Providers to deliver such Replacement Energy to such specified point or points instead of the Point of Delivery ("***Replacement Energy Point of Delivery***"). As employed in this Agreement, "***Replacement Energy***" means Energy produced by a facility other than the Facility that, at the time delivered to Buyer, (a) is both RPS Compliant and EPS Compliant, and (b) includes Environmental Attributes that have the same or comparable value, including with respect to the timeframe for retirement of such Environmental Attributes, if any, as the Environmental Attributes that would have been generated by the Facility on the day and at the time for which the Replacement Energy is being provided. Seller shall also provide to Buyer the associated Capacity Rights; provided that (a) and (b) shall not apply if Section 8.7 applies such that Buyer is paying the Market Price for Delivered Energy. Notwithstanding any other provision of this Agreement, other than Buyer's remedies for a Default by Seller under Section 13.1(n), Shortfall Damages or the delivery of Replacement Energy shall be Buyer's sole remedy, and Seller's sole liability, for Seller's failure to deliver Facility Energy and the associated Environmental Attributes and Replacement Energy and the associated Environmental Attributes, as provided under Sections 9.1 and 9.2 above; provided that the foregoing shall not limit Buyer's rights to exercise any right or remedy available under this Agreement or at law or in equity for any other breach or default occurring concurrently with, before or after the failure to meet the Guaranteed Monthly Delivered Energy, including a Default under Section 13.1(b).

Section 9.5 Application of Shortfall Energy or Replacement Energy. In the event of shortfalls in multiple Contract Months, any Makeup Energy or Replacement Energy delivered by Seller shall be applied in priority to the earliest outstanding shortfalls hereunder until all shortfalls are satisfied.

ARTICLE X
CAPACITY RIGHTS

Section 10.1 Purchase and Sale of Capacity Rights. For and in consideration of Buyer entering into this Agreement, and in addition to the agreement by and between Buyer and Seller to purchase and sell Facility Energy and Environmental Attributes on the terms and conditions set forth herein, Seller hereby transfers to Buyer, and Buyer hereby accepts from Seller, all of the Capacity Rights except as otherwise provided herein. Buyer and Seller acknowledge and agree that the consideration for the transfer of Capacity Rights is contained within the relevant prices for Delivered Energy. In no event shall Buyer have any obligation or liability whatsoever for any debt pertaining to the Facility by virtue of Buyer's ownership of the Capacity Rights or otherwise.

Section 10.2 Representation Regarding Ownership of Capacity Rights. Seller represents and covenants that it has not assigned, transferred, conveyed, encumbered, sold or

otherwise disposed of and will not in the future assign, transfer, convey, encumber, sell or otherwise dispose of any of the Capacity Rights to any Person other than Buyer or attempt to do any of the foregoing with respect to any of the Capacity Rights except as otherwise permitted herein. Seller shall not report to any Person that any of the Capacity Rights belong to any Person other than Buyer. Buyer may, at its own risk and expense, report to any Person that the Capacity Rights belong to it.

Section 10.3 Further Action by Seller Regarding Capacity Rights. Seller shall execute and deliver such documents and instruments and take such other action as Buyer or Buyer's Authorized Representative may reasonably request to effect recognition and transfer of the Capacity Rights to Buyer. Seller shall bear the costs associated therewith.

ARTICLE XI
BILLING; PAYMENT; AUDITS; METERING; ATTESTATIONS; POLICIES

Section 11.1 Billing and Payment. Billing and payment for the Energy purchases by Buyer under this Agreement and for any other amounts due and payable by Buyer hereunder shall be as follows:

(a) On or before the tenth (10th) day of the month following a month in which transactions occur hereunder, Seller shall render an invoice (including the name of the Facility, Seller's address and the contact information of the preparer) to Buyer showing the following (with reasonable detail) for the preceding month, as applicable:

(1) (x) the total amount of Delivered Energy during such month, (y) the portion of such Delivered Energy which is Excess Monthly Generation and (z) the portion of such Excess Monthly Generation Buyer must purchase subject to Section 6.1(a);

(2) an accounting of (i) the amount of the Net Delivered Energy counting toward Guaranteed Monthly Delivered Energy for the applicable Contract Month delivered as of such date (including confirmation that Seller met the Guaranteed Monthly Delivered Energy or a statement of the amount of Shortfall Energy resulting from a Shortfall in such Contract Month), (ii) the amount of Makeup Energy (which may not consist of Excess Monthly Generation) and Replacement Energy delivered, and the amount of Shortfall Damages paid, during such Contract Month, if applicable, and the amount outstanding Shortfall Energy was reduced as a result thereof and (iii) the amount of outstanding Shortfall Energy following such reductions as a result of Replacement Energy or Makeup Energy delivered, or Shortfall Damages, in such Contract Month (including a breakdown of such outstanding Shortfall Energy by Contract Month in which it was accrued);

(3) subject to Section 6.1(c), Excess Energy billed pursuant Section 6.1(b) at the price specified in paragraph 2 of Appendix A.

(4) the amount of Buyer's Non-Compensable Curtailment Hours incurred during such period in accordance with Section 6.8, including the cumulative total of Buyer's Non-Compensable Curtailment Hours incurred during the current

Contract Month and the prior Contract Month, including the current billing period, and consistent with the Scheduling Procedures, and in the first month after the end of each Contract Year, the total Deemed Delivered Energy during Buyer's Non-Compensable Curtailment Hours for the prior Contract Year and the amount of the Unused Curtailment Credit, if any, to be applied as an offset to Buyer's payment obligation.

(5) Seller's reasonable calculation of the amount of Deemed Delivered Energy and amounts owed by Buyer in accordance with Section 6.8(c);

(6) the amount of money received by Seller, if any, associated with the sale of any curtailed Facility Energy under Section 6.8(a);

(7) Seller's reasonable calculation of the deficiency during Buyer's Failure in accordance with Section 6.4;

(8) the amount of money received by Seller, if any, associated with the sale of Energy not received by Buyer and the calculated Sales Price for each deficiency under Section 6.4;

(9) Seller's reasonable calculation of the System Credit (if applicable);

(10) any other payments due to Buyer or Seller under this Agreement, including amounts owed to Buyer for a WREGIS Certificate Deficit pursuant to Section 6.1(c);

(11) the total quantity of WREGIS Certificates confirmed to have been uploaded by Seller to the WREGIS system;

(b) any WREGIS Withhold Amount withheld during such Month or released to Seller in accordance with Section 11.4;

(c) monthly invoices, to the extent applicable, shall be based on meter readings as described in Section 11.8;

(d) monthly invoices shall be sent to the address set forth in Appendix C or such other address as is provided by Buyer in writing;

(e) certification in form and substance reasonably satisfactory to Buyer of the Parasitic Load of the Facility and the Deemed Additional System Output as required under Section 12.8;

(f) attestations of Environmental Attribute transfers to Buyer pursuant to Section 8.5, if applicable, shall accompany monthly invoices; and

(g) confirmation of Seller's compliance with the terms and conditions of this Agreement shall accompany monthly invoices.

Section 11.2 Calculation of Energy Delivered; Payment.

(a) **Delivered Quantity.** For each month during the Agreement Term, commencing with the first month in which Energy is delivered by Seller to and received by Buyer under this Agreement, Seller shall calculate the amount of Energy so delivered and received during such month as determined (i) in the case of Delivered Energy, from recordings produced by Seller's Electric Metering Devices maintained pursuant to Section 11.8, at or near midnight on the last day of the month in question, and (ii) in the case of Replacement Energy actually supplied to Buyer pursuant to Section 9.4, from recordings produced by metering equipment approved by Buyer's Authorized Representative in his sole discretion.

Section 11.3 Payment. Subject to the provisions of Section 11.4, Buyer shall pay the amounts set forth in each monthly invoice by wire transfer to the accounts designated on the invoice rendered by Seller on or before the thirtieth (30th) day after receipt by Buyer of the applicable invoice. Bills or portions of bills which are not paid by the due date shall thereafter accrue interest at the Interest Rate, from and including the date payment was due until the date such payment is made. Seller shall pay to Buyer any amount owed to Buyer as set forth in Section 11.1(a)(5) and Section 11.1(a)(6) with respect to any month at the time Seller submits its next monthly invoice to Buyer, but in no event more than thirty (30) days after the date of the invoice showing any amount is owed to Buyer. Buyer shall not be required to pay any amounts included in an invoice received more than six (6) months after the billing period.

Section 11.4 WREGIS Withholding. Buyer shall have the right to withhold from any payment to Seller, for each MWh delivered under Section 6.1 (other than any Excess Monthly Generation), an amount equal to fifteen dollars ($15) per MWh (such amount, the "***WREGIS Withhold Amount***") until such time as the first WREGIS Certificate has been delivered to Buyer's WREGIS account, and Buyer shall pay the WREGIS Withhold Amount previously withheld by Buyer for each such MWh for which a WREGIS Certificate was credited to Buyer's WREGIS account in such month. If at any time after the first WREGIS Certificate has been delivered to Buyer's WREGIS Account, a WREGIS Certificate corresponding to Facility Energy and Replacement Energy (other than Excess Monthly Generation) purchased by Buyer hereunder is not delivered within one hundred twenty (120) days after delivery of such corresponding MWh of Facility Energy and Replacement Energy purchased by Buyer hereunder (a "***Withholding Trigger Event***"), Buyer shall have the right to reinstate withholding pursuant to this Section 11.4, in which case, Buyer may withhold the WREGIS Withhold Amount for each such MWh of Facility Energy and Replacement Energy purchased by Buyer hereunder until the corresponding WREGIS Certificate has been delivered to Buyer's WREGIS Account. Buyer may continue such withholding until a Six-Month Cure occurs. A "Six-Month Cure" means the WREGIS Certificate for each MWh of Facility Energy and Replacement Energy (other than Excess Monthly Generation) purchased by Buyer hereunder during a six (6) consecutive month period is delivered to Buyer's WREGIS account within one hundred twenty (120) days after delivery of such corresponding MWh of Facility Energy and Replacement Energy purchased by Buyer hereunder. Buyer shall cease withholding the WREGIS Withhold Amount upon the expiration of a Six-Month Cure but may reinstate withholding at any time thereafter upon the occurrence of a Withholding Trigger Event subject to Seller's right to again implement a Six-Month Cure.

Section 11.5 Disputed Invoices. In the event any portion of any invoice is in dispute, the undisputed amount shall be paid when due. The Party disputing a payment shall promptly notify the other Party of the basis for the dispute. Disputes shall be discussed by the Authorized Representatives, who shall use reasonable efforts to amicably and promptly resolve the disputes, and any failure to agree shall be subject to resolution in accordance with Section 14.3. Upon resolution of any dispute, if all or part of the disputed amount is later determined to have been due, then the Party owing such payment or refund shall pay within ten (10) days after receipt of notice of such determination the amount determined to be due plus interest thereon at the Interest Rate from the due date until the date of payment. For purposes of this Section 11.5, "***Interest Rate***" shall mean one percent (1%) per month. Either Party may dispute an invoice at any time after receipt of such invoice, *provided* that such Party or its Authorized Representative provides the other Party with a notification of such dispute, setting forth the details of such dispute in reasonable specificity.

Section 11.6 Right of Setoff. In addition to any right now or hereafter granted under applicable law and not by way of limitation of any such rights, Buyer shall have the right at any time or from time to time without notice to Seller or to any other Person, any such notice being hereby expressly waived, to set off against any amount due from Seller to Buyer under this Agreement or otherwise any amount due Buyer from Seller or Seller Party under this Agreement or otherwise, including any amounts due because of breach of this Agreement or any other obligation and any costs payable by Seller under Section 7.2, Section 9.3, or Section 9.4 if and to the extent paid in the first instance by Buyer.

Section 11.7 Records and Audits. Seller shall maintain, and shall cause Seller's subcontractors and suppliers as applicable to maintain, all records pertaining to the management of this Agreement, related subcontracts and performance of services pursuant to this Agreement (including all billings, costs, metering, and Environmental Attributes), in their original form, including reports, documents, deliverables, employee time sheets, accounting procedures and practices, records of financial transactions and other evidence, regardless of form (e.g., machine readable media such as disk, tape, etc.) or type (e.g., databases, applications software, database management software, utilities, etc.), sufficient to properly reflect all costs claimed to have been incurred and services performed pursuant to this Agreement. If the Seller, the Seller's subcontractors or suppliers are required to submit cost or pricing data in connection with this Agreement, the Seller shall maintain all records and documents necessary to permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used. Buyer and the Authorized Auditors shall have the right to discuss such records with Seller's officers and independent public accountants (and by this provision Seller authorizes said accountants to discuss such billings and costs), all at such times and as often as may be reasonably requested. All records shall be retained, and shall be subject to examination and audit by the Authorized Auditors, for a period of not less than five (5) years following final payment made by the Buyer hereunder or the expiration or termination date of this Agreement, whichever is later. The Seller shall make said records or, to the extent accepted by the Authorized Auditors, photographs, micro-photographs, etc. or other authentic reproductions thereof, available to the Authorized Auditors at the Seller's offices located at all reasonable times and without charge. The Authorized Auditors shall have the right to reproduce, photocopy, download, transcribe and the like any such records. Any information provided by the Seller on machine-readable media shall be provided in a format accessible and readable by the Authorized Auditors. The Seller

shall not, however, be required to furnish the Authorized Auditors with commonly available software. Seller, and the Seller's subcontractors and suppliers, as applicable to the services provided under this Agreement, shall be subject at any time with fourteen (14) days' prior written notice to audits or examinations by Authorized Auditors, relating to all billings and to verify compliance with all Agreement requirements relative to practices, methods, procedures, performance, compensation and documentation. Examinations and audits shall be performed using generally accepted auditing practices and principles and applicable Governmental Authority audit standards. If Seller utilizes or is subject to Federal Acquisition Regulation, Part 30 and 31, et seq. accounting procedures, or a portion thereof, examinations and audits shall utilize such information. To the extent that an Authorized Auditor's examination or audit reveals inaccurate, incomplete or non-current records, or records are unavailable, the records shall be considered defective. Consistent with standard auditing procedures, the Seller shall be provided fifteen (15) days to review an Authorized Auditor's examination results or audit and respond to the Buyer's Authorized Representative prior to the examination's or audit's finalization and public release. If an Authorized Auditor's examination or audit indicates the Seller has been overpaid under a previous payment application, the identified overpayment amount shall be paid by the Seller to the Buyer within fifteen (15) days of notice to the Seller of the identified overpayment. The Seller shall contractually require all subcontractors performing material services under this Agreement for aggregate consideration of at least ten percent (10%) of the Facility Cost to comply with the provisions of this Section by inserting this Section 11.7 in each contract of such material subcontractors and by contractually requiring each such subcontractor to insert this Section 11.7 in any of its subcontract contracts related to provision of such material services under this Agreement. In addition, Seller and such material subcontractors shall also include the following language in each contract of such subcontractor: "The Southern California Public Power Authority is a third party beneficiary of the foregoing audit provision. The benefits of the audit provision shall inure solely for the benefit of the Southern California Public Power Authority. The designation of the Southern California Public Power Authority as a third party beneficiary of the audit provision shall not confer any rights or privileges on the Seller, subcontractor or any other person/entity." Notwithstanding the foregoing, if the audit reveals that the Buyer overpayment to the Seller is more than five percent (5.0%) of the billings reviewed, Seller shall pay all expenses and costs incurred by the Authorized Auditors arising out of or related to the examination or audit. Such examination or audit expenses and costs shall be paid by the Seller to the Buyer within fifteen (15) days of notice to the Seller of such costs and expenses. Any information provided by Seller to the Authorized Auditor shall be held by such Authorized Auditor in strict confidence and Seller may require such Authorized Auditor to enter into a reasonable confidentiality agreement prior to the disclosure of information hereunder; provided that the Authorized Auditors shall not be prevented from disclosure of such information to Buyer to the extent such disclosure to Buyer is required to enable Buyer to carry out its rights and responsibilities under this Agreement and Buyer shall treat such information as Confidential Information to the extent provided under Section 14.21.

Section 11.8 Electric Metering Devices. ***[NTD: Open Mountain to review and modify as necessary to reflect metering of the Facility Energy and Environmental Attributes. This provision is also subject to the review and comment of Buyer.]***

(a) Metering requirements shall be consistent with this Section 11.8 unless the Transmission Provider at the Facility's Point of Delivery requires otherwise or as

otherwise mutually agreed to by the Parties. Delivered Energy shall be measured using revenue grade Electric Metering Devices installed, owned and maintained by the Seller at the high side of the step-up transformer at the Facility substation (the "***Project Substation***") and as depicted and labeled "Revenue Metering System" in the single-line diagram attached to this Agreement in Appendix R, the metering diagram attached to this Agreement in Appendix S, and the point of metering diagram attached to this Agreement as Appendix T. All Electric Metering Devices used to provide data for the computation of payments shall be sealed, and the Seller or its designee shall only break the seal when such Electric Metering Devices are to be inspected and tested or adjusted in accordance with this Section 11.8. Seller or its designee shall specify the number, type and location of such Electric Metering Devices. Seller shall provide Buyer and the Participating Member a live data connection to such Electronic Metering Devices that may be accessed using the Inter-Control Center Communications Protocol ("**ICCCP**"), as defined by the International Electrotechnical Commission, which connection will enable the exchange of real-time and historical power system monitoring and control data, including measured values and accounting data; provided that if such ICCCP connection is not available at any time, Seller shall provide to Buyer the data that would have been accessible through such ICCCP connection during such lapse in connection in a form reasonably acceptable to Buyer.

(b) The Electric Metering Devices shall be capable of: (i) accurately metering back-feed load when generation output goes to zero, and (ii) conforming to the DNP 3.0 protocol and meeting N-1 redundancy (which dictates that if any one meter fails, the Electric Metering Devices will allow the missing telemetry data to be alternately sourced or calculated). Examples of N-1 redundancy compliant architecture include placing backup meters at the same point of metering or installing one meter at each branch (*i.e.*, gross, aux and net) so the missing telemetry data may be calculated as a difference. Notwithstanding such required capabilities, the Electric Metering Devices shall function in compliance with the guidebook promulgated by the CEC, as amended from time to time, or in compliance with other RPS Law, whichever is controlling.

(c) Seller or its designee, at no expense to Buyer, shall inspect and test all Electric Metering Devices upon installation and at least annually thereafter. Seller shall provide Buyer with reasonable advance notice of, and permit a representative of Buyer to witness and verify, such inspections and tests. Upon request by Buyer, Seller or its designee shall perform additional inspections or tests of any Electric Metering Device and shall permit a qualified representative of Buyer to inspect or witness the testing of any Electric Metering Device. The actual expense of any such requested additional inspection or testing shall be borne by Seller. Seller shall provide copies of any inspection or testing reports to Buyer.

(d) If an Electric Metering Device fails to register, or if the measurement made by an Electric Metering Device is found upon testing to be inaccurate by more than one percent (1.0%), an adjustment shall be made correcting all measurements by the inaccurate or defective Electric Metering Device for both the amount of the inaccuracy and the period of the inaccuracy. The adjustment amount and period shall be determined by reference to Buyer's Check Meters for the Facility, if any, or as far as can be reasonably ascertained by Seller from the best available data, subject to review and approval by Buyer's Authorized Representative. If the period of the inaccuracy cannot be ascertained reasonably, any such adjustment shall be

for a period equal to one-third of the time elapsed since the preceding test of the Electric Metering Devices. To the extent that the adjustment period covers a period of deliveries for which payment has already been made by Buyer, Buyer shall use the corrected measurements as determined in accordance with this Section 11.8 to recompute the amount due for the period of the inaccuracy and shall subtract the previous payments by Buyer for this period from such recomputed amount. If the difference is a positive number, the difference shall be paid by Buyer to Seller; if the difference is a negative number, that difference shall be paid by Seller to Buyer, or at the discretion of Buyer or Buyer's Authorized Representative, may take the form of an offset to payments due to Seller from Buyer. Payment of such difference by the owing Party shall be made not later than thirty (30) days after the owing Party receives notice of the amount due, unless Buyer or Buyer's Authorized Representative elects payment via an offset.

(e) At Buyer's or Buyer's Agent's option, Buyer may install, own and operate Electric Metering Devices at the Project Substation and/or the Point of Delivery ("***Buyer's Check Meters***"). Seller shall, and shall cause each of its subcontractors to, grant to Buyer and Buyer's Agent rights of access to the Buyer's Check Meters upon reasonable notice to Seller and during reasonable business hours. Commencing on the Commencement Date, and continuing throughout the Delivery Term, Buyer shall provide to Seller on a real-time basis read only access to Buyer's Check Meters. Buyer's Check Meters shall be for check purposes only and shall not be used for the measurement of Delivered Energy, except as provided in Section 11.8(d) above. The installation, operation and maintenance of Buyer's Check Meters shall be performed entirely by Buyer or Buyer's Agent at Buyer's sole cost and expense.

Section 11.9 Taxes. Seller shall be responsible for and shall pay, before the due dates therefor, any and all federal, state and local Taxes incurred by it as a result of entering into this Agreement and all Taxes imposed or assessed with respect to the Facility, the Site, or any other assets of Seller, the sale or use of Facility Energy, Capacity Rights and Environmental Attributes and all Taxes related to Seller's income. If Buyer is required under any Requirement of Law to remit or pay Taxes that are Seller's responsibility hereunder, Buyer may deduct such amounts from payments to Seller hereunder; if Buyer elects not to deduct such amounts from payments to Seller, Seller shall promptly reimburse Buyer for such amounts promptly upon request. Further, if the Facility is exempt from one or more Taxes at any time and for any reason, and that exemption is lost at any time during the Agreement Term, Seller shall be responsible for any additional Taxes incurred as a result of the loss of that exemption.

ARTICLE XII
REPRESENTATIONS AND WARRANTIES; COVENANTS OF SELLER

Section 12.1 Representations and Warranties of Buyer. Buyer represents and warrants to Seller as of the Effective Date that:

(a) Buyer is a validly existing joint powers authority under the laws of the State of California and has the legal power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and each Ancillary Document to which it is a party and carry out the transactions contemplated hereby and

thereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement and all such Ancillary Documents.

(b) The execution, delivery and performance by Buyer of this Agreement and each Ancillary Document to which Buyer is a party have been duly authorized by all necessary action, and do not and will not require any consent or approval of Buyer's Board of Directors or Buyer's Members, other than that which has been obtained; *provided,* that further authorizations will be required for Buyer to exercise the Right of First Offer or the Right of First Refusal.

(c) This Agreement and each of the Ancillary Documents to which the Buyer is a party constitute the legal, valid and binding obligation of Buyer enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law.

Section 12.2 Representations and Warranties of Seller. Seller represents and warrants to Buyer that:

(a) Each of the Seller Parties is a corporation or limited liability company duly organized, validly existing and in good standing under the laws of its respective state of incorporation or organization, is qualified to do business in the State of California and (the state where Facility is located, as applicable), and has the legal power and authority to own and lease its properties, to carry on its business as now being conducted and (in the case of Seller) to enter into this Agreement and (in the case of each Seller Party) each Ancillary Document to which it may be party and carry out the transactions contemplated hereby and thereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement and all Ancillary Documents.

(b) The execution, delivery and performance by the Seller Parties of this Agreement and all Ancillary Documents, the consummation of the transactions contemplated hereby and thereby and the fulfilment of and compliance with the provisions of this Agreement and the Ancillary Documents, have been duly authorized by all necessary action, and do not and will not require any consent or approval other than those which have already been obtained.

(c) The execution and delivery of this Agreement and all Ancillary Documents, the consummation of the transactions contemplated hereby and thereby and the fulfillment of and compliance with the provisions of this Agreement and the Ancillary Documents, do not conflict with or constitute a breach of or a default under, any of the terms, conditions or provisions of any Requirement of Law, or any organizational documents, agreement, deed of trust, mortgage, loan agreement, other evidence of indebtedness or any other agreement or instrument to which any Seller Party is a party or by which it or any of its property is bound, result in a breach of or a default under any of the foregoing or result in or require the creation or imposition of any Lien upon any of the properties or assets of any Seller Party (except as contemplated hereby), and each Seller Party has obtained, or shall

timely obtain at no expense to Buyer, all Permits, including, to the extent required, any FERC authorization, required for the performance of its obligations hereunder and thereunder and operation of the Facility in accordance with Prudent Utility Practices, the requirements of this Agreement, the Ancillary Documents and all applicable Requirements of Law.

(d) Each of this Agreement and the Ancillary Documents constitutes the legal, valid and binding obligation of each Seller Party which is party thereto enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) There is no pending, or to the knowledge of the Seller, threatened action or proceeding affecting any Seller Party before any Governmental Authority, which purports to affect the legality, validity or enforceability of this Agreement or any of the Ancillary Documents.

(f) None of the Seller Parties is in violation of any Requirement of Law, which violations, individually or in the aggregate, would reasonably be expected to result in a material adverse effect on the business, assets, operations, condition (financial or otherwise) or prospects of any Seller Party, or the ability of any Seller Party to perform any of its obligations under this Agreement or any Ancillary Document.

(g) The organizational structure and ownership of Seller and each Parent Entity, including a list of each of such entity's Principals, is as set forth in Appendix N. Appendix N may be updated from time to time by agreement of Buyer and Seller to account for a Change in Control that has been consented to by Buyer in accordance with this Agreement.

(h) Seller is and has always been a Special Purpose Entity.

(i) The Seller Parties have (i) not entered into this Agreement or any Ancillary Document with the actual intent to hinder, delay or defraud any creditor, and (ii) received reasonably equivalent value in exchange for their respective obligations under this Agreement and the Ancillary Documents. No petition in bankruptcy has been filed against any of the Seller Parties, and none of Seller, the Seller Parties or any of their respective constituent Persons have ever made an assignment for the benefit of creditors or taken advantage of any insolvency act for its benefit as a debtor.

(j) All of the assumptions made in the Non-Consolidation Opinion, including but not limited to any exhibits attached thereto, are true and correct. Seller has complied and will comply after the date hereof with all of the assumptions made with respect to Seller in the Non-Consolidation Opinion.

(k) None of the Seller Parties has any reason to believe that any of the Permits required to maintain or operate the Facility in accordance with the requirements of this Agreement and all applicable Requirements of Law will not be timely obtained in the ordinary course of business.

(l) To the extent applicable to any Seller Party, all Tax returns and reports of each Seller Party required to be filed by it have been timely filed, and all Taxes shown on such Tax returns to be due and payable and all assessments, fees and other governmental charges upon the Seller Parties and upon its properties, assets, income, business and franchises that are due and payable have been paid when due and payable except for any such Taxes overdue for no more than sixty (60) days that are being contested in good faith by appropriate proceedings so long as such outstanding Taxes and proceedings do not (x) involve a material risk of the sale, forfeiture, loss or restriction on the use of the relevant Facility or any material part thereof or (y) cause, or could reasonably be expected to cause, a material adverse effect on Seller's ability to perform its obligations under this Agreement. None of the Seller Parties knows of any proposed Tax assessment against any of the Seller Parties that is not being actively contested by it in good faith and by appropriate proceeding.

(m) As of the Effective Date, Seller has not assigned, transferred, conveyed, encumbered, sold or otherwise disposed of, and during the Agreement Term, Seller shall not assign, transfer, convey, encumber, sell or otherwise dispose of, any Facility Energy, Environmental Attributes, or Capacity Rights except as provided herein and except in connection with any Permitted Encumbrances.

(n) Seller owns or possesses, or will own or possess in a timely manner, all patents, rights to patents, trademarks, copyrights and licenses necessary for the performance by Seller of this Agreement and the Ancillary Documents and the transactions contemplated thereby, without any conflict with the rights of others, and Seller's use thereof does not infringe on the intellectual property rights of third parties.

(o) To Seller's knowledge, there are no investigations, inquiries, orders, hearings, actions or other proceedings by or before any Governmental Authority that are pending or, to the best of Seller's knowledge, threatened in connection with any Permit or Environmental Laws with respect to the Facility or the Site. Neither Seller, nor to Seller's knowledge, any third party has used, released, generated, manufactured, produced, or stored in, on, under or about the Site any Hazardous Materials that could reasonably be expected to subject Seller or Buyer to liability under any Environmental Laws. To Seller's knowledge, with the exception of those Hazardous Materials used and stored in accordance with Environmental Laws and pursuant to any applicable Permit, there are no Hazardous Materials used, stored or present at, in, on or under the Site that could reasonably be expected to subject the Seller or Buyer to liability under any Environmental Laws.

(p) Seller has Site Control for the Agreement Term.

Section 12.3 Covenants of Seller Related to Real Property Agreements.

(a) Seller shall at all times maintain Site Control and keep, perform, observe and comply with, or cause to be kept, performed, observed and complied with, all covenants, agreements, conditions and other provisions required to be kept, performed, observed and complied with, by or on behalf of Seller from time to time pursuant to the Real Property Agreements, and Seller shall not do or permit anything to be done, the doing of which, or refrain from doing anything, the omission of which, could impair or tend to impair

the rights of Seller under any Real Property Agreement, or could be grounds for the Lessor to terminate any Real Property Agreement. Seller may not remove any portions of or rights or interests in the Site under the Real Property Agreements or amend or terminate any of the Real Property Agreements, or otherwise alter, diminish, or otherwise impact any obligation of Seller under this Agreement, unless Buyer has provided prior written consent to Seller, such consent to be determined in Buyer's reasonable discretion.

(b) Seller shall give Buyer immediate notice of (i) any default or of any event which, with the giving of notice or passage of time, or both, would become a default under any Real Property Agreement or of the receipt by Seller of any notice from the Lessor thereof, or (ii) the commencement or threat of any action or proceeding or arbitration pertaining to any Real Property Agreement. Buyer, at its option, may take any action (but shall not be obligated to take any action) from time to time deemed necessary or desirable by Buyer to prevent or cure, in whole or in part, any default by Seller under any Real Property Agreement or any development agreement for the Facility, and Seller shall cause each such agreement to provide for a right for Buyer to take any such action. Seller shall deliver to Buyer, immediately upon service or delivery thereof on, to or by Seller, a copy of each petition, summons, complaint, notice of motion, order to show cause and other pleading or paper, however designated, which shall be served or delivered in connection with any such action, proceeding or arbitration.

(c) As long as this Agreement is in effect and except with respect to the property identified in Appendix Y, there shall be no merger of any Real Property Agreement or of any leasehold estate created thereby with the fee estate in the property subject to any Real Property Agreement, and Seller will not acquire any interest in such fee estate without the prior written consent of Buyer.

(d) Except with respect to the property identified in Appendix Y, Seller shall not modify, subordinate or amend any Real Property Agreement in any respect, either orally or in writing, and Seller shall not terminate, cancel, sever or surrender, or permit or suffer the modification, subordination, amendment, termination, cancellation, severance or surrender of any Real Property Agreement and shall not waive, excuse, condone or in any way release or discharge the Lessor of or from the obligations, covenants, conditions and agreements by the Lessor to be kept, performed, observed or complied with thereunder, and any such action taken by Seller without the prior written consent of Buyer shall be void at inception and of no force and effect.

(e) In the event of the termination, rejection, or disaffirmance by Lessor (or by any receiver, trustee, custodian, or other party that succeeds to the rights of the Lessor) under any Real Property Agreement pursuant to the Bankruptcy Code, Seller hereby presently, absolutely, irrevocably and unconditionally grants and assigns to Buyer the sole and exclusive right to make or refrain from making any election available to lessees under the Bankruptcy Code (including the election available pursuant to Section 365(h) of the Bankruptcy Code and any successor provision), and Seller agrees that any such election, if made by Seller without the prior written consent of Buyer (which Buyer would not anticipate granting due to the importance of the Real Property Agreement as security), shall be void at inception and of no force or effect. Without limiting the generality of the foregoing sentence, Seller shall not,

without Buyer's prior written consent, elect to treat any Real Property Agreement or the leasehold estate created thereby as terminated under Section 365 of the Bankruptcy Code, after rejection or disaffirmance of a Real Property Agreement by the Lessor (whether as debtor in possession or otherwise) or by any trustee of the Lessor, and any such election made without such consent shall be void at inception and of no force or effect. At the request of Buyer, Seller will join in any election made by Buyer under the Bankruptcy Code and will take no action in contravention of the rights granted to Buyer pursuant to this Section 12.3.

(f) In the event there is a termination, rejection, or disaffirmance by the Lessor (whether as debtor in possession or otherwise) or by any trustee of the Lessor pursuant to the Bankruptcy Code and Buyer elects to have Seller remain in possession under any legal right Seller may have to occupy the property pursuant to the affected Real Property Agreement, then Seller shall remain in such possession and shall perform all acts necessary for Seller to retain its right to remain in such possession, whether such acts are required under the then existing terms and provisions of such Real Property Agreement or otherwise.

(g) In the event that a petition under the Bankruptcy Code shall be filed by or against Seller and Seller or any trustee of Seller shall decide to reject or disaffirm a Real Property Agreement pursuant to the Bankruptcy Code (or allow same), Seller shall give Buyer at least ten (10) days' prior notice of the date on which application shall be made to the court for authority to reject or disaffirm such Real Property Agreement or such Real Property Agreement will be otherwise rejected. Buyer shall have the right, but not the obligation, to serve upon Seller or such trustee within such ten (10) day period a notice stating that (i) Buyer demands that Seller (whether as debtor in possession or otherwise) or such trustee assume and assign such Real Property Agreement to Buyer pursuant to the Bankruptcy Code, and (ii) Buyer covenants to cure, or to provide adequate assurance of prompt cure of, all defaults (except defaults of the type specified in Section 365(b)(2) of the Bankruptcy Code and any successor provision) and to provide adequate assurance of future performance under such Real Property Agreement. In the event that Buyer serves any such notice as provided above, neither Seller (whether as debtor in possession or otherwise) nor such trustee shall seek to reject or disaffirm such Real Property Agreement, and Seller (whether as debtor in possession or otherwise) and such trustee shall comply with such demand within thirty (30) days after such notice shall have been given, subject to Buyer's performance of such covenant.

(h) Upon any payment by Buyer under any Real Property Agreement to cure any default of Seller or the Lessor thereunder and thereby prevent termination of the Real Property Agreement or the exercise of any other remedy of the other party or parties thereunder arising out of such default, Seller, as such lessee, within ten (10) days following receipt of notice from Buyer that it made such payment, shall pay the amount of such payment to Buyer plus interest accruing thereon at the Interest Rate, from and including the date of the payment by Buyer to cure such default to but excluding the date of such payment by the Seller. Buyer shall be entitled to offset amounts otherwise due Seller by the amount of such cure payment or remedy cost until Buyer has been fully repaid.

(i) Except with respect to the property identified in Appendix Y, Seller shall cause any Real Property Agreement to be in form and substance reasonably acceptable to Buyer and a memorandum thereof to be recorded in the applicable county.

(j) Seller shall not develop or improve the Site other than so as to provide for the facilities and improvements of the Facility and the transmission line to be located thereon in accordance with this Agreement and the terms and conditions of any Permits and environmental documents required for the review of the Facility except as otherwise provided in Section 8.8.

Section 12.4 Covenants of Seller Related to Tax Equity Financing.

(a) Seller shall provide Buyer with at least sixty (60) days' prior written notice of the reasonably likely occurrence of any consolidation, merger, or reorganization or other similar transaction, or series of similar transactions, involving Seller or any Parent Entity.

(b) Seller shall provide Buyer with at least sixty (60) days' prior written notice of the consummation of a Tax Equity Financing, which notice shall include (i) introductory and contact information about and for any potential Tax Equity Investors, (ii) a summary of the provisions related to, and the structure surrounding, the power to Control the management and policies of Seller, and any entity that is jointly-owned by any Parent Entity and such Tax Equity Investor arising in connection with the Tax Equity Financing and (iii) a statement of the circumstances under which such provisions and structure could be modified by such Tax Equity Investor. Such notice shall be in addition to, and not in lieu of, any notice required under Section 14.7.

Section 12.5 Additional Covenants of Seller.

(a) Seller shall be a Special Purpose Entity at all times during the Agreement Term.

(b) Seller shall not, at any time, incur or permit Facility Debt in an amount that, in the aggregate, exceeds seventy percent (70%) of the Facility Cost.

(c) Seller shall provide to Buyer within fifteen (15) days after the end of each of calendar quarter during the Agreement Term, a certificate of an authorized officer of Seller in the form attached hereto as Appendix P (each, a "***Quarterly Certificate***").

(d) Seller shall inform all investors in the Seller of the existence of this Agreement and all Ancillary Documents on or before the date of such investment in the Seller.

Section 12.6 Additional Related Projects.

(a) Buyer shall have a right of first offer to evaluate and negotiate a power purchase agreement for the output from any additional phases of the Facility developed by Seller or any Affiliate of Seller, as well as separate projects that are currently under development by, or will be developed by, Seller or any Affiliate of Seller, that will use or share infrastructure, land, or equipment (including the ability to jointly procure equipment) with the Facility ("***Additional Related Project***") according to the terms and conditions of this Section 12.6. Prior to Seller entering into an agreement to sell the power from any Additional Related Project, Seller must first provide notice to Buyer of Seller's proposed transaction,

including the propose contract price and material terms and conditions associated therewith ("***Proposed PPA Notice***"). Upon receipt of the Proposed PPA Notice, Buyer will have thirty (30) Days in which to notify Seller that Buyer may purchase output from the Additional Related Project. If Buyer provides written notice to Seller that it may purchase output from the Additional Related Project, then the Parties will undertake for a period of ninety (90) days thereafter to reach an agreement on the terms and conditions of the power purchase agreement. Should Buyer decline to purchase output from any such Additional Related Project or not timely response to any Proposed PPA Notice, Seller or any Affiliate of Seller, as applicable, may consummate a power purchase agreement to any third party, provided that Seller or any Affiliate of Seller shall not subsequently offer monetary terms for the same Additional Related Project that are more favorable to another buyer without providing Buyer with a subsequent right to purchase the output from such project on such more favorable monetary terms according the provisions of this Section 12.6. Seller shall cause its Affiliates to comply with the provisions of this Section 12.6.

(b) To the extent permissible under Requirements of Law, Seller shall cause the Facility to receive preference and priority in transmission and interconnection rights over new facilities developed by Seller or any Affiliate of Seller using the Project Substation.

(c) Seller shall not share infrastructure, land, equipment or any other rights owned by it in connection with its ownership or operation of the Facility with any other entity without Buyer's prior written consent, not to be unreasonably withhold, conditioned, or delayed.

Section 12.7 Storage Technology. In recognition of emerging technologies and opportunities that will continue to evolve during the Agreement Term, Seller shall have the right to incorporate the use of storage technologies into the Facility only upon Buyer's prior written consent, which shall not be unreasonably withheld.

Section 12.8 Solar Technology. Seller shall have the right to install, or cause to be installed, a solar photovoltaic energy generating system (the "***Additional System***") at the Site, which shall have a nameplate capacity no less than the Parasitic Capacity, and such Additional System shall be operated and maintained consistent with Prudent Utility Practices in order to serve, to the maximum extent possible, the Parasitic Capacity. Seller shall use commercially reasonable efforts to cause the Additional System to achieve commercial operation by the last day of the month that is thirty (30) months after he Effective Date. For the Contract Year during which the Additional System achieves commercial operation and each Contract Year thereafter, Buyer will receive a credit equal to the product of (i) Thirty-Nine Dollars and Fifty cents ($39.50) and (ii) the MWh of output from the Additional System in such Contract Year, as measured by meters located between the Additional System and the Facility ("***System Credit***"). The total System Credit amount will be credited against amounts otherwise owing by Buyer to Seller for Delivered Energy in the first, and if necessary, subsequent months of the subsequent Contract Year. Notwithstanding the foregoing, if Seller has not installed or caused to be installed the Additional System by the last day of the month that is thirty months after the Effective Date, then (x) the failure to install the Additional System shall be not a breach or default of Seller under this Section 12.8, and (y) Seller will not owe to Buyer any damages nor will Buyer be entitled to damages from Seller for breach or default under this Section 12.8 as a

result of such failure; provided, however, Buyer will be entitled to the System Credit for the Contract Year during which the month that is thirty months after the Effective Date occurs and each Contract Year thereafter calculated as if Seller had placed the Additional System into commercial operation on the last day of the month that is thirty months after the Effective Date with a capacity determined using the Deemed Additional System Output. For purposes of this Section 12.8, the "Deemed Additional System Output" will be annual and monthly amounts determined and certified by the Independent Engineer in a report delivered to Buyer no later than the Second Anniversary, which such certificate shall be reasonably accepted by Buyer. In calculating the Deemed Additional System Output, the Independent Engineer shall take into account the expected nameplate capacity of the Additional System, the Parasitic Load, third party solar irradiation data for the geographic region in which the Additional System will be located and expected outages and other curtailments reasonably expected for the Project and Additional System. If the Parties will use the Deemed Additional System Output to calculate the System Credit in any partial Contract Year, then only the estimated monthly amounts of Deemed Additional System Output included in such partial Contract Year will be used in determining the System Credit.

ARTICLE XIII
DEFAULT; TERMINATION AND REMEDIES; PERFORMANCE DAMAGE

Section 13.1 Default. Each of the following events or circumstances shall constitute a "***Default***" by the responsible Party (the "***Defaulting Party***"):

(a) *Payment Default*. Failure by either Party to pay any amount when and as due under this Agreement which is not cured within thirty (30) days after receiving written notice thereof from the other Party (except in the case of Seller's failure to pay Daily Delay Damages, which shall be subject to a five Business Day cure period after receiving written notice thereof from Buyer).

(b) *Buyer Performance Default*. Failure by Buyer to perform any of its duties or obligations under this Agreement or any of the Ancillary Documents (except for Buyer's obligations to receive Energy as and when required by this Agreement, the exclusive remedy for which is provided in Section 6.4, and other than any failure described in Section 13.1(a)) when and as due which is not cured within thirty (30) days after receipt of notice thereof from the Seller.

(c) *Seller Performance Default*. Failure by any Seller Party to perform any of its other duties or obligations under this Agreement or any of the Ancillary Documents when and as due (other than (i) any failure described in Sections 5.4(f), 9.3, 9.4, 11.7 or 13.1(a) or (f) through (n) and (ii) any failure described in an Ancillary Document with a specified cure period) which Buyer may declare to be an immediate Default for which no cure period is given, which is not cured within thirty (30) days after receipt of notice thereof from the Buyer.

(d) *Buyer Breach of Representation and Warranty*. Inaccuracy in any material respect as of the Effective Date of any representation, warranty, certification or other statement made by the Buyer herein or in any Ancillary Document that, if capable of being

used, is not cured within thirty (30) days after receipt of notice thereof or in any Ancillary Document that, if capable of being cured, is not cured within thirty (30) days after receipt of notice thereof.

(e) *Buyer Bankruptcy*. Bankruptcy of the Buyer.

(f) *Seller Bankruptcy*. Bankruptcy of Seller Party.

(g) *Performance Assurance Failure*. The failure of Seller to (i) obtain and maintain the Performance Assurance in compliance with Sections 2.1, 3.5 and 5.4, (ii) replenish the Performance Security within the periods provided under Section 3.5, Section 5.4(d) or (iii) replace such Performance Assurance within the applicable time period set forth Section 5.4 and, in any event, at least thirty (30) days prior to its expiration, unless alternative Performance Assurance that complies with the requirements of Section 5.4 is provided within ten (10) Business Days after notice sent by Buyer of any such failure; or, with respect to any obligor providing the Performance Assurance for the benefit of Buyer:

(1) the failure of such obligor to honor a drawing or make a payment thereunder;

(2) such obligor fails to meet the acceptance of Buyer or there shall have occurred a material adverse effect on the business, assets, operations, condition (financial or otherwise) or prospects of such obligor;

(3) the Performance Assurance issued by such obligor shall fail to be in full force and effect in accordance with the terms of this Agreement prior to the satisfaction of all obligations of Seller under this Agreement and each of the Ancillary Documents; or

(4) such obligor shall repudiate, disaffirm, disclaim, or reject, in whole or in part, or challenge the validity of its Performance Assurance and in any such event, Seller fails to provide replacement Performance Assurance.

(h) *Material Adverse Effect*. There shall have occurred a material adverse effect on the business, assets, operations, condition (financial or otherwise) or prospects of Seller or any Seller Party.

(i) *Real Property Agreement Default*. Any Real Property Agreement fails to be in effect, a default under a Real Property Agreement has occurred, or a Real Property Agreement is terminated for any reason or amended in any material respect without mutual agreement of the Parties except as otherwise permitted in this Agreement, if such failure, default, termination or amendment has or could reasonably be expected to have a material adverse effect on Seller's ability to perform its obligations hereunder; provided that if the cause of such failure, default, termination or amendment is not due to Seller's non-compliance with the terms and conditions of such Real Property Agreement, then Seller shall have a period of thirty (30) days following the date of such failure, default, termination or amendment to cure such default by reinstating or replacing such Real Property Agreement.

(j) *Insurance Default*. The failure of Seller to maintain, and provide acceptable evidence of, the Insurance for the required period of coverage as set forth in Appendix F unless, in the case of Seller's failure to provide acceptable evidence of insurance, such failure is cured within two (2) Business Days after Buyer's delivery of notice of such failure to Seller.

(k) *Fundamental Change of Seller*. Except as permitted by Section 14.7, (i) Seller makes an assignment of its rights or delegation of its obligations under this Agreement or any Ancillary Documents other than as a result of transaction or series of transactions that does not constitute a Change in Control, or (ii) a Change in Control occurs.

(l) *Failure to Provide Real-Time Data*. The failure of Seller to provide any of the real-time data required to be delivered under Section 4.4(g), which failure is not cured within five (5) Business Days after receipt of written email notice thereof from Buyer; for purposes of the foregoing, "cured" means that Seller has (i) fixed the problem that caused Seller's failure to provide real-time data and (ii) provided to Buyer all data that otherwise would have been provided to Buyer in the absence of such failure or if such data is not reasonably capable of being provided by Seller, then comparable substitute data reasonably acceptable to Buyer;

(m) *Commencement Date Default*. Failure by Seller to achieve (i) the Commencement Date by the date that Daily Delay Damages therefor accrue in aggregate amount equal to the Daily Delay Damages Cap or (ii) the Commencement Date by the Outside Commencement Date.

(n) *Consecutive Shortfall*. The failure of the Facility during any twelve consecutive Contract Month-period to deliver Net Delivered Energy in an amount equal to at least seventy percent (70%) of the Guaranteed Monthly Delivered Energy for such Contract Months; provided that if the cause of such failure is the failure of any long-lead time equipment, including the transformer, and such failure can be corrected through repair, restoration or replacement, then no default shall be deemed to occur unless such failure continues for eighteen consecutive Contract Months so long as Seller provides (i) evidence reasonably satisfactory to Buyer that it is diligently pursuing a cure for the long-lead time equipment failure, (ii) a monthly report describing Seller's actions to overcome such failure, and (iii) evidence reasonably satisfactory to Buyer that Seller has the ability to finance the cost of such repair, restoration or replacement work.

Section 13.2 Default Remedy.

(a) If Buyer is in Default for nonpayment, subject to any duty or obligation under this Agreement, Seller may continue to provide services pursuant to its obligations under this Agreement; *provided* that nothing in this Section 13.2(a) shall affect Seller's rights and remedies set forth in this Section 13.2. Seller's continued service to Buyer shall not act to relieve Buyer of any of its duties or obligations under this Agreement.

(b) Notwithstanding any other provision herein, if any Default has occurred and is continuing, the affected Party may, whether or not the dispute resolution procedure set

forth in Section 14.3 has been invoked or completed, bring an action in any court of competent jurisdiction as set forth in Section 14.13 seeking injunctive relief in accordance with applicable rules of civil procedure.

(c) Except as expressly limited by this Agreement, if a Default has occurred and is continuing and the Buyer is the Defaulting Party, Seller may without further notice exercise any rights and remedies provided herein or otherwise available at law or in equity, including termination of this Agreement pursuant to Section 13.3. No failure of Seller to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Seller of any other right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power.

(d) Except as expressly limited by this Agreement, if a Default has occurred and is continuing and the Seller is the Defaulting Party, Buyer may without further notice exercise any rights and remedies provided for herein, or otherwise available at law or equity, including (i) application of all amounts available under the Performance Assurance against any amounts then payable by Seller to Buyer under this Agreement and (ii) termination of this Agreement pursuant to Section 13.3. No failure of Buyer to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Buyer of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power. Notwithstanding anything to the contrary herein, Buyer's exclusive remedies for a Default under Section 13.1(m) are the right to terminate this Agreement and be paid a Termination Payment capped at the Outside Commencement Date Damages Cap as provided in Section 13.3(d).

Section 13.3 Termination for Default.

(a) If a Default occurs, the Party that is not the Defaulting Party (the "***Non-Defaulting Party***") may, for so long as the Default is continuing and without limiting any other rights or remedies available to the Non-Defaulting Party under this Agreement, by notice ("***Termination Notice***") sent to the Defaulting Party, (i) establish a date (which shall be no earlier than the date of such notice and no later than twenty (20) days after the date of such notice) ("***Early Termination Date***") on which this Agreement shall terminate and (ii) withhold any payments due in respect of this Agreement; *provided*, upon the occurrence of any Default of the type described in Sections 13.1(e) and (f), this Agreement shall automatically terminate, without notice or other action by either Party as if an Early Termination Date had been declared immediately prior to such event.

(b) If an Early Termination Date has been designated, the Non-Defaulting Party shall calculate in a commercially reasonable manner its Gains, Losses and Costs resulting from the termination of this Agreement and the resulting Termination Payment. The Gains, Losses and Costs relating to the Facility Energy and associated Environmental Attributes and Capacity Rights that would have been required to be delivered under this Agreement had it not been terminated shall be determined by comparing the amounts Buyer (if the Non-Defaulting Party) would have paid or Seller (if the Non-Defaulting Party) would have received therefor under this Agreement to the equivalent quantities and relevant market prices either quoted by a bona fide third party offer or which are reasonably expected by Buyer (if

the Non-Defaulting Party) or by Seller (if the Non-Defaulting Party) to be available in the market under a replacement contract for this Agreement covering the same products and having a term equal to the Remaining Term at the date of the Termination Notice adjusted to account for differences in transmission, if any. It is expressly agreed that the Non-Defaulting Party shall not be required to enter into any such replacement contract in order to determine its Gains, Losses and Costs or the Termination Payment. To ascertain the market prices of a replacement contract, the Non-Defaulting Party may consider, among other valuations, quotations from dealers in energy contracts and bona fide third party offers.

(c) For purposes of the Non-Defaulting Party's determination of its Gains, Losses and Costs and the Termination Payment, it shall be assumed, regardless of the facts, that Seller would have sold, and Buyer would have purchased, each day during the Remaining Term (i) Facility Energy in an amount equal to the Assumed Daily Deliveries, (ii) the Environmental Attributes associated therewith and (iii) all Capacity Rights associated therewith. The "***Assumed Daily Deliveries***" is an amount equal to the greater of (x) the quotient of the Expected Annual Generation divided by 365, and (y) the average daily deliveries of Delivered Energy during the Delivery Term, if any.

(d) The Non-Defaulting Party shall aggregate its Gains, Losses and Costs as so determined into a single net amount (the "***Termination Payment***") and notify the Defaulting Party thereof. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. If the Non-Defaulting Party's aggregate Losses and Costs exceed its aggregate Gains, the Defaulting Party will, within ten (10) Business Days of receipt of such notice, pay the net amount to the Non-Defaulting Party, which amount shall bear interest at the Interest Rate from the Early Termination Date until paid; provided that for any Event of Default of Seller under Section 13.1(m), the Termination Payment will be capped at the Outside Commencement Date Damages Cap. If the Non-Defaulting Party's aggregate Gains exceed its aggregate Losses and Costs, the amount of the Termination Payment shall be zero.

(e) If the Defaulting Party disagrees with the calculation of the Termination Payment and the Parties cannot otherwise resolve their differences, the calculation issue shall be submitted to informal non-binding dispute resolution as provided in Section 14.3. Pending resolution of the dispute, the Defaulting Party shall pay the full amount of the Termination Payment calculated by the Non-Defaulting Party as and when required by this Agreement, subject to the Non-Defaulting Party refunding, with interest at the Interest Rate, any amounts determined to have been overpaid.

(f) For purposes of this Agreement:

(1) "***Gains***" means, with respect to a Party, an amount equal to the present value of the economic benefit (exclusive of Costs), if any, resulting from the termination of its obligations under this Agreement, determined in a commercially reasonable manner;

(2) "***Losses***" means, with respect to a Party, an amount equal to the present value of the economic loss (exclusive of Costs), if any, resulting from the

termination of its obligations under this Agreement, determined in a commercially reasonable manner;

(3) "***Costs***" means, with respect to a Party, brokerage fees, commissions and other similar transaction costs and expenses reasonably incurred in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace this Agreement, excluding attorneys' fees, if any, incurred in connection with enforcing its rights under this Agreement. Each Party shall use reasonable efforts to mitigate or eliminate its Costs.

(4) In no event shall a Party's Gains, Losses or Costs include any penalties or similar charges imposed by the Non-Defaulting Party.

(5) The Present Value Rate shall be used as the discount rate in all present value calculations required to determine Gains, Losses and Costs.

(g) At the time for payment of any amount due under this Section, each Party shall pay to the other Party all additional amounts, if any, payable by it under this Agreement.

ARTICLE XIV
MISCELLANEOUS

Section 14.1 Authorized Representative. Each Party hereto shall designate an authorized representative who shall be authorized to act on its behalf with respect to those matters contained herein (each an "***Authorized Representative***"), which shall be the functions and responsibilities of such Authorized Representatives. Each Party may also designate an alternate who may act for the Authorized Representative. Within thirty (30) days after execution of this Agreement, each Party shall notify the other Party of the identity of its Authorized Representative, and alternate if designated, and shall promptly notify the other Party of any subsequent changes in such designation. The Authorized Representatives shall have no authority to alter, modify, or delete any of the provisions of this Agreement. Prior to the Commencement Date, the Authorized Representative of each Party will meet periodically to discuss issues related to the sharing of information on the operation and maintenance of the Facility. To the extent that an Authorized Representative's contact information is not provided in Appendix C, at the time a Party designates such Authorized Representative, such Party shall concurrently provide written notice to the other Party of such Authorized Representative's contact information.

Section 14.2 Notices. With the exception of billing invoices pursuant to Section 11.1(a) hereof, all notices, requests, demands, consents, approvals, waivers and other communications which are required under this Agreement shall be (a) in writing (regardless of whether the applicable provision expressly requires a writing), and (b) shall be deemed properly sent if delivered in person or sent by facsimile transmission, reliable overnight courier or registered or certified mail, postage prepaid to the persons specified in Appendix C, and (c) deemed delivered, given and received on the date of delivery, in the case of delivery in person, facsimile transmission, and overnight courier, or on the date of receipt or rejection in the case of registered or certified mail. In addition to the foregoing, the Parties may agree in writing

at any time to deliver notices, requests, demands, consents, approvals, waivers and other communications through alternate methods, such as electronic mail.

Section 14.3 Dispute Resolution.

(a) In the event of any claim, controversy or dispute between the Parties arising out of or relating to or in connection with this Agreement (including any dispute concerning the validity of this Agreement or the scope and interpretation of this Section 14.3) (a "***Dispute***"), either Party (the "***Notifying Party***") may deliver to the other Party (the "***Recipient Party***") notice of the Dispute with a detailed description of the underlying circumstances of such Dispute (a "***Dispute Notice***"). The Dispute Notice shall include a schedule of the availability of the Notifying Party's senior officers (having a title of senior vice president (or its equivalent) or higher) duly authorized to settle the Dispute during the thirty (30) day period following the delivery of the Dispute Notice.

(b) The Recipient Party shall within five (5) Business Days following receipt of the Dispute Notice, provide to the Notifying Party a parallel schedule of availability of the Recipient Party's senior officers (having a title of senior vice president (or its equivalent) or higher) duly authorized to settle the Dispute. Following delivery of the respective senior officers' schedules of availability, the senior officers of the Parties shall meet and confer as often as they deem reasonably necessary during the remainder of the thirty (30) day period in good faith negotiations to resolve the Dispute to the satisfaction of each Party.

(c) In the event a Dispute is not resolved pursuant to the procedures set forth in Sections 14.3(a) and 14.3(b) by the expiration of the thirty (30) day period set forth in Section 14.3(a), then either Party may pursue any legal remedy available to it in accordance with the provisions of Section 14.12 of this Agreement.

(d) As stated in Section 14.12, this Agreement shall be governed by, interpreted and enforced in accordance with laws of the State of California, without regard to the conflict of laws principles thereof. In addition to the dispute resolution process set forth in this section, parties to this Agreement must comply with California law governing claims against public entities and presentment of such claims.

Section 14.4 Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take all further actions, not inconsistent with the provisions of this Agreement, which are reasonably necessary to effectuate the purposes and intent of this Agreement.

Section 14.5 No Dedication of Facilities. Any undertaking by one Party hereto to the other Party under any provisions of this Agreement shall not constitute the dedication of the system or any portion thereof of either Party to the public, the other Party or any other Person, and it is understood and agreed that any such undertaking by either Party shall cease upon the termination of such Party's obligations under this Agreement.

Section 14.6 Force Majeure.

(a) A Party shall not be considered to be in default in the performance of any of its obligations under this Agreement other than an obligation to make payment when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence, such Party is unable to prevent or mitigate, provided the Party has given a written detailed description of the full particulars of the Force Majeure to the other Party reasonably promptly after becoming aware thereof (and in any event within fourteen (14) days after knowledge of the initial occurrence of the claimed Force Majeure (the "***Force Majeure Notice***"), which notice shall include information with respect to the nature, cause and date and time of commencement of such event and the anticipated scope and duration of the delay. The Party providing such notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time such Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If Seller is unable to deliver, or Buyer is unable to receive, Energy due to a Force Majeure, Buyer shall have no obligation to pay Seller for the Energy not delivered or received by reason thereof. It is understood by the Parties that the foregoing provisions shall not excuse any obligations of the Seller with respect to Shortfall Energy and Replacement Energy, as provided under Article IX, whether or not caused by Force Majeure. In no event shall Buyer be obligated to compensate Seller or any other Person for any losses, expenses or liabilities that Seller or such other Person may sustain as a consequence of any Force Majeure.

(b) The term "***Force Majeure***" means an event or circumstance (i) which prevents one Party from performing any of its obligations under this Agreement, (ii) which could not reasonably be anticipated as of the date of this Agreement, (iii) which is not within the reasonable control of, or the result of negligence, willful misconduct, breach of contract, intentional act or omission or wrongdoing on the part of the affected Party (or any subcontractor or Affiliate of that Party, or any Person under the control of that Party or any of its subcontractors or Affiliates, or any Person for whose acts such subcontractor or Affiliate is responsible), and (iv) which by the exercise of due diligence the affected Party is unable to overcome or avoid or cause to be avoided; *provided*, nothing in this clause (iv) shall be construed so as to require either Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or labor dispute in which it may be involved. Force Majeure shall include, provided the criteria in the first sentence are met, any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, unusual or extreme adverse weather-related events or natural disasters (such as lightning, landslide, earthquake, tornado, hurricane, storm or flood), explosion, or any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities. Any Party rendered unable to fulfill any of its obligations by reason of a Force Majeure shall exercise due diligence to remove such inability with reasonable dispatch within a reasonable time period and mitigate the effects of the Force Majeure. The relief from performance shall be of no greater scope and of no longer duration than is required by the Force Majeure. Without limiting the generality of the foregoing, a Force Majeure does not include any of the following (each an "***Unexcused Cause***"): (1) any requirement to comply with a RPS Law or any change (whether voluntary or mandatory) in any renewable portfolio standard that may affect the value of the Energy purchased hereunder; (2) events arising from the failure by Seller to operate or maintain the

Facilities in accordance with this Agreement; (3) any increase of any kind in any cost; (4) delays in or inability of a Party to obtain financing or other economic hardship of any kind; (5) Seller's ability to sell any Energy at a price in excess of those provided in this Agreement; (6) Buyer's ability to purchase any Energy, Environmental Attributes or Capacity Rights at a price less than those provided in this Agreement, (7) curtailment or other interruption of any Transmission Service except as otherwise expressly provided in Section 14.6(c); (8) failure of third parties to provide goods or services essential to a Party's performance except to the extent caused by an event that otherwise constitutes Force Majeure hereunder; (9) Facility or equipment failure of any kind except to the extent caused by an event that otherwise constitutes Force Majeure hereunder; (10) any changes in the financial condition of the Buyer, any Seller Party, the Facility Lender or any subcontractor or supplier affecting the affected Party's ability to perform its obligations under this Agreement; or (11) Seller's inability to obtain sufficient fuel, including due to lack of fuel or power to operate the Facility except to the extent caused by an event that otherwise constitutes Force Majeure hereunder.

(c) Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment or other interruption of Transmission Service for any Energy at any time unless (A) in the case of Seller, and for Replacement Energy only, (i) the Seller has contracted for Firm Transmission to be provided for the Delivered Energy or Replacement Energy on the Specified Transmission Path at the time, and (ii) the curtailment or interruption is due to "force majeure" or "uncontrollable force" or a similar term as defined under the Transmission Provider's tariff; or (B) in the case of Buyer, the curtailment or interruption is due to "force majeure" or "uncontrollable force" on Buyer's Transmission System; *provided*, that in either (A) or (B) above, the existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that a Force Majeure as defined in Section 14.6(b) has occurred.

(d) If based on a Force Majeure Notice, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or the Facility will continue (i) for a period of one hundred twenty (120) or more consecutive calendar days, or (ii) for an aggregate period of one hundred eighty (180) or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

Section 14.7 Assignment of Agreement; Change in Control.

(a) Buyer may assign this Agreement or the Ancillary Documents, without the consent of Seller, to (i) (x) the Participating Member or (y) one or more other members of Buyer, to a California municipal utility or (ii) (x) a joint powers authority established under the Act, or (y) a California municipal district that provides electric utility service to customers in its district, so long as, in the case of such an assignment pursuant to clause (i)(y), at the time of such assignment, such assignee had, and is reasonably forecasted to maintain, an investment grade rating from either Moody's of "Baa3" or Standard & Poor's of "BBB-", or the equivalent ratings by any other credit rating agency of national standing, and so long as such credit rating is not on negative watch, and, in the case of such an assignment pursuant to

clause (ii), at the time of such assignment, such assignee has, and is reasonably forecasted to maintain, an investment grade rating from either Moody's or Standard & Poor's equal to or better than the credit rating of the Participating Member as of the Effective Date, which is "Aa3" from Moody's, "AA-" from Standard & Poor's or "A+" from Fitch's, or the equivalent ratings by any other credit rating agency of national standing, and so long as such credit rating is not on negative watch. Upon any such assignment and delegation of obligations by such an assignee, Buyer shall be relieved of and fully discharged from all its obligations hereunder, whether such obligations arose before or after the date of such assignment and delegation. All other assignments by Buyer shall require the prior written consent of Seller not to be unreasonably withheld, conditioned or delayed.

(b) Except as set forth in this Section 14.7, Seller shall not assign any of its rights, or delegate any of its obligations, under this Agreement without the prior written consent of Buyer. Any purported assignment or delegation in violation of this provision shall be null and void and of no force or effect. Any Change in Control (whether voluntary or by operation of law) shall be deemed an assignment and shall require the prior written consent of Buyer, which consent shall not be unreasonably withheld. Seller shall provide Buyer with ninety (90) days' prior written notice of any proposed Change in Control. Concurrently with any reorganization or financing transaction or transactions constituting any Change in Control the successor entity to Seller shall acknowledge the continuing obligations of Seller under this Agreement and the Ancillary Documents. For any Change in Control pursuant to which Seller merges or consolidates with any other Person and ceases to exist, the successor entity to Seller shall execute a written assumption agreement in favor of Buyer pursuant to which any such successor entity shall assume all of the obligations of Seller under this Agreement and the Ancillary Documents and agree to be bound by all the terms and conditions of this Agreement and Ancillary Documents, as applicable. There shall be no amendments or other modifications to this Agreement in connection with a Change in Control unless Buyer consents to such amendments or modifications.

(c) Seller shall not sell or transfer all or any portion of the Facility or the Facility Assets to any Person other than a Person to whom Seller assigns this Agreement and the Ancillary Documents in accordance with this Section 14.7, without the prior written consent of Buyer, provided that any such sale or transfer shall be subject to compliance with the Right of First Offer and Right of First Refusal set forth in Section 14.25. Any purported sale or transfer in violation of this Section 14.7(c) shall be null and void and of no force or effect.

(d) Buyer's consent shall not be required in connection with a Permitted Transfer; provided that the terms of any Permitted Transfer, and the documentation relating thereto, comply with the applicable terms and conditions of this Agreement. Buyer's consent shall not be required (i) in connection with the collateral assignment or pledge of this Agreement to any Facility Lender, or (ii) in connection with the pledge, directly or indirectly, of all or a portion of the membership interests in Seller to any Facility Lender; provided, however, that (1) the terms of any financing or refinancing, and the documentation relating thereto, comply with the applicable terms and conditions of this Agreement, and (2) in connection with any such assignment or pledge and the exercise of remedies by any Facility Lender, the Facility Lender acknowledges and agrees to be bound by the requirement that the

Facility be operated and maintained by a Qualified Operator. Seller shall provide Buyer with sixty (60) days' prior notice of any such collateral assignment or pledge. Notwithstanding the foregoing or anything else expressed or implied herein to the contrary, Seller shall not assign, transfer, convey, encumber, sell or otherwise dispose of all or any portion of the Energy, Environmental Attributes or Capacity Rights (not including the proceeds thereof) to any Facility Lender.

(e) To facilitate Seller's obtaining of term financing for the Facility, Buyer shall provide such consents to assignment (in substantially the form attached hereto as Appendix W) as may be reasonably requested by Seller or any Facility Lender in connection with the financing of the Facility, including the acquisition of equity for the operation of the Facility; *provided, however,* that the terms of such financing and the documentation relating thereto shall not conflict with the applicable terms and conditions of this Agreement.

(f) Any collateral assignment in connection with a financing or refinancing that causes Facility Debt, in the aggregate, to exceed seventy percent (70%) of the Facility Cost as of the date of the collateral assignment is prohibited.

(g) In no event shall Buyer be liable to any Facility Lender for any claims, losses, expenses or damages whatsoever other than liability Buyer may have to Seller under this Agreement. In the event of any foreclosure, whether judicial or nonjudicial, or any deed in lieu of foreclosure, in connection with any deed of trust, mortgage, or other similar Lien encumbering the Facility, such Facility Lender or its designee, and their successors in interest and assigns, shall be bound by the covenants and agreements of Seller in this Agreement; provided, however, that until the Person who acquires title to the Facility executes and delivers to Buyer a written assumption of Seller's obligations under this Agreement in form and substance acceptable to Buyer, such Person shall not be entitled to any of the benefits of this Agreement. Any sale or transfer of all or any portion of the Facility by Facility Lender or its designee and their successors and assigns thereafter during the term of this Agreement shall be made only to an entity that is a Qualified Transferee. Any sale or transfer that meets the terms of this Section 14.7(g) shall not be a Change in Control and shall not require the consent of Buyer so long as Seller provides notice of any such sale or transfer at least thirty (30) days in advance of such sale or transfer or, if later, as early as is reasonably practicable (but in no event later than the date on which Seller receives notice of foreclosure).

(h) Seller shall reimburse, or shall cause the Facility Lender to reimburse, Buyer for the incremental direct expenses incurred by Buyer in the preparation, negotiation, execution or delivery of any documents requested by Seller or the Facility Lender, and provided by Buyer, pursuant to this Section 14.7.

Section 14.8 Ambiguity. The Parties acknowledge that this Agreement was jointly prepared by them, by and through their respective legal counsel, and any uncertainty or ambiguity existing herein shall not be interpreted against either Party on the basis that the Party drafted the language, but otherwise shall be interpreted according to the application of the rules on interpretation of contracts.

Section 14.9 Attorneys' Fees and Costs. Both Parties hereto agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorneys' fees and costs. Each of the Parties to this Agreement was represented by its respective legal counsel during the negotiation and execution of this Agreement. Notwithstanding the foregoing, to the extent Buyer incurs legal costs in order to facilitate a collateral assignment or pledge of this Agreement under Section 14.7, to evaluate whether the provisions of the Right of First Offer apply or whether a Change in Control has occurred, or such other action or review that is at the request of Seller, including in Section 14.7(h), or as may be required due to the actions or omissions of, Seller, Seller shall bear Buyer's reasonable and documented legal costs therefor.

Section 14.10 Voluntary Execution. Both Parties hereto acknowledge that they have read and fully understand the content and effect of this Agreement and that the provisions of this Agreement have been reviewed and approved by their respective counsel. The Parties further acknowledge that they have executed this Agreement voluntarily, subject only to the advice of their own counsel, and do not rely on any promise, inducement, representation or warranty that is not expressly stated herein.

Section 14.11 Entire Agreement; Amendments. This Agreement (including all Appendices and Exhibits) contains the entire understanding concerning the subject matter herein and supersedes and replaces any prior negotiations, discussions or agreements between the Parties, or any of them, concerning that subject matter, whether written or oral, except as expressly provided for herein. This is a fully integrated document. Each Party acknowledges that no other party, representative or agent, has made any promise, representation or warranty, express or implied, that is not expressly contained in this Agreement that induced the other Party to sign this document. This Agreement may be amended or modified only by an instrument in writing signed by each Party.

Section 14.12 Governing Law. This Agreement shall be governed by, interpreted and enforced in accordance with and construed under the laws of the State of California without regard to conflict of law principles.

Section 14.13 Venue. All litigation arising out of, or relating to, this Agreement shall be brought in a state or federal court in the County of Los Angeles in the State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of forum non conveniens.

Section 14.14 Execution in Counterparts. This Agreement may be executed in counterparts, and, upon execution by each signatory, each executed counterpart shall have the same force and effect as an original instrument and as if all signatories had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signature thereon, and may be attached to another counterpart of this Agreement identical in form hereto by having attached to it one or more signature pages.

Section 14.15 Effect of Section Headings. Section headings appearing in this Agreement are inserted for convenience only and shall not be construed as interpretations of text.

Section 14.16 Waiver. The failure of either Party to this Agreement to enforce or insist upon compliance with or strict performance of any of the terms or conditions hereof, or to take advantage of any of its rights hereunder, shall not constitute a waiver or relinquishment of any such terms, conditions or rights, but the same shall be and remain at all times in full force and effect. Notwithstanding anything expressed or implied herein to the contrary, nothing contained herein shall preclude either Party from seeking and obtaining any available remedies for breaches not rising to the level of a Default, including recovery of damages caused by the breach of this Agreement and specific performance or injunctive relief or any other remedy given under this Agreement or now or hereafter existing in law or equity or otherwise. Seller acknowledges that money damages may not be an adequate remedy for violations of this Agreement and that Buyer may, in its sole discretion, seek and obtain from a court of competent jurisdiction specific performance or injunctive or such other relief as such court may deem just and proper to enforce this Agreement or to prevent any violation hereof. Seller hereby waives any objection to specific performance or injunctive relief. The rights granted herein are cumulative.

Section 14.17 Relationship of the Parties. This Agreement shall not be interpreted to create an association, joint venture or partnership between the Parties hereto or to impose any partnership obligation or liability upon either such Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other Party.

Section 14.18 Third Party Beneficiaries. The (a) the provisions of this Agreement are solely for the benefit of the Parties hereto, and (b) nothing in this Agreement, whether express or implied, shall be construed to give to, or be deemed to create in, any other Person, whether as a third party beneficiary of this Agreement or otherwise, any legal or equitable right, remedy or claim in respect of this Agreement or any covenant, condition, provision, duty, obligation or undertaking contained or established herein.

Section 14.19 Indemnification; Damage or Destruction; Insurance; Condemnation; Limit of Liability.

(a) **Indemnification.** Seller undertakes and agrees to indemnify and hold harmless Buyer, the Participating Member, and Buyer's Board of Directors, and all of their officers and employees, agents, employees, advisors, and Authorized Representatives, and each of the foregoing assigns and successors in interest (collectively, "***Indemnitees***"), and, at the option of Buyer, defend such Indemnitees from and against any and all suits and causes of action (including proceedings before FERC), claims, charges, damages (including indirect, consequential, or incidental), demands, judgments, costs, expenses, civil fines and penalties, other monetary remedies or losses of any kind or nature whatsoever, including but not limited to attorney's fees (including allocated costs of internal counsel) or other monetary remedies and costs of litigation, obligation or liability of any kind or nature whatsoever, in any manner arising by reason of, or incident to, or connected in any manner with the performance, non-performance or breach of this Agreement, or any other act, error or omission or willful misconduct by or of the Seller or Seller's officers, employees, agents, subcontractors of any tier, including but not limited to any such performance, non-performance, breach, act, error or omission or willful misconduct that results in intellectual property infringement or leads to death, bodily injury or personal injury to any person, including Seller's employees and agents

or third persons, or damage or destruction to any property of any kind or nature whatsoever, of either party or third person, or loss of use (hereinafter "***Indemnified Liabilities***"), except to the extent caused by the gross negligence or willful misconduct of any such Indemnitee. The provisions of this paragraph shall be in addition to, and not exclusive of, any other rights or remedies which Indemnitees have at law, in equity, under this Agreement or otherwise. To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in this subsection may be unenforceable in whole or in part because they are violative of any law or public policy, Seller shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by Indemnitees or any of them. The provisions of this paragraph shall survive the expiration or termination of this Agreement.

(b) **Damage or Destruction.** Subject to the consent of the Facility Lender, in the event of any damage or destruction of the Facility or any part thereof, Seller shall apply any applicable proceeds of insurance directly related to such damage or destruction to cause the Facility or such part thereof shall be diligently repaired, replaced or reconstructed by the Seller so that the Facility or such part thereof shall be restored to substantially the same general condition and use as existed prior to such damage or destruction, unless a different condition or use is approved by the Buyer. Proceeds of Insurance with respect to such damage or destruction maintained as provided in this Agreement shall be applied to the payment for such repair, replacement or reconstruction of the damage or destruction.

(c) **Insurance.** Seller shall obtain and maintain the Insurance coverages listed in Appendix F.

(d) **Condemnation or Other Taking.** Throughout the Agreement Term, Seller shall immediately notify Buyer of the institution of any proceeding for the condemnation or other taking of the Facility or any portion thereof. Buyer may seek to participate in any such proceeding and Seller shall deliver to Buyer all instruments reasonably available to Seller that are necessary or required by Buyer to permit such participation. Without Buyer's prior written consent, Seller (i) shall not agree to any compensation or award, and (ii) shall not take any action or fail to take any action which would cause the compensation to be determined. Subject to the consent of the Facility Lender, all awards and compensation for the taking or purchase in lieu of condemnation of the Facility or any portion thereof shall either, at the discretion of Buyer, be paid directly to Buyer (including damages and interest) in the amount of the loss in value of this Agreement to Buyer resulting from such condemnation or taking, or applied toward the repair, restoration, reconstruction or replacement of the Facility.

(e) **Limitation of Liability.** EXCEPT TO THE EXTENT INCLUDED IN (I) DAILY DELAY DAMAGES, SHORTFALL DAMAGES, OR ANY LIQUIDATED DAMAGES, (II) INDEMNIFICATION OBLIGATIONS BY SELLER TO THIRD PARTIES, AND (III) ANY OTHER SPECIFIC CHARGES EXPRESSLY PROVIDED FOR HEREIN, NEITHER PARTY HEREUNDER SHALL BE LIABLE FOR SPECIAL, INCIDENTAL, EXEMPLARY, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF A PARTY'S PERFORMANCE OR NON PERFORMANCE UNDER THIS AGREEMENT, WHETHER BASED ON OR CLAIMED UNDER

CONTRACT, TORT (INCLUDING SUCH PARTY'S OWN NEGLIGENCE) OR ANY OTHER THEORY AT LAW OR IN EQUITY, PROVIDED, HOWEVER, THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO LIABILITY ARISING OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SELLER, OR ANY OF SELLER'S OFFICERS, AGENTS, EMPLOYEES OR SUBCONTRACTORS OF ANY TIER.

Section 14.20 Severability. In the event any of the terms, covenants or conditions of this Agreement, or the application of any such terms, covenants or conditions, shall be held invalid, illegal or unenforceable by any court having jurisdiction, all other terms, covenants and conditions of this Agreement and their application not adversely affected thereby shall remain in force and effect, *provided* that the remaining valid and enforceable provisions materially retain the essence of the Parties' original bargain.

Section 14.21 Confidentiality.

(a) Each Party agrees, and shall use reasonable efforts to cause its parent, subsidiary and Affiliates, and its and their respective directors, officers, employees and representatives, as a condition to receiving confidential information hereunder, to keep confidential, except as required by law, all documents, data, drawings, studies, projections, plans and other written information that relate to economic benefits to or amounts payable by either Party under this Agreement and documents that are clearly marked "Confidential" at the time a Party shares such information with the other Party ("***Confidential Information***"). The provisions of this Section 14.21 shall survive and shall continue to be binding upon the Parties for a period of one (1) year following the date of termination or expiration of this Agreement. Notwithstanding the foregoing, information shall not be considered Confidential Information if such information (i) is disclosed with the prior written consent of the originating Party, (ii) was in the public domain prior to disclosure or is or becomes publicly known or available other than through the action of the receiving Party in violation of this Agreement, (iii) was lawfully in a Party's possession or acquired by a Party outside of this Agreement, which acquisition was not known by the receiving Party to be in breach of any confidentiality obligation, or (iv) is developed independently by a Party based solely on information that is not considered confidential under this Agreement.

(b) Either Party may, without violating this Section 14.21, disclose matters that are made confidential by this Agreement:

(1) to its counsel, accountants, auditors, advisors, other professional consultants, credit rating agencies, actual or prospective co-owners, investors, lenders, underwriters, contractors, suppliers and others involved in operation and financing transactions and arrangements for a Party or its subsidiaries, affiliates, or parent;

(2) to governmental officials and parties involved in any proceeding in which either Party is seeking a permit, certificate or other regulatory approval or order necessary or appropriate to carry out this Agreement; and

(3) to governmental officials or the public as required by any law, regulation, order, rule, ruling or other Requirement of Law, including laws or regulations requiring disclosure of financial information and information material to financial matters and filing of financial reports and responding to oral questions, discovery requests, subpoenas and civil investigations or similar processes.

(c) If a Party is requested or required, pursuant to any applicable law, regulation, order, rule, ruling or other Requirement of Law, discovery request, subpoena, civil investigation or similar process to disclose any of the Confidential Information, such Party shall provide prompt written notice to the other Party of such request or requirement so that at such other Party's expense, such other Party can seek a protective order or other appropriate remedy concerning such disclosure.

(d) Notwithstanding the foregoing or any other provision of this Agreement, Seller acknowledges that Buyer, as a California joint powers authority, is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§ 6250 et seq. ("***CPRA***") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 et seq. ("***Brown Act***"). Confidential Information of Seller provided to the Buyer pursuant to this Agreement shall become the property of the Buyer, and Seller acknowledges that Buyer shall not be in breach of this Agreement or have any liability whatsoever under this Agreement or otherwise for any claims or causes of action whatsoever resulting from or arising out of Buyer copying or releasing to a third party any of the Confidential Information of Seller pursuant to CPRA or Brown Act. Notwithstanding the foregoing or any other provision of this Agreement, Buyer may record, register, deliver and file all such notices, statements, instruments and other documents as may be necessary or advisable to render fully valid, perfected and enforceable under all applicable law the credit support contemplated by this Agreement and the Ancillary Documents and the rights, Liens and priorities of Buyer with respect to such credit support.

(e) If Buyer receives a CPRA request for Confidential Information of Seller, and Buyer or Buyer's Authorized Representative determines that such Confidential Information is subject to disclosure under CPRA, then Buyer shall notify the Seller of the request and its intent to disclose the documents. The Buyer, as required by CPRA, shall release such documents unless the Seller timely obtains a court order prohibiting such release. If Seller (i) at its sole expense, chooses to seek a court order prohibiting the release of Confidential Information pursuant to a CPRA request, (ii) notifies Buyer of its intention to seek a court order within five (5) days after receipt of notice of such CPRA request, and (iii) undertakes and agrees to defend, indemnify and hold harmless the Indemnitees from and against all suits, claims, and causes of action brought against any Indemnitees for Buyer's refusal to disclose Confidential Information of Seller to any person making a request pursuant to CPRA pursuant to documentation in form and substance reasonably satisfactory to Buyer, then Buyer shall, only if authorized under CPRA, delay release of the Confidential Information until Seller has had the opportunity to seek such court order. Seller's indemnity obligations shall include, but are not limited to, all actual costs incurred by the Indemnitees, and specifically includes costs of experts and consultants, as well as all damages or liability of any nature whatsoever arising out of any such suits, claims, and causes of action brought against any Indemnitees, through and including any appellate proceedings. Seller's obligations to all Indemnitees under this indemnification provision shall be due and payable

on a monthly, ongoing basis within thirty (30) days after each submission to Seller of Buyer's invoices for all fees and costs incurred by all Indemnitees, as well as all damages or liability of any nature.

(f) Each Party acknowledges that any disclosure or misappropriation of Confidential Information by such Party in violation of this Agreement could cause the other Party or their Affiliates irreparable harm, the amount of which may be extremely difficult to estimate, thus making any remedy at law or in damages inadequate. Therefore, each Party agrees that the non-breaching Party shall have the right to apply to any court of competent jurisdiction for a restraining order or an injunction restraining or enjoining any breach or threatened breach of this Agreement and for any other equitable relief that such non breaching Party deems appropriate. This right shall be in addition to any other remedy available to the Parties in law or equity, subject to the limitations set forth in Section 14.19(e).

Section 14.22 Mobile-Sierra. The Parties hereby stipulate and agree that this Agreement was entered into as a result of arm's-length negotiations between the Parties. Further, the Parties believe that, to the extent the sale of Energy under this Agreement is subject to Sections 205 and 206 of the Federal Power Act, 16 U.S.C. Sections 824d and 824e, the rates, terms and conditions of this Agreement are just and reasonable within the meanings of Sections 205 and 206 of the Federal Power Act, and that the rates, terms and conditions of this Agreement will remain so during the Agreement Term.

Notwithstanding any provision of this Agreement, the Parties waive all rights to challenge the validity of this Agreement or whether it is just and reasonable for and with respect to the Agreement Term, under Sections 205 and 206 of the Federal Power Act, and to request the FERC to revise the terms and conditions and the rates or services specified in this Agreement, and neither Party shall seek, nor shall they support any third party in seeking, to prospectively or retroactively revise the rates, terms or conditions of this Agreement through application or complaint to FERC or any other state or federal agency, board, court or tribunal, related in any manner as to whether such rates, terms or conditions are just and reasonable or in the public interest under the Federal Power Act, absent prior written agreement of the Parties.

The Parties also agree that, absent prior agreement in writing by both Parties to a proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any provision of this section is unenforceable or ineffective as to such Party), a non-Party or the FERC acting *sua sponte*, shall be the "public interest" application of the "just and reasonable" standard of review that requires FERC to find an "unequivocal public necessity" or "extraordinary circumstances where the public will be severely harmed" to modify a contract, as set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp*., 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co*., 350 U.S. 348 (1956), and clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish*, 554 U.S. 527 at 550-51 (2008) and *NRG Power Marketing, LLC v. Maine Public Utilities Comm'n*, 558 U.S. 165 (2010).

Section 14.23 Service Contract. The Parties intend that this Agreement will qualify as a "Service Contract" as such term is used in Section 7701(e) of the United States Internal Revenue Code of 1986.

Section 14.24 Time is of the Essence. Time is of the essence for the performance of each of the terms and provisions of this Agreement.

Section 14.25 Right of First Offer and Right of First Refusal. Buyer shall have a "Right of First Offer" (or "***ROFO***") and a "Right of First Refusal" (or "***ROFR***") for any proposed sale of the Facility and related assets ("***Facility Assets***") in accordance with the provisions of this Section 14.25, except that the ROFO and the ROFR shall not apply to any such sales or transfers of any interests of Seller in connection with a Tax Equity Financing or a sale, transfer or exercise of remedies in accordance with Section 14.7(g) (each a "***Permitted Transfer***").

(a) Prior to Seller consummating a sale of the Facility Assets (other than in connection with a Permitted Transfer), Seller shall provide notice to Buyer of Seller's proposed transaction, including the proposed purchase price and basic terms and conditions associated therewith (a "***Proposed Sale Notice***"). Upon receipt of a Proposed Sale Notice, Buyer shall have sixty (60) days in which to notify Seller that Buyer may purchase the Facility Assets from Seller (a "***Proposed Purchase Notice***"). If Buyer provides Seller with a Proposed Purchase Notice (which notice shall, in the case of a ROFO, include Buyer's proposed purchase price for the Facility Assets, and in the case of a ROFR, include Buyer's response to the purchase price under consideration by Seller), then the Parties shall undertake for a period of up to ninety (90) days from the date of Buyer's Proposed Purchase Notice to reach an agreement on the terms and conditions of a sale of the Facility Assets to Buyer.

(b) With respect to a sale subject to the ROFO or the ROFR, if (i) Buyer does not timely provide a Proposed Purchase Notice to Seller, or (ii) the Parties are unable to agree upon the terms and conditions of a sale of the Facility Assets to Buyer within the ninety (90) day period set forth in Section 14.25(a), then Seller shall be free to negotiate the sale of the Facility Assets to any third party; provided, however, that (A) any sale of the Facility Assets to a third party shall include the assignment of this Agreement and Seller's rights under the Ancillary Documents (in accordance with Section 14.7), and (B) prior to consummating any such sale, Seller shall provide Buyer with a concise summary of the commercial terms negotiated by Seller with the third party (a "***Notice of Proposed Third Party Sale***"). If the proposed purchase price set forth in the Notice of Proposed Third Party Sale is equal to or less than ninety five percent (95%) of the purchase price included in the Proposed Purchase Notice or negotiated in connection with Buyer's exercise of the ROFO pursuant to Section 14.25(a), or otherwise on terms that are materially better than those last offered by Buyer, then Buyer shall have sixty (60) days to exercise its Right of First Refusal to purchase the Facility Assets or interests on substantially similar terms to those set forth in the Notice of Proposed Third Party Sale, subject to any modifications required to conform the transaction to requirements for transactions entered into by public agencies. If Buyer does not elect to exercise its Right of First Refusal and purchase the Facility Assets within such sixty (60) days, Seller shall be free to consummate the sale of the Facility Assets to the third party; provided that (A) such sale of the Facility Assets to a third party shall include the assignment of this Agreement and Seller's rights and obligations under the Ancillary Documents, and (B) such sale shall be on substantially similar terms and conditions presented to Buyer in the Notice of Proposed Third Party Sale.

(c) If Seller fails to (i) present a Notice of Proposed Third Party Sale within six (6) months after the expiration of the ninety (90) day period set forth in Section 14.25(a), or (ii) consummate the sale of the Facility Assets or interests to a third party within sixty (60) days after the expiration of the sixty (60) day period set forth in Section 14.25(b), then Seller shall provide another Proposed Sale Notice hereunder (and go through the ROFO process and the ROFR process) hereunder before commencing or continuing negotiations with any third party or consummating a sale of the Facility Assets or interests.

(d) Neither the ROFO nor the ROFR shall apply to any sale or transfer by any Facility Lender in connection with the exercise of Facility Lender remedies under any Financing Agreement.

Section 14.26 Market Disruption Event. If at any point during the Agreement Term, the Facility, the Point of Delivery, or Buyer no longer reside in the same market that each exists in as of the Effective Date (a "***Market Disruption Event***") and such Market Disruption Event materially changes the benefits, burdens or obligations of the Parties under this Agreement, then either Party, on written notice by the affected Party, may request the other Party to enter into negotiations to make mutually acceptable changes to this Agreement as necessary or appropriate, while attempting to preserve to the maximum extent possible the benefits, burdens, and obligations set forth in this Agreement as of the Effective Date. Upon receipt of such notice requesting negotiations, the Parties will promptly (but in any event commencing no later than fifteen (15) days after such request) negotiate in good faith such changes for a period of ninety (90) days. If the Parties fail to reach agreement as to such changes after negotiating in good faith for a period of ninety (90) days, then either Party may submit the issue for dispute resolution pursuant to the provisions of Section 14.3. Notwithstanding the foregoing, if a Market Disruption Event causes the performance of either Party hereunder to be impossible or impracticable, then either Party may terminate this Agreement at its option upon notice to the other Party, which such notice will be effective thirty (30) days after such notice is received by the other Party.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each Party was represented by legal counsel during the negotiation and execution of this Agreement and the Parties hereto have executed this Agreement as of the date first set forth above.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By:_____
Jorge Somoano
President

Attest:_____
Michael S. Webster
Assistant Secretary

Approved as to legal form and content:

By:_____
Daniel S. Hashimi
Senior Assistant General Counsel

WHITEGRASS NO. 1, LLC

By:_____
Name:_____
Title:_____

APPENDIX A
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

CONTRACT PRICE AND PAYMENT SCHEDULE

1. **Price for Delivered Energy**. The price for all Delivered Energy (other than Excess Energy and Excess Monthly Generation) and associated Environmental Attributes and Capacity Rights shall be equal to $67.50 per MWh, as may be adjusted in accordance with the terms of this Agreement.

2. **Price for Excess Energy**. The price for all Excess Energy and associated Environmental Attributes and Capacity Rights shall be $33.75 per MWh, as such price may be adjusted in accordance with this Agreement.

3. **Price for Excess Monthly Generation**. The price for all Excess Monthly Generation and associated Environmental Attributes and Capacity Rights shall be the Market Price, as such price may be adjusted in accordance with this Agreement.

APPENDIX B
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

FACILITY

[Seller to complete. To be thereafter reviewed by Buyer.]

1. Name of Facility: **[name]**

2. Site: **[city, county and state]**

3. Generator Owner: **[owner name]**

4. Qualified Operator: Open Mountain Energy LLC

5. Equipment:
   (a) Type of Facility: **[generation type]**

   (b) Nominal Nameplate Capacity: **[XX MW-AC at the Point of Delivery]**

7. Other included facilities: **[_____]**

6. Permits: **[_____]**

APPENDIX C
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

BUYER AND SELLER BILLING, NOTIFICATION AND SCHEDULING CONTACT INFORMATION

1. Correspondence for the purpose of designating an Authorized Representative or alternate pursuant to Section 14.1 shall be transmitted to the following addresses:

   1.1. If to Buyer:

   Southern California Public Power Authority
   1160 Nicole Court
   Glendora, CA 91740
   Telephone: 626-793-9364
   Attention: Executive Director
   Email: projects@scppa.org

   1.2. If to Seller:

   Brady Olson
   Chief Operating Officer
   Open Mountain Energy, LLC
   3451 North Triumph Blvd. Suite 201
   Lehi, UT 84043
   E-mail: brady@openmountainenergy.com

   For information only, telephone: (801) 885-1653

2. Billings and payments pursuant to Section 11.1 and Appendix A shall be transmitted to the following addresses:

   2.1 If Billing to Buyer:

   Southern California Public Power Authority
   1160 Nicole Court
   Glendora, CA 91740
   Telephone: 626-793-9364
   Attention: Finance and Accounting,
   Email: projectinvoices@scppa.org
   and to: projects@scppa.org

2.2 If Payment to Buyer:

Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
Telephone: 626-793-9364
Attention: Finance and Accounting, projectinvoices@scppa.org

2.3 If Billing to Seller:

Brady Olson
Chief Operating Officer
Open Mountain Energy, LLC
3451 North Triumph Blvd. Suite 201
Lehi, UT 84043
Phone: (801) 885-1653
E-mail: brady@openmountainenergy.com

2.4 If Payment to Seller:

Brady Olson
Chief Operating Officer
Open Mountain Energy, LLC
3451 North Triumph Blvd. Suite 201
Lehi, UT 84043
Phone: (801) 885-1653
E-mail: brady@openmountainenergy.com

3. All notices (other than Scheduling notices) required under this Agreement shall be sent pursuant to Section 14.2 to the address specified below.

If to Buyer:

Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
Telephone: 626-793-9364
Attention: Executive Director
Email: projects@scppa.org

And, if prior to the Commencement Date, with a copy to:

Southern California Public Power Authority
1160 Nicole Court

Glendora, CA 91740
Telephone: 626-793-9364
Attention: Randy Krager, rkrager@scppa.org
Email: projects@scppa.org

If to Seller:

Brady Olson
Chief Operating Officer
Open Mountain Energy, LLC
3451 North Triumph Blvd. Suite 201
Lehi, UT 84043
E-mail: brady@openmountainenergy.com
For information only, telephone: (801) 885-1653

4. Following the Commencement Date, and throughout the Delivery Term, all notices related to scheduling of the Facility shall be sent to the following address:

If to Buyer:

Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
Telephone: 626-793-9364
Facsimile: 626-793-9461
Attention: Director of Asset Management
Email: projects@scppa.org
If to Seller:

Brady Olson
Chief Operating Officer
Open Mountain Energy, LLC
3451 North Triumph Blvd. Suite 201
Lehi, UT 84043
E-mail: brady@openmountainenergy.com
For information only, telephone: (801) 885-1653

APPENDIX D
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

FORM OF ATTESTATION

_____(Seller)_____ Environmental Attribute Attestation and Bill of Sale

_____ ("Seller") hereby sells, transfers and delivers to Southern California Public Power Authority ("Buyer") the Environmental Attributes and Environmental Attribute Reporting Rights associated with the generation from the Facility described below:

Facility Name:
Facility Location:
Fuel Type:
Capacity (MW):

As applicable:
CEC-RPS-ID no. _____ Energy Admin. ID no. _____WREGIS Generating Unit no. _____
Qualifying Facility (18 C.F.R. Sec. 292.101(b)(1)) ID no. _____

Vintage (Year/Month)	MWhrs generated (up to four (4) decimal points to account for kWhrs)
_____	_____
_____	_____
_____	_____

in the amount of one Environmental Attribute or its equivalent for each megawatt hour generated, up to four decimal points to account for kWhrs.

Seller further attests, warrants and represents as follows:

i) the information provided herein is true and correct;

ii) its sale to Buyer is its one and only sale of the Environmental Attributes and associated Environmental Attribute Reporting Rights referenced herein;

iii) the Facility generated and delivered to the grid the Energy in the amount indicated as undifferentiated Energy; and

iv) Seller owns the Facility, and each of the Environmental Attributes and Environmental Attribute Reporting Rights associated with the generation of the indicated Energy for delivery to the grid have been generated and sold by the Facility.

This serves as a bill of sale, transferring from Seller to Buyer all of Seller's right, title and interest in and to the Environmental Attributes and Environmental Attribute Reporting Rights associated with the generation of the Energy for delivery to the grid.

Contact Person: _____ tel:

APPENDIX E
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

FORM OF LETTER OF CREDIT

IRREVOCABLE AND UNCONDITIONAL DOCUMENTARY LETTER OF CREDIT NO.

Applicant:

_____

Beneficiary:

Southern California Public Power Authority
1160 Nicole Court
Glendora, California 91740
Telephone: (626) 793-9364
Facsimile: (626) 793-9461

Amount: [_____]
Expiration Date: [_____][1]
Expiration Place: [_____]:

Ladies and Gentlemen:

We hereby issue our Irrevocable and Unconditional Documentary Letter of Credit ("Letter of Credit") in favor of the Beneficiary by order and for the account of the applicant which is available at sight for USD $XX,XXX,XXX by sight payment

(a) upon presentation to us at our office at [*bank's address]* of: (i) Beneficiary's written demand for payment containing the text of Exhibit I and (ii) Beneficiary's signed statement containing the text of Exhibit II; or

(b) [upon both Beneficiary's telephone or fax advice of demand to the attention of _____ at telephone and/or fax number _____ and presentation to us by fax or email to address _____ of: (i) your written

[1] Note: To be one year after issuance, subject to automatic renewals.

demand for payment containing the text of Exhibit I and (ii) your statement containing the text of Exhibit II.]

Funds may be drawn under this Letter of Credit, from time to time, in one or more drawings, in amounts not exceeding in the aggregate the amount specified above.

Upon presentation to us in conformity with the foregoing prior to or at 12:00 p.m., Pacific Standard Time on any business day, we will, on the next business day, or, upon presentation to us in conformity with the foregoing after 12:00 p.m. Pacific Standard Time on any business day, we will, on the second succeeding business day, but in either case without any other delay whatsoever, irrevocably and without reserve or condition: (a) if the office set forth above for presentation is in Glendora, California, pay to Beneficiary's order in the account at the bank designated by you in the demand, the full amount demanded by you in the same-day funds which are immediately available to you, or (b) if the office set forth above for presentation is not Glendora, California, issue payment instructions to the Federal Reserve wire transfer system in proper form to transfer to the account at the bank designated by you in the demand, the full amount demanded by you in the same-day funds which are immediately available to you in Glendora, California. We agree that if, on the expiration date of this Letter of Credit, the office specified above is not open for business by virtue of an interruption of the nature described in the 2007 Revision of the Uniform Customs and Practices for Documentary Credits, International Chamber of Commerce Publication No. 600 ("UCP 600"), in Article 36, this Letter of Credit will be duly honored if the specified statements are presented by you within thirty (30) days after such office is reopened for business.

Payment hereunder shall be made regardless of: (a) any written or oral direction, request, notice or other communication now or hereafter received by us from the Applicant or any other person except Beneficiary, including without limitation any communication regarding fraud, forgery, lack of authority or other defect not apparent on the face of the documents presented by you, but excluding solely an effective written order issued otherwise than at our instance by a court of competent jurisdiction which order is legally binding upon us and specifically orders us not to make such payment; (b) the solvency, existence or condition, financial or other, of the Applicant or any other person or property from whom or which we may be entitled to reimbursement for such payment; and (c) without limiting clause (b) above, whether we are in receipt of or expect to receive funds or other property as reimbursement in whole or in part for such payment. We agree that we will not take any action to cause the issuance of an order described in clause (a) of the preceding sentence. We agree that the time set forth herein for payment of any demand(s) for payment is sufficient to enable us to examine such demand(s) and the related documents(s) referred to above with care so as to ascertain that on their face they appear to comply with the terms of this credit and that if such demand(s) and document(s) on their face appear to so comply, failure to make any such payment within such time shall constitute dishonor of such demand(s) and this credit.

The stated amount of this Letter of Credit may be increased or decreased, and the expiration date of this Letter of Credit may be extended, by an amendment to this Letter of Credit in the form of Exhibit III. Any such amendment shall become effective only upon acceptance by your signature on a hard copy amendment.

Beneficiary shall not be bound by any written or oral agreement of any type between us and the Applicant or any other person relating to this credit, whether now or hereafter existing.

We hereby engage with you that Beneficiary's demand(s) for payment in conformity with the terms of this credit will be duly honored as set forth above. All fees and other costs associated with the issuance of and any drawing(s) against this Letter of Credit shall be for the account of the Applicant. All of the rights of the Beneficiary set forth above shall inure to the benefit of its successors. In this connection, in the event of a drawing made by a party other than the Beneficiary, such drawing must be accompanied by the following signed certification:

> "The undersigned does hereby certify that ____[drawer]____ is the successor by operation of law to Southern California Public Power Authority, the Beneficiary named in [name of Bank] Letter of Credit No. _____."
>
> [name and title]

Except so far as otherwise expressly stated herein, this Letter of Credit is subject to the UCP 600. As to matters not governed by the Uniform Customs, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of California. Any litigation arising out of, or relating to this Letter of Credit, shall be brought in a State or Federal court in the County of Los Angeles in the State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California.

Yours faithfully,

(name of issuing bank)

By_____
Title_____

EXHIBIT I
DEMAND FOR PAYMENT

Re: Irrevocable and Unconditional Documentary Letter of Credit

No. _____ Dated _____, 20__

[Insert Bank Address]

To Whom It May Concern:

Demand is hereby made upon you for payment to us of $_____ by deposit to our account no. _____ at [insert name of bank]. This demand is made under, and is subject to and governed by, your Irrevocable and Unconditional Documentary Letter of Credit no. _____ dated _____, 20__ in the amount of $_____ established by you in our favor for the account of _____ as the Applicant.

DATED: _____, 20__.

SOUTHERN CALIFORNIA PUBLIC
POWER AUTHORITY

By: _____
Name:
Title:

Date:

Attest: _____
Name:
Title:

EXHIBIT II
STATEMENT

Re: Your Irrevocable and Unconditional Documentary Letter of Credit

No. _____ Dated _____, 20_____

[Insert Bank Address]

To Whom It May Concern:

Reference is made to your Irrevocable and Unconditional Documentary Letter of Credit no. _____, dated _____, 20____ in the amount of $_____ established by you in our favor for the account of _____.

We hereby certify to you that $_____ is due and owing to us by the Applicant.

DATED: _____, 20__.

SOUTHERN CALIFORNIA PUBLIC
POWER AUTHORITY

By: _____
Name:
Title:

Date:

Attest: _____
Name:
Title:

EXHIBIT III
AMENDMENT

Re: Irrevocable and Unconditional Documentary Letter of Credit
No. _____ Dated _____, 20__

Beneficiary: Applicant:

Southern California Public Power
Authority 1160 Nicole Court
Glendora, CA 91740

To Whom It May Concern:

The above referenced Irrevocable and Unconditional Documentary Letter of Credit is hereby amended as follows: by increasing / decreasing / leaving unchanged *(strike two)* the stated amount by $ _____ to a new stated amount of $ _____ or by extending the expiration date to _____ from _____. All other terms and conditions of the Letter of Credit remain unchanged.

This amendment is effective only when accepted by Southern California Public Power Authority, which acceptance may only be valid by a signature of an authorized representative.

Dated: _____

Yours faithfully,

(name of issuing bank)

By_____
Title_____

ACCEPTED

Southern California Public Power Authority

By_____
Title_____
Date_____

APPENDIX F
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

INSURANCE

I. GENERAL REQUIREMENTS

Within five Business Days after the Effective Date, Seller shall furnish Buyer evidence of coverage from insurers acceptable to Buyer and in a form acceptable to Buyer's Risk Management Section in accordance with Section 14.19(c). Such insurance shall be maintained by Seller at Seller's sole cost and expense. Such insurance shall not limit or qualify the liabilities and obligations of Seller assumed under this Agreement. Buyer shall not, by reason of its inclusion under these policies, incur liability to the insurance carrier for payment of premium for these policies.

Any insurance carried by Buyer which may be applicable shall be deemed to be excess insurance and Seller's insurance is primary for purposes under this Agreement despite any conflicting provision in Seller's policies to the contrary.

Said evidence of insurance shall contain a provision that the policy cannot be canceled or reduced in coverage or amount without first giving thirty (30) days' prior notice thereof (ten (10) days for non-payment of premium) by registered mail to Buyer, addressed as follows: Southern California Public Power Authority, 1160 Nicole Court, Glendora, CA 91740.

Should any portion of the required insurance be on a "Claims Made" policy, Seller shall, at the policy expiration date following completion of work, provide evidence that the "Claims Made" policy has been renewed or replaced with a retroactive date back to the policy in effect as of the Effective Date with the same limits, terms and conditions of the expiring policy.

Seller shall be responsible for all subcontractors' compliance with the insurance requirements.

II. SPECIFIC COVERAGES REQUIRED

A. Commercial Automobile Liability

Seller shall provide Commercial Automobile Liability insurance, which shall include coverages for liability arising out of the use of owned, non-owned and hired vehicles for performance of the work as required to be licensed under the California, or any other applicable state, vehicle code. The Commercial Automobile Liability insurance shall have not less than one million dollars ($1,000,000.00) combined single limit per occurrence and shall apply to all operations of Seller.

The Commercial Automobile Liability policy shall include Buyer, its members, and its and their officers, agents, and employees while acting within the scope of their employment, as additional insureds with Seller and shall insure against liability for death, bodily injury or property damage resulting from the performance of this Agreement. The form of evidence of insurance shall be a Buyer Additional Insured Endorsement or an endorsement to the policy acceptable to Buyer's Risk Management Section.

B. Commercial General Liability

Seller shall provide Commercial General Liability insurance with Blanket Contractual Liability, Independent Contractors, Broad Form Property Damage, Premises and Operations, Products and Completed Operations, fire Legal Liability and Personal Injury coverages included. Such insurance shall provide coverage for total limits actually arranged by Seller, but not less than ten million dollars ($10,000,000.00) combined single limit per occurrence. Umbrella or Excess Liability coverages may be used to supplement primary coverages to meet the required limits. Evidence of such coverage shall be on Buyer's Additional Insured Endorsement form or on an endorsement to the policy acceptable to Buyer's Risk Management Section and shall provide for the following:

1. Include Buyer and its officers, agents, and employees as additional insureds with the Named Insured for the activities and operations under this Agreement.

2. Include Severability-of-Interest or Cross-Liability Clause such as: "The policy to which this endorsement is attached shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the company's liability."

3. Include a description of the coverages included under the policy.

C. Excess Liability

Seller may use an Umbrella or Excess Liability Coverage to meet coverage limits specified in this Agreement. Seller shall require the carrier for Excess Liability to properly schedule and to identify the underlying policies as provided for Buyer on the Buyer Additional Insured Endorsement Form, or on an endorsement to the policy acceptable to Buyer's Risk Management Section. Such policy shall include, as appropriate, coverage for Commercial General Liability, Commercial Automobile Liability, Employer's Liability or other applicable insurance coverages.

D. Workers' Compensation/Employer's Liability Insurance

Seller shall provide Workers' Compensation insurance covering all of Seller's employees in accordance with the laws of any state in which the work of the Agreement is to be performed and including Employer's Liability insurance, where possible, and a Waiver of Subrogation in favor of Buyer. The limit for Employer's Liability coverage shall be not less than one million dollars ($1,000,000.00) each accident and shall be a separate policy

if not included with Workers' Compensation coverage. Evidence of such insurance shall be in the form of a Buyer Special Endorsement of insurance or on an endorsement to the policy acceptable to Buyer's Risk Management Section. Workers' Compensation/Employer's Liability exposure may be self-insured, *provided* that Buyer is furnished with a copy of the certificate issued by the state authorizing Seller to self-insure. Seller shall notify Buyer's Risk Management Section by receipted delivery as soon as possible of the state withdrawing authority to self-insure.

E. Property All Risk Insurance

Seller shall procure and maintain an All Risk Physical Damage policy to insure the full replacement value of the property located at the Facility as described in this Agreement. The policy shall include coverage for expediting expense, extra expense, Business Interruption, ensuing loss from faulty workmanship, faulty materials or faulty design.

APPENDIX G
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

QUALITY ASSURANCE PROGRAM

Seller shall implement a Quality Assurance ("***Q/A***") Program to ensure that the operation and maintenance of the Facility fulfills the requirements of this Agreement. The Q/A Program shall provide assurance that design, purchasing, manufacturing, shipping, storage, construction, testing and examination of all equipment, materials, services and maintenance of the Facility will comply with the requirements of this Agreement, all applicable Requirements of Law and the manufacturers' and/or suppliers' requirements for successful operation of the Facility.

Quality at Seller

What is quality? Seller believes that quality is the unit of measure for assessing fulfillment of project goals. A quality project meets or exceeds the contract requirements and accepted standards of professional and industry practice. Furthermore, high quality projects are those that address client and societal needs more successfully than "low" quality projects. While this may seem like a straightforward definition, the process to ensure quality is much more involved and includes quality management, quality planning, quality control, quality assurance, a quality system, and total quality management.

"Quality assurance" refers to a process that reduces the potential for error throughout the phases of a project. On projects with a Q/A Program, the chances of producing a poor quality deliverable are substantially reduced. Quality control procedures are an integral part of quality assurance. Historically, industry has used the term "quality control" to indicate a checking procedure for verifying the quality of deliverables. This checking commonly occurs at the end of the process, long after an error may have been made and compounded by subsequent work. While quality control checks at the end of a project are an essential exercise, scheduled periodic reviews at each phase of project conceptual and final design are integral to Seller's Q/A Program. In addition, quality maintenance which meets or exceeds manufacturers' and/or suppliers' requirements and best industry practices must be an integral part of Seller's Q/A Program.

The Quality Management Process

The surest way to achieve satisfactory quality is to adhere to a proven quality process. The term "quality" most accurately refers to a project's ability to satisfy needs when considered as a whole and each part of the process meets or exceeds the standards of Prudent Utility Practices.

Seller's project management team is responsible for proactively planning and directing the quality of the work process, services, and deliverables. Seller's project management team will prepare a written maintenance manual for the Facility applicable for the duration of the Delivery Term that complies with the maintenance manuals of the manufacturers and suppliers from whom Seller has purchased equipment and/or material and best industry practices.

Written Work Plan and Q/A Manual

The idea of a written work plan and Q/A manual is to incorporate quality assurance in all areas of project execution. Seller has found that quality needs to be institutionalized into the project process, not only in the budgeting process, but everywhere. For example, specific tasks and duties need to be allocated to specific individuals; roles and interface points need to be clearly defined; individual assignments need to be realistic; special attention needs to be paid to complex areas within projects; schedules need to be realistic and achievable; and, lastly, the work culture needs to be enjoyable and open so that employees are empowered to react quickly to symptoms of quality problems before they actually manifest.

Seller's quality program shall be documented in a written work plan and Quality Assurance manual (the "***Q/A Manual***"). The form and the format of the Q/A Manual shall be developed by Seller, but must comply with Prudent Utility Practices and follow manufacturers' and suppliers' recommendations without deviation. The content of the Q/A Manual shall provide written descriptions of policies, procedures and methodology to accomplish a quality project. Seller shall submit three (3) copies of the Q/A Manual within ninety (90) days after the Effective Date to Buyer or Buyer's Representative. The Q/A Manual shall be kept current by Seller throughout the Agreement Term through the submittal of revisions, as appropriate, by Seller to Buyer or Buyer's Authorized Representative.

The Q/A Manual shall describe the authority and the responsibility of the Persons in charge of the Q/A Program and inspection activities. Furthermore, it shall provide the plan and strategy for quality control and review for maintenance and operations during the Delivery Term. The Q/A Manual shall strive; at a minimum, to define control procedures or methods to assure the following:

(a) The design documents, drawings, specifications, Q/A procedures, records, inspection procedures and purchase documents are maintained to be current, accurate and in compliance with all applicable law.

(b) The purchased materials, equipment and services comply with the requirements of this Agreement and all applicable Requirements of Law.

(c) The materials received at the site are inspected for compliance with specifications.

(d) The subcontracted work is adequately inspected by third parties.

(f) Proper documentation, control and disposition of nonconforming equipment and materials is maintained.

(g) Proper records are kept and available following project completion to ensure accurate documentation of as-built conditions.

(h) Detailed and complete plan for maintenance and operation during the Delivery Term consistent with manufacturers' and suppliers' recommendations and best industry practices.

Quality Assurance and Quality Control ("*Q/C*") Activities During the Delivery Term

Throughout the Agreement Term, Seller shall perform Q/A and Q/C activities on all materials and equipment associated with the Facility on a periodic basic, and at a minimum once every six (6) months. At the completion of such Q/A and Q/C activities, Seller shall provide Buyer a detailed report identifying all areas of inspections performed, a detailed checklist, results found, remedial actions taken, if any, and follow up for any corrective actions.

Seller shall provide Buyer with a schedule for performance actions needed as result of Q/A and Q/C activities. Buyer shall review the schedule and provide comments to Seller.

QUALITY ASSURANCE (Q/A) AND QUALITY CONTROL (Q/C) CHECKLIST

[Seller to provide checklist.]

APPENDIX H
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

[RESERVED]

APPENDIX I
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

FORM OF NON-CONSOLIDATION OPINION[2]

OPINION LETTER

Southern California Public Power Authority
1160 Nicole Court
Glendora, California 91740

Re: Power Purchase Agreement between Southern California Public Power Authority and Whitegrass No. 1, LLC

Dear Sir or Madam:

We have acted as counsel to Whitegrass No. 1, LLC, a Nevada limited liability company ("Seller"), in connection with that certain Power Purchase Agreement between Southern California Public Power Authority, a public entity and joint powers authority formed and organized pursuant to the California Joint Exercise of Powers Act ("SCPPA"), and Seller, dated as of [___], 2020 (the "PPA"). For the purposes of this opinion, capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in Section 1.1 of the PPA.

You have requested our opinion as to whether in a properly presented and argued case under title 11 of the United States Code, 11 U.S.C. § 101 *et seq.* (the "Bankruptcy Code") in which any of the Opinion Entities (defined below) is the debtor, a creditor or trustee of such Opinion Entity would have valid legal grounds to have a United States bankruptcy court or other court exercising bankruptcy jurisdiction over such a case under the Bankruptcy Code (the "Court") disregard the separate existence of Seller so as to cause the substantive consolidation of the assets and liabilities of Seller with those of such Opinion Entity.[3]

[2] NTD: Form of opinion under review by Seller.

[3] We do not offer any opinion in the context of insolvency of any Opinion Entity law other than the Bankruptcy Code.

In that connection, we have examined originals, or copies certified or otherwise identified to our satisfaction, of the following documents, instruments and agreements (each, unless otherwise noted, dated as of the date hereof) (collectively, the "Opinion Documents"):

- the PPA;
- State of Nevada Limited Liability Company Certificate of Formation of Seller dated as of _____;
- [Operating Agreement of Seller dated as of _____ (the "Seller's Original LLC Agreement");
- Amended and Restated Operating Agreement of Seller dated as of _____ (the "Seller's Amended LLC Agreement");][4] and
- Factual Certificate of the [_][5] of Seller dated _____ (the "Factual Certificate").

Since Seller was formed and has conducted business prior to the date hereof, we have conducted certain specific due diligence regarding it. Specifically, we have reviewed (a) Uniform Commercial Code ("U.C.C."), federal and state tax liens and judgment liens search reports, (b) litigation search reports and (c) bankruptcy search reports. In addition, we have reviewed the organizational documents for Seller from the date of its formation as well as all amendments thereto, and documents relating to any prior and existing indebtedness of Seller. These activities were not designed to be in the nature of an audit, *i.e.*, to provide a critical assessment of the facts provided to us, but rather to educate us as to many of the underlying facts and issues that might arise relevant to this opinion. As such, we cannot and do not warrant the truth and accuracy of the factual assumptions on which this opinion is based. We advise you, however, that our attorneys who conducted the review described in this paragraph and are directly involved in the transaction described in the Opinion Documents do not have any actual, present or personal knowledge of any evidence that any of the factual assumptions relied on in this opinion are incorrect in any material way.

FACTS

We have been advised of the following facts:

- Seller is a Nevada limited liability company duly organized under Nevada law on _____. The Seller's Original LLC Agreement was executed on _____. The Seller's Original LLC Agreement did not contain separateness covenants and other provisions making Seller a special purpose entity with limited purpose and limited activities.

[4] To be confirmed that Seller's LLC agreement will be amended in connection with entry into the PPA to conform to the requirements specified in the PPA.

[5] To be an authorized officer of Seller.

- Seller is entering into the PPA with SCPPA, which provides for Seller's sale of certain renewable energy and associated environmental attributes to SCPPA.

- In connection with its entry into the PPA, the Seller's Original LLC Agreement is being amended on [___] to add provisions related to separateness and limitations on the purpose of Seller to make Seller a "Special Purpose Entity"(as defined below).

- Pursuant to Seller's Amended LLC Agreement and the PPA, Seller is required to comply with certain provisions to ensure that Seller has operated and will continue to operate as an entity separate from its Affiliates.

- Seller, _____ are developing and will separately own and operate one geothermal energy generating facility with nominal nameplate capacity of 4.0 MW (collectively, the "Facility") in Lyon County, Nevada.

- [Seller has [one] member[s]. _____, a [_] limited liability company ("Parent"), holds [_]% of the equity interests in Seller. Parent, _____ and _____ are collectively referred to herein as the "Opinion Entities."]

SELLER IS A SPECIAL PURPOSE ENTITY

Pursuant to Section 12.5 of the PPA, Seller covenants that it will at all time comply with the requirements of, and qualify as, a Special Purpose Entity. A "Special Purpose Entity" is defined as a limited liability company which:

(a) [shall not (without the prior written consent of Buyer) (i) engage in any dissolution, liquidation or consolidation or merger with or into any other business entity, (ii) acquire by purchase or otherwise all or substantially all of the business or assets of or beneficial interest in any other entity, (iii) transfer, lease or sell, in one transaction or any combination of transactions, all or substantially all of its properties or assets except to the extent permitted herein, (iv) modify, amend or waive any provisions of its organizational documents related to its status as a Special Purpose Entity, or (v) terminate its organizational documents or its qualifications and good standing in any jurisdiction;

(b) has limited, is limiting and will limit its activities to acquiring, developing, owning, holding, selling, financing, leasing, transferring, exchanging, managing and operating the Facility, entering into this Agreement with Buyer and the Ancillary Documents and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing;

(c) has not been, is not, and will not be engaged in any business other than that relating to its limited purpose as set forth in the immediately preceding subsection (b);

(d) has not had, does not have and will not have, any assets other than those related to the Facility;

(e) has held itself out and will hold itself out to the public as a legal entity separate and distinct from any other entity and has not failed and will not fail to correct any known misunderstanding regarding the separate identity of such entity, provided that (for the avoidance of doubt), the foregoing shall not restrict any Parent Entity, Ultimate Parent Entity or any other Seller Affiliate from identifying its indirect relationship to the Facility through Seller;

(f) has maintained and will maintain its financial statements, bank accounts, accounts, books, resolutions, agreements and records separate from any other Person except as required by GAAP; *provided, however*, that to the extent permitted by GAAP, any such consolidated financial statement shall contain a note indicating that its separate assets and liabilities are neither available to pay the debts of the consolidated entity nor constitute obligations of the consolidated entity, and has filed and will file its own tax returns (except to the extent such limited liability company is treated as a "disregarded entity" for tax purposes and is not required to file separate tax returns under applicable law);

(g) has held itself out and identified itself, and will hold itself out and identify itself, as a separate and distinct entity under its own name or in a name franchised or licensed to it by an entity other than an Affiliate of Seller (except to the extent such limited liability company is treated as a "disregarded entity" for tax purposes and is not required to file separate tax returns under applicable law) and not as a division, department or part of any other Person;

(h) has maintained and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(i) has not made and will not make loans or advances to any Person or hold evidence of indebtedness issued by any other Person (other than cash and investment-grade securities issued by an entity that is not an Affiliate of or subject to common ownership with such entity) or made any gifts or fraudulent conveyances to any Person;

(j) has not identified and will not identify its members, or any Affiliate of any member, as a division or department or part of it, and has not identified itself and shall not identify itself as a division or department of any other Person;

(k) has not entered into or been a party to, and will not enter into or be a party to, any transaction with its members or Affiliates, except in the ordinary course of its business and on terms which are commercially reasonable and comparable with those which could be obtained in a comparable arm's-length transaction with an unrelated third party;

(l) has not had and will not have any obligation to indemnify, and has not indemnified and will not indemnify its officers, managers or members, as the case may be, other than (i) the Independent Manager in connection with the Independent Manager's actions related to the performance of this Agreement, and (ii) its officers, managers, and members with respect to actions taken or omitted to be taken in good faith by such officer, manager or

member with respect to the development, construction, financing, ownership and operation of the Facility;

(m) has considered and shall consider the interests of its creditors in connection with all limited liability company actions;

(n) except for obligations to Facility Lenders or Tax Equity Investors, does not and will not have any of its obligations guaranteed by any Affiliate and will not hold itself out as being responsible for the debts or obligations of any other Person;

(o) will comply with all of the terms and provisions contained in its organizational documents including the provision requiring that there be an Independent Manager at all times on and after the Effective Date and has done or caused to be done and will do all things necessary to preserve its existence;

(p) will not commingle, its funds or assets with those of any Person and will not participate in any cash management system with any other Person;

(q) will conduct all business in its own name and, except in connection with a Tax Equity Financing utilizing a lease or inverted lease structure, from and after the Commencement Date, has held, and will hold, its assets in its own name and conducted and will conduct all business in its own name;

(r) has maintained and will maintain its financial statements, accounting records and other entity documents separate from any other Person and has not permitted and will not permit its assets to be listed as assets on the financial statement of any other entity except as required by GAAP; *provided, however*, that to the extent permitted by GAAP, any such consolidated financial statement shall contain a note indicating that its separate assets and liabilities are neither available to pay the debts of the consolidated entity nor constitute obligations of the consolidated entity;

(s) has paid and will pay its own liabilities and expenses, including the salaries of its own employees, out of its own funds and assets, and has maintained and will maintain a sufficient number of employees in light of its contemplated business operations (it being acknowledged and agreed that Seller may have no employees to the extent it contracts out its requirements for all necessary managerial, operational and other services);

(t) has observed and will observe all limited liability company formalities;

(u) has not assumed or guaranteed or become obligated for, and will not assume or guarantee or become obligated for, the debts of any other Person and has not held out and will not hold out its credit as being available to satisfy the obligations of any other Person;

(v) has not acquired and will not acquire obligations or securities of its members or any Affiliate;

(w) will allocate fairly and reasonably any overhead expenses that are shared with any Affiliate, including paying for shared space and services performed by any employee of an Affiliate;

(x) now maintains and uses, and will maintain and use separate stationery, invoices and checks bearing its name; such stationery, invoices and checks utilized by it or utilized to collect its funds or pay its expenses have borne and shall bear its own name and shall not bear the name of any other entity unless such entity is clearly designated as being its agent;

(y) except in connection with the development or construction, or financing of the development or construction of the Facility, has not pledged and will not pledge its assets for the benefit of any other Person;

(z) now has, and will have articles of organization, a certificate of formation or an operating agreement, as applicable, that provides that it will not: (A) dissolve, merge, liquidate or consolidate; (B) sell, transfer, lease or otherwise convey all or substantially all of its assets (other than as permitted under Section 14.7 of the PPA); (C) engage in any other business activity, or amend its organizational documents with respect to the matters set forth in this definition without the affirmative vote of its Independent Manager; or (D) without the affirmative vote of its Independent Manager, file a bankruptcy or insolvency petition or otherwise institute insolvency proceedings with respect to itself or to any other entity in which it has a direct or indirect legal or beneficial ownership interest;

(aa) has been, is and intends to remain solvent and has paid and intends to continue to pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets as the same shall have or become due, and has maintained, is maintaining and intends to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; and

(bb) has and will have no indebtedness other than (i) Facility Debt relating to the development, construction or permanent financing or refinancing for the Facility, including indebtedness in its replacement or substitution thereof, (ii) Taxes and Insurance premiums, (iii) liabilities incurred in the ordinary course of business relating to its ownership, management, administration leasing and operation of the Facility and its routine administration, which liabilities are not more than sixty (60) days past due, are not evidenced by a note and are paid when due, and which amounts are normal and reasonable under the circumstances, and in any event not in excess of one percent (1%) of the Facility Cost in the aggregate, (iv) the Performance Security and indebtedness incurred in support of or connection with the Performance Security, and (v) such other liabilities that are permitted pursuant to this Agreement.]

In the conduct of our diligence with respect to Seller as set forth earlier in the introduction to this opinion and consistent with statements in the Factual Certificate, we did not find any evidence that Seller prior to entering into the PPA performed in a manner inconsistent with the terms of its performance as provided in the above definition of Special Purpose Entity.

In addition to Seller's obligations to comply with the provisions noted above in connection with the PPA, the Seller's Amended LLC Agreement also contains certain provisions typically associated with special purpose entities.

Section [__] of the Seller's Amended LLC Agreement provides in part that "[___][6]."

Section [__] of the Seller's Amended LLC Agreement provides that notwithstanding anything to the contrary therein, Seller shall not without the affirmative vote of its Independent Manager:

(a) engage in any business activity (other than (A) dissolve, merge, liquidate or consolidate; (B) sell, transfer, lease or otherwise convey all or substantially all of its assets (other than as permitted under Section 14.7 of the PPA) or amend its organizational documents with respect to the matters set forth in the definition of "Special Purpose Entity" in the PPA;

(b) file a bankruptcy or insolvency petition or otherwise institute insolvency proceedings with respect to itself or to any other entity in which it has a direct or indirect legal or beneficial ownership interest; and

(c) [_____]][7]

ASSUMPTIONS

In rendering this opinion, we have assumed the due authorization, execution and delivery of the Opinion Documents by all parties thereto, that such parties have the legal power to act in the capacities in which they are to act thereunder, the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as copies and the genuineness of all signatures on all documents submitted to us.

For purposes of this opinion, we have relied without investigation on the accuracy of, and compliance by each of Seller and each Opinion Entity with, their respective representations, warranties and covenants contained in the Opinion Documents. We have made no independent investigation of the facts referred to herein and have relied for the purpose of rendering this opinion exclusively on those facts which are listed under the heading "FACTS" in this opinion, which facts are contained in the Opinion Documents. We assume that such facts have been, and will continue to be, true in all material respects.

In rendering this opinion, we have further assumed that: (a) each of the Opinion Documents, from and after the execution thereof, constitutes the legal, valid and binding obligation of each of the parties thereto, will be enforceable in accordance with their respective terms, and will not be modified in any way that we would conclude would be material to the

[6] To quote the section of the LLC agreement that requires Seller to comply with the requirements of, and qualify as, a Special Purpose Entity (as defined in the PPA).

[7] To list the actions Seller may not take without an affirmative vote of its Independent Manager per its LLC agreement, which shall include each action that under the PPA requires the affirmation vote of the Independent Manager.

conclusions expressed herein; (b) all applicable and appropriate formalities were observed with respect to the formation of Seller and, since its formation and except as set forth herein, Seller has and will continue to observe all such formalities in all respects material to separateness; (c) except as set forth herein, Seller has and will comply with the applicable terms of the Opinion Documents regarding separateness; (d) as a matter of applicable Nevada law, Seller is separate and distinct from each Opinion Entity; (e) the officers or members, as appropriate, of Seller [have] duly authorize[d] all corporate actions of Seller, to the extent required by its organizational documents, instruments and agreements and the laws of its state of formation; (f) in entering into the Opinion Documents, the parties thereto have relied upon the status of Seller as a legal entity separate and distinct from any other entity, including each Opinion Entity; (g) Seller maintains its corporate existence and good standing to the extent required under the laws of the state of its formation; (h) Seller is qualified to do business in each state in which the conduct of its business so requires, except where the failure to so qualify would not have a material adverse effect on its financial condition or results of operations; (i) any transfers between Seller and each Opinion Entity, including, without limitation, capital contributions, have been made for reasonably equivalent value and supported by fair consideration; (j) the terms and conditions of any agreements between Seller, on the one hand, and any Opinion Entity, on the other hand, are intrinsically fair and substantially similar to those that would be available on an arm's-length basis and on customary market terms with unaffiliated third parties; (k) Seller is solvent; (1) Seller does not intend to file a voluntary application for relief under the Bankruptcy Code or any similar applicable state law with respect thereto; and (m) the foregoing facts and assumptions are now and (except with respect to subsections (k) and (1)) will remain accurate in all material respects at all relevant times and there are no, and will not be any, facts or circumstances that are materially inconsistent with the foregoing facts and assumptions.

We have further assumed that (i) the Court addressing substantive consolidation would find facts consistent with the assumptions set forth herein; and (ii) SCPPA would timely present an objection to substantive consolidation and properly brief and argue such objection and timely and properly pursue all available appeals from any adverse decision on that issue[8]. We have further assumed that a party opposing substantive consolidation would show that substantive consolidation would harm one or more parties in interest.

In rendering our opinion, we have relied, as to matters of fact, to the extent we deem necessary and proper, on representations and warranties and other statements as to certain factual matters contained in the Opinion Documents. We have made no independent investigation as to whether the representations and warranties and other statements in the Opinion Documents are accurate or complete.

SUBSTANTIVE CONSOLIDATION

Substantive consolidation is a doctrine of federal bankruptcy law under which bankruptcy courts may, in the exercise of their general equitable powers under section 105(a) of

[8] See *Simon v. New Center Hospital* (*In re New Center Hospital*), 187 B.R. 560 (E.D. Mich. 1995); *In re Standard Brands Paint Co.*, 154 B.R. 563 (Bankr. C.D. Cal. 1993) (substantively consolidated five debtors for voting and distribution purposes in the absence of any objection by creditors).

the Bankruptcy Code, consolidate the assets and liabilities of different entities and treat them as one for purposes of the bankruptcy proceeding. *See In re Augie/Restivo Baking Co., Ltd.,* 860 F.2d 515, 518 n.1 (2d Cir. 1988) ("Courts have found the power to consolidate substantively in the court's general equitable powers as set forth in 11 U.S.C. § 105."); *James_Talcott, Inc. v. Wharton (In re Continental Vending Machine Corp.),* 517 F.2d 997, 1000 (2d Cir. 1975) ("The power to consolidate is one arising out of equity..."); *In re Owens Corning,* 419 F.3d 195, 205 (3d Cir. 2005) ("Substantive consolidation, a construct of federal common law, emanates from equity."), *cert. denied,* 126 S.Ct. 1910 (2006). There is no direct statutory authority or prescribed standard for substantive consolidation. *See In re Augie/Restivo,* 860 F.2d at 518; *In re Bonham,* 229 F.3d 750, 765 (9th Cir. 2000); *Lisanti v. Lubetkin (In re Lisanti Foods, Inc.),* 2006 WL 2927619, at *5 (D.N.J. Oct. 11, 2006), *aff'd,* 241 Fed. Appx. 1 (3d Cir. 2007). *But see In re Cyberco Holdings, Inc.,* 431 B.R. 404, 430-31 (Bankr. W.D. Mich. 2010) (concluding that Bankruptcy Code section 542 and, to a lesser extent, Bankruptcy Code section 502(j) serve as the statutory authority for substantive consolidation); *In re Stone & Webster, Inc.,* 286 B.R. 532, 541-43 (Bankr. D. Del. 2002) (holding that section 1123(a)(5)(C) of the Bankruptcy Code authorizes substantive consolidation in a plan of reorganization). Instead, judicially developed standards control whether substantive consolidation should be granted in any given case.

The reported decisions regarding substantive consolidation show that the cases are to a great degree *sui generis* and, as a result, case law is only a general guide to the potential applicability of the doctrine to any particular combination of facts. *See Munford, Inc. v. TOC Retail, Inc. (In re Munford, Inc.),* 115 B.R. 390 (Bankr. N.D. Ga. 1990); 2 Collier on Bankruptcy 11105.09[2] (16th ed. 2011). As several courts have noted, "as to substantive consolidation, precedents are of little value" and, therefore, each analysis must be made "on a case by case basis." *In re Crown Mach. & Welding, Inc.,* 100 B.R. 25, 27-28 (Bankr. D. Mont. 1989); *see also In re Bonham,* 229 F.3d at 765. This *ad hoc* approach taken by the courts has made it impossible to give a definitive guarantee as to whether or not substantive consolidation will be granted or denied by a court exercising its discretionary equitable authority in any given instance.

Legal Principles

The doctrine of substantive consolidation has evolved primarily in cases in which the courts were called upon to determine whether one corporate entity should be substantively consolidated with another corporate entity. However, a relatively few cases have involved the substantive consolidation of a partnership with another entity, and it appears that courts apply similar, if not identical, substantive consolidation analyses in partnership cases as in corporate cases. The relationship between the two entities is of much greater importance than the legal structure of the entities for consolidation purposes. 2 Collier on Bankruptcy ¶ 105.09[1][c]. *See Holywell Corp. v. Bank of New York,* 59 B.R. 340, 347-48 (S.D. Fla. 1986) (affirming order approving substantive consolidation of corporate and partnership debtors' estates; approved application of corporate substantive consolidation standards), *appeal dismissed,* 820 F.2d 376 (11th Cir. 1987), *remanded on reh'g for dismissal of appeal,* 838 F.2d 1547 (11th Cir. 1988), *cert. denied,* 488 U.S. 823 (1988); *In re R.H.N. Realty Corp.,* 84 B.R. 356, 358 (Bankr. S.D.N.Y. 1988) (substantive consolidation of non-debtor partnership with debtor corporate partner denied); *In re DRW Prop. Co. 82,* 54 B.R. 489 (Bankr. N.D. Tex. 1985) (debtor partnership not substantively consolidated with non-debtor partnerships due to failure to satisfy balancing

standard applied in corporate cases); *In re Alpha & Omega Realty, Inc.*, 36 B.R. 416 (Bankr. D. Idaho 1984) (substantive consolidation of non-debtor partnership with debtor corporation denied); *see also In re Bounds*, 112 B.R. 308 (Bankr. E.D. Mo. 1990); *In re Gainesville P-H Props., Inc.*, 106 B.R. 304 (Bankr. M.D. Fla. 1989) (substantive consolidation of partnership and corporate debtors); *In re Parkway Calabasas Ltd.*, 89 B.R. 832 (Bankr. C.D. Cal. 1988), *aff'd*, 949 F.2d 1058 (9th Cir. 1991); *In re N.S. Garrott & Sons*, 48 B.R. 13 (Bankr. E.D. Ark. 1984) (substantive consolidation of partnership debtors denied).

A few other cases have considered the substantive consolidation of a limited liability company with other entities, *see, e.g., In re Cent. European Indus. Dev. Co. LLC*, 288 B.R. 572, 575-76 (Bankr. N.D. Cal. 2003); *In re World Access, Inc.*, 301 B.R. 217 (Bankr. N.D. Ill. 2003), and at least one case has considered the substantive consolidation of various limited liability companies. *See In re Eagle Creek Subdivision, LLC*, 407 B.R. 206, 208 (Bankr. E.D.N.C. 2008). As a result, our analysis is subject to the general assumption that case law regarding substantive consolidation issues involving corporations and other entities is sound authority for resolving consolidation issues arising in the context of a limited liability company. The following analysis, therefore, will discuss the issues considered by courts primarily in the corporate context.

The substantive consolidation of affiliated corporate debtors' estates can have a drastic effect on the rights of shareholders and creditors of the merging entities similar to a corporate merger:

> Substantive consolidation usually results in, *inter alia*, pooling the assets of, and claims against, the two entities; satisfying liabilities from the resultant common fund; eliminating inter-company claims; and combining the creditors of the two companies for purposes of voting on reorganization plans.

In re Augie/Restivo Baking Co., 860 F.2d at 518. See Fed. Deposit Ins. Corp. v. Colonial Realty Co., 966 F.2d 57, 58-59 (2d Cir. 1992).[9]

Courts have recognized that substantive consolidation may often result in a harsh redistribution of value to some creditors at the expense of others and, therefore, the power to do so is an extraordinary remedy that must be exercised sparingly. *See, e.g., In re Owens Corning*, 419 F.3d at 211; *Colonial Realty Co.*, 966 F.2d at 61; *Eastgroup Props. v. Southern Motel Assoc. Ltd.*, 935 F.2d 245, 248 (11th Cir. 1991); *In re Augie/Restivo*, 860 F.2d at 518; *Drabkin v. Midland-Ross Corp. (In re Auto-Train Corp, Inc.)*, 810 F.2d 270, 276-77 (D.C. Cir. 1987); *Chem. Bank New York Trust Co. v. Kheel*, 369 F.2d 845, 847 (2d Cir. 1966). *See also Bank of New York Trust Co. v. Official Unsecured Creditors' Comm. (In re Pacific Lumber Co.)*, 584 F.3d 229, 249 (5th Cir. 2009); *Wells Fargo Bank of Texas N.A. v. Sommers (In re Amco Ins.)*, 444 F.3d 690, 696 n.5 (5th Cir. 2006); *Gandy v. Gandy (In re Gandy)*, 299 F.3d 489, 499 (5th Cir. 2002) (substantive consolidation is "an extreme and unusual remedy").

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[9] Substantive consolidation is not to be confused with joint administration "in which *inter alia* all docketing and noticing is done in one case file for more than one related case, but the estates and creditor bodies are not merged." *In re Cooper*, 147 B.R. 678, 682 (Bankr. D.N.J. 1992).

Further, substantive consolidation should not invalidate or modify a validly perfected lien. *See Chem. Bank New York*, 369 F.2d at 847; *In re Tureaud*, 45 B.R. 658, 663 (Bankr. N.D. Okla. 1985), aff'd, 59 B.R. 973 (N.D. Okla. 1986). If consolidation would affect such a lien, consolidation may not be appropriate and should not be ordered unless some alternative protection may be implemented. *See Fed. Deposit Ins. Corp. v. Hogan (In re Gulfco Inv. Corp.)*, 593 F.2d 921, 927 (10th Cir. 1979); *James Talcott, Inc. v. Wharton (In re Continental Vending Machine Corp.)*, 517 F.2d 997, 1000-02 (2d Cir. 1975), *cert. denied*, 424 U.S. 913 (1976). For example, it would not be appropriate to consolidate a solvent subsidiary into its parent corporation if there are creditors that hold perfected liens on the stock of the subsidiary. *See In re Gulfco*, 593 F.2d at 927.

The burden of proof is initially placed on the parties seeking substantive consolidation. *In re Owens Corning*, 419 F.3d at 212; *In re Silver Falls Petroleum Corp.*, 55 B.R. 495, 498 (Bankr. S.D. Ohio 1985); *see In re Introgen Therapeutics, Inc.*, 429 B.R. 570, 582 (Bankr. W.D. Tex. 2010) (recognizing the evidentiary burden is placed on the proponent of substantive consolidation). As is appropriate due to the severity of the remedy, the "burden of proof for those seeking consolidation is substantial." *N.S. Garrott*, 48 B.R. at 18. The court in *Snider Bros.* required a threshold showing of more than the mere presence of substantive consolidation "elements." *In re Snider Bros., Inc.*, 18 B.R. 230, 238 (Bankr. D. Mass. 1982). If successful on the issue of necessity, the proponents of substantive consolidation must carry the burden of demonstrating that the benefits of consolidation outweigh the prejudice to creditors. *Id.* Finally, creditors objecting to consolidation have the burden of proof on defenses to consolidation, including the question of whether the benefits of consolidation outweigh the harm. *See Id.*

The reported decisions under the Bankruptcy Act, 30 Stat. 544 (1898), and cases decided shortly after the enactment of the Bankruptcy Code relating to substantive consolidation rely principally on the presence or absence of certain "elements" that are identical or similar to factors relevant to "piercing the corporate veil" and "alter ego" theories. *See, e.g., In re Gulfco*, 593 F.2d at 928-29; *In re Food Fair, Inc., 10* B.R. 123 (Bankr. S.D.N.Y. 1981); *In re Vecco Constr. Indus., Inc.*, 4 B.R. 407 (Bankr. E.D. Va. 1980). Although the "instrumentality" or "alter ego" factors are important, if not critical, to a court's decision regarding substantive consolidation, the requirements for substantive consolidation are not identical to those for piercing the corporate veil. First, substantive consolidation is not concerned only with liability limitation issues; second, it may be applied to entities other than a corporation and its stockholder. *Helena Chem. Co. v. Circle Land & Cattle Corp. (In re Circle Land & Cattle Corp.)*, 213 B.R. 870, 874-75 (Bankr. D. Kan. 1997); *see also, Colonial Realty Co.*, 966 F.2d at 60-61 (distinguishing the two doctrines); *In re Bonham*, 226 B.R. 56, 76-77 (Bankr. D. Alaska 1998) (discussing the history and use of substantive consolidation), *aff'd*, 229 F.3d 750 (9th Cir. 2000). Further, although the standards for piercing the corporate veil vary from jurisdiction to jurisdiction, those standards are fairly fixed. For example, in New York the defendant must have dominated the corporation, disregarded its separate existence and used it to perpetrate a fraud or other wrong. *See Rochester Gas & Elec. Corp. v. GPU, Inc.*, 355 Fed. Appx. 547, 549-50 (2d Cir. 2009); *Wm. Passalacqua Builders, Inc. v. Resnick Developers South, Inc.*, 933 F.2d 131, 138 (2d Cir. 1991); *Waterville Inv., Inc. v. Homeland Sec. Network Inc.*, 2010 WL 2695287, at *8 (E.D.N.Y. July 2, 2010); *Morris v. New York State Dept. of Taxation and Fin.*, 82 N.Y.2d 135, 141, 623 N.E.2d 1157, 1160-61, 603 N.Y.S.2d 807, 810-11 (N.Y. 1993). In contrast, the

standards for substantive consolidation are very flexible, and there is no specific fraud or intentional tort requirement.

Other cases take such factors into account within the context of a balancing test in which the interests of parties objecting to substantive consolidation are considered. In a balancing test analysis, the impact of consolidation on creditors appears to have been given a greater degree of significance than mere proof of the substantive consolidation "elements." *See, e.g., In re Crown Mach.,* 100 B.R. 25; *In re Steury,* 94 B.R. 553 (Bankr. N.D. Ind. 1988); *In re DRW Prop.,* 54 B.R. 489; *In re Snider Bros.,* 18 B.R. 230. *But cf. In re Gainesville,* 106 B.R. 304 (relying on alter ego factors). The balancing test shifts the focus from the manner in which affiliated debtors conducted business to the effect of substantive consolidation on creditors, and requires a balancing of the benefits derived from consolidation against the harm to some creditors caused thereby. The fundamental premise of the balancing analysis is that the prejudicial impact of the imposition of an equitable remedy must be taken into account. *See Chem. Bank New York,* 369 F.2d at 847.

Finally, in *Augie/Restivo,* the Second Circuit set forth the following alternative tests to determine whether substantive consolidation is warranted: (i) whether creditors dealt with the entities as a single economic unit and did not rely on their separate identities in extending credit or (ii) whether the entities' affairs are so entangled and confused that substantive consolidation will benefit all creditors. *In re Augie/Restivo,* 860 F.2d at 518. The Second Circuit reaffirmed these tests in *Colonial Realty Co.,* 966 F.2d at 61, and the Ninth Circuit and Third Circuit also have adopted the *Augie/Restivo* tests. *See In re Bonham,* 229 F.3d at 766; *In re Owens Corning,* 419 F.3d at 211.

Irrespective of which variant of the standard for substantive consolidation is applied, the "elements" enumerated in several cases remain relevant, but not necessarily dispositive, as to whether substantive consolidation should be granted. Two sets of substantive consolidation elements are often cited. In the cases that use an "alter ego" or "piercing the corporate veil" type analysis, the following factors are cited as relevant to the issue of whether substantive consolidation is justified:

- parent corporation owns all or a majority of the capital stock of the subsidiary;
- parent and subsidiary have common officers and directors;
- parent finances subsidiary;
- parent is responsible for incorporation of subsidiary;
- subsidiary has grossly inadequate capital;
- parent pays salaries, expenses or losses of subsidiary;
- subsidiary has substantially no business except with parent;
- subsidiary has essentially no assets except for those conveyed by parent;

- parent refers to subsidiary as department or division of parent;
- directors or officers of subsidiary do not act in interest of subsidiary, but take directions from parent; and
- formal legal requirements of a subsidiary as a separate and independent corporation are not observed.

In re Tureaud, 45 B.R. at 662 *(citing Fish v. East*, 114 F.2d 177 (10th Cir. 1940) and *Gulfco*, 593 F.2d at 928-29). A second statement of substantive consolidation "elements," which are cited in some of the more recent cases, appears in *Vecco Constr.:*

- the degree of difficulty in segregating and ascertaining individual assets and liabilities;
- the presence or absence of consolidated financial statements;
- the profitability of consolidation at a single physical location;
- the commingling of assets and business functions;
- the unity of interests and ownership between the various corporate entities;
- the existence of parent and intercorporate guarantees on loans; and
- the transfer of assets without formal observance of corporate formalities.

Vecco Constr., 4 B.R. at 410.

A determination as to whether substantive consolidation is or is not appropriate does not necessarily depend upon the presence or absence of some or all of the "elements" outlined above. For example, it is not a foregone conclusion that, if proponents demonstrate that all of the elements of substantive consolidation are present, substantive consolidation should be granted. Conversely, objectors cannot rely solely upon rebutting a majority of the factors to successfully defeat substantive consolidation. One can be expected to find many of the above factors in most bankruptcy cases involving affiliated debtors. For example, stock ownership, interaffiliate transfers, incorporation caused by the parent, common directors and officers, the existence of intercorporate claims, and consolidated financial statements or tax returns are all typical of most affiliated corporations. Accordingly, these relatively common factors should be afforded less weight than the less common ones when a court is determining whether substantive consolidation is appropriate.

Factors that may be given more weight in determining that substantive consolidation is appropriate include the debtor's failure to comply with corporate formalities in connection with directors' and shareholders' meetings, representations made to third parties regarding corporate entities, interaffiliate transfers and third party transactions and any other formal conduct required by corporate law. Still, the failure to consistently observe corporate formalities is usually not dispositive unless such elements, together with other evidence, support a finding of

fraudulent or inequitable conduct by the debtors or their principals. For example, in *In re Tureaud* the court found "an almost total disregard of the corporate fiction; the corporations are a sham -- functionally indistinguishable from each other with commingling of assets and business functions." 45 B.R. at 661. The court also found that directors and officers of the non-debtor affiliates, which were substantively consolidated with the debtor, acted in the interest of the debtor rather than independently. Some of the affiliates failed to file tax returns and others were suspended for failure to make requisite corporate filings. More significant evidence in *In re Tureaud* included the debtors' principal's fraudulent purposes for incorporation ("front to raise money for [principal's personal] purposes, and to hinder and delay judgment creditors"), and "hopeless commingling" of assets and liabilities. Id. at 660.

Decided at almost the same time that the Second Circuit issued its *Augie/Restivo* decision, the D.C. Circuit adopted a two-part "balancing test" in its decision in *In re Auto-Train Corp., Inc.,* 810 F.2d 270 at 276. First, the proponent of consolidation must show there is "a substantial identity between the parties to be consolidated [and] that consolidation is necessary to avoid some harm or realize some benefit." *Id.* at 276 *(citing Flora Mir Candy Corp. v. R.S. Dickson & Co.,* 432 F.2d 1060, 1063 (2d Cir. 1970); *In re Snider Bros., Inc.,* 18 B.R. 230 at 237-38; and *Chem. Bank New York,* 369 F.2d at 847). If the proponent is able to make this case, the burden shifts to the objecting creditor to demonstrate that it "relied on the separate credit of one of the entities and that it will be prejudiced by consolidation." *Id.* at 276 *(citing Chem. Bank New York,* 369 F.2d at 848). Even if the creditor is able to make this showing, the court may still order substantive consolidation if it determines that the benefits of substantive consolidation "heavily" outweigh the harm. *Id.* at 276 *(citing In re Continental Vending Machines Corp.,* 517 F.2d at 1001).

In adopting its balancing test approach to substantive consolidation, the *Auto-Train* court cited to an earlier bankruptcy court decision *In re Snider Bros., Inc.,* 18 B.R. 230. In *Snider Bros.,* the bankruptcy court reviewed a string of Second Circuit decisions identifying grounds for substantive consolidation before applying a balancing test analysis. *Id.* at 234-38 (reviewing *Soviero v. Franklin National Bank,* 328 F.2d 446 (2d Cir. 1964); *Chemical Bank New York,* 369 F.2d 845; *Flora Mir Candy Corp. v. R.S. Dickson & Co.,* 432 F.2d 1060; *In re Continental Vending Machine Corp.,* 517 F.2d 997). The *Snider Bros.* court focused upon objecting creditors' interests instead of "elements" that are largely attributable to the debtors' pre-petition conduct:

> A review of the case law reveals that equity has provided the remedy of consolidation in those instances where it has been shown that the possibility of economic prejudice which would result from continued corporate separateness outweighed the minimal prejudice that consolidation would cause. While several courts have recently attempted to delineate what might be called "the elements of consolidation" *[citing Vecco Constr.* and *Food Fair],* I find that the only real criterion is that which I have referred to, namely the economic prejudice of continued debtor separateness versus the economic prejudice of consolidation. *There is no one set of elements which, if established, will mandate consolidation in every instance. Moreover, the fact that corporate formalities may have been ignored, or that different debtors are associated in*

> *business in some way, does not by itself lead inevitably to the conclusion that it would be equitable to merge otherwise separate estates.*

In re Snider Bros., 18 B.R. at 234 (emphasis added). The court articulated the following balancing test principles: (1) the proponent must demonstrate a "necessity for consolidation, or a harm to be avoided by use of the equitable remedy of consolidation;" (2) supporting evidence must go beyond a mere showing of commingling or unity of interest and must demonstrate the harm caused thereby or prejudice without consolidation; (3) "elements" are only one factor in the proof of necessity; and (4) even if the proponent can demonstrate the necessity for consolidation, objecting creditors possess the defense that the benefits of consolidation do not counterbalance the harm to the objector. *Id.* at 238.

The balancing test formulated in *Snider Bros.* has been adopted, either expressly *(see In re Steury*, 94 B.R. at 554; *In re Alico Mining, Inc.*, 278 B.R. 586, 588-89 (Bankr. M.D. Fla. 2002); *In re DRW Prop.*, 54 B.R. at 495; *In re Donut Queen, Ltd.*, 41 B.R. 706, 709-10 (Bankr. E.D.N.Y. 1984); *In re F.A. Potts & Co., Inc.*, 23 B.R. 569, 572 (Bankr. E.D. Pa. 1982); *In re Lewellyn*, 26 B.R. 246, 251 (Bankr. S.D. Iowa 1982); *Holywell Corp.*, 59 B.R. at 347), or implicitly *(see In re Luth*, 28 B.R. 564, 567 (Bankr. D. Idaho 1983) *(citing Snider Bros.* test as another "element"); *In re Helms*, 48 B.R. 714, 717 (Bankr. D. Conn. 1985) (balancing interests is another important factor); *In re N.S. Garrott*, 48 B.R. at 18 (adopting *Snider Bros.* principles as important factors); *In re Silver Falls*, 55 B.R. at 498) by a vast majority of courts.

Although the traditional substantive consolidation "elements" are generally still relevant under the more recent case law, the importance of these elements is not settled. *Snider Bros.* and its direct progeny tend to relegate proof of the substantive consolidation "elements" to a secondary role, *i. e.*, in the aggregate, the "elements" may be considered as a single factor in the balancing analysis. *In re Snider Bros.*, 18 B.R. at 234. However, some courts take the opposite approach by treating the conclusion reached under the balancing test as another, albeit important, "element" in the general substantive consolidation "elements" analysis. *See, e.g., In re Luth*, 28 B.R. at 567 *(citing Snider Bros.* test as another "element").

Nevertheless, a review of reported decisions suggests that courts have moved away from a substantive consolidation analysis which primarily relies on a check list of "elements." *See In re Owens Corning*, 419 F.3d at 210-11 (refusing to adopt a set of factors for consideration in substantive consolidation as "[t]oo often the factors in a checklist fail to separate the unimportant from the important, or even to set out a standard to make the attempt."). As noted above, the Second, Third and Ninth Circuits all have adopted a third approach to substantive consolidation, as set forth in *Augie/Restivo*, to ensure that substantive consolidation is permitted only in "compelling circumstances." *In re Owens Corning*, 419 F.3d at 211; *see also In re Augie/Restivo*, 860 F.2d at 518; *In re Bonham*, 229 F.3d at 766.

The *Augie/Restivo* tests result in (i) the reduction of the traditional "elements" to a single significant factor, financial entanglement, and (ii) the application of the balancing test with emphasis on the reliance of proponents on the consolidated credit of the debtors. Accordingly, in *Augie/Restivo*, the Second Circuit reviewed two "critical factors," namely, "whether creditors dealt with the entities as a single economic unit and 'did not rely on their separate identity in extending credit'… [or] whether the affairs of the debtors are so entangled

that consolidation will benefit all creditors." *Augie/Restivo*, 860 F.2d at 518 (citations omitted). The presence of either factor is sufficient to grant substantive consolidation. *Id.* at 518; *In re Bonham*, 229 F.3d at 766. *See also In re 599 Consumer Electronics, Inc.*, 195 B.R. 244, 250 (S.D.N.Y. 1996) ("A finding that creditors knew they were dealing with separate entities does not necessarily preclude substantive consolidation on the ground that it is impossible or prohibitively expensive to unravel the debtors' commingled finances.")

In expanding on the "corporate separateness" prong of the *Augie/Restivo* tests, the Third Circuit held that a *prima facie* case for substantive consolidation exists when, based on the parties' prepetition dealings, a proponent can prove "corporate disregard creating contractual expectations of creditors that they were dealing with debtors as one indistinguishable entity." *In re Owens Corning*, 419 F.3d at 212 (footnote omitted). To this end, proponents of substantive consolidation "must also show that, in their prepetition course of dealing, they actually and reasonably relied on debtors' supposed unity." *Id.* (internal citation omitted). An opponent of consolidation can defeat this *prima facie* showing by proving it is "adversely affected and actually relied on debtors' separate existence." *Id.*

Courts applying the *Augie/Restivo* "entanglement" prong of the test have recognized that substantive consolidation of estates that failed to observe any corporate formalities or whose financial affairs had not been properly segregated may inure to the benefit of all creditors:

> [I]n the rare case such as this, where the interrelationships of the group are hopelessly obscured and the time and expense necessary even to attempt to unscramble them so substantial as to threaten the realization of any net assets for all the creditors, equity is not helpless to reach a rough approximation of justice to some rather than deny any to all.

Chem. Bank New York, 369 F.2d at 847.

However, the degree of entanglement is the central question to be examined, because the potentially prejudicial effect of substantive consolidation is not likely to be justified based on mere contentions of administrative convenience. It is important to note that the courts appear to have established a stringent standard for the degree to which the debtors' affairs need to be obscured by commingled funds or lax corporate form before consolidation is appropriate. In reversing the lower court's substantive consolidation order, the Second Circuit in *Augie/Restivo* held:

> Resort to consolidation in such circumstances [corporate affiliates with commingled assets and business functions], however, should not be Pavlovian. Rather, *substantive consolidation should be used only after it has been determined that all creditors will benefit because untangling is either impossible or so costly as to consume the assets…* Commingling, therefore, can justify substantive consolidation *only* where "the time and expense necessary even to attempt to unscramble them [is] so substantial as to threaten the realization of any net assets for all the creditors" . . . or where no accurate identification and allocation of assets is possible. In such circumstances, all creditors are better off with substantive consolidation.

In re Augie/Restivo, 860 F.2d at 519 (emphasis added)(citations omitted). Perfection in identifying and allocating assets is not necessary to avoid substantive consolidation. *See In re Owens Corning*, 419 F.3d at 214 ("Neither the impossibility of perfection in untangling the affairs of the entities nor the likelihood of some inaccuracies in efforts to do so is sufficient to justify consolidation.").

Under the *Augie/Restivo* "entanglement" analysis, poor or nonexistent record keeping of separate assets (particularly cash and other liquid assets) and liabilities and interaffiliate transactions is one of the more common reasons for imposing substantive consolidation. When the combination of affiliates' assets, liabilities and business affairs is so "hopelessly entangled" that segregation is either prohibitively expensive or impossible, courts are more willing to grant substantive consolidation.

In adopting the *Augie/Restivo* tests, the Third Circuit in *Owens Corning* clarified when entanglement justifies substantive consolidation. The Third Circuit held that *every* creditor must benefit from consolidation and, moreover, "the benefit to creditors should be from cost savings that make assets available rather than from the shifting of assets to benefit one group of creditors at the expense of another." 419 F.3d at 214. Benefit to only some creditors or administrative benefit to the court "falls far short" of that necessary to justify substantive consolidation. *Id.*

Regardless of the standard for substantive consolidation used by the courts in any given instance, in all three approaches the courts generally look to identify the presence or absence of the relevant substantive consolidation elements, decide the weight to be attached to such elements and then determine the significance of competing considerations offered by the objecting creditors.

Opinion and Analysis

The following analysis, upon which we base our opinion, is particularly dependent upon the facts as set forth above and the Opinion Documents upon which we have relied. All of the facts and circumstances relating to the Opinion Entities and Seller, including the procedures that the Opinion Entities and Seller follow in conducting their respective businesses, the relationships that are established and maintained between the Opinion Entities, on the one hand, and Seller, on the other hand, and their respective creditors, and the purpose of the operations of the Opinion Entities and Seller must be taken into account. Accordingly, the opinions expressed herein are particularly dependent upon the factual assumptions on which we have relied. Moreover, it is impossible to know the extent to which Seller will observe organizational formalities in its operations, including the applicable covenants in the PPA. Adherence to such formalities (which we have assumed will be the case) is critical to the opinions expressed herein.

We do not believe a proponent of consolidation could demonstrate that the assets of Seller should be consolidated with those of any Opinion Entity if such Opinion Entity were to become a debtor under the Bankruptcy Code. As stated above, substantive consolidation is a severe remedy and courts will not order consolidation unless it is clearly warranted.

A proponent of consolidation would not likely be able to demonstrate a sufficient identity of interest or commingling of assets or functions to support a valid claim for substantive consolidation of the assets of Seller with the bankruptcy estate of any Opinion Entity. The assets and liabilities of Seller and each Opinion Entity will be ascertainable in bankruptcy or otherwise so as to preclude valid assertions of financial entanglement as support for substantive consolidation under any of the standards discussed above. Although Seller's financial statements may be included in consolidated financial statements that include the Opinion Entities, we note that any such consolidated financial statement shall contain a footnote stating that the assets of Seller will not be available to pay the debts of any consolidated entity nor constitute obligations of the consolidated entity. As stated above, this factor is also given less weight by the courts because it is frequently done by affiliated companies.

Seller is separate and distinct from each Opinion Entity and Seller's financial and business affairs are and will be segregated and readily distinguishable from each Opinion Entity.

Further, Seller (except as noted herein) has strictly observed, and will continue to observe, all other corporate and other statutory formalities, in each case as related to the separateness of Seller. As a result of strict compliance with appropriate formalities and preservation of all indicia of separateness, creditors and third parties should not reasonably rely on assets of Seller to satisfy obligations of any Opinion Entity.

It would be difficult for any third party to persuade a court that substantive consolidation of Seller with any Opinion Entity is warranted under the balancing test approach because of the lack of any actual prejudice to creditors' interests associated with recognition of separate entities. As noted above in *Snider Bros.* and its progeny, the fundamental premise of the balancing analysis is that the prejudicial impact of the imposition of an equitable remedy must be taken into account. We do not think that a bankruptcy court examining the issue would hold that the benefits of consolidating the assets of Seller with the assets of the estate of any Opinion Entity could possibly counterbalance the considerable harm to the objecting creditors of Seller.

This analysis assumes, however, that Seller would not otherwise properly be a debtor in a case under the Bankruptcy Code. As noted in the "FACTS" Section, Seller is a special purpose, "bankruptcy remote" entity, making it less likely that Seller would voluntarily file for bankruptcy in connection with a bankruptcy filing of any Opinion Entity. It should be noted, however, that a voluntary bankruptcy filing by Seller is not inconceivable and the mere fact that a voluntary petition must be authorized by an independent manager is no guarantee that a "bankruptcy remote" entity will not file for bankruptcy protection. *See In re General Growth Properties, Inc.*, 409 B.R. 43 (Bankr. S.D.N.Y. 2009) (upholding the voluntary bankruptcy filings of "bankruptcy remote" special purpose entities and holding under Delaware law that independent managers could consider the interests of the larger debtor group and indeed had a duty to consider the interests of the company's shareholders). We believe that a court could conceivably, if Seller were a debtor in a bankruptcy case, apply the balancing test discussed above slightly differently. In the event Seller was not at the time a debtor in a bankruptcy proceeding, a court would likely view causing it to become a debtor in a bankruptcy case as a significant harm against which the benefits of consolidation would be weighed; if, however,

Seller was already properly in bankruptcy, the harms against which the benefits of consolidation would be weighed would be correspondingly less.

However, even if Seller was in bankruptcy and a request was made for substantive consolidation, there would still be significant factors weighing against such consolidation. Here, SCPPA has entered into the transaction with Seller in principal reliance on the structural separateness of Seller from each Opinion Entity, demonstrated by, among other things, the fact that this non-consolidation opinion is required as part of the transaction. Another element of such reliance is based on the premise that the assets of Seller are subject only to the claims of creditors of Seller and not to the claims of creditors of any Opinion Entity. Thus, SCPPA would be harmed if consolidation were ordered. Under such circumstances, we assume that SCPPA would oppose any motion to consolidate Seller with any Opinion Entity, arguing that such consolidation would prejudice it.

Consequently, considering the drastic prejudice that would be suffered by the creditors of Seller in the event of a consolidation of Seller's assets with the estate of any Opinion Entity, the balance should come out against substantive consolidation, regardless of whether Seller is also a debtor in a case under the Bankruptcy Code.

Further, the absence of several of the substantive consolidation "elements" discussed above suggest that Seller is not an alter ego or instrumentality of any Opinion Entity and, accordingly, favors a denial of substantive consolidation in this case.

A review of those elements considered by courts in the past does not support a finding that substantive consolidation is warranted in this situation. We note that: (i) as of the date hereof, Seller is adequately capitalized; (ii) except as noted above, all corporate formalities have been and will be strictly observed and maintained by Seller in all respects material to separateness; (iii) there have been no transfers of assets to or from Seller without formal observance of appropriate formalities; (iv) there is no evidence that it would be difficult or impossible to segregate the assets, liabilities and business functions of any Opinion Entity from those of Seller, or that there is any commingling of assets and business functions of any Opinion Entity, on the one hand, and Seller, on the other hand; and (v) Seller has its own assets and business operations that are separately identifiable from those of each Opinion Entity. We also note that Seller has not and will not enter into any transaction with any Opinion Entity or any other employment or service agreements, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arm's-length basis and on customary market terms with unaffiliated third parties.

Given that the courts have consistently held that substantive consolidation is an extraordinary remedy that should be sparingly granted and the burden of proof for those seeking substantive consolidation is substantial, we believe that it is unlikely that a proponent of substantive consolidation would be able to demonstrate the need for consolidation, or a cognizable harm to be avoided by the use of the equitable remedy of substantive consolidation. Our belief is founded on the absence of any credible indication that creditors of any Opinion

Entity or Seller extended credit to any of them on the basis that any Opinion Entity, on the one hand, and Seller, on the other hand, together constitute a single, economic unit.

Based on the foregoing, and subject to the assumptions, limitations, qualifications and discussion contained herein and the reasoned analysis of analogous case law (although there is no precedent directly on point) for the reasons set forth above, while the matter is subject to the exercise of a court's discretionary equitable powers, we are of opinion that, in the event that any Opinion Entity were to become a debtor in a case under the Bankruptcy Code, the court would not order substantive consolidation under the Bankruptcy Code of the assets and liabilities of Seller with those of such Opinion Entity. We note further that the opinions expressed herein are based upon our analysis of cases decided under the laws of various jurisdictions with respect to entities other than limited liability companies and certain of such cases might not be regarded as controlling precedent in any bankruptcy or reorganization proceedings with respect to the matters addressed by this opinion letter. The opinion above is limited to the present law of substantive consolidation as applied by federal courts in cases under the Bankruptcy Code in effect as of the date hereof.

The opinions expressed above are not a guarantee as to what a particular court would actually hold, but an analysis as to legal principles generally applicable in bankruptcies. Judicial analysis has typically proceeded on a case-by-case basis. The determination is usually made on the basis of an analysis of the facts and circumstances of the particular case, rather than as a result of the application of consistently applied legal doctrines. Existing reported decisional authority is therefore not conclusive as to the relative weight to be accorded to the factors present in the transaction and does not provide consistently applied general principles or guidelines with which to analyze all of the factors present in the transaction.

We have assumed that provisions of law under which Seller and each Opinion Entity are organized do not materially impact conclusions set forth herein.

We are members of the bar of the State of New York, and we do not express any opinion as to any laws other than the laws of the State of New York and the Federal laws of the United States of America.

The opinions set forth herein are expressly subject to there being no additional facts, other than those referenced or set forth herein, that would materially affect the validity of the assumptions and conclusions set forth herein or upon which this opinion is based.

This opinion is rendered to SCPPA, and it may not be relied upon by any other person or for any other purpose, without our prior written consent. This opinion may be relied upon solely as of the date hereof, and we undertake no obligation to update or supplement this opinion after the date hereof for any addressee or any other person. This opinion letter is not intended to be employed in any transaction other than the PPA becoming effective, and is being delivered to you on the understanding that neither it nor its contents may be relied upon by any other person or for any other purpose or used, circulated, quoted, published, communicated or otherwise made available, in whole or in part, to any other party or entity without, in each instance, our specific prior written consent; provided, that it may be provided to any governmental regulatory authority having jurisdiction over you and to rating agencies, auditors, regulators or government agencies or pursuant to court order.

Very truly yours,

_____

APPENDIX J
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

REAL PROPERTY AGREEMENTS

APPENDIX K
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

[RESERVED]

APPENDIX L
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

FORM OF CASH ESCROW AGREEMENT

ESCROW AGREEMENT

Pursuant to this Escrow Agreement, dated _____, [XXXX] (the "Depositor") hereby establishes an Escrow Account (the "Account") with U.S. Bank National Association (the "Agent"), to be maintained and administered for the benefit of Southern California Public Power Authority (the "Beneficiary") as described in Schedule II attached hereto in accordance with the following terms and conditions:

This Agreement is the Escrow Agreement that was contemplated in that certain Power Purchase Agreement dated as of [DATE] by and between the Depositor and the Beneficiary. The funds and/or property described on Schedule I attached hereto and incorporated herein will be deposited in the Account upon delivery thereof to the Agent in the manner and at the time(s) specified in Schedule I. The Agent is hereby authorized and directed by the Depositor, as its escrow agent, to hold, deal with and dispose of all amounts deposited in the Account by Depositor, as well as any investment or interest income thereon (collectively the "Account Funds"), as provided in the Instructions set forth in Schedule II attached hereto and incorporated herein; subject, however, to the terms and conditions set forth below, which in all events, shall govern and control over any contrary or inconsistent provisions contained in Schedules I or II attached hereto.

1. **Agent's Duties.** Agent's duties and responsibilities shall be limited to those expressly set forth in this Agreement, and Agent shall not be subject to, or obliged to recognize, any other agreement between any or all of the parties or any other persons even though reference thereto may be made herein; *provided, however,* this Agreement may be amended at any time or times by an instrument in writing signed by all the parties hereto. Agent shall not be subject to or obligated to recognize any notice, direction or instruction of any or all of the parties hereto or of any other person, except as expressly provided for and authorized in Schedule II, and in performing any duties under this Agreement, Agent shall not be liable to any party for consequential damages (including, without limitation, lost profits), losses, or expenses, except for gross negligence or willful misconduct on the part of the Agent.

2. **Court Orders or Process.** If any controversy arises between the parties to this Agreement, or with any other party, concerning the subject matter of this Agreement, or its terms or conditions, Agent will not be required to determine the controversy or to take any action

regarding it. Agent may hold all documents and funds and may wait for settlement of any such controversy by final appropriate legal proceedings or other means as, in Agent's discretion, Agent may require, despite what may be set forth elsewhere in this Agreement. In such event, Agent will not be liable for interest or damages. Agent is authorized, in its sole discretion, to comply with orders issued or process entered by any court with respect to the Account, the Account Funds or this Agreement, without determination by the Agent of such court's jurisdiction in the matter. If any Account Funds are at any time attached, garnished, or levied upon under any court order, or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by any court affecting such property or any part thereof, then in any of such events Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree which it is advised by legal counsel of its own choosing is binding upon it; and if Agent complies with any such order writ, judgment or decree, it shall not be liable to the Depositor or to any other person, firm or corporation by reason of such compliance even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated.

3. **Agent's Actions and Reliance.** Agent shall not be personally liable for any act taken or omitted by it hereunder if taken or omitted by it in good faith and in the exercise of its own best judgment. Agent shall also be fully protected in relying upon any written notice, instruction, direction, certificate or document which in good faith it believes to be genuine, including written instructions from Depositor or Beneficiary in the form of the attached Schedule(s), if any.

4. **Collections.** Agent shall proceed as soon as practicable to collect any checks, interest due, matured principal or other collection items with respect to Account Funds at any time deposited in the Account. All such collections shall be subject to the usual collection procedures regarding items received by Agent for deposit or collection. Agent shall not be responsible for any collections with respect to Account Funds if Agent is not registered as record owner thereof or otherwise is not entitled to request or receive payment thereof as a matter of legal or contractual right. All collection payments or receipts shall be deposited to the Account. Agent shall not be required or have a duty to notify anyone of any payment or maturity under the terms of any instrument, security or obligation deposited in the Account, nor to take any legal action to enforce payment of any check, instrument or other security deposited in the Account.

5. **Agent Responsibility.** Agent shall not be responsible or liable for the sufficiency or accuracy of the form, execution, validity or genuineness of documents, instruments or securities now or hereafter deposited in the Account, or of any endorsement thereon, or for any lack of endorsement thereon, or for any description therein. Agent may maintain all Account Funds in a Federal Reserve Bank or in any registered clearing agency as Agent may select, and may register such deposited funds in the name of Agent or its agent or nominee on the records of such Federal Reserve Bank or such registered clearing agency or a nominee of either. Agent shall not be responsible or liable in any respect on account of the identity, authority or rights of the persons executing or delivering or purporting to execute or deliver any such document, security or endorsement or this Agreement.

6. **Investments.** All Account Funds shall be invested by Agent in the (i) direct obligations of the United States, or of any agency of the United States, or obligations guaranteed as to principal and interest by the United States or any agency of the United States, maturing not more than 90 days from the date of acquisition, (ii) money market mutual funds investing solely in obligations maturing within 365 days, including funds for which the [Bank] or an affiliate provides investment advice or other services, or (iii) certificates of deposit issued by a United States commercial bank or a foreign bank with a United States branch, which United States commercial bank or United States branch has at the applicable time a Credit Rating of (a) A- or better from Standard & Poor's Rating Services and (b) "A3" or better from Moody's Investors Service, Inc. So long as the funds and/or property available to the Beneficiary hereunder are not diminished, accrued interest shall be distributed to the Depositor on an annual basis. All entities entitled to receive interest from the Account will provide Agent with a W-9 or W-8 IRS tax form prior to the disbursement of interest. A statement of citizenship will be provided if requested by Agent. The Agent shall not be liable for losses, penalties or charges incurred upon any sale or purchase of any such investment.

7. **Notices/Directions to Agent.** Notices and directions to Agent from Depositor or Beneficiary, as expressly set forth in Schedule II, shall be in writing and signed by an authorized representative as identified pursuant to Schedules III and IV (each, an "Authorized Representative"), and shall not be deemed to be given until actually received by Agent's employee or officer who administers the Account. Agent shall not be responsible or liable for the authenticity or accuracy of notices or directions properly given hereunder if the written form and execution thereof on its face purports to satisfy the requirements applicable thereto as set forth in Schedule II, as determined by Agent in good faith without additional confirmation or investigation.

8. **Books and Records.** Agent shall maintain books and records regarding its administration of the Account, and the deposit, investment, collections and disbursement or transfer of Account Funds, shall retain copies of all written notices and directions sent or received by it in the performance of its duties hereunder and shall afford the Depositor and Beneficiary periodic statements for the Account and reasonable electronic access to it.

9. **Disputes Among Depositor and Third Parties.** In the event Agent is notified of any dispute, disagreement or legal action between or among the Depositor and any third parties, relating to or arising in connection with the Account, the Account Funds or the performance of the Agent's duties under this Agreement, the Agent shall be authorized and entitled, subject to Section 2 hereof, to suspend further performance hereunder, to retain and hold the Account Funds and take no further action with respect thereto until the matter has been fully resolved, as evidenced by written notification signed by the Depositor and any other parties to such dispute, disagreement or legal action.

10. **Notice by Agent.** Any notices which Agent is required or desires to give hereunder to the Depositor or Beneficiary shall be in writing and may be given by sending the same to the address indicated in Schedule II for the Depositor or Beneficiary (or to such other address as may have been substituted by written notification to Agent), by United States certified or registered mail, overnight courier service or confirmed facsimile transmission. Any notice sent by Agent to

Depositor must also be sent to Beneficiary. Whenever under the terms hereof the time for Agent's giving a notice or performing an act falls upon a Saturday, Sunday or banking holiday, such time shall be extended to the next business day.

11. **Legal Counsel.** If Agent believes it to be reasonably necessary to consult with counsel concerning any of its duties in connection with the Account or this Agreement, or in case Agent becomes involved in litigation on account of being escrow agent hereunder or on account of having received property subject hereto, then, in either case, its costs, expenses and reasonable attorney's fees shall be paid by Depositor.

12. **Agent Compensation.** Agent shall be paid a fee for its services as set forth on Schedule V attached hereto and incorporated herein, which shall be subject to increase upon notice sent to Depositor, and reimbursed for its reasonable costs and expenses incurred. The Depositor shall pay and reimburse Agent's fees and reasonable costs and expenses. The Depositor and its successors and assigns agree to indemnify and hold Agent harmless against any and all losses, claims, damages, liabilities and expenses, including reasonable costs of investigation, counsel fees, including allocated costs of in-house counsel, and disbursements that may be imposed on Agent or incurred by Agent in connection with the performance of its duties under this Agreement, including but not limited to any litigation arising from this Agreement or involving its subject matter.

13. **Agent Resignation.** Agent may resign by giving at least forty-five (45) days' advance written notice of its resignation to the Depositor and the Beneficiary. Within forty-five (45) days after receiving the aforesaid notice, the Depositor and the Beneficiary agree to appoint a successor escrow agent, to which Agent shall transfer the Account Funds then held in the Account, less its unpaid fees, costs and expenses. If a successor escrow agent has not been appointed and has not accepted such appointment by the end of the 45-day period, Agent may apply to a court of competent jurisdiction for the appointment of a successor escrow agent, and the costs, expenses and reasonable attorney's fees which Agent incurs in connection with such a proceeding shall be paid by Depositor.

14. **Escrow Termination.** Unless previously terminated as provided in Schedule II, this Agreement shall terminate on [DATE] at which time the Account Funds then held in the Account, less Agent's unpaid fees, costs and expenses, shall be distributed as provided in Schedule II.

15. **Governing Law.** This Agreement shall be construed, interpreted, enforced, and administered in accordance with the laws of the State of California, without regard to conflict of law principles. All litigation arising out of, or relating to, this Agreement shall be brought in a state or federal court in the County of Los Angeles in the State of California. The Depositor and the Agent irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

16. **Automatic Succession.** Any company into which the Agent may be merged or with which it may be consolidated, or any company to whom Agent may transfer a substantial amount of its escrow business, shall be the successor to the Agent without the execution or filing of any paper

or any further act on the part of any of the parties, anything herein to the contrary notwithstanding.

17. **Brokerage Confirmations.** The Depositor and the Beneficiary acknowledge that, to the extent regulations of the Comptroller of Currency or other applicable regulatory entity grant a right to receive brokerage confirmations of security transactions of the escrow, the Depositor and the Beneficiary waive receipt of such confirmations, to the extent permitted by law. The Agent shall furnish a statement of security transactions on its regular monthly reports.

18. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

19. **Assignment, Binding Effect.** No party shall assign any of its rights or obligations under this Agreement without obtaining the prior written consent of the other parties to this Agreement. Subject to the foregoing, all the provisions of this Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the parties to this Agreement and their respective successors and assigns. Any purported assignment in violation of this provision shall be null and void and of no force or effect.

20. **Further Assurances.** Each party shall execute and deliver such additional documents or take such additional actions if such requested document or action is reasonably necessary to effect the transactions described in this Agreement.

21. **Miscellaneous.** This Agreement represents the complete and final agreement among the Depositor, the Agent and the Beneficiary and supersedes all prior agreements, written or oral, on the subject matter hereof and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of such parties. There are no unwritten oral agreements between or among the Depositor, the Agent and the Beneficiary. Time is of the essence for the performance of each of the terms and provisions of this Agreement.

The undersigned Agent hereby agrees to hold, manage and dispose of the Account Funds at any time deposited to the Account in accordance with the foregoing Agreement.

[signature page follows]

IN WITNESS WHEREOF, the undersigned have affixed their signatures and hereby adopt as part of this instrument Schedules I through V which are incorporated by reference.

DEPOSITOR:

_____	_____
By: _____	By: _____
Its: _____	Its: _____

BENEFICIARY:

_____

By: _____

Its: _____

AGENT:_____

By:_____

Its:_____

SCHEDULE I

DEPOSITS:

Deposits will be the following:

1. An initial deposit in the amount of [xxx] Dollars United States Currency ($xxx.xx) (the "Escrow Deposit") to be delivered by the Depositor [on/before specified date, if any]. Depositor shall restore the Account to [$xxx.xx] after any drawing on the account by the Beneficiary, within seven days after notice by the Beneficiary of such drawing, up to a maximum aggregate deposit obligation (including the initial deposit) of [xxx] Dollars ($xxx.xx).

SCHEDULE II

INSTRUCTIONS OF DEPOSITOR

1. All amounts deposited in the Account by Depositor, as well as any investment or interest income thereon (collectively the "Account Funds"), shall be invested during the term of this Escrow Agreement as set forth in Section 6 above.

2. Funds to be deposited into the Account shall be delivered by wire over the Federal Funds Wire System as follows:

U.S. National Bank Association
ABA # 091000022
U.S. Bank Trust N.A.
Account #[ ]
Remark: [Escrow Deposit pursuant to the Escrow Agreement dated xxx with XXXX]

3. Any notices to be delivered shall be in writing and shall be sent by United States certified or registered mail, overnight courier service or confirmed facsimile transmission. For all purposes hereof, any notice so sent shall be effectual as though served upon the person to whom it was sent at the time of confirmation by confirmed facsimile, the business day following the time it was sent by overnight courier service or three business days following the day it was sent by certified or registered mail.

The address and facsimile for the Agent are as follows, unless updated by the Agent at any time in writing:

U.S. National Bank Association
60 Livingston Avenue
St. Paul, MN 55107-2292
Attn: [ ]
Phone: [ ]
Fax: [ ]

With a fax copy to:
Linda McConkey
Fax: 503-275-5738

The address and facsimile for the Beneficiary are as follows, unless updated by the Beneficiary at any time in writing:

Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740

The address and facsimile for the Depositor are as follows, unless updated by the Depositor at any time in writing:

[XXXX]

4. Agent shall hold the Account Funds and shall dispose of them only in accordance with the following provisions:

a) Agent shall deliver the Account Funds to the Depositor upon receipt of a written certification by the Beneficiary's Chief Financial Officer or his designee that the obligations of the Depositor under the [agreement dated xxxx] have been satisfied in full.

b) Agent shall deliver the Account Funds to the Depositor or the Beneficiary as designated by an instruction letter jointly executed by both the Depositor and the Beneficiary; *provided, however,* that if Agent delivers any notice of resignation pursuant to Section 13 within the period specified in such instruction letter for delivery of Account Funds, Agent shall deliver such funds on the date of such resignation notice.

c) Agent shall deliver the requested portion of the Account Funds to the Beneficiary by wire transfer within three (3) business days of the receipt by the Agent of a written, notarized certification in the form attached as Exhibit A hereto by a Beneficiary Authorized Representative; *provided, however,* that if Agent delivers any notice of resignation pursuant to Section 13 within such three (3) business day period, Agent shall deliver such funds on the date of such resignation notice.

d) In the event the Agent has resigned pursuant to Section 13 of this Agreement, the Agent shall transfer the Account Funds to any successor agent appointed pursuant to Section 13.

5. This Agreement shall terminate upon the delivery of all the Account Funds in the manner provided by Section 4 of this Schedule II, or upon written agreement by all parties to this Agreement. Upon such termination of this Agreement, all undelivered Account Funds shall be returned to the Depositor in accordance with the wiring instructions to be provided by the Depositor, and the Agent shall be relieved of its duties hereunder without any liability thereafter to any party whatsoever.

EXHIBIT A TO SCHEDULE II

U.S. Bank National Association
60 Livingston Avenue
St. Paul, MN 55107-2292
Attn: [ ]
Phone:
Fax:

Dear Sir or Madam:

This letter is a request for disbursement to Beneficiary in the amount of $____ on deposit in the escrow account [#] maintained as specified in Schedule II of that certain Escrow Agreement dated [, 20__] between [XXXX], U.S. Bank National Association, and Beneficiary. The undersigned certifies that we are entitled to these funds because [XXXX] is in default of its obligations under that certain [agreement dated xxxx] due to the following reason(s):

You are hereby instructed to deliver the funds by federal funds wire in accordance with the wire instructions below:

[insert wiring instructions]

Sincerely,

Beneficiary Authorized Representative

Name:
Title:

Subscribed and sworn to be before me this ____ day of _____, 20__.

_____
Notary Public

My Commission Expires:_____

SCHEDULE III

DEPOSITOR AUTHORIZED REPRESENTATIVES

Each of the following individuals is designated as a "Depositor Authorized Representative," and is authorized to act on behalf of the Depositor under this Agreement. The Depositor may add, change or delete such Authorized Representative upon written and notarized notice to the Agent.

Depositor Authorized Representatives:

Specimen Signature: _____

Name/Title: _____

Specimen Signature: _____

Name/Title: _____

Subscribed and sworn to be before me this ____ day of _____, 20__.

_____
Notary Public

My Commission Expires:_____

SCHEDULE IV

BENEFICIARY AUTHORIZED REPRESENTATIVES

Each of the following individuals is designated as a "Beneficiary Authorized Representative," and is authorized to act on behalf of the Beneficiary under this Agreement. The Beneficiary may add, change or delete such Authorized Representative upon written and notarized notice to the Agent.

Beneficiary Authorized Representatives:

Specimen Signature: _____

Name/Title: _____

Specimen Signature: _____

Name/Title: _____

Subscribed and sworn to be before me this ____ day of _____, 20__.

_____
Notary Public

My Commission Expires:_____

SCHEDULE V

SCHEDULE OF FEES FOR SERVICES AS ESCROW AGENT

FOR _____
BILLED ANNUALLY

01010	**Acceptance Fee** The acceptance fee includes the administrative review of documents, initial set-up of the account, and other reasonably required services up to and including the closing. This is a one-time fee, payable at closing. _____ reserves the right to refer any or all escrow documents for legal review before execution. Legal fees (billed on an hourly basis) and expenses for this service will be billed to, and paid by, the customer. If appropriate and upon request by the customer, _____ will provide advance estimates of these legal fees.	TBD
04460	**Escrow Agent** Annual administration fee for performance of the routine duties of the escrow agent associated with the management of the account. Administration fees are payable in advance.	TBD

Direct Out of Pocket Expenses

Reimbursement of expenses associated with the performance of our duties, including but not limited to publications, legal counsel after the initial close, travel expenses and filing fees.	At Cost

Extraordinary Services

Extraordinary services are duties or responsibilities of an unusual nature, including termination, but not provided for in the governing documents or otherwise set forth in this schedule. A reasonable charge will be assessed based on the nature of the service and the responsibility involved. At our option, these charges will be billed at a flat fee or at our hourly rate then in effect.

Dated: _____

APPENDIX M
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

COMMENCEMENT DATE

[Appendix M subject to further review and comment of Buyer.]

In accordance with the terms of that certain Power Purchase Agreement dated as of _____, 2020 ("***Agreement***") by and between Southern California Public Power Authority ("***Buyer***") and Whitegrass No. 1, LLC ("***Seller***"), Seller must demonstrate to Buyer that the Commencement Date Conditions have been satisfied by delivery of a Certificate in the following form (the "***Certificate***"), signed by an authorized representative of Seller as to all of the items below. Any term used but not defined in the Certificate shall have the meaning set forth in the Agreement. The Certificate shall be submitted by Seller, along with reasonable documentation as may be requested by Buyer, and certify as to the following:

(a) Seller has obtained all Permits required for the operation and maintenance of the Facility in accordance with this Agreement (including those identified in Appendix B) except for those expected in the ordinary course of business, and all such Permits are final and non-appealable;

(b) The Facility is both authorized and able to operate and deliver Energy at full capacity in accordance with Prudent Utility Practices, the requirements of this Agreement and all Requirements of Law;

(c) Seller has obtained Insurance coverage for the Facility as required by Appendix F;

(d) Seller has executed and provided to Buyer the Performance Security;

(e) If applicable to Seller and the Facility, Buyer has received Seller's proof of registration with NERC for all applicable Function Types in the NERC Compliance Registry in accordance with the currently effective NERC Rules of Procedure, including Seller's registration as both Generator Owner and Generator Operator;

(f) If applicable to Seller and the Facility, Buyer has received Seller's mapping of NERC registered Function Types in accordance with the currently effective WECC Entity Function Mapping Procedures;

(g) Buyer's Authorized Representative has received and approved, in his or her reasonable discretion, Seller's Quality Assurance Program found in Appendix G.

(h) The Facility is CEC certified.

APPENDIX N
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

ORGANIZATIONAL STRUCTURE AND OWNERSHIP
OF SELLER AND PARENT ENTITIES

APPENDIX O
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

METEOROLOGICAL AND PYRANOMETER MEASUREMENTS

Monitored Meteorological Data Points:

1. Ambient air temperature

2. Relative humidity

3. Barometric pressure

APPENDIX P
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

FORM OF QUARTERLY CERTIFICATE

QUARTERLY CERTIFICATE

THE UNDERSIGNED HEREBY CERTIFIES THAT:

(1) I am the duly elected [Officer's title] of Whitegrass No. 1, LLC, a Nevada limited liability company ("**Seller**");

(2) I have reviewed the terms of that certain Power Purchase Agreement dated as of [Power Purchase Agreement Date], as amended, supplemented or otherwise modified to the date hereof (said Power Purchase Agreement, as so amended, supplemented or otherwise modified, being the "**Power Purchase Agreement**", the terms defined therein and not otherwise defined in this Certificate (including Attachment No. 1 annexed hereto and made a part hereof) being used in this Certificate as therein defined), by and between Seller and Southern California Public Power Authority, and the terms of the other Ancillary Documents, and I have made, or have caused to be made under my supervision, a review in reasonable detail of the transactions and condition of Seller and Seller Parties during the accounting period covered by the attached financial statements; and

(3) the representations and warranties of Seller set forth in the Power Purchase Agreement remain true and correct as of the date hereof, and Seller is in compliance with all terms of the Power Purchase Agreement in all material respects;

(4) The examination described in paragraph (2) above did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes a Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate or that, after notice or with the passage of time or both, would constitute a Default during or at the end of such period[, except as set forth below];

[Set forth below are all exceptions to paragraph (3) above listing, in detail, the nature of the condition or event, the period during which it has existed and the action which Seller has taken, is taking or proposes to take with respect to each such condition or event:

_____].

The foregoing certifications, together with the computations set forth in Attachment No. 1 annexed hereto and made a part hereof and the financial statements delivered with this Certificate in support hereof, are made and delivered this [_____] day of [_____, ____] pursuant to the Power Purchase Agreement.

[Seller Name]

By: _____
Title: _____

ATTACHMENT NO. 1
TO QUARTERLY CERTIFICATE

This Attachment No. 1 is attached to and made a part of a Quarterly Certificate dated as of [_____, ____] and pertains to the period from [_____, ____] to [_____, ____].

A. Facility Debt:

1. Principal of and premium on indebtedness: $ [_____]

2. Fees, charges, expenses and penalties related to indebtedness: $ [_____]

3. Amounts due upon acceleration or in connection with prepayment or restructuring of indebtedness: $ [_____]

4. Swap or interest rate hedging breakage costs: $ [_____]

5. Any claims or interest due with respect to any of the foregoing: $ [_____]

6. Other payment obligations of Seller in connection with borrowed money:

   $ [_____]

7. Total Facility Debt (Add A.1-6): $ [_____]

B. Facility Cost:

1. Cost of all labor, services, materials, supplies, equipment, tools, transportation, supervision, storage, training, demolition, site preparation, civil works, and remediation in connection with the development, design, engineering, equipping, procuring, constructing, installing, starting up and testing the Facility: $ [_____]

2. Cost of acquiring the leasehold interest and any other property, easement or other interest in the Site: $ [_____]

3. Cost of acquiring the Permits for the Facility: $ [_____]

4. Cost of establishing a spare parts inventory for the Facility: $ [_____]

5. Other costs and expenses incurred by Seller for the development, design, engineering, equipping, procuring, constructing, installing, starting up and testing the Facility: $ [_____]

6. Total Facility Cost (Add B.1-5): $ [_____]

C. Facility Debt to Facility Cost Ratio:

1. **Facility Debt (A.8 above): $ [_____]**
2. **Facility Cost (B.6 above): $ [_____]**
3. **Facility Debt to Facility Cost Ratio: C(1):(2): [___]:1.00**
4. **Maximum Facility Debt to Facility Cost Ratio permitted: 70%**

APPENDIX Q
ENERGY GENERATION AND PRODUCTION

EXPECTED MONTHLY GENERATION AND GUARANTEED MONTHLY DELIVERED ENERGY

Contract Month	Expected Monthly Generation	Guaranteed Monthly Delivered Energy
January	2,163	1,947
February	1,912	1,721
March	2,057	1,851
April	1,943	1,749
May	1,905	1,715
June	1,729	1,556
July	1,667	1,500
August	1,714	1,543
September	1,756	1,580
October	1,953	1,758
November	2,029	1,826
December	2,172	1,955
ANNUAL TOTAL	**23,000**	**20,700**

APPENDIX R
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

SINGLE-LINE DIAGRAM

APPENDIX S
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

METERING DIAGRAM

APPENDIX T
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

POINT OF METERING DIAGRAM

APPENDIX U
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

[RESERVED]

APPENDIX V
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

FORM OF MONTHLY REPORT

APPENDIX W
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

FORM OF CONSENT TO COLLATERAL ASSIGNMENT

APPENDIX X
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
WHITEGRASS NO. 1, LLC

LIST OF ANCILLARY DOCUMENTS

As of the Effective Date, none.

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EXECUTION COPY

WHITEGRASS NO. 1 GEOTHERMAL ENERGY PROJECT

POWER SALES AGREEMENT
BETWEEN

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

AND

THE CITY OF GLENDALE

DATED AS OF FEBRUARY 20, 2020

TABLE OF CONTENTS

Page

1. PARTIES 1

2. RECITALS, CONSTRUCTION AND PRELIMINARY MATTERS 1

3. AGREEMENT 2

4. DEFINITIONS 2

4.1 Effective Date 2
4.2 Total Power Costs 3
4.3 Monthly Costs 4

5. PURCHASE AND SALE OF FACILITY OUTPUT AND THE OBLIGATIONS OF SCPPA AND THE PURCHASER 4

5.1 Purchase and Sale of Participant Facility Output Share 4
5.2 Facility Output and Deliverables 4
5.3 Adoption of Annual Budget 5
5.4 Reports 5
5.5 Records and Accounts 5
5.6 Provide Information 6
5.7 Consultants and Advisors Available 6
5.8 Liquidated Damages 6

6. PROJECT MANAGEMENT 6

6.1 Project Management 6
6.2 Project Manager Responsibilities 6
6.3 Management Decisions and the Role of Board of Directors 6
6.4 Periodic Audits 7
6.5 Additional Committees 7
6.6 Costs of Consultants 8

7. CHARGES AND BILLINGS 8

7.1 Monthly Costs 8
7.2 Billing Statement 8
7.3 Adoption of Alternative Billing Statement Procedures 8
7.4 Disputed Monthly Billing Statement 9
7.5 Reconciliation of Monthly Costs 9
7.6 Other or Additional Cost Reconciliation Mechanisms 9
7.7 Prepayment of Monthly Costs 9

8. UNCONDITIONAL PAYMENT OBLIGATIONS; RATE COVENANT; AUTHORIZATIONS; CONFLICTS; LITIGATION 10

8.1 Unconditional Payment Obligation 10
8.2 Source of Payments 10
8.3 Rate Covenant 10
8.4 Authorizations 10
8.5 Conflicts 10
8.6 Litigation 11

TABLE OF CONTENTS
(continued)

Page

9. OTHER TERMS AND SERVICES 11
9.1 Delivery Procedures 11
9.2 Other Services and Transmission from Point of Delivery 11
9.3 Energy Services 11
9.4 Balancing Agent and Dynamic Scheduling 11
9.5 Transfer of Environmental Attributes to Purchaser 12

10. PROJECT SPECIFIC MATTERS AND PURCHASER RIGHTS AND OBLIGATIONS UNDER PROJECT AGREEMENTS 12
10.1 Rights and Obligations under the Project Agreements 12

11. NONPERFORMANCE AND PAYMENT DEFAULT 12
11.1 Nonperformance by Purchaser 12
11.2 Notice of Payment Default 13
11.3 Cured Payment Default 13
11.4 Failure to Cure Payment Default 13
11.5 Treatment of the Defaulting Purchaser's Project Rights and Obligations upon its Payment Default 13
11.6 Elimination or Reduction of Payment Obligations 14
11.7 Use of Reserve Funds 14

12. CHARACTER, CONTINUITY OF SERVICE 14
12.1 Outages, Interruptions and Curtailment of Energy Deliveries 14
12.2 Uncontrollable Forces 14

13. LIABILITY 15
13.1 No Liability of SCPPA, Directors, Officers, Etc. 15
13.2 Extent of Exculpation; Enforcement of Rights 15
13.3 No Relief from Insurer's Obligations 15
13.4 SCPPA Directors, Officers, Employees, Agents Not Individually Liable; No General Liability of SCPPA 15

14. RESTRICTIONS ON DISPOSITION 16
14.1 Assignment 16
14.2 Restrictions on Elimination of Payment Obligations 16
14.3 Restrictions on Disposition of Purchaser's Entire System 16
14.4 Successors and Assigns 16

15. EFFECTIVE DATE, TERM AND EXPIRATION 16
15.1 Effective Date; Execution in Counterparts 16
15.2 Termination Conditions 17
15.3 Expiration 17
15.4 Termination of Agreement before Expiration Date 17
15.5 Final Distribution of Reserve Funds 17

16. SEVERABILITY 17

17. REPRESENTATION AND GOVERNING LAW 17

18. ARBITRATION AND ATTORNEYS' FEES 18

TABLE OF CONTENTS
(continued)

Page

19. CONDITIONS TO TERMINATION OR AMENDMENT 18

20. NOTICES……..... 18

21. AMENDMENTS 18

APPENDICES

A– DEFINITIONS A-1
B– POWER PURCHASE AGREEMENT.....B-1

WHITEGRASS NO. 1 GEOTHERMAL ENERGY PROJECT

POWER SALES AGREEMENT

1. PARTIES. This Whitegrass No. 1 Geothermal Energy Project Power Sales Agreement (this "Agreement"), is dated for convenience as of the 20th day of February, 2020, by and between the SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY, a joint powers agency and a public entity organized under the laws of the State of California, hereinafter designated as "SCPPA," and the CITY OF GLENDALE, a municipal corporation organized and existing under the laws of the State of California. The CITY OF GLENDALE is also periodically designated in this Agreement as "GLENDALE" or as "Purchaser." GLENDALE and SCPPA are also sometimes herein referred to individually as a "Party" and together as the "Parties."

2. RECITALS, CONSTRUCTION AND PRELIMINARY MATTERS. The Recitals set forth herein and the facts, which follow, are incorporated into this Agreement by reference for all purposes. The facts and the circumstances of the Parties contained in the Recitals, among others, represent the background and framework for this Agreement, the aim and purpose of this Agreement and the intendments of the Parties with respect thereto. This Agreement has been reviewed by attorneys for both Parties and shall not be interpreted with reference to the rules of construction providing for construction against a Party responsible for drafting or creating a particular provision or section but should instead be interpreted in a manner which broadly implements the goals and objectives of the Parties as expressed herein. References to "Sections," and "Appendices," shall be to Sections, and Appendices as the case may be, of this Agreement unless otherwise specifically provided. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word "include" or "including", when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. This Agreement is made with reference to the following facts among others:

2.1 SCPPA was created pursuant to provisions contained in the Joint Exercise of Powers Act found in Chapter 5 of Division 7 of Title 1 of the Government Code of California, as amended from time to time (the "Act" as defined in Appendix A), by its members, which are municipalities and an irrigation district that supply, among other things, electrical energy in the State of California, for the purpose of jointly and cooperatively undertaking the planning, financing, development, acquisition, construction, improvement, betterment, operation, and maintenance, of projects for the generation or transmission of electric energy, including the development and implementation of systems and frameworks for the acquisition and delivery of secure, long-term reliable supplies of renewable electric energy.

2.2 Pursuant to the terms of the Act, SCPPA has the power, for the purpose of promoting, maintaining and operating electric generation and transmission, to plan, develop, contract for, finance, acquire, design, undertake, own, construct, manage, operate, maintain and administer projects involving systems, methodologies and programs for the acquisition, supply, procurement and delivery of secure, long-term reliable supplies of renewable electric energy, including geothermal energy, and to cause such projects to be planned, developed, contracted for, financed, acquired, designed, undertaken, constructed, managed, operated, maintained and administered and to provide by agreement for the performance and carrying out of any such activities.

2.3 Purchaser is a California municipality that provides electric energy to its citizens through its municipally owned electric power system. Purchaser is one of the parties to the SCPPA Joint Powers Agreement.

2.4 In pursuit of potential renewable electric resources to address SCPPA member renewable energy needs, SCPPA, together with the Purchaser and other SCPPA members have identified and investigated a geothermal energy generation resources located in Lyon County, Nevada, one denominated as the Whitegrass No. 1 Geothermal Energy Project to be developed by Whitegrass No. 1, LLC, a Nevada limited liability company, an affiliate of Open Mountain Energy, LLC.

2.5 SCPPA intends to enter into a Power Purchase Agreement with Whitegrass No. 1, LLC, for the purchase of electric output of the Whitegrass No. 1 Geothermal Energy Project for the purpose of selling the Project Energy to Glendale. The Whitegrass No. 1 Geothermal Energy Project shall be referred to as the "Project" as further defined in Appendix A hereof.

2.6 Purchaser has a need for the Facility Output, the associated Environmental Attributes and other associated rights, benefits and credits of the Project, and has determined to enter into this Power Sales Agreement with SCPPA for the purpose of meeting such needs.

3. AGREEMENT. For and in consideration of the promises and the mutual covenants and agreements hereinafter set forth, and in order for Purchaser to pay SCPPA costs with respect to the Project, the Parties agree as herein set forth.

4. DEFINITIONS. Appendix A to this Agreement attached hereto and incorporated herein, sets forth definitions of certain terms used in this Agreement. Certain other capitalized terms used herein are defined in the Power Purchase Agreement and shall have the meaning ascribed therein. The terms defined in Appendix A, the Power Purchase Agreement and this Section 4, whether in the singular or plural, unless specifically provided otherwise, when used herein or in the Appendices hereto and initially capitalized, shall have the meaning ascribed thereto in said Appendix A, the Power Purchase Agreement or as set out below:

4.1 Effective Date. The date described in Section 15.1 hereof.

4.2 Total Power Costs. Total Power Costs means all of SCPPA's costs resulting from SCPPA's contracting for, providing for, accommodating, and facilitating the Project, including costs arising under any of the Power Purchase Agreement or other Project

Agreements. SCPPA shall apply, as a credit against Total Power Costs, any receipts, revenues and other moneys received by SCPPA from the Project, as well as such other amounts to be applied as a credit against Total Power Costs pursuant to this Agreement. Total Power Costs shall consist of (i) the Delivery Output Cost Component (described in Section 4.2.1), (ii) the Power Purchase Agreement General and Administrative Cost Component (described in Section 4.2.2), (iii) a Supplementary Services Cost Component to the extent SCPPA incurs such costs (described in Section 4.2.3), (iv) a Reserve Fund Cost Component (described in Section 4.2.4), and (v) a Power Purchase Agreement Cost Component (described in Section 4.2.5), and shall include, but not be limited to, the items of cost and expense referred to in the Power Purchase Agreement and this Section 4.2 that are accrued or paid by SCPPA during each Month of each Power Supply Year. In the event any Power Supply Year shall consist of fewer than twelve Months, the fraction set forth in Section 4.2.2 shall be adjusted accordingly and, in the event of any revision of the Annual Budget after the commencement of any Power Supply Year, the amount determined pursuant to Section 4.2.2 shall be appropriately adjusted so that any increase or decrease in the portion of the Annual Budget applicable to Section 4.2.2 shall be evenly apportioned over the remaining Months of such Power Supply Year.

4.2.1 The Delivery Output Cost Component of Total Power Costs for each Month shall consist of the costs of the Facility Output delivered, as calculated at the applicable Contract Price therefor in the Power Purchase Agreement.

4.2.2 The Power Purchase Agreement General and Administrative Cost Component of Total Power Costs for each Month shall consist of the administrative and general costs with respect to the Project, including (i) legal fees, costs relating to litigation (including disbursements and other amounts paid as a result of such litigation), insurance costs (including amounts to fund any self-insurance program), overhead costs, any taxes required to be paid by SCPPA with respect to the Project, (ii) all expenses incurred in enforcing the Power Purchase Agreement and other Project Agreements and (iii) all costs related to the conducting of the business of SCPPA with respect to the Project, including the applicable portion of salaries, fees for legal, engineering, financial and other services, and costs of the Project Manager, as well as all other costs attributable to miscellaneous and incidental expenses in connection with the administration of the Project, and all other expenses properly related to the conduct of such affairs of SCPPA.

4.2.3 The Supplementary Services Cost Component of Total Power Costs for each Month shall consist of all costs incurred by SCPPA, if any, and to the extent not included in Section 4.2.1, in connection with services for transmission, dispatching, scheduling, tagging, firming, balancing, swapping, exchanging or delivering and for otherwise facilitating the disposition, movement, taking, receiving, crediting and accounting for Facility Output provided for under this Agreement, including costs incurred by SCPPA, if any, which are necessary to move or otherwise handle delivery of any portion of Facility Output from the Point of Delivery to one or more specified delivery point(s) as determined by Purchaser pursuant to Sections 9.2 and 9.4. Absent a request by Purchaser for SCPPA to provide Supplementary Services during a Month, no Supplementary

Services cost component shall be included in Purchaser's Total Power Costs for such Month.

4.2.4 The Reserve Fund Cost Component of Total Power Costs for each Month shall consist of: the amount for such Month necessary to establish and maintain the Reserve Funds at the level deemed prudent and appropriate by the Board of Directors.

4.2.5 The Power Purchase Agreement Cost Component of Total Power Costs for each Month shall consist of: the costs, without duplication, associated with the Power Purchase Agreement, including, to the extent not otherwise included in this Section 4.3, all costs for such Month of SCPPA in connection with its enforcement of the Project Agreements or the performance required of SCPPA thereunder.

4.3 Monthly Costs. Monthly Costs is defined in accordance with, and calculated pursuant to, Section 7.1 hereof.

5. PURCHASE AND SALE OF FACILITY OUTPUT AND THE OBLIGATIONS OF SCPPA AND THE PURCHASER.

5.1 Purchase and Sale of Facility Output. In accordance with the terms and conditions of this Agreement, commencing on the earliest of (i) the date SCPPA is obligated to pay any portion of the costs of the Project, (ii) the effective date of the Power Purchase Agreement, or (iii) the date of the first delivery of energy to Purchaser pursuant to this Agreement, and continuing through the term of this Agreement, except as otherwise provided herein, SCPPA shall provide Purchaser any and all products, rights and benefits, whether tangible or intangible, received or obtained by SCPPA with respect to the Project, including without limitation all Facility Output, and Purchaser shall receive and be responsible for and pay for any and all Total Power Costs associated with the acquisition of Facility Output and such associated products, rights and benefits, as applicable, under the Power Purchase Agreement and any other applicable Project Agreements.

5.2 Facility Output and Deliverables. To the extent permitted by the Power Purchase Agreement, the applicable Project Agreements, or otherwise determined by the Board of Directors, SCPPA will endeavor to take such actions or implement such measures as may be necessary or desirable for the utilization, maintenance or preservation of the rights and interests of the Purchaser in the Project. SCPPA shall use its best efforts, on behalf of Purchaser to secure the benefits of the transactions contemplated under the Power Purchase Agreement or other applicable Project Agreements, including the delivery of the Facility Output, as applicable, contemplated by this Agreement, and shall endeavor to maintain and secure the rights and benefits accruing to SCPPA through the Power Purchase Agreement and the other applicable Project Agreements.

5.3 Adoption of Annual Budget. The Annual Budget and any amendments to the Annual Budget shall be prepared and approved in accordance with Sections 5.3.1, 5.3.2 or 5.3.3, respectively.

5.3.1 SCPPA will prepare and submit to Purchaser a proposed Annual Budget at least sixty (60) Days prior to the beginning of each Power Supply Year. In connection with the preparation of the Annual Budget, SCPPA shall incorporate therein the Operating Budget for such Power Supply Year as prepared by the Project Manager and approved by the Board of Directors. Purchaser may then submit to SCPPA, at any time until the Annual Budget is adopted, any matters or suggestions relating to the Annual Budget. SCPPA shall adopt the Annual Budget not less than thirty (30) nor more than sixty (60) Days prior to the beginning of such Power Supply Year and shall cause copies of such adopted Annual Budget to be delivered to the Purchaser; provided, however, the Annual Budget for the first Power Supply Year shall be prepared, considered, adopted and delivered in the most practicable manner available prior to Commencement Date of the Facility.

5.3.2 As required from time to time during any Power Supply Year, after seven Days written notice to the Purchaser, SCPPA may, pursuant to the foregoing provisions for adopting the Annual Budget, adopt an amended Annual Budget for and applicable to such Power Supply Year for the remainder of such Power Supply Year. The Annual Budget shall establish the basis for monthly Billing Statements to be sent to Purchaser, as provided in Section 7 hereof.

5.3.3 Any adjustment, and any other or further mechanism for adjustment, as may be required to address the variability of costs of operation of the Project at any time during the Power Supply Year or the variability of or addition to any other Annual Budget component, may be incorporated into the Annual Budget as provided above, or by any amendment to an Annual Budget at any time during any Power Supply Year upon the seven (7) Days written notice to the Purchaser as set forth in Section 5.3.2.

5.4 Reports. SCPPA will prepare and issue to Purchaser the following reports as soon as reasonably practicable after the end of each quarter of a Power Supply Year:

5.4.1 Financial and operating statement relating to the Project.

5.4.2 Variance report comparing the costs in the Annual Budget versus actual costs, and the status of other cost-related issues with respect to the Project.

5.5 Records and Accounts. SCPPA will keep, or cause to be kept, accurate records and accounts of each of the properties and facilities comprising the Project as well as of the operations relating to the Project, all in a manner similar to accepted accounting methodologies associated with similar projects. All transactions of SCPPA relating to the Project with respect to each Fiscal Year shall be subject to an annual audit. Purchaser shall have the right at its own expense to examine and copy the records and accounts referred to above on reasonable notice during regular business hours.

5.6 Provide Information. Purchaser agrees to supply SCPPA, upon request, with such information, documentation and certifications as SCPPA shall reasonably determine to be requisite to and necessary or desirable for the administration and ongoing activities of the Project, including information reasonably available to allow SCPPA to respond

to requests for such information from any federal, state or local regulatory body or other authority.

5.7 Consultants and Advisors Available. SCPPA shall make available to the Purchaser all consultants and advisors that are retained by SCPPA, and such consultants and advisors shall be authorized to consult with and advise the Purchaser on Project matters.

5.8 Liquidated Damages. Any amounts paid to SCPPA as and for Daily Delay Damages or Shortfall Damages by the Power Purchase Provider as provided under the Power Purchase Agreement shall be remitted to Purchaser.

6. PROJECT MANAGEMENT.

6.1 Project Manager. SCPPA or its designee shall act as Project Manager as provided in this Agreement to administer the Project, or cause the Project to be administered, as provided in this Agreement or pursuant to assignments, instructions or requests by the Board of Directors, or through any project management or agency agreement, or contracts for services between SCPPA and a third party. Prior to appointment of a Project Manager (other than SCPPA), SCPPA shall consult with the SCPPA Participating Member as to such appointment.

6.2 Project Manager Responsibilities. In addition to those responsibilities enumerated in Section 6.1, the Project Manager shall have the following responsibilities:

6.2.1 Review, develop and, if appropriate, recommend, all budgets and revisions thereof prepared and submitted by SCPPA pursuant to any applicable agreement.

6.2.2 Review, develop and, if appropriate, recommend any systems or procedures for adjustment of the Annual Budget or any alternative methodologies for budgeting or billing as set forth in Sections 5 and 7 hereof.

6.2.3 Perform such other functions and duties as may be provided for under this Agreement, the Power Purchase Agreement or any other Project Agreements.

6.3 Management Decisions and the Role of Board of Directors. To the extent not provided for under this Agreement, the rights and obligations of SCPPA under the Project Agreements shall be subject to the ultimate control at all times of the Board of Directors. Purchaser shall be entitled to participate in the decisions of the Board of Directors with respect to SCPPA's rights and interests with respect to the Project as provided in this Section 6.3, provided that Purchaser shall disqualify its right to participate upon assuming the status of a Defaulting Purchaser as provided in Section 11 hereof. SCPPA, through the Board of Directors, shall have, in addition to the duties and responsibilities set forth elsewhere in this Agreement, the following duties and responsibilities, among others:

6.3.1 Dispute Resolution. The Board of Directors shall endeavor to review, discuss and attempt to resolve any disputes among SCPPA, the Purchaser and the counterparties under the Project Agreements relating to the Project, the

operation and management of the Facility and SCPPA's rights and interests with respect to the Facility.

6.3.2 Scheduling Procedures. When appropriate, the Board of Directors shall act upon and approve or modify the practices and procedures to be followed by Purchaser for scheduling, delivering and controlling the Facility Output.

6.3.3 Project Agreements. The Board of Directors shall have the authority to approve the Project Agreements, including agreements for scheduling coordinator services, if any, and to review modify and approve, as appropriate, all amendments, modifications and supplements to the Project Agreements.

6.3.4 Budgeting. The Board of Directors shall review, modify and approve each Annual Budget and the revisions thereto in accordance with Section 5.3 hereof.

6.3.5 Application of Certain Payments Under the Power Purchase Agreement. The Board of Directors shall review, modify and approve application of any payments or amounts received by SCPPA from any source or as a result of Default by the Power Purchase Provider under the Power Purchase Agreement; provided that such payments and amounts shall be applied to one or more of the purposes set forth in Section 4.3 to the credit of Purchaser.

6.3.6 Other Matters. The Board of Directors is authorized to perform such other functions and duties, including oversight of those matters and responsibilities addressed by the Project Manager, as may be provided for under this Agreement and under the Project Agreements, or as may otherwise be appropriate.

6.4 Periodic Audits. The Board of Directors may arrange for the annual audit under Section 5.5 hereof by certified accountants, selected by SCPPA and experienced in electric generation or electric utility accounting, of the books and accounting records of SCPPA, and where deemed appropriate, the Project Manager (if other than SCPPA), the Power Purchase Provider (to the extent provided under any of the Power Purchase Agreement) and any other counterparty under any Project Agreement to the extent allowable, and any cost reimbursable to a consultant or contractor relevant to the administration of the Project, and such audit shall be completed and submitted to SCPPA as soon as reasonably practicable after the close of the Fiscal Year. SCPPA shall promptly furnish to Purchaser copies of all audits. No more frequently than once every calendar year, the Purchaser may, at its sole cost and expense, audit or cause to be audited the books and cost records of SCPPA, the Project Manager (if other than SCPPA), the counterparty under any Project Agreement to the extent so provided in the applicable Project Agreement, and any cost reimbursable to a consultant or contractor relevant to the administration of the Project.

6.5 Additional Committees. The Board of Directors may establish as needed subcommittees including, but not limited to, auditing, legal, financial, engineering, mechanical, operating, insurance, governmental relations, environmental and public information subcommittees. The authority, membership, and duties of any subcommittee shall be established by the Board of Directors; provided, however, such

authority, membership or duties shall not conflict with the provisions of any of the Project Agreements.

6.6 Costs of Consultants. Costs (or the applicable portion thereof) of consultants and others employed or appointed by the Board of Directors to perform the duties required hereunder shall be included in Total Power Costs, as appropriate, and shall be billed to SCPPA.

7. CHARGES AND BILLINGS.

7.1 Monthly Costs. The amount of monthly costs which shall be paid by Purchaser to SCPPA for a particular Month ("Monthly Costs") shall be the sum of the following, as applicable, subject to any adjustments as provided in this Agreement:

7.1.1 The Delivery Output Cost Component of Total Power Costs (as provided in Section 4.2.1) for such Month.

7.1.2 The Power Purchase Agreement General and Administrative Cost Component of Total Power Costs (as provided in Section 4.2.2 hereof) for such Month.

7.1.3 The Supplementary Services Cost Component of Total Power Costs (as provided in Section 4.2.3 hereof) for such Month.

7.1.4 The Reserve Fund Cost Component of Total Power Costs (as provided in Section 4.2.4 hereof) for such Month.

7.1.5 The Power Purchase Agreement Cost Component of Total Power Costs (as provided in Section 4.2.5 hereof) for such Month.

7.2 Billing Statement. By the fifth Day of each Month during each Power Supply Year, SCPPA shall bill Purchaser for the amount of Monthly Costs to be paid by Purchaser for the current Month by providing Purchaser with a Billing Statement in accordance with the charges established pursuant to the provisions of this Agreement; provided, however, that such Billing Statement shall also include any charge or credit to Purchaser with respect to the costs or revenues attributable to Purchaser pursuant to and under any applicable Project Agreements. Such Billing Statement shall detail the costs described in Section 7.1 hereof and shall set forth, among other things, the amounts due for such Month by Purchaser with respect to the items of Monthly Costs set forth in Section 7.1, as such Monthly Costs may be adjusted from time to time in accordance with Section 5 and this Section 7. Such Billing Statement shall be paid by Purchaser on or before twenty (20) Days after receipt of such Billing Statement.

7.3 Adoption of Alternative Billing Statement Procedures. SCPPA or the Project Manager may recommend the adoption of an alternative Billing Statement billing methodology with respect to the Total Power Costs and the costs associated with any Project Agreement. Such alternative Billing Statement procedures may be placed into effect by a resolution of the Board of Directors. Any such alternative Billing Statement billing methodology shall be fiscally prudent, financially sound and shall assure coverage of all potential and actual costs and obligations of SCPPA.

7.4 Disputed Monthly Billing Statement. In case any portion of any Billing Statement received by Purchaser from SCPPA shall be in bona fide dispute, Purchaser shall pay SCPPA the full amount of such Billing Statement and, upon determination of the correct amount, the difference between such correct amount and such full amount, if any, including interest at the rate received by SCPPA on any overpayment, will be credited to Purchaser by SCPPA after such determination. In the event such Billing Statement is in dispute, SCPPA will give consideration to such dispute and will advise Purchaser with regard to SCPPA's position relative thereto within thirty (30) Days following receipt of written notification by Purchaser of such dispute.

7.5 Reconciliation of Monthly Costs. As soon as practicable after the end of each Power Supply Year, or more frequently if so determined by the Board of Directors, SCPPA will submit to Purchaser and each of the other Purchasers a detailed statement of the actual aggregate Monthly Costs and other amounts payable hereunder, including any credits thereto, for all of the Months of such Power Supply Year, and the adjustments of the aggregate Monthly Costs and other amounts payable hereunder, if any, for any prior Power Supply Year, based on the annual audit of accounts provided for in Section 5.5. If, on the basis of the statement submitted as provided in this Section 7.5, the actual aggregate Monthly Costs and other amounts payable by the Purchaser for any Power Supply Year exceed the amount thereof which Purchaser has been billed, Purchaser shall pay SCPPA, within twenty (20) Days of receipt of SCPPA's invoice, the amount to which SCPPA is entitled. If, on the basis of the statement submitted pursuant to this Section 7.5, the actual aggregate Monthly Costs or other amounts payable by the Purchaser for any Power Supply Year are less than the amount therefor which Purchaser has been billed, SCPPA shall, unless otherwise directed by Purchaser with respect to moneys owed to it, credit such excess against Purchaser's next monthly Billing Statement.

7.6 Other or Additional Cost Reconciliation Mechanisms. The Board of Directors may, by resolution, authorize or prescribe other billing, payment, costing and cost reconciliation mechanisms to address such billing, payment, costing and cost reconciliation issues as may from time to time arise with respect to the Project.

7.7 Prepayment of Monthly Costs. Purchaser may, at any time, pay moneys to SCPPA or utilize any credits due or amounts owed by SCPPA to Purchaser with respect to the Project for the purpose of prepaying its monthly Billing Statement. Such moneys and amounts owed by SCPPA under any Project Agreement shall be deposited into an account established by, or at the direction of, SCPPA. Consistent with SCPPA's investment policy, moneys in such account shall be invested pursuant to instructions provided to SCPPA by Purchaser and all investment income shall be credited to such account. Payment of the amount of any monthly Billing Statement or Default Invoice shall be made from moneys available in such account to the extent set forth in written directions from Purchaser to SCPPA received at least five business days prior to the due date of such payment. Any credit or prepayment with respect to its monthly Billing Statement shall not relieve or reduce Purchaser's other obligations under this Agreement.

8. UNCONDITIONAL PAYMENT OBLIGATIONS; RATE COVENANT; AUTHORIZATIONS; CONFLICTS; LITIGATION.

8.1 Unconditional Payment Obligation. Beginning with the earliest of (i) the date SCPPA incurs or becomes obligated to pay any portion of the costs of the Project, (ii) the effective date of the Project, or (iii) the date of the first delivery of Facility Output to Purchaser and continuing through the term of this Agreement, Purchaser shall pay SCPPA the amounts of Monthly Costs set forth in the Billing Statements submitted by or on behalf of SCPPA to Purchaser in accordance with the provisions of Section 7 hereof and, without duplication, any amount set forth in any Default Invoice received by Purchaser as a result of the operation of Section 11 hereof, whether or not this Agreement has been terminated, or the Project or any part thereof has been completed, is functioning, producing, operating or operable or its output is suspended, interrupted, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction, whether by offset or otherwise, and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

8.2 Source of Payments. The Purchaser hereby represents and warrants that the obligations of Purchaser to make the payments to SCPPA under this Agreement shall constitute a cost of purchased power and an operating expense of Purchaser payable solely from its electric power revenue fund, including any and all legally available electric power system reserves. Purchaser will annually, in each and every fiscal year of Purchaser during the term of this Agreement, include in its electric power system budget, whether or not any other items are included, an appropriation from the revenues of its electric power system (including moneys derived from sales to third parties) sufficient to satisfy all the payments required to be made in such year under this Agreement until all payments required under this Agreement have been paid in full.

8.3 Rate Covenant. Purchaser will establish, maintain and collect rates and charges for the electric power service of its electric power system each year so as to provide revenues sufficient, together with any legally available electric power system reserves, to enable Purchaser to pay to SCPPA all amounts payable when due under this Agreement and to pay all other amounts payable from, and all lawful charges against or liens on, the revenues of its electric power system.

8.4 Authorizations. The Purchaser hereby represents and warrants that no order, approval, consent or authorization of any governmental or public agency, authority or person, is required on the part of the Purchaser for the execution and delivery by the Purchaser of this Agreement, or the performance by the Purchaser of its obligations under this Agreement except for such as have been obtained.

8.5 Conflicts. Purchaser represents and warrants to SCPPA as of the Effective Date that, to Purchaser's knowledge, the execution and delivery of this Agreement by Purchaser, and Purchaser's performance thereunder will not constitute a default under any agreement or instrument to which it is a party, or any order, judgment, decree or ruling of any court that is binding on Purchaser, or a violation of any applicable law of any governmental authority, which default or violation would have a material adverse effect on the financial condition of Purchaser's electric revenue fund.

8.6 Litigation. Purchaser represents and warrants to SCPPA as of the Effective Date that, to Purchaser's knowledge, except as disclosed, there are no actions, suits or

proceedings pending against Purchaser (service of process on Purchaser having been made) in any court that questions the validity of the authorization, execution or delivery by Purchaser of this Agreement, or the enforceability as to Purchaser of this Agreement.

9. OTHER TERMS AND SERVICES.

9.1 Delivery Procedures. Prior to the time at which any Energy is to be delivered to Purchaser from the Facility, Purchaser shall schedule and be obligated to take delivery of Energy to be delivered under this Agreement.

9.2 Other Services and Transmission from Point of Delivery. It is the obligation of Purchaser to receive the Facility Output and to arrange for delivery of such Facility Output to its ultimate destination or destinations after having reached the Point of Delivery, as determined by Purchaser. However, to the extent specified by Purchaser, and to the extent practicable for SCPPA to do so, SCPPA shall assist in arranging for Supplementary Services and for such additional transmission, interconnection arrangements, energy management, firming, shaping, swaps, exchanges or other services associated with the transmission, use or disposition of Facility Output to be utilized by the Purchaser and to provide for delivery, accounting for, transferring and crediting the ownership and transfer of such Facility Output from the Point of Delivery to any other points or destinations, as determined by the Purchaser.

9.3 Energy Services. Except as otherwise provided in this Agreement, nothing herein shall prevent or restrict Purchaser from providing for its own transmission, energy management services, firming, balancing, or exchanging services or otherwise using or dispatching its Energy under this Agreement; provided, however, that such services, use or activities shall not affect any of the obligations of Purchaser under this Agreement.

9.4 Balancing Agent and Dynamic Scheduling. Upon the request of Purchaser, SCPPA shall either (i) retain an agent to maintain and balance Purchaser's hourly Energy schedules in accordance with WECC protocols ("Balancing Agent"), including the provision or absorption of imbalance energy to accommodate intra-hour fluctuations of Facility Output as compared to Purchaser's Energy schedule and maintaining a balancing account of accumulated imbalance energy to be settled by adjusting future Purchaser Energy schedules, (ii) arrange for Dynamic Scheduling from the Point of Delivery to Purchaser's control area or electric power system, including the procurement and installation of scheduling hardware, software, and communications equipment necessary to effectuate Dynamic Scheduling, (iii) procure, contract for or otherwise arrange for any available integration services to address any of the above referenced imbalances, fluctuations, variability, intermittency, or like conditions or (iv) address the costs, charges or consequences of such imbalances, fluctuations, variability, intermittency, or like conditions though other mechanisms or methodologies which are mutually agreeable to the Purchaser and SCPPA.

9.5 Transfer of Environmental Attributes to Purchaser. SCPPA shall transfer all Environmental Attributes received by SCPPA under the Power Purchase Agreement to Purchaser in the same manner SCPPA receives Environmental Attributes under the

Project Agreements.

10. PROJECT SPECIFIC MATTERS AND PURCHASER RIGHTS AND OBLIGATIONS UNDER PROJECT AGREEMENTS.

10.1 Rights and Obligations under the Project Agreements. Notwithstanding anything to the contrary contained herein: (i) the obligation of SCPPA to deliver to the Facility Output during the term of this Agreement is limited to the Facility Output which SCPPA receives from the Power Purchase Provider for redelivery to Purchaser hereunder during such time; (ii) the obligation of SCPPA to pay any amount to Purchaser hereunder or to give credits against amounts due from Purchaser hereunder is limited to amounts SCPPA receives in connection with the transaction to which the payment or credit relates (or is otherwise available to SCPPA in connection with this Agreement for which such payment or credit relates); (iii) any purchase costs, operating costs, energy costs, environmental attribute costs, transmission costs, tax costs, insurance costs, indemnifications, other costs or other charges for which SCPPA is responsible under the Project Agreements shall be considered purchase costs, operating costs, energy costs, environmental attribute costs, transmission costs, tax costs, insurance costs, indemnifications, other costs or other charges incurred by SCPPA and payable by Purchasers as provided in this Agreement; and (iv) any Force Majeure under the Power Purchase Agreement or other event of force majeure affecting the delivery of Energy pursuant to applicable provisions of the Project Agreements shall be considered an event caused by Uncontrollable Forces affecting SCPPA with respect to the delivery of Energy and/or Environmental Attributes hereunder and SCPPA forwarding to Purchaser notices and information from the Power Purchase Provider concerning an event of Force Majeure upon receipt thereof shall be sufficient to constitute a notice that Uncontrollable Forces have occurred pursuant to Section 12.2 of this Agreement. Any net proceeds received by SCPPA from the sale of Guaranteed Generation by the Power Purchase Provider to any third-party purchaser as a result of a Force Majeure event or failure by SCPPA to accept delivery of Energy pursuant to the Power Purchase Agreement shall be remitted by SCPPA to Purchaser.

11. NONPERFORMANCE AND PAYMENT DEFAULT.

11.1 Nonperformance by Purchaser. If Purchaser shall fail to perform any covenant, agreement or obligation under this Agreement or shall cause SCPPA to be in default with respect to any undertaking entered into for the Project or to be in default under the Power Purchase Agreement, or any other Project Agreement, as applicable, or cause a default to occur pursuant to such agreements, SCPPA may, in the event the performance of any such obligation remains unsatisfied after thirty (30) Days' prior written notice thereof to the Purchaser and a demand to so perform, take any action permitted by law to enforce its rights under this Agreement, including but not limited to termination of this Agreement, and/or (unless SCPPA has already taken action pursuant to the immediately following sentence) bring any suit, action or proceeding at law or in equity as may be necessary or appropriate to recover damages and/or enforce any covenant, agreement or obligation against the Purchaser with regard to its failure to so perform.

11.2 Notice of Payment Default. In the event of a Payment Default by Purchaser, on or

promptly following the Initial Payment Default Date SCPPA shall issue a Default Invoice and shall provide written notice to Purchaser that, as a result of a Payment Default, it is in default under this Agreement and has assumed the status of a Defaulting Purchaser and that Purchaser's Project Rights are subject to discontinuance, termination and disposal in accordance with Sections 11.4 and 11.5 hereof. In addition to the foregoing, the notice of Payment Default shall specify that five (5) Days after the issuance of the written notice of Payment Default by SCPPA, deliveries of Facility Output to the Purchaser pursuant to this Agreement shall be thereafter suspended until such time as Purchaser is in Compliance. SCPPA may take any action through or in conjunction with the Power Purchase Provider or any other counterparty under the Project Agreements, if applicable, to expeditiously implement the provisions of this Section 11.

11.3 Cured Payment Default. If, after a Payment Default, Purchaser cures such Payment Default within the Cure Period, its Project Rights shall not be subject to discontinuance, termination or disposal as provided for in Sections 11.4 and 11.5 hereof as a result of any Payment Default associated with such Cured Payment Default.

11.4 Failure to Cure Payment Default. If, at any time after expiration of the Cure Period, Purchaser fails to be in Compliance due to its failure to cure its Payment Default in a timely manner in accordance with this Agreement, Purchaser's Project Rights shall immediately be discontinued and terminated and its Project Rights and Obligations shall be disposed of by SCPPA in accordance with Section 11.5 hereof; provided, however, the Defaulting Purchaser's obligation to make payments under this Agreement shall not be eliminated or reduced except to the extent provided in Section 11.5. SCPPA shall provide to the Defaulting Purchaser a separate monthly invoice of any such payment obligations under this Agreement.

11.5 Treatment of the Defaulting Purchaser's Project Rights and Obligations upon its Payment Default. In the event Defaulting Purchaser's Project Rights are discontinued and terminated pursuant to Section 11.4 hereof, SCPPA shall undertake or cause to be undertaken the following actions in the order indicated:

11.5.1 SCPPA shall, to the extent SCPPA in its discretion determines it appropriate, offer to convey, transfer and assign, on a temporary or permanent basis as determined by SCPPA, the Defaulting Purchaser's Project Rights and Obligations to third parties, all in accordance with applicable law.

11.5.2 If, at any time or from time to time, any of the Project Rights and Obligations of the Defaulting Purchaser are not conveyed, transferred and assigned as provided in Section 11.5.1 hereof, SCPPA shall use its best efforts, to the extent reasonably possible and economically beneficial, to offer third parties, for long-term or short-term sale as determined by SCPPA, Facility Output associated with such Project Rights and Obligations or to remarket or resell such Facility Output, or cause the same to be remarketed or resold; provided, however, that without eliminating the Defaulting Purchaser's obligation to make payments under this Agreement, including payment of SCPPA's costs and expenses related to such default and sale, such payment obligation shall be offset, mitigated and satisfied to the extent that payments are received by

SCPPA from the remarketing or sale of Facility Output associated with Defaulting Purchaser's Project Rights.

11.5.3 Except as provided in this Section 11.5 or otherwise in this Agreement, SCPPA may not convey, transfer or assign any Purchaser's Rights and Obligations without the prior written consent of the Purchaser.

11.6 Elimination or Reduction of Payment Obligations. Upon termination of Defaulting Purchaser's Project Rights pursuant to Section 11.4 and conveyance, transfer or assignment of Defaulting Purchaser's Project Rights and Obligations pursuant to Sections 11.5.1 or 11.5.2, Defaulting Purchaser's obligation to make payments under this Agreement shall not be eliminated or reduced except to the extent of moneys received by SCPPA as a result of the conveyance, transfer and assignment of Defaulting Purchaser's Project Rights and Obligations, less SCPPA's related costs and expenses.

11.7 Use of Reserve Funds. With respect to a Payment Default by Purchaser, funds in the Reserve Funds may be used, to the extent necessary and to the extent available, to cover any deficiency with respect to any payment due by SCPPA attributable to Purchaser.

12. CHARACTER, CONTINUITY OF SERVICE.

12.1 Outages, Interruptions and Curtailment of Energy Deliveries. The Power Purchase Provider or other counterparty may, under certain conditions set forth in the applicable provisions of a Project Agreement or other applicable operating agreement, interrupt or curtail deliveries of Facility Output to Purchaser. Should such an interruption or curtailment occur, Purchaser shall be credited with such revenues as are credited or paid to SCPPA on Purchaser's behalf and Purchaser shall be obligated to pay any costs incurred by SCPPA attributable to Purchaser which are payable by SCPPA pursuant to the Power Purchase Agreement or any other applicable Project Agreement. SCPPA agent will use its best efforts to apprise Purchaser of potential outages, interruptions or curtailments, the reason therefor and the probable duration thereof, when such outages, interruptions or curtailments can be deemed likely to occur.

12.2 Uncontrollable Forces. SCPPA shall not be required to provide, and SCPPA shall not be liable for failure to provide, Facility Output or other service under this Agreement when such failure, cessation, curtailment of or interference with the service is caused by Uncontrollable Forces or by the inability of the Power Purchase Provider or other applicable counterparty to obtain any required governmental permits, licenses or approvals to enable the Power Purchase Provider to acquire, administer or operate the Project; provided, however, that Purchaser shall not thereby be relieved of its obligations to make payments under this Agreement except to the extent SCPPA is so relieved pursuant to the Project Agreements.

13. LIABILITY.

13.1 No Liability of SCPPA, Directors, Officers, Etc. Each Party agrees that neither Party nor any of its directors, officers, employees and agents shall be liable to the other Party for loss of profits or direct or consequential loss or damage suffered by a Party as a

result of the performance or non-performance (excluding gross negligence or willful misconduct which, unless otherwise agreed to by the Parties, are both to be determined and established by a court of competent jurisdiction in a final, non-appealable order) of SCPPA or any of its directors, officers, employees or agents under this Agreement. To the fullest extent permitted by law, Purchaser releases SCPPA and its directors, officers, employees and agents from any claim or liability (whether negligent or otherwise) as a result of any actions or inactions of SCPPA under this Agreement. No such performance or non-performance by SCPPA shall relieve Purchaser from its obligations under this Agreement, including its obligation to make payments required under this Agreement, and such undisputed payments shall not be subject to any reduction, whether by offset, counterclaim or otherwise. The provisions of this Section 13.1 shall not be construed to relieve SCPPA from any obligation under this Agreement.

13.2 Extent of Exculpation; Enforcement of Rights. The exculpation provision set forth in Section 13.1 hereof shall apply to all types of claims or actions including, but not limited to, claims or actions based on contract or tort. Notwithstanding the foregoing, either Party may protect and enforce its rights under this Agreement by a suit or suits in equity for specific performance of any obligations or duty of the other Party and each Party shall at all times retain the right to recover, by appropriate legal proceedings, any amount determined to have been an overpayment, underpayment or other monetary damages owed by the other Party in accordance with the terms of this Agreement.

13.3 No Relief from Insurer's Obligations. Notwithstanding any provision in this Agreement to the contrary, including but not limited to the provisions in this Section 13, the provisions of this Section 13 shall not be construed or applied to relieve any insurer of its obligation to pay any insurance claims in accordance with any applicable insurance policy provided under the Project Agreements.

13.4 SCPPA Directors, Officers, Employees, Agents Not Individually Liable; No General Liability of SCPPA. It is hereby recognized and agreed that no member of SCPPA's Board of Directors, officer, employee or agent of SCPPA or member of SCPPA in its capacity as a member of SCPPA shall be individually liable in respect of any undertakings by SCPPA under this Agreement. The undertakings under this Agreement by SCPPA or the Project Manager in its capacity as such, shall never constitute a debt or indebtedness of SCPPA or the Project Manager within the meaning of any provision or limitation of the Constitution or statutes of the State of California and shall not constitute or give rise to a charge against its general credit.

14. RESTRICTIONS ON DISPOSITION.

14.1 Assignment. Purchaser may sell, assign or otherwise dispose of some or all of its Project Rights and Obligations to other SCPPA members under the same terms and conditions as set forth in this Agreement, provided that each such other SCPPA member agrees in writing to be bound by the provisions of this agreement. In the event of such a sale, assignment or other disposition, the Parties shall provide for an Appendix B to the Agreement to reflect the new Facility Output share allocation among Purchaser and such other SCPPA member. The addition of an Appendix B for the purposes stated herein shall not be considered an amendment to this Agreement.

14.2 Restrictions on Elimination of Payment Obligations. No sale, assignment or other disposition of Purchaser's Project Rights and Obligations to any Person ("Assignee") shall release Purchaser from its payment obligations under this Agreement; provided, however, such payment obligations may be eliminated or reduced if the sale, assignment or other disposition is made pursuant to Section 14.1 of this Agreement or if (i) such Assignee shall assume and agree in writing to fully perform and discharge the Project Rights and Obligations under this Agreement, (ii) such Assignee shall have a corporate or long-term senior unsecured credit rating of A- or higher by S&P or A3 or higher by Moody's, unless otherwise provided by the Board of Directors, and (iii) the Board of Directors, by resolution, determines to eliminate or reduce such payment obligations, which determination shall not be unreasonably withheld.

14.3 Restrictions on Disposition of Purchaser's Entire System. Purchaser shall not sell, lease or otherwise dispose of all or substantially all of its electric system to any Person ("Acquiring Entity") unless the Acquiring Entity shall assume and agree to fully perform and discharge the Project Rights and Obligations under this Agreement, and such Acquiring Entity shall have a corporate or long-term senior unsecured credit rating not less than investment grade.

14.4 Successors and Assigns. Subject in all respects to Sections 11 and 14 hereof, the Project Rights and Obligations under this Agreement shall inure to the benefit of and shall be binding upon the respective successors and assigns of the Parties to this Agreement.

15. EFFECTIVE DATE, TERM AND EXPIRATION.

15.1 Effective Date; Execution in Counterparts. This Agreement shall become effective on the first Day when each and all of the following shall have occurred: (i) this Agreement shall have been duly executed and delivered by SCPPA and Purchaser, and (ii) the Power Purchase Agreement shall have been duly executed and delivered by SCPPA and the Power Purchase Provider.

15.2 Termination Conditions. Any obligation to make payments by Purchaser or SCPPA or any outstanding liability of Purchaser or SCPPA hereunder which either exists or may exist as of the date of termination of this Agreement, or which comes into existence at any future time as a result of any activity or transaction implemented under this Agreement, shall survive such termination.

15.3 Expiration. Unless terminated earlier pursuant to Section 15.4, the term of this Agreement shall expire on the date on which the Power Purchase Agreement is terminated and all obligation(s) of the parties under the Power Purchase Agreement have been fully satisfied or otherwise adequate provision for satisfaction of such obligation(s) have been made and no other such obligation(s) under the Power Purchase Agreement is outstanding; provided, however, that in no event shall the term of this Agreement expire so long as the Power Purchase Agreement is of any force or effect.

15.4 Termination of Agreement before Expiration Date. Notwithstanding the expiration date set forth in Section 15.3 hereof, this Agreement shall terminate on the date, if any, by which SCPPA notifies Purchaser that this Agreement is superseded as a result of

Purchaser having (i) succeeded to SCPPA's rights through another agreement or agreements, or (ii) entered into a replacement power sales agreement or other agreement with SCPPA. The purchase price and consideration to be paid to SCPPA by Purchaser with respect to any such superseding arrangement shall consist of the payments and satisfaction of all obligations by Purchaser under and pursuant to this Agreement prior to the effective date of the superseding arrangement plus any remaining costs or obligations incurred by SCPPA in connection with the Project.

15.5 Final Distribution of Reserve Fund. Following the expiration or earlier termination of this Agreement, and upon payment and satisfaction of any and all liabilities and obligations to make payments of the Purchaser under this Agreement and upon satisfaction of all remaining costs and obligations of SCPPA under this Agreement and in connection with the Facility, any amounts then remaining in the Reserve Fund shall be paid to the Purchaser.

16. SEVERABILITY. In case any one or more of the provisions of this Agreement shall for any reason be held to be illegal or invalid by a court of competent jurisdiction, it is the intention of each of the Parties hereto that such illegality or invalidity shall not affect any other provision hereof, but this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein unless a court holds that the provisions are not separable from all other provisions of this Agreement.

17. REPRESENTATION AND GOVERNING LAW. The Parties acknowledge that each Party was represented by counsel in the negotiation and execution of this Agreement. This Agreement was made and entered into in the County of Los Angeles, California, and shall be governed by, interpreted and enforced in accordance with the laws of the State of California. All litigation arising out of, or relating to this Agreement, shall be brought in a State or Federal court in the County of Los Angeles, State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

18. ARBITRATION AND ATTORNEYS' FEES. If a dispute arises between the Parties which the Board of Directors is unable to resolve, the Parties may by mutual agreement submit the dispute to mediation or non-binding arbitration. With respect to any such dispute the Parties agree that each Party shall bear its own attorneys' fees and costs. Notwithstanding the foregoing, Purchaser and SCPPA recognize and agree that SCPPA's attorneys' fees associated with any matter relating to the Project or this Agreement, including any dispute relating thereto, shall constitute a Project cost which shall be allocated and billed as set forth in Sections 4 and 7 hereof.

19. COUNTERPARTS AND ELECTRONIC SIGNATURES. This Agreement may be executed in one or more counterparts, each of which when executed by each Party shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same agreement or document. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global

and National Commerce Act and Records Act, and California's Uniform Electronic Transactions Act.

20. **NOTICES.** Any notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given or made if delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

Southern California Public Power Authority
Attention: Executive Director
1160 Nicole Court
Glendora, California 91740

City of Glendale
Glendale Electric Utility.
Attention: Stephen M. Zurn, General Manager
141 N. Glendale Ave.
Glendale, California 91206

21. **AMENDMENTS.** The Parties acknowledge and agree that any amendment to this Agreement shall be in writing and duly executed by the Parties.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have duly caused this Agreement to be executed on their respective behalves by their duly authorized representatives.

SOUTHERN CALIFORNIA PUBLIC
POWER AUTHORITY

By: _____
Michael S. Webster
Executive Director

Approved as to Legal Form and Content:

_____
Daniel S. Hashimi
Senior Assistant General Counsel

CITY OF GLENDALE

By: _____

APPENDIX A

DEFINITIONS

The following terms, whether in the singular or the plural, and initially capitalized, shall have the meanings specified below:

1. Act. All of the provisions contained in the California Joint Exercise of Powers Act found in Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, beginning at California Government Code Section 6500 et seq., as amended from time to time.

2. Ancillary Documents. "Ancillary Documents" shall mean the Ancillary Documents as defined in the Power Purchase Agreement.

3. Annual Budget. The budget adopted by SCPPA pursuant to Section 5.2.1 hereof not less than thirty (30) Days nor more than sixty (60) Days prior to the beginning of each Power Supply Year, including any amendments thereto, which shall show a detailed estimate of the Total Power Costs under this Agreement and all credits, charges, revenues, income, or other funds to be applied to such costs, for and applicable to such Power Supply Year.

4. Balancing Agent. "Balancing Agent" shall have the meaning set forth in Section 9.4.

5. Billing Statement. The written statement prepared or caused to be prepared each Month by, or on behalf of, SCPPA which shall be based upon certain of the information in the Annual Budget and shall show for such Month the amount to be paid to SCPPA by Purchaser in accordance with the provisions of Section 7 hereof.

6. Board of Directors. The Board of Directors of the Southern California Public Power Authority.

7. Capacity Rights. "Capacity Rights" shall have the definition set forth in the Power Purchase Agreement.

8. Commencement Date. "Commencement Date" shall have the definition set forth in the Power Purchase Agreement.

9. Compliance. Following a Payment Default, the Defaulting Purchaser shall be in compliance with its payment obligations under this Agreement if it (i) no later than the last Day of the Cure Period fully pays all amounts owed as reflected in any Default Invoice; (ii) pays any monthly Billing Statement which comes due during the Cure Period; and (iii) replenishes any reduction made to the Reserve Funds as a result of any Payment Default.

10. Consent Agreements. All consents to assignments and all agreements relating thereto entered into with any lender, financial institution or other Person for the purpose of consenting to the assignment of the rights or securing the obligations of the Power Purchase Provider under the Power Purchase Agreement, and all consents or agreements relating to a Change in Control (as defined in the Power Purchase Agreement) under Section 14.7(e) of the Power Purchase Agreement.

11. Cure Period. That period of time beginning on the date of a Payment Default and concluding

thirty (30) Days thereafter.

12. Cured Payment Default. A Payment Default which has been cured in accordance with Section 11.3 hereof. If at any time during the Cure Period the Defaulting Purchaser is in Compliance, then the requirements of a Cured Payment Default shall be deemed to have been satisfied as of the date of receipt of such payments by SCPPA and the Cure Period shall expire.

13. Daily Delay Damages. Daily Delay Damages shall have the definition set forth in the Power Purchase Agreement.

14. Day. "Day" means calendar Day unless otherwise specified herein.

15. Default Invoice. An invoice during the Payment Default Period and the Cure Period issued to the Defaulting Purchaser pursuant to Section 11 hereof that identifies the total defaulted amount owed, including late payment interest, to achieve a Cured Payment Default. During the Cure Period, the Default Invoice shall also include the amount that must be paid to achieve Compliance.

16. Defaulting Purchaser. "Defaulting Purchaser" means Purchaser, where Purchaser has caused a Payment Default under Section 11.1 hereof that has not been remedied or cured.

17. Delivery Output Cost Component. "Delivery Output Cost Component" is defined in Section 4.2.1.

18. Dynamic Scheduling. "Dynamic Scheduling" shall mean the automated scheduling of Energy from the Point of Delivery to Purchaser's control area or electric system, provided that said dynamic schedules adjust at four second intervals, or other intervals as specified by WECC, to match the amount of Energy actually delivered to the Point of Delivery from the Facility.

19. Energy. "Energy" shall have the same definition as in the Power Purchase Agreement.

20. Environmental Attributes. "Environmental Attributes" shall have the definition set forth in the Power Purchase Agreement.

21. Facility. "Facility" shall have the same definition as the Power Purchase Agreement.

22. Facility Output. All output, rights, and other tangible or intangible benefits derived from the Facility, whatsoever, including without limitation all Energy, Environmental Attributes and Capacity Rights, whether received by SCPPA under or pursuant to the Power Purchase Agreement or other applicable Project Agreement.

23. Fiscal Year. The twelve-month period commencing at 12:01 a.m. on July 1 of each year and ending at 12:01 a.m. on the following July 1, or such other time frame as determined by the Board of Directors.

24. Force Majeure. "Force Majeure" shall have the definition set forth in the Power Purchase Agreement.

25. Guaranteed Generation. "Guaranteed Generation" shall have the meaning provided in the Power Purchase Agreement.

26. Initial Payment Default Date. The earlier of (i) the end of the fifth Day following the first Payment Default for which no remedy in payment has occurred and been received by SCPPA, or (ii) the last Day of the Month in which the first Payment Default has occurred for which no remedy in payment has occurred and been received by SCPPA.

27. Joint Powers Agreement. The "Southern California Public Power Authority Joint Powers Agreement" dated as of November 1, 1980, as amended and modified from time to time, entered into pursuant to the provisions of the Act, among SCPPA and its members.

28. Month. A calendar month.

29. Monthly Costs. "Monthly Costs" is defined in Section 7.1.

30. Moody's. "Moody's" shall mean Moody's Investor Services, Inc.

31. Operating Budget. The operating budget approved by the Board of Directors which shall show a detailed estimate of Total Power Costs for a Power Supply Year and all revenues, income or other funds to be applied to Total Power Costs for and applicable to such Power Supply Year.

32. Payment Default. A failure by the Purchaser to pay when due all of its Billing Statement for any Month.

33. Payment Default Period. That period of time beginning on the initial date of a Payment Default and ending thirty (30) Days following a notice of default as provided in accordance with Section 11.2 hereof.

34. Person. "Person" means any individual, corporation, partnership, joint venture, limited liability company, association, joint stock company, trust, unincorporated organization, entity, government or other political subdivision.

35. Point of Delivery. Point of Delivery shall have the definition set forth in the Power Purchase Agreement.

36. Power Purchase Agreement. The Power Purchase Agreement between Southern California Public Power Authority and Whitegrass No. 1, LLC, dated as of February 20, 2020, attached hereto as Appendix B, as the same may be amended from time to time.

37. Power Purchase Agreement General and Administrative Cost Component. "Power Purchase Agreement General and Administrative Cost Component" is defined in Section 4.2.2.

38. Power Purchase Provider. Whitegrass No. 1, LLC, as the counterparty to SCPPA under the Power Purchase Agreement, and any other entity named under any applicable operating agreement to operate or otherwise run or manage the Facility, along with each of their successors, or any successors or assigns to the rights of these entities.

39. Power Supply Year. The Fiscal Year, except that the first Power Supply Year shall begin on the first to occur of (i) the date SCPPA is obligated to pay any portion of the costs of the Project, (ii) the date of Commencement Date of the Facility, or (iii) the date of the first delivery of Energy to Purchaser pursuant to this Agreement. The first Power Supply Year shall end on the last Day of the then current Fiscal Year.

40. Project. The term "Project" means the Whitegrass No. 1 Geothermal Energy Project, and shall be broadly construed to entail the aggregate of rights, liabilities, interests and obligations of SCPPA pursuant to the Power Purchase Agreements and the other Project Agreements, including but not limited to all associated rights, liabilities, interests and obligations; provided, that for purposes of this Agreement it shall be limited to those rights, liabilities, interests and obligations acquired or undertaken by SCPPA in the Power Purchase Agreement and the Project Agreements associated with that agreement. The term Project shall also include those rights, liabilities, interests or obligations necessary or appropriate to carry out the functions specified in Section 6 and to utilize or deliver the Energy of the Facility as specified in Section 9.

41. Project Agreements. Insofar as they pertain to this Project, any project management agreement, the Power Sales Agreement, each of the Power Purchase Agreement, the Ancillary Documents or any other contracts for the purchase, procurement, delivery or transmission of Facility Output, or any other agreements for scheduling, dispatching, exchanging, tagging, movement or transmission of Facility Output, or agreements to which SCPPA is a party relating to the administration or management of the Project.

42. Project Manager. SCPPA in its capacity as Project Manager or a designee appointed by SCPPA to carry out SCPPA's responsibilities as Project Manager under this Agreement.

43. Project Rights. All rights and privileges of the Purchaser under this Agreement, including but not limited to its right to receive Facility Output under this Agreement.

44. Project Rights and Obligations. The Purchaser's Project Rights and obligations under the terms of this Agreement.

45. Reserve Fund Cost Component. "Reserve Fund Cost Component" is defined in Section 4.2.4.

46. Reserve Funds. Those reserve accounts deemed appropriate to afford a reliable source of funds for the payment obligations of the Project and taking into account the variability of costs associated with the Project for the purpose of providing a reliable payment mechanism to address the ongoing costs associated with the Project.

47. S&P. "S&P" shall mean Standard & Poor's Financial Services, LLC.

48. Shortfall Damages. "Shortfall Damages" shall have the meaning set forth in the Power Purchase Agreement.

49. Supplementary Services. Those services in connection with the delivery of Energy involving additional transmission, interconnection arrangements, energy management, firming, shaping, energy balancing, dispatching, tagging, scheduling, Dynamic Scheduling, transmitting, interconnecting, swapping, exchanging or other services associated with the transmission, use or disposition of Facility Output to be utilized by the Purchaser under this Agreement, and to otherwise provide for delivery and facilitate the disposition, movement, taking, receiving, accounting for, transferring and crediting the transfer of Facility Output from the Point of Delivery to any other points or destinations, as determined by the Purchaser. Supplementary Services include but are not limited to delivery point swaps, stranded energy/transmission curtailments, tie-point liquidity improvement, transmission loss savings, tie-point price spread optimization, on-peak/off-peak exchanges, peak shifting exchanges, seasonal exchanges, and both simultaneous or non-simultaneous green energy exchanges.

50. Supplementary Services Cost Component. "Supplementary Services Cost Component" is defined in Section 4.2.3.

51. Total Power Costs. "Total Power Costs" has the meaning described in Section 4.2.

52. Transmission System. "Transmission System" shall have the meaning set forth in the Power Purchase Agreement.

53. Uncontrollable Forces. Any Force Majeure event and any cause beyond the control of any Party, and which by the exercise of due diligence such Party is unable to prevent or overcome, including but not limited to, failure or refusal of any other Person to comply with then existing contracts, an act of God, fire, flood, explosion, earthquake, strike, sabotage, pestilence, an act of the public enemy (including terrorism), civil or military authority including court orders, injunctions and orders of governmental agencies with proper jurisdiction or the failure of such agencies to act, insurrection or riot, an act of the elements, failure of equipment, a failure of any governmental entity to issue a requested order, license or permit, inability of any Party or any Person engaged in work on the Project to obtain or ship materials or equipment because of the effect of similar causes on suppliers or carriers. Notwithstanding the foregoing, Uncontrollable Forces as defined herein shall also include events of Force Majeure pursuant to the Power Purchase Agreement, as defined therein.

54. WECC. The Western Electricity Coordinating Council or its successor.

APPENDIX B

WHITEGRASS NO. 1 GEOTHERMAL ENERGY PROJECT
POWER PURCHASE AGREEMENT

AGENDA ITEM STAFF REPORT

MEETING DATE: February 20, 2020 **RESOLUTION NUMBER:** 2020-006

SUBJECT: Power Purchase Agreement with Star Peak Geothermal, LLC and a Power Sales Agreement with the City of Glendale.

DISCUSSION: ☒ **OR** **CONSENT:** ☐

Select the appropriate box(es):

FROM:		**METHOD OF SELECTION:**	
Finance	☐	Competitive	☒
Project Development	☒	Cooperative Purchase	☐
Program Development	☐	Sole Source	☐
Regulatory/Legislative	☐	Single Source	☐
Project Administration	☐	Other *(Please describe):*	
Legal	☐		
Executive Director	☐		

Approved by Executive Director: Michael S. Webster

RECOMMENDATION:
Authorize the negotiation, execution, and delivery of the project Power Purchase Agreement ("PPA) and Power Sales Agreement ("PSA") for the Star Peak Geothermal, LLC Geothermal Power Plant ("Star Peak") to provide in total approximately 12.5 MWs of long-term geothermal supply of renewable electrical energy through the Southern California Public Power Authority ("SCPPA" or "the Authority") to one of its participating Members, the City of Glendale ("Glendale") for all 12.5 MWs, for the purpose of satisfying the utility's renewable electrical energy resource goals.

BACKGROUND:
In pursuit of the goals of the renewable development study project to provide opportunities for its members to supply 33 percent by 2020, the Authority has issued Request for Proposals for Renewable Energy Resources and Energy Storage Solutions to address the renewable electrical energy needs of its members, including Glendale (the "Project Participant").

The developer of Star Peak, Open Mountain Energy, LLC ("OME"), is a Delaware limited liability company with sixty plus (60+) years of collective experience developing, constructing, and operating geothermal, biogas, PV solar, and other clean energy projects. OME currently owns over fourteen thousand (14,000) acres or geothermal leases in Nevada with over fifty-four (54) drilled wells (combined full size and gradient/monitoring).

DISCUSSION:

- **Scope of Contract Services:**
  Star Peak is a geothermal power plant located in Imlay, Nevada with a net nameplate capacity of 12.5 MW. The energy point of delivery ("POD") is at McCullough 500kV. The Commercial Operation Date for Star Peak is shall occur no later than December 31, 2022 and the failure to achieve the Commercial Operation Date by the Outside COD shall be an immediate Default by Seller, not subject to extension or cure of any kind. . The twenty-five (25) year term PPA is expected to begin upon completion of certain conditions as required under the PPA and is expected to end on December 31, 2045. The energy price under the PPA shall be:

  - $70.25/MWh with up to a 4% non-compensable Curtailment Option
  - A credit of $35.13/MWh for not exercising the Curtailment Option of geothermal energy
  - A credit of $40.25/MWh for any solar energy that offsets geothermal parasitic load

- **Selection Method:**
  The OME Star Peak Geothermal Power Plant was selected from the forty-eight (48) developer responses received in response to the Request for Proposals for Renewable Energy Resources and Energy Storage Solutions competitive solicitation issued on January 23, 2019 and closed on December 30, 2019.

  The RFP solicited competitive proposals for renewable energy projects or products consistent with the California Renewable Energy Resources Program (Public Resources Code sec. 25740 et seq.) and the California Renewables Portfolio Standard Program (Public Utilities Code sec. 399.11 et seq.), including amendments enacted by passage of SB 100 (De Leon 2018). SCPPA is targeting proposals for renewable resources with commercial operation or delivery starting in 2019 and beyond.

  Star Peak was selected by the Glendale as a viable geothermal power project which will further its renewable electrical energy goals and needs. Based on Glendale's selection, SCPPA desires to enter into a PPA with Star Peak Geothermal, LLC. The developer, OME, has agreed to this intent.

- **SCPPA's Authority:**
  In accordance with the Joint Powers Agreement, SCPPA may facilitate contracts for the transaction involving procurement of electric generation capacity for SCPPA Members.

FISCAL IMPACT:

There is de minimis impact on SCPPA's Administrative and General Budget outside of staff time to administer the PPA.

Glendale has committed in writing to pay for any, and all, energy products and services received from Star Peak Geothermal, LLC over the term of the Agreements through project billing.

[Voice Vote]

RESOLUTION NO. 2020-006

RESOLUTION RELATING TO THE STAR PEAK GEOTHERMAL ENERGY PROJECT: AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF A POWER PURCHASE AGREEMENT, A POWER SALES AGREEMENT WITH THE CITY OF GLENDALE AND SUCH OTHER DOCUMENTS, INSTRUMENTS AND AGREEMENTS AS MAY BE NECESSARY OR APPROPRIATE TO ACHIEVE THE FULL UTILIZATION OF THE RESOURCES OF THE PROJECT AND AS SHALL BEST CARRY FORWARD THE INTERESTS AND OBJECTIVES OF THE AUTHORITY AND THE CITY OF GLENDALE.

WHEREAS, the Southern California Public Power Authority ("SCPPA" or "the Authority") has issued Requests for Proposals for potential renewable electric resources to address SCPPA member renewable energy needs, as part of that process the Authority together with the City of Glendale (the "Project Participant") have identified a geothermal energy generation resource denominated as the Star Peak Geothermal Energy Project ("Project"). The Project is being developed by Star Peak Geothermal LLC ("Power Purchase Provider"), a Nevada limited liability company, and an affiliate of Open Mountain Energy, LLC. The Project is planned to be situated in Pershing County, Nevada;

WHEREAS, SCPPA and the Project Participant have negotiated and developed in substantial final form with the Power Purchase Provider a power purchase agreement with a term of 25 years (the "Power Purchase Agreement") whereby the Power Purchase Provider, will sell and SCPPA will purchase geothermal renewable energy and associated environmental rights and benefits;

WHEREAS, the Authority and the Project Participant desire to enter into a power sales agreement (the "Power Sales Agreement"), whereby the Authority will provide to the Project Participant the full output of the Project, and the Project Participant will pay all costs, liabilities and obligations of the Authority in connection with the Project;

WHEREAS, the Project is subject to the California Energy Commission's ("Commission") Emission Performance Standard regulations ("EPS Regulations;" 20 CCR § 2900 *et seq.*), including the requirement in 20 CCR § 2909 that a publicly-owned utility submit a "compliance filing" with the Commission within 10 business days after it enters into a "covered procurement" as therein defined; and

WHEREAS, SCPPA and the Project Participant desire to provide for the further development, negotiation, entering into, execution and delivery of such other documents, instruments, agreements and arrangements with respect to the resources of the Project so as to facilitate the generation, transmission and delivery of energy associated with the Project and to provide for the negotiation and approval of those terms and conditions with respect to such agreements and arrangements as shall best carry forward the interests of the Authority and the

Project Participant and as shall best achieve the Authority's and the Project Participant's objectives.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Southern California Public Power Authority as follows:

1. The Executive Director is hereby delegated all right power and authority to negotiate and finalize, and each of the President, Vice President and Executive Director of the Authority is hereby authorized and directed, upon the successful negotiation thereof, to execute and deliver the Power Purchase Agreement, in substantial form as presented to the Board of Directors, and each of such other agreements, documents and instruments the substance or form of which are referenced in or otherwise attached to the Power Purchase Agreement or which may be contemplated by the terms of the Power Purchase Agreement and to which the Authority is to be a party or is to sign, each with such changes, insertions and omissions as shall be approved by said President, Vice President or Executive Director (such approval to be conclusively evidenced by her or his execution and delivery thereof), and each of the Secretary and any Assistant Secretary is hereby authorized to attest to such signature. The Power Purchase Agreement (including such other agreements, documents and instruments the form of which is attached to the Power Purchase Agreement or is referenced therein) is hereby approved in substantial final form as presented to the Board of Directors.

2. Each of the President, Vice President and Executive Director of the Authority is hereby authorized and directed to execute and deliver the Power Sales Agreement, with the City of Glendale, in substantially form as presented to the Board of Directors, with such changes, insertions and omissions as shall be approved by said President, Vice President or Executive Director (such approval to be conclusively evidenced by her or his execution and delivery thereof), and each of the Secretary and any Assistant Secretary is hereby authorized to attest to such signature. The form of the Power Sales Agreement in substantial final form as presented to the Board of Directors is hereby approved.

3. In addition to the foregoing, in order to facilitate the negotiation and consummation of the contemplated arrangements for the generation and delivery of energy from the Project and to carry forward other necessary or appropriate agreements associated with the acquisition of energy and geothermal generation resources of the Project and the delivery of the energy and environmental attributes of the Project to Southern California, and to achieve the full utilization of the resources of the Project, the Board of Directors hereby delegates to the Executive Director of the Authority all right, power and authority to negotiate, approve and execute agreements and arrangements with respect to the resources of the Project to facilitate the generation, transmission and delivery of energy associated with the Project and to negotiate and approve those terms and conditions with respect to such agreements and arrangements as shall best carry forward the interests of the Authority and the Project Participant and as shall best achieve the Authority's and the Project Participant's objectives, including the negotiation, development and execution of any consent agreement or other agreement pursuant to a change in control, project related financing, or as otherwise necessary or appropriate to carry forward the interests of the Authority and the Project Participants which does not require a material modification to or material change to the Power Purchase Agreement.

4. Each of the President, Vice President, Secretary, any Assistant Secretary, the Executive Director and any other officer of the Authority is hereby authorized to execute and deliver any and all agreements, documents and instruments and to do and cause to be done any and all acts and things deemed necessary or advisable for carrying out the transactions contemplated by this Resolution (including, but not limited to, making such changes to the agreements, documents and instruments referred to in this Resolution if such changes are determined by the President, Vice President or Executive Director to be necessary or advisable). Each reference in this Resolution to the President, Vice President, Secretary, Assistant Secretary or Executive Director shall refer to the person holding such office or position, as applicable, at the time a given action is taken and shall not be limited to the person holding such office or position at the time of the adoption of this Resolution. All actions heretofore taken by the officers, employees and agents of the Authority in furtherance of the transactions contemplated by this Resolution are hereby approved, ratified and confirmed.

5. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 20th day of February 2020.

_____

PRESIDENT
Southern California Public
Power Authority

ATTEST:

_____

ASSISTANT SECRETARY
Southern California Public
Power Authority

POWER PURCHASE AGREEMENT

BETWEEN

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

AND

STAR PEAK GEOTHERMAL LLC

DATED AS OF [_____], 2020

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS AND INTERPRETATION 1

Section 1.1 Definitions 1
Section 1.2 Interpretation 24
Section 1.3 Order of Precedence 25

ARTICLE II EFFECTIVE DATE, TERM AND EARLY TERMINATION 25

Section 2.1 Effective Date 25
Section 2.2 Agreement Term and Delivery Term 25
Section 2.3 Survivability 25
Section 2.4 Early Termination 26

ARTICLE III DEVELOPMENT OF THE FACILITY 27

Section 3.1 In General 27
Section 3.2 Commercial Operation Notices 28
Section 3.3 Other Information 28
Section 3.4 Milestone Schedule 29
Section 3.5 Performance Damages 29
Section 3.6 Remedial Action Plan 30
Section 3.7 Decommissioning and Other Costs 30
Section 3.8 CEC Certification 30

ARTICLE IV OPERATION AND MAINTENANCE OF THE FACILITY 30

Section 4.1 Compliance with Electrical Service Requirements 30
Section 4.2 General Operational Requirements 31
Section 4.3 Operation and Maintenance Plan after Commercial Operation 31
Section 4.4 Forecasting and Scheduling of Energy and Scheduled Outages 32
Section 4.5 Dynamic Scheduling 35
Section 4.6 Reporting and Information 36

ARTICLE V COMPLIANCE DURING CONSTRUCTION AND OPERATION PERIOD 36

Section 5.1 In General 36
Section 5.2 Compliance with Standards 38
Section 5.3 Quality Assurance Program 38
Section 5.4 Security Provided by Seller 39
Section 5.5 Effect of Review by Buyer 40

ARTICLE VI PURCHASE AND SALE OF POWER 40

Section 6.1 Purchases by Buyer 40

TABLE OF CONTENTS
(continued)

Page

Section 6.2 Startup and Test Energy ... 41
Section 6.3 Point of Delivery ... 41
Section 6.4 Expected Monthly Generation Adjustment ... 41
Section 6.5 Buyer's Failure ... 42
Section 6.6 Nature of Remedies ... 42
Section 6.7 Energy to Come Exclusively from Facility ... 42
Section 6.8 Sales to Third Parties ... 42
Section 6.9 Curtailment Requested by Buyer ... 43

ARTICLE VII TRANSMISSION AND SCHEDULING; TITLE AND RISK OF LOSS ... 44

Section 7.1 In General ... 44
Section 7.2 Costs ... 44
Section 7.3 Title; Risk of Loss ... 45

ARTICLE VIII ENVIRONMENTAL ATTRIBUTES; EPS AND RPS COMPLIANCE ... 45

Section 8.1 Transfer of Environmental Attributes ... 45
Section 8.2 Reporting of Ownership of Environmental Attributes ... 46
Section 8.3 Environmental Attributes ... 46
Section 8.4 Use of Accounting System to Transfer Environmental Attributes ... 46
Section 8.5 Further Actions Regarding Environmental Attributes ... 47
Section 8.6 RPS and EPS Compliance ... 47
Section 8.7 Change in Law ... 47

ARTICLE IX MAKEUP OF SHORTFALL ENERGY ... 48

Section 9.1 Makeup of Shortfall ... 48
Section 9.2 Makeup Energy ... 48
Section 9.3 Shortfall Remedies ... 49
Section 9.4 Replacement Energy ... 49
Section 9.5 Application of Shortfall Energy or Replacement Energy ... 50

ARTICLE X CAPACITY RIGHTS ... 50

Section 10.1 Purchase and Sale of Capacity Rights ... 50
Section 10.2 Representation Regarding Ownership of Capacity Rights ... 50
Section 10.3 Further Action by Seller Regarding Capacity Rights ... 50

ARTICLE XI BILLING; PAYMENT; AUDITS; METERING; ATTESTATIONS; POLICIES ... 50

Section 11.1 Billing and Payment ... 50
Section 11.2 Calculation of Energy Delivered; Payment ... 52

TABLE OF CONTENTS
(continued)

Page

Section 11.3 Payment ... 52
Section 11.4 WREGIS Withholding ... 52
Section 11.5 Disputed Invoices ... 53
Section 11.6 Right of Setoff ... 53
Section 11.7 Records and Audits ... 53
Section 11.8 Electric Metering Devices ... 55
Section 11.9 Taxes ... 57

ARTICLE XII REPRESENTATIONS AND WARRANTIES; COVENANTS OF SELLER ... 57

Section 12.1 Representations and Warranties of Buyer ... 57
Section 12.2 Representations and Warranties of Seller ... 57
Section 12.3 Covenants of Seller Related to Real Property Agreements ... 60
Section 12.4 Covenants of Seller Related to Tax Equity Financing ... 62
Section 12.5 Additional Covenants of Seller ... 63
Section 12.6 Additional Related Projects ... 63
Section 12.7 Storage Technology ... 64
Section 12.8 Solar Technology ... 64

ARTICLE XIII DEFAULT; TERMINATION AND REMEDIES; PERFORMANCE DAMAGE ... 65

Section 13.1 Default ... 65
Section 13.2 Default Remedy ... 67
Section 13.3 Termination for Default ... 68

ARTICLE XIV MISCELLANEOUS ... 70

Section 14.1 Authorized Representative ... 70
Section 14.2 Notices ... 70
Section 14.3 Dispute Resolution ... 70
Section 14.4 Further Assurances ... 71
Section 14.5 No Dedication of Facilities ... 71
Section 14.6 Force Majeure ... 71
Section 14.7 Assignment of Agreement; Change in Control ... 73
Section 14.8 Ambiguity ... 75
Section 14.9 Attorneys' Fees and Costs ... 76
Section 14.10 Voluntary Execution ... 76
Section 14.11 Entire Agreement; Amendments ... 76
Section 14.12 Governing Law ... 76
Section 14.13 Venue ... 76
Section 14.14 Execution in Counterparts ... 76
Section 14.15 Effect of Section Headings ... 77
Section 14.16 Waiver ... 77

TABLE OF CONTENTS
(continued)

		Page
Section 14.17	Relationship of the Parties	77
Section 14.18	Third Party Beneficiaries	77
Section 14.19	Indemnification; Damage or Destruction; Insurance; Condemnation; Limit of Liability	77
Section 14.20	Severability	79
Section 14.21	Confidentiality	79
Section 14.22	Mobile-Sierra	81
Section 14.23	Service Contract	82
Section 14.24	Time is of the Essence	82
Section 14.25	Right of First Offer and Right of First Refusal	82
Section 14.26	Market Disruption Event	83

Appendices

APPENDIX A	CONTRACT PRICE AND PAYMENT SCHEDULE
APPENDIX B	FACILITY
APPENDIX C	BUYER AND SELLER BILLING, NOTIFICATION AND SCHEDULING CONTACT INFORMATION
APPENDIX D	FORM OF ATTESTATION
APPENDIX E	FORM OF LETTER OF CREDIT
APPENDIX F	INSURANCE
APPENDIX G	QUALITY ASSURANCE PROGRAM
APPENDIX H	MILESTONE SCHEDULE
APPENDIX I	NON-CONSOLIDATION OPINION
APPENDIX J	REAL PROPERTY AGREEMENTS
APPENDIX K	[RESERVED]
APPENDIX L	FORM OF CASH ESCROW AGREEMENT
APPENDIX M	COMMERCIAL OPERATION
APPENDIX N	ORGANIZATIONAL STRUCTURE AND OWNERSHIP OF SELLER AND PARENT ENTITIES
APPENDIX O	METEOROLOGICAL AND PYRANOMETER MEASUREMENTS
APPENDIX P	FORM OF QUARTERLY CERTIFICATE
APPENDIX Q	ENERGY GENERATION AND PRODUCTION
APPENDIX R	SINGLE-LINE DIAGRAM
APPENDIX S	METERING DIAGRAM
APPENDIX T	POINT OF METERING DIAGRAM
APPENDIX U	[RESERVED]

APPENDIX V FORM OF MONTHLY REPORT

APPENDIX W FORM OF CONSENT TO COLLATERAL ASSIGNMENT

APPENDIX X LIST OF ANCILLARY DOCUMENTS

APPENDIX Y SPECIFIED REAL PROPERTY

POWER PURCHASE AGREEMENT

PARTIES

THIS POWER PURCHASE AGREEMENT ("***Agreement***"), which is dated for convenience as of this **[___]** day of **[_____]**, 2020, is being entered into by and between the Southern California Public Power Authority, a public entity and joint powers authority formed and organized pursuant to the California Joint Exercise of Powers Act (California Government Code Section 6500, et seq.) ("***Buyer***"), and Star Peak Geothermal LLC ("***Seller***"), a limited liability company organized and existing under the laws of the State of Nevada. Each of Buyer and Seller is referred to individually in this Agreement as a "***Party***" and together they are referred to as the "***Parties***".

RECITALS

WHEREAS, Buyer's Members have adopted or are adopting policies to comply with the California Renewable Energy Resources Act that are designed to increase the amount of energy that they provide to their retail customers from eligible renewable energy resources; and

WHEREAS, on January 12, 2018, Buyer issued a request for proposals to acquire eligible renewable energy resources; and

WHEREAS, on February 22, 2018, Seller's Ultimate Parent Entity on behalf of Seller submitted its initial response to Buyer's request for proposals and, following negotiation, Seller has agreed to sell to Buyer, and Buyer has agreed to purchase, certain renewable energy, capacity rights and associated environmental attributes; and

WHEREAS, the Parties desire to set forth the terms and conditions pursuant to which such sales and purchases shall be made.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein, and the mutual covenants and agreements herein set forth, the Parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. The following terms in this Agreement and the appendices hereto shall have the following meanings when used with initial capitalized letters:

"**Acceptable Form of Performance Assurance**" means a letter of credit issued by a Qualified Issuer, substantially in the form attached hereto as Appendix E, or cash that shall be delivered in one installment to a custodian and held, for the benefit of Buyer, pursuant to a Cash Escrow Agreement in substantially the form attached as Appendix L, which will guarantee Seller's obligations under this Agreement.

"**Act**" means all of the provisions contained in the California Joint Exercise of Powers Act found in Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, beginning at California Government Code Section 6500 *et seq*.

"**Additional System**" has the meaning set forth in Section 12.8.

"**Affiliate**" means, as to any Person, any other Person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such Person or is a director or officer of such Person or of an Affiliate of such Person.

"**Agreement**" has the meaning set forth in the preamble of this Agreement and includes Appendices A through Y, attached hereto.

"**Agreement Term**" has the meaning set forth in Section 2.2.

"**Ancillary Documents**" means any agreement, instrument, certificate or other document required to be executed and delivered between Buyer, on the one hand, and any Seller Party, on the other hand, in connection with this Agreement. As of the Effective Date, there are no Ancillary Documents.

"**ASCE**" means American Society of Civil Engineers and any successor thereto.

"**ASME**" means American Society of Mechanical Engineers and any successor thereto.

"**Assumed Daily Deliveries**" has the meaning set forth in Section 13.3(c).

"**ASTM**" means American Society for Testing and Materials and any successor thereto.

"**Authorized Auditors**" means representatives of Buyer or Buyer's Agents who are authorized to conduct audits on behalf of Buyer.

"**Authorized Representative**" means, with respect to each Party, the Person designated as such Party's authorized representative pursuant to Section 14.1.

"**AWS**" means American Welding Society and any successor thereto.

"**Bankruptcy**" means any case, action or proceeding under any bankruptcy, reorganization, debt arrangement, insolvency or receivership law or any dissolution or liquidation proceeding commenced by or against a Person and, if such case, action or proceeding is not commenced by such Person, such case, action or proceeding that is consented to or acquiesced in by such Person or that results in an order for relief or that remains undismissed for sixty (60) days.

"**Bankruptcy Code**" means Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect, or any successor statute thereto.

"**Brown Act**" has the meaning set forth in Section 14.21(d).

"**Business Day**" means any day that is not a Saturday, a Sunday, or a day on which commercial banks are authorized or required to be closed in Los Angeles, California, or New York, New York.

"**Buyer**" has the meaning set forth in the preamble of this Agreement.

"**Buyer's Agent**" means any Person that Buyer may designate from time to time to perform certain tasks acting as Buyer's agent, including the Participating Member.

"**Buyer's Check Meters**" has the meaning set forth in Section 11.8(e).

"**Buyer's Members**" means any member of Buyer that has entered into the Joint Powers Agreement.

"**Buyer's Non-Compensable Curtailment Hours**" has the meaning set forth in Section 6.9(b).

"**Cal-OSHA**" means California Occupational Safety and Health Administration and any successor thereto.

"**CAMD**" means the Clean Air Markets Division of the EPA and any other state, regional or federal or intergovernmental entity or Person that is given authorization or jurisdiction or both over a program involving the registration, validation, certification or transferability of Environmental Attributes.

"**Capacity Rights**" means the rights, whether in existence as of the Effective Date or arising thereafter during the Agreement Term, to capacity, resource adequacy, associated attributes, excluding Environmental Attributes, or reserves associated with the electric generating capability of the Facility, including the right to resell such rights.

"**CARB**" means California's Air Resources Board, and any successor agency thereto.

"**CEC**" means California's State Energy Resources Conservation and Development Commission, also known as the California Energy Commission, and any successor agency thereto.

"**CEC Certified**" or "**CEC Certification**" means that the CEC has certified that the Facility is an eligible renewable energy resource in accordance with Section 399.12(e) of the Public Utilities Code and the guidelines adopted by the CEC relating thereto/RPS Law.

"**CEC Performance Standard**" means, at any time, the applicable greenhouse gas emissions performance standard in effect at such time for baseload electric generation facilities that are owned or operated (or both) by local publicly owned electric utilities, or for which a local publicly owned electric utility has entered into a contractual agreement for the purchase of power from such facilities, as established by the CEC or other Governmental Authority having jurisdiction over the Buyer.

"**CEQA**" means the California Environmental Quality Act, California Public Resources Code Section 21000 et seq., as amended from time to time, and any successor statute.

"**Change in Control**" means the occurrence, whether voluntary or by operation of law and whether in a single transaction or in a series of related transactions following which the Ultimate Parent Entity directly or indirectly no longer (i) remains the owner of more than fifty percent (50%) of the equity ownership of Seller, or (ii) retains the power to control the management and policies of Seller; *provided, however,* that a Change in Control shall not include any (i) transaction or series of transactions in which a membership interest or other equity interest in Seller or any Parent Entity is issued or transferred to another Person solely for the purpose of a Tax Equity Financing, or (ii) a sale or transfer in accordance with Section 14.7(g).

"**COD Daily Delay Damages Cap**" has the meaning set forth in Section 3.5.

"**Commercial Operation**" means (a) Seller has demonstrated, and the Independent Engineer has confirmed in writing, that the conditions set forth in the Independent Engineer certificate attached as Appendix M-1 have been met with respect to the Facility as a whole, and (b) Seller has demonstrated, to the reasonable satisfaction of Buyer, that any conditions on Appendix M not certified to by the Independent Engineer have been met with respect to the Facility as a whole, and in the case of both (a) and (b), all certificates associated therewith have been accepted by Buyer.

"**Commercial Operation Date**" means the date on which Commercial Operation of the Facility occurs, as determined pursuant to Section 3.5.

"**Compensable Curtailments**" has the meaning set forth in Section 6.9(a).

"**Compliance Standards**" has the meaning set forth in Section 8.6.

"**Confidential Information**" has the meaning set forth in Section 14.21(a).

"**Construction Commencement Milestone**" means the date on which Seller demonstrates to the reasonable satisfaction of Buyer's Authorized Representative that (a) Seller's general contractor has commenced installation and construction of the Facility pursuant to Seller's issuance of NTP, (b) all Permits listed in Appendix B have been obtained, are final and are in full force and effect and (c) the diagrams contained in Appendices U through X have been updated.

"**Contract Month**" means any month during the Delivery Term for which the first date and last date of such month occur during the Delivery Term.

"**Contract Year**" means (i) the stub year period beginning on the Commercial Operation Date and ending on December 31 of the year in which the Commercial Operation Date occurs; and (ii) each of the following calendar years, until and including the calendar year ending December 31, 2045.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of management, policies, or activities of a Person, whether through ownership of voting securities, by contract or otherwise.

"**Costs**" has the meaning set forth in Section 13.3(f)(3).

"**CPRA**" has the meaning set forth in Section 14.21(d).

"**Daily Delay Damages**" has the meaning set forth in Section 3.5.

"**Day Ahead Schedule**" has the meaning set forth in Section 4.4(e).

"**Deemed Additional System Output**" has the meaning set forth in Section 12.8.

"**Deemed Delivered Energy**" has the meaning set forth in Section 6.9(b).

"**Default**" has the meaning set forth in Section 13.1.

"**Defaulting Party**" has the meaning set forth in Section 13.1.

"**Delivered Energy**" means:

(a) for any Contract Month commencing prior to the earlier of (x) the Dynamic Schedule Effective Date and (y) the Second Anniversary, the MWh of energy scheduled and delivered by Seller and received by Buyer during such Contract Month at the Point of Delivery, which amount will not include Station Service, Parasitic Load, or transmission or transformation losses to the Point of Delivery in conformance with the most-current edition of the guidebook promulgated by the CEC;

(b) if the Dynamic Schedule Effective Date has not occurred prior to the Second Anniversary, then for any Contract Month commencing on or after the Second Anniversary (but before the Dynamic Schedule Effective Date), the lesser of (x) the MWh of Facility Energy scheduled and delivered by Seller and received by Buyer during such Contract Month at the Point of Delivery, which amount will not include Station Service, Parasitic Load, or transmission or transformation losses to the Point of Delivery in conformance with the most-current edition of the guidebook promulgated by the CEC, and (y) the MWh of Facility Energy measured by the Electric Metering Devices during such Contract Month pursuant to Section 11.8, and

(c) for any Contract Month commencing on or after the Dynamic Schedule Effective Date, the amount of Facility Energy included in the dynamic schedule with respect to such Contract Month.

"**Delivery Term**" has the meaning set forth in Section 2.2.

"**Development Security**" has the meaning set forth in Section 5.4(a).

"**Dispute**" has the meaning set forth in Section 14.3(a).

"**Dispute Notice**" has the meaning set forth in Section 14.3(a).

"**DNP**" has the meaning set forth in Section 4.4(j).

"**Downgrade Event**" means any event that results in a Person failing to meet the credit requirements of a Qualified Issuer or the commencement of involuntary or voluntary bankruptcy, insolvency, reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar proceeding (whether under any present or future statute, law, or regulation) with respect to such Person.

"**Dynamic Schedule Effective Date**" means the date when (x) Seller (or its authorized agent) is authorized by the Transmission Provider providing Transmission Services at the Point of Delivery to dynamically schedule Facility Energy to the Point of Delivery and (y) dynamic scheduling of the Facility has been implemented and has commenced, in each case, subject to the terms of this Agreement.

"**Early Termination Date**" has the meaning set forth in Section 13.3(a).

"**EEI**" means Edison Electric Institute and any successor thereto.

"**Effective Date**" has the meaning set forth in Section 2.1.

"**Electric Metering Devices**" means all meters, metering equipment and data processing equipment conforming to the requirements set forth in Section 11.8 and used to measure, record or transmit data relating to the Energy output from the Facility. Electric Metering Devices include the metering current transformers and the metering voltage transformers.

"**Energy**" means electrical energy.

"**Environmental Attribute Reporting Rights**" means all rights to report ownership of the Environmental Attributes to any Person, including under Section 1605(b) of the Energy Policy Act of 1992, as amended from time to time or any successor statute, or any other current or future international, federal, state or local law, regulation or bill, or otherwise.

"**Environmental Attributes**" means RECs, and any and all other current or future credits, benefits, emissions reductions, offsets or allowances, howsoever entitled, named, registered, created, measured, allocated or validated (A) that are at any time recognized or deemed of value (or both) by Buyer, applicable law, or any voluntary or mandatory program of any Governmental Authority or other Person, and (B) that are attributable to (i) Facility Energy generation capability or generation during the Agreement Term or Replacement Energy required to be delivered by Seller to Buyer during the Delivery Term and (ii) the emissions or other environmental characteristics of such Facility Energy generation or such Replacement Energy or its displacement of conventional or other types of Energy generation. Environmental Attributes include any of the aforementioned arising out of legislation or regulation concerned with oxides of nitrogen, sulfur, carbon, or any other greenhouse gas or chemical compound, particulate matter, soot, or mercury, or implementing the United Nations Framework Convention on Climate Change (the "***UNFCCC***"), the Kyoto Protocol to the UNFCCC, the principles identified in the Paris Agreement of the UNFCCC that took effect in 2016, the Clean Power Plan promulgated by the United States Environmental Protection Agency, California's greenhouse gas legislation (including RPS Law and California Assembly Bill 32 (Global Warming Solutions Act

of 2006) and any regulations implemented pursuant to that act, including any compliance instruments accepted under the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms regulations of the California Air Resources Board or any successor regulations thereto) or any similar international, federal, state or local program or crediting "early action" with a view thereto, laws or regulations involving or administered by the CAMD and all Environmental Attribute Reporting Rights, including all evidences (if any) thereof such as renewable energy certificates of any kind. Environmental Attributes for purposes of this definition are separate from the Energy produced from the Facility. Notwithstanding any other provision in this definition, Environmental Attributes do not include (X) any tax credits associated with the Facility and (Y) any grants or any similar benefits related to the Facility.

"**Environmental Laws**" means any federal, state or local laws (including common law), statutes, ordinances, rules, regulations, binding orders, injunctions or judgments pertaining to public health, safety, pollution, or the presence of or release of Hazardous Materials on, under or about the Site.

"**EPA**" means the United States Environmental Protection Agency and any successor agency.

"**EPS Compliant**," means, when used with respect to the Facility or any other facility at any time, that the Facility or other facility, as applicable, satisfies both the PUC Performance Standard and the CEC Performance Standard in effect at the time; *provided*, if it is impossible for the Facility or facility, as applicable, to satisfy both the PUC Performance Standard and the CEC Performance Standard in effect at any time, the Facility or facility, as applicable, shall be deemed EPS Compliant if it satisfies the CEC Performance Standard in effect at the time and those portions of the PUC Performance Standard in effect at the time that it is possible for the Facility or facility, as applicable, to satisfy while at the same time satisfying the CEC Performance Standard in effect at the time.

"**EPS Law**" means Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, or any successor laws or regulations in the State of California.

"**Escrow Account**" means the account established in accordance with Appendix L.

"**e-tag**" has the meaning set forth in Section 7.1.

"**Excess Energy**" means the portion of the Delivered Energy and Deemed Delivered Energy for any Contract Month that is in excess of the Expected Monthly Generation, other than any Delivered Energy received by Buyer in such Contract Month that cures outstanding Shortfall Energy from the prior two months in accordance with Article IX.

"**Excess Energy Rate**" means the price per MWh ($/MWh) to be paid to Seller by Buyer for Excess Energy according to the provisions in paragraph 3 of Appendix A.

"**Excess Monthly Generation**" means, for any Contract Month commencing prior to the earlier of (x) the Dynamic Schedule Effective Date and (y) the Second Anniversary, the sum of the following for all hours in such Contract Month of the positive difference (if any) by which

(a) the MWh of Delivered Energy for each hour exceeds (b) the MWh of Facility Energy measured during such hour by the Electric Metering Devices in accordance with Section 11.8. The calculation of Excess Monthly Generation shall not include any hours for which clause (b) of the foregoing sentence exceeds clause (a) of the foregoing sentence.

"**Excused Conditions**" has the meaning set forth in Section 9.1.

"**Expected Annual Generation**" means, with respect to any Contract Year, the sum of the Expected Monthly Generation for all Contract Months during such Contract Year.

"**Expected Monthly Generation**" means, with respect to any Contract Month, subject to Section 6.4, the applicable MWh set forth on Appendix Q for such Contract Month.

"**Expected Monthly Generation Adjustment Period**" has the meaning given in Section 6.4.

"**Facility**" means the 14.5 MW nominal nameplate capacity geothermal generating facility known as the Star Peak Geothermal Energy Project, located in Pershing County, Nevada, including all property interests and related transmission and other facilities, described in Appendix B.

"**Facility Assets**" has the meaning given in Section 14.25.

"**Facility Cost**" means, measured as of the applicable measurement date, the aggregate amount of all costs and expenses incurred by Seller for the development, design, engineering, equipping, procuring, constructing, installing, starting up and testing of the Facility, including (a) the cost of all labor, services, materials, supplies, equipment, tools, transportation, supervision, storage, training, demolition, site preparation, civil works, and remediation in connection therewith, (b) the cost of acquiring the leasehold interest and any other property, easement or other interest in the Site, (c) the cost of acquiring the Permits for the Facility, (d) real and personal property taxes, ad valorem taxes, sale, use, and excise taxes, and insurance (including title insurance) premiums payable with respect to the Facility, (e) initial working capital requirements of the Facility, (f) financial, legal, and consulting fees, costs, and expenses and (g) the cost of establishing a spare parts inventory for the Facility, if any, net of revenue from Startup and Test Energy.

"**Facility Debt**" means, measured as of the applicable measurement date, any payment obligations of Seller in connection with borrowed money, including (a) principal of and premium on indebtedness, (b) fees, charges, expenses and penalties related to indebtedness, (c) amounts due upon acceleration or in connection with prepayment or restructuring of indebtedness, (d) swap or interest rate hedging breakage costs and (e) any claims or interest due with respect to any of the foregoing.

"**Facility Energy**" means Energy generated by the Facility, including Energy used to serve Parasitic Load.

"**Facility Lender**" means any lender providing senior or subordinated construction, interim or long-term debt or equity financing or refinancing for or in connection with the

development, construction, purchase, installation or operation of the Facility, including any equity and tax investor providing financing or refinancing for the Facility or purchasing equity ownership interests of Seller or its Affiliates, and any trustee or agent acting on their behalf, and any Person providing interest rate protection agreements to hedge any of the foregoing debt obligations.

"**Facility's Point of Delivery**" means the interconnection facilities of Seller located at the point of interconnection between the Facility's transmission line and the NV Energy's Star Peak Substation for Star Peak Geothermal (on the line between Oreana and Pegasus/Humboldt House) near Imlay, NV.

"**FERC**" means the Federal Energy Regulatory Commission or any successor agency thereto.

"**Financing Agreement**" shall mean any credit agreement, loan agreement or similar agreement, to be executed between Seller and a Facility Lender.

"**Firm Transmission**" means transmission that cannot be curtailed within an operating hour for economic reasons or for higher priority transmission within the operating hour.

"**Force Majeure**" has the meaning set forth in Section 14.6(b).

"**Force Majeure Notice**" has the meaning set forth in Section 14.6(a).

"**Forced Outage**" means the removal of service availability of the Facility, or any portion of the Facility, for emergency reasons or conditions in which the Facility, or any portion thereof, is unavailable due to unanticipated failure, including as a result of Force Majeure.

"**FTP**" has the meaning set forth in Section 4.4(a).

"**GAAP**" means generally accepted accounting principles set forth in opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, in each case as the same are applicable to the circumstances as of the date of determination.

"**Gains**" has the meaning set forth in Section 13.3(f)(1).

"**GCOD**" means the guaranteed commercial operation date and shall be April 1, 2021.

"**Generator Interconnection Agreement**" means that certain small generator interconnection agreement and associated documents (or any successor agreement and associated documentation) by and between Seller and Transmission Provider governing the terms and conditions of Seller's interconnection with the Transmission System and allowing for delivery of Facility Energy to the Point of Delivery.

"**Governmental Authority**" means any federal, state, regional, city or local government, any intergovernmental association or political subdivision thereof, other governmental, regulatory or administrative agency, court, commission, administration, department, board, other governmental subdivision, legislature, rulemaking board, tribunal, other governmental authority with jurisdiction over the Person or matter at issue, or any Person acting as a delegate or agent of any Governmental Authority; provided that "Governmental Authority" specifically excludes Buyer, any successor or assignee of Buyer and the Participating Member.

"**Green Value**" consists of the market value of (a) avoided greenhouse gas emissions and/or credits associated with RPS Compliant Energy, and (b) all other Environmental Attributes and avoided emissions-related attributes and benefits that would otherwise have been realized had Seller generated Facility Energy, and shall be calculated as an amount equal to the time-weighted average of the prices of greenhouse gases and other Environmental Attributes (as published in commercial indices related to California energy markets) that would have been realized as available from the Facility and included in the Environmental Attributes transferred to Buyer hereunder from the Facility for each MWh of the Shortfall Energy, provided that if for any Contract Month there does not exist a liquid trading market that is mutually agreeable to the Parties to determine such Green Value, the Green Value will be equal to the higher of the replacement cost for the attributes described in clauses (a) and (b) above, expressed in $/MWh, or $15/MWh.

"**Guaranteed Monthly Delivered Energy**" means the amount of Net Delivered Energy guaranteed by Seller during each Contract Month, as set forth in Appendix Q, subject to Section 6.4.

"**Hazardous Materials**" means any hazardous substances, pollutants, contaminants, wastes, or materials (including petroleum (including crude oil or any fraction thereof), petroleum wastes, radioactive materials, hazardous wastes, toxic substances, or asbestos or any materials containing asbestos) designated, regulated, or defined under any Environmental Law.

"**IEEE**" means Institute of Electrical and Electronics Engineers and any successor thereto.

"**Indemnified Liability**" has the meaning set forth in Section 14.19(a).

"**Indemnitee**" has the meaning set forth in Section 14.19(a).

"**Independent Engineer**" means Geologica, or such other engineer as may be jointly selected by the Seller and Buyer's Authorized Representative.

"**Independent Manager**" means a manager who is not, at the time of initial appointment or at any time while serving as Independent Manager, and has not been at any time during the preceding five (5) years: (a) a member, stockholder, equity holder, director, manager (except as such Independent Manager of the Seller), officer, employee, partner, attorney or counsel of the Seller, any member of Seller or any Affiliate of the Seller; (b) a customer, supplier or other Person who derives any of its purchases or revenues from its activities with any member of the Seller, the Seller or any Affiliate of the Seller (other than for serving as Independent Manager of the Seller); (c) a Person Controlling or under common Control with any such stockholder, equity

holder, partner, manager, customer, supplier or other like Person; or (d) a member of the immediate family of any such member, stockholder, equity holder, director, officer, employee, manager, partner, customer, supplier or other like Person.

"**Initial Daily Delay Damages Cap**" has the meaning set forth in Section 3.5.

"**Initial Security Amount**" means Seven Hundred Forty Four Thousand Six Hundred and Fifty Dollars ($744,650).

"**Initial Synchronization**" means that (i) the Facility is receiving back-feed energy, (ii) both the generator tie line and the Facility's transformers are energized, (iii) the Transmission System's circuit breakers and the Facility's circuit breakers are closed, and (iv) the Facility is interconnected with the Transmission System.

"**Insurance**" means the policies of insurance as set forth in Appendix F.

"**Interest Rate**" has the meaning set forth in Section 11.5.

"**ISA**" means Instrument Society of America and any successor thereto.

"**Joint Powers Agreement**" means the "Southern California Public Power Authority Joint Powers Agreement" entered into pursuant to the provisions of the Act among Buyer and Buyer's members, dated as of November 1, 1980.

"**Key Milestones**" means the Construction Commencement Milestone, occurrence of the Commercial Operation Date, and any other Milestone indicated as a "Key Milestone" in Appendix H.

"**Knowledge**" means the actual knowledge, after due inquiry, of any officer or any other agent, employee or representative of Seller responsible for the management of the operation or maintenance of the Facility.

"**Legal Opinion**" means an executed original of a written legal opinion of Stoel Rives LLP, counsel for Seller, or other counsel reasonably acceptable to Buyer, addressed to Buyer and in form and substance reasonably acceptable to Buyer, concerning, among others, the enforceability and due authorization of this Agreement, and the other Ancillary Documents that are agreements between the Parties, dated as of the Effective Date.

"**Lessor**" means the lessor or landowner under any Real Property Agreement.

"**Lien**" means any mortgage, deed of trust, lien, security interest, retention of title or lease for security purposes, pledge, charge, encumbrance, equity, attachment, claim, easement, right of way, covenant, condition or restriction, leasehold interest, purchase right or other right of any kind, including any option, of any other Person in or with respect to any real or personal property.

"**Losses**" has the meaning set forth in Section 13.3(f).

"**Major Maintenance Blockout**" has the meaning set forth in Section 4.4(k).

"**Makeup Energy**" has the meaning set forth in Section 9.2.

"**Makeup Deadline**" has the meaning set forth in Section 9.3.

"**Market Price**" means (a) in the case of all Delivered Energy that is not Excess Energy, the lower of (i) the Market Price Index applicable to Delivered Energy and (ii) the applicable price set forth in Appendix A for such Delivered Energy, and (b) in the case of Excess Energy, 50% of the lower of the foregoing clauses (i) and (ii).

"**Market Price Index**" means the monthly firm forward market price at Palo Verde for On Peak hours and Off Peak hours, as reasonably calculated by Buyer, and verified by Seller, taking into account, among other valuations, a minimum of three (3) quotations from leading brokers in Energy contracts that are not Affiliates of either Party, settlement prices on established, actively traded power exchanges for Palo Verde and other bona fide third party offers, and other relevant market information, provided that in the event there are no longer market prices for Palo Verde, the Parties will mutually agree to a replacement market price index that most closely reflects the geographic location of the Palo Verde market at the Effective Date; *provided*, further, that if a market price index for Energy that would more accurately track the price of the Delivered Energy is created, the Parties may mutually agree to adapt such index price as the Market Price Index at such time.

"**Market Value**" means the median price of three bona fide offers from third parties for Facility Energy (excluding the value of Environmental Attributes), which shall be solicited by Seller in good faith if the RPS Law or EPS Law ceases to be effective and is not replaced with a functional equivalent as provided in Section 8.7(b) or if compliance with EPS Law and RPS Law becomes impossible as provided in Section 8.7(c).

"**Milestone**" has the meaning set forth in Section 3.4.

"**Milestone Date**" has the meaning set forth in Section 3.4.

"**Monthly Report**" means the report required to be delivered by Seller pursuant to Section 4.5 in form and substance substantially similar to Appendix V.

"**MW**" means megawatt(AC).

"**MWh**" means megawatt-hour.

"**NEPA**" means the National Environmental Policy Act, as amended.

"**NERC**" means the North American Electric Reliability Corporation and any successor thereto.

"**NERC Reliability Standards**" means the reliability standards developed by NERC or by any regional authority having jurisdiction, which are applicable to the owner or operator of the Facility or the Facility itself.

"**Net Delivered Energy**" means Delivered Energy that is not Excess Monthly Generation.

"**NV Energy**" means NV Energy, Inc., a Nevada corporation.

"**Nominal Capacity Net of Parasitic Load**" means 12.5 MW.

"**Nominal Nameplate Capacity**" means 14.5 MW.

"**Non-Compensable Curtailments**" has the meaning set forth in Section 6.9(a).

"**Non-Consolidation Opinion**" means a reasoned opinion of Seller's legal counsel, Stoel Rives LLP, addressed to Buyer and dated on or prior to the Effective Date, in form and substance reasonably acceptable to Buyer's Authorized Representative, as to the non-consolidation of Seller in a bankruptcy proceeding of any member of Seller, the Ultimate Parent Entity, or other Affiliate of Seller, attached hereto as Appendix I.

"**Non-Defaulting Party**" has the meaning set forth in Section 13.3(a).

"**Notice of Exemption**" means a notice of exemption as described in California Public Resources Code Section 21108(b) and Title 14, California Code of Regulations, Section 15277.

"**Notice of Proposed Third Party Sale**" has the meaning set forth in Section 14.25(b).

"**Notifying Party**" has the meaning set forth in Section 14.3(a).

"**NTP**" means a full notice to proceed issued by Seller to its general contractor for the commencement of installation and construction of the Facility pursuant to which such general contractor is obligated to commence the installation and construction of the Facility.

"**Off Peak**" means any time other than On Peak.

"**On Peak**" means 06:00 a.m. to 10:00 p.m. every day of the week except Sunday.

"**Operation and Maintenance Plan**" has the meaning set forth in Section 4.3(a).

"**OSHA**" means Occupational Safety and Health Administration of the United States Department of Labor and any successor thereto.

"**Outside COD**" has the meaning set forth in Section 3.5.

"**Outside COD Damages Cap**" has the meaning set forth in Section 3.5.

"**Pacific Prevailing Time**" means the local time in Los Angeles, California.

"**Parasitic Capacity**" means the electric capacity required to serve the maximum Parasitic Load of the Facility, as determined and certified by the Independent Engineer prior to the date of commercial operation of the Additional System.

"**Parasitic Load**" means Facility Energy that is used to power the lights, motors, pumps, auxiliary facilities of the well field, control systems, cooling systems, ancillary equipment, and other electrical loads that are necessary for the operation of the power systems and related facilities for the production of Facility Energy.

"**Parent Entity**" or "**Parent Entities**" means any direct or indirect owner of Seller at any level below the Ultimate Parent Entity.

"**Participating Member**" means the City of Glendale, the member of Buyer participating in this Agreement

"**Party**" or "**Parties**" has the meaning set forth in the preamble of this Agreement.

"**Performance Assurance**" means Development Security or Performance Security.

"**Performance Security**" has the meaning set forth in Section 5.4(b).

"**Permit**" means all applications, permits, licenses, franchises, certificates, concessions, consents, authorizations, certifications, self-certifications, approvals, registrations, orders, filings, entitlements and similar requirements of whatever kind and however described which are required to be filed, submitted, obtained or maintained by any Person with respect to the development, siting, design, acquisition, construction, equipping, financing, ownership, possession, shakedown, start-up, testing, operation or maintenance of the Facility, the production, sale and delivery of Facility Energy or Replacement Energy to Buyer, as applicable, Capacity Rights and Environmental Attributes or any other transactions or matter contemplated by this Agreement (including those pertaining to electrical, building, zoning, environmental and occupational safety and health requirements), including those described in Appendix B.

"**Permitted Encumbrances**" means (i) the Lien in favor of the Facility Lender, (ii) any Lien approved by Buyer in a writing separate from this Agreement which expressly identifies the Lien as a Permitted Encumbrance, (iii) Liens for Taxes not yet due or for taxes being contested in good faith by appropriate proceedings, so long as such proceedings do not involve a risk of the sale, forfeiture, loss or restriction on the use of the Facility or any part thereof, *provided* that such proceedings end by the expiration of the Agreement Term, (iii) suppliers', vendors', mechanics', workman's, repairman's, employees' or other like Liens arising in the ordinary course of business for work or service performed or materials furnished in connection with the Facility for amounts the payment of which is either not yet delinquent or is being contested in good faith by appropriate proceedings so long as such proceedings do not involve a risk of the sale, forfeiture, loss or restriction on use of the Facility or any part thereof, and (iv) easements, rights of way, use rights, exceptions, encroachments, reservations, restrictions, conditions or limitations, so long as they have been identified by Seller to Buyer in writing prior to the Effective Date and do not materially interfere with or impair the operation of the Facility as contemplated by this Agreement.

"**Permitted Transfer**" has the meaning set forth in Section 14.25.

"**Person**" means any individual, corporation, partnership, joint venture, limited liability company, association, joint stock company, trust, unincorporated organization, entity, government or other political subdivision.

"**Point of Delivery**" means the point where any Energy sold and purchased under this Agreement is required to be delivered by Seller to Buyer, specifically McCullough 500kV Substation located in Clark County, Nevada.

"**Present Value Rate**" means, at any date, the sum of one-half percent (0.50%) plus the yield reported on page "USD" of the Bloomberg Financial Markets Services Screen (or, if not available, any other nationally recognized trading screen reporting on-line intraday trading in United States government securities) at 11:00 a.m. (New York City, New York time) for the United States government securities having a maturity that most nearly matches the Remaining Term at that date.

"**Principals**" means any board chair, president, chief executive officer, chief operating officer and any other individual who serves in the functional equivalent of one or more of those positions, as well as any individual who holds an ownership interest in Seller or any upstream equity owner of Seller of at least twenty percent (20%).

"**Project Substation**" has the meaning set forth in Section 11.8(a).

"**Proposed Purchase Notice**" has the meaning set forth in Section 14.25(a).

"**Proposed Sale Notice**" has the meaning set forth in Section 14.25(a).

"**Prudent Utility Practices**" means those practices, methods and acts, that are commonly used by a significant portion of the geothermal electric generation industry in prudent engineering and operations to design, construct and operate and maintain electric equipment (including geothermal facilities) lawfully and with safety, dependability, reliability, efficiency and economy, including any applicable practices, methods, acts, guidelines, standards and criteria of FERC, NERC, WECC, as each may be amended from time to time, and all applicable Requirements of Law. Prudent Utility Practices are not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather is intended to include acceptable practices, methods, and acts generally accepted in the geothermal-powered electric generation industry.

"**Public Utilities Code**" means the Public Utilities Code of the State of California, as amended from time to time, and any successor thereto.

"**PUC**" means the California Public Utilities Commission and any successor thereto.

"**PUC Performance Standard**" means, at any time, the greenhouse gas emission performance standard in effect at such time for baseload electric generation facilities owned or operated (or both) by load-serving entities and not local publicly-owned electric utilities, or for which a load-serving entity and not a local publicly owned electric utility has entered into a contractual agreement for the purchase of power from such facilities, as established by the PUC or other Governmental Authority under the EPS Law.

"**Q/A**" has the meaning set forth in Appendix G.

"**Q/A Manual**" has the meaning set forth in Appendix G.

"**Q/C**" has the meaning set forth in Appendix G.

"**Qualified Issuer**" means a U.S. Issuer Bank that has a current long-term credit rating (corporate or long-term senior unsecured debt) of (1) "A2" or higher by Moody's Investors Service, Inc. and "A" or higher by Standard & Poor's, if rated by both rating agencies; or (2) "A2" or higher by Moody's Investors Service, Inc. or "A" or higher by Standard & Poor's, if rated by only one rating agency.

"**Qualified Operator**" means, with respect to the Facility, (i) an Affiliate of Seller, or (ii) a Person reasonably acceptable to Buyer that, in either case, has at least three (3) years of operating experience with types of generation facilities similar to the Facility.

"**Qualified Transferee**" means a Person that when considered collectively with its Affiliates,

(a) (i) has or is a direct or indirect subsidiary of a Person that has, a tangible net worth assets under management, or to the extent its securities are publicly traded, equity value of at least $500,000,000, or (ii) has a minimum long term unsecured credit rating of at least Baa2 or higher by Moody's or at least BBB or higher by S&P,

(ii) retains a Qualified Operator or Qualified Operators to operate the Facility (or otherwise agrees not to interfere with the existing Qualified Operator for the Facility),

(iii) executes a written assumption agreement in favor of Buyer pursuant to which such Person shall assume all of the obligations of Seller under this Agreement and the Ancillary Documents,

(iv) is a Special Purpose Entity, and

(v) is not at the time of transfer in active litigation against Buyer or the Participating Member, or

(b) is reasonably acceptable to Buyer.

"**Quality Assurance Program**" has the meaning set forth in Section 5.3.

"**Quarterly Certificate**" has the meaning set forth in Section 12.5(d).

"**Real Property Agreements**" means the geothermal resource leases and the other leases, easements, rights-of-way or other real property agreements relating to the Site listed in Appendix J.

"**Recipient Party**" has the meaning set forth in Section 14.3(a).

"**RECs**" or "**Renewable Energy Credits**" means a certificate of proof associated with the generation of electricity from an RPS Complaint eligible renewable energy resource, which certificate is issued through the accounting system established by the CEC pursuant to the RPS Law, evidencing that one (1) MWh of Energy was generated from such eligible renewable energy resource. Such certificate is a tradable environmental commodity (also known as a "green tag" or "renewable energy credit") for which the owner of the REC can prove that it has purchased renewable Energy.

"**Reliability Authorities**" means WECC and the Transmission Providers, balancing authorities, and independent system operators involved in dynamic scheduling of the Facility.

"**Remaining Term**" means, at any date, the remaining portion of the Agreement Term at that date without regard to any early termination of this Agreement.

"**Remedial Action Plan**" has the meaning set forth in Section 3.6.

"**Replacement Energy**" has the meaning set forth in Section 9.4.

"**Replacement Energy Point of Delivery**" has the meaning set forth in Section 9.4.

"**Requirement of Law**" means federal, state and local laws, statutes, regulations, rules, codes, ordinances, resolutions, standards, directives, orders, judgments, decrees, rulings or determinations enacted, adopted, issued or promulgated by any federal, state, local or other Governmental Authority (including those pertaining to electrical, building, zoning, Environmental Laws, and occupational safety and health requirements).

"**Right of First Offer**" or "**ROFO**" has the meaning set forth in Section 14.25.

"**Right of First Refusal**" or "**ROFR**" has the meaning set forth in Section 14.25.

"**RPS Compliant**" means, when used with respect to the Facility or any other facility at any time, that all Energy generated by such Facility or other facility, as applicable, at all times shall, together with all of the associated Environmental Attributes, qualify as a "portfolio content category 1" eligible renewable resource under the RPS Law and meet the requirements of Public Utilities Code Section 399.16(b)(1).

"**RPS Law**" means the California Renewable Energy Resources Act (also known as Senate Bill or SB X1-2), the Clean Energy and Pollution Reduction Act of 2015 (also known as SB 350) and The 100 Percent Clean Energy Act of 2018 (also known as SB 100), including the California Renewables Portfolio Standard Program (Article 16, commencing with Section 399.11, of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code) along with the Renewable Energy Resources Program administered by the CEC and established pursuant to Chapter 8.6, commencing with Section 25740, of Division 15 of the Public Resources Code, and all policies established pursuant to Section 454.53 of the Public Utilities Code, any related regulations or guidebooks promulgated by the CEC, CARB, and, as applicable, the PUC, and as all of the foregoing may be promulgated, implemented or amended from time to time, and any successor or replacement laws or regulations.

"**Sales Price**" has the meaning set forth in Section 6.5.

"**SCADA**" has the meaning set forth in Section 4.4(a).

"**Schedule**" or "**Scheduling**" means the actions of Seller and Buyer or their Authorized Representatives, including each Party's Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity of Energy to be delivered hourly at the Point of Delivery on any given date during the Delivery Term.

"**Scheduled Outage**" means any outage with respect to the Facility other than a Forced Outage.

"**Scheduled Outage Projection**" has the meaning set forth in Section 4.4(k).

"**Scheduler**" means the Persons doing Scheduling for each Party.

"**Scheduling Procedures**" has the meaning set forth in Section 4.4(a).

"**Second Anniversary**" means the second anniversary of the Effective Date.

"**Seller**" has the meaning set forth in the preamble of this Agreement.

"**Seller Party(ies)**" means Seller and any Affiliates of Seller executing any Ancillary Document.

"**Shortfall**" has the meaning set forth in Section 9.1.

"**Shortfall Cure Period**" has the meaning set forth in Section 9.2.

"**Shortfall Damages**" has the meaning set forth in Section 9.3.

"**Shortfall Energy**" has the meaning set forth in Section 9.1.

"**Site**" means the real property (including all fixtures and appurtenances thereto), water, and related physical and intangible property generally identified in Appendix B as owned or leased by Seller or over which Seller has an easement, right-of-way or other right to use or access the property where the Facility is located or will be located, and including the well fields and land subject to the Real Property Agreements held or to be held by Seller for transmission lines or roadways servicing such Site or the Facility located (or to be located) thereon.

"**Site Control**" means that Seller shall: (i) own the Site; (ii) be the grantee, licensee, or lessee under one or more Real Property Agreements that permit Seller to perform all of its obligations under this Agreement and, as applicable, the other Ancillary Documents; or (iii) have otherwise provided evidence satisfactory to Buyer of Seller's exclusive right to control the Site so as to permit Seller to perform all of its obligations under this Agreement and the Ancillary Documents to which it is a party; each of the foregoing clauses (i) through (iii), for the Agreement Term.

"**Six-Month Cure**" has the meaning set forth in Section 11.4.

"**Special Purpose Entity**" means a limited liability company which at all times prior to (except as otherwise provided below), on and after the Effective Date hereof:

(a) shall not (without the prior written consent of Buyer) (i) engage in any dissolution, liquidation or consolidation or merger with or into any other business entity, (ii) acquire by purchase or otherwise all or substantially all of the business or assets of or beneficial interest in any other entity, (iii) transfer, lease or sell, in one transaction or any combination of transactions, all or substantially all of its properties or assets except to the extent permitted herein, (iv) modify, amend or waive any provisions of its organizational documents related to its status as a Special Purpose Entity, or (v) terminate its organizational documents or its qualifications and good standing in any jurisdiction;

(b) has limited, is limiting and will limit its activities to acquiring, developing, owning, holding, selling, financing, leasing, transferring, exchanging, managing and operating the Facility, entering into this Agreement with Buyer and the Ancillary Documents and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing;

(c) has not been, is not, and will not be engaged in any business other than that relating to its limited purpose as set forth in the immediately preceding subsection (b);

(d) has not had, does not have and will not have, any assets other than those related to the Facility;

(e) has held itself out and will hold itself out to the public as a legal entity separate and distinct from any other entity and has not failed and will not fail to correct any known misunderstanding regarding the separate identity of such entity, provided that (for the avoidance of doubt), the foregoing shall not restrict any Parent Entity, Ultimate Parent Entity or any other Seller Affiliate from identifying its indirect relationship to the Facility through Seller;

(f) has maintained and will maintain its financial statements, bank accounts, accounts, books, resolutions, agreements and records separate from any other Person except as required by GAAP; *provided, however*, that to the extent permitted by GAAP, any such consolidated financial statement shall contain a note indicating that its separate assets and liabilities are neither available to pay the debts of the consolidated entity nor constitute obligations of the consolidated entity, and has filed and will file its own tax returns (except to the extent such limited liability company is treated as a "disregarded entity" for tax purposes and is not required to file separate tax returns under applicable law);

(g) has held itself out and identified itself, and will hold itself out and identify itself, as a separate and distinct entity under its own name or in a name franchised or licensed to it by an entity other than an Affiliate of Seller (except to the extent such limited liability company is treated as a "disregarded entity" for tax purposes and is not required to file separate tax returns under applicable law) and not as a division, department or part of any other Person;

(h) has maintained and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(i) has not made and will not make loans or advances to any Person or hold evidence of indebtedness issued by any other Person (other than cash and investment-grade securities issued by an entity that is not an Affiliate of or subject to common ownership with such entity) or made any gifts or fraudulent conveyances to any Person;

(j) has not identified and will not identify its members, or any Affiliate of any member, as a division or department or part of it, and has not identified itself and shall not identify itself as a division or department of any other Person;

(k) has not entered into or been a party to, and will not enter into or be a party to, any transaction with its members or Affiliates, except in the ordinary course of its business and on terms which are commercially reasonable and comparable with those which could be obtained in a comparable arm's-length transaction with an unrelated third party;

(l) has not had and will not have any obligation to indemnify, and has not indemnified and will not indemnify its officers, managers or members, as the case may be, other than (i) the Independent Manager in connection with the Independent Manager's actions related to the performance of this Agreement, and (ii) its officers, managers, and members with respect to actions taken or omitted to be taken in good faith by such officer, manager or member with respect to the development, construction, financing, ownership and operation of the Facility;

(m) has considered and shall consider the interests of its creditors in connection with all limited liability company actions;

(n) except for obligations to Facility Lenders or Tax Equity Investors, does not and will not have any of its obligations guaranteed by any Affiliate and will not hold itself out as being responsible for the debts or obligations of any other Person;

(o) will comply with all of the terms and provisions contained in its organizational documents including the provision requiring that there be an Independent Manager at all times on and after the Effective Date and has done or caused to be done and will do all things necessary to preserve its existence;

(p) will not commingle, its funds or assets with those of any Person and will not participate in any cash management system with any other Person;

(q) will conduct all business in its own name and, except in connection with a Tax Equity Financing utilizing a lease or inverted lease structure, from and after the Commercial Operation Date, has held, and will hold, its assets in its own name and conducted and will conduct all business in its own name;

(r) has maintained and will maintain its financial statements, accounting records and other entity documents separate from any other Person and has not permitted and

will not permit its assets to be listed as assets on the financial statement of any other entity except as required by GAAP; *provided, however*, that to the extent permitted by GAAP, any such consolidated financial statement shall contain a note indicating that its separate assets and liabilities are neither available to pay the debts of the consolidated entity nor constitute obligations of the consolidated entity;

(s) has paid and will pay its own liabilities and expenses, including the salaries of its own employees, out of its own funds and assets, and has maintained and will maintain a sufficient number of employees in light of its contemplated business operations (it being acknowledged and agreed that Seller may have no employees to the extent it contracts out its requirements for all necessary managerial, operational and other services);

(t) **[has observed and will observe all limited liability company formalities]**; ***[Note to Seller: Please provide a copy of the Seller's limited liability company agreement for our review.]***

(u) has not assumed or guaranteed or become obligated for, and will not assume or guarantee or become obligated for, the debts of any other Person and has not held out and will not hold out its credit as being available to satisfy the obligations of any other Person;

(v) has not acquired and will not acquire obligations or securities of its members or any Affiliate;

(w) will allocate fairly and reasonably any overhead expenses that are shared with any Affiliate, including paying for shared space and services performed by any employee of an Affiliate;

(x) now maintains and uses, and will maintain and use separate stationery, invoices and checks bearing its name; such stationery, invoices and checks utilized by it or utilized to collect its funds or pay its expenses have borne and shall bear its own name and shall not bear the name of any other entity unless such entity is clearly designated as being its agent;

(y) except in connection with the development or construction, or financing of the development or construction of the Facility, has not pledged and will not pledge its assets for the benefit of any other Person ;

(z) now has, and will have articles of organization, a certificate of formation or an operating agreement, as applicable, that provides that it will not: (A) dissolve, merge, liquidate or consolidate; (B) sell, transfer, lease or otherwise convey all or substantially all of its assets (other than as permitted under Section 14.7); (C) engage in any other business activity, or amend its organizational documents with respect to the matters set forth in this definition without the affirmative vote of its Independent Manager; or (D) without the affirmative vote of its Independent Manager, file a bankruptcy or insolvency petition or otherwise institute insolvency proceedings with respect to itself or to any other entity in which it has a direct or indirect legal or beneficial ownership interest;

(aa) has been, is and intends to remain solvent and has paid and intends to continue to pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets as the same shall have or become due, and has maintained, is maintaining and intends to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; and

(bb) has and will have no indebtedness other than (i) Facility Debt relating to the development, construction or permanent financing or refinancing for the Facility, including indebtedness in its replacement or substitution thereof, (ii) Taxes and Insurance premiums, (iii) liabilities incurred in the ordinary course of business relating to its ownership, management, administration leasing and operation of the Facility and its routine administration, which liabilities are not more than sixty (60) days past due, are not evidenced by a note and are paid when due, and which amounts are normal and reasonable under the circumstances, and in any event not in excess of one percent (1%) of the Facility Cost in the aggregate, (iv) the Performance Security and indebtedness incurred in support of or connection with the Performance Security, and (v) such other liabilities that are permitted pursuant to this Agreement.

"**Specified Transmission Path**" means (i) the NV Energy north system to McCullough 500 kV Substation located in Clark County, Nevada, and (ii) any transmission path used by Seller to deliver Replacement Energy to Buyer at the Replacement Energy Point of Delivery as specified in Section 9.4.

"**Startup and Test Energy**" means the MWh of Delivered Energy that is generated prior to the Commercial Operation Date.

"**Station Service**" has the meaning set forth in the guidebook promulgated by the CEC, as amended from time to time, or in other RPS Law, whichever is controlling.

"**System Credit**" has the meaning set forth in Section 12.8.

"**System Emergency**" means Emergency Conditions as set forth in the Generator Interconnection Agreement.

"**Tax**" or "**Taxes**" means each federal, state, county, local and other (a) net income, gross income, gross receipts, sales, use, ad valorem, business or occupation, transfer, franchise, profits, withholding, payroll, employment, excise, property or leasehold tax and (b) customs, duty or other fee, assessment or charge of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amount with respect thereto.

"**Tax Equity Financing**" means, with respect to Seller, any Parent Entity, or the Ultimate Parent Entity, any transaction or series of transactions (including without limitation any transaction of the type described in this definition that utilizes a lease or inverted lease structure) resulting in (i) a portion of the membership interests of Seller or any Parent Entity, as applicable, being issued or otherwise provided to another Person (a "***Tax Equity Investor***") in exchange for capital contributions to Seller, a Parent Entity, or the Ultimate Parent Entity, as applicable, or the Facility being sold to and leased by Seller from a Tax Equity Investor, in either case for the

purpose of raising a portion of the funds needed to finance the construction of the Facility by monetizing the Tax credits, depreciation and other tax benefits associated with the Facility and (ii) the Tax Equity Investor being granted only such management responsibilities in Seller, a Parent Entity, or the Ultimate Parent Entity, as applicable, as are permitted in a tax equity investment that is not subject to FERC's review under Section 203 of the Federal Power Act.

"**Tax Equity Investor**" has the meaning set forth in the definition of Tax Equity Financing.

"**Termination Notice**" has the meaning set forth in Section 13.3(a).

"**Termination Payment**" has the meaning set forth in Section 13.3(d).

"**Transmission Provider(s)**" means the Person(s) operating the Transmission System(s) providing Transmission Services to or from the Point of Delivery.

"**Transmission Services**" means the transmission and other services required to transmit Energy to or from the Point of Delivery.

"**Transmission System**" means the facilities utilized to provide Transmission Services.

"**Ultimate Parent Entity**" Open Mountain Energy, LLC, a Delaware limited liability company, together with its successors and assigns.

"**Unexcused Cause**" has the meaning set forth in Section 14.6(b).

"**UNFCCC**" has the meaning set forth in the definition of Environmental Attributes.

"**Unused Curtailment Credit**" has the meaning set forth in Section 6.9(d).

"**U.S. Issuer Bank**" means any issuer of a letter of credit that is organized under the laws of the United States or any state thereof.

"**WECC**" means the Western Electricity Coordinating Council and any successor entity thereto.

"**Withholding Trigger Event**" has the meaning set forth in Section 11.4.

"**WREGIS**" means Western Renewable Energy Generation Information System, any successor thereto, including any replacement system required by the CEC, or any replacement system as determined by Buyer.

"**WREGIS Certificates**" has the meaning set forth in Section 8.4.

"**WREGIS Operating Rules**" means the rules describing the operations of WREGIS, as published by WREGIS and as may be amended from time to time.

"**WREGIS Withhold Amount**" has the meaning set forth in Section 11.4.

Other terms defined herein have the meanings so given them in this Agreement.

Section 1.2 Interpretation. In this Agreement, unless a clear contrary intention appears:

(a) the singular number includes the plural number and vice versa;

(b) reference to any Person includes such Person's successors and assigns but, in case of a Party hereto, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;

(c) reference to any gender includes the other;

(d) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof;

(e) reference to any Article, Section, or Appendix means such Article of this Agreement, Section of this Agreement, or such Appendix to this Agreement, as the case may be, and references in any Article or Section or definition to any clause means such clause of such Article or Section or definition;

(f) "herein", "hereunder", "hereof", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or Section or other provision hereof or thereof;

(g) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term;

(h) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including";

(i) reference to time shall always refer to Pacific Prevailing Time;

(j) reference to any "day" or "month" shall mean a calendar day or calendar month respectively, unless otherwise indicated, and assumes the use of Pacific Prevailing Time to determine the start and end of each referenced "day" or "month", unless otherwise indicated;

(k) the term "or" is not exclusive; and

(l) with respect to obligations, the terms "shall" and "will" shall have the same meaning and be of equal force and effect.

Section 1.3 Order of Precedence. In the event of any conflict or inconsistency between or among the terms and conditions of any of the body of this Agreement, the

Appendices and Exhibits attached to the body of this Agreement and the Ancillary Documents, the following order of precedence, consistent with the controlling Requirements of Law, shall govern the interpretation of this Agreement: (i) the body of this Agreement, (ii) the Appendices and Exhibits attached to the body of this Agreement, and (iii) the Ancillary Documents.

ARTICLE II
EFFECTIVE DATE, TERM AND EARLY TERMINATION

Section 2.1 Effective Date. This Agreement shall be effective as of the "***Effective Date,***" which shall occur as of the date upon which (x) Seller and Buyer have executed and delivered this Agreement and (y) Buyer has confirmed receipt of delivery of such fully-executed Agreement. On or prior to the Effective Date, Seller shall deliver to Buyer (a) the Generator Interconnection Agreement, duly executed by Seller and Transmission Provider, (b) the Legal Opinion, (c) the Non-Consolidation Opinion, (d) the Real Property Agreements, duly executed by the parties thereto, (e) copies of (i) the true, correct and complete certificate of formation and limited liability company agreement of Seller, (ii) a certificate for Seller, dated no earlier than ten (10) days prior to the Effective Date, from the Secretary of State of the State of Nevada as to Seller's valid existence and good standing, and (iii) all resolutions and other documents evidencing all limited liability company actions required to execute, deliver, and perform the Seller Parties' obligations under this Agreement and the Ancillary Documents, in each case, certified by an authorized representative of the applicable Seller Party as being true, correct and complete, and (f) an incumbency certificate signed by the secretary of each Seller Party certifying as to the names and signatures of the authorized representatives, signatories, and officers of such Seller Party, in each case, in form and substance reasonably satisfactory to Buyer. No more than five (5) Business Days after the Effective Date, Seller shall deliver to Buyer acceptable evidence of the Insurance. No more than ten (10) days after the Effective Date, Seller shall deliver to Buyer the Development Security. No more than thirty (30) days after the Effective Date, Seller shall deliver to Buyer (1) a copy of the CEC pre-certification application for the Facility in the name of Seller that has been filed with the CEC; and (2) evidence reasonably satisfactory to Buyer that Seller continues to maintain Site Control.

Section 2.2 Agreement Term and Delivery Term. This Agreement shall have a delivery term (the "***Delivery Term***") commencing on the Commercial Operation Date and ending on December 31, 2045, unless sooner terminated in accordance with the terms of this Agreement. The term of this Agreement (the "***Agreement Term***") shall commence on the Effective Date and shall end upon the expiration of the Delivery Term or earlier termination of this Agreement in accordance with the terms hereof.

Section 2.3 Survivability. The provisions of this Article II, Article VII, Section 14.19 and Section 14.21 shall survive for a period of one year following the termination of this Agreement. The provisions of Article XI shall survive for a period of four (4) years following final payment made by the Buyer hereunder or the expiration or termination date of this Agreement, whichever is later. The provisions of Article V, Article VI, Article VIII and Article IX shall continue in effect after termination to the extent necessary to provide for final billing, adjustments and deliveries related to any period prior to termination of this Agreement.

Section 2.4 Early Termination.

(a) **Early Termination by Mutual Agreement.** This Agreement may be terminated by mutual written agreement of the Parties.

(b) **Early Termination for Default.** Upon the occurrence of a Default, the Non-Defaulting Party may terminate this Agreement as set forth in Section 13.3.

(c) **Early Termination for Force Majeure.** This Agreement may be terminated pursuant to Section 14.6(d).

(d) **Early Termination for Failure to Obtain CEC Certification**. Buyer may, in its sole discretion, terminate this Agreement effective upon notice to Seller pursuant to Section 3.8 if the Facility is not CEC Certified by the date that is three (3) months following the Commercial Operation Date; provided that if Seller has filed with the CEC for CEC Certification no later than ten (10) days after the Commercial Operation Date, then Buyer's termination right shall not be effective unless the Facility is not CEC Certified by the date that is six (6) months following the Commercial Operation Date.

(e) **Early Termination for Exercise of ROFO or ROFR**. If Buyer accepts the Right of First Offer or Right of First Refusal for any Facility Asset, at the option of Buyer, this Agreement shall terminate effective upon the consummation of any such sale to Buyer pursuant to Section 14.25.

(f) **Termination Due to Market Disruption Event**. This Agreement may be terminated as provided in Section 14.26.

(g) **Early Termination for Agreement's failure to comply with Article I of Chapter 11 of Division 2 of Title 20 of the California Code of Regulations**. Notwithstanding the provisions of Section 8.7, in the event that, within sixty (60) days after the CEC's receipt of a complete compliance filing under Sections 2909 and 2910 of Article 1 of Chapter 1l of Division 2 of Title 20 of the California Code of Regulations, the CEC issues a decision pursuant to Section 2910 thereof finding that this Agreement fails to comply with Article 1 of Chapter 11 of Division 2 of Title 20 of the California Code of Regulations, then this Agreement shall be void, and any and all deliveries of Delivered Energy shall be terminated no later than the effective date of such decision of noncompliance by the CEC.

(h) **Effect of Termination.** Any early termination of this Agreement under this Section 2.4 shall be without prejudice to the rights and remedies of either Party for Defaults occurring prior to such termination.

ARTICLE III
DEVELOPMENT OF THE FACILITY

Section 3.1 In General.

(a) **Permitting.** Seller, at its expense, shall timely take all steps necessary to obtain and maintain all Permits required to construct, own, maintain or operate the Facility

in accordance with the requirements of this Agreement and all applicable Requirements of Law and for the performance of Seller's obligations hereunder.

(b) **Project Design.** Seller shall determine the proposed location, design, and configuration of the Facility as it deems appropriate, subject to the requirements of this Agreement and the Ancillary Documents and all applicable Requirements of Law, including but not limited to the characteristics and other requirements for the Facility set forth in Appendix B.

(c) **Meetings with Governmental Authorities.** Seller shall represent the Facility as necessary in all meetings with and proceedings before all Governmental Authorities.

(d) **CEQA Exemption.** Seller represents and warrants that (1) the Facility is subject to environmental review pursuant to NEPA in connection with the procurement of right-of-way(s) from the U.S. Department of Interior, Bureau of Land management for the construction and installation of certain electrical facilities, (2) pursuant to NEPA, Seller will, or will cause its Affiliates to submit to and complete the NEPA Environmental Assessment with respect to the Facility, and (3) the Facility is statutorily exempt from CEQA pursuant to Title 14, California Code of Regulations, Section 15277. Seller shall have no obligation to sell and Buyer shall have no obligation to purchase any Energy under this Agreement until all of the following occur: (x) the lead agency conducting the review of the Facility as required under NEPA has certified a final environmental impact report (or equivalent environmental document) for the Facility and issued a final approval for the Facility, and Seller has delivered to Buyer a Record of Decision or Decision Record in connection therewith; and (y) the lead agency conducting the review of the Facility as required under the environmental laws of the State of Nevada has certified a final environmental impact report (or equivalent environmental document) for the Facility in compliance with NEPA, and Seller has delivered to Buyer a Record of Decision or Decision Record in connection therewith.

(e) **Construction and Ownership of the Facility.** Seller shall site, develop, finance and construct the Facility. Except as otherwise permitted by this Agreement, the Facility shall be owned by Seller during the Agreement Term. As more fully described in Section 5.1, Seller shall develop, operate and maintain the Facility, at its sole risk and expense, and in compliance with the requirements of this Agreement, all applicable Requirements of Law, Prudent Utility Practices, and applicable manufacturer's and operator's specifications and recommended procedures; *provided, however,* meeting these requirements shall not relieve Seller of its other obligations under this Agreement. Seller shall not sell or otherwise dispose of or create, incur, assume or permit to exist any Lien (other than Permitted Encumbrances) on any portion of the Facility or any other property or assets which are related to the operation, maintenance and use of the Facility without the prior written approval of Buyer. The Facility shall be operated during the Delivery Term by the party listed as the operator on Appendix B or such other Person as Buyer shall approve in the exercise of its reasonable discretion.

(f) **Site Confirmation.** Seller represents and warrants that Seller's agents and representatives have visited, inspected and are familiar with the Site, in particular its

surface physical condition relevant to the obligations of the Seller pursuant to this Agreement, including surface conditions, normal and usual soil conditions, roads, utilities, the presence, if any, of archaeological and cultural (including tribal) artifacts and topography, and solar radiation, air and water quality conditions; that the Seller is familiar with all local and other conditions which may be material to the Seller's performance of its obligations under this Agreement (including transportation, seasons and climate, access, weather, the presence, if any, of endangered species, handling and storage of materials and equipment and availability and quality of labor and utilities); and that based on the foregoing, the Site constitutes an acceptable and suitable site for the construction and operation of the Facility in accordance herewith. Any failure by Seller to take the actions described in this Section or inspect the physical condition of the Site, including any local or other conditions that may be material to Seller's performance of its obligation under this Agreement shall not relieve Seller from any responsibility for estimating properly the difficulty and cost of successfully constructing, maintaining or operating the Facility in accordance with this Agreement or from proceeding to construct, maintain and operate the Facility successfully without any additional expense to Buyer.

Section 3.2 Commercial Operation Notices. Seller shall provide Buyer no fewer than thirty (30) days' prior written notice of the date on which Seller anticipates achieving the conditions precedent to Commercial Operation of the Facility. Seller shall provide Buyer with an additional notice when Seller believes that all conditions precedent to Commercial Operation of the Facility have been satisfied. Buyer's Authorized Representative shall in writing either accept or reject this notice in its reasonable discretion within thirty (30) Business Days after receipt of Seller's notice, and if Buyer's Authorized Representative rejects the notice, Seller shall promptly correct any defects or deficiencies and resubmit the notice. If Buyer fails to respond within such thirty (30) Business Day period, it shall be deemed to have accepted Seller's notice. If Buyer rejects the notice, Buyer shall state in detail the reason for its rejection and the Parties shall immediately meet and confer to address Buyer's concerns. Notwithstanding the foregoing, Buyer shall not be obligated to accept a Commercial Operation Date that is earlier than four (4) months prior to the GCOD unless Seller has provided Buyer with six (6) months' advance notice of a proposed earlier Commercial Operation Date. The Commercial Operation Date shall occur as of the date upon which the Seller certification of Commercial Operation of the Facility is accepted or deemed accepted by Buyer.

Section 3.3 Other Information. Seller shall provide to Buyer such other information regarding the permitting, engineering, construction or operations, of Seller, its subcontractors or the Facility, financial or otherwise, and other data concerning the Seller, its subcontractors or the Facility as Buyer or Buyer's Authorized Representative may, from time to time, reasonably request. Until the Commercial Operation Date, Seller shall provide to Buyer monthly written reports describing permitting, development, construction, start-up, and testing activities in the previous month, including any significant developments or delays and Seller's estimated of the Commercial Operation Date, and anticipated progress and activities for the upcoming month. Buyer and Buyer's Authorized Representative shall be permitted to inspect the Facility from time to time upon reasonable notice to Seller and during reasonable business hours.

Section 3.4 Milestone Schedule. Seller has provided a milestone schedule with deadlines for the development of the Facility in Appendix H. Seller shall provide Buyer a

monthly report setting forth the status of each milestone, including a description of any deadline that has been missed and any event that could reasonably cause a deadline to be missed. Seller shall achieve each milestone set forth in Appendix H (each, a "***Milestone***") by the date specified therefor, subject to day-for-day extensions for delays due to Force Majeure (each such date as so extended (if at all), a "***Milestone Date***"). Notwithstanding anything in this Agreement to the contrary, Seller shall not be in default or otherwise have any liability under this Agreement for failing to meet a Milestone Date, other than to the extent provided in Sections 3.5, 3.6, 13.1(m), and 13.3(d) of this Agreement.

Section 3.5 Performance Damages. If Seller fails to achieve a Key Milestone by its respective Milestone Date, Seller shall pay liquidated damages to Buyer in an amount equal to the applicable per day amount set forth in Appendix H ("***Daily Delay Damages***") for each day intervening between the Milestone Date and the earlier of (i) the date such Key Milestone is achieved, and (ii) the date, if any, on which this Agreement is terminated by Buyer pursuant to Section 2.4, up to a maximum of (x) the Initial Security Amount in the aggregate for Daily Delay Damages for all Key Milestones other than the Commercial Operation Date (the "***Initial Daily Delay Damages Cap***") or (y) the Initial Security Amount in the aggregate for Daily Damages for the Commercial Operation Date ("***COD Daily Delay Damages Cap***"); provided, however, that if Seller subsequently achieves Commercial Operation by the Guaranteed Commercial Operation Date, then Buyer will promptly refund to Seller the Daily Delay Damages less any actual damages incurred by Buyer as a result of Seller's failure to timely achieve a Key Milestone. The Parties agree that (x) it is impractical or extremely difficult to determine actual damages to which Buyer would be entitled in the foregoing circumstance, and (y) the liquidated damages provided for in this subsection are a fair and reasonable calculation of actual damages to Buyer and are not a penalty in such a circumstance. If more than one Key Milestone is missed on any given day, then Seller shall pay to Buyer the aggregate amount of such Daily Delay Damages for each missed Key Milestones. Buyer may draw from the Development Security the amount of any such Daily Delay Damages due and owing to Buyer. Notwithstanding anything to the contrary set forth in this Agreement, in no event shall the Commercial Operation Date occur later than December 31, 2022 (the "***Outside COD***") and the failure to achieve the Commercial Operation Date by the Outside COD shall be an immediate Default by Seller, not subject to extension or cure of any kind; provided that Seller's liability for such Default shall be limited to damages not to exceed three times the Initial Security Amount in the aggregate minus all Daily Delay Damages paid by Seller (the "***Outside COD Damages Cap***"). Except as set forth herein, the payment of Daily Delay Damages shall not limit Buyer's right to (i) exercise any right or remedy available under this Agreement or at law or in equity for any other breach or default occurring concurrently with, before, or after Seller's delay in achieving the applicable Milestone by the Milestone Date therefor, (ii) recover any damages not directly attributable to such delay or to pursue any indemnity claims in accordance with this Agreement, or (iii) terminate this Agreement pursuant to Section 2.4.

Section 3.6 Remedial Action Plan. In addition to the payment of Daily Delay Damages in accordance with Section 3.5 for failing to achieve a Milestone by the applicable Milestone Date, if Seller fails to achieve any Milestone by the Milestone Date therefor (or if Seller anticipates that it will not achieve a Milestone by the applicable Milestone Date), Seller shall immediately notify Buyer of such failure and, no more than ten (10) days following the failure to achieve such Milestone (or the date upon which Seller anticipates such a failure will

occur), provide Buyer with a written action plan detailing how Seller will cure such failure (such plan, in the form approved by Buyer in accordance with this Section, a "***Remedial Action Plan***"). The Remedial Action Plan shall specify in reasonable detail Seller's analysis of the causes of the missed Milestone Date (or anticipated missed Milestone Date), the commercially reasonable actions that Seller plans to take to correct such underperformance and to ensure that all future Milestones, including the Guaranteed Commercial Operation Date, will be achieved, and the time needed to complete such corrective actions. Buyer shall approve or reject Seller's proposed Remedial Action Plan in its reasonable discretion within ten (10) days of receipt thereof. If Buyer rejects a proposed Remedial Action Plan, Seller shall explain the reasons for such rejection and identify the changes necessary for Buyer to approve such plan. Seller shall thereafter revise the Remedial Action Plan to incorporate such changes and re-submit it to Buyer for Buyer's approval within ten (10) days after receipt of Buyer's rejection. Seller shall complete all corrective action pursuant to the provisions of any Remedial Action Plan. Seller may (a) supplement the Remedial Action Plan, as may be reasonably required, or (b) provide Buyer with written notice of any deviations from the approved Remedial Action Plan; provided that in the case of (a) or (b), any supplements to, or deviations from, the Remedial Action Plan must be reasonably acceptable to Buyer. Seller shall provide additional information or documentation related to the missed Milestone Date and Remedial Action Plan related thereto as Buyer may from time to time reasonably request.

Section 3.7 Decommissioning and Other Costs. Except to the extent that Buyer purchases any portion of the Facility Assets in connection with Buyer's exercise of its Right of First Offer or Right of First Refusal, Buyer shall not be responsible for any cost of decommissioning or demolition of the Facility Assets or any environmental or other liability associated with the decommissioning or demolition of the Facility Assets without regard to the timing or cause of the decommissioning or demolition of the Facility Assets.

Section 3.8 CEC Certification. Promptly, but in no event more than ten (10) days following the Commercial Operation Date, Seller shall file with the CEC all materials and documents required to demonstrate that the Facility is a geothermal electric energy generating facility entitled to be CEC Certified and shall promptly respond to any inquiries from the CEC related thereto. Seller shall promptly provide Buyer with copies of all submittals to the CEC and other correspondence between Seller and the CEC.

ARTICLE IV
OPERATION AND MAINTENANCE OF THE FACILITY

Section 4.1 Compliance with Electrical Service Requirements. Seller shall, at its sole expense, operate and maintain, or cause a Qualified Operator to operate and maintain, the Facility (i) in accordance with Prudent Utility Practices, the requirements of this Agreement, all applicable Requirements of Law and the requirements of applicable manufacturers' and operators' specifications, using commercially reasonable efforts to comply with any published recommendations of the manufacturers and suppliers of the major components of the Facility, (ii) with due regard for the safety, security and reliability of the interconnection facilities and the Transmission System and (iii) in a manner that is reasonably likely to maximize the output of the Facility and result in a useful life for the Facility through the end of the Delivery Term.

Section 4.2 General Operational Requirements.

In addition to the requirements set forth in Section 4.1 and elsewhere in this Agreement, Seller shall or shall cause its Qualified Operator to, at all times:

(a) Employ qualified and trained personnel for managing, operating and maintaining the Facility and for coordinating with Buyer and Buyer's Agent. Seller shall ensure that necessary personnel are available on-site or on-call twenty-four (24) hours per day during the Delivery Term;

(b) Operate and maintain the Facility with due regard for the safety, security and reliability of the interconnected facilities and Transmission System; and

(c) Comply with operating and maintenance standards recommended by, and required by, the Facility's equipment suppliers.

Section 4.3 Operation and Maintenance Plan after Commercial Operation.

Following the Commercial Operation Date, Seller shall:

(a) Devise, implement and maintain, or cause the Qualified Operator to devise, implement and maintain, a plan of inspection, maintenance and repair for the Facility and the components thereof in order to maintain such equipment in accordance with Prudent Utility Practices (the "***Operation and Maintenance Plan***"), and shall keep records with respect to inspections, maintenance and repairs thereto. The aforementioned plan and all records of such activities shall be available for inspection by Buyer and Buyer's Authorized Representative during Seller's regular business hours upon reasonable notice.

(b) Provide to Buyer, on a monthly basis, any regularly prepared operation and maintenance status reports of the Facility provided to WECC or Facility Lenders pursuant to a Financing Agreement.

(c) In addition to the other required and preventive maintenance actions contained in this Agreement, provide notification to Buyer of its actions to: (i) conduct regular visual equipment inspections and log significant parameters; (ii) identify all preventive maintenance requirements for the following calendar year, including the performance of maintenance in accordance with Section 4.4(k); (iii) conduct periodic maintenance of various equipment, including a report about any findings, and provide a report about any findings to Buyer; (iv) conduct periodic Q/A and Q/C activities and inspections in accordance with Appendix G, including a report thereof; (v) hire subcontractors, as applicable, to meet the Facility's maintenance, betterment and improvement needs; and (vi) schedule and assign routine maintenance during operations, planned outages, as well as maintenance that can be conducted during a Forced Outage, or during an outage occurring as a result of curtailment notifications.

Section 4.4 Forecasting and Scheduling of Energy and Scheduled Outages.

(a) The Parties agree to the following scheduling procedures: (i) Seller shall notify Buyer and Buyer's Agent on a forward (monthly, weekly and day ahead) basis, as provided in this Section 4.4 and, as needed, in real time, of any reduction in availability of the Facility that exceeds one (1) MW; (ii) Seller shall make available to Buyer and Buyer's Agent, as a graphical display, the forecasted and actual output for the Facility in increments not to exceed fifteen (15) minute averages via a web portal and secure client login, including secure file transfer protocol ("***FTP***"); (iii) Seller shall make available to Buyer and Buyer's Agent real-time data of actual output, which shall be automatically telemetered to Buyer's or Buyer's Agent's supervisory control and data acquisition ("***SCADA***") system; and (iv) either Buyer's Authorized Representative, Buyer's Agent or Buyer's Transmission Provider shall have the right, in accordance with Section 6.9, to contact Seller and require that the Facility be curtailed or to directly curtail the Facility (collectively, the "***Scheduling Procedures***"), which may be modified, from time to time, by written agreement between the Seller's Authorized Representative and, with respect to Buyer, Buyer's Authorized Representative or Buyer's Agent, in order to comply with all applicable requirements, including those of the Transmission Provider, WECC or any balancing authority involved in the Scheduling of Energy under this Agreement. The Authorized Representatives shall promptly cooperate with respect to any reasonably necessary and appropriate modifications to Scheduling Procedures.

(b) Seller or Seller's designee shall be responsible for providing a forecast of Delivered Energy during the Delivery Term consistent with the Scheduling Procedures, as may be updated from time to time in accordance with Section 4.4(a). All generation Scheduling and Transmission Services shall be performed in accordance with the applicable NERC and WECC operating policies, criteria and any other applicable guidelines. This may include, but not be limited to, dynamic adjustments to e-tags in order to reflect the previous hour's metered Energy output. The procedures shall be developed so as to maximize the amount of Energy that is RPS Compliant and EPS Compliant that may be delivered by Seller under this Agreement consistent with the requirements of the Transmission Provider, WECC and any balancing authority involved in the Scheduling of Energy under this Agreement. The Authorized Representatives shall promptly cooperate with respect to any reasonably necessary and appropriate modifications to such forecasting or scheduling procedures. The Parties acknowledge that, because Scheduling takes place in advance of generation, there may be deviations between the amount of Energy generated by a Facility and the amount of Energy Scheduled by Buyer and Seller for delivery at the Point of Delivery. Seller shall fulfill any contractual, metering and interconnection requirements so as to be able to deliver Energy to the Point of Delivery.

(c) No later than forty-five (45) days before the beginning of each Contract Year, Seller or Seller's designee shall provide, or cause to be provided, a non-binding forecast of each month's average day deliveries of Energy, by hour, for the following eighteen (18) months.

(d) Ten (10) Business Days before the beginning of each month during the Delivery Term, Seller or Seller's designee shall provide, or cause to be provided, a non-binding forecast of each day's average deliveries of Energy, by hour, for the following month.

(e) By 5:00 a.m. on the WECC pre-scheduling day immediately preceding the date of delivery of Energy during the Delivery Term, Seller or Seller's designee shall provide Buyer or Buyer's Agent with a copy of a non-binding hourly forecast of deliveries of Energy for each hour of the next date of delivery of Energy (the "***Day Ahead Schedule***"). If the WECC pre-scheduling day pertains to multiple dates of delivery, then this requirement shall apply to each of those dates. After 4:30 a.m. on such WECC pre-scheduling day, subject to Section 4.4(k), Seller or Seller's designee may contact Buyer or Buyer's Agent by telephone to provide any Scheduling updates or changes and the reason for such updates or changes. Acceptable reasons for such updates shall be with respect to current conditions (other than commercial considerations), including weather and applicable balancing authority rules.

(f) By 12:00 p.m. on the Business Day prior to each WECC pre-scheduling day during the Delivery Term, Seller shall provide Buyer, Buyer's Authorized Representative, Buyer's Agent, Buyer's real-time operators, Buyer's Scheduler and any other designated Scheduling representative of Buyer, via email, day-ahead pre-schedules for each of the succeeding twenty-four (24) hours in the form of an Excel spreadsheet. In order to allow Buyer or Buyer's Agent to make schedule changes in conformity with applicable scheduling deadlines, Seller shall notify Buyer or Buyer's Agent via telephone of any hourly changes due to a change in unit availability or an outage no later than one-hundred five (105) minutes prior to the start of such Scheduling hour.

(g) Commencing on the first date on which Startup and Test Energy is received from the Facility, and continuing throughout the Delivery Term, Seller shall provide to Buyer and Buyer's Agent the following data on a real-time basis:

(1) Read only access to meteorological and pyranometer measurements, the parameters of which are provided in Appendix O, MW capacity, and any other Facility availability information;

(2) Read only access to energy output information collected by the SCADA system for the Facility; provided that if Buyer or Buyer's Agent is unable to access the Facility's SCADA system, then upon written request from Buyer or Buyer's Agent, Seller shall provide energy output information and pyranometer and meteorological measurements to Buyer and Buyer's Agent in four (4) second intervals in the form of a one (1) hour flat file to Buyer and Buyer's Agent through a FTP system with an email back up for each flat file submittal. Seller shall store such information for up to three (3) months after delivery thereof to Buyer and Buyer's Agent; and

(3) Unless the Transmission Provider at the Facility's Point of Delivery requires otherwise, read only access to all Electric Metering Devices (other than meteorological data) installed, owned and operated by Seller at the Project Substation that are used to measure Delivered Energy.

(h) Commencing on the first date on which Startup and Test Energy is received from the Facility, and continuing throughout the Delivery Term, Seller shall provide

to Buyer NERC, WECC and FERC compliance reports regarding the Facility when they are issued.

(i) During the Delivery Term, if Seller or Seller or Seller's designee becomes aware of changes to the Day Ahead Schedule on the actual date of delivery of Energy due to current conditions, including weather or environmental conditions, an unscheduled outage or a scheduling change imposed by Buyer or a Transmission Provider that results in a change to the Facility's deliveries (whether in part or in whole), Seller or Seller's designee shall immediately notify Buyer of any and all changes to the Day Ahead Schedule and provide a revised schedule as soon as possible in an electronic format, either via an internet website accessible to Buyer, Buyer's Authorized Representative, Buyer's Agent, Buyer's real-time operators, Buyer's Scheduler and any other designated Scheduling representative of Buyer or via email in the form of an excel spreadsheet (or any combination thereof); provided that Seller shall deliver any revised Day Ahead Schedule which reflects an increase in forecasted delivery of Energy in any hour in such Day Ahead Schedule no later than two (2) hours prior to the first updated hour.

(j) Seller shall provide forecasts and data required under this Section 4.4 in a format mutually agreeable to Seller and Buyer, which may include the following protocols: (i) Distributed Network Protocol ("***DNP***") 3.0 TCP/IP for primary communications between the Facility and Buyer, (ii) DNP 3.0 Serial for backup communication between the Facility and Buyer, and (iii) DNP 3.0 for communication between the Participating Member's Distributed Control Systems and Intelligent Electronic Devices (such as SEL Relays, ION Meters and Areva Relays).

(k) Buyer and Seller shall cooperate to minimize Scheduled Outages during certain consecutive or nonconsecutive weeks of each Contract Year (not to exceed twelve (12) weeks per Contract Year) specified by Buyer's Authorized Representative (the "***Major Maintenance Blockout***"), but in accordance with Prudent Utility Practices. No later than one hundred twenty (120) days prior to the Commercial Operation Date and the commencement of each Contract Year thereafter, Buyer's Authorized Representative shall provide Seller with Buyer's specified Major Maintenance Blockout. In the absence of such updated notification, the most recent previous Major Maintenance Blockout notification shall apply. Seller shall attempt to minimize its Scheduled Outages during the Major Maintenance Blockout consistent with Prudent Utility Practices. No later than sixty (60) days prior to the Commercial Operation Date, and the commencement of each Contract Year thereafter, Seller shall provide Buyer or Buyer's Agent with its non-binding written projection of all Scheduled Outages for the succeeding three (3) years (the "***Scheduled Outage Projection***") reflecting a minimized schedule of scheduled maintenance during the Major Maintenance Blockout. In addition, Seller shall use commercially reasonable efforts to accommodate Buyer's reasonable maintenance scheduling requests consistent with Prudent Utility Practices. The Scheduled Outage Projection shall include information concerning all projected Scheduled Outages during such period, including (i) the anticipated start and end dates of each Scheduled Outage; (ii) a description of the maintenance or repair work to be performed during the Scheduled Outage; and (iii) the anticipated MW of operational capacity, if any, during the Scheduled Outage. Seller shall notify Buyer or Buyer's Agent of any change in the Scheduled Outage Projection as soon as practicable, but in no event later than thirty (30) days prior to the

originally scheduled date of the Scheduled Outage. Seller shall use commercially reasonable efforts to accommodate reasonable requests of Buyer or Buyer's Authorized Representative with respect to the timing of Scheduled Outages, and Seller shall, to the extent feasible and consistent with Prudent Utility Practices, arrange for Scheduled Outages to occur between October 1 and May 1 of each year and coincident with planned transmission outages, but not to overlap with the Major Maintenance Blockout. In the event of a System Emergency, Seller shall make all reasonable efforts to reschedule any Scheduled Outage previously scheduled so that it occurs during the System Emergency.

(l) In the event of a Forced Outage affecting at least ten percent (10%) of the Nominal Capacity Net of Parasitic Load of the Facility, to the extent practicable, Seller shall notify Buyer or Buyer's Agent within two (2) hours of the Forced Outage and provide detailed information concerning the Forced Outage, including (i) the start and anticipated end dates of the Forced Outage; (ii) a description of the cause of the Forced Outage; (iii) a description of the maintenance or repair work to be performed during the Forced Outage; and (iv) the anticipated MW of operational capacity, if any, during the Forced Outage. Seller shall take all reasonable measures and exercise commercially reasonable efforts to avoid Forced Outages and to limit the duration and extent of any such outages.

(m) Consistent with Prudent Utility Practices, Seller shall at all times maintain the ability to continue to provide real-time data to Buyer, to implement curtailments, and to adjust curtailment amounts in real-time in the event that Seller's primary communications means become unavailable at any point in time.

Section 4.5 Dynamic Scheduling.

(a) Seller shall use commercially reasonable efforts to (i) execute, complete, file, and deliver (as applicable) any documents or agreements with or for the applicable Reliability Authorities required for Seller to dynamically schedule Facility Energy to the Point of Delivery, (ii) acquire and install any equipment and software required for dynamic scheduling of the Facility, subject to the terms of this Agreement, Requirements of Law, and any requirements of the applicable Reliability Authorities, and (iii) obtain any Permits from the applicable Reliability Authorities and Governmental Authorities required in order to implement dynamic scheduling for the Facility, in all cases, prior to the Second Anniversary.

(b) From and after the Dynamic Schedule Effective Date, Seller shall (i) cause all schedules for delivery of Facility Energy to the Point of Delivery to be dynamic schedules, prepared in accordance with the terms of this Agreement and the requirements of the applicable Reliability Authorities providing Transmission Services at the Point of Delivery, (ii) from time to time repair, update, and maintain any equipment or software required in order to continue to use dynamic scheduling for the Facility as provided herein, and (iii) comply with the rules, guidelines, and standards for dynamic scheduling of the applicable Reliability Authorities. The dynamic schedule shall be calculated in real-time and integrated on an hourly basis or as otherwise required by the applicable Reliability Authorities.

Section 4.6 Reporting and Information. Commencing on the date Startup and Test Energy is first delivered to Buyer, Seller shall provide to Buyer (a) Monthly Reports of the operation of the Facility on or before the fifteenth (15th) day of each month, which shall include (i) a performance summary of the Contract Month- and Contract Year-to-date MWh delivery of Facility Energy, capacity factor, availability (including actual availability vs. expected availability), average illumination, weather for the month and reasons for downtimes, (ii) reports of expected generation indicators of when a Shortfall may occur; (iii) any regularly prepared operations and maintenance status reports of the Facility provided to WECC or any Facility Lenders, (iv) reports regarding the ongoing operations of the Facility during such month, which set forth the status of the operation of the Facility or any component thereof, including any equipment or other operational or maintenance failures, defects or other issues and any repairs, replacements or other remediation provided or to be provided therefor, (v) descriptions of weather, reasons for any downtime, maintenance or repairs, and curtailment periods during the applicable month, and (vi) a safety and environmental summary, and (b) such other information regarding the permitting, engineering, construction or operations of the Facility as Buyer may, from time to time, reasonably request.

ARTICLE V
COMPLIANCE DURING CONSTRUCTION AND OPERATION PERIOD

Section 5.1 In General.

(a) **The Facility.** Seller shall perform, or cause to be performed, all engineering, design, development and construction of the Facility in a good and workmanlike manner and in accordance with applicable standards, Prudent Utility Practices, all applicable Requirements of Law, Seller's Quality Assurance Program, the Milestones and all other requirements of this Agreement. Seller warrants and guarantees that throughout the Delivery Term: (i) the Facility, its engineering, design and construction, its components and related work, shall be free from material defects caused by errors or omissions in design, engineering and construction or repaired as provided herein, (ii) the Facility will be free and clear of all Liens other than Permitted Encumbrances, and (iii) the Facility will comply in all respects with the requirements of this Agreement and all applicable Requirements of Law. Seller also warrants and guarantees that throughout the Agreement Term it will monitor the operation and maintenance of the Facility and that said operation and maintenance is, and will be, in full compliance with all applicable standards, Prudent Utility Practices, Requirements of Law, Seller's Quality Assurance Program and other provisions of this Agreement. Without limiting the foregoing, Seller shall promptly repair or replace, consistent with Prudent Utility Practices, any component of the Facility that does not comply with the foregoing warranties or guarantees. Seller shall at all times exercise commercially reasonable efforts to undertake all recommended or required updates or modifications to the Facility, its equipment and materials, including procedures, programming and software in a timely manner. Seller shall, at its expense, maintain throughout the Agreement Term an inventory of spare parts for the Facility in a quantity that is consistent with applicable manufacturers' recommendations and Prudent Utility Practices.

(b) **Buyer's Right to Monitor in General.** Buyer shall have the right upon prior written notice to Seller, and Seller shall permit Buyer and its representatives, advisors,

engineers and consultants to observe, inspect and monitor all operations and activities at the Site, including the performance of the contractor(s) under the construction contract(s) pertaining to the Facility, the design, engineering, procurement and installation of the equipment, start up and testing and commercial operation; *provided, however*, that Buyer shall comply with all of Seller's applicable safety and health rules and requirements and shall not unreasonably interfere with or disrupt the activities of Seller.

(c) **Startup and Testing.** Prior to the Commercial Operation Date and as a condition precedent to the achievement of the Commercial Operation Date, Buyer shall have the right, upon prior written notice to Seller, to (and Seller's engineering, procurement and construction subcontracts shall provide for Buyer's right to):

(1) review and monitor the Seller's and Seller's subcontractors' performance and achievement of all initial performance tests and all other tests required under the Facility construction contracts that must be performed in order to achieve completion, with respect to which the construction contracts shall provide that at least ten (10) Business Days before such tests begin the Seller or Seller's subcontractors shall deliver to Buyer a schedule for the performance of such tests;

(2) be present to witness such initial performance tests and review the results thereof; and

(3) perform such detailed examinations, inspections, quality surveillance and tests as, in the judgment of Buyer or Buyer's Authorized Representative, are appropriate and advisable to determine that the components of the Facility have been installed in accordance with this Agreement and the Facility construction contracts, all applicable standards, Prudent Utility Practices, Requirements of Law, Seller's Quality Assurance Program and the Milestones.

Buyer's rights under this Section 5.1(c) are subject to the following: Buyer shall comply with all of Seller's applicable safety and health rules and requirements and shall not unreasonably interfere with or disrupt the activities of Seller.

(d) **Contract Provisions.** The Seller shall cause to be included in the Facility construction contract(s) provisions, in form and substance satisfactory to Buyer's Authorized Representative, whereby the contractor(s) and the Seller:

(1) grant to the Buyer rights of access to the Facility at all reasonable times upon prior written notice to Seller and the contractor(s) (but subject to reasonable safety precautions) and to inspect, make notes about and copy all documents, drawings, plans, specifications, permits, test results and information as the Buyer or Buyer's Authorized Representative may reasonably request;

(2) make the personnel of, and consultants to, the contractor(s) and the Seller available to the Buyer and its agents, representatives and consultants at reasonable times and with prior notice for purposes of discussing any aspect of the Facility or the development, engineering, construction, installation, testing or performance thereof;

(3) shall construct and repair, as applicable, the Facility in a manner that is in full compliance with all applicable Requirements of Law, Seller's Quality Assurance Program, the Milestones and all other requirements of this Agreement; and

(4) otherwise cooperate in all reasonable respects with the Buyer and its Authorized Representatives, advisors, engineers and consultants in order to allow the Buyer to exercise its rights under this Section 5.1.

Buyer's rights under this Section 5.1(d) are subject to the following: Buyer shall comply with all of Seller's applicable safety and health rules and requirements and shall not unreasonably interfere with or disrupt the activities of Seller.

Section 5.2 Compliance with Standards. Seller shall cause the Facility and all parts thereof to be designed, constructed, tested, operated and maintained to meet (i) all of the requirements of this Agreement, (ii) all applicable standards and requirements of the latest revision of standards or requirements of the ASTM, ASME, ASCE, AWS, EPA, EEI, IEEE, ISA, National Electrical Code, National Electric Safety Code, OSHA, Cal-OSHA, Uniform Building Code, Uniform Plumbing Code, Underwriters Laboratory Standards and the applicable local County Fire Department Standards of the applicable county, National Fire Protection Agency standards and requirements, or their successors, (iii) all FERC-approved NERC Reliability Standards, (iv) any other codes, standards and operations and maintenance requirements applicable to the services, equipment, and work as generally shown in this Agreement and (v) all applicable Requirements of Law not specifically mentioned in this Section 5.2. If Seller contracts with another Person to design, construct, test, operate or maintain the Facility, Seller shall cause such contract to provide that such Person shall design, construct, test, operate or maintain, as applicable, the Facility in compliance with the laws, regulations, standards and other requirements identified in clauses (i) through (v) of the prior sentence.

Section 5.3 Quality Assurance Program. As a condition of, and no later than the occurrence of the Commercial Operation Date, Seller shall develop and initiate a written quality assurance policy ("***Quality Assurance Program***") attached hereto as Appendix G. Seller shall maintain and comply with said Quality Assurance Program, and Seller shall cause all work performed on or in connection with the Facility to comply with said Quality Assurance Program.

Section 5.4 Security Provided by Seller.

(a) Seller shall, by no later than ten (10) Business Days following the Effective Date, execute and deliver to Buyer an Acceptable Form of Performance Assurance in the Initial Security Amount, which Acceptable Form of Performance Assurance shall be subject to replenishment as set forth in Section 5.4(d) below and shall guarantee Seller's obligations under this Agreement prior to the Commercial Operation Date (the "***Development Security***"). Seller shall maintain the Development Security until Seller executes and delivers the Performance Security pursuant to Section 5.4(b) below, or until the requirement to maintain the Development Security ceases under Section 5.4(c) below.

(b) Seller shall, by the Commercial Operation Date, execute, deliver to Buyer and maintain an Acceptable Form of Performance Assurance in the amount of Three

Million Three Hundred Fifty Thousand Nine Hundred Twenty Five Dollars ($3,350,925), which Acceptable Form of Performance Assurance shall guarantee Seller's obligations under this Agreement from and after the Commercial Operation Date (the "***Performance Security***"). Seller may elect to use any amounts remaining under its Development Security as a component of the Performance Security.

(c) If (i) upon the Commercial Operation Date, no damages or other amounts are due and owing to Buyer under this Agreement, and Seller does not elect to use the Development Security as a component of the Performance Security, or (ii) this Agreement terminates prior to the occurrence of the Commercial Operation Date while the Development Security is outstanding and no damages or other amounts are due and owing to Buyer under this Agreement, then Seller is no longer required to maintain the Development Security; provided that Buyer may draw on such Development Security in accordance with clause (d).

(d) Buyer may draw on the Performance Assurance for any undisputed amount owed to Buyer that is not timely paid due to Seller's obligations under this Agreement, including any liquidated damages, Shortfall Damages, and Daily Delay Damages and any such draw shall be deemed a cure for such non-payment to the extent of the draw. Promptly, and in no event more than five (5) Business Days following any draw by Buyer on the Performance Assurance, Seller shall replenish the amount drawn on the Performance Assurance such that the amount of the Performance Assurance is restored to the full amount set forth in Section 5.4(a) or Section 5.4(b), as applicable.

(e) Seller shall, from time to time as requested by Buyer or Buyer's Authorized Representative, execute, acknowledge, record, register, deliver and file all such notices, statements, instruments and other documents as may be necessary or advisable to render fully valid, perfected and enforceable under all applicable law the Performance Assurance contemplated by this Agreement and the Ancillary Documents and the rights, Liens and priorities of Buyer with respect to such credit support.

(f) Seller shall notify Buyer of the occurrence of a Downgrade Event with respect to an issuer of Performance Assurance, which notice shall be given by Seller within five (5) Business Days of obtaining knowledge of the occurrence of such event. If, at any time, (i) there shall occur a Downgrade Event with respect to an issuer of Performance Assurance or (ii) Buyer elects to terminate any relationship with such issuer pursuant to directives from any Governmental Authorities applicable to Buyer or the Participating Member, then Buyer may require that Seller replace the Performance Assurance from the issuer that has suffered the Downgrade Event or with whom the relationship has been terminated by Buyer with Performance Assurance from a Qualified Issuer within ten (10) Business Days of notice from Buyer to Seller requesting such replacement Performance Assurance.

(g) Notwithstanding the other provisions of this Agreement, the Performance Assurance contemplated by this Agreement: (a) constitutes security for, but is not a limitation of, Seller's obligations under this Agreement, and (b) shall not be Buyer's exclusive remedy against Seller for the Seller's failure to perform in accordance with this Agreement.

Section 5.5 Effect of Review by Buyer. Any review by Buyer of the design, construction, engineering, operation or maintenance of the Facility, or witness of testing hereunder, is solely for the information of Buyer. Buyer shall have no obligation to share the results of any such review or observation with Seller, nor shall any such review or observation or the results thereof (whether or not the results are shared with Seller), nor any failure to conduct any such review or observation of testing, relieve Seller from any of its obligations under this Agreement. By making any such review or observation, Buyer makes no representation as to the economic and technical feasibility, operational capability or reliability of the Facility. Seller shall in no way represent to any third party that any such review by Buyer of the Facility, including any review of the design, construction, operation or maintenance of the Facility by Buyer, or observation of testing is a representation by Buyer as to the economic and technical feasibility, operational capability or reliability of the Facility. Seller is solely responsible for the economic and technical feasibility, operational capability and reliability thereof.

ARTICLE VI
PURCHASE AND SALE OF POWER

Section 6.1 Purchases by Buyer.

(a) On and after the Commercial Operation Date and continuing for the Delivery Term, Seller shall sell and deliver, and Buyer shall receive and purchase, all Delivered Energy for the price set forth in paragraph 3 (for Excess Energy) or paragraph 2 (for other Delivered Energy and all Makeup Energy) of Appendix A, except as described in Section 6.9 or Section 8.7; provided, that for any Contract Month commencing prior to the earlier of (i) the Second Anniversary and (ii) the Dynamic Schedule Effective Date: (x) Buyer shall not be obligated to purchase any Excess Monthly Generation in an amount greater than five percent (5%) of the amount of Delivered Energy in such Contract Month, (y) subject to the cap on Excess Monthly Generation in clause (x), the price for any Excess Monthly Generation shall be the price set forth in paragraph 4 of Appendix A and (z) no later than five (5) Business Days after the end of each such Contract Month, Seller shall provide Buyer a summary of the Facility Energy as measured at the Electric Metering Devices detailed by day and hour and a calculation of Excess Monthly Generation for such Contract Month.

(b) Notwithstanding the foregoing, (i) with respect to any Contract Month, Buyer has no obligation to receive or purchase Excess Energy in excess of the greater of (x) an amount equal to the Guaranteed Monthly Delivered Energy for such Contract Month plus the amount of any outstanding Shortfall Energy from the prior two (2) months or (y) one hundred twenty percent (120%) of the Expected Monthly Generation for such Contract Month, and (ii) in no event shall Buyer be required to receive or purchase at the Point of Delivery a quantity of Delivered Energy in any hour that exceeds the quantity of Delivered Energy that the Facility is capable of producing when operating at the Nominal Nameplate Capacity, unless Buyer agrees otherwise in its sole discretion.

(c) For any month during which the WREGIS Withhold Amount provisions of Section 11.4 are not applicable or Buyer otherwise elects not to withhold the WREGIS Withhold Amount, a "***WREGIS Certificate Deficit***" means any deficit or shortfall in WREGIS Certificates delivered to Buyer for such month as compared to the Delivered Energy less any

Excess Actual Generation, if applicable, for the same month ("***Deficient Month***") (excluding any deficits or shortfalls caused by an error or omission of Buyer). If any WREGIS Certificate Deficit is caused, and such WREGIS Certificate Deficit is not caused by an error omission of Buyer, then Buyer will be entitled to a credit in the next monthly invoice after the Deficient Month equal to fifteen dollars ($15) per MWh for each WREGIS Certificate Deficit.

Section 6.2 Startup and Test Energy. During the period prior to the start of the Delivery Term, no later than 12:00 p.m. three days before the start of each week, Seller shall send a non-binding hourly forecast of deliveries of Startup and Test Energy for the next week of delivery. Buyer shall notify Seller in writing by 5:00 p.m. on the date that is three days before the start of each week whether it will accept and purchase such Startup and Test Energy. If Buyer timely provides such notice to Seller that it will accept and purchase such Startup and Test Energy, then for such week, Seller shall sell and deliver, and Buyer shall receive and purchase, all Startup and Test Energy for the price set forth in paragraph 1 of Appendix A. If Buyer provides notice that it will not accept and purchase such Startup and Test Energy or Buyer otherwise does not timely respond to Seller as provided herein, then Seller shall have the right to sell such Startup and Test Energy to any Persons and retain the proceeds related thereto.

Section 6.3 Point of Delivery. Seller shall deliver all Delivered Energy to Buyer at the Point of Delivery. Buyer, or its designee, shall receive all such Delivered Energy from Seller under this Agreement at the Point of Delivery.

Section 6.4 Expected Monthly Generation Adjustment. During the Expected Monthly Generation Adjustment Period, Seller shall have the option to make one adjustment to the Expected Monthly Generation applicable to each month of a Contract Year; provided that (i) such adjustment shall not result in a change of more than 7.5% in the Expected Annual Generation, (ii) such adjustment shall result in the Expected Monthly Generation for each month in a Contract Year specified in Appendix Q changing by the same percentage (i.e., the percentage change to the Expected Annual Generation shall be equal to the percentage change to the Expected Monthly Generation of each month in a Contract Year), (iii) if Seller elects to make such an adjustment, the Guaranteed Monthly Delivered Energy of each month in a Contract Year specified on Appendix Q shall be adjusted by the same percentage applied to adjust each Expected Monthly Generation, and (iv) Seller shall deliver notice of such adjustment in accordance with the following sentence within the one year period following the Commercial Operation Date, and such adjustment (if any) will be effected by the first day of the first full month following the date that is ninety (90) days after Seller provides such notice (the "***Expected Monthly Generation Adjustment Period***"). If Seller elects to make an adjustment under this Section 6.4, Seller shall give Buyer ninety (90) days prior written notice with respect to such adjustment, including (x) the percentage change that will be applied (subject to the prior sentence) and (y) an updated version of the table in Appendix Q, specifying the Expected Monthly Generation for each month in a Contract Year, the Guaranteed Monthly Delivered Energy for each such month, and the Expected Annual Generation following application of Seller's adjustment subject to the terms of this Section 6.4. Upon the first day of the first full month after the end of the ninety (90) day period following delivery of notice of an adjustment, the updated version of Appendix Q delivered by Seller in connection with such notice shall hereby replace the table in Appendix Q so long as Seller has complied with this Section 6.4.

Section 6.5 Buyer's Failure. Unless excused by Force Majeure, a curtailment required by Buyer under Section 6.9, or Seller's failure to perform, if Buyer fails to receive at the Point of Delivery all or any part of any Energy required to be received by Buyer under this Article VI, Article VIII or Article IX, Buyer shall pay Seller, on the date payment would otherwise be due to Seller, an amount for each MWh of such deficiency equal to the positive difference, if any, obtained by subtracting the Sales Price from price per MWh which would have been payable by Buyer for the Energy not received by Seller. "***Sales Price***" means the price at which Seller, acting in a commercially reasonable manner, resells the Energy, including the Environmental Attributes associated therewith, or, absent a resale following commercially reasonable efforts by Seller to resell such Energy, $0/MWh. Seller shall provide Buyer prompt written notice of the Sales Price together with back-up documentation. Seller shall use, and demonstrate to Buyer its use of, commercially reasonable efforts to resell the Energy that Buyer fails to receive, including the Environmental Attributes associated therewith.

Section 6.6 Nature of Remedies. The remedy set forth in Section 6.5 is the sole and exclusive remedy of Seller for any failure by Buyer to receive Energy as and when required by this Agreement, and all other remedies and damages for any such failure are hereby waived by Seller.

Section 6.7 Energy to Come Exclusively from Facility. Except as provided in Article IX, in no event shall Seller have the right to procure energy from sources other than the Facility for sale and delivery pursuant to this Agreement.

Section 6.8 Sales to Third Parties. Seller may sell to Persons any Facility Energy or Replacement Energy, and associated Capacity Rights and Environmental Attributes that Seller would otherwise be required to deliver to Buyer, during periods in which Buyer is excused from receiving, or otherwise unable to receive, at the Point of Delivery or the Replacement Energy Point of Delivery, as applicable. Except as provided in the preceding sentence, Seller shall not sell or otherwise transfer any Facility Energy, Replacement Energy required to be delivered to Buyer under this Agreement, Capacity Rights or Environmental Attributes to any Person other than Buyer during the Agreement Term. Any purported sale or transfer in violation of this provision shall be null and void at inception and of no force or effect.

Section 6.9 Curtailment Requested by Buyer.

(a) Buyer, Buyer's Agent or Buyer's Transmission Provider may require Seller to reduce deliveries of all or any portion of the Facility Energy, and Seller shall comply with any such requirement of Buyer, Buyer's Agent or Buyer's Transmission Provider, at any time and for the duration specified by Buyer, Buyer's Agent or Buyer's Transmission Provider in a notice to Seller, including for curtailments required by (i) a System Emergency; (ii) an event of Force Majeure on Buyer's side after the Point of Delivery (curtailments under preceding clauses (i), or (ii), "***Non-Compensable Curtailments***"); (iii) system improvements, scheduled or unscheduled repairs or maintenance on Buyer's side of the Point of Delivery (other than due a Force Majeure event as described in (ii) above); (iv) Buyer's failure or inability to Schedule the Delivered Energy from the Point of Delivery (other than due to a Force Majeure event as described in (ii) above); and (v) for any other reason in the sole discretion of whichever representative of Buyer provided the applicable notice (curtailments

under preceding clauses (iii), (iv) or (v), "***Compensable Curtailments***"). Curtailments shall be measured in five (5) minute increments and in a manner that is consistent with the Scheduling Procedures. Seller shall be excused from delivering the reduced deliveries of Facility Energy described in the notice described in this subsection. Subject to Section 6.9(b), Buyer shall be excused from receiving the reduced deliveries of Facility Energy described in the notice described in this subsection.

(b) Buyer shall not pay Seller for any Non-Compensable Curtailments. Buyer shall pay Seller for Deemed Delivered Energy during Compensable Curtailments occurring during the Delivery Term that is in excess of four percent (4%) of the Expected Annual Generation in each Contract Year. The Compensable Curtailments less than or equal to four percent (4%) of the Expected Annual Generation in such Contract Year are "***Buyer's Non-Compensable Curtailment Hours***". During the Delivery Term, the Parties shall reasonably estimate the amount of curtailed Facility Energy that would have been delivered at the Point of Delivery during each Contract Month had the Non-Compensable or Compensable Curtailments not occurred, which shall include the Facility Energy actually generated during such Non-Compensable or Compensable Curtailments ("***Deemed Delivered Energy***"), and such Deemed Delivered Energy shall count toward the Guaranteed Monthly Delivered Energy or, if the Guaranteed Monthly Delivered Energy has been met for such Contract Month, toward reducing any outstanding Shortfall Energy.

(c) With respect to any Compensable Curtailment, Buyer shall pay: (i) the price set forth in paragraph 2 of Appendix A for Deemed Delivered Energy that, had it been delivered to the Point of Delivery, would not have been Excess Energy or Excess Monthly Generation, (ii) the price set forth in paragraph 3 of Appendix A for Deemed Delivered Energy that, had it been delivered to the Point of Delivery, would have been Excess Energy and (ii) the price set forth in paragraph 4 of Appendix A for Deemed Delivered Energy that, had it been delivered to the Point of Delivery, would have been Excess Monthly Generation subject to Section 6.1(c).

(d) At the end of every Contract Year, Seller will provide to Buyer in the invoice delivered to Buyer pursuant to Section 11.1, a calculation of the total MWh Deemed Delivered Energy during Buyer's Non-Compensable Curtailment Hours. If the total MWh of Deemed Delivered Energy during Buyer's Non-Compensable Curtailment Hours is less than four percent (4%) of the Expected Annual Generation in each Contract Year, then Buyer will receive a credit equal to the product of (i) thirty-five dollars and twelve cents ($35.12), and (ii) the difference between (a) four percent (4%) of the Expected Annual Generation in each Contract Year and (b) the total MWh of Deemed Delivered Energy during Buyer's Non-Compensable Curtailment Hours in such Contract Year ("***Unused Curtailment Credit***"). The total Unused Curtailment Credit amount will be credited against amounts otherwise owing by Buyer to Seller for Energy in the first, and if necessary, subsequent months of the subsequent Contract Year.

(e) For the avoidance of doubt, Buyer shall not pay Seller for any Deemed Delivered Energy calculated during Buyer's Non-Compensable Curtailment Hours or during any Non-Compensable Curtailments.

(f) Seller shall provide the capability to implement curtailments and adjust curtailment amounts in real time by means of setpoints received from Buyer's SCADA system. Seller shall install sufficient measuring equipment at the Facility to collect data necessary to reasonably determine the amount of curtailed Facility Energy, including any Deemed Delivered Energy.

(g) Seller shall use, and demonstrate to Buyer its use of, commercially reasonable efforts to sell Deemed Delivered Energy arising during any Compensable Curtailments, including the Environmental Attributes associated therewith. Any proceeds from the sale of any Deemed Delivered Energy to a third party purchaser shall be the property of Seller, and Seller shall credit any such proceeds against any amounts owed by Buyer to Seller for such Deemed Delivered Energy pursuant to this Section 6.9.

ARTICLE VII
TRANSMISSION AND SCHEDULING; TITLE AND RISK OF LOSS

Section 7.1 In General. Seller shall arrange and be responsible for any Transmission Services required to deliver Facility Energy or Replacement Energy to the Point of Delivery or the Replacement Energy Point of Delivery, as applicable. Seller shall Schedule or arrange for Scheduling services with its Transmission Providers to deliver the Facility Energy to Buyer at the Point of Delivery. Buyer shall arrange and be responsible for Transmission Services at and from the Point of Delivery, and shall Schedule or arrange for Scheduling services with its Transmission Providers to receive Delivered Energy or Replacement Energy at the Point of Delivery or the Replacement Energy Point of Delivery, as applicable. This includes creation by Seller and, as needed, revisions of electronic tags ("***e-tags***") associated with such Energy schedules. Seller shall provide additional information as reasonably requested by Buyer on e-tags or as reasonably necessary to facilitate Buyer's reporting requirements under RPS Law. Each Party shall designate an authorized Scheduler to effect the Scheduling of all Delivered Energy or Replacement Energy, as applicable. The contact information for Buyer's Scheduler and Seller's Scheduler as of the Effective Date shall be set forth in Appendix C and shall be revised by the Authorized Representative of the respective Party, as needed.

Section 7.2 Costs. Seller shall be responsible for any costs, expenses or charges imposed on or associated with Facility Energy up to the Point of Delivery, including charges related to control area services, inadvertent energy flows, transmission losses and the transmission of Facility Energy, and costs associated with transmission outages, congestion or curtailment. Subject to Section 6.8, Buyer shall be responsible for any costs, expenses or charges imposed on or–associated with Delivered Energy at and from the Point of Delivery, including charges related to control area services, inadvertent energy flows, transmission losses and the transmission of Delivered Energy, and costs associated with transmission outages, congestion or curtailment.

Section 7.3 Title; Risk of Loss. As between the Parties, Seller shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of all Facility Energy prior to and at the Point of Delivery, and Buyer shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of all Delivered Energy from the Point of Delivery. Seller shall deliver all Delivered Energy, Replacement Energy, Capacity

Rights and Environmental Attributes to Buyer free and clear of all Liens created by any Person other than Buyer. Title to and risk of loss as to all Delivered Energy, Replacement Energy, Capacity Rights and Environmental Attributes shall pass from Seller to Buyer at the Point of Delivery; *provided, however,* that title and risk of loss as to any Replacement Energy specified by Buyer to be delivered to a Replacement Energy Point of Delivery and all of the associated Environmental Attributes shall pass from Seller to Buyer upon delivery of such Replacement Energy to such Replacement Energy Point of Delivery.

ARTICLE VIII
ENVIRONMENTAL ATTRIBUTES; EPS AND RPS COMPLIANCE

Section 8.1 Transfer of Environmental Attributes. For and in consideration of Buyer entering into this Agreement, and in addition to the agreement by and between Buyer and Seller to purchase and sell Delivered Energy on the terms and conditions set forth herein, Seller shall transfer to Buyer, and Buyer shall receive from Seller, all right, title, and interest in and to all Environmental Attributes, free and clear of all Liens, whether now existing or acquired by Seller or that hereafter come into existence or are acquired by Seller during the Agreement Term, for all Facility Energy and Replacement Energy, in each case, purchased by Buyer hereunder. In addition, Buyer shall be entitled to all Environmental Attributes associated with Facility Energy generated by Seller during a Compensable Curtailment and during a Buyer Failure to perform for which Buyer pays Seller pursuant to Section 6.5, in each case, that Seller was unable to sell notwithstanding its commercially reasonable efforts to do so. For the avoidance of doubt, Buyer is not entitled to, and Seller shall retain for its own benefit, all Environmental Attributes associated with (i) all Non-Compensable Curtailments and (ii) all Facility Energy during Buyer's Non-Compensable Curtailment Hours. Environmental Attributes that are in, or that shall come into, existence with respect to Energy generated by the Facility that services Parasitic Load shall be transferred by Seller to, and received by, Buyer. Seller agrees to transfer and make available to Buyer such Environmental Attributes to the fullest extent allowed by applicable law immediately upon Seller's production or acquisition of the Environmental Attributes. Except as otherwise permitted herein, including as provided in Section 6.8, Seller represents and covenants that it has not assigned, transferred, conveyed, encumbered, sold or otherwise disposed of and will not in the future assign, transfer, convey, encumber, sell or otherwise dispose of all or any portion of such Environmental Attributes to any Person other than Buyer or attempt to do any of the foregoing with respect to any of the Environmental Attributes. Buyer and Seller acknowledge and agree that the consideration for the transfer of Environmental Attributes is contained within the relevant prices for Delivered Energy under Article VI and Article IX and Appendix A. If at any time Seller becomes obligated to obtain pollution or environmental credits or offsets in order to own, operate or maintain the Facility in compliance with the Requirements of Law, Seller shall ensure that such credits or offsets are obtained in Seller's own name and at Seller's sole cost and expense. In no event shall Seller use any Environmental Attributes to satisfy the foregoing obligation.

Section 8.2 Reporting of Ownership of Environmental Attributes. During the Agreement Term, Seller shall not report to any Person that the Environmental Attributes granted hereunder to Buyer belong to any Person other than Buyer, and Buyer may report under any program that such Environmental Attributes purchased hereunder belong to it.

Section 8.3 Environmental Attributes. Upon the request of Buyer or Buyer's Authorized Representative, Seller shall take all reasonable actions and execute all documents or instruments as are reasonable and necessary under all law, regulations, guidebooks promulgated by the CEC or PUC, bilateral arrangements or other voluntary Environmental Attribute programs of any kind, as applicable, to maximize the attribution, accrual, realization, generation, production, recognition and validation of Environmental Attributes throughout the Agreement Term.

Section 8.4 Use of Accounting System to Transfer Environmental Attributes. In furtherance and not in limitation of Section 8.3, Seller shall use WREGIS to evidence the transfer of any Environmental Attributes under applicable laws or any voluntary program ("***WREGIS Certificates***"), associated with Facility Energy or Replacement Energy, in either case, to be transferred to Buyer, in accordance with WREGIS reporting protocols and shall register the Facility with WREGIS. On or before the date that is thirty (30) days before the Commercial Operation Date, Seller shall deliver sufficient evidence to Buyer that it has prepared and registered all required documents and has taken all necessary steps for final WREGIS approval, including the notice of substantial completion or commercial operation date to WREGIS, as appropriate. Seller shall deliver to Buyer sufficient evidence that substantial completion of the Facility is verified with WREGIS, and it has provided WREGIS with notice of the commercial operation date. After the Facility is registered with WREGIS, at the option of Buyer's Authorized Representative, Seller shall transfer WREGIS Certificates using the Forward Certificate Transfer method, as described in WREGIS Operating Rules, from Seller's WREGIS account to up to three WREGIS accounts, as designated by Buyer's Authorized Representative. Seller shall be responsible for the WREGIS expenses associated with registering the Facility, maintaining its account, WREGIS Certificate issuance fees and transferring WREGIS Certificates to Buyer or Buyer's Agent, or any other designees, and Buyer shall be responsible for the WREGIS expenses associated with maintaining its account, or the accounts of its designees, if any, and subsequent transferring or retiring of WREGIS Certificates. Buyer is not a QRE as defined by the WREGIS Operating Rules for Seller. Forward Certificate Transfers shall occur monthly based on the certificate creation timeline established by the WREGIS Operating Rules. Seller shall be responsible for, at its expense, validating and disputing data with WREGIS prior to WREGIS Certificate creation each month. In the event that WREGIS is not in operation, or WREGIS does not track Seller's transfer of WREGIS Certificates to Buyer, Buyer's Agent or Buyer's designees for purposes of any Environmental Attributes attributed, accrued, realized, generated, produced, recognized or validated relative to the Facility Energy or Replacement Energy to which Buyer is entitled hereunder, or Buyer chooses not to use WREGIS for any reason, Seller shall document the production and transfer of Environmental Attributes under this Agreement by delivering to Buyer an attestation for the Environmental Attributes produced by the Facility, or Replacement Energy, measured in whole MWh, or by such other method as Buyer or Buyer's Authorized Representative shall designate. If any of the foregoing is or becomes inconsistent with the WREGIS rules, the Parties shall reasonably cooperate to amend the foregoing procedures in a manner reasonably requested by Buyer consistent with the then effective WREGIS rules. Buyer shall take all reasonably necessary actions to facilitate the transfer of Environmental Attributes as provided above, including accepting any transfer request made by Seller through WREGIS in accordance with the foregoing.

Section 8.5 Further Actions Regarding Environmental Attributes. If WREGIS (or any successor thereto) is no longer available to provide the services described in Section 8.4, Seller shall, until such time as a substitute provider reasonably acceptable to both Parties is available to provide such services, continue to document the production of Environmental Attributes by delivering with each invoice to Buyer an attestation and bill of sale for Environmental Attributes (i) produced by the Facility to which Buyer is entitled as provided hereunder or (ii) included with Replacement Energy deliver to Buyer for the preceding month. The form of attestation and bill of sale is set forth as Appendix D. Upon the reasonable request of Buyer or Buyer's Authorized Representative, the Parties shall execute all such documents and instruments and take such other action in order to effect the transfer of the Environmental Attributes specified in this Agreement to Buyer and to maximize the attribution, accrual, realization, generation, production, recognition and validation of the Environmental Attributes to which Buyer is entitled. In the event of the promulgation of a scheme involving Environmental Attributes administered by CAMD, upon notification by CAMD that any transfers contemplated by this Agreement shall not be recorded, the Parties shall promptly cooperate in taking all reasonable actions necessary so that such transfer can be recorded. Each Party shall promptly give the other Party copies of all documents it submits to CAMD to effectuate any transfers.

Section 8.6 RPS and EPS Compliance. Except as provided in Section 8.7, the Seller warrants and guarantees that, upon the achievement of the Commercial Operation Date and at all times thereafter, the Facility will be both RPS Compliant and EPS Compliant (the "***Compliance Standards***"). In accordance with the terms set forth herein, including Section 8.7, Seller shall be responsible for all costs and charges associated with maintaining the Compliance Standards should the Facility not be RPS Compliant and EPS Compliant after the Commercial Operation Date and throughout the Delivery Term. From time to time and at any time requested by Buyer or Buyer's Authorized Representative, Seller will furnish to Buyer, Governmental Authorities or other Persons designated by Buyer, all certificates and other documentation reasonably requested by Buyer or Buyer's Authorized Representative in order to establish compliance with the preceding sentence.

Section 8.7 Change in Law.

(a) Notwithstanding the foregoing, if at any time during the Delivery Term a change in law occurs that causes the Facility to fail to comply with the Compliance Standards, then Seller shall use commercially reasonable efforts to bring the Facility into compliance with the Compliance Standards. During the Delivery Term, during all times in which the Facility fails to meet the Compliance Standards, including when Seller is using commercially reasonable efforts to bring the Facility into compliance with the Compliance Standards, the price for Delivered Energy set forth in paragraph 2 of Appendix A shall be the Market Price.

(b) If, at any time during the Delivery Term, the RPS Law or EPS Law ceases to be effective and is not replaced with a functional equivalent law, where permitted by applicable laws, rules and regulations, the price for Delivered Energy set forth in paragraph 2 of Appendix A shall be, for the remainder of the Delivery Term, the higher of (x) the Market Price (excluding the value of the Environmental Attributes) or (y) the Market Value, subject to Section 8.7(d).

(c) If, Buyer determines, in its reasonable discretion, that it is impossible for Seller to comply with the RPS Law or the EPS Law, Buyer shall have the option to (i) cause the price for Delivered Energy set forth in paragraph 2 of Appendix A to be, for the remainder of the Delivery Term, the higher of (x) the Market Price (excluding the value of the Environmental Attributes) or (y) the Market Value, subject to Section 8.7(d), or (ii) terminate this Agreement.

(d) Seller shall in good faith determine the Market Value as soon as reasonably practicable after the RPS Law or EPS Law ceases to be effective or Buyer makes a determination pursuant to Section 8.7(c) and promptly notify Buyer thereof. Buyer shall either accept or reject such Market Value within **[thirty (30) days]** after receiving such notice. If Buyer accepts such Market Value, the price set forth in paragraph 2 of Appendix A for Delivered Energy for the remainder of the Delivery Term shall be the higher of the Market Price and such Market Value. If Buyer rejects such Market Value, Seller may either, by notice to Buyer within **[thirty (30) days]** after receiving such rejection (i) agree that the price set forth in paragraph 2 of Appendix A for Delivered Energy for the remainder of the Delivery Term will be the Market Price, in which case such price shall be the Market Price, or (ii) terminate this Agreement. Seller will be deemed to have agreed that the price set forth in paragraph 2 of Appendix A for Delivered Energy will be the Market Price if Seller does not respond within such **[thirty (30) day]** period.

ARTICLE IX
MAKEUP OF SHORTFALL ENERGY

Section 9.1 Makeup of Shortfall. Unless excused by (a) a Force Majeure, (b) a System Emergency, (c) Buyer's Default or a failure to schedule energy from the Point of Delivery or any other Buyer failure under Section 6.5, or (d) a Non-Compensable Curtailment or a Compensable Curtailment ((a)-(d), collectively, "***Excused Conditions***"), if in any Contract Month beginning with the sixth (6th) Contract Month, the amount of Net Delivered Energy is less than the Guaranteed Monthly Delivered Energy for such Contract Month (such failure, a "***Shortfall***"), then Seller shall make up such shortfall of Net Delivered Energy ("***Shortfall Energy***") in accordance with this Article IX; provided, that any Excess Energy (excluding Excess Monthly Generation) delivered in the Contract Month immediately preceding the Contract Month in which the Delivered Energy is less than the Guaranteed Monthly Delivered Energy shall be credited to the Shortfall Energy, so long as both Contract Months are in the same compliance period and Buyer is able to use such Excess Energy for purposes of demonstrating its compliance obligations for such compliance period for purposes of RPS Law, unless Buyer elects that the foregoing shall not apply in such Contract Month.

Section 9.2 Makeup Energy. During any two-month period (the "***Shortfall Cure Period***") following a Contract Month in respect of which there is Shortfall Energy due to Buyer, Seller may deliver additional Net Delivered Energy ("***Makeup Energy***") to make up such Shortfall Energy until all Shortfall Energy is provided to Buyer; provided that no Net Delivered Energy in a Contract Month shall count toward curing Shortfall Energy until Buyer has received Net Delivered Energy (including Deemed Delivered Energy for such Contract Month counted toward the Guaranteed Monthly Delivered Energy) up to the Guaranteed Monthly Delivered

Energy for such Contract Month. Except as provided in Section 6.1(b), all such Makeup Energy shall be paid for at the price specified in paragraph 2 of Appendix A.

Section 9.3 Shortfall Remedies. If Seller fails to make up the full amount of any Shortfall Energy by the end of the applicable Shortfall Cure Period (the "***Makeup Deadline***"), Buyer may elect, in its sole discretion, that (a) Seller pay to Buyer an amount for each MWh of then-remaining Shortfall Energy equal to the positive difference, if any, determined by subtracting (i) the sum of the time weighted average of the (x) Market Price Index for such Energy and (y) Green Value associated therewith, from (ii) the per-MWh price for Delivered Energy identified in paragraph 2 of Appendix A; provided that (y) shall not apply if Section 8.7 applies such that Buyer is paying the Market Price for Delivered Energy (collectively, the "***Shortfall Damages***") or (b) Seller, within ninety (90) days after the Makeup Deadline**,** provide Buyer with the quantity of Replacement Energy sufficient to cure any then-remaining Shortfall Energy from such Shortfall Cure Period pursuant to Section 9.4: provided, however, that if Seller is unable to provide Buyer with Replacement Energy pursuant to Section 9.4 within such ninety (90) day period notwithstanding its commercially reasonable efforts to do so, Seller shall cure the then-remaining amount of Shortfall Energy as if Buyer elected a cure pursuant to Section 9.3(a) (payment of Shortfall Damages). The Parties agree that (x) it is impractical or extremely difficult to determine actual damages to which Buyer would be entitled in the foregoing circumstance, and (y) the liquidated damages provided for in this subsection are a fair and reasonable calculation of actual damages to Buyer and are not a penalty in such a circumstance.

Section 9.4 Replacement Energy. Seller shall Schedule or arrange for Scheduling services with its Transmission Providers to deliver the Replacement Energy to the Point of Delivery; *provided* that the Replacement Energy shall be delivered to Buyer on a fixed twenty-four (24) hour per day delivery schedule consistent with the Facility's historic percentage of on-peak and off-peak Delivered Energy or as otherwise mutually agreed to by the Parties. If Seller and Buyer mutually agree on a point or points of interconnection on Buyer's transmission system other than the Point of Delivery for delivery of any Replacement Energy, Seller shall Schedule or arrange for Scheduling services with its Transmission Providers to deliver such Replacement Energy to such specified point or points instead of the Point of Delivery ("***Replacement Energy Point of Delivery***"). As employed in this Agreement, "***Replacement Energy***" means Energy produced by a facility other than the Facility that, at the time delivered to Buyer, (a) is both RPS Compliant and EPS Compliant, and (b) includes Environmental Attributes that have the same or comparable value, including with respect to the timeframe for retirement of such Environmental Attributes, if any, as the Environmental Attributes that would have been generated by the Facility on the day and at the time for which the Replacement Energy is being provided. Seller shall also provide to Buyer the associated Capacity Rights; provided that (a) and (b) shall not apply if Section 8.7 applies such that Buyer is paying the Market Price for Delivered Energy. Notwithstanding any other provision of this Agreement, other than Buyer's remedies for a Default by Seller under Section 13.1(n), Shortfall Damages or the delivery of Replacement Energy shall be Buyer's sole remedy, and Seller's sole liability, for Seller's failure to deliver Facility Energy and the associated Environmental Attributes and Replacement Energy and the associated Environmental Attributes, as provided under Sections 9.1 and 9.2 above; provided that the foregoing shall not limit Buyer's rights to exercise any right or remedy available under this Agreement or at law or in equity for any other breach or default occurring concurrently with,

before or after the failure to meet the Guaranteed Monthly Delivered Energy, including a Default under Section 13.1(b).

Section 9.5 Application of Shortfall Energy or Replacement Energy. In the event of shortfalls in multiple Contract Months, any Makeup Energy or Replacement Energy delivered by Seller shall be applied in priority to the earliest outstanding shortfalls hereunder until all shortfalls are satisfied.

ARTICLE X
CAPACITY RIGHTS

Section 10.1 Purchase and Sale of Capacity Rights. For and in consideration of Buyer entering into this Agreement, and in addition to the agreement by and between Buyer and Seller to purchase and sell Facility Energy and Environmental Attributes on the terms and conditions set forth herein, Seller hereby transfers to Buyer, and Buyer hereby accepts from Seller, all of the Capacity Rights except as otherwise provided herein. Buyer and Seller acknowledge and agree that the consideration for the transfer of Capacity Rights is contained within the relevant prices for Delivered Energy. In no event shall Buyer have any obligation or liability whatsoever for any debt pertaining to the Facility by virtue of Buyer's ownership of the Capacity Rights or otherwise.

Section 10.2 Representation Regarding Ownership of Capacity Rights. Seller represents and covenants that it has not assigned, transferred, conveyed, encumbered, sold or otherwise disposed of and will not in the future assign, transfer, convey, encumber, sell or otherwise dispose of any of the Capacity Rights to any Person other than Buyer or attempt to do any of the foregoing with respect to any of the Capacity Rights except as otherwise permitted herein. Seller shall not report to any Person that any of the Capacity Rights belong to any Person other than Buyer. Buyer may, at its own risk and expense, report to any Person that the Capacity Rights belong to it.

Section 10.3 Further Action by Seller Regarding Capacity Rights. Seller shall execute and deliver such documents and instruments and take such other action as Buyer or Buyer's Authorized Representative may reasonably request to effect recognition and transfer of the Capacity Rights to Buyer. Seller shall bear the costs associated therewith.

ARTICLE XI
BILLING; PAYMENT; AUDITS; METERING; ATTESTATIONS; POLICIES

Section 11.1 Billing and Payment. Billing and payment for the Energy purchases by Buyer under this Agreement and for any other amounts due and payable by Buyer hereunder shall be as follows:

(a) On or before the tenth (10th) day of the month following a month in which transactions occur hereunder, Seller shall render an invoice (including the name of the Facility, Seller's address and the contact information of the preparer) to Buyer showing the following (with reasonable detail) for the preceding month, as applicable:

(1) Startup and Test Energy, if any, delivered to Buyer pursuant to Section 6.2 billed at the price specified in paragraph 1 of Appendix A, if any.

(2) An amount equal to (x) the total amount of Delivered Energy during such month (y) the portion of such Delivered Energy which is Excess Monthly Generation and (z) the portion of such Excess Monthly Generation Buyer must purchase subject to Section 6.1(a).

(3) An accounting of (i) the amount of the Net Delivered Energy counting toward Guaranteed Monthly Delivered Energy for the applicable Contract Month delivered as of such date (including confirmation that Seller met the Guaranteed Monthly Delivered Energy or a statement of the amount of Shortfall Energy resulting from a Shortfall in such Contract Month), (ii) the amount of Makeup Energy (which may not consist of Excess Monthly Generation) and Replacement Energy delivered, and the amount of Shortfall Damages paid, during such Contract Month, if applicable, and the amount outstanding Shortfall Energy was reduced as a result thereof and (iii) the amount of outstanding Shortfall Energy following such reductions as a result of Replacement Energy or Makeup Energy delivered, or Shortfall Damages, in such Contract Month (including a breakdown of such outstanding Shortfall Energy by Contract Month in which it was accrued).

(4) subject to Section 6.1(c), Excess Energy billed pursuant Section 6.1(b) at the price specified in paragraph 3 of Appendix A.

(5) The amount of Buyer's Non-Compensable Curtailment Hours incurred during such period in accordance with Section 6.9, including the cumulative total of Buyer's Non-Compensable Curtailment Hours incurred during the current Contract Month and the prior Contract Month, including the current billing period, and consistent with the Scheduling Procedures, and in the first month after the end of each Contract Year, the total Deemed Delivered Energy during Buyer's Non-Compensable Curtailment Hours for the prior Contract Year and the amount of the Unused Curtailment Credit, if any, to be applied as an offset to Buyer's payment obligation.

(6) Seller's reasonable calculation of the amount of Deemed Delivered Energy and amounts owed by Buyer in accordance with Section 6.9(c).

(7) The amount of money received by Seller, if any, associated with the sale of any curtailed Facility Energy under Section 6.9(a).

(8) Seller's reasonable calculation of the System Credit (if applicable);

(9) Seller's reasonable calculation of the deficiency during Buyer's Failure in accordance with Section 6.5.

(10) The amount of money received by Seller, if any, associated with the sale of Energy not received by Buyer and the calculated Sales Price for each deficiency under Section 6.5.

(11) Any other payments due to Buyer or Seller under this Agreement, including amounts owed to Buyer for a WREGIS Certificate Deficit pursuant to Section 6.1(c).

(12) The total quantity of WREGIS Certificates confirmed to have been uploaded by Seller to the WREGIS system.

(b) Any WREGIS Withhold Amount withheld during such Month or released to Seller in accordance with Section 11.4.

(c) Monthly invoices, to the extent applicable, shall be based on meter readings as described in Section 11.8.

(d) Monthly invoices shall be sent to the address set forth in Appendix C or such other address as is provided by Buyer in writing.

(e) Certification in form and substance reasonably satisfactory to Buyer of the maximum Parasitic Capacity of the Facility and the Deemed Additional System Output as required under Section 12.8.

(f) Attestations of Environmental Attribute transfers to Buyer pursuant to Section 8.5, if applicable, shall accompany monthly invoices.

(g) Confirmation of Seller's compliance with the terms and conditions of this Agreement shall accompany monthly invoices.

Section 11.2 Calculation of Energy Delivered; Payment.

(a) **Delivered Quantity.** For each month during the Agreement Term, commencing with the first month in which Energy is delivered by Seller to and received by Buyer under this Agreement, Seller shall calculate the amount of Energy so delivered and received during such month as determined (i) in the case of Delivered Energy, from recordings produced by Seller's Electric Metering Devices maintained pursuant to Section 11.8, at or near midnight on the last day of the month in question, and (ii) in the case of Replacement Energy actually supplied to Buyer pursuant to Section 9.4, from recordings produced by metering equipment approved by Buyer's Authorized Representative in his sole discretion.

Section 11.3 Payment. Subject to the provisions of Section 11.4, Buyer shall pay the amounts set forth in each monthly invoice by wire transfer to the accounts designated on the invoice rendered by Seller on or before the thirtieth (30th) day after receipt by Buyer of the applicable invoice. Bills or portions of bills which are not paid by the due date shall thereafter accrue interest at the Interest Rate, from and including the date payment was due until the date such payment is made. Seller shall pay to Buyer any amount owed to Buyer as set forth in Section 11.1(a)(5) and Section 11.1(a)(6) with respect to any month at the time Seller submits its next monthly invoice to Buyer, but in no event more than thirty (30) days after the date of the invoice showing any amount is owed to Buyer. Buyer shall not be required to pay any amounts included in an invoice received more than six (6) months after the billing period.

Section 11.4 WREGIS Withholding. Buyer shall have the right to withhold from any payment to Seller, for each MWh delivered under Section 6.1 (other than any Excess Monthly Generation), an amount equal to fifteen dollars ($15) per MWh (such amount, the "***WREGIS Withhold Amount***") until such time as the first WREGIS Certificate has been delivered to Buyer's WREGIS account, and Buyer shall pay the WREGIS Withhold Amount previously withheld by Buyer for each such MWh for which a WREGIS Certificate was credited to Buyer's WREGIS account in such month. If at any time after the first WREGIS Certificate has been delivered to Buyer's WREGIS Account, a WREGIS Certificate corresponding to Facility Energy and Replacement Energy (other than Excess Monthly Generation) purchased by Buyer hereunder is not delivered within one hundred twenty (120) days after delivery of such corresponding MWh of Facility Energy and Replacement Energy purchased by Buyer hereunder (a "***Withholding Trigger Event***"), Buyer shall have the right to reinstate withholding pursuant to this Section 11.4, in which case, Buyer may withhold the WREGIS Withhold Amount for each such MWh of Facility Energy and Replacement Energy purchased by Buyer hereunder until the corresponding WREGIS Certificate has been delivered to Buyer's WREGIS Account. Buyer may continue such withholding until a Six-Month Cure occurs. A "Six-Month Cure" means the WREGIS Certificate for each MWh of Facility Energy and Replacement Energy (other than Excess Monthly Generation) purchased by Buyer hereunder during a six (6) consecutive month period is delivered to Buyer's WREGIS account within one hundred twenty (120) days after delivery of such corresponding MWh of Facility Energy and Replacement Energy purchased by Buyer hereunder. Buyer shall cease withholding the WREGIS Withhold Amount upon the expiration of a Six-Month Cure but may reinstate withholding at any time thereafter upon the occurrence of a Withholding Trigger Event subject to Seller's right to again implement a Six-Month Cure.

Section 11.5 Disputed Invoices. In the event any portion of any invoice is in dispute, the undisputed amount shall be paid when due. The Party disputing a payment shall promptly notify the other Party of the basis for the dispute. Disputes shall be discussed by the Authorized Representatives, who shall use reasonable efforts to amicably and promptly resolve the disputes, and any failure to agree shall be subject to resolution in accordance with Section 14.3. Upon resolution of any dispute, if all or part of the disputed amount is later determined to have been due, then the Party owing such payment or refund shall pay within ten (10) days after receipt of notice of such determination the amount determined to be due plus interest thereon at the Interest Rate from the due date until the date of payment. For purposes of this Section 11.5, "***Interest Rate***" shall mean one percent (1%) per month. Either Party may dispute an invoice at any time after receipt of such invoice, *provided* that such Party or its Authorized Representative provides the other Party with a notification of such dispute, setting forth the details of such dispute in reasonable specificity.

Section 11.6 Right of Setoff. In addition to any right now or hereafter granted under applicable law and not by way of limitation of any such rights, Buyer shall have the right at any time or from time to time without notice to Seller or to any other Person, any such notice being hereby expressly waived, to set off against any amount due from Seller to Buyer under this Agreement or otherwise any amount due Buyer from Seller or Seller Party under this Agreement or otherwise, including any amounts due because of breach of this Agreement or any other obligation and any costs payable by Seller under Section 7.2, Section 9.3, or Section 9.4 if and to the extent paid in the first instance by Buyer.

Section 11.7 Records and Audits. Seller shall maintain, and shall cause Seller's subcontractors and suppliers as applicable to maintain, all records pertaining to the management of this Agreement, related subcontracts and performance of services pursuant to this Agreement (including all billings, costs, metering, and Environmental Attributes), in their original form, including reports, documents, deliverables, employee time sheets, accounting procedures and practices, records of financial transactions and other evidence, regardless of form (e.g., machine readable media such as disk, tape, etc.) or type (e.g., databases, applications software, database management software, utilities, etc.), sufficient to properly reflect all costs claimed to have been incurred and services performed pursuant to this Agreement. If the Seller, the Seller's subcontractors or suppliers are required to submit cost or pricing data in connection with this Agreement, the Seller shall maintain all records and documents necessary to permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used. Buyer and the Authorized Auditors shall have the right to discuss such records with Seller's officers and independent public accountants (and by this provision Seller authorizes said accountants to discuss such billings and costs), all at such times and as often as may be reasonably requested. All records shall be retained, and shall be subject to examination and audit by the Authorized Auditors, for a period of not less than five (5) years following final payment made by the Buyer hereunder or the expiration or termination date of this Agreement, whichever is later. The Seller shall make said records or, to the extent accepted by the Authorized Auditors, photographs, micro-photographs, etc. or other authentic reproductions thereof, available to the Authorized Auditors at the Seller's offices located at all reasonable times and without charge. The Authorized Auditors shall have the right to reproduce, photocopy, download, transcribe and the like any such records. Any information provided by the Seller on machine-readable media shall be provided in a format accessible and readable by the Authorized Auditors. The Seller shall not, however, be required to furnish the Authorized Auditors with commonly available software. Seller, and the Seller's subcontractors and suppliers, as applicable to the services provided under this Agreement, shall be subject at any time with fourteen (14) days' prior written notice to audits or examinations by Authorized Auditors, relating to all billings and to verify compliance with all Agreement requirements relative to practices, methods, procedures, performance, compensation and documentation. Examinations and audits shall be performed using generally accepted auditing practices and principles and applicable Governmental Authority audit standards. If Seller utilizes or is subject to Federal Acquisition Regulation, Part 30 and 31, et seq. accounting procedures, or a portion thereof, examinations and audits shall utilize such information. To the extent that an Authorized Auditor's examination or audit reveals inaccurate, incomplete or non-current records, or records are unavailable, the records shall be considered defective. Consistent with standard auditing procedures, the Seller shall be provided fifteen (15) days to review an Authorized Auditor's examination results or audit and respond to the Buyer's Authorized Representative prior to the examination's or audit's finalization and public release. If an Authorized Auditor's examination or audit indicates the Seller has been overpaid under a previous payment application, the identified overpayment amount shall be paid by the Seller to the Buyer within fifteen (15) days of notice to the Seller of the identified overpayment. The Seller shall contractually require all subcontractors performing material services under this Agreement for aggregate consideration of at least ten percent (10%) of the Facility Cost to comply with the provisions of this Section by inserting this Section 11.7 in each contract of such material subcontractors and by contractually requiring each such subcontractor to insert this Section 11.7 in any of its subcontract contracts related to provision of such material

services under this Agreement. In addition, Seller and such material subcontractors shall also include the following language in each contract of such subcontractor: "The Southern California Public Power Authority is a third party beneficiary of the foregoing audit provision. The benefits of the audit provision shall inure solely for the benefit of the Southern California Public Power Authority. The designation of the Southern California Public Power Authority as a third party beneficiary of the audit provision shall not confer any rights or privileges on the Seller, subcontractor or any other person/entity." Notwithstanding the foregoing, if the audit reveals that the Buyer overpayment to the Seller is more than five percent (5.0%) of the billings reviewed, Seller shall pay all expenses and costs incurred by the Authorized Auditors arising out of or related to the examination or audit. Such examination or audit expenses and costs shall be paid by the Seller to the Buyer within fifteen (15) days of notice to the Seller of such costs and expenses. Any information provided by Seller to the Authorized Auditor shall be held by such Authorized Auditor in strict confidence and Seller may require such Authorized Auditor to enter into a reasonable confidentiality agreement prior to the disclosure of information hereunder; provided that the Authorized Auditors shall not be prevented from disclosure of such information to Buyer to the extent such disclosure to Buyer is required to enable Buyer to carry out its rights and responsibilities under this Agreement and Buyer shall treat such information as Confidential Information to the extent provided under Section 14.21.

Section 11.8 Electric Metering Devices. ***[NTD: Open Mountain to review and modify as necessary to reflect metering of the Facility Energy and Environmental Attributes. This provision is also subject to the review and comment of Buyer.]***

(a) Metering requirements shall be consistent with this Section 11.8 unless the Transmission Provider at the Facility's Point of Delivery requires otherwise or as otherwise mutually agreed to by the Parties. Delivered Energy shall be measured using revenue grade Electric Metering Devices installed, owned and maintained by the Seller at the high side of the step-up transformer at the Facility substation (the "***Project Substation***") and as depicted and labeled "Revenue Metering System" in the single-line diagram attached to this Agreement in Appendix R, the metering diagram attached to this Agreement in Appendix S, and the point of metering diagram attached to this Agreement as Appendix T, which diagrams shall be updated as a condition precedent to the achievement of the Construction Commencement Milestone. All Electric Metering Devices used to provide data for the computation of payments shall be sealed, and the Seller or its designee shall only break the seal when such Electric Metering Devices are to be inspected and tested or adjusted in accordance with this Section 11.8. Seller or its designee shall specify the number, type and location of such Electric Metering Devices. Seller shall provide Buyer and the Participating Member a live data connection to such Electronic Metering Devices that may be accessed using the Inter-Control Center Communications Protocol ("**ICCCP**"), as defined by the International Electrotechnical Commission, which connection will enable the exchange of real-time and historical power system monitoring and control data, including measured values and accounting data; provided that if such ICCCP connection is not available at any time, Seller shall provide to Buyer the data that would have been accessible through such ICCCP connection during such lapse in connection in a form reasonably acceptable to Buyer.

(b) The Electric Metering Devices shall be capable of: (i) accurately metering back-feed load when generation output goes to zero, and (ii) conforming to the DNP

3.0 protocol and meeting N-1 redundancy (which dictates that if any one meter fails, the Electric Metering Devices will allow the missing telemetry data to be alternately sourced or calculated). Examples of N-1 redundancy compliant architecture include placing backup meters at the same point of metering or installing one meter at each branch (*i.e.*, gross, aux and net) so the missing telemetry data may be calculated as a difference. Notwithstanding such required capabilities, the Electric Metering Devices shall function in compliance with the guidebook promulgated by the CEC, as amended from time to time, or in compliance with other RPS Law, whichever is controlling.

(c) Seller or its designee, at no expense to Buyer, shall inspect and test all Electric Metering Devices upon installation and at least annually thereafter. Seller shall provide Buyer with reasonable advance notice of, and permit a representative of Buyer to witness and verify, such inspections and tests. Upon request by Buyer, Seller or its designee shall perform additional inspections or tests of any Electric Metering Device and shall permit a qualified representative of Buyer to inspect or witness the testing of any Electric Metering Device. The actual expense of any such requested additional inspection or testing shall be borne by Seller. Seller shall provide copies of any inspection or testing reports to Buyer.

(d) If an Electric Metering Device fails to register, or if the measurement made by an Electric Metering Device is found upon testing to be inaccurate by more than one percent (1.0%), an adjustment shall be made correcting all measurements by the inaccurate or defective Electric Metering Device for both the amount of the inaccuracy and the period of the inaccuracy. The adjustment amount and period shall be determined by reference to Buyer's Check Meters for the Facility, if any, or as far as can be reasonably ascertained by Seller from the best available data, subject to review and approval by Buyer's Authorized Representative. If the period of the inaccuracy cannot be ascertained reasonably, any such adjustment shall be for a period equal to one-third of the time elapsed since the preceding test of the Electric Metering Devices. To the extent that the adjustment period covers a period of deliveries for which payment has already been made by Buyer, Buyer shall use the corrected measurements as determined in accordance with this Section 11.8 to recompute the amount due for the period of the inaccuracy and shall subtract the previous payments by Buyer for this period from such recomputed amount. If the difference is a positive number, the difference shall be paid by Buyer to Seller; if the difference is a negative number, that difference shall be paid by Seller to Buyer, or at the discretion of Buyer or Buyer's Authorized Representative, may take the form of an offset to payments due to Seller from Buyer. Payment of such difference by the owing Party shall be made not later than thirty (30) days after the owing Party receives notice of the amount due, unless Buyer or Buyer's Authorized Representative elects payment via an offset.

(e) At Buyer's or Buyer's Agent's option, Buyer may install, own and operate Electric Metering Devices at the Project Substation and/or the Point of Delivery ("***Buyer's Check Meters***"). Seller shall, and shall cause each of its subcontractors to, grant to Buyer and Buyer's Agent rights of access to the Buyer's Check Meters upon reasonable notice to Seller and during reasonable business hours. Commencing on the first date on which Startup and Test Energy is received from the Facility, and continuing throughout the Delivery Term, Buyer shall provide to Seller on a real-time basis read only access to Buyer's Check Meters. Buyer's Check Meters shall be for check purposes only and shall not be used for the

measurement of Delivered Energy, except as provided in Section 11.8(d) above. The installation, operation and maintenance of Buyer's Check Meters shall be performed entirely by Buyer or Buyer's Agent at Buyer's sole cost and expense.

Section 11.9 Taxes. Seller shall be responsible for and shall pay, before the due dates therefor, any and all federal, state and local Taxes incurred by it as a result of entering into this Agreement and all Taxes imposed or assessed with respect to the Facility, the Site, or any other assets of Seller, the sale or use of Facility Energy, Capacity Rights and Environmental Attributes and all Taxes related to Seller's income. If Buyer is required under any Requirement of Law to remit or pay Taxes that are Seller's responsibility hereunder, Buyer may deduct such amounts from payments to Seller hereunder; if Buyer elects not to deduct such amounts from payments to Seller, Seller shall promptly reimburse Buyer for such amounts promptly upon request. Further, if the Facility is exempt from one or more Taxes at any time and for any reason, and that exemption is lost at any time during the Agreement Term, Seller shall be responsible for any additional Taxes incurred as a result of the loss of that exemption.

ARTICLE XII
REPRESENTATIONS AND WARRANTIES; COVENANTS OF SELLER

Section 12.1 Representations and Warranties of Buyer. Buyer represents and warrants to Seller as of the Effective Date that:

(a) Buyer is a validly existing joint powers authority under the laws of the State of California and has the legal power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and each Ancillary Document to which it is a party and carry out the transactions contemplated hereby and thereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement and all such Ancillary Documents.

(b) The execution, delivery and performance by Buyer of this Agreement and each Ancillary Document to which Buyer is a party have been duly authorized by all necessary action, and do not and will not require any consent or approval of Buyer's Board of Directors or Buyer's Members, other than that which has been obtained; *provided,* that further authorizations will be required for Buyer to exercise the Right of First Offer or the Right of First Refusal.

(c) This Agreement and each of the Ancillary Documents to which the Buyer is a party constitute the legal, valid and binding obligation of Buyer enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law.

Section 12.2 Representations and Warranties of Seller. Seller represents and warrants to Buyer that:

(a) Each of the Seller Parties is a corporation or limited liability company duly organized, validly existing and in good standing under the laws of its respective state of

incorporation or organization, is qualified to do business in the State of California and (the state where Facility is located, as applicable), and has the legal power and authority to own and lease its properties, to carry on its business as now being conducted and (in the case of Seller) to enter into this Agreement and (in the case of each Seller Party) each Ancillary Document to which it may be party and carry out the transactions contemplated hereby and thereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement and all Ancillary Documents.

(b) The execution, delivery and performance by the Seller Parties of this Agreement and all Ancillary Documents, the consummation of the transactions contemplated hereby and thereby and the fulfilment of and compliance with the provisions of this Agreement and the Ancillary Documents, have been duly authorized by all necessary action, and do not and will not require any consent or approval other than those which have already been obtained.

(c) The execution and delivery of this Agreement and all Ancillary Documents, the consummation of the transactions contemplated hereby and thereby and the fulfillment of and compliance with the provisions of this Agreement and the Ancillary Documents, do not conflict with or constitute a breach of or a default under, any of the terms, conditions or provisions of any Requirement of Law, or any organizational documents, agreement, deed of trust, mortgage, loan agreement, other evidence of indebtedness or any other agreement or instrument to which any Seller Party is a party or by which it or any of its property is bound, result in a breach of or a default under any of the foregoing or result in or require the creation or imposition of any Lien upon any of the properties or assets of any Seller Party (except as contemplated hereby), and each Seller Party has obtained, or shall timely obtain at no expense to Buyer, all Permits, including, to the extent required, any FERC authorization, required for the performance of its obligations hereunder and thereunder and operation of the Facility in accordance with Prudent Utility Practices, the requirements of this Agreement, the Ancillary Documents and all applicable Requirements of Law.

(d) Each of this Agreement and the Ancillary Documents constitutes the legal, valid and binding obligation of each Seller Party which is party thereto enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) There is no pending, or to the knowledge of the Seller, threatened action or proceeding affecting any Seller Party before any Governmental Authority, which purports to affect the legality, validity or enforceability of this Agreement or any of the Ancillary Documents.

(f) None of the Seller Parties is in violation of any Requirement of Law, which violations, individually or in the aggregate, would reasonably be expected to result in a material adverse effect on the business, assets, operations, condition (financial or otherwise) or prospects of any Seller Party, or the ability of any Seller Party to perform any of its obligations under this Agreement or any Ancillary Document.

(g) The organizational structure and ownership of Seller and each Parent Entity, including a list of each of such entity's Principals, is as set forth in Appendix N. Appendix N may be updated from time to time by agreement of Buyer and Seller to account for a Change in Control that has been consented to by Buyer in accordance with this Agreement.

(h) Seller is and has always been a Special Purpose Entity.

(i) The Seller Parties have (i) not entered into this Agreement or any Ancillary Document with the actual intent to hinder, delay or defraud any creditor, and (ii) received reasonably equivalent value in exchange for their respective obligations under this Agreement and the Ancillary Documents. No petition in bankruptcy has been filed against any of the Seller Parties, and none of Seller, the Seller Parties or any of their respective constituent Persons have ever made an assignment for the benefit of creditors or taken advantage of any insolvency act for its benefit as a debtor.

(j) All of the assumptions made in the Non-Consolidation Opinion, including but not limited to any exhibits attached thereto, are true and correct. Seller has complied and will comply after the date hereof with all of the assumptions made with respect to Seller in the Non-Consolidation Opinion.

(k) None of the Seller Parties has any reason to believe that any of the Permits required to construct, maintain or operate the Facility in accordance with the requirements of this Agreement and all applicable Requirements of Law will not be timely obtained in the ordinary course of business.

(l) To the extent applicable to any Seller Party, all Tax returns and reports of each Seller Party required to be filed by it have been timely filed, and all Taxes shown on such Tax returns to be due and payable and all assessments, fees and other governmental charges upon the Seller Parties and upon its properties, assets, income, business and franchises that are due and payable have been paid when due and payable except for any such Taxes overdue for no more than sixty (60) days that are being contested in good faith by appropriate proceedings so long as such outstanding Taxes and proceedings do not (x) involve a material risk of the sale, forfeiture, loss or restriction on the use of the relevant Facility or any material part thereof or (y) cause, or could reasonably be expected to cause, a material adverse effect on Seller's ability to perform its obligations under this Agreement. None of the Seller Parties knows of any proposed Tax assessment against any of the Seller Parties that is not being actively contested by it in good faith and by appropriate proceeding.

(m) As of the Effective Date, Seller has not assigned, transferred, conveyed, encumbered, sold or otherwise disposed of, and during the Agreement Term, Seller shall not assign, transfer, convey, encumber, sell or otherwise dispose of, any Facility Energy, Environmental Attributes, or Capacity Rights except as provided herein and except in connection with any Permitted Encumbrances.

(n) Seller owns or possesses, or will own or possess in a timely manner, all patents, rights to patents, trademarks, copyrights and licenses necessary for the performance

by Seller of this Agreement and the Ancillary Documents and the transactions contemplated thereby, without any conflict with the rights of others, and Seller's use thereof does not infringe on the intellectual property rights of third parties.

(o) To Seller's knowledge, there are no investigations, inquiries, orders, hearings, actions or other proceedings by or before any Governmental Authority that are pending or, to the best of Seller's knowledge, threatened in connection with any Permit or Environmental Laws with respect to the Facility or the Site. Neither Seller, nor to Seller's knowledge, any third party has used, released, generated, manufactured, produced, or stored in, on, under or about the Site any Hazardous Materials that could reasonably be expected to subject Seller or Buyer to liability under any Environmental Laws. To Seller's knowledge, with the exception of those Hazardous Materials used and stored in accordance with Environmental Laws and pursuant to any applicable Permit, there are no Hazardous Materials used, stored or present at, in, on or under the Site that could reasonably be expected to subject the Seller or Buyer to liability under any Environmental Laws.

(p) Seller has Site Control for the Agreement Term.

Section 12.3 Covenants of Seller Related to Real Property Agreements.

(a) Seller shall at all times maintain Site Control and keep, perform, observe and comply with, or cause to be kept, performed, observed and complied with, all covenants, agreements, conditions and other provisions required to be kept, performed, observed and complied with, by or on behalf of Seller from time to time pursuant to the Real Property Agreements, and Seller shall not do or permit anything to be done, the doing of which, or refrain from doing anything, the omission of which, could impair or tend to impair the rights of Seller under any Real Property Agreement, or could be grounds for the Lessor to terminate any Real Property Agreement. Seller may not remove any portions of or rights or interests in the Site under the Real Property Agreements or amend or terminate any of the Real Property Agreements, or otherwise alter, diminish, or otherwise impact any obligation of Seller under this Agreement, unless Buyer has provided prior written consent to Seller, such consent to be determined in Buyer's reasonable discretion.

(b) Seller shall give Buyer immediate notice of (i) any default or of any event which, with the giving of notice or passage of time, or both, would become a default under any Real Property Agreement or of the receipt by Seller of any notice from the Lessor thereof, or (ii) the commencement or threat of any action or proceeding or arbitration pertaining to any Real Property Agreement. Buyer, at its option, may take any action (but shall not be obligated to take any action) from time to time deemed necessary or desirable by Buyer to prevent or cure, in whole or in part, any default by Seller under any Real Property Agreement or any development agreement for the Facility, and Seller shall cause each such agreement to provide for a right for Buyer to take any such action. Seller shall deliver to Buyer, immediately upon service or delivery thereof on, to or by Seller, a copy of each petition, summons, complaint, notice of motion, order to show cause and other pleading or paper, however designated, which shall be served or delivered in connection with any such action, proceeding or arbitration.

(c) As long as this Agreement is in effect and except with respect to the property identified in Appendix Y, there shall be no merger of any Real Property Agreement or of any leasehold estate created thereby with the fee estate in the property subject to any Real Property Agreement, and Seller will not acquire any interest in such fee estate without the prior written consent of Buyer.

(d) Except with respect to the property identified in Appendix Y, Seller shall not modify, subordinate or amend any Real Property Agreement in any respect, either orally or in writing, and Seller shall not terminate, cancel, sever or surrender, or permit or suffer the modification, subordination, amendment, termination, cancellation, severance or surrender of any Real Property Agreement and shall not waive, excuse, condone or in any way release or discharge the Lessor of or from the obligations, covenants, conditions and agreements by the Lessor to be kept, performed, observed or complied with thereunder, and any such action taken by Seller without the prior written consent of Buyer shall be void at inception and of no force and effect.

(e) In the event of the termination, rejection, or disaffirmance by Lessor (or by any receiver, trustee, custodian, or other party that succeeds to the rights of the Lessor) under any Real Property Agreement pursuant to the Bankruptcy Code, Seller hereby presently, absolutely, irrevocably and unconditionally grants and assigns to Buyer the sole and exclusive right to make or refrain from making any election available to lessees under the Bankruptcy Code (including the election available pursuant to Section 365(h) of the Bankruptcy Code and any successor provision), and Seller agrees that any such election, if made by Seller without the prior written consent of Buyer (which Buyer would not anticipate granting due to the importance of the Real Property Agreement as security), shall be void at inception and of no force or effect. Without limiting the generality of the foregoing sentence, Seller shall not, without Buyer's prior written consent, elect to treat any Real Property Agreement or the leasehold estate created thereby as terminated under Section 365 of the Bankruptcy Code, after rejection or disaffirmance of a Real Property Agreement by the Lessor (whether as debtor in possession or otherwise) or by any trustee of the Lessor, and any such election made without such consent shall be void at inception and of no force or effect. At the request of Buyer, Seller will join in any election made by Buyer under the Bankruptcy Code and will take no action in contravention of the rights granted to Buyer pursuant to this Section 12.3.

(f) In the event there is a termination, rejection, or disaffirmance by the Lessor (whether as debtor in possession or otherwise) or by any trustee of the Lessor pursuant to the Bankruptcy Code and Buyer elects to have Seller remain in possession under any legal right Seller may have to occupy the property pursuant to the affected Real Property Agreement, then Seller shall remain in such possession and shall perform all acts necessary for Seller to retain its right to remain in such possession, whether such acts are required under the then existing terms and provisions of such Real Property Agreement or otherwise.

(g) In the event that a petition under the Bankruptcy Code shall be filed by or against Seller and Seller or any trustee of Seller shall decide to reject or disaffirm a Real Property Agreement pursuant to the Bankruptcy Code (or allow same), Seller shall give Buyer at least ten (10) days' prior notice of the date on which application shall be made to the court for authority to reject or disaffirm such Real Property Agreement or such Real Property

Agreement will be otherwise rejected. Buyer shall have the right, but not the obligation, to serve upon Seller or such trustee within such ten (10) day period a notice stating that (i) Buyer demands that Seller (whether as debtor in possession or otherwise) or such trustee assume and assign such Real Property Agreement to Buyer pursuant to the Bankruptcy Code, and (ii) Buyer covenants to cure, or to provide adequate assurance of prompt cure of, all defaults (except defaults of the type specified in Section 365(b)(2) of the Bankruptcy Code and any successor provision) and to provide adequate assurance of future performance under such Real Property Agreement. In the event that Buyer serves any such notice as provided above, neither Seller (whether as debtor in possession or otherwise) nor such trustee shall seek to reject or disaffirm such Real Property Agreement, and Seller (whether as debtor in possession or otherwise) and such trustee shall comply with such demand within thirty (30) days after such notice shall have been given, subject to Buyer's performance of such covenant.

(h) Upon any payment by Buyer under any Real Property Agreement to cure any default of Seller or the Lessor thereunder and thereby prevent termination of the Real Property Agreement or the exercise of any other remedy of the other party or parties thereunder arising out of such default, Seller, as such lessee, within ten (10) days following receipt of notice from Buyer that it made such payment, shall pay the amount of such payment to Buyer plus interest accruing thereon at the Interest Rate, from and including the date of the payment by Buyer to cure such default to but excluding the date of such payment by the Seller. Buyer shall be entitled to offset amounts otherwise due Seller by the amount of such cure payment or remedy cost until Buyer has been fully repaid.

(i) Except with respect to the property identified in Appendix Y, Seller shall cause any Real Property Agreement to be in form and substance reasonably acceptable to Buyer and a memorandum thereof to be recorded in the applicable county.

(j) Seller shall not develop or improve the Site other than so as to provide for the facilities and improvements of the Facility and the transmission line to be located thereon in accordance with this Agreement and the terms and conditions of any Permits and environmental documents required for the review of the Facility except as otherwise provided in Section 8.8.

Section 12.4 Covenants of Seller Related to Tax Equity Financing.

(a) Seller shall provide Buyer with at least sixty (60) days' prior written notice of the reasonably likely occurrence of any consolidation, merger, or reorganization or other similar transaction, or series of similar transactions, involving Seller or any Parent Entity.

(b) Seller shall provide Buyer with at least sixty (60) days' prior written notice of the consummation of a Tax Equity Financing, which notice shall include (i) introductory and contact information about and for any potential Tax Equity Investors, (ii) a summary of the provisions related to, and the structure surrounding, the power to Control the management and policies of Seller, and any entity that is jointly-owned by any Parent Entity and such Tax Equity Investor arising in connection with the Tax Equity Financing and (iii) a statement of the circumstances under which such provisions and structure could be modified

by such Tax Equity Investor. Such notice shall be in addition to, and not in lieu of, any notice required under Section 14.7.

Section 12.5 Additional Covenants of Seller.

(a) Seller shall be a Special Purpose Entity at all times during the Agreement Term.

(b) Seller shall not, at any time, incur or permit Facility Debt in an amount that, in the aggregate, exceeds seventy percent (70%) of the Facility Cost.

(c) Seller shall provide to Buyer within fifteen (15) days after the end of each of calendar quarter during the Agreement Term, a certificate of an authorized officer of Seller in the form attached hereto as Appendix P (each, a "***Quarterly Certificate***").

(d) Seller shall inform all investors in the Seller of the existence of this Agreement and all Ancillary Documents on or before the date of such investment in the Seller.

Section 12.6 Additional Related Projects.

(a) Buyer shall have a right of first offer to evaluate and negotiate a power purchase agreement for the output from any additional phases of the Facility developed by Seller or any Affiliate of Seller, as well as separate projects that are currently under development by, or will be developed by, Seller or any Affiliate of Seller, that will use or share infrastructure, land, or equipment (including the ability to jointly procure equipment) with the Facility ("***Additional Related Project***") according to the terms and conditions of this Section 12.6. Prior to Seller entering into an agreement to sell the power from any Additional Related Project, Seller must first provide notice to Buyer of Seller's proposed transaction, including the propose contract price and material terms and conditions associated therewith ("***Proposed PPA Notice***"). Upon receipt of the Proposed PPA Notice, Buyer will have thirty (30) Days in which to notify Seller that Buyer may purchase output from the Additional Related Project. If Buyer provides written notice to Seller that it may purchase output from the Additional Related Project, then the Parties will undertake for a period of ninety (90) days thereafter to reach an agreement on the terms and conditions of the power purchase agreement. Should Buyer decline to purchase output from any such Additional Related Project or not timely response to any Proposed PPA Notice, Seller or any Affiliate of Seller, as applicable, may consummate a power purchase agreement to any third party, provided that Seller or any Affiliate of Seller shall not subsequently offer monetary terms for the same Additional Related Project that are more favorable to another buyer without providing Buyer with a subsequent right to purchase the output from such project on such more favorable monetary terms according the provisions of this Section 12.6. Seller shall cause its Affiliates to comply with the provisions of this Section 12.6.

(b) To the extent permissible under Requirements of Law, Seller shall cause the Facility to receive preference and priority in transmission and interconnection rights over new facilities developed by Seller or any Affiliate of Seller using the Project Substation.

(c) Seller shall not share infrastructure, land, equipment or any other rights owned by it in connection with its ownership or operation of the Facility with any other entity without Buyer's prior written consent, not to be unreasonably withhold, conditioned, or delayed.

Section 12.7 Storage Technology. In recognition of emerging technologies and opportunities that will continue to evolve during the Agreement Term, Seller shall have the right to incorporate the use of storage technologies into the Facility only upon Buyer's prior written consent, which shall not be unreasonably withheld.

Section 12.8 Solar Technology. Seller shall have the right to install, or cause to be installed, a solar photovoltaic energy generating system (the "***Additional System***") at the Site, which shall have a nameplate capacity no less than the Parasitic Capacity, and such Additional System shall be operated and maintained consistent with Prudent Utility Practices in order to serve, to the maximum extent possible the Parasitic Capacity. Seller shall use commercially reasonable efforts to cause the Additional System to achieve commercial operation by the last day of the month that is thirty months after the Effective Date. For the Contract Year during which the Additional System achieves commercial operation and each Contract Year thereafter, Buyer will receive a credit equal to the product of (i) Forty Dollars and Twenty-five cents ($40.25) and (ii) the MWh of output from the Additional System in such Contract Year, as measured by meters located between the Additional System and the Project "***System Credit***"). The total System Credit amount will be credited against amounts otherwise owing by Buyer to Seller for Delivered Energy in the first, and if necessary, subsequent months of the subsequent Contract Year. Notwithstanding the foregoing, if Seller has not installed or caused to be installed the Additional System by the last day of the month that is thirty months after the Effective Date, then (x) the failure to install the Additional System shall not be a breach or default of Seller under this Section 12.8, and (y) Seller will not owe to Buyer any damages nor will Buyer be entitled to damages from Seller for breach or default under this Section 12.8 as a result of such failure; provided, however, Buyer will be entitled to the System Credit for the Contract Year during which the month that is thirty months after the Effective Date occurs and each Contract Year thereafter calculated as if Seller had placed the Additional System into commercial operation on the last day of the month that is thirty months after the Effective Date determined using the Deemed Additional System Output. For purposes of this Section 12.8, the "Deemed Additional System Output" will be annual and monthly amounts determined and certified by the Independent Engineer in a report delivered to Buyer no later than the Second Anniversary, which such certificate shall be reasonably accepted by Buyer. In calculating the Deemed Additional System Output, the Independent Engineer shall take into account the expected nameplate capacity of the Additional System, the Parasitic Load, third party solar irradiation data for the geographic region in which the Additional System will be located and expected outages and other curtailments reasonably expected for the Project and Additional System. If the Parties will use the Deemed Additional System Output to calculate the System Credit in any partial Contract Year, then only the estimated monthly amounts of Deemed Additional System Output included in such partial Contract Year will be used in determining the System Credit.

ARTICLE XIII
DEFAULT; TERMINATION AND REMEDIES; PERFORMANCE DAMAGE

Section 13.1 Default. Each of the following events or circumstances shall constitute a "***Default***" by the responsible Party (the "***Defaulting Party***"):

(a) *Payment Default*. Failure by either Party to pay any amount when and as due under this Agreement which is not cured within thirty (30) days after receiving written notice thereof from the other Party (except in the case of Seller's failure to pay Daily Delay Damages, which shall be subject to a five Business Day cure period after receiving written notice thereof from Buyer).

(b) *Buyer Performance Default*. Failure by Buyer to perform any of its duties or obligations under this Agreement or any of the Ancillary Documents (except for Buyer's obligations to receive Energy as and when required by this Agreement, the exclusive remedy for which is provided in Section 6.5, and other than any failure described in Section 13.1(a)) when and as due which is not cured within thirty (30) days after receipt of notice thereof from the Seller.

(c) *Seller Performance Default*. Failure by any Seller Party to perform any of its other duties or obligations under this Agreement or any of the Ancillary Documents when and as due (other than (i) any failure described in Sections 5.4(f), 9.3, 9.4, 11.7 or 13.1(a) or (f) through (n) and (ii) any failure described in an Ancillary Document with a specified cure period) which Buyer may declare to be an immediate Default for which no cure period is given, which is not cured within thirty (30) days after receipt of notice thereof from the Buyer.

(d) *Buyer Breach of Representation and Warranty*. Inaccuracy in any material respect as of the Effective Date of any representation, warranty, certification or other statement made by the Buyer herein or in any Ancillary Document that, if capable of being used, is not cured within thirty (30) days after receipt of notice thereof or in any Ancillary Document that, if capable of being cured, is not cured within thirty (30) days after receipt of notice thereof.

(e) *Buyer Bankruptcy*. Bankruptcy of the Buyer.

(f) *Seller Bankruptcy*. Bankruptcy of Seller Party.

(g) *Performance Assurance Failure*. The failure of Seller to (i) obtain and maintain the Performance Assurance in compliance with Sections 2.1, 3.5 and 5.4, (ii) replenish the Performance Security within the periods provided under Section 3.5, Section 5.4(d) or (iii) replace such Performance Assurance within the applicable time period set forth Section 5.4 and, in any event, at least thirty (30) days prior to its expiration, unless alternative Performance Assurance that complies with the requirements of Section 5.4 is provided within ten (10) Business Days after notice sent by Buyer of any such failure; or, with respect to any obligor providing the Performance Assurance for the benefit of Buyer:

(1) the failure of such obligor to honor a drawing or make a payment thereunder;

(2) such obligor fails to meet the acceptance of Buyer or there shall have occurred a material adverse effect on the business, assets, operations, condition (financial or otherwise) or prospects of such obligor;

(3) the Performance Assurance issued by such obligor shall fail to be in full force and effect in accordance with the terms of this Agreement prior to the satisfaction of all obligations of Seller under this Agreement and each of the Ancillary Documents; or

(4) such obligor shall repudiate, disaffirm, disclaim, or reject, in whole or in part, or challenge the validity of its Performance Assurance and in any such event, Seller fails to provide replacement Performance Assurance.

(h) *Material Adverse Effect*. There shall have occurred a material adverse effect on the business, assets, operations, condition (financial or otherwise) or prospects of Seller or any Seller Party.

(i) *Real Property Agreement Default*. Any Real Property Agreement fails to be in effect, a default under a Real Property Agreement has occurred, or a Real Property Agreement is terminated for any reason or amended in any material respect without mutual agreement of the Parties except as otherwise permitted in this Agreement, if such failure, default, termination or amendment has or could reasonably be expected to have a material adverse effect on Seller's ability to perform its obligations hereunder; provided that if the cause of such failure, default, termination or amendment is not due to Seller's non-compliance with the terms and conditions of such Real Property Agreement, then Seller shall have a period of thirty (30) days following the date of such failure, default, termination or amendment to cure such default by reinstating or replacing such Real Property Agreement.

(j) *Insurance Default*. The failure of Seller to maintain, and provide acceptable evidence of, the Insurance for the required period of coverage as set forth in Appendix F unless, in the case of Seller's failure to provide acceptable evidence of insurance, such failure is cured within two (2) Business Days after Buyer's delivery of notice of such failure to Seller.

(k) *Fundamental Change of Seller*. Except as permitted by Section 14.7, (i) Seller makes an assignment of its rights or delegation of its obligations under this Agreement or any Ancillary Documents other than as a result of transaction or series of transactions that does not constitute a Change in Control, or (ii) a Change in Control occurs.

(l) *Failure to Provide Real-Time Data*. The failure of Seller to provide any of the real-time data required to be delivered under Section 4.4(g), which failure is not cured within five (5) Business Days after receipt of written email notice thereof from Buyer; for purposes of the foregoing, "cured" means that Seller has (i) fixed the problem that caused Seller's failure to provide real-time data and (ii) provided to Buyer all data that otherwise would have been provided to Buyer in the absence of such failure or if such data is not

reasonably capable of being provided by Seller, then comparable substitute data reasonably acceptable to Buyer;

(m) *Key Milestone Default*. Failure by Seller to achieve (i) any Key Milestone other than the Commercial Operation Date by the date that Daily Delay Damages for all Key Milestones other than the Commercial Operation Date accrue in an aggregate amount equal to the Initial Daily Delay Damages Cap, (ii) the Commercial Operation Date by the date that Daily Delay Damages therefor accrue in aggregate amount equal to the COD Daily Delay Damages Cap, or (iii) the Commercial Operation Date by the Outside COD.

(n) *Consecutive Shortfall*. The failure of the Facility during any twelve consecutive Contract Month-period to deliver at least seventy percent (70%) of the Guaranteed Monthly Delivered Energy for such Contract Months shall be a Default of Seller under this Agreement; provided that if the cause of such failure is the failure of any long-lead time equipment, including the transformer, and such failure can be corrected through repair, restoration or replacement, then no default shall be deemed to occur unless such failure continues for eighteen consecutive Contract Months so long as Seller provides (i) evidence reasonably satisfactory to Buyer that it is diligently pursuing a cure for the long-lead time equipment failure, (ii) a monthly report describing Seller's actions to overcome such failure, and (iii) evidence reasonably satisfactory to Buyer that Seller has the ability to finance the cost of such repair, restoration or replacement work.

Section 13.2 Default Remedy.

(a) If Buyer is in Default for nonpayment, subject to any duty or obligation under this Agreement, Seller may continue to provide services pursuant to its obligations under this Agreement; *provided* that nothing in this Section 13.2(a) shall affect Seller's rights and remedies set forth in this Section 13.2. Seller's continued service to Buyer shall not act to relieve Buyer of any of its duties or obligations under this Agreement.

(b) Notwithstanding any other provision herein, if any Default has occurred and is continuing, the affected Party may, whether or not the dispute resolution procedure set forth in Section 14.3 has been invoked or completed, bring an action in any court of competent jurisdiction as set forth in Section 14.13 seeking injunctive relief in accordance with applicable rules of civil procedure.

(c) Except as expressly limited by this Agreement, if a Default has occurred and is continuing and the Buyer is the Defaulting Party, Seller may without further notice exercise any rights and remedies provided herein or otherwise available at law or in equity, including termination of this Agreement pursuant to Section 13.3. No failure of Seller to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Seller of any other right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power.

(d) Except as expressly limited by this Agreement, if a Default has occurred and is continuing and the Seller is the Defaulting Party, Buyer may without further notice exercise any rights and remedies provided for herein, or otherwise available at law or equity,

including (i) application of all amounts available under the Performance Assurance against any amounts then payable by Seller to Buyer under this Agreement and (ii) termination of this Agreement pursuant to Section 13.3. No failure of Buyer to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Buyer of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power. Notwithstanding anything to the contrary herein, Buyer's exclusive remedies for a Default under Section 13.1(m) are the right to terminate this Agreement and be paid a Termination Payment capped at the Outside COD Damages Cap as provided in Section 13.3(d).

Section 13.3 Termination for Default.

(a) If a Default occurs, the Party that is not the Defaulting Party (the "***Non-Defaulting Party***") may, for so long as the Default is continuing and without limiting any other rights or remedies available to the Non-Defaulting Party under this Agreement, by notice ("***Termination Notice***") sent to the Defaulting Party, (i) establish a date (which shall be no earlier than the date of such notice and no later than twenty (20) days after the date of such notice) ("***Early Termination Date***") on which this Agreement shall terminate and (ii) withhold any payments due in respect of this Agreement; *provided*, upon the occurrence of any Default of the type described in Sections 13.1(e) and (f), this Agreement shall automatically terminate, without notice or other action by either Party as if an Early Termination Date had been declared immediately prior to such event.

(b) If an Early Termination Date has been designated, the Non-Defaulting Party shall calculate in a commercially reasonable manner its Gains, Losses and Costs resulting from the termination of this Agreement and the resulting Termination Payment. The Gains, Losses and Costs relating to the Facility Energy and associated Environmental Attributes and Capacity Rights that would have been required to be delivered under this Agreement had it not been terminated shall be determined by comparing the amounts Buyer (if the Non-Defaulting Party) would have paid or Seller (if the Non-Defaulting Party) would have received therefor under this Agreement to the equivalent quantities and relevant market prices either quoted by a bona fide third party offer or which are reasonably expected by Buyer (if the Non-Defaulting Party) or by Seller (if the Non-Defaulting Party) to be available in the market under a replacement contract for this Agreement covering the same products and having a term equal to the Remaining Term at the date of the Termination Notice adjusted to account for differences in transmission, if any. It is expressly agreed that the Non-Defaulting Party shall not be required to enter into any such replacement contract in order to determine its Gains, Losses and Costs or the Termination Payment. To ascertain the market prices of a replacement contract, the Non-Defaulting Party may consider, among other valuations, quotations from dealers in energy contracts and bona fide third party offers.

(c) For purposes of the Non-Defaulting Party's determination of its Gains, Losses and Costs and the Termination Payment, it shall be assumed, regardless of the facts, that Seller would have sold, and Buyer would have purchased, each day during the Remaining Term (i) Facility Energy in an amount equal to the Assumed Daily Deliveries, (ii) the Environmental Attributes associated therewith and (iii) all Capacity Rights associated therewith. The "***Assumed Daily Deliveries***" is an amount equal to the greater of (x) the

quotient of the Expected Annual Generation divided by 365, and (y) the average daily deliveries of Delivered Energy during the Delivery Term, if any.

(d) The Non-Defaulting Party shall aggregate its Gains, Losses and Costs as so determined into a single net amount (the "***Termination Payment***") and notify the Defaulting Party thereof. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. If the Non-Defaulting Party's aggregate Losses and Costs exceed its aggregate Gains, the Defaulting Party will, within ten (10) Business Days of receipt of such notice, pay the net amount to the Non-Defaulting Party, which amount shall bear interest at the Interest Rate from the Early Termination Date until paid; provided that for any Event of Default of Seller under Section 13.1(m), the Termination Payment will be capped at the Outside COD Damages Cap. If the Non-Defaulting Party's aggregate Gains exceed its aggregate Losses and Costs, the amount of the Termination Payment shall be zero.

(e) If the Defaulting Party disagrees with the calculation of the Termination Payment and the Parties cannot otherwise resolve their differences, the calculation issue shall be submitted to informal non-binding dispute resolution as provided in Section 14.3. Pending resolution of the dispute, the Defaulting Party shall pay the full amount of the Termination Payment calculated by the Non-Defaulting Party as and when required by this Agreement, subject to the Non-Defaulting Party refunding, with interest at the Interest Rate, any amounts determined to have been overpaid.

(f) For purposes of this Agreement:

(1) "***Gains***" means, with respect to a Party, an amount equal to the present value of the economic benefit (exclusive of Costs), if any, resulting from the termination of its obligations under this Agreement, determined in a commercially reasonable manner;

(2) "***Losses***" means, with respect to a Party, an amount equal to the present value of the economic loss (exclusive of Costs), if any, resulting from the termination of its obligations under this Agreement, determined in a commercially reasonable manner;

(3) "***Costs***" means, with respect to a Party, brokerage fees, commissions and other similar transaction costs and expenses reasonably incurred in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace this Agreement, excluding attorneys' fees, if any, incurred in connection with enforcing its rights under this Agreement. Each Party shall use reasonable efforts to mitigate or eliminate its Costs.

(4) In no event shall a Party's Gains, Losses or Costs include any penalties or similar charges imposed by the Non-Defaulting Party.

(5) The Present Value Rate shall be used as the discount rate in all present value calculations required to determine Gains, Losses and Costs.

(g) At the time for payment of any amount due under this Section, each Party shall pay to the other Party all additional amounts, if any, payable by it under this Agreement.

ARTICLE XIV
MISCELLANEOUS

Section 14.1 Authorized Representative. Each Party hereto shall designate an authorized representative who shall be authorized to act on its behalf with respect to those matters contained herein (each an "***Authorized Representative***"), which shall be the functions and responsibilities of such Authorized Representatives. Each Party may also designate an alternate who may act for the Authorized Representative. Within thirty (30) days after execution of this Agreement, each Party shall notify the other Party of the identity of its Authorized Representative, and alternate if designated, and shall promptly notify the other Party of any subsequent changes in such designation. The Authorized Representatives shall have no authority to alter, modify, or delete any of the provisions of this Agreement. Prior to the Commercial Operation Date, the Authorized Representative of each Party will meet periodically to discuss issues related to the sharing of information on the development, construction, design and operation and maintenance of the Facility. To the extent that an Authorized Representative's contact information is not provided in Appendix C, at the time a Party designates such Authorized Representative, such Party shall concurrently provide written notice to the other Party of such Authorized Representative's contact information.

Section 14.2 Notices. With the exception of billing invoices pursuant to Section 11.1(a) hereof, all notices, requests, demands, consents, approvals, waivers and other communications which are required under this Agreement shall be (a) in writing (regardless of whether the applicable provision expressly requires a writing), and (b) shall be deemed properly sent if delivered in person or sent by facsimile transmission, reliable overnight courier or registered or certified mail, postage prepaid to the persons specified in Appendix C, and (c) deemed delivered, given and received on the date of delivery, in the case of delivery in person, facsimile transmission, and overnight courier, or on the date of receipt or rejection in the case of registered or certified mail. In addition to the foregoing, the Parties may agree in writing at any time to deliver notices, requests, demands, consents, approvals, waivers and other communications through alternate methods, such as electronic mail.

Section 14.3 Dispute Resolution.

(a) In the event of any claim, controversy or dispute between the Parties arising out of or relating to or in connection with this Agreement (including any dispute concerning the validity of this Agreement or the scope and interpretation of this Section 14.3) (a "***Dispute***"), either Party (the "***Notifying Party***") may deliver to the other Party (the "***Recipient Party***") notice of the Dispute with a detailed description of the underlying circumstances of such Dispute (a "***Dispute Notice***"). The Dispute Notice shall include a schedule of the availability of the Notifying Party's senior officers (having a title of senior vice president (or its equivalent) or higher) duly authorized to settle the Dispute during the thirty (30) day period following the delivery of the Dispute Notice.

(b) The Recipient Party shall within five (5) Business Days following receipt of the Dispute Notice, provide to the Notifying Party a parallel schedule of availability of the Recipient Party's senior officers (having a title of senior vice president (or its equivalent) or higher) duly authorized to settle the Dispute. Following delivery of the respective senior officers' schedules of availability, the senior officers of the Parties shall meet and confer as often as they deem reasonably necessary during the remainder of the thirty (30) day period in good faith negotiations to resolve the Dispute to the satisfaction of each Party.

(c) In the event a Dispute is not resolved pursuant to the procedures set forth in Sections 14.3(a) and 14.3(b) by the expiration of the thirty (30) day period set forth in Section 14.3(a), then either Party may pursue any legal remedy available to it in accordance with the provisions of Section 14.12 of this Agreement.

(d) As stated in Section 14.12, this Agreement shall be governed by, interpreted and enforced in accordance with laws of the State of California, without regard to the conflict of laws principles thereof. In addition to the dispute resolution process set forth in this section, parties to this Agreement must comply with California law governing claims against public entities and presentment of such claims.

Section 14.4 Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take all further actions, not inconsistent with the provisions of this Agreement, which are reasonably necessary to effectuate the purposes and intent of this Agreement.

Section 14.5 No Dedication of Facilities. Any undertaking by one Party hereto to the other Party under any provisions of this Agreement shall not constitute the dedication of the system or any portion thereof of either Party to the public, the other Party or any other Person, and it is understood and agreed that any such undertaking by either Party shall cease upon the termination of such Party's obligations under this Agreement.

Section 14.6 Force Majeure.

(a) A Party shall not be considered to be in default in the performance of any of its obligations under this Agreement other than an obligation to make payment when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence, such Party is unable to prevent or mitigate, provided the Party has given a written detailed description of the full particulars of the Force Majeure to the other Party reasonably promptly after becoming aware thereof (and in any event within fourteen (14) days after knowledge of the initial occurrence of the claimed Force Majeure (the "***Force Majeure Notice***"), which notice shall include information with respect to the nature, cause and date and time of commencement of such event and the anticipated scope and duration of the delay. The Party providing such notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time such Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If Seller is unable to deliver, or Buyer is unable to receive, Energy due to a Force Majeure, Buyer shall have no obligation to pay Seller for the Energy not delivered or received by reason thereof. It is understood by the

Parties that the foregoing provisions shall not excuse any obligations of the Seller with respect to Shortfall Energy and Replacement Energy, as provided under Article IX, whether or not caused by Force Majeure. In no event shall Buyer be obligated to compensate Seller or any other Person for any losses, expenses or liabilities that Seller or such other Person may sustain as a consequence of any Force Majeure.

(b) The term "***Force Majeure***" means an event or circumstance (i) which prevents one Party from performing any of its obligations under this Agreement, (ii) which could not reasonably be anticipated as of the date of this Agreement, (iii) which is not within the reasonable control of, or the result of negligence, willful misconduct, breach of contract, intentional act or omission or wrongdoing on the part of the affected Party (or any subcontractor or Affiliate of that Party, or any Person under the control of that Party or any of its subcontractors or Affiliates, or any Person for whose acts such subcontractor or Affiliate is responsible), and (iv) which by the exercise of due diligence the affected Party is unable to overcome or avoid or cause to be avoided; *provided,* nothing in this clause (iv) shall be construed so as to require either Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or labor dispute in which it may be involved. Force Majeure shall include, provided the criteria in the first sentence are met, any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, unusual or extreme adverse weather-related events or natural disasters (such as lightning, landslide, earthquake, tornado, hurricane, storm or flood), explosion, or any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities. Any Party rendered unable to fulfill any of its obligations by reason of a Force Majeure shall exercise due diligence to remove such inability with reasonable dispatch within a reasonable time period and mitigate the effects of the Force Majeure. The relief from performance shall be of no greater scope and of no longer duration than is required by the Force Majeure. Without limiting the generality of the foregoing, a Force Majeure does not include any of the following (each an "***Unexcused Cause***"): (1) any requirement to comply with a RPS Law or any change (whether voluntary or mandatory) in any renewable portfolio standard that may affect the value of the Energy purchased hereunder; (2) events arising from the failure by Seller to construct, operate or maintain the Facilities in accordance with this Agreement; (3) any increase of any kind in any cost; (4) delays in or inability of a Party to obtain financing or other economic hardship of any kind; (5) Seller's ability to sell any Energy at a price in excess of those provided in this Agreement; (6) Buyer's ability to purchase any Energy, Environmental Attributes or Capacity Rights at a price less than those provided in this Agreement, (7) curtailment or other interruption of any Transmission Service except as otherwise expressly provided in Section 14.6(c); (8) failure of third parties to provide goods or services essential to a Party's performance except to the extent caused by an event that otherwise constitutes Force Majeure hereunder; (9) Facility or equipment failure of any kind except to the extent caused by an event that otherwise constitutes Force Majeure hereunder; (10) any changes in the financial condition of the Buyer, any Seller Party, the Facility Lender or any subcontractor or supplier affecting the affected Party's ability to perform its obligations under this Agreement; or (11) Seller's inability to obtain sufficient fuel, including due to lack of fuel or power to operate the Facility except to the extent caused by an event that otherwise constitutes Force Majeure hereunder.

(c) Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment or other interruption of Transmission Service for any Energy at any time unless (A) in the case of Seller, and for Replacement Energy only, (i) the Seller has contracted for Firm Transmission to be provided for the Delivered Energy or Replacement Energy on the Specified Transmission Path at the time, and (ii) the curtailment or interruption is due to "force majeure" or "uncontrollable force" or a similar term as defined under the Transmission Provider's tariff; or (B) in the case of Buyer, the curtailment or interruption is due to "force majeure" or "uncontrollable force" on Buyer's Transmission System; *provided*, that in either (A) or (B) above, the existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that a Force Majeure as defined in Section 14.6(b) has occurred.

(d) If based on a Force Majeure Notice, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or the Facility will continue (i) for a period of one hundred twenty (120) or more consecutive calendar days, or (ii) for an aggregate period of one hundred eighty (180) or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

Section 14.7 Assignment of Agreement; Change in Control.

(a) Buyer may assign this Agreement or the Ancillary Documents, without the consent of Seller, to (i) (x) the Participating Member or (y) one or more other members of Buyer, to a California municipal utility or (ii) (x) a joint powers authority established under the Act, or (y) a California municipal district that provides electric utility service to customers in its district, so long as, in the case of such an assignment pursuant to clause (i)(y), at the time of such assignment, such assignee had, and is reasonably forecasted to maintain, an investment grade rating from either Moody's of "Ba3" or Standard & Poor's of "BBB-", or the equivalent ratings by any other credit rating agency of national standing, and so long as such credit rating is not on negative watch, and, in the case of such an assignment pursuant to clause (ii), at the time of such assignment, such assignee has, and is reasonably forecasted to maintain, an investment grade rating from either Moody's or Standard & Poor's equal to or better than the credit rating of the Participating Member as of the Effective Date, which is "Aa3" from Moody's, "AA-" from Standard & Poor's or "A+" from Fitch's, or the equivalent ratings by any other credit rating agency of national standing, and so long as such credit rating is not on negative watch. Upon any such assignment and delegation of obligations by such an assignee, Buyer shall be relieved of and fully discharged from all its obligations hereunder, whether such obligations arose before or after the date of such assignment and delegation. All other assignments by Buyer shall require the prior written consent of Seller not to be unreasonably withheld, conditioned or delayed.

(b) Except as set forth in this Section 14.7, Seller shall not assign any of its rights, or delegate any of its obligations, under this Agreement without the prior written consent of Buyer. Any purported assignment or delegation in violation of this provision shall be null and void and of no force or effect. Any Change in Control (whether voluntary or by

operation of law) shall be deemed an assignment and shall require the prior written consent of Buyer, which consent shall not be unreasonably withheld. Seller shall provide Buyer with ninety (90) days' prior written notice of any proposed Change in Control. Concurrently with any reorganization or financing transaction or transactions constituting any Change in Control the successor entity to Seller shall acknowledge the continuing obligations of Seller under this Agreement and the Ancillary Documents. For any Change in Control pursuant to which Seller merges or consolidates with any other Person and ceases to exist, the successor entity to Seller shall execute a written assumption agreement in favor of Buyer pursuant to which any such successor entity shall assume all of the obligations of Seller under this Agreement and the Ancillary Documents and agree to be bound by all the terms and conditions of this Agreement and Ancillary Documents, as applicable. There shall be no amendments or other modifications to this Agreement in connection with a Change in Control unless Buyer consents to such amendments or modifications.

(c) Seller shall not sell or transfer all or any portion of the Facility or the Facility Assets to any Person other than a Person to whom Seller assigns this Agreement and the Ancillary Documents in accordance with this Section 14.7, without the prior written consent of Buyer, provided that any such sale or transfer shall be subject to compliance with the Right of First Offer and Right of First Refusal set forth in Section 14.25. Any purported sale or transfer in violation of this Section 14.7(c) shall be null and void and of no force or effect.

(d) Buyer's consent shall not be required in connection with a Permitted Transfer; provided that the terms of any Permitted Transfer, and the documentation relating thereto, comply with the applicable terms and conditions of this Agreement. Buyer's consent shall not be required (i) in connection with the collateral assignment or pledge of this Agreement to any Facility Lender, or (ii) in connection with the pledge, directly or indirectly, of all or a portion of the membership interests in Seller to any Facility Lender; provided, however, that (1) the terms of any financing or refinancing, and the documentation relating thereto, comply with the applicable terms and conditions of this Agreement, and (2) in connection with any such assignment or pledge and the exercise of remedies by any Facility Lender, the Facility Lender acknowledges and agrees to be bound by the requirement that the Facility be operated and maintained by a Qualified Operator. Seller shall provide Buyer with sixty (60) days' prior notice of any such collateral assignment or pledge. Notwithstanding the foregoing or anything else expressed or implied herein to the contrary, Seller shall not assign, transfer, convey, encumber, sell or otherwise dispose of all or any portion of the Energy, Environmental Attributes or Capacity Rights (not including the proceeds thereof) to any Facility Lender.

(e) To facilitate Seller's obtaining of financing to construct and operate the Facility, Buyer shall provide such consents to assignment (in substantially the form attached hereto as Appendix W) as may be reasonably requested by Seller or any Facility Lender in connection with the financing of the Facility, including the acquisition of equity for the development, construction and operation of the Facility; *provided, however,* that the terms of such financing and the documentation relating thereto shall not conflict with the applicable terms and conditions of this Agreement.

(f) Any collateral assignment in connection with a financing or refinancing that causes Facility Debt, in the aggregate, to exceed seventy percent (70%) of the Facility Cost as of the date of the collateral assignment is prohibited.

(g) In no event shall Buyer be liable to any Facility Lender for any claims, losses, expenses or damages whatsoever other than liability Buyer may have to Seller under this Agreement. In the event of any foreclosure, whether judicial or nonjudicial, or any deed in lieu of foreclosure, in connection with any deed of trust, mortgage, or other similar Lien encumbering the Facility, such Facility Lender or its designee, and their successors in interest and assigns, shall be bound by the covenants and agreements of Seller in this Agreement; provided, however, that until the Person who acquires title to the Facility executes and delivers to Buyer a written assumption of Seller's obligations under this Agreement in form and substance acceptable to Buyer, such Person shall not be entitled to any of the benefits of this Agreement. Any sale or transfer of all or any portion of the Facility by Facility Lender or its designee and their successors and assigns thereafter during the term of this Agreement shall be made only to an entity that is a Qualified Transferee. Any sale or transfer that meets the terms of this Section 14.7(g) shall not be a Change in Control and shall not require the consent of Buyer so long as Seller provides notice of any such sale or transfer at least thirty (30) days in advance of such sale or transfer or, if later, as early as is reasonably practicable (but in no event later than the date on which Seller receives notice of foreclosure).

(h) Seller shall reimburse, or shall cause the Facility Lender to reimburse, Buyer for the incremental direct expenses incurred by Buyer in the preparation, negotiation, execution or delivery of any documents requested by Seller or the Facility Lender, and provided by Buyer, pursuant to this Section 14.7.

Section 14.8 Ambiguity. The Parties acknowledge that this Agreement was jointly prepared by them, by and through their respective legal counsel, and any uncertainty or ambiguity existing herein shall not be interpreted against either Party on the basis that the Party drafted the language, but otherwise shall be interpreted according to the application of the rules on interpretation of contracts.

Section 14.9 Attorneys' Fees and Costs. Both Parties hereto agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorneys' fees and costs. Each of the Parties to this Agreement was represented by its respective legal counsel during the negotiation and execution of this Agreement. Notwithstanding the foregoing, to the extent Buyer incurs legal costs in order to facilitate a collateral assignment or pledge of this Agreement under Section 14.7, to evaluate whether the provisions of the Right of First Offer apply or whether a Change in Control has occurred, or such other action or review that is at the request of Seller, including in Section 14.7(h), or as may be required due to the actions or omissions of, Seller, Seller shall bear Buyer's reasonable and documented legal costs therefor.

Section 14.10 Voluntary Execution. Both Parties hereto acknowledge that they have read and fully understand the content and effect of this Agreement and that the provisions of this Agreement have been reviewed and approved by their respective counsel. The Parties further acknowledge that they have executed this Agreement voluntarily, subject only to the advice of

their own counsel, and do not rely on any promise, inducement, representation or warranty that is not expressly stated herein.

Section 14.11 Entire Agreement; Amendments. This Agreement (including all Appendices and Exhibits) contains the entire understanding concerning the subject matter herein and supersedes and replaces any prior negotiations, discussions or agreements between the Parties, or any of them, concerning that subject matter, whether written or oral, except as expressly provided for herein. This is a fully integrated document. Each Party acknowledges that no other party, representative or agent, has made any promise, representation or warranty, express or implied, that is not expressly contained in this Agreement that induced the other Party to sign this document. This Agreement may be amended or modified only by an instrument in writing signed by each Party.

Section 14.12 Governing Law. This Agreement shall be governed by, interpreted and enforced in accordance with and construed under the laws of the State of California without regard to conflict of law principles.

Section 14.13 Venue. All litigation arising out of, or relating to, this Agreement shall be brought in a state or federal court in the County of Los Angeles in the State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of forum non conveniens.

Section 14.14 Execution in Counterparts. This Agreement may be executed in counterparts, and, upon execution by each signatory, each executed counterpart shall have the same force and effect as an original instrument and as if all signatories had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signature thereon, and may be attached to another counterpart of this Agreement identical in form hereto by having attached to it one or more signature pages.

Section 14.15 Effect of Section Headings. Section headings appearing in this Agreement are inserted for convenience only and shall not be construed as interpretations of text.

Section 14.16 Waiver. The failure of either Party to this Agreement to enforce or insist upon compliance with or strict performance of any of the terms or conditions hereof, or to take advantage of any of its rights hereunder, shall not constitute a waiver or relinquishment of any such terms, conditions or rights, but the same shall be and remain at all times in full force and effect. Notwithstanding anything expressed or implied herein to the contrary, nothing contained herein shall preclude either Party from seeking and obtaining any available remedies for breaches not rising to the level of a Default, including recovery of damages caused by the breach of this Agreement and specific performance or injunctive relief or any other remedy given under this Agreement or now or hereafter existing in law or equity or otherwise. Seller acknowledges that money damages may not be an adequate remedy for violations of this Agreement and that Buyer may, in its sole discretion, seek and obtain from a court of competent jurisdiction specific performance or injunctive or such other relief as such court may deem just and proper to enforce this Agreement or to prevent any violation hereof. Seller hereby waives any objection to specific performance or injunctive relief. The rights granted herein are cumulative.

Section 14.17 Relationship of the Parties. This Agreement shall not be interpreted to create an association, joint venture or partnership between the Parties hereto or to impose any partnership obligation or liability upon either such Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other Party.

Section 14.18 Third Party Beneficiaries. The (a) the provisions of this Agreement are solely for the benefit of the Parties hereto, and (b) nothing in this Agreement, whether express or implied, shall be construed to give to, or be deemed to create in, any other Person, whether as a third party beneficiary of this Agreement or otherwise, any legal or equitable right, remedy or claim in respect of this Agreement or any covenant, condition, provision, duty, obligation or undertaking contained or established herein.

Section 14.19 Indemnification; Damage or Destruction; Insurance; Condemnation; Limit of Liability.

(a) **Indemnification.** Seller undertakes and agrees to indemnify and hold harmless Buyer, the Participating Member, and Buyer's Board of Directors, and all of their officers and employees, agents, employees, advisors, and Authorized Representatives, and each of the foregoing assigns and successors in interest (collectively, "***Indemnitees***"), and, at the option of Buyer, defend such Indemnitees from and against any and all suits and causes of action (including proceedings before FERC), claims, charges, damages (including indirect, consequential, or incidental), demands, judgments, costs, expenses, civil fines and penalties, other monetary remedies or losses of any kind or nature whatsoever, including but not limited to attorney's fees (including allocated costs of internal counsel) or other monetary remedies and costs of litigation, obligation or liability of any kind or nature whatsoever, in any manner arising by reason of, or incident to, or connected in any manner with the performance, non-performance or breach of this Agreement, or any other act, error or omission or willful misconduct by or of the Seller or Seller's officers, employees, agents, subcontractors of any tier, including but not limited to any such performance, non-performance, breach, act, error or omission or willful misconduct that results in intellectual property infringement or leads to death, bodily injury or personal injury to any person, including Seller's employees and agents or third persons, or damage or destruction to any property of any kind or nature whatsoever, of either party or third person, or loss of use (hereinafter "***Indemnified Liabilities***"), except to the extent caused by the gross negligence or willful misconduct of any such Indemnitee. The provisions of this paragraph shall be in addition to, and not exclusive of, any other rights or remedies which Indemnitees have at law, in equity, under this Agreement or otherwise. To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in this subsection may be unenforceable in whole or in part because they are violative of any law or public policy, Seller shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by Indemnitees or any of them. The provisions of this paragraph shall survive the expiration or termination of this Agreement.

(b) **Damage or Destruction.** Subject to the consent of the Facility Lender, in the event of any damage or destruction of the Facility or any part thereof, Seller shall apply any applicable proceeds of insurance directly related to such damage or destruction to cause

the Facility or such part thereof shall be diligently repaired, replaced or reconstructed by the Seller so that the Facility or such part thereof shall be restored to substantially the same general condition and use as existed prior to such damage or destruction, unless a different condition or use is approved by the Buyer. Proceeds of Insurance with respect to such damage or destruction maintained as provided in this Agreement shall be applied to the payment for such repair, replacement or reconstruction of the damage or destruction.

(c) **Insurance.** Seller shall obtain and maintain the Insurance coverages listed in Appendix F.

(d) **Condemnation or Other Taking.** Throughout the Agreement Term, Seller shall immediately notify Buyer of the institution of any proceeding for the condemnation or other taking of the Facility or any portion thereof. Buyer may seek to participate in any such proceeding and Seller shall deliver to Buyer all instruments reasonably available to Seller that are necessary or required by Buyer to permit such participation. Without Buyer's prior written consent, Seller (i) shall not agree to any compensation or award, and (ii) shall not take any action or fail to take any action which would cause the compensation to be determined. Subject to the consent of the Facility Lender, all awards and compensation for the taking or purchase in lieu of condemnation of the Facility or any portion thereof shall either, at the discretion of Buyer, be paid directly to Buyer (including damages and interest) in the amount of the loss in value of this Agreement to Buyer resulting from such condemnation or taking, or applied toward the repair, restoration, reconstruction or replacement of the Facility.

(e) **Limitation of Liability.** EXCEPT TO THE EXTENT INCLUDED IN (I) DAILY DELAY DAMAGES, SHORTFALL DAMAGES, OR ANY LIQUIDATED DAMAGES, (II) INDEMNIFICATION OBLIGATIONS BY SELLER TO THIRD PARTIES, AND (III) ANY OTHER SPECIFIC CHARGES EXPRESSLY PROVIDED FOR HEREIN, NEITHER PARTY HEREUNDER SHALL BE LIABLE FOR SPECIAL, INCIDENTAL, EXEMPLARY, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF A PARTY'S PERFORMANCE OR NON PERFORMANCE UNDER THIS AGREEMENT, WHETHER BASED ON OR CLAIMED UNDER CONTRACT, TORT (INCLUDING SUCH PARTY'S OWN NEGLIGENCE) OR ANY OTHER THEORY AT LAW OR IN EQUITY, PROVIDED, HOWEVER, THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO LIABILITY ARISING OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SELLER, OR ANY OF SELLER'S OFFICERS, AGENTS, EMPLOYEES OR SUBCONTRACTORS OF ANY TIER.

Section 14.20 Severability. In the event any of the terms, covenants or conditions of this Agreement, or the application of any such terms, covenants or conditions, shall be held invalid, illegal or unenforceable by any court having jurisdiction, all other terms, covenants and conditions of this Agreement and their application not adversely affected thereby shall remain in force and effect, *provided* that the remaining valid and enforceable provisions materially retain the essence of the Parties' original bargain.

Section 14.21 Confidentiality.

(a) Each Party agrees, and shall use reasonable efforts to cause its parent, subsidiary and Affiliates, and its and their respective directors, officers, employees and representatives, as a condition to receiving confidential information hereunder, to keep confidential, except as required by law, all documents, data, drawings, studies, projections, plans and other written information that relate to economic benefits to or amounts payable by either Party under this Agreement and documents that are clearly marked "Confidential" at the time a Party shares such information with the other Party ("***Confidential Information***"). The provisions of this Section 14.21 shall survive and shall continue to be binding upon the Parties for a period of one (1) year following the date of termination or expiration of this Agreement. Notwithstanding the foregoing, information shall not be considered Confidential Information if such information (i) is disclosed with the prior written consent of the originating Party, (ii) was in the public domain prior to disclosure or is or becomes publicly known or available other than through the action of the receiving Party in violation of this Agreement, (iii) was lawfully in a Party's possession or acquired by a Party outside of this Agreement, which acquisition was not known by the receiving Party to be in breach of any confidentiality obligation, or (iv) is developed independently by a Party based solely on information that is not considered confidential under this Agreement.

(b) Either Party may, without violating this Section 14.21, disclose matters that are made confidential by this Agreement:

(1) to its counsel, accountants, auditors, advisors, other professional consultants, credit rating agencies, actual or prospective co-owners, investors, lenders, underwriters, contractors, suppliers and others involved in construction, operation and financing transactions and arrangements for a Party or its subsidiaries, affiliates, or parent;

(2) to governmental officials and parties involved in any proceeding in which either Party is seeking a permit, certificate or other regulatory approval or order necessary or appropriate to carry out this Agreement; and

(3) to governmental officials or the public as required by any law, regulation, order, rule, ruling or other Requirement of Law, including laws or regulations requiring disclosure of financial information and information material to financial matters and filing of financial reports and responding to oral questions, discovery requests, subpoenas and civil investigations or similar processes.

(c) If a Party is requested or required, pursuant to any applicable law, regulation, order, rule, ruling or other Requirement of Law, discovery request, subpoena, civil investigation or similar process to disclose any of the Confidential Information, such Party shall provide prompt written notice to the other Party of such request or requirement so that at such other Party's expense, such other Party can seek a protective order or other appropriate remedy concerning such disclosure.

(d) Notwithstanding the foregoing or any other provision of this Agreement, Seller acknowledges that Buyer, as a California joint powers authority, is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§ 6250 et

seq. ("***CPRA***") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 et seq. ("***Brown Act***"). Confidential Information of Seller provided to the Buyer pursuant to this Agreement shall become the property of the Buyer, and Seller acknowledges that Buyer shall not be in breach of this Agreement or have any liability whatsoever under this Agreement or otherwise for any claims or causes of action whatsoever resulting from or arising out of Buyer copying or releasing to a third party any of the Confidential Information of Seller pursuant to CPRA or Brown Act. Notwithstanding the foregoing or any other provision of this Agreement, Buyer may record, register, deliver and file all such notices, statements, instruments and other documents as may be necessary or advisable to render fully valid, perfected and enforceable under all applicable law the credit support contemplated by this Agreement and the Ancillary Documents and the rights, Liens and priorities of Buyer with respect to such credit support.

(e) If Buyer receives a CPRA request for Confidential Information of Seller, and Buyer or Buyer's Authorized Representative determines that such Confidential Information is subject to disclosure under CPRA, then Buyer shall notify the Seller of the request and its intent to disclose the documents. The Buyer, as required by CPRA, shall release such documents unless the Seller timely obtains a court order prohibiting such release. If Seller (i) at its sole expense, chooses to seek a court order prohibiting the release of Confidential Information pursuant to a CPRA request, (ii) notifies Buyer of its intention to seek a court order within five (5) days after receipt of notice of such CPRA request, and (iii) undertakes and agrees to defend, indemnify and hold harmless the Indemnitees from and against all suits, claims, and causes of action brought against any Indemnitees for Buyer's refusal to disclose Confidential Information of Seller to any person making a request pursuant to CPRA pursuant to documentation in form and substance reasonably satisfactory to Buyer, then Buyer shall, only if authorized under CPRA, delay release of the Confidential Information until Seller has had the opportunity to seek such court order. Seller's indemnity obligations shall include, but are not limited to, all actual costs incurred by the Indemnitees, and specifically includes costs of experts and consultants, as well as all damages or liability of any nature whatsoever arising out of any such suits, claims, and causes of action brought against any Indemnitees, through and including any appellate proceedings. Seller's obligations to all Indemnitees under this indemnification provision shall be due and payable on a monthly, ongoing basis within thirty (30) days after each submission to Seller of Buyer's invoices for all fees and costs incurred by all Indemnitees, as well as all damages or liability of any nature.

(f) Each Party acknowledges that any disclosure or misappropriation of Confidential Information by such Party in violation of this Agreement could cause the other Party or their Affiliates irreparable harm, the amount of which may be extremely difficult to estimate, thus making any remedy at law or in damages inadequate. Therefore, each Party agrees that the non-breaching Party shall have the right to apply to any court of competent jurisdiction for a restraining order or an injunction restraining or enjoining any breach or threatened breach of this Agreement and for any other equitable relief that such non breaching Party deems appropriate. This right shall be in addition to any other remedy available to the Parties in law or equity, subject to the limitations set forth in Section 14.19(e).

Section 14.22 Mobile-Sierra. The Parties hereby stipulate and agree that this Agreement was entered into as a result of arm's-length negotiations between the Parties.

Further, the Parties believe that, to the extent the sale of Energy under this Agreement is subject to Sections 205 and 206 of the Federal Power Act, 16 U.S.C. Sections 824d and 824e, the rates, terms and conditions of this Agreement are just and reasonable within the meanings of Sections 205 and 206 of the Federal Power Act, and that the rates, terms and conditions of this Agreement will remain so during the Agreement Term.

Notwithstanding any provision of this Agreement, the Parties waive all rights to challenge the validity of this Agreement or whether it is just and reasonable for and with respect to the Agreement Term, under Sections 205 and 206 of the Federal Power Act, and to request the FERC to revise the terms and conditions and the rates or services specified in this Agreement, and neither Party shall seek, nor shall they support any third party in seeking, to prospectively or retroactively revise the rates, terms or conditions of this Agreement through application or complaint to FERC or any other state or federal agency, board, court or tribunal, related in any manner as to whether such rates, terms or conditions are just and reasonable or in the public interest under the Federal Power Act, absent prior written agreement of the Parties.

The Parties also agree that, absent prior agreement in writing by both Parties to a proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any provision of this section is unenforceable or ineffective as to such Party), a non-Party or the FERC acting *sua sponte*, shall be the "public interest" application of the "just and reasonable" standard of review that requires FERC to find an "unequivocal public necessity" or "extraordinary circumstances where the public will be severely harmed" to modify a contract, as set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp*., 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co*., 350 U.S. 348 (1956), and clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish*, 554 U.S. 527 at 550-51 (2008) and *NRG Power Marketing, LLC v. Maine Public Utilities Comm'n*, 558 U.S. 165 (2010).

Section 14.23 Service Contract . The Parties intend that this Agreement will qualify as a "Service Contract" as such term is used in Section 7701(e) of the United States Internal Revenue Code of 1986.

Section 14.24 Time is of the Essence. Time is of the essence for the performance of each of the terms and provisions of this Agreement.

Section 14.25 Right of First Offer and Right of First Refusal. Buyer shall have a "Right of First Offer" (or "***ROFO***") and a "Right of First Refusal" (or "***ROFR***") for any proposed sale of the Facility and related assets ("***Facility Assets***") in accordance with the provisions of this Section 14.25, except that the ROFO and the ROFR shall not apply to any such sales or transfers of any interests of Seller in connection with a Tax Equity Financing or a sale, transfer or exercise of remedies in accordance with Section 14.7(g) (each a "***Permitted Transfer***").

(a) Prior to Seller consummating a sale of the Facility Assets (other than in connection with a Permitted Transfer), Seller shall provide notice to Buyer of Seller's proposed transaction, including the proposed purchase price and basic terms and conditions associated therewith (a "***Proposed Sale Notice***"). Upon receipt of a Proposed Sale Notice,

Buyer shall have sixty (60) days in which to notify Seller that Buyer may purchase the Facility Assets from Seller (a "***Proposed Purchase Notice***"). If Buyer provides Seller with a Proposed Purchase Notice (which notice shall, in the case of a ROFO, include Buyer's proposed purchase price for the Facility Assets, and in the case of a ROFR, include Buyer's response to the purchase price under consideration by Seller), then the Parties shall undertake for a period of up to ninety (90) days from the date of Buyer's Proposed Purchase Notice to reach an agreement on the terms and conditions of a sale of the Facility Assets to Buyer.

(b) With respect to a sale subject to the ROFO or the ROFR, if (i) Buyer does not timely provide a Proposed Purchase Notice to Seller, or (ii) the Parties are unable to agree upon the terms and conditions of a sale of the Facility Assets to Buyer within the ninety (90) day period set forth in Section 14.25(a), then Seller shall be free to negotiate the sale of the Facility Assets to any third party; provided, however, that (A) any sale of the Facility Assets to a third party shall include the assignment of this Agreement and Seller's rights under the Ancillary Documents (in accordance with Section 14.7), and (B) prior to consummating any such sale, Seller shall provide Buyer with a concise summary of the commercial terms negotiated by Seller with the third party (a "***Notice of Proposed Third Party Sale***"). If the proposed purchase price set forth in the Notice of Proposed Third Party Sale is equal to or less than ninety five percent (95%) of the purchase price included in the Proposed Purchase Notice or negotiated in connection with Buyer's exercise of the ROFO pursuant to Section 14.25(a), or otherwise on terms that are materially better than those last offered by Buyer, then Buyer shall have sixty (60) days to exercise its Right of First Refusal to purchase the Facility Assets or interests on substantially similar terms to those set forth in the Notice of Proposed Third Party Sale, subject to any modifications required to conform the transaction to requirements for transactions entered into by public agencies. If Buyer does not elect to exercise its Right of First Refusal and purchase the Facility Assets within such sixty (60) days, Seller shall be free to consummate the sale of the Facility Assets to the third party; provided that (A) such sale of the Facility Assets to a third party shall include the assignment of this Agreement and Seller's rights and obligations under the Ancillary Documents, and (B) such sale shall be on substantially similar terms and conditions presented to Buyer in the Notice of Proposed Third Party Sale.

(c) If Seller fails to (i) present a Notice of Proposed Third Party Sale within six (6) months after the expiration of the ninety (90) day period set forth in Section 14.25(a), or (ii) consummate the sale of the Facility Assets or interests to a third party within sixty (60) days after the expiration of the sixty (60) day period set forth in Section 14.25(b), then Seller shall provide another Proposed Sale Notice hereunder (and go through the ROFO process and the ROFR process) hereunder before commencing or continuing negotiations with any third party or consummating a sale of the Facility Assets or interests.

(d) Neither the ROFO nor the ROFR shall apply to any sale or transfer by any Facility Lender in connection with the exercise of Facility Lender remedies under any Financing Agreement.

Section 14.26 Market Disruption Event. If at any point during the Agreement Term, the Facility, the Point of Delivery, or Buyer no longer reside in the same market that each exists in as of the Effective Date (or, in the case of the Facility, as of the Commercial Operation Date)

(a "***Market Disruption Event***") and such Market Disruption Event materially changes the benefits, burdens or obligations of the Parties under this Agreement, then either Party, on written notice by the affected Party, may request the other Party to enter into negotiations to make mutually acceptable changes to this Agreement as necessary or appropriate, while attempting to preserve to the maximum extent possible the benefits, burdens, and obligations set forth in this Agreement as of the Effective Date. Upon receipt of such notice requesting negotiations, the Parties will promptly (but in any event commencing no later than fifteen (15) days after such request) negotiate in good faith such changes for a period of ninety (90) days. If the Parties fail to reach agreement as to such changes after negotiating in good faith for a period of ninety (90) days, then either Party may submit the issue for dispute resolution pursuant to the provisions of Section 14.3. Notwithstanding the foregoing, if a Market Disruption Event causes the performance of either Party hereunder to be impossible or impracticable, then either Party may terminate this Agreement at its option upon notice to the other Party, which such notice will be effective thirty (30) days after such notice is received by the other Party.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each Party was represented by legal counsel during the negotiation and execution of this Agreement and the Parties hereto have executed this Agreement as of the date first set forth above.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By:_____
Jorge Somoano
President

Attest:_____
Michael S. Webster
Assistant Secretary

Approved as to legal form and content:

By:_____
Daniel S. Hashimi
Senior Assistant General Counsel

STAR PEAK GEOTHERMAL LLC

By:_____
Name:_____
Title:_____

APPENDIX A
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

CONTRACT PRICE AND PAYMENT SCHEDULE

1. **Price for Startup and Test Energy.** The price for Startup and Test Energy and associated Environmental Attributes and Capacity Rights shall be equal to $35.13 per MWh.

2. **Price for Delivered Energy**. The price for all Delivered Energy (other than Startup and Test Energy, Excess Energy and Excess Monthly Generation) and associated Environmental Attributes and Capacity Rights shall be equal to $70.25 per MWh, as may be adjusted in accordance with the terms of this Agreement.

3. **Price for Excess Energy**. The price for all Excess Energy and associated Environmental Attributes and Capacity Rights shall be 50% of the price set forth in paragraph 2, as such price may be adjusted in accordance with this Agreement.

4. **Price for Excess Monthly Generation**. The price for all Excess Monthly Generation and associated Environmental Attributes and Capacity Rights shall be the Market Price, as such price may be adjusted in accordance with this Agreement.

APPENDIX B
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

FACILITY

1. Name of Facility: **[name]**

2. Site: **[city, county and state]**

3. Generator Owner: **[owner name]**

4. Qualified Operator: Open Mountain Energy LLC

5. Equipment:
   (a) Type of Facility: **[generation type]**

   (b) Nominal Nameplate Capacity: **[XX MW-AC at the Point of Delivery]**

6. Planned Commercial Operation Date: **[XXXX 1, 20XX]**

7. Other included facilities: **[_____]**

6. Permits: **[_____]**

APPENDIX C
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

BUYER AND SELLER BILLING, NOTIFICATION AND SCHEDULING CONTACT INFORMATION

1. Correspondence for the purpose of designating an Authorized Representative or alternate pursuant to Section 14.1 shall be transmitted to the following addresses:

   1.1. If to Buyer:

   Southern California Public Power Authority
   1160 Nicole Court
   Glendora, CA 91740
   Telephone: 626-793-9364
   Attention: Executive Director
   Email: projects@scppa.org

   1.2. If to Seller:

   Brady Olson
   Chief Operating Officer
   Open Mountain Energy, LLC
   3451 North Triumph Blvd. Suite 201
   Lehi, UT 84043
   E-mail: brady@openmountainenergy.com

   For information only, telephone: (801) 885-1653

2. Billings and payments pursuant to Section 11.1 and Appendix A shall be transmitted to the following addresses:

   2.1 If Billing to Buyer:

   Southern California Public Power Authority
   1160 Nicole Court
   Glendora, CA 91740
   Telephone: 626-793-9364
   Attention: Finance and Accounting,
   Email: projectinvoices@scppa.org
   and to: projects@scppa.org

2.2 If Payment to Buyer:

Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
Telephone: 626-793-9364
Attention: Finance and Accounting, projectinvoices@scppa.org

2.3 If Billing to Seller:

Brady Olson
Chief Operating Officer
Open Mountain Energy, LLC
3451 North Triumph Blvd. Suite 201
Lehi, UT 84043
Phone: (801) 885-1653
E-mail: brady@openmountainenergy.com

2.4 If Payment to Seller:

Brady Olson
Chief Operating Officer
Open Mountain Energy, LLC
3451 North Triumph Blvd. Suite 201
Lehi, UT 84043
Phone: (801) 885-1653
E-mail: brady@openmountainenergy.com

3. All notices (other than Scheduling notices) required under this Agreement shall be sent pursuant to Section 14.2 to the address specified below.

If to Buyer:

Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
Telephone: 626-793-9364
Attention: Executive Director
Email: projects@scppa.org

And, if prior to the achievement of Commercial Operation, with a copy to:

Southern California Public Power Authority
1160 Nicole Court

Glendora, CA 91740
Telephone: 626-793-9364
Attention: Randy Krager, rkrager@scppa.org
Email: projects@scppa.org

If to Seller:

Brady Olson
Chief Operating Officer
Open Mountain Energy, LLC
3451 North Triumph Blvd. Suite 201
Lehi, UT 84043
E-mail: brady@openmountainenergy.com
For information only, telephone: (801) 885-1653

4. Following the achievement of Commercial Operation, and throughout the Delivery Term, all notices related to scheduling of the Facility shall be sent to the following address:

If to Buyer:

Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
Telephone: 626-793-9364
Facsimile: 626-793-9461
Attention: Director of Asset Management
Email: projects@scppa.org
If to Seller:

Brady Olson
Chief Operating Officer
Open Mountain Energy, LLC
3451 North Triumph Blvd. Suite 201
Lehi, UT 84043
E-mail: brady@openmountainenergy.com
For information only, telephone: (801) 885-1653

APPENDIX D
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

FORM OF ATTESTATION

_____(Seller)_____ Environmental Attribute Attestation and Bill of Sale

_____ ("Seller") hereby sells, transfers and delivers to Southern California Public Power Authority ("Buyer") the Environmental Attributes and Environmental Attribute Reporting Rights associated with the generation from the Facility described below:

Facility Name:
Facility Location:
Fuel Type:
Capacity (MW): Commercial Operation Date:

As applicable:
CEC-RPS-ID no. _____ Energy Admin. ID no. _____WREGIS Generating Unit no. _____
Qualifying Facility (18 C.F.R. Sec. 292.101(b)(1)) ID no. _____

Vintage (Year/Month)	MWhrs generated (up to four (4) decimal points to account for kWhrs)
_____	_____
_____	_____
_____	_____

in the amount of one Environmental Attribute or its equivalent for each megawatt hour generated, up to four decimal points to account for kWhrs.

Seller further attests, warrants and represents as follows:

i) the information provided herein is true and correct;

ii) its sale to Buyer is its one and only sale of the Environmental Attributes and associated Environmental Attribute Reporting Rights referenced herein;

iii) the Facility generated and delivered to the grid the Energy in the amount indicated as undifferentiated Energy; and

iv) Seller owns the Facility, and each of the Environmental Attributes and Environmental Attribute Reporting Rights associated with the generation of the indicated Energy for delivery to the grid have been generated and sold by the Facility.

This serves as a bill of sale, transferring from Seller to Buyer all of Seller's right, title and interest in and to the Environmental Attributes and Environmental Attribute Reporting Rights associated with the generation of the Energy for delivery to the grid.

Contact Person: _____ tel:

APPENDIX E
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

FORM OF LETTER OF CREDIT

IRREVOCABLE AND UNCONDITIONAL DOCUMENTARY LETTER OF CREDIT NO.

Applicant:

_____

Beneficiary:

Southern California Public Power Authority
1160 Nicole Court
Glendora, California 91740
Telephone: (626) 793-9364
Facsimile: (626) 793-9461

Amount: [_____]
Expiration Date: [_____][1]
Expiration Place: [_____]:

Ladies and Gentlemen:

We hereby issue our Irrevocable and Unconditional Documentary Letter of Credit ("Letter of Credit") in favor of the Beneficiary by order and for the account of the applicant which is available at sight for USD $XX,XXX,XXX by sight payment

(a) upon presentation to us at our office at [*bank's address]* of: (i) Beneficiary's written demand for payment containing the text of Exhibit I and (ii) Beneficiary's signed statement containing the text of Exhibit II; or

(b) [upon both Beneficiary's telephone or fax advice of demand to the attention of _____ at telephone and/or fax number _____ and presentation to us by fax or email to address _____ of: (i) your written

[1] Note: To be one year after issuance, subject to automatic renewals.

demand for payment containing the text of Exhibit I and (ii) your statement containing the text of Exhibit II.]

Funds may be drawn under this Letter of Credit, from time to time, in one or more drawings, in amounts not exceeding in the aggregate the amount specified above.

Upon presentation to us in conformity with the foregoing prior to or at 12:00 p.m., Pacific Standard Time on any business day, we will, on the next business day, or, upon presentation to us in conformity with the foregoing after 12:00 p.m. Pacific Standard Time on any business day, we will, on the second succeeding business day, but in either case without any other delay whatsoever, irrevocably and without reserve or condition: (a) if the office set forth above for presentation is in Glendora, California, pay to Beneficiary's order in the account at the bank designated by you in the demand, the full amount demanded by you in the same-day funds which are immediately available to you, or (b) if the office set forth above for presentation is not Glendora, California, issue payment instructions to the Federal Reserve wire transfer system in proper form to transfer to the account at the bank designated by you in the demand, the full amount demanded by you in the same-day funds which are immediately available to you in Glendora, California. We agree that if, on the expiration date of this Letter of Credit, the office specified above is not open for business by virtue of an interruption of the nature described in the 2007 Revision of the Uniform Customs and Practices for Documentary Credits, International Chamber of Commerce Publication No. 600 ("UCP 600"), in Article 36, this Letter of Credit will be duly honored if the specified statements are presented by you within thirty (30) days after such office is reopened for business.

Payment hereunder shall be made regardless of: (a) any written or oral direction, request, notice or other communication now or hereafter received by us from the Applicant or any other person except Beneficiary, including without limitation any communication regarding fraud, forgery, lack of authority or other defect not apparent on the face of the documents presented by you, but excluding solely an effective written order issued otherwise than at our instance by a court of competent jurisdiction which order is legally binding upon us and specifically orders us not to make such payment; (b) the solvency, existence or condition, financial or other, of the Applicant or any other person or property from whom or which we may be entitled to reimbursement for such payment; and (c) without limiting clause (b) above, whether we are in receipt of or expect to receive funds or other property as reimbursement in whole or in part for such payment. We agree that we will not take any action to cause the issuance of an order described in clause (a) of the preceding sentence. We agree that the time set forth herein for payment of any demand(s) for payment is sufficient to enable us to examine such demand(s) and the related documents(s) referred to above with care so as to ascertain that on their face they appear to comply with the terms of this credit and that if such demand(s) and document(s) on their face appear to so comply, failure to make any such payment within such time shall constitute dishonor of such demand(s) and this credit.

The stated amount of this Letter of Credit may be increased or decreased, and the expiration date of this Letter of Credit may be extended, by an amendment to this Letter of Credit in the form of Exhibit III. Any such amendment shall become effective only upon acceptance by your signature on a hard copy amendment.

Beneficiary shall not be bound by any written or oral agreement of any type between us and the Applicant or any other person relating to this credit, whether now or hereafter existing.

We hereby engage with you that Beneficiary's demand(s) for payment in conformity with the terms of this credit will be duly honored as set forth above. All fees and other costs associated with the issuance of and any drawing(s) against this Letter of Credit shall be for the account of the Applicant. All of the rights of the Beneficiary set forth above shall inure to the benefit of its successors. In this connection, in the event of a drawing made by a party other than the Beneficiary, such drawing must be accompanied by the following signed certification:

> "The undersigned does hereby certify that ____[drawer]____ is the successor by operation of law to Southern California Public Power Authority, the Beneficiary named in [name of Bank] Letter of Credit No. _____."
>
> [name and title]

Except so far as otherwise expressly stated herein, this Letter of Credit is subject to the UCP 600. As to matters not governed by the Uniform Customs, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of California. Any litigation arising out of, or relating to this Letter of Credit, shall be brought in a State or Federal court in the County of Los Angeles in the State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California.

Yours faithfully,

(name of issuing bank)

By_____
Title_____

EXHIBIT I
DEMAND FOR PAYMENT

Re: Irrevocable and Unconditional Documentary Letter of Credit

No. _____ Dated _____, 20__

[Insert Bank Address]

To Whom It May Concern:

Demand is hereby made upon you for payment to us of $_____ by deposit to our account no. _____ at [insert name of bank]. This demand is made under, and is subject to and governed by, your Irrevocable and Unconditional Documentary Letter of Credit no. _____ dated _____, 20__ in the amount of $_____ established by you in our favor for the account of _____ as the Applicant.

DATED: _____, 20__.

SOUTHERN CALIFORNIA PUBLIC
POWER AUTHORITY

By: _____
Name:
Title:

Date:

Attest: _____
Name:
Title:

EXHIBIT II
STATEMENT

Re: Your Irrevocable and Unconditional Documentary Letter of Credit

No. _____ Dated _____, 20_____

[Insert Bank Address]

To Whom It May Concern:

Reference is made to your Irrevocable and Unconditional Documentary Letter of Credit no. _____, dated _____, 20____ in the amount of $_____ established by you in our favor for the account of _____.

We hereby certify to you that $_____ is due and owing to us by the Applicant.

DATED: _____, 20__.

SOUTHERN CALIFORNIA PUBLIC
POWER AUTHORITY

By: _____
Name:
Title:

Date:

Attest: _____
Name:
Title:

EXHIBIT III
AMENDMENT

Re: Irrevocable and Unconditional Documentary Letter of Credit
No. _____ Dated _____, 20__

Beneficiary: Applicant:

Southern California Public Power
Authority 1160 Nicole Court
Glendora, CA 91740

To Whom It May Concern:

The above referenced Irrevocable and Unconditional Documentary Letter of Credit is hereby amended as follows: by increasing / decreasing / leaving unchanged *(strike two)* the stated amount by $ _____ to a new stated amount of $ _____ or by extending the expiration date to _____ from _____. All other terms and conditions of the Letter of Credit remain unchanged.

This amendment is effective only when accepted by Southern California Public Power Authority, which acceptance may only be valid by a signature of an authorized representative.

Dated: _____

Yours faithfully,

(name of issuing bank)

By_____
Title_____

ACCEPTED

Southern California Public Power Authority

By_____
Title_____
Date_____

APPENDIX F
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

INSURANCE

I. GENERAL REQUIREMENTS

Prior to the start of construction, Seller shall furnish Buyer evidence of coverage from insurers acceptable to Buyer and in a form acceptable to Buyer's Risk Management Section in accordance with Section 14.19(c). Such insurance shall be maintained by Seller at Seller's sole cost and expense. Such insurance shall not limit or qualify the liabilities and obligations of Seller assumed under this Agreement. Buyer shall not, by reason of its inclusion under these policies, incur liability to the insurance carrier for payment of premium for these policies.

Any insurance carried by Buyer which may be applicable shall be deemed to be excess insurance and Seller's insurance is primary for purposes under this Agreement despite any conflicting provision in Seller's policies to the contrary.

Said evidence of insurance shall contain a provision that the policy cannot be canceled or reduced in coverage or amount without first giving thirty (30) days' prior notice thereof (ten (10) days for non-payment of premium) by registered mail to Buyer, addressed as follows: Southern California Public Power Authority, 1160 Nicole Court, Glendora, CA 91740.

Should any portion of the required insurance be on a "Claims Made" policy, Seller shall, at the policy expiration date following completion of work, provide evidence that the "Claims Made" policy has been renewed or replaced with a retroactive date back to the policy in effect as of the Effective Date with the same limits, terms and conditions of the expiring policy.

Seller shall be responsible for all subcontractors' compliance with the insurance requirements.

II. SPECIFIC COVERAGES REQUIRED

A. Commercial Automobile Liability

Seller shall provide Commercial Automobile Liability insurance, which shall include coverages for liability arising out of the use of owned, non-owned and hired vehicles for performance of the work as required to be licensed under the California, or any other applicable state, vehicle code. The Commercial Automobile Liability insurance shall have not less than one million dollars ($1,000,000.00) combined single limit per occurrence and shall apply to all operations of Seller.

The Commercial Automobile Liability policy shall include Buyer, its members, and its and their officers, agents, and employees while acting within the scope of their employment, as additional insureds with Seller and shall insure against liability for death, bodily injury or property damage resulting from the performance of this Agreement. The form of evidence of insurance shall be a Buyer Additional Insured Endorsement or an endorsement to the policy acceptable to Buyer's Risk Management Section.

B. Commercial General Liability

Seller shall provide Commercial General Liability insurance with Blanket Contractual Liability, Independent Contractors, Broad Form Property Damage, Premises and Operations, Products and Completed Operations, fire Legal Liability and Personal Injury coverages included. Such insurance shall provide coverage for total limits actually arranged by Seller, but not less than ten million dollars ($10,000,000.00) combined single limit per occurrence. Umbrella or Excess Liability coverages may be used to supplement primary coverages to meet the required limits. Evidence of such coverage shall be on Buyer's Additional Insured Endorsement form or on an endorsement to the policy acceptable to Buyer's Risk Management Section and shall provide for the following:

1. Include Buyer and its officers, agents, and employees as additional insureds with the Named Insured for the activities and operations under this Agreement.

2. Include Severability-of-Interest or Cross-Liability Clause such as: "The policy to which this endorsement is attached shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the company's liability."

3. Include a description of the coverages included under the policy.

C. Excess Liability

Seller may use an Umbrella or Excess Liability Coverage to meet coverage limits specified in this Agreement. Seller shall require the carrier for Excess Liability to properly schedule and to identify the underlying policies as provided for Buyer on the Buyer Additional Insured Endorsement Form, or on an endorsement to the policy acceptable to Buyer's Risk Management Section. Such policy shall include, as appropriate, coverage for Commercial General Liability, Commercial Automobile Liability, Employer's Liability or other applicable insurance coverages.

D. Workers' Compensation/Employer's Liability Insurance

Seller shall provide Workers' Compensation insurance covering all of Seller's employees in accordance with the laws of any state in which the work of the Agreement is to be performed and including Employer's Liability insurance, where possible, and a Waiver of Subrogation in favor of Buyer. The limit for Employer's Liability coverage shall be not less than one million dollars ($1,000,000.00) each accident and shall be a separate policy

if not included with Workers' Compensation coverage. Evidence of such insurance shall be in the form of a Buyer Special Endorsement of insurance or on an endorsement to the policy acceptable to Buyer's Risk Management Section. Workers' Compensation/Employer's Liability exposure may be self-insured, *provided* that Buyer is furnished with a copy of the certificate issued by the state authorizing Seller to self-insure. Seller shall notify Buyer's Risk Management Section by receipted delivery as soon as possible of the state withdrawing authority to self-insure.

E. Property All Risk Insurance

[On and after the Commercial Operation Date,] Seller shall procure and maintain an All Risk Physical Damage policy to insure the full replacement value of the property located at the Facility as described in this Agreement. The policy shall include coverage for expediting expense, extra expense, Business Interruption, ensuing loss from faulty workmanship, faulty materials or faulty design.

[Removal of builder's risk insurance, and change that property all risk insurance applies only after COD, under review of Buyer.]

APPENDIX G
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

QUALITY ASSURANCE PROGRAM

Seller shall implement a Quality Assurance ("***Q/A***") Program to ensure that the performance of the development, design and construction of the Facility fulfills the requirements of this Agreement. The Q/A Program shall provide assurance that design, purchasing, manufacturing, shipping, storage, construction, testing and examination of all equipment, materials, services and maintenance of the Facility will comply with the requirements of this Agreement, all applicable Requirements of Law and the manufacturers' and/or suppliers' requirements for successful operation of the Facility.

Quality at Seller

What is quality? Seller believes that quality is the unit of measure for assessing fulfillment of project goals. A quality project meets or exceeds the contract requirements and accepted standards of professional and industry practice. Furthermore, high quality projects are those that address client and societal needs more successfully than "low" quality projects. While this may seem like a straightforward definition, the process to ensure quality is much more involved and includes quality management, quality planning, quality control, quality assurance, a quality system, and total quality management.

"Quality assurance" refers to a process that reduces the potential for error throughout the phases of a project. On projects with a Q/A Program, the chances of producing a poor quality deliverable are substantially reduced. Quality control procedures are an integral part of quality assurance. Historically, industry has used the term "quality control" to indicate a checking procedure for verifying the quality of deliverables. This checking commonly occurs at the end of the process, long after an error may have been made and compounded by subsequent work. While quality control checks at the end of a project are an essential exercise, scheduled periodic reviews at each phase of project conceptual and final design are integral to Seller's Q/A Program. In addition, quality maintenance which meets or exceeds manufacturers' and/or suppliers' requirements and best industry practices must be an integral part of Seller's Q/A Program.

The Quality Management Process

The surest way to achieve satisfactory quality is to adhere to a proven quality process. The term "quality" most accurately refers to a project's ability to satisfy needs when considered as a whole and each part of the process meets or exceeds the standards of Prudent Utility Practices.

Seller's project management team is responsible for proactively planning and directing the quality of the work process, services, and deliverables. Seller's project management team will target six (6) areas to monitor quality:

1) A written work plan with accompanying Q/A Manual (as defined below).

2) Detailed review of the Facility design at the planning and conceptual design phase.

3) Detailed review of Facility final design prior to construction.

4) A quality control program during construction to verify implementation is in compliance with design documents and document any changes.

5) Independent engineering review of the entire process, from design review through Commercial Operation.

6) A written maintenance manual for the Facility for the duration of the Commercial Operation that complies with the maintenance manuals of the manufacturers and suppliers from whom Seller has purchased equipment and/or material and best industry practices.

Written Work Plan and Q/A Manual

The idea of a written work plan and Q/A manual is to incorporate quality assurance in all areas of project execution. Seller has found that quality needs to be institutionalized into the project process, not only in the budgeting process, but everywhere. For example, specific tasks and duties need to be allocated to specific individuals; roles and interface points need to be clearly defined; individual assignments need to be realistic; special attention needs to be paid to complex areas within projects; schedules need to be realistic and achievable; and, lastly, the work culture needs to be enjoyable and open so that employees are empowered to react quickly to symptoms of quality problems before they actually manifest.

Seller's quality program shall be documented in a written work plan and Quality Assurance manual (the "***Q/A Manual***"). The form and the format of the Q/A Manual shall be developed by Seller, but must comply with Prudent Utility Practices and follow manufacturers' and suppliers' recommendations without deviation. The content of the Q/A Manual shall provide written descriptions of policies, procedures and methodology to accomplish a quality project. Seller shall submit three (3) copies of the Q/A Manual within ninety (90) days after the Effective Date to Buyer or Buyer's Representative. The Q/A Manual shall be kept current by Seller throughout the Agreement Term through the submittal of revisions, as appropriate, by Seller to Buyer or Buyer's Authorized Representative.

The Q/A Manual shall describe the authority and the responsibility of the Persons in charge of the Q/A Program and inspection activities. It shall also provide the plan for detailed review of Facility conceptual design and final design, hold points, and methodology for document control and comment. Furthermore, it shall provide the plan and strategy for quality control and review during the construction of the Facility and for maintenance and operations during Commercial

Operation. The Q/A Manual shall strive; at a minimum, to define control procedures or methods to assure the following:

(a) The design documents, drawings, specifications, Q/A procedures, records, inspection procedures and purchase documents are maintained to be current, accurate and in compliance with all applicable law.

(b) The purchased materials, equipment and services comply with the requirements of this Agreement and all applicable Requirements of Law.

(c) The materials received at the site are inspected for compliance with specifications.

(d) The subcontracted work is adequately inspected by third parties.

(e) Proper methods are employed for the qualification of personnel who are performing work for the development, design and construction of the Facility.

(f) Proper documentation, control and disposition of nonconforming equipment and materials is maintained.

(g) Proper records are kept and available following project completion to ensure accurate documentation of as-built conditions.

(h) Detailed and complete plan for maintenance and operation during Commercial Operations consistent with manufacturers' and suppliers' recommendations and best industry practices.

Conceptual Design Review

Seller shall have a team of professionals who develop and review the Facility layout and Facility conceptual design. The team shall consist of specialists in land-use and planning, permitting, meteorology, engineering, construction, project management, and finance. A preliminary site plan is developed and meetings are held to assess optimization of the resource, constructability, minimization of cultural and biological impacts, land use restrictions, and landowner requirements. Preliminary road design will also be started and access to the Site will be reviewed in detail. When this plan is ready for review, a formal plan and map shall be created and a final internal review is conducted. Following that shall be detailed studies for biological, cultural and other types of impacts completed by various third parties. The site plan will be reviewed, modified as necessary, and then used to begin the permitting and public review process. The site plan shall be further modified based on comments in that process. At that point, the site plan can be issued for construction, and final engineering can commence.

In parallel with this process, preliminary conceptual design will start for the major areas of the Facility, including the substation, transmission line, racking systems, and communications system; and road and grading done to develop construction estimates as well as materials specifications. All of these areas of conceptual designs shall be used to check and verify the assumptions used for development of the site plan.

Seller shall inform Buyer of, and shall invite Buyer to participate in, the Conceptual Design Review process.

Final Engineering Design

Following finalization of the site plan, the detailed design will be done for the roads and grading, transmission line, and substation by third party engineering firms licensed to practice in the State of California. Each firm shall have its own quality assurance and checking procedures, however, Seller shall review the final work products in detail to check with conformance with this Agreement and provide comments as a second round of quality assurance. When Seller's comments have been incorporated, the design of each area will be considered final, and that design will then be submitted to an independent engineer for review and comment. This ensures that another entity, in addition to Seller, has done a comprehensive review of all areas of the Facility and details to ensure conformance with this Agreement.

In parallel with final design and checking activities, final geotechnical studies will be conducted at the Site, and a final resource assessment will be performed with the issued-for-construction Facility layout. If existing subsurface conditions are different from what is expected, the racking locations could be slightly modified. Any changes of this nature would be documented in as-built design drawings and approved of in advance by Seller.

Seller shall inform Buyer of, and invite Buyer to participate in, the Final Engineering Design Review process.

Quality Assurance at the Construction Site

Seller will hire a third party general contractor to construct the project. This contractor will be required to have its own quality assurance program in place using its own staff, as well as third party inspectors. This quality assurance program will be consistent with industry standards and norms and will assure all activities receive appropriate attention. The two primary areas of focus at the site are assuring conformance of construction to design drawings, and conformance of materials to specifications. The general contractor will be required to provide third party inspectors and testing for materials, including concrete slump testing, rebar and concrete placement, cable trenching and soil compaction testing. The general contractor will also be required to maintain a set of red-line drawings during the course of construction to document any changes to the design documents. Proposed project changes would be reviewed and approved in the field by the Seller construction management team prior to implementation. . In addition, Seller will have its own construction management team on site, consisting of a construction manager and quality inspectors who will observe performance of all areas of the work and ensure compliance with design documents. Lastly, the Independent Engineer performs periodic audits during construction to oversee critical items, confirms construction progress, reports on any perceived issues and provides independent reporting and assessments to the project stakeholders.

Following completion of the project, the general contractor will be required to provide all as-built design drawings and records of all materials testing conducted at the site. This documentation will be maintained at the project site during operations of the Facility.

Quality Assurance and Quality Control ("*Q/C*") Activities After Commercial Operation

Throughout the Agreement Term, Seller shall perform Q/A and Q/C activities on all materials and equipment associated with the Facility on a periodic basic, and at a minimum once every six (6) months. At the completion of such Q/A and Q/C activities, Seller shall provide Buyer a detailed report identifying all areas of inspections performed, a detailed checklist, results found, remedial actions taken, if any, and follow up for any corrective actions.

Seller shall provide Buyer with a schedule for performance actions needed as result of Q/A and Q/C activities. Buyer shall review the schedule and provide comments to Seller.

QUALITY ASSURANCE (Q/A) AND QUALITY CONTROL (Q/C) CHECKLIST

[Seller to provide checklist provide prior to Commercial Operation Date.]

APPENDIX H
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

MILESTONE SCHEDULE

Note: An "" designates a Key Milestone.*

Guaranteed Date	Milestone Description	Daily Liquidated Damages for Delay ()	Security deposit at milestone achievement
10 days following execution of this Agreement or as a condition to effectiveness of this Agreement	Project Development Security (initial)		$744,650
10 days following the Commercial Operation Date	Performance Term Security		$3,350,925
Completed	Execute Site Control Agreement		
180 Days Prior to the Commercial Operation Date	Execute Interconnection agreement	Mitigation Plan to complete	
180 Days Prior to the Commercial Operation Date	Execute project financing documents (if any)	Mitigation Plan to complete	
180 Days Prior to the Commercial Operation Date (or an earlier date upon notice to Seller)*	Occurrence of Construction Commencement Date	Daily Liquidated Damages for Delay: $2,068 per day	
On or prior to April 1, 2021*	Occurrence of Commercial Operation Date	Daily Liquidated Damages for Delay: $2,068 per day	

APPENDIX I
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

FORM OF NON-CONSOLIDATION OPINION[2]

OPINION LETTER

Southern California Public Power Authority
1160 Nicole Court
Glendora, California 91740

Re: Power Purchase Agreement between Southern California Public Power Authority and Star Peak Geothermal LLC

Dear Sir or Madam:

We have acted as counsel to Star Peak Geothermal LLC, a Nevada limited liability company ("Seller"), in connection with that certain Power Purchase Agreement between Southern California Public Power Authority, a public entity and joint powers authority formed and organized pursuant to the California Joint Exercise of Powers Act ("SCPPA"), and Seller, dated as of [___], 2020 (the "PPA"). For the purposes of this opinion, capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in Section 1.1 of the PPA.

You have requested our opinion as to whether in a properly presented and argued case under title 11 of the United States Code, 11 U.S.C. § 101 *et seq.* (the "Bankruptcy Code") in which any of the Opinion Entities (defined below) is the debtor, a creditor or trustee of such Opinion Entity would have valid legal grounds to have a United States bankruptcy court or other court exercising bankruptcy jurisdiction over such a case under the Bankruptcy Code (the "Court") disregard the separate existence of Seller so as to cause the substantive consolidation of the assets and liabilities of Seller with those of such Opinion Entity.

In that connection, we have examined originals, or copies certified or otherwise identified to our satisfaction, of the following documents, instruments and agreements (each, unless otherwise noted, dated as of the date hereof) (collectively, the "Opinion Documents"):

[2] NTD: Form of opinion under review by Seller.

- the PPA;

- State of Nevada Limited Liability Company Certificate of Formation of Seller dated as of _____;

- [Operating Agreement of Seller dated as of _____ (the "Seller's Original LLC Agreement");

- Amended and Restated Operating Agreement of Seller dated as of _____ (the "Seller's Amended LLC Agreement");][3] and

- Factual Certificate of the [_][4] of Seller dated _____ (the "Factual Certificate").

Since Seller was formed and has conducted business prior to the date hereof, we have conducted certain specific due diligence regarding it. Specifically, we have reviewed (a) Uniform Commercial Code ("U.C.C."), federal and state tax liens and judgment liens search reports, (b) litigation search reports and (c) bankruptcy search reports. In addition, we have reviewed the organizational documents for Seller from the date of its formation as well as all amendments thereto, and documents relating to any prior and existing indebtedness of Seller. These activities were not designed to be in the nature of an audit, *i.e.*, to provide a critical assessment of the facts provided to us, but rather to educate us as to many of the underlying facts and issues that might arise relevant to this opinion. As such, we cannot and do not warrant the truth and accuracy of the factual assumptions on which this opinion is based. We advise you, however, that our attorneys who conducted the review described in this paragraph and are directly involved in the transaction described in the Opinion Documents do not have any actual, present or personal knowledge of any evidence that any of the factual assumptions relied on in this opinion are incorrect in any material way.

FACTS

We have been advised of the following facts:

- Seller is a Nevada limited liability company duly organized under Nevada law on _____. The Seller's Original LLC Agreement was executed on _____. The Seller's Original LLC Agreement did not contain separateness covenants and other provisions making Seller a special purpose entity with limited purpose and limited activities.

- Seller is entering into the PPA with SCPPA, which provides for Seller's sale of certain renewable energy and associated environmental attributes to SCPPA.

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[3] To be confirmed that Seller's LLC agreement will be amended in connection with entry into the PPA to conform to the requirements specified in the PPA.

[4] To be an authorized officer of Seller.

- In connection with its entry into the PPA, the Seller's Original LLC Agreement is being amended on [___] to add provisions related to separateness and limitations on the purpose of Seller to make Seller a "Special Purpose Entity"(as defined below).

- Pursuant to Seller's Amended LLC Agreement and the PPA, Seller is required to comply with certain provisions to ensure that Seller has operated and will continue to operate as an entity separate from its Affiliates.

- Seller, _____ are developing and will separately construct, own and operate one geothermal energy generating facility with nominal nameplate capacity of 14.5 MW (collectively, the "Facility") in Pershing County, Nevada.

- [Seller has [one] member[s]. _____, a [_] limited liability company ("Parent"), holds [_]% of the equity interests in Seller. Parent, _____ and _____ are collectively referred to herein as the "Opinion Entities."]

SELLER IS A SPECIAL PURPOSE ENTITY

Pursuant to Section 12.5 of the PPA, Seller covenants that it will at all time comply with the requirements of, and qualify as, a Special Purpose Entity. A "Special Purpose Entity" is defined as a limited liability company which:

(a) [shall not (without the prior written consent of Buyer) (i) engage in any dissolution, liquidation or consolidation or merger with or into any other business entity, (ii) acquire by purchase or otherwise all or substantially all of the business or assets of or beneficial interest in any other entity, (iii) transfer, lease or sell, in one transaction or any combination of transactions, all or substantially all of its properties or assets except to the extent permitted herein, (iv) modify, amend or waive any provisions of its organizational documents related to its status as a Special Purpose Entity, or (v) terminate its organizational documents or its qualifications and good standing in any jurisdiction;

(b) has limited, is limiting and will limit its activities to acquiring, developing, owning, holding, selling, financing, leasing, transferring, exchanging, managing and operating the Facility, entering into this Agreement with Buyer and the Ancillary Documents and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing;

(c) has not been, is not, and will not be engaged in any business other than that relating to its limited purpose as set forth in the immediately preceding subsection (b);

(d) has not had, does not have and will not have, any assets other than those related to the Facility;

(e) has held itself out and will hold itself out to the public as a legal entity separate and distinct from any other entity and has not failed and will not fail to correct any known misunderstanding regarding the separate identity of such entity, provided that (for the avoidance of doubt), the foregoing shall not restrict any Parent Entity, Ultimate Parent Entity or any other Seller Affiliate from identifying its indirect relationship to the Facility through Seller;

(f) has maintained and will maintain its financial statements, bank accounts, accounts, books, resolutions, agreements and records separate from any other Person except as required by GAAP; *provided, however*, that to the extent permitted by GAAP, any such consolidated financial statement shall contain a note indicating that its separate assets and liabilities are neither available to pay the debts of the consolidated entity nor constitute obligations of the consolidated entity, and has filed and will file its own tax returns (except to the extent such limited liability company is treated as a "disregarded entity" for tax purposes and is not required to file separate tax returns under applicable law);

(g) has held itself out and identified itself, and will hold itself out and identify itself, as a separate and distinct entity under its own name or in a name franchised or licensed to it by an entity other than an Affiliate of Seller (except to the extent such limited liability company is treated as a "disregarded entity" for tax purposes and is not required to file separate tax returns under applicable law) and not as a division, department or part of any other Person;

(h) has maintained and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(i) has not made and will not make loans or advances to any Person or hold evidence of indebtedness issued by any other Person (other than cash and investment-grade securities issued by an entity that is not an Affiliate of or subject to common ownership with such entity) or made any gifts or fraudulent conveyances to any Person;

(j) has not identified and will not identify its members, or any Affiliate of any member, as a division or department or part of it, and has not identified itself and shall not identify itself as a division or department of any other Person;

(k) has not entered into or been a party to, and will not enter into or be a party to, any transaction with its members or Affiliates, except in the ordinary course of its business and on terms which are commercially reasonable and comparable with those which could be obtained in a comparable arm's-length transaction with an unrelated third party;

(l) has not had and will not have any obligation to indemnify, and has not indemnified and will not indemnify its officers, managers or members, as the case may be, other than (i) the Independent Manager in connection with the Independent Manager's actions related to the performance of this Agreement, and (ii) its officers, managers, and members with respect to actions taken or omitted to be taken in good faith by such officer, manager or

member with respect to the development, construction, financing, ownership and operation of the Facility;

(m) has considered and shall consider the interests of its creditors in connection with all limited liability company actions;

(n) except for obligations to Facility Lenders or Tax Equity Investors, does not and will not have any of its obligations guaranteed by any Affiliate and will not hold itself out as being responsible for the debts or obligations of any other Person;

(o) will comply with all of the terms and provisions contained in its organizational documents including the provision requiring that there be an Independent Manager at all times on and after the Effective Date and has done or caused to be done and will do all things necessary to preserve its existence;

(p) will not commingle, its funds or assets with those of any Person and will not participate in any cash management system with any other Person;

(q) will conduct all business in its own name and, except in connection with a Tax Equity Financing utilizing a lease or inverted lease structure, from and after the Commercial Operation Date, has held, and will hold, its assets in its own name and conducted and will conduct all business in its own name;

(r) has maintained and will maintain its financial statements, accounting records and other entity documents separate from any other Person and has not permitted and will not permit its assets to be listed as assets on the financial statement of any other entity except as required by GAAP; *provided, however*, that to the extent permitted by GAAP, any such consolidated financial statement shall contain a note indicating that its separate assets and liabilities are neither available to pay the debts of the consolidated entity nor constitute obligations of the consolidated entity;

(s) has paid and will pay its own liabilities and expenses, including the salaries of its own employees, out of its own funds and assets, and has maintained and will maintain a sufficient number of employees in light of its contemplated business operations (it being acknowledged and agreed that Seller may have no employees to the extent it contracts out its requirements for all necessary managerial, operational and other services);

(t) [has observed and will observe all limited liability company formalities];

(u) has not assumed or guaranteed or become obligated for, and will not assume or guarantee or become obligated for, the debts of any other Person and has not held out and will not hold out its credit as being available to satisfy the obligations of any other Person;

(v) has not acquired and will not acquire obligations or securities of its members or any Affiliate;

(w) will allocate fairly and reasonably any overhead expenses that are shared with any Affiliate, including paying for shared space and services performed by any employee of an Affiliate;

(x) now maintains and uses, and will maintain and use separate stationery, invoices and checks bearing its name; such stationery, invoices and checks utilized by it or utilized to collect its funds or pay its expenses have borne and shall bear its own name and shall not bear the name of any other entity unless such entity is clearly designated as being its agent;

(y) except in connection with the development or construction, or financing of the development or construction of the Facility, has not pledged and will not pledge its assets for the benefit of any other Person ;

(z) now has, and will have articles of organization, a certificate of formation or an operating agreement, as applicable, that provides that it will not: (A) dissolve, merge, liquidate or consolidate; (B) sell, transfer, lease or otherwise convey all or substantially all of its assets (other than as permitted under Section 14.7); (C) engage in any other business activity, or amend its organizational documents with respect to the matters set forth in this definition without the affirmative vote of its Independent Manager; or (D) without the affirmative vote of its Independent Manager, file a bankruptcy or insolvency petition or otherwise institute insolvency proceedings with respect to itself or to any other entity in which it has a direct or indirect legal or beneficial ownership interest;

(aa) has been, is and intends to remain solvent and has paid and intends to continue to pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets as the same shall have or become due, and has maintained, is maintaining and intends to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; and

(bb) has and will have no indebtedness other than (i) Facility Debt relating to the development, construction or permanent financing or refinancing for the Facility, including indebtedness in its replacement or substitution thereof, (ii) Taxes and Insurance premiums, (iii) liabilities incurred in the ordinary course of business relating to its ownership, management, administration leasing and operation of the Facility and its routine administration, which liabilities are not more than sixty (60) days past due, are not evidenced by a note and are paid when due, and which amounts are normal and reasonable under the circumstances, and in any event not in excess of one percent (1%) of the Facility Cost in the aggregate, (iv) the Performance Security and indebtedness incurred in support of or connection with the Performance Security, and (v) such other liabilities that are permitted pursuant to this Agreement.][5]

[5] To be updated if necessary to conform to the final definition in the final PPA.

In the conduct of our diligence with respect to Seller as set forth earlier in the introduction to this opinion and consistent with statements in the Factual Certificate, we did not find any evidence that Seller prior to entering into the PPA performed in a manner inconsistent with the terms of its performance as provided in the above definition of Special Purpose Entity.

In addition to Seller's obligations to comply with the provisions noted above in connection with the PPA, the Seller's Amended LLC Agreement also contains certain provisions typically associated with special purpose entities.

Section [__] of the Seller's Amended LLC Agreement provides in part that "[___][6]."

Section [__] of the Seller's Amended LLC Agreement provides that notwithstanding anything to the contrary therein, Seller shall not without the affirmative vote of its Independent Manager:

(a) [engage in any business activity (other than (A) dissolving, merging, liquidating or consolidating; (B) selling, transferring, leasing or otherwise conveying all or substantially all of its assets (other than as permitted under Section 14.7 of the PPA)) or amend its organizational documents with respect to the matters set forth in the definition of "Special Purpose Entity" in the PPA;

(b) file a bankruptcy or insolvency petition or otherwise institute insolvency proceedings with respect to itself or to any other entity in which it has a direct or indirect legal or beneficial ownership interest; and

(c) [_____]][7]

ASSUMPTIONS

In rendering this opinion, we have assumed the due authorization, execution and delivery of the Opinion Documents by all parties thereto, that such parties have the legal power to act in the capacities in which they are to act thereunder, the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as copies and the genuineness of all signatures on all documents submitted to us.

For purposes of this opinion, we have relied without investigation on the accuracy of, and compliance by each of Seller and each Opinion Entity with, their respective representations, warranties and covenants contained in the Opinion Documents. We have made no independent investigation of the facts referred to herein and have relied for the purpose of rendering this opinion exclusively on those facts which are listed under the heading "FACTS" in this opinion,

[6] To quote the section of the LLC agreement that requires Seller to comply with the requirements of, and qualify as, a Special Purpose Entity (as defined in the PPA).

[7] To list the actions Seller may not take without an affirmative vote of its Independent Manager per its LLC agreement, which shall include each action that under the PPA requires the affirmation vote of the Independent Manager.

which facts are contained in the Opinion Documents. We assume that such facts have been, and will continue to be, true in all material respects.

In rendering this opinion, we have further assumed that: (a) each of the Opinion Documents, from and after the execution thereof, constitutes the legal, valid and binding obligation of each of the parties thereto, will be enforceable in accordance with their respective terms, and will not be modified in any way that we would conclude would be material to the conclusions expressed herein; (b) all applicable and appropriate formalities were observed with respect to the formation of Seller and, since its formation and except as set forth herein, Seller has and will continue to observe all such formalities in all respects material to separateness; (c) except as set forth herein, Seller has and will comply with the applicable terms of the Opinion Documents regarding separateness; (d) as a matter of applicable Nevada law, Seller is separate and distinct from each Opinion Entity; (e) the officers or members, as appropriate, of Seller [have] duly authorize[d] all corporate actions of Seller, to the extent required by its organizational documents, instruments and agreements and the laws of its state of formation; (f) in entering into the Opinion Documents, the parties thereto have relied upon the status of Seller as a legal entity separate and distinct from any other entity, including each Opinion Entity; (g) Seller maintains its corporate existence and good standing to the extent required under the laws of the state of its formation; (h) Seller is qualified to do business in each state in which the conduct of its business so requires, except where the failure to so qualify would not have a material adverse effect on its financial condition or results of operations; (i) any transfers between Seller and each Opinion Entity, including, without limitation, capital contributions, have been made for reasonably equivalent value and supported by fair consideration; (j) the terms and conditions of any agreements between Seller, on the one hand, and any Opinion Entity, on the other hand, are intrinsically fair and substantially similar to those that would be available on an arm's-length basis and on customary market terms with unaffiliated third parties; (k) Seller is solvent; (1) Seller does not intend to file a voluntary application for relief under the Bankruptcy Code or any similar applicable state law with respect thereto; and (m) the foregoing facts and assumptions are now and (except with respect to subsections (k) and (1)) will remain accurate in all material respects at all relevant times and there are no, and will not be any, facts or circumstances that are materially inconsistent with the foregoing facts and assumptions.

We have further assumed that (i) the Court addressing substantive consolidation would find facts consistent with the assumptions set forth herein; and (ii) SCPPA would timely present an objection to substantive consolidation and properly brief and argue such objection and timely and properly pursue all available appeals from any adverse decision on that issue[8]. We have further assumed that a party opposing substantive consolidation would show that substantive consolidation would harm one or more parties in interest.

In rendering our opinion, we have relied, as to matters of fact, to the extent we deem necessary and proper, on representations and warranties and other statements as to certain factual matters contained in the Opinion Documents. We have made no independent investigation as to

[8] See *Simon v. New Center Hospital* (*In re New Center Hospital*), 187 B.R. 560 (E.D. Mich. 1995); *In re Standard Brands Paint Co.*, 154 B.R. 563 (Bankr. C.D. Cal. 1993) (substantively consolidated five debtors for voting and distribution purposes in the absence of any objection by creditors).

whether the representations and warranties and other statements in the Opinion Documents are accurate or complete.

SUBSTANTIVE CONSOLIDATION

Substantive consolidation is a doctrine of federal bankruptcy law under which bankruptcy courts may, in the exercise of their general equitable powers under section 105(a) of the Bankruptcy Code, consolidate the assets and liabilities of different entities and treat them as one for purposes of the bankruptcy proceeding. *See In re Augie/Restivo Baking Co., Ltd.,* 860 F.2d 515, 518 n.1 (2d Cir. 1988) ("Courts have found the power to consolidate substantively in the court's general equitable powers as set forth in 11 U.S.C. § 105."); *James_Talcott, Inc. v. Wharton (In re Continental Vending Machine Corp.),* 517 F.2d 997, 1000 (2d Cir. 1975) ("The power to consolidate is one arising out of equity..."); *In re Owens Corning,* 419 F.3d 195, 205 (3d Cir. 2005) ("Substantive consolidation, a construct of federal common law, emanates from equity."), *cert. denied,* 126 S.Ct. 1910 (2006). There is no direct statutory authority or prescribed standard for substantive consolidation. *See In re Augie/Restivo,* 860 F.2d at 518; *In re Bonham,* 229 F.3d 750, 765 (9th Cir. 2000); *Lisanti v. Lubetkin (In re Lisanti Foods, Inc.),* 2006 WL 2927619, at *5 (D.N.J. Oct. 11, 2006), *aff'd,* 241 Fed. Appx. 1 (3d Cir. 2007). *But see In re Cyberco Holdings, Inc.,* 431 B.R. 404, 430-31 (Bankr. W.D. Mich. 2010) (concluding that Bankruptcy Code section 542 and, to a lesser extent, Bankruptcy Code section 502(j) serve as the statutory authority for substantive consolidation); *In re Stone & Webster, Inc.,* 286 B.R. 532, 541-43 (Bankr. D. Del. 2002) (holding that section 1123(a)(5)(C) of the Bankruptcy Code authorizes substantive consolidation in a plan of reorganization). Instead, judicially developed standards control whether substantive consolidation should be granted in any given case.

The reported decisions regarding substantive consolidation show that the cases are to a great degree *sui generis* and, as a result, case law is only a general guide to the potential applicability of the doctrine to any particular combination of facts. *See Munford, Inc. v. TOC Retail, Inc. (In re Munford, Inc.),* 115 B.R. 390 (Bankr. N.D. Ga. 1990); 2 Collier on Bankruptcy 11105.09[2] (16th ed. 2011). As several courts have noted, "as to substantive consolidation, precedents are of little value" and, therefore, each analysis must be made "on a case by case basis." *In re Crown Mach. & Welding, Inc.,* 100 B.R. 25, 27-28 (Bankr. D. Mont. 1989); *see also In re Bonham,* 229 F.3d at 765. This *ad hoc* approach taken by the courts has made it impossible to give a definitive guarantee as to whether or not substantive consolidation will be granted or denied by a court exercising its discretionary equitable authority in any given instance.

Legal Principles

The doctrine of substantive consolidation has evolved primarily in cases in which the courts were called upon to determine whether one corporate entity should be substantively consolidated with another corporate entity. However, a relatively few cases have involved the substantive consolidation of a partnership with another entity, and it appears that courts apply similar, if not identical, substantive consolidation analyses in partnership cases as in corporate cases. The relationship between the two entities is of much greater importance than the legal structure of the entities for consolidation purposes. 2 Collier on Bankruptcy ¶ 105.09[1][c]. *See Holywell Corp. v. Bank of New York,* 59 B.R. 340, 347-48 (S.D. Fla. 1986) (affirming order

approving substantive consolidation of corporate and partnership debtors' estates; approved application of corporate substantive consolidation standards), *appeal dismissed*, 820 F.2d 376 (11th Cir. 1987), *remanded on reh'g for dismissal of appeal*, 838 F.2d 1547 (11th Cir. 1988), *cert. denied*, 488 U.S. 823 (1988); *In re R.H.N. Realty Corp.*, 84 B.R. 356, 358 (Bankr. S.D.N.Y. 1988) (substantive consolidation of non-debtor partnership with debtor corporate partner denied); *In re DRW Prop. Co. 82*, 54 B.R. 489 (Bankr. N.D. Tex. 1985) (debtor partnership not substantively consolidated with non-debtor partnerships due to failure to satisfy balancing standard applied in corporate cases); *In re Alpha & Omega Realty, Inc.*, 36 B.R. 416 (Bankr. D. Idaho 1984) (substantive consolidation of non-debtor partnership with debtor corporation denied); *see also In re Bounds*, 112 B.R. 308 (Bankr. E.D. Mo. 1990); *In re Gainesville P-H Props., Inc.*, 106 B.R. 304 (Bankr. M.D. Fla. 1989) (substantive consolidation of partnership and corporate debtors); *In re Parkway Calabasas Ltd.*, 89 B.R. 832 (Bankr. C.D. Cal. 1988), *aff'd*, 949 F.2d 1058 (9th Cir. 1991); *In re N.S. Garrott & Sons*, 48 B.R. 13 (Bankr. E.D. Ark. 1984) (substantive consolidation of partnership debtors denied).

A few other cases have considered the substantive consolidation of a limited liability company with other entities, *see, e.g., In re Cent. European Indus. Dev. Co. LLC*, 288 B.R. 572, 575-76 (Bankr. N.D. Cal. 2003); *In re World Access, Inc.*, 301 B.R. 217 (Bankr. N.D. Ill. 2003), and at least one case has considered the substantive consolidation of various limited liability companies. *See In re Eagle Creek Subdivision, LLC*, 407 B.R. 206, 208 (Bankr. E.D.N.C. 2008). As a result, our analysis is subject to the general assumption that case law regarding substantive consolidation issues involving corporations and other entities is sound authority for resolving consolidation issues arising in the context of a limited liability company. The following analysis, therefore, will discuss the issues considered by courts primarily in the corporate context.

The substantive consolidation of affiliated corporate debtors' estates can have a drastic effect on the rights of shareholders and creditors of the merging entities similar to a corporate merger:

> Substantive consolidation usually results in, *inter alia*, pooling the assets of, and claims against, the two entities; satisfying liabilities from the resultant common fund; eliminating inter-company claims; and combining the creditors of the two companies for purposes of voting on reorganization plans.

In re Augie/Restivo Baking Co., 860 F.2d at 518. See Fed. Deposit Ins. Corp. v. Colonial Realty Co., 966 F.2d 57, 58-59 (2d Cir. 1992).[9]

Courts have recognized that substantive consolidation may often result in a harsh redistribution of value to some creditors at the expense of others and, therefore, the power to do so is an extraordinary remedy that must be exercised sparingly. *See, e.g., In re Owens Corning*, 419 F.3d at 211; *Colonial Realty Co.*, 966 F.2d at 61; *Eastgroup Props. v. Southern Motel Assoc. Ltd.*, 935 F.2d 245, 248 (11th Cir. 1991); *In re Augie/Restivo*, 860 F.2d at 518; *Drabkin v.*

[9] Substantive consolidation is not to be confused with joint administration "in which *inter alia* all docketing and noticing is done in one case file for more than one related case, but the estates and creditor bodies are not merged." *In re Cooper*, 147 B.R. 678, 682 (Bankr. D.N.J. 1992).

Midland-Ross Corp. (In re Auto-Train Corp, Inc.), 810 F.2d 270, 276-77 (D.C. Cir. 1987); *Chem. Bank New York Trust Co. v. Kheel,* 369 F.2d 845, 847 (2d Cir. 1966). *See also Bank of New York Trust Co. v. Official Unsecured Creditors' Comm. (In re Pacific Lumber Co.),* 584 F.3d 229, 249 (5th Cir. 2009); *Wells Fargo Bank of Texas N.A. v. Sommers (In re Amco Ins.),* 444 F.3d 690, 696 n.5 (5th Cir. 2006); *Gandy v. Gandy (In re Gandy),* 299 F.3d 489, 499 (5th Cir. 2002) (substantive consolidation is "an extreme and unusual remedy").

Further, substantive consolidation should not invalidate or modify a validly perfected lien. *See Chem. Bank New York,* 369 F.2d at 847; *In re Tureaud,* 45 B.R. 658, 663 (Bankr. N.D. Okla. 1985), aff'd, 59 B.R. 973 (N.D. Okla. 1986). If consolidation would affect such a lien, consolidation may not be appropriate and should not be ordered unless some alternative protection may be implemented. *See Fed. Deposit Ins. Corp. v. Hogan (In re Gulfco Inv. Corp.),* 593 F.2d 921, 927 (10th Cir. 1979); *James Talcott, Inc. v. Wharton (In re Continental Vending Machine Corp.),* 517 F.2d 997, 1000-02 (2d Cir. 1975), *cert. denied,* 424 U.S. 913 (1976). For example, it would not be appropriate to consolidate a solvent subsidiary into its parent corporation if there are creditors that hold perfected liens on the stock of the subsidiary. *See In re Gulfco,* 593 F.2d at 927.

The burden of proof is initially placed on the parties seeking substantive consolidation. *In re Owens Corning,* 419 F.3d at 212; *In re Silver Falls Petroleum Corp.,* 55 B.R. 495, 498 (Bankr. S.D. Ohio 1985); *see In re Introgen Therapeutics, Inc.,* 429 B.R. 570, 582 (Bankr. W.D. Tex. 2010) (recognizing the evidentiary burden is placed on the proponent of substantive consolidation). As is appropriate due to the severity of the remedy, the "burden of proof for those seeking consolidation is substantial." *N.S. Garrott,* 48 B.R. at 18. The court in *Snider Bros.* required a threshold showing of more than the mere presence of substantive consolidation "elements." *In re Snider Bros., Inc.,* 18 B.R. 230, 238 (Bankr. D. Mass. 1982). If successful on the issue of necessity, the proponents of substantive consolidation must carry the burden of demonstrating that the benefits of consolidation outweigh the prejudice to creditors. *Id.* Finally, creditors objecting to consolidation have the burden of proof on defenses to consolidation, including the question of whether the benefits of consolidation outweigh the harm. *See Id.*

The reported decisions under the Bankruptcy Act, 30 Stat. 544 (1898), and cases decided shortly after the enactment of the Bankruptcy Code relating to substantive consolidation rely principally on the presence or absence of certain "elements" that are identical or similar to factors relevant to "piercing the corporate veil" and "alter ego" theories. *See, e.g., In re Gulfco,* 593 F.2d at 928-29; *In re Food Fair, Inc., 10* B.R. 123 (Bankr. S.D.N.Y. 1981); *In re Vecco Constr. Indus., Inc.,* 4 B.R. 407 (Bankr. E.D. Va. 1980). Although the "instrumentality" or "alter ego" factors are important, if not critical, to a court's decision regarding substantive consolidation, the requirements for substantive consolidation are not identical to those for piercing the corporate veil. First, substantive consolidation is not concerned only with liability limitation issues; second, it may be applied to entities other than a corporation and its stockholder. *Helena Chem. Co. v. Circle Land & Cattle Corp. (In re Circle Land & Cattle Corp.),* 213 B.R. 870, 874-75 (Bankr. D. Kan. 1997); *see also, Colonial Realty Co.,* 966 F.2d at 60-61 (distinguishing the two doctrines); *In re Bonham,* 226 B.R. 56, 76-77 (Bankr. D. Alaska 1998) (discussing the history and use of substantive consolidation), *aff'd,* 229 F.3d 750 (9th Cir. 2000). Further, although the standards for piercing the corporate veil vary from jurisdiction to

jurisdiction, those standards are fairly fixed. For example, in New York the defendant must have dominated the corporation, disregarded its separate existence and used it to perpetrate a fraud or other wrong. *See Rochester Gas & Elec. Corp. v. GPU, Inc.,* 355 Fed. Appx. 547, 549-50 (2d Cir. 2009); *Wm. Passalacqua Builders, Inc. v. Resnick Developers South, Inc.,* 933 F.2d 131, 138 (2d Cir. 1991); *Waterville Inv., Inc. v. Homeland Sec. Network Inc.,* 2010 WL 2695287, at *8 (E.D.N.Y. July 2, 2010); *Morris v. New York State Dept. of Taxation and Fin.,* 82 N.Y.2d 135, 141, 623 N.E.2d 1157, 1160-61, 603 N.Y.S.2d 807, 810-11 (N.Y. 1993). In contrast, the standards for substantive consolidation are very flexible, and there is no specific fraud or intentional tort requirement.

Other cases take such factors into account within the context of a balancing test in which the interests of parties objecting to substantive consolidation are considered. In a balancing test analysis, the impact of consolidation on creditors appears to have been given a greater degree of significance than mere proof of the substantive consolidation "elements." *See, e.g., In re Crown Mach.,* 100 B.R. 25; *In re Steury,* 94 B.R. 553 (Bankr. N.D. Ind. 1988); *In re DRW Prop.,* 54 B.R. 489; *In re Snider Bros.,* 18 B.R. 230. *But cf. In re Gainesville,* 106 B.R. 304 (relying on alter ego factors). The balancing test shifts the focus from the manner in which affiliated debtors conducted business to the effect of substantive consolidation on creditors, and requires a balancing of the benefits derived from consolidation against the harm to some creditors caused thereby. The fundamental premise of the balancing analysis is that the prejudicial impact of the imposition of an equitable remedy must be taken into account. *See Chem. Bank New York,* 369 F.2d at 847.

Finally, in *Augie/Restivo,* the Second Circuit set forth the following alternative tests to determine whether substantive consolidation is warranted: (i) whether creditors dealt with the entities as a single economic unit and did not rely on their separate identities in extending credit or (ii) whether the entities' affairs are so entangled and confused that substantive consolidation will benefit all creditors. *In re Augie/Restivo,* 860 F.2d at 518. The Second Circuit reaffirmed these tests in *Colonial Realty Co.,* 966 F.2d at 61, and the Ninth Circuit and Third Circuit also have adopted the *Augie/Restivo* tests. *See In re Bonham,* 229 F.3d at 766; *In re Owens Corning,* 419 F.3d at 211.

Irrespective of which variant of the standard for substantive consolidation is applied, the "elements" enumerated in several cases remain relevant, but not necessarily dispositive, as to whether substantive consolidation should be granted. Two sets of substantive consolidation elements are often cited. In the cases that use an "alter ego" or "piercing the corporate veil" type analysis, the following factors are cited as relevant to the issue of whether substantive consolidation is justified:

- parent corporation owns all or a majority of the capital stock of the subsidiary;
- parent and subsidiary have common officers and directors;
- parent finances subsidiary;
- parent is responsible for incorporation of subsidiary;

- subsidiary has grossly inadequate capital;
- parent pays salaries, expenses or losses of subsidiary;
- subsidiary has substantially no business except with parent;
- subsidiary has essentially no assets except for those conveyed by parent;
- parent refers to subsidiary as department or division of parent;
- directors or officers of subsidiary do not act in interest of subsidiary, but take directions from parent; and
- formal legal requirements of a subsidiary as a separate and independent corporation are not observed.

In re Tureaud, 45 B.R. at 662 *(citing Fish v. East*, 114 F.2d 177 (10th Cir. 1940) and *Gulfco*, 593 F.2d at 928-29). A second statement of substantive consolidation "elements," which are cited in some of the more recent cases, appears in *Vecco Constr.:*

- the degree of difficulty in segregating and ascertaining individual assets and liabilities;
- the presence or absence of consolidated financial statements;
- the profitability of consolidation at a single physical location;
- the commingling of assets and business functions;
- the unity of interests and ownership between the various corporate entities;
- the existence of parent and intercorporate guarantees on loans; and
- the transfer of assets without formal observance of corporate formalities.

Vecco Constr., 4 B.R. at 410.

A determination as to whether substantive consolidation is or is not appropriate does not necessarily depend upon the presence or absence of some or all of the "elements" outlined above. For example, it is not a foregone conclusion that, if proponents demonstrate that all of the elements of substantive consolidation are present, substantive consolidation should be granted. Conversely, objectors cannot rely solely upon rebutting a majority of the factors to successfully defeat substantive consolidation. One can be expected to find many of the above factors in most bankruptcy cases involving affiliated debtors. For example, stock ownership, interaffiliate transfers, incorporation caused by the parent, common directors and officers, the existence of intercorporate claims, and consolidated financial statements or tax returns are all typical of most affiliated corporations. Accordingly, these relatively common factors should be afforded less

weight than the less common ones when a court is determining whether substantive consolidation is appropriate.

Factors that may be given more weight in determining that substantive consolidation is appropriate include the debtor's failure to comply with corporate formalities in connection with directors' and shareholders' meetings, representations made to third parties regarding corporate entities, interaffiliate transfers and third party transactions and any other formal conduct required by corporate law. Still, the failure to consistently observe corporate formalities is usually not dispositive unless such elements, together with other evidence, support a finding of fraudulent or inequitable conduct by the debtors or their principals. For example, in *In re Tureaud* the court found "an almost total disregard of the corporate fiction; the corporations are a sham -- functionally indistinguishable from each other with commingling of assets and business functions." 45 B.R. at 661. The court also found that directors and officers of the non-debtor affiliates, which were substantively consolidated with the debtor, acted in the interest of the debtor rather than independently. Some of the affiliates failed to file tax returns and others were suspended for failure to make requisite corporate filings. More significant evidence in *In re Tureaud* included the debtors' principal's fraudulent purposes for incorporation ("front to raise money for [principal's personal] purposes, and to hinder and delay judgment creditors"), and "hopeless commingling" of assets and liabilities. Id. at 660.

Decided at almost the same time that the Second Circuit issued its *Augie/Restivo* decision, the D.C. Circuit adopted a two-part "balancing test" in its decision in *In re Auto-Train Corp., Inc.,* 810 F.2d 270 at 276. First, the proponent of consolidation must show there is "a substantial identity between the parties to be consolidated [and] that consolidation is necessary to avoid some harm or realize some benefit." *Id.* at 276 *(citing Flora Mir Candy Corp. v. R.S. Dickson & Co.,* 432 F.2d 1060, 1063 (2d Cir. 1970); *In re Snider Bros., Inc.,* 18 B.R. 230 at 237-38; and *Chem. Bank New York,* 369 F.2d at 847). If the proponent is able to make this case, the burden shifts to the objecting creditor to demonstrate that it "relied on the separate credit of one of the entities and that it will be prejudiced by consolidation." *Id.* at 276 *(citing Chem. Bank New York,* 369 F.2d at 848). Even if the creditor is able to make this showing, the court may still order substantive consolidation if it determines that the benefits of substantive consolidation "heavily" outweigh the harm. *Id.* at 276 *(citing In re Continental Vending Machines Corp.,* 517 F.2d at 1001).

In adopting its balancing test approach to substantive consolidation, the *Auto-Train* court cited to an earlier bankruptcy court decision *In re Snider Bros., Inc.,* 18 B.R. 230. In *Snider Bros.,* the bankruptcy court reviewed a string of Second Circuit decisions identifying grounds for substantive consolidation before applying a balancing test analysis. *Id.* at 234-38 (reviewing *Soviero v. Franklin National Bank,* 328 F.2d 446 (2d Cir. 1964); *Chemical Bank New York,* 369 F.2d 845; *Flora Mir Candy Corp. v. R.S. Dickson & Co.,* 432 F.2d 1060; *In re Continental Vending Machine Corp.,* 517 F.2d 997). The *Snider Bros.* court focused upon objecting creditors' interests instead of "elements" that are largely attributable to the debtors' pre-petition conduct:

> A review of the case law reveals that equity has provided the remedy of consolidation in those instances where it has been shown that the possibility of economic prejudice which would result from continued corporate separateness

> outweighed the minimal prejudice that consolidation would cause. While several courts have recently attempted to delineate what might be called "the elements of consolidation" *[citing Vecco Constr.* and *Food Fair],* I find that the only real criterion is that which I have referred to, namely the economic prejudice of continued debtor separateness versus the economic prejudice of consolidation. *There is no one set of elements which, if established, will mandate consolidation in every instance. Moreover, the fact that corporate formalities may have been ignored, or that different debtors are associated in business in some way, does not by itself lead inevitably to the conclusion that it would be equitable to merge otherwise separate estates.*

In re Snider Bros., 18 B.R. at 234 (emphasis added). The court articulated the following balancing test principles: (1) the proponent must demonstrate a "necessity for consolidation, or a harm to be avoided by use of the equitable remedy of consolidation;" (2) supporting evidence must go beyond a mere showing of commingling or unity of interest and must demonstrate the harm caused thereby or prejudice without consolidation; (3) "elements" are only one factor in the proof of necessity; and (4) even if the proponent can demonstrate the necessity for consolidation, objecting creditors possess the defense that the benefits of consolidation do not counterbalance the harm to the objector. *Id.* at 238.

The balancing test formulated in *Snider Bros.* has been adopted, either expressly *(see In re Steury,* 94 B.R. at 554; *In re Alico Mining, Inc.,* 278 B.R. 586, 588-89 (Bankr. M.D. Fla. 2002); *In re DRW Prop.,* 54 B.R. at 495; *In re Donut Queen, Ltd.,* 41 B.R. 706, 709-10 (Bankr. E.D.N.Y. 1984); *In re F.A. Potts & Co., Inc.,* 23 B.R. 569, 572 (Bankr. E.D. Pa. 1982); *In re Lewellyn,* 26 B.R. 246, 251 (Bankr. S.D. Iowa 1982); *Holywell Corp.,* 59 B.R. at 347), or implicitly *(see In re Luth,* 28 B.R. 564, 567 (Bankr. D. Idaho 1983) *(citing Snider Bros.* test as another "element"); *In re Helms,* 48 B.R. 714, 717 (Bankr. D. Conn. 1985) (balancing interests is another important factor); *In re N.S. Garrott,* 48 B.R. at 18 (adopting *Snider Bros.* principles as important factors); *In re Silver Falls,* 55 B.R. at 498) by a vast majority of courts.

Although the traditional substantive consolidation "elements" are generally still relevant under the more recent case law, the importance of these elements is not settled. *Snider Bros.* and its direct progeny tend to relegate proof of the substantive consolidation "elements" to a secondary role, *i. e.,* in the aggregate, the "elements" may be considered as a single factor in the balancing analysis. *In re Snider Bros.,* 18 B.R. at 234. However, some courts take the opposite approach by treating the conclusion reached under the balancing test as another, albeit important, "element" in the general substantive consolidation "elements" analysis. *See, e.g., In re Luth,* 28 B.R. at 567 *(citing Snider Bros.* test as another "element").

Nevertheless, a review of reported decisions suggests that courts have moved away from a substantive consolidation analysis which primarily relies on a check list of "elements." *See In re Owens Corning,* 419 F.3d at 210-11 (refusing to adopt a set of factors for consideration in substantive consolidation as "[t]oo often the factors in a checklist fail to separate the unimportant from the important, or even to set out a standard to make the attempt."). As noted above, the Second, Third and Ninth Circuits all have adopted a third approach to substantive consolidation, as set forth in *Augie/Restivo,* to ensure that substantive consolidation is permitted

only in "compelling circumstances." *In re Owens Corning*, 419 F.3d at 211; *see also In re Augie/Restivo*, 860 F.2d at 518; *In re Bonham*, 229 F.3d at 766.

The *Augie/Restivo* tests result in (i) the reduction of the traditional "elements" to a single significant factor, financial entanglement, and (ii) the application of the balancing test with emphasis on the reliance of proponents on the consolidated credit of the debtors. Accordingly, in *Augie/Restivo*, the Second Circuit reviewed two "critical factors," namely, "whether creditors dealt with the entities as a single economic unit and 'did not rely on their separate identity in extending credit'… [or] whether the affairs of the debtors are so entangled that consolidation will benefit all creditors." *Augie/Restivo*, 860 F.2d at 518 (citations omitted). The presence of either factor is sufficient to grant substantive consolidation. *Id.* at 518; *In re Bonham*, 229 F.3d at 766. *See also In re 599 Consumer Electronics, Inc.*, 195 B.R. 244, 250 (S.D.N.Y. 1996) ("A finding that creditors knew they were dealing with separate entities does not necessarily preclude substantive consolidation on the ground that it is impossible or prohibitively expensive to unravel the debtors' commingled finances.")

In expanding on the "corporate separateness" prong of the *Augie/Restivo* tests, the Third Circuit held that a *prima facie* case for substantive consolidation exists when, based on the parties' prepetition dealings, a proponent can prove "corporate disregard creating contractual expectations of creditors that they were dealing with debtors as one indistinguishable entity." *In re Owens Corning*, 419 F.3d at 212 (footnote omitted). To this end, proponents of substantive consolidation "must also show that, in their prepetition course of dealing, they actually and reasonably relied on debtors' supposed unity." *Id.* (internal citation omitted). An opponent of consolidation can defeat this *prima facie* showing by proving it is "adversely affected and actually relied on debtors' separate existence." *Id.*

Courts applying the *Augie/Restivo* "entanglement" prong of the test have recognized that substantive consolidation of estates that failed to observe any corporate formalities or whose financial affairs had not been properly segregated may inure to the benefit of all creditors:

> [I]n the rare case such as this, where the interrelationships of the group are hopelessly obscured and the time and expense necessary even to attempt to unscramble them so substantial as to threaten the realization of any net assets for all the creditors, equity is not helpless to reach a rough approximation of justice to some rather than deny any to all.

Chem. Bank New York, 369 F.2d at 847.

However, the degree of entanglement is the central question to be examined, because the potentially prejudicial effect of substantive consolidation is not likely to be justified based on mere contentions of administrative convenience. It is important to note that the courts appear to have established a stringent standard for the degree to which the debtors' affairs need to be obscured by commingled funds or lax corporate form before consolidation is appropriate. In reversing the lower court's substantive consolidation order, the Second Circuit in *Augie/Restivo* held:

> Resort to consolidation in such circumstances [corporate affiliates with commingled assets and business functions], however, should not be Pavlovian.

> Rather, *substantive consolidation should be used only after it has been determined that all creditors will benefit because untangling is either impossible or so costly as to consume the assets…* Commingling, therefore, can justify substantive consolidation *only* where "the time and expense necessary even to attempt to unscramble them [is] so substantial as to threaten the realization of any net assets for all the creditors" . . . or where no accurate identification and allocation of assets is possible. In such circumstances, all creditors are better off with substantive consolidation.

In re Augie/Restivo, 860 F.2d at 519 (emphasis added)(citations omitted). Perfection in identifying and allocating assets is not necessary to avoid substantive consolidation. *See In re Owens Corning*, 419 F.3d at 214 ("Neither the impossibility of perfection in untangling the affairs of the entities nor the likelihood of some inaccuracies in efforts to do so is sufficient to justify consolidation.").

Under the *Augie/Restivo* "entanglement" analysis, poor or nonexistent record keeping of separate assets (particularly cash and other liquid assets) and liabilities and interaffiliate transactions is one of the more common reasons for imposing substantive consolidation. When the combination of affiliates' assets, liabilities and business affairs is so "hopelessly entangled" that segregation is either prohibitively expensive or impossible, courts are more willing to grant substantive consolidation.

In adopting the *Augie/Restivo* tests, the Third Circuit in *Owens Corning* clarified when entanglement justifies substantive consolidation. The Third Circuit held that *every* creditor must benefit from consolidation and, moreover, "the benefit to creditors should be from cost savings that make assets available rather than from the shifting of assets to benefit one group of creditors at the expense of another." 419 F.3d at 214. Benefit to only some creditors or administrative benefit to the court "falls far short" of that necessary to justify substantive consolidation. *Id.*

Regardless of the standard for substantive consolidation used by the courts in any given instance, in all three approaches the courts generally look to identify the presence or absence of the relevant substantive consolidation elements, decide the weight to be attached to such elements and then determine the significance of competing considerations offered by the objecting creditors.

Opinion and Analysis

The following analysis, upon which we base our opinion, is particularly dependent upon the facts as set forth above and the Opinion Documents upon which we have relied. All of the facts and circumstances relating to the Opinion Entities and Seller, including the procedures that the Opinion Entities and Seller follow in conducting their respective businesses, the relationships that are established and maintained between the Opinion Entities, on the one hand, and Seller, on the other hand, and their respective creditors, and the purpose of the operations of the Opinion Entities and Seller must be taken into account. Accordingly, the opinions expressed herein are particularly dependent upon the factual assumptions on which we have relied. Moreover, it is impossible to know the extent to which Seller will observe organizational

formalities in its operations, including the applicable covenants in the PPA. Adherence to such formalities (which we have assumed will be the case) is critical to the opinions expressed herein.

We do not believe a proponent of consolidation could demonstrate that the assets of Seller should be consolidated with those of any Opinion Entity if such Opinion Entity were to become a debtor under the Bankruptcy Code. As stated above, substantive consolidation is a severe remedy and courts will not order consolidation unless it is clearly warranted.

A proponent of consolidation would not likely be able to demonstrate a sufficient identity of interest or commingling of assets or functions to support a valid claim for substantive consolidation of the assets of Seller with the bankruptcy estate of any Opinion Entity. The assets and liabilities of Seller and each Opinion Entity will be ascertainable in bankruptcy or otherwise so as to preclude valid assertions of financial entanglement as support for substantive consolidation under any of the standards discussed above. Although Seller's financial statements may be included in consolidated financial statements that include the Opinion Entities, we note that any such consolidated financial statement shall contain a footnote stating that the assets of Seller will not be available to pay the debts of any consolidated entity nor constitute obligations of the consolidated entity. As stated above, this factor is also given less weight by the courts because it is frequently done by affiliated companies.

Seller is separate and distinct from each Opinion Entity and Seller's financial and business affairs are and will be segregated and readily distinguishable from each Opinion Entity.

Further, Seller (except as noted herein) has strictly observed, and will continue to observe, all other corporate and other statutory formalities, in each case as related to the separateness of Seller. As a result of strict compliance with appropriate formalities and preservation of all indicia of separateness, creditors and third parties should not reasonably rely on assets of Seller to satisfy obligations of any Opinion Entity.

It would be difficult for any third party to persuade a court that substantive consolidation of Seller with any Opinion Entity is warranted under the balancing test approach because of the lack of any actual prejudice to creditors' interests associated with recognition of separate entities. As noted above in *Snider Bros.* and its progeny, the fundamental premise of the balancing analysis is that the prejudicial impact of the imposition of an equitable remedy must be taken into account. We do not think that a bankruptcy court examining the issue would hold that the benefits of consolidating the assets of Seller with the assets of the estate of any Opinion Entity could possibly counterbalance the considerable harm to the objecting creditors of Seller.

This analysis assumes, however, that Seller would not otherwise properly be a debtor in a case under the Bankruptcy Code. As noted in the "FACTS" Section, Seller is a special purpose, "bankruptcy remote" entity, making it less likely that Seller would voluntarily file for bankruptcy in connection with a bankruptcy filing of any Opinion Entity. It should be noted, however, that a voluntary bankruptcy filing by Seller is not inconceivable and the mere fact that a voluntary petition must be authorized by an independent manager is no guarantee that a "bankruptcy remote" entity will not file for bankruptcy protection. *See In re General Growth Properties, Inc.*, 409 B.R. 43 (Bankr. S.D.N.Y. 2009) (upholding the voluntary bankruptcy

filings of "bankruptcy remote" special purpose entities and holding under Delaware law that independent managers could consider the interests of the larger debtor group and indeed had a duty to consider the interests of the company's shareholders). We believe that a court could conceivably, if Seller were a debtor in a bankruptcy case, apply the balancing test discussed above slightly differently. In the event Seller was not at the time a debtor in a bankruptcy proceeding, a court would likely view causing it to become a debtor in a bankruptcy case as a significant harm against which the benefits of consolidation would be weighed; if, however, Seller was already properly in bankruptcy, the harms against which the benefits of consolidation would be weighed would be correspondingly less.

However, even if Seller was in bankruptcy and a request was made for substantive consolidation, there would still be significant factors weighing against such consolidation. Here, SCPPA has entered into the transaction with Seller in principal reliance on the structural separateness of Seller from each Opinion Entity, demonstrated by, among other things, the fact that this non-consolidation opinion is required as part of the transaction. Another element of such reliance is based on the premise that the assets of Seller are subject only to the claims of creditors of Seller and not to the claims of creditors of any Opinion Entity. Thus, SCPPA would be harmed if consolidation were ordered. Under such circumstances, we assume that SCPPA would oppose any motion to consolidate Seller with any Opinion Entity, arguing that such consolidation would prejudice it.

Consequently, considering the drastic prejudice that would be suffered by the creditors of Seller in the event of a consolidation of Seller's assets with the estate of any Opinion Entity, the balance should come out against substantive consolidation, regardless of whether Seller is also a debtor in a case under the Bankruptcy Code.

Further, the absence of several of the substantive consolidation "elements" discussed above suggest that Seller is not an alter ego or instrumentality of any Opinion Entity and, accordingly, favors a denial of substantive consolidation in this case.

A review of those elements considered by courts in the past does not support a finding that substantive consolidation is warranted in this situation. We note that: (i) as of the date hereof, Seller is adequately capitalized; (ii) except as noted above, all corporate formalities have been and will be strictly observed and maintained by Seller in all respects material to separateness; (iii) there have been no transfers of assets to or from Seller without formal observance of appropriate formalities; (iv) there is no evidence that it would be difficult or impossible to segregate the assets, liabilities and business functions of any Opinion Entity from those of Seller, or that there is any commingling of assets and business functions of any Opinion Entity, on the one hand, and Seller, on the other hand; and (v) Seller has its own assets and business operations that are separately identifiable from those of each Opinion Entity. We also note that Seller has not and will not enter into any transaction with any Opinion Entity or any other employment or service agreements, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arm's-length basis and on customary market terms with unaffiliated third parties.

Given that the courts have consistently held that substantive consolidation is an extraordinary remedy that should be sparingly granted and the burden of proof for those seeking

substantive consolidation is substantial, we believe that it is unlikely that a proponent of substantive consolidation would be able to demonstrate the need for consolidation, or a cognizable harm to be avoided by the use of the equitable remedy of substantive consolidation. Our belief is founded on the absence of any credible indication that creditors of any Opinion

Entity or Seller extended credit to any of them on the basis that any Opinion Entity, on the one hand, and Seller, on the other hand, together constitute a single, economic unit.

Based on the foregoing, and subject to the assumptions, limitations, qualifications and discussion contained herein and the reasoned analysis of analogous case law (although there is no precedent directly on point) for the reasons set forth above, while the matter is subject to the exercise of a court's discretionary equitable powers, we are of opinion that, in the event that any Opinion Entity were to become a debtor in a case under the Bankruptcy Code, the court would not order substantive consolidation under the Bankruptcy Code of the assets and liabilities of Seller with those of such Opinion Entity. We note further that the opinions expressed herein are based upon our analysis of cases decided under the laws of various jurisdictions with respect to entities other than limited liability companies and certain of such cases might not be regarded as controlling precedent in any bankruptcy or reorganization proceedings with respect to the matters addressed by this opinion letter. The opinion above is limited to the present law of substantive consolidation as applied by federal courts in cases under the Bankruptcy Code in effect as of the date hereof.

The opinions expressed above are not a guarantee as to what a particular court would actually hold, but an analysis as to legal principles generally applicable in bankruptcies. Judicial analysis has typically proceeded on a case-by-case basis. The determination is usually made on the basis of an analysis of the facts and circumstances of the particular case, rather than as a result of the application of consistently applied legal doctrines. Existing reported decisional authority is therefore not conclusive as to the relative weight to be accorded to the factors present in the transaction and does not provide consistently applied general principles or guidelines with which to analyze all of the factors present in the transaction.

We have assumed that provisions of law under which Seller and each Opinion Entity are organized do not materially impact conclusions set forth herein.

We are members of the bar of the State of New York, and we do not express any opinion as to any laws other than the laws of the State of New York and the Federal laws of the United States of America.

The opinions set forth herein are expressly subject to there being no additional facts, other than those referenced or set forth herein, that would materially affect the validity of the assumptions and conclusions set forth herein or upon which this opinion is based.

This opinion is rendered to SCPPA, and it may not be relied upon by any other person or for any other purpose, without our prior written consent. This opinion may be relied upon solely as of the date hereof, and we undertake no obligation to update or supplement this opinion after the date hereof for any addressee or any other person. This opinion letter is not intended to

be employed in any transaction other than the PPA becoming effective, and is being delivered to you on the understanding that neither it nor its contents may be relied upon by any other person or for any other purpose or used, circulated, quoted, published, communicated or otherwise made available, in whole or in part, to any other party or entity without, in each instance, our specific prior written consent; provided, that it may be provided to any governmental regulatory authority having jurisdiction over you and to rating agencies, auditors, regulators or government agencies or pursuant to court order.

Very truly yours,

_____

APPENDIX J
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

REAL PROPERTY AGREEMENTS

APPENDIX K
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

[RESERVED]

APPENDIX L
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

FORM OF CASH ESCROW AGREEMENT

ESCROW AGREEMENT

Pursuant to this Escrow Agreement, dated _____, [XXXX] (the "Depositor") hereby establishes an Escrow Account (the "Account") with U.S. Bank National Association (the "Agent"), to be maintained and administered for the benefit of Southern California Public Power Authority (the "Beneficiary") as described in Schedule II attached hereto in accordance with the following terms and conditions:

This Agreement is the Escrow Agreement that was contemplated in that certain Power Purchase Agreement dated as of [DATE] by and between the Depositor and the Beneficiary. The funds and/or property described on Schedule I attached hereto and incorporated herein will be deposited in the Account upon delivery thereof to the Agent in the manner and at the time(s) specified in Schedule I. The Agent is hereby authorized and directed by the Depositor, as its escrow agent, to hold, deal with and dispose of all amounts deposited in the Account by Depositor, as well as any investment or interest income thereon (collectively the "Account Funds"), as provided in the Instructions set forth in Schedule II attached hereto and incorporated herein; subject, however, to the terms and conditions set forth below, which in all events, shall govern and control over any contrary or inconsistent provisions contained in Schedules I or II attached hereto.

1. **Agent's Duties.** Agent's duties and responsibilities shall be limited to those expressly set forth in this Agreement, and Agent shall not be subject to, or obliged to recognize, any other agreement between any or all of the parties or any other persons even though reference thereto may be made herein; *provided, however,* this Agreement may be amended at any time or times by an instrument in writing signed by all the parties hereto. Agent shall not be subject to or obligated to recognize any notice, direction or instruction of any or all of the parties hereto or of any other person, except as expressly provided for and authorized in Schedule II, and in performing any duties under this Agreement, Agent shall not be liable to any party for consequential damages (including, without limitation, lost profits), losses, or expenses, except for gross negligence or willful misconduct on the part of the Agent.

2. **Court Orders or Process.** If any controversy arises between the parties to this Agreement, or with any other party, concerning the subject matter of this Agreement, or its terms or conditions, Agent will not be required to determine the controversy or to take any action

regarding it. Agent may hold all documents and funds and may wait for settlement of any such controversy by final appropriate legal proceedings or other means as, in Agent's discretion, Agent may require, despite what may be set forth elsewhere in this Agreement. In such event, Agent will not be liable for interest or damages. Agent is authorized, in its sole discretion, to comply with orders issued or process entered by any court with respect to the Account, the Account Funds or this Agreement, without determination by the Agent of such court's jurisdiction in the matter. If any Account Funds are at any time attached, garnished, or levied upon under any court order, or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by any court affecting such property or any part thereof, then in any of such events Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree which it is advised by legal counsel of its own choosing is binding upon it; and if Agent complies with any such order writ, judgment or decree, it shall not be liable to the Depositor or to any other person, firm or corporation by reason of such compliance even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated.

3. **Agent's Actions and Reliance.** Agent shall not be personally liable for any act taken or omitted by it hereunder if taken or omitted by it in good faith and in the exercise of its own best judgment. Agent shall also be fully protected in relying upon any written notice, instruction, direction, certificate or document which in good faith it believes to be genuine, including written instructions from Depositor or Beneficiary in the form of the attached Schedule(s), if any.

4. **Collections.** Agent shall proceed as soon as practicable to collect any checks, interest due, matured principal or other collection items with respect to Account Funds at any time deposited in the Account. All such collections shall be subject to the usual collection procedures regarding items received by Agent for deposit or collection. Agent shall not be responsible for any collections with respect to Account Funds if Agent is not registered as record owner thereof or otherwise is not entitled to request or receive payment thereof as a matter of legal or contractual right. All collection payments or receipts shall be deposited to the Account. Agent shall not be required or have a duty to notify anyone of any payment or maturity under the terms of any instrument, security or obligation deposited in the Account, nor to take any legal action to enforce payment of any check, instrument or other security deposited in the Account.

5. **Agent Responsibility.** Agent shall not be responsible or liable for the sufficiency or accuracy of the form, execution, validity or genuineness of documents, instruments or securities now or hereafter deposited in the Account, or of any endorsement thereon, or for any lack of endorsement thereon, or for any description therein. Agent may maintain all Account Funds in a Federal Reserve Bank or in any registered clearing agency as Agent may select, and may register such deposited funds in the name of Agent or its agent or nominee on the records of such Federal Reserve Bank or such registered clearing agency or a nominee of either. Agent shall not be responsible or liable in any respect on account of the identity, authority or rights of the persons executing or delivering or purporting to execute or deliver any such document, security or endorsement or this Agreement.

6. **Investments.** All Account Funds shall be invested by Agent in the (i) direct obligations of the United States, or of any agency of the United States, or obligations guaranteed as to principal and interest by the United States or any agency of the United States, maturing not more than 90 days from the date of acquisition, (ii) money market mutual funds investing solely in obligations maturing within 365 days, including funds for which the [Bank] or an affiliate provides investment advice or other services, or (iii) certificates of deposit issued by a United States commercial bank or a foreign bank with a United States branch, which United States commercial bank or United States branch has at the applicable time a Credit Rating of (a) A- or better from Standard & Poor's Rating Services and (b) "A3" or better from Moody's Investors Service, Inc. So long as the funds and/or property available to the Beneficiary hereunder are not diminished, accrued interest shall be distributed to the Depositor on an annual basis. All entities entitled to receive interest from the Account will provide Agent with a W-9 or W-8 IRS tax form prior to the disbursement of interest. A statement of citizenship will be provided if requested by Agent. The Agent shall not be liable for losses, penalties or charges incurred upon any sale or purchase of any such investment.

7. **Notices/Directions to Agent.** Notices and directions to Agent from Depositor or Beneficiary, as expressly set forth in Schedule II, shall be in writing and signed by an authorized representative as identified pursuant to Schedules III and IV (each, an "Authorized Representative"), and shall not be deemed to be given until actually received by Agent's employee or officer who administers the Account. Agent shall not be responsible or liable for the authenticity or accuracy of notices or directions properly given hereunder if the written form and execution thereof on its face purports to satisfy the requirements applicable thereto as set forth in Schedule II, as determined by Agent in good faith without additional confirmation or investigation.

8. **Books and Records.** Agent shall maintain books and records regarding its administration of the Account, and the deposit, investment, collections and disbursement or transfer of Account Funds, shall retain copies of all written notices and directions sent or received by it in the performance of its duties hereunder and shall afford the Depositor and Beneficiary periodic statements for the Account and reasonable electronic access to it.

9. **Disputes Among Depositor and Third Parties.** In the event Agent is notified of any dispute, disagreement or legal action between or among the Depositor and any third parties, relating to or arising in connection with the Account, the Account Funds or the performance of the Agent's duties under this Agreement, the Agent shall be authorized and entitled, subject to Section 2 hereof, to suspend further performance hereunder, to retain and hold the Account Funds and take no further action with respect thereto until the matter has been fully resolved, as evidenced by written notification signed by the Depositor and any other parties to such dispute, disagreement or legal action.

10. **Notice by Agent.** Any notices which Agent is required or desires to give hereunder to the Depositor or Beneficiary shall be in writing and may be given by sending the same to the address indicated in Schedule II for the Depositor or Beneficiary (or to such other address as may have been substituted by written notification to Agent), by United States certified or registered mail, overnight courier service or confirmed facsimile transmission. Any notice sent by Agent to

Depositor must also be sent to Beneficiary. Whenever under the terms hereof the time for Agent's giving a notice or performing an act falls upon a Saturday, Sunday or banking holiday, such time shall be extended to the next business day.

11. **Legal Counsel.** If Agent believes it to be reasonably necessary to consult with counsel concerning any of its duties in connection with the Account or this Agreement, or in case Agent becomes involved in litigation on account of being escrow agent hereunder or on account of having received property subject hereto, then, in either case, its costs, expenses and reasonable attorney's fees shall be paid by Depositor.

12. **Agent Compensation.** Agent shall be paid a fee for its services as set forth on Schedule V attached hereto and incorporated herein, which shall be subject to increase upon notice sent to Depositor, and reimbursed for its reasonable costs and expenses incurred. The Depositor shall pay and reimburse Agent's fees and reasonable costs and expenses. The Depositor and its successors and assigns agree to indemnify and hold Agent harmless against any and all losses, claims, damages, liabilities and expenses, including reasonable costs of investigation, counsel fees, including allocated costs of in-house counsel, and disbursements that may be imposed on Agent or incurred by Agent in connection with the performance of its duties under this Agreement, including but not limited to any litigation arising from this Agreement or involving its subject matter.

13. **Agent Resignation.** Agent may resign by giving at least forty-five (45) days' advance written notice of its resignation to the Depositor and the Beneficiary. Within forty-five (45) days after receiving the aforesaid notice, the Depositor and the Beneficiary agree to appoint a successor escrow agent, to which Agent shall transfer the Account Funds then held in the Account, less its unpaid fees, costs and expenses. If a successor escrow agent has not been appointed and has not accepted such appointment by the end of the 45-day period, Agent may apply to a court of competent jurisdiction for the appointment of a successor escrow agent, and the costs, expenses and reasonable attorney's fees which Agent incurs in connection with such a proceeding shall be paid by Depositor.

14. **Escrow Termination.** Unless previously terminated as provided in Schedule II, this Agreement shall terminate on [DATE] at which time the Account Funds then held in the Account, less Agent's unpaid fees, costs and expenses, shall be distributed as provided in Schedule II.

15. **Governing Law.** This Agreement shall be construed, interpreted, enforced, and administered in accordance with the laws of the State of California, without regard to conflict of law principles. All litigation arising out of, or relating to, this Agreement shall be brought in a state or federal court in the County of Los Angeles in the State of California. The Depositor and the Agent irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

16. **Automatic Succession.** Any company into which the Agent may be merged or with which it may be consolidated, or any company to whom Agent may transfer a substantial amount of its escrow business, shall be the successor to the Agent without the execution or filing of any paper

or any further act on the part of any of the parties, anything herein to the contrary notwithstanding.

17. **Brokerage Confirmations.** The Depositor and the Beneficiary acknowledge that, to the extent regulations of the Comptroller of Currency or other applicable regulatory entity grant a right to receive brokerage confirmations of security transactions of the escrow, the Depositor and the Beneficiary waive receipt of such confirmations, to the extent permitted by law. The Agent shall furnish a statement of security transactions on its regular monthly reports.

18. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

19. **Assignment, Binding Effect.** No party shall assign any of its rights or obligations under this Agreement without obtaining the prior written consent of the other parties to this Agreement. Subject to the foregoing, all the provisions of this Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the parties to this Agreement and their respective successors and assigns. Any purported assignment in violation of this provision shall be null and void and of no force or effect.

20. **Further Assurances.** Each party shall execute and deliver such additional documents or take such additional actions if such requested document or action is reasonably necessary to effect the transactions described in this Agreement.

21. **Miscellaneous.** This Agreement represents the complete and final agreement among the Depositor, the Agent and the Beneficiary and supersedes all prior agreements, written or oral, on the subject matter hereof and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of such parties. There are no unwritten oral agreements between or among the Depositor, the Agent and the Beneficiary. Time is of the essence for the performance of each of the terms and provisions of this Agreement.

The undersigned Agent hereby agrees to hold, manage and dispose of the Account Funds at any time deposited to the Account in accordance with the foregoing Agreement.

[signature page follows]

IN WITNESS WHEREOF, the undersigned have affixed their signatures and hereby adopt as part of this instrument Schedules I through V which are incorporated by reference.

DEPOSITOR:

_____	_____
By: _____	By: _____
Its: _____	Its: _____

BENEFICIARY:

_____

By: _____

Its: _____

AGENT:_____

By:_____

Its:_____

SCHEDULE I

DEPOSITS:

Deposits will be the following:

1. An initial deposit in the amount of [xxx] Dollars United States Currency ($xxx.xx) (the "Escrow Deposit") to be delivered by the Depositor [on/before specified date, if any]. Depositor shall restore the Account to [$xxx.xx] after any drawing on the account by the Beneficiary, within seven days after notice by the Beneficiary of such drawing, up to a maximum aggregate deposit obligation (including the initial deposit) of [xxx] Dollars ($xxx.xx).

SCHEDULE II

INSTRUCTIONS OF DEPOSITOR

1. All amounts deposited in the Account by Depositor, as well as any investment or interest income thereon (collectively the "Account Funds"), shall be invested during the term of this Escrow Agreement as set forth in Section 6 above.

2. Funds to be deposited into the Account shall be delivered by wire over the Federal Funds Wire System as follows:

U.S. National Bank Association
ABA # 091000022
U.S. Bank Trust N.A.
Account #[ ]
Remark: [Escrow Deposit pursuant to the Escrow Agreement dated xxx with XXXX]

3. Any notices to be delivered shall be in writing and shall be sent by United States certified or registered mail, overnight courier service or confirmed facsimile transmission. For all purposes hereof, any notice so sent shall be effectual as though served upon the person to whom it was sent at the time of confirmation by confirmed facsimile, the business day following the time it was sent by overnight courier service or three business days following the day it was sent by certified or registered mail.

The address and facsimile for the Agent are as follows, unless updated by the Agent at any time in writing:

U.S. National Bank Association
60 Livingston Avenue
St. Paul, MN 55107-2292
Attn: [ ]
Phone: [ ]
Fax: [ ]

With a fax copy to:
Linda McConkey
Fax: 503-275-5738

The address and facsimile for the Beneficiary are as follows, unless updated by the Beneficiary at any time in writing:

Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740

The address and facsimile for the Depositor are as follows, unless updated by the Depositor at any time in writing:

[XXXX]

4. Agent shall hold the Account Funds and shall dispose of them only in accordance with the following provisions:

a) Agent shall deliver the Account Funds to the Depositor upon receipt of a written certification by the Beneficiary's Chief Financial Officer or his designee that the obligations of the Depositor under the [agreement dated xxxx] have been satisfied in full.

b) Agent shall deliver the Account Funds to the Depositor or the Beneficiary as designated by an instruction letter jointly executed by both the Depositor and the Beneficiary; *provided, however,* that if Agent delivers any notice of resignation pursuant to Section 13 within the period specified in such instruction letter for delivery of Account Funds, Agent shall deliver such funds on the date of such resignation notice.

c) Agent shall deliver the requested portion of the Account Funds to the Beneficiary by wire transfer within three (3) business days of the receipt by the Agent of a written, notarized certification in the form attached as Exhibit A hereto by a Beneficiary Authorized Representative; *provided, however,* that if Agent delivers any notice of resignation pursuant to Section 13 within such three (3) business day period, Agent shall deliver such funds on the date of such resignation notice.

d) In the event the Agent has resigned pursuant to Section 13 of this Agreement, the Agent shall transfer the Account Funds to any successor agent appointed pursuant to Section 13.

5. This Agreement shall terminate upon the delivery of all the Account Funds in the manner provided by Section 4 of this Schedule II, or upon written agreement by all parties to this Agreement. Upon such termination of this Agreement, all undelivered Account Funds shall be returned to the Depositor in accordance with the wiring instructions to be provided by the Depositor, and the Agent shall be relieved of its duties hereunder without any liability thereafter to any party whatsoever.

EXHIBIT A TO SCHEDULE II

U.S. Bank National Association
60 Livingston Avenue
St. Paul, MN 55107-2292
Attn: [ ]
Phone:
Fax:

Dear Sir or Madam:

This letter is a request for disbursement to Beneficiary in the amount of $____ on deposit in the escrow account [#] maintained as specified in Schedule II of that certain Escrow Agreement dated [, 20__] between [XXXX], U.S. Bank National Association, and Beneficiary. The undersigned certifies that we are entitled to these funds because [XXXX] is in default of its obligations under that certain [agreement dated xxxx] due to the following reason(s):

You are hereby instructed to deliver the funds by federal funds wire in accordance with the wire instructions below:

[insert wiring instructions]

Sincerely,

Beneficiary Authorized Representative

Name:
Title:

Subscribed and sworn to be before me this ____ day of _____, 20__.

_____
Notary Public

My Commission Expires:_____

SCHEDULE III

DEPOSITOR AUTHORIZED REPRESENTATIVES

Each of the following individuals is designated as a "Depositor Authorized Representative," and is authorized to act on behalf of the Depositor under this Agreement. The Depositor may add, change or delete such Authorized Representative upon written and notarized notice to the Agent.

Depositor Authorized Representatives:

Specimen Signature: _____

Name/Title: _____

Specimen Signature: _____

Name/Title: _____

Subscribed and sworn to be before me this ____ day of _____, 20__.

_____
Notary Public

My Commission Expires:_____

SCHEDULE IV

BENEFICIARY AUTHORIZED REPRESENTATIVES

Each of the following individuals is designated as a "Beneficiary Authorized Representative," and is authorized to act on behalf of the Beneficiary under this Agreement. The Beneficiary may add, change or delete such Authorized Representative upon written and notarized notice to the Agent.

Beneficiary Authorized Representatives:

Specimen Signature: _____

Name/Title: _____

Specimen Signature: _____

Name/Title: _____

Subscribed and sworn to be before me this ____ day of _____, 20__.

_____
Notary Public

My Commission Expires:_____

SCHEDULE V

SCHEDULE OF FEES FOR SERVICES AS ESCROW AGENT

FOR _____
BILLED ANNUALLY

01010	**Acceptance Fee** The acceptance fee includes the administrative review of documents, initial set-up of the account, and other reasonably required services up to and including the closing. This is a one-time fee, payable at closing. _____ reserves the right to refer any or all escrow documents for legal review before execution. Legal fees (billed on an hourly basis) and expenses for this service will be billed to, and paid by, the customer. If appropriate and upon request by the customer, _____ will provide advance estimates of these legal fees.	TBD
04460	**Escrow Agent** Annual administration fee for performance of the routine duties of the escrow agent associated with the management of the account. Administration fees are payable in advance.	TBD

Direct Out of Pocket Expenses

Reimbursement of expenses associated with the performance of our duties, including but not limited to publications, legal counsel after the initial close, travel expenses and filing fees.	At Cost

Extraordinary Services

Extraordinary services are duties or responsibilities of an unusual nature, including termination, but not provided for in the governing documents or otherwise set forth in this schedule. A reasonable charge will be assessed based on the nature of the service and the responsibility involved. At our option, these charges will be billed at a flat fee or at our hourly rate then in effect.

Dated: _____

APPENDIX M
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

COMMERCIAL OPERATIONS

[Appendix M and Appendix M-1 subject to further review and comment of Buyer.]

In accordance with the terms of that certain Power Purchase Agreement dated as of _____, 201_ ("***Agreement***") by and between Southern California Public Power Authority ("***Buyer***") and Star Peak Geothermal LLC ("***Seller***"), in order to determine achievement of Commercial Operation of the Facility, Seller shall demonstrate to Buyer that the Facility is operating and able to produce and deliver Facility Energy to Buyer in accordance with the terms of the Agreement by delivery of a Certificate of Commercial Operation (the "***Certificate***"), signed by an authorized representative of Seller as to all of the items below, and which shall include a certificate in the form attached hereto of an Independent Engineer, licensed in the State of California, regarding the Facility's ability to deliver Facility Energy and confirming the items set forth therein. Any term used but not defined in the Certificate shall have the meaning set forth in the Agreement. The Certificate shall be submitted by Seller, along with reasonable documentation as may be requested by Buyer, and certify as to the following:

(a) Construction of the Facility has been completed in accordance with the terms and conditions of this Agreement, and the Facility possesses all the characteristics, and satisfies all of the requirements, set forth for the Facility in this Agreement;

(b) The Facility has successfully completed all testing required by Prudent Utility Practices or any Requirement of Law to be completed prior to full commercial operations;

(c) Seller has delivered to Buyer a certificate of an Independent Engineer in the form attached hereto as Appendix M-1;

(d) Seller has obtained all Permits required for the construction, operation and maintenance of the Facility in accordance with this Agreement (including those identified in Appendix B) except for those expected in the ordinary course of business, and all such Permits are final and non-appealable;

(e) The Facility is both authorized and able to operate and deliver Energy at full capacity in accordance with Prudent Utility Practices, the requirements of this Agreement and all Requirements of Law; provided that the Facility need not be CEC Certified as a condition to achieving Commercial Operation;

(f) Seller has obtained Insurance coverage for the Facility as required by Appendix F;

(g) Seller has executed and provided to Buyer the Performance Security;

(h) If applicable to Seller and the Facility, Buyer has received Seller's proof of registration with NERC for all applicable Function Types in the NERC Compliance Registry in accordance with the currently effective NERC Rules of Procedure, including Seller's registration as both Generator Owner and Generator Operator;

(i) If applicable to Seller and the Facility, Buyer has received Seller's mapping of NERC registered Function Types in accordance with the currently effective WECC Entity Function Mapping Procedures;

(j) Seller has caused Geologica, or another qualified geothermal energy consultant satisfactory to Buyer in its reasonable discretion, to furnish to Buyer its opinion stating, with a confidence level of at least ninety (90%) percent, that the geothermal production wells of the Facility are capable of supporting operation of the Facility on a sustained basis for the delivery of Facility Energy to the Facility's Point of Delivery at the rate of at least 12.5 MW declining yearly by not more than one half percent (0.5%) for the duration if the Delivery Term; and

(k) Buyer's Authorized Representative has received and approved, in his or her reasonable discretion, Seller's Quality Assurance Program found in Appendix G.

APPENDIX M-1
FORM OF CERTIFICATE OF INDEPENDENT ENGINEER

In accordance with the terms of that certain Power Purchase Agreement dated as of _____, 20__ ("***Agreement***") by and between Southern California Public Power Authority ("***Buyer***") and Star Peak Geothermal LLC ("***Seller***"), in order determine achievement of Commercial Operation of the Facility, I, _____, an Independent Engineer, licensed in the State of California, certify the following regarding the Facility's ability to deliver Delivered Energy:

1. Construction of the Facility has been completed in accordance with the terms and conditions of this Agreement, and the Facility possesses all the characteristics, and satisfies all of the requirements, set forth for the Facility in this Agreement;

2. Seller's Facility is complete, functional, and capable of delivering an as-available product.

3. Copies of any documentation provided by the manufacturer of the major equipment of the Facility that such equipment has been manufactured in accordance with such manufacturer's specifications have been delivered to Buyer.

4. The Facility, as applicable, is operational and interconnected with the Point of Delivery and capable of delivering the Delivered Energy.

5. The Facility has successfully completed all testing required by Prudent Utility Practices or any Requirement of Law to be completed prior to full commercial operations, including operating the Facility for a period of (i) at least **[5]** consecutive hours at a delivery rate of at least 12.5 MW (net of providing the full requirements for Parasitic Load and other electrical losses occurring prior to the Point of Delivery) and (ii) at least **[5]** consecutive days and delivering Facility Energy during such period to the Point of Delivery equal to at least **[1500]** MWh (net of providing the full requirements for Parasitic Load and other electrical losses occurring prior to the Point of Delivery), in each case, as measured by the Electric Metering Devices, as adjusted to reflect nominal resource temperature and flow rates and other environmental conditions.

Signed,

_____

Name:
Title:
Date:

APPENDIX N
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

ORGANIZATIONAL STRUCTURE AND OWNERSHIP
OF SELLER AND PARENT ENTITIES

APPENDIX O
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

METEOROLOGICAL AND PYRANOMETER MEASUREMENTS

Monitored Meteorological Data Points:

1. Ambient air temperature

2. Relative humidity

3. Barometric pressure

APPENDIX P
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

FORM OF QUARTERLY CERTIFICATE

QUARTERLY CERTIFICATE

THE UNDERSIGNED HEREBY CERTIFIES THAT:

(1) I am the duly elected [Officer's title] of Star Peak Geothermal LLC, a Nevada limited liability company ("**Seller**");

(2) I have reviewed the terms of that certain Power Purchase Agreement dated as of [Power Purchase Agreement Date], as amended, supplemented or otherwise modified to the date hereof (said Power Purchase Agreement, as so amended, supplemented or otherwise modified, being the "**Power Purchase Agreement**", the terms defined therein and not otherwise defined in this Certificate (including Attachment No. 1 annexed hereto and made a part hereof) being used in this Certificate as therein defined), by and between Seller and Southern California Public Power Authority, and the terms of the other Ancillary Documents, and I have made, or have caused to be made under my supervision, a review in reasonable detail of the transactions and condition of Seller and Seller Parties during the accounting period covered by the attached financial statements; and

(3) the representations and warranties of Seller set forth in the Power Purchase Agreement remain true and correct as of the date hereof, and Seller is in compliance with all terms of the Power Purchase Agreement in all material respects;

(4) The examination described in paragraph (2) above did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes a Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate or that, after notice or with the passage of time or both, would constitute a Default during or at the end of such period[, except as set forth below];

[Set forth below are all exceptions to paragraph (3) above listing, in detail, the nature of the condition or event, the period during which it has existed and the action which Seller has taken, is taking or proposes to take with respect to each such condition or event:

_____].

The foregoing certifications, together with the computations set forth in Attachment No. 1 annexed hereto and made a part hereof and the financial statements delivered with this Certificate in support hereof, are made and delivered this [_____] day of [_____, ____] pursuant to the Power Purchase Agreement.

[Seller Name]

By: _____
Title: _____

ATTACHMENT NO. 1
TO QUARTERLY CERTIFICATE

This Attachment No. 1 is attached to and made a part of a Quarterly Certificate dated as of [_____, ____] and pertains to the period from [_____, ____] to [_____, ____].

A. Facility Debt:

1. Principal of and premium on indebtedness: $ [_____]

2. Fees, charges, expenses and penalties related to indebtedness: $ [_____]

3. Amounts due upon acceleration or in connection with prepayment or restructuring of indebtedness: $ [_____]

4. Swap or interest rate hedging breakage costs: $ [_____]

5. Any claims or interest due with respect to any of the foregoing: $ [_____]

6. Other payment obligations of Seller in connection with borrowed money:

   $ [_____]

7. Total Facility Debt (Add A.1-6): $ [_____]

B. Facility Cost:

1. Cost of all labor, services, materials, supplies, equipment, tools, transportation, supervision, storage, training, demolition, site preparation, civil works, and remediation in connection with the development, design, engineering, equipping, procuring, constructing, installing, starting up and testing the Facility: $ [_____]

2. Cost of acquiring the leasehold interest and any other property, easement or other interest in the Site: $ [_____]

3. Cost of acquiring the Permits for the Facility: $ [_____]

4. Cost of establishing a spare parts inventory for the Facility: $ [_____]

5. Other costs and expenses incurred by Seller for the development, design, engineering, equipping, procuring, constructing, installing, starting up and testing the Facility: $ [_____]

6. Total Facility Cost (Add B.1-5): $ [_____]

C. Facility Debt to Facility Cost Ratio:

1. **Facility Debt (A.8 above): $ [_____]**
2. **Facility Cost (B.6 above): $ [_____]**
3. **Facility Debt to Facility Cost Ratio: C(1):(2): [___]:1.00**
4. **Maximum Facility Debt to Facility Cost Ratio permitted: 70%**

APPENDIX Q
ENERGY GENERATION AND PRODUCTION

EXPECTED MONTHLY GENERATION AND GUARANTEED MONTHLY DELIVERED ENERGY

Contract Month	Expected Monthly Generation	Guaranteed Monthly Delivered Energy
January	9,553	8598
February	8,341	7507
March	8,945	8051
April	8,416	7574
May	8,262	7436
June	7,324	6592
July	7,118	6406
August	7,327	6594
September	7,646	6881
October	8,631	7768
November	8,894	8005
December	9,543	8589
ANNUAL TOTAL	**100,000**	**90,001**

APPENDIX R
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

SINGLE-LINE DIAGRAM

APPENDIX S
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

METERING DIAGRAM

APPENDIX T
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

POINT OF METERING DIAGRAM

APPENDIX U
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

[RESERVED]

APPENDIX V
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

FORM OF MONTHLY REPORT

APPENDIX W
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

FORM OF CONSENT TO COLLATERAL ASSIGNMENT

APPENDIX X
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

LIST OF ANCILLARY DOCUMENTS

As of the Effective Date, none.

APPENDIX Y
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
and
STAR PEAK GEOTHERMAL LLC

SPECIFIED REAL PROPERTY

[Seller to complete.]

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EXECUTION COPY

STAR PEAK GEOTHERMAL ENERGY PROJECT

POWER SALES AGREEMENT
BETWEEN

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

AND

THE CITY OF GLENDALE

DATED AS OF FEBRUARY 20, 2020

TABLE OF CONTENTS

Page

1. PARTIES 1

2. RECITALS, CONSTRUCTION AND PRELIMINARY MATTERS 1

3. AGREEMENT 2

4. DEFINITIONS 2

4.1 Effective Date 2
4.2 Total Power Costs 3
4.3 Monthly Costs 4

5. PURCHASE AND SALE OF FACILITY OUTPUT AND THE OBLIGATIONS OF SCPPA AND THE PURCHASER 4

5.1 Purchase and Sale of Participant Facility Output Share 4
5.2 Facility Output and Deliverables 4
5.3 Adoption of Annual Budget 5
5.4 Reports 5
5.5 Records and Accounts 5
5.6 Provide Information 6
5.7 Consultants and Advisors Available 6
5.8 Liquidated Damages 6

6. PROJECT MANAGEMENT 6

6.1 Project Management 6
6.2 Project Manager Responsibilities 6
6.3 Management Decisions and the Role of Board of Directors 6
6.4 Periodic Audits 7
6.5 Additional Committees 7
6.6 Costs of Consultants 8

7. CHARGES AND BILLINGS 8

7.1 Monthly Costs 8
7.2 Billing Statement 8
7.3 Adoption of Alternative Billing Statement Procedures 8
7.4 Disputed Monthly Billing Statement 9
7.5 Reconciliation of Monthly Costs 9
7.6 Other or Additional Cost Reconciliation Mechanisms 9
7.7 Prepayment of Monthly Costs 9

8. UNCONDITIONAL PAYMENT OBLIGATIONS; RATE COVENANT; AUTHORIZATIONS; CONFLICTS; LITIGATION 10

8.1 Unconditional Payment Obligation 10
8.2 Source of Payments 10
8.3 Rate Covenant 10
8.4 Authorizations 10
8.5 Conflicts 10
8.6 Litigation 11

TABLE OF CONTENTS
(continued)

Page

9. OTHER TERMS AND SERVICES 11
9.1 Delivery Procedures 11
9.2 Other Services and Transmission from Point of Delivery 11
9.3 Energy Services 11
9.4 Balancing Agent and Dynamic Scheduling 11
9.5 Transfer of Environmental Attributes to Purchaser 12

10. PROJECT SPECIFIC MATTERS AND PURCHASER RIGHTS AND OBLIGATIONS UNDER PROJECT AGREEMENTS 12
10.1 Rights and Obligations under the Project Agreements 12

11. NONPERFORMANCE AND PAYMENT DEFAULT 12
11.1 Nonperformance by Purchaser 12
11.2 Notice of Payment Default 13
11.3 Cured Payment Default 13
11.4 Failure to Cure Payment Default 13
11.5 Treatment of the Defaulting Purchaser's Project Rights and Obligations upon its Payment Default 13
11.6 Elimination or Reduction of Payment Obligations 14
11.7 Use of Reserve Funds 14

12. CHARACTER, CONTINUITY OF SERVICE 14
12.1 Outages, Interruptions and Curtailment of Energy Deliveries 14
12.2 Uncontrollable Forces 14

13. LIABILITY 15
13.1 No Liability of SCPPA, Directors, Officers, Etc. 15
13.2 Extent of Exculpation; Enforcement of Rights 15
13.3 No Relief from Insurer's Obligations 15
13.4 SCPPA Directors, Officers, Employees, Agents Not Individually Liable; No General Liability of SCPPA 15

14. RESTRICTIONS ON DISPOSITION 16
14.1 Assignment 16
14.2 Restrictions on Elimination of Payment Obligations 16
14.3 Restrictions on Disposition of Purchaser's Entire System 16
14.4 Successors and Assigns 16

15. EFFECTIVE DATE, TERM AND EXPIRATION 16
15.1 Effective Date; Execution in Counterparts 16
15.2 Termination Conditions 17
15.3 Expiration 17
15.4 Termination of Agreement before Expiration Date 17
15.5 Final Distribution of Reserve Funds 17

16. SEVERABILITY 17

17. REPRESENTATION AND GOVERNING LAW 17

18. ARBITRATION AND ATTORNEYS' FEES 18

TABLE OF CONTENTS
(continued)

Page

19. CONDITIONS TO TERMINATION OR AMENDMENT 18

20. NOTICES……..... 18

21. AMENDMENTS 18

APPENDICES

A– DEFINITIONS A-1
B– POWER PURCHASE AGREEMENT.....B-1

STAR PEAK GEOTHERMAL ENERGY PROJECT

POWER SALES AGREEMENT

1. PARTIES. This Star Peak Geothermal Energy Project Power Sales Agreement (this "Agreement"), is dated for convenience as of the 20th day of February, 2020, by and between the SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY, a joint powers agency and a public entity organized under the laws of the State of California, hereinafter designated as "SCPPA," and the CITY OF GLENDALE, a municipal corporation organized and existing under the laws of the State of California. The CITY OF GLENDALE is also periodically designated in this Agreement as "GLENDALE" or as "Purchaser." GLENDALE and SCPPA are also sometimes herein referred to individually as a "Party" and together as the "Parties."

2. RECITALS, CONSTRUCTION AND PRELIMINARY MATTERS. The Recitals set forth herein and the facts, which follow, are incorporated into this Agreement by reference for all purposes. The facts and the circumstances of the Parties contained in the Recitals, among others, represent the background and framework for this Agreement, the aim and purpose of this Agreement and the intendments of the Parties with respect thereto. This Agreement has been reviewed by attorneys for both Parties and shall not be interpreted with reference to the rules of construction providing for construction against a Party responsible for drafting or creating a particular provision or section but should instead be interpreted in a manner which broadly implements the goals and objectives of the Parties as expressed herein. References to "Sections," and "Appendices," shall be to Sections, and Appendices as the case may be, of this Agreement unless otherwise specifically provided. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word "include" or "including", when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. This Agreement is made with reference to the following facts among others:

2.1 SCPPA was created pursuant to provisions contained in the Joint Exercise of Powers Act found in Chapter 5 of Division 7 of Title 1 of the Government Code of California, as amended from time to time (the "Act" as defined in Appendix A), by its members, which are municipalities and an irrigation district that supply, among other things, electrical energy in the State of California, for the purpose of jointly and cooperatively undertaking the planning, financing, development, acquisition, construction, improvement, betterment, operation, and maintenance, of projects for the generation or transmission of electric energy, including the development and implementation of systems and frameworks for the acquisition and delivery of secure, long-term reliable supplies of renewable electric energy.

2.2 Pursuant to the terms of the Act, SCPPA has the power, for the purpose of promoting, maintaining and operating electric generation and transmission, to plan, develop, contract for, finance, acquire, design, undertake, own, construct, manage, operate, maintain and administer projects involving systems, methodologies and programs for the acquisition, supply, procurement and delivery of secure, long-term reliable supplies of renewable electric energy, including geothermal energy, and to cause such projects to be planned, developed, contracted for, financed, acquired, designed, undertaken, constructed, managed, operated, maintained and administered and to provide by agreement for the performance and carrying out of any such activities.

2.3 Purchaser is a California municipality that provides electric energy to its citizens through its municipally owned electric power system. Purchaser is one of the parties to the SCPPA Joint Powers Agreement.

2.4 In pursuit of potential renewable electric resources to address SCPPA member renewable energy needs, SCPPA, together with the Purchaser and other SCPPA members have identified and investigated a geothermal energy generation resources located in Pershing County, Nevada, one denominated as the Star Peak Geothermal Energy Project to be developed by Star Peak Geothermal LLC, a Nevada limited liability company, an affiliate of Open Mountain Energy, LLC.

2.5 SCPPA intends to enter into a Power Purchase Agreement with Star Peak Geothermal LLC, for the purchase of electric output of the Star Peak Geothermal Energy Project for the purpose of selling the Project Energy to Glendale. The Star Peak Geothermal Energy Project shall be referred to as the "Project" as further defined in Appendix A hereof.

2.6 Purchaser has a need for the Facility Output, the associated Environmental Attributes and other associated rights, benefits and credits of the Project, and has determined to enter into this Power Sales Agreement with SCPPA for the purpose of meeting such needs.

3. AGREEMENT. For and in consideration of the promises and the mutual covenants and agreements hereinafter set forth, and in order for Purchaser to pay SCPPA costs with respect to the Project, the Parties agree as herein set forth.

4. DEFINITIONS. Appendix A to this Agreement attached hereto and incorporated herein, sets forth definitions of certain terms used in this Agreement. Certain other capitalized terms used herein are defined in the Power Purchase Agreement and shall have the meaning ascribed therein. The terms defined in Appendix A, the Power Purchase Agreement and this Section 4, whether in the singular or plural, unless specifically provided otherwise, when used herein or in the Appendices hereto and initially capitalized, shall have the meaning ascribed thereto in said Appendix A, the Power Purchase Agreement or as set out below:

4.1 Effective Date. The date described in Section 15.1 hereof.

4.2 Total Power Costs. Total Power Costs means all of SCPPA's costs resulting from SCPPA's contracting for, providing for, accommodating, and facilitating the Project, including costs arising under any of the Power Purchase Agreement or other Project

Agreements. SCPPA shall apply, as a credit against Total Power Costs, any receipts, revenues and other moneys received by SCPPA from the Project, as well as such other amounts to be applied as a credit against Total Power Costs pursuant to this Agreement. Total Power Costs shall consist of (i) the Delivery Output Cost Component (described in Section 4.2.1), (ii) the Power Purchase Agreement General and Administrative Cost Component (described in Section 4.2.2), (iii) a Supplementary Services Cost Component to the extent SCPPA incurs such costs (described in Section 4.2.3), (iv) a Reserve Fund Cost Component (described in Section 4.2.4), and (v) a Power Purchase Agreement Cost Component (described in Section 4.2.5), and shall include, but not be limited to, the items of cost and expense referred to in the Power Purchase Agreement and this Section 4.2 that are accrued or paid by SCPPA during each Month of each Power Supply Year. In the event any Power Supply Year shall consist of fewer than twelve Months, the fraction set forth in Section 4.2.2 shall be adjusted accordingly and, in the event of any revision of the Annual Budget after the commencement of any Power Supply Year, the amount determined pursuant to Section 4.2.2 shall be appropriately adjusted so that any increase or decrease in the portion of the Annual Budget applicable to Section 4.2.2 shall be evenly apportioned over the remaining Months of such Power Supply Year.

4.2.1 The Delivery Output Cost Component of Total Power Costs for each Month shall consist of the costs of the Facility Output delivered, as calculated at the applicable Contract Price therefor in the Power Purchase Agreement.

4.2.2 The Power Purchase Agreement General and Administrative Cost Component of Total Power Costs for each Month shall consist of the administrative and general costs with respect to the Project, including (i) legal fees, costs relating to litigation (including disbursements and other amounts paid as a result of such litigation), insurance costs (including amounts to fund any self-insurance program), overhead costs, any taxes required to be paid by SCPPA with respect to the Project, (ii) all expenses incurred in enforcing the Power Purchase Agreement and other Project Agreements and (iii) all costs related to the conducting of the business of SCPPA with respect to the Project, including the applicable portion of salaries, fees for legal, engineering, financial and other services, and costs of the Project Manager, as well as all other costs attributable to miscellaneous and incidental expenses in connection with the administration of the Project, and all other expenses properly related to the conduct of such affairs of SCPPA.

4.2.3 The Supplementary Services Cost Component of Total Power Costs for each Month shall consist of all costs incurred by SCPPA, if any, and to the extent not included in Section 4.2.1, in connection with services for transmission, dispatching, scheduling, tagging, firming, balancing, swapping, exchanging or delivering and for otherwise facilitating the disposition, movement, taking, receiving, crediting and accounting for Facility Output provided for under this Agreement, including costs incurred by SCPPA, if any, which are necessary to move or otherwise handle delivery of any portion of Facility Output from the Point of Delivery to one or more specified delivery point(s) as determined by Purchaser pursuant to Sections 9.2 and 9.4. Absent a request by Purchaser for SCPPA to provide Supplementary Services during a Month, no Supplementary

Services cost component shall be included in Purchaser's Total Power Costs for such Month.

4.2.4 The Reserve Fund Cost Component of Total Power Costs for each Month shall consist of: the amount for such Month necessary to establish and maintain the Reserve Funds at the level deemed prudent and appropriate by the Board of Directors.

4.2.5 The Power Purchase Agreement Cost Component of Total Power Costs for each Month shall consist of: the costs, without duplication, associated with the Power Purchase Agreement, including, to the extent not otherwise included in this Section 4.3, all costs for such Month of SCPPA in connection with its enforcement of the Project Agreements or the performance required of SCPPA thereunder.

4.3 Monthly Costs. Monthly Costs is defined in accordance with, and calculated pursuant to, Section 7.1 hereof.

5. PURCHASE AND SALE OF FACILITY OUTPUT AND THE OBLIGATIONS OF SCPPA AND THE PURCHASER.

5.1 Purchase and Sale of Facility Output. In accordance with the terms and conditions of this Agreement, commencing on the earliest of (i) the date SCPPA is obligated to pay any portion of the costs of the Project, (ii) the effective date of the Power Purchase Agreement, or (iii) the date of the first delivery of energy to Purchaser pursuant to this Agreement, and continuing through the term of this Agreement, except as otherwise provided herein, SCPPA shall provide Purchaser any and all products, rights and benefits, whether tangible or intangible, received or obtained by SCPPA with respect to the Project, including without limitation all Facility Output, and Purchaser shall receive and be responsible for and pay for any and all Total Power Costs associated with the acquisition of Facility Output and such associated products, rights and benefits, as applicable, under the Power Purchase Agreement and any other applicable Project Agreements.

5.2 Facility Output and Deliverables. To the extent permitted by the Power Purchase Agreement, the applicable Project Agreements, or otherwise determined by the Board of Directors, SCPPA will endeavor to take such actions or implement such measures as may be necessary or desirable for the utilization, maintenance or preservation of the rights and interests of the Purchaser in the Project. SCPPA shall use its best efforts, on behalf of Purchaser to secure the benefits of the transactions contemplated under the Power Purchase Agreement or other applicable Project Agreements, including the delivery of the Facility Output, as applicable, contemplated by this Agreement, and shall endeavor to maintain and secure the rights and benefits accruing to SCPPA through the Power Purchase Agreement and the other applicable Project Agreements.

5.3 Adoption of Annual Budget. The Annual Budget and any amendments to the Annual Budget shall be prepared and approved in accordance with Sections 5.3.1, 5.3.2 or 5.3.3, respectively.

5.3.1 SCPPA will prepare and submit to Purchaser a proposed Annual Budget at least sixty (60) Days prior to the beginning of each Power Supply Year. In connection with the preparation of the Annual Budget, SCPPA shall incorporate therein the Operating Budget for such Power Supply Year as prepared by the Project Manager and approved by the Board of Directors. Purchaser may then submit to SCPPA, at any time until the Annual Budget is adopted, any matters or suggestions relating to the Annual Budget. SCPPA shall adopt the Annual Budget not less than thirty (30) nor more than sixty (60) Days prior to the beginning of such Power Supply Year and shall cause copies of such adopted Annual Budget to be delivered to the Purchaser; provided, however, the Annual Budget for the first Power Supply Year shall be prepared, considered, adopted and delivered in the most practicable manner available prior to Commercial Operation of the Facility.

5.3.2 As required from time to time during any Power Supply Year, after seven Days written notice to the Purchaser, SCPPA may, pursuant to the foregoing provisions for adopting the Annual Budget, adopt an amended Annual Budget for and applicable to such Power Supply Year for the remainder of such Power Supply Year. The Annual Budget shall establish the basis for monthly Billing Statements to be sent to Purchaser, as provided in Section 7 hereof.

5.3.3 Any adjustment, and any other or further mechanism for adjustment, as may be required to address the variability of costs of operation of the Project at any time during the Power Supply Year or the variability of or addition to any other Annual Budget component, may be incorporated into the Annual Budget as provided above, or by any amendment to an Annual Budget at any time during any Power Supply Year upon the seven (7) Days written notice to the Purchaser as set forth in Section 5.3.2.

5.4 Reports. SCPPA will prepare and issue to Purchaser the following reports as soon as reasonably practicable after the end of each quarter of a Power Supply Year:

5.4.1 Financial and operating statement relating to the Project.

5.4.2 Variance report comparing the costs in the Annual Budget versus actual costs, and the status of other cost-related issues with respect to the Project.

5.5 Records and Accounts. SCPPA will keep, or cause to be kept, accurate records and accounts of each of the properties and facilities comprising the Project as well as of the operations relating to the Project, all in a manner similar to accepted accounting methodologies associated with similar projects. All transactions of SCPPA relating to the Project with respect to each Fiscal Year shall be subject to an annual audit. Purchaser shall have the right at its own expense to examine and copy the records and accounts referred to above on reasonable notice during regular business hours.

5.6 Provide Information. Purchaser agrees to supply SCPPA, upon request, with such information, documentation and certifications as SCPPA shall reasonably determine to be requisite to and necessary or desirable for the administration and ongoing activities of the Project, including information reasonably available to allow SCPPA to respond

to requests for such information from any federal, state or local regulatory body or other authority.

5.7 Consultants and Advisors Available. SCPPA shall make available to the Purchaser all consultants and advisors that are retained by SCPPA, and such consultants and advisors shall be authorized to consult with and advise the Purchaser on Project matters.

5.8 Liquidated Damages. Any amounts paid to SCPPA as and for Daily Delay Damages or Shortfall Damages by the Power Purchase Provider as provided under the Power Purchase Agreement shall be remitted to Purchaser.

6. PROJECT MANAGEMENT.

6.1 Project Manager. SCPPA or its designee shall act as Project Manager as provided in this Agreement to administer the Project, or cause the Project to be administered, as provided in this Agreement or pursuant to assignments, instructions or requests by the Board of Directors, or through any project management or agency agreement, or contracts for services between SCPPA and a third party. Prior to appointment of a Project Manager (other than SCPPA), SCPPA shall consult with the SCPPA Participating Member as to such appointment.

6.2 Project Manager Responsibilities. In addition to those responsibilities enumerated in Section 6.1, the Project Manager shall have the following responsibilities:

6.2.1 Review, develop and, if appropriate, recommend, all budgets and revisions thereof prepared and submitted by SCPPA pursuant to any applicable agreement.

6.2.2 Review, develop and, if appropriate, recommend any systems or procedures for adjustment of the Annual Budget or any alternative methodologies for budgeting or billing as set forth in Sections 5 and 7 hereof.

6.2.3 Perform such other functions and duties as may be provided for under this Agreement, the Power Purchase Agreement or any other Project Agreements.

6.3 Management Decisions and the Role of Board of Directors. To the extent not provided for under this Agreement, the rights and obligations of SCPPA under the Project Agreements shall be subject to the ultimate control at all times of the Board of Directors. Purchaser shall be entitled to participate in the decisions of the Board of Directors with respect to SCPPA's rights and interests with respect to the Project as provided in this Section 6.3, provided that Purchaser shall disqualify its right to participate upon assuming the status of a Defaulting Purchaser as provided in Section 11 hereof. SCPPA, through the Board of Directors, shall have, in addition to the duties and responsibilities set forth elsewhere in this Agreement, the following duties and responsibilities, among others:

6.3.1 Dispute Resolution. The Board of Directors shall endeavor to review, discuss and attempt to resolve any disputes among SCPPA, the Purchaser and the counterparties under the Project Agreements relating to the Project, the

operation and management of the Facility and SCPPA's rights and interests with respect to the Facility.

6.3.2 Scheduling Procedures. When appropriate, the Board of Directors shall act upon and approve or modify the practices and procedures to be followed by Purchaser for scheduling, delivering and controlling the Facility Output.

6.3.3 Project Agreements. The Board of Directors shall have the authority to approve the Project Agreements, including agreements for scheduling coordinator services, if any, and to review modify and approve, as appropriate, all amendments, modifications and supplements to the Project Agreements.

6.3.4 Budgeting. The Board of Directors shall review, modify and approve each Annual Budget and the revisions thereto in accordance with Section 5.3 hereof.

6.3.5 Application of Certain Payments Under the Power Purchase Agreement. The Board of Directors shall review, modify and approve application of any payments or amounts received by SCPPA from any source or as a result of Default by the Power Purchase Provider under the Power Purchase Agreement; provided that such payments and amounts shall be applied to one or more of the purposes set forth in Section 4.3 to the credit of Purchaser.

6.3.6 Other Matters. The Board of Directors is authorized to perform such other functions and duties, including oversight of those matters and responsibilities addressed by the Project Manager, as may be provided for under this Agreement and under the Project Agreements, or as may otherwise be appropriate.

6.4 Periodic Audits. The Board of Directors may arrange for the annual audit under Section 5.5 hereof by certified accountants, selected by SCPPA and experienced in electric generation or electric utility accounting, of the books and accounting records of SCPPA, and where deemed appropriate, the Project Manager (if other than SCPPA), the Power Purchase Provider (to the extent provided under any of the Power Purchase Agreement) and any other counterparty under any Project Agreement to the extent allowable, and any cost reimbursable to a consultant or contractor relevant to the administration of the Project, and such audit shall be completed and submitted to SCPPA as soon as reasonably practicable after the close of the Fiscal Year. SCPPA shall promptly furnish to Purchaser copies of all audits. No more frequently than once every calendar year, the Purchaser may, at its sole cost and expense, audit or cause to be audited the books and cost records of SCPPA, the Project Manager (if other than SCPPA), the counterparty under any Project Agreement to the extent so provided in the applicable Project Agreement, and any cost reimbursable to a consultant or contractor relevant to the administration of the Project.

6.5 Additional Committees. The Board of Directors may establish as needed subcommittees including, but not limited to, auditing, legal, financial, engineering, mechanical, operating, insurance, governmental relations, environmental and public information subcommittees. The authority, membership, and duties of any subcommittee shall be established by the Board of Directors; provided, however, such

authority, membership or duties shall not conflict with the provisions of any of the Project Agreements.

6.6 Costs of Consultants. Costs (or the applicable portion thereof) of consultants and others employed or appointed by the Board of Directors to perform the duties required hereunder shall be included in Total Power Costs, as appropriate, and shall be billed to SCPPA.

7. CHARGES AND BILLINGS.

7.1 Monthly Costs. The amount of monthly costs which shall be paid by Purchaser to SCPPA for a particular Month ("Monthly Costs") shall be the sum of the following, as applicable, subject to any adjustments as provided in this Agreement:

7.1.1 The Delivery Output Cost Component of Total Power Costs (as provided in Section 4.2.1) for such Month.

7.1.2 The Power Purchase Agreement General and Administrative Cost Component of Total Power Costs (as provided in Section 4.2.2 hereof) for such Month.

7.1.3 The Supplementary Services Cost Component of Total Power Costs (as provided in Section 4.2.3 hereof) for such Month.

7.1.4 The Reserve Fund Cost Component of Total Power Costs (as provided in Section 4.2.4 hereof) for such Month.

7.1.5 The Power Purchase Agreement Cost Component of Total Power Costs (as provided in Section 4.2.5 hereof) for such Month.

7.2 Billing Statement. By the fifth Day of each Month during each Power Supply Year, SCPPA shall bill Purchaser for the amount of Monthly Costs to be paid by Purchaser for the current Month by providing Purchaser with a Billing Statement in accordance with the charges established pursuant to the provisions of this Agreement; provided, however, that such Billing Statement shall also include any charge or credit to Purchaser with respect to the costs or revenues attributable to Purchaser pursuant to and under any applicable Project Agreements. Such Billing Statement shall detail the costs described in Section 7.1 hereof and shall set forth, among other things, the amounts due for such Month by Purchaser with respect to the items of Monthly Costs set forth in Section 7.1, as such Monthly Costs may be adjusted from time to time in accordance with Section 5 and this Section 7. Such Billing Statement shall be paid by Purchaser on or before twenty (20) Days after receipt of such Billing Statement.

7.3 Adoption of Alternative Billing Statement Procedures. SCPPA or the Project Manager may recommend the adoption of an alternative Billing Statement billing methodology with respect to the Total Power Costs and the costs associated with any Project Agreement. Such alternative Billing Statement procedures may be placed into effect by a resolution of the Board of Directors. Any such alternative Billing Statement billing methodology shall be fiscally prudent, financially sound and shall assure coverage of all potential and actual costs and obligations of SCPPA.

7.4 Disputed Monthly Billing Statement. In case any portion of any Billing Statement received by Purchaser from SCPPA shall be in bona fide dispute, Purchaser shall pay SCPPA the full amount of such Billing Statement and, upon determination of the correct amount, the difference between such correct amount and such full amount, if any, including interest at the rate received by SCPPA on any overpayment, will be credited to Purchaser by SCPPA after such determination. In the event such Billing Statement is in dispute, SCPPA will give consideration to such dispute and will advise Purchaser with regard to SCPPA's position relative thereto within thirty (30) Days following receipt of written notification by Purchaser of such dispute.

7.5 Reconciliation of Monthly Costs. As soon as practicable after the end of each Power Supply Year, or more frequently if so determined by the Board of Directors, SCPPA will submit to Purchaser and each of the other Purchasers a detailed statement of the actual aggregate Monthly Costs and other amounts payable hereunder, including any credits thereto, for all of the Months of such Power Supply Year, and the adjustments of the aggregate Monthly Costs and other amounts payable hereunder, if any, for any prior Power Supply Year, based on the annual audit of accounts provided for in Section 5.5. If, on the basis of the statement submitted as provided in this Section 7.5, the actual aggregate Monthly Costs and other amounts payable by the Purchaser for any Power Supply Year exceed the amount thereof which Purchaser has been billed, Purchaser shall pay SCPPA, within twenty (20) Days of receipt of SCPPA's invoice, the amount to which SCPPA is entitled. If, on the basis of the statement submitted pursuant to this Section 7.5, the actual aggregate Monthly Costs or other amounts payable by the Purchaser for any Power Supply Year are less than the amount therefor which Purchaser has been billed, SCPPA shall, unless otherwise directed by Purchaser with respect to moneys owed to it, credit such excess against Purchaser's next monthly Billing Statement.

7.6 Other or Additional Cost Reconciliation Mechanisms. The Board of Directors may, by resolution, authorize or prescribe other billing, payment, costing and cost reconciliation mechanisms to address such billing, payment, costing and cost reconciliation issues as may from time to time arise with respect to the Project.

7.7 Prepayment of Monthly Costs. Purchaser may, at any time, pay moneys to SCPPA or utilize any credits due or amounts owed by SCPPA to Purchaser with respect to the Project for the purpose of prepaying its monthly Billing Statement. Such moneys and amounts owed by SCPPA under any Project Agreement shall be deposited into an account established by, or at the direction of, SCPPA. Consistent with SCPPA's investment policy, moneys in such account shall be invested pursuant to instructions provided to SCPPA by Purchaser and all investment income shall be credited to such account. Payment of the amount of any monthly Billing Statement or Default Invoice shall be made from moneys available in such account to the extent set forth in written directions from Purchaser to SCPPA received at least five business days prior to the due date of such payment. Any credit or prepayment with respect to its monthly Billing Statement shall not relieve or reduce Purchaser's other obligations under this Agreement.

8. UNCONDITIONAL PAYMENT OBLIGATIONS; RATE COVENANT; AUTHORIZATIONS; CONFLICTS; LITIGATION.

8.1 Unconditional Payment Obligation. Beginning with the earliest of (i) the date SCPPA incurs or becomes obligated to pay any portion of the costs of the Project, (ii) the effective date of the Project, or (iii) the date of the first delivery of Facility Output to Purchaser and continuing through the term of this Agreement, Purchaser shall pay SCPPA the amounts of Monthly Costs set forth in the Billing Statements submitted by or on behalf of SCPPA to Purchaser in accordance with the provisions of Section 7 hereof and, without duplication, any amount set forth in any Default Invoice received by Purchaser as a result of the operation of Section 11 hereof, whether or not this Agreement has been terminated, or the Project or any part thereof has been completed, is functioning, producing, operating or operable or its output is suspended, interrupted, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction, whether by offset or otherwise, and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

8.2 Source of Payments. The Purchaser hereby represents and warrants that the obligations of Purchaser to make the payments to SCPPA under this Agreement shall constitute a cost of purchased power and an operating expense of Purchaser payable solely from its electric power revenue fund, including any and all legally available electric power system reserves. Purchaser will annually, in each and every fiscal year of Purchaser during the term of this Agreement, include in its electric power system budget, whether or not any other items are included, an appropriation from the revenues of its electric power system (including moneys derived from sales to third parties) sufficient to satisfy all the payments required to be made in such year under this Agreement until all payments required under this Agreement have been paid in full.

8.3 Rate Covenant. Purchaser will establish, maintain and collect rates and charges for the electric power service of its electric power system each year so as to provide revenues sufficient, together with any legally available electric power system reserves, to enable Purchaser to pay to SCPPA all amounts payable when due under this Agreement and to pay all other amounts payable from, and all lawful charges against or liens on, the revenues of its electric power system.

8.4 Authorizations. The Purchaser hereby represents and warrants that no order, approval, consent or authorization of any governmental or public agency, authority or person, is required on the part of the Purchaser for the execution and delivery by the Purchaser of this Agreement, or the performance by the Purchaser of its obligations under this Agreement except for such as have been obtained.

8.5 Conflicts. Purchaser represents and warrants to SCPPA as of the Effective Date that, to Purchaser's knowledge, the execution and delivery of this Agreement by Purchaser, and Purchaser's performance thereunder will not constitute a default under any agreement or instrument to which it is a party, or any order, judgment, decree or ruling of any court that is binding on Purchaser, or a violation of any applicable law of any governmental authority, which default or violation would have a material adverse effect on the financial condition of Purchaser's electric revenue fund.

8.6 Litigation. Purchaser represents and warrants to SCPPA as of the Effective Date that, to Purchaser's knowledge, except as disclosed, there are no actions, suits or

proceedings pending against Purchaser (service of process on Purchaser having been made) in any court that questions the validity of the authorization, execution or delivery by Purchaser of this Agreement, or the enforceability as to Purchaser of this Agreement.

9. OTHER TERMS AND SERVICES.

9.1 Delivery Procedures. Prior to the time at which any Energy is to be delivered to Purchaser from the Facility, Purchaser shall schedule and be obligated to take delivery of Energy to be delivered under this Agreement.

9.2 Other Services and Transmission from Point of Delivery. It is the obligation of Purchaser to receive the Facility Output and to arrange for delivery of such Facility Output to its ultimate destination or destinations after having reached the Point of Delivery, as determined by Purchaser. However, to the extent specified by Purchaser, and to the extent practicable for SCPPA to do so, SCPPA shall assist in arranging for Supplementary Services and for such additional transmission, interconnection arrangements, energy management, firming, shaping, swaps, exchanges or other services associated with the transmission, use or disposition of Facility Output to be utilized by the Purchaser and to provide for delivery, accounting for, transferring and crediting the ownership and transfer of such Facility Output from the Point of Delivery to any other points or destinations, as determined by the Purchaser.

9.3 Energy Services. Except as otherwise provided in this Agreement, nothing herein shall prevent or restrict Purchaser from providing for its own transmission, energy management services, firming, balancing, or exchanging services or otherwise using or dispatching its Energy under this Agreement; provided, however, that such services, use or activities shall not affect any of the obligations of Purchaser under this Agreement.

9.4 Balancing Agent and Dynamic Scheduling. Upon the request of Purchaser, SCPPA shall either (i) retain an agent to maintain and balance Purchaser's hourly Energy schedules in accordance with WECC protocols ("Balancing Agent"), including the provision or absorption of imbalance energy to accommodate intra-hour fluctuations of Facility Output as compared to Purchaser's Energy schedule and maintaining a balancing account of accumulated imbalance energy to be settled by adjusting future Purchaser Energy schedules, (ii) arrange for Dynamic Scheduling from the Point of Delivery to Purchaser's control area or electric power system, including the procurement and installation of scheduling hardware, software, and communications equipment necessary to effectuate Dynamic Scheduling, (iii) procure, contract for or otherwise arrange for any available integration services to address any of the above referenced imbalances, fluctuations, variability, intermittency, or like conditions or (iv) address the costs, charges or consequences of such imbalances, fluctuations, variability, intermittency, or like conditions though other mechanisms or methodologies which are mutually agreeable to the Purchaser and SCPPA.

9.5 Transfer of Environmental Attributes to Purchaser. SCPPA shall transfer all Environmental Attributes received by SCPPA under the Power Purchase Agreement to Purchaser in the same manner SCPPA receives Environmental Attributes under the

Project Agreements.

10. PROJECT SPECIFIC MATTERS AND PURCHASER RIGHTS AND OBLIGATIONS UNDER PROJECT AGREEMENTS.

10.1 Rights and Obligations under the Project Agreements. Notwithstanding anything to the contrary contained herein: (i) the obligation of SCPPA to deliver to the Facility Output during the term of this Agreement is limited to the Facility Output which SCPPA receives from the Power Purchase Provider for redelivery to Purchaser hereunder during such time; (ii) the obligation of SCPPA to pay any amount to Purchaser hereunder or to give credits against amounts due from Purchaser hereunder is limited to amounts SCPPA receives in connection with the transaction to which the payment or credit relates (or is otherwise available to SCPPA in connection with this Agreement for which such payment or credit relates); (iii) any purchase costs, operating costs, energy costs, environmental attribute costs, transmission costs, tax costs, insurance costs, indemnifications, other costs or other charges for which SCPPA is responsible under the Project Agreements shall be considered purchase costs, operating costs, energy costs, environmental attribute costs, transmission costs, tax costs, insurance costs, indemnifications, other costs or other charges incurred by SCPPA and payable by Purchasers as provided in this Agreement; and (iv) any Force Majeure under the Power Purchase Agreement or other event of force majeure affecting the delivery of Energy pursuant to applicable provisions of the Project Agreements shall be considered an event caused by Uncontrollable Forces affecting SCPPA with respect to the delivery of Energy and/or Environmental Attributes hereunder and SCPPA forwarding to Purchaser notices and information from the Power Purchase Provider concerning an event of Force Majeure upon receipt thereof shall be sufficient to constitute a notice that Uncontrollable Forces have occurred pursuant to Section 12.2 of this Agreement. Any net proceeds received by SCPPA from the sale of Guaranteed Generation by the Power Purchase Provider to any third-party purchaser as a result of a Force Majeure event or failure by SCPPA to accept delivery of Energy pursuant to the Power Purchase Agreement shall be remitted by SCPPA to Purchaser.

11. NONPERFORMANCE AND PAYMENT DEFAULT.

11.1 Nonperformance by Purchaser. If Purchaser shall fail to perform any covenant, agreement or obligation under this Agreement or shall cause SCPPA to be in default with respect to any undertaking entered into for the Project or to be in default under the Power Purchase Agreement, or any other Project Agreement, as applicable, or cause a default to occur pursuant to such agreements, SCPPA may, in the event the performance of any such obligation remains unsatisfied after thirty (30) Days' prior written notice thereof to the Purchaser and a demand to so perform, take any action permitted by law to enforce its rights under this Agreement, including but not limited to termination of this Agreement, and/or (unless SCPPA has already taken action pursuant to the immediately following sentence) bring any suit, action or proceeding at law or in equity as may be necessary or appropriate to recover damages and/or enforce any covenant, agreement or obligation against the Purchaser with regard to its failure to so perform.

11.2 Notice of Payment Default. In the event of a Payment Default by Purchaser, on or

promptly following the Initial Payment Default Date SCPPA shall issue a Default Invoice and shall provide written notice to Purchaser that, as a result of a Payment Default, it is in default under this Agreement and has assumed the status of a Defaulting Purchaser and that Purchaser's Project Rights are subject to discontinuance, termination and disposal in accordance with Sections 11.4 and 11.5 hereof. In addition to the foregoing, the notice of Payment Default shall specify that five (5) Days after the issuance of the written notice of Payment Default by SCPPA, deliveries of Facility Output to the Purchaser pursuant to this Agreement shall be thereafter suspended until such time as Purchaser is in Compliance. SCPPA may take any action through or in conjunction with the Power Purchase Provider or any other counterparty under the Project Agreements, if applicable, to expeditiously implement the provisions of this Section 11.

11.3 Cured Payment Default. If, after a Payment Default, Purchaser cures such Payment Default within the Cure Period, its Project Rights shall not be subject to discontinuance, termination or disposal as provided for in Sections 11.4 and 11.5 hereof as a result of any Payment Default associated with such Cured Payment Default.

11.4 Failure to Cure Payment Default. If, at any time after expiration of the Cure Period, Purchaser fails to be in Compliance due to its failure to cure its Payment Default in a timely manner in accordance with this Agreement, Purchaser's Project Rights shall immediately be discontinued and terminated and its Project Rights and Obligations shall be disposed of by SCPPA in accordance with Section 11.5 hereof; provided, however, the Defaulting Purchaser's obligation to make payments under this Agreement shall not be eliminated or reduced except to the extent provided in Section 11.5. SCPPA shall provide to the Defaulting Purchaser a separate monthly invoice of any such payment obligations under this Agreement.

11.5 Treatment of the Defaulting Purchaser's Project Rights and Obligations upon its Payment Default. In the event Defaulting Purchaser's Project Rights are discontinued and terminated pursuant to Section 11.4 hereof, SCPPA shall undertake or cause to be undertaken the following actions in the order indicated:

11.5.1 SCPPA shall, to the extent SCPPA in its discretion determines it appropriate, offer to convey, transfer and assign, on a temporary or permanent basis as determined by SCPPA, the Defaulting Purchaser's Project Rights and Obligations to third parties, all in accordance with applicable law.

11.5.2 If, at any time or from time to time, any of the Project Rights and Obligations of the Defaulting Purchaser are not conveyed, transferred and assigned as provided in Section 11.5.1 hereof, SCPPA shall use its best efforts, to the extent reasonably possible and economically beneficial, to offer third parties, for long-term or short-term sale as determined by SCPPA, Facility Output associated with such Project Rights and Obligations or to remarket or resell such Facility Output, or cause the same to be remarketed or resold; provided, however, that without eliminating the Defaulting Purchaser's obligation to make payments under this Agreement, including payment of SCPPA's costs and expenses related to such default and sale, such payment obligation shall be offset, mitigated and satisfied to the extent that payments are received by

SCPPA from the remarketing or sale of Facility Output associated with Defaulting Purchaser's Project Rights.

11.5.3 Except as provided in this Section 11.5 or otherwise in this Agreement, SCPPA may not convey, transfer or assign any Purchaser's Rights and Obligations without the prior written consent of the Purchaser.

11.6 Elimination or Reduction of Payment Obligations. Upon termination of Defaulting Purchaser's Project Rights pursuant to Section 11.4 and conveyance, transfer or assignment of Defaulting Purchaser's Project Rights and Obligations pursuant to Sections 11.5.1 or 11.5.2, Defaulting Purchaser's obligation to make payments under this Agreement shall not be eliminated or reduced except to the extent of moneys received by SCPPA as a result of the conveyance, transfer and assignment of Defaulting Purchaser's Project Rights and Obligations, less SCPPA's related costs and expenses.

11.7 Use of Reserve Funds. With respect to a Payment Default by Purchaser, funds in the Reserve Funds may be used, to the extent necessary and to the extent available, to cover any deficiency with respect to any payment due by SCPPA attributable to Purchaser.

12. CHARACTER, CONTINUITY OF SERVICE.

12.1 Outages, Interruptions and Curtailment of Energy Deliveries. The Power Purchase Provider or other counterparty may, under certain conditions set forth in the applicable provisions of a Project Agreement or other applicable operating agreement, interrupt or curtail deliveries of Facility Output to Purchaser. Should such an interruption or curtailment occur, Purchaser shall be credited with such revenues as are credited or paid to SCPPA on Purchaser's behalf and Purchaser shall be obligated to pay any costs incurred by SCPPA attributable to Purchaser which are payable by SCPPA pursuant to the Power Purchase Agreement or any other applicable Project Agreement. SCPPA agent will use its best efforts to apprise Purchaser of potential outages, interruptions or curtailments, the reason therefor and the probable duration thereof, when such outages, interruptions or curtailments can be deemed likely to occur.

12.2 Uncontrollable Forces. SCPPA shall not be required to provide, and SCPPA shall not be liable for failure to provide, Facility Output or other service under this Agreement when such failure, cessation, curtailment of or interference with the service is caused by Uncontrollable Forces or by the inability of the Power Purchase Provider or other applicable counterparty to obtain any required governmental permits, licenses or approvals to enable the Power Purchase Provider to acquire, administer or operate the Project; provided, however, that Purchaser shall not thereby be relieved of its obligations to make payments under this Agreement except to the extent SCPPA is so relieved pursuant to the Project Agreements.

13. LIABILITY.

13.1 No Liability of SCPPA, Directors, Officers, Etc. Each Party agrees that neither Party nor any of its directors, officers, employees and agents shall be liable to the other Party for loss of profits or direct or consequential loss or damage suffered by a Party as a

result of the performance or non-performance (excluding gross negligence or willful misconduct which, unless otherwise agreed to by the Parties, are both to be determined and established by a court of competent jurisdiction in a final, non-appealable order) of SCPPA or any of its directors, officers, employees or agents under this Agreement. To the fullest extent permitted by law, Purchaser releases SCPPA and its directors, officers, employees and agents from any claim or liability (whether negligent or otherwise) as a result of any actions or inactions of SCPPA under this Agreement. No such performance or non-performance by SCPPA shall relieve Purchaser from its obligations under this Agreement, including its obligation to make payments required under this Agreement, and such undisputed payments shall not be subject to any reduction, whether by offset, counterclaim or otherwise. The provisions of this Section 13.1 shall not be construed to relieve SCPPA from any obligation under this Agreement.

13.2 Extent of Exculpation; Enforcement of Rights. The exculpation provision set forth in Section 13.1 hereof shall apply to all types of claims or actions including, but not limited to, claims or actions based on contract or tort. Notwithstanding the foregoing, either Party may protect and enforce its rights under this Agreement by a suit or suits in equity for specific performance of any obligations or duty of the other Party and each Party shall at all times retain the right to recover, by appropriate legal proceedings, any amount determined to have been an overpayment, underpayment or other monetary damages owed by the other Party in accordance with the terms of this Agreement.

13.3 No Relief from Insurer's Obligations. Notwithstanding any provision in this Agreement to the contrary, including but not limited to the provisions in this Section 13, the provisions of this Section 13 shall not be construed or applied to relieve any insurer of its obligation to pay any insurance claims in accordance with any applicable insurance policy provided under the Project Agreements.

13.4 SCPPA Directors, Officers, Employees, Agents Not Individually Liable; No General Liability of SCPPA. It is hereby recognized and agreed that no member of SCPPA's Board of Directors, officer, employee or agent of SCPPA or member of SCPPA in its capacity as a member of SCPPA shall be individually liable in respect of any undertakings by SCPPA under this Agreement. The undertakings under this Agreement by SCPPA or the Project Manager in its capacity as such, shall never constitute a debt or indebtedness of SCPPA or the Project Manager within the meaning of any provision or limitation of the Constitution or statutes of the State of California and shall not constitute or give rise to a charge against its general credit.

14. RESTRICTIONS ON DISPOSITION.

14.1 Assignment. Purchaser may sell, assign or otherwise dispose of some or all of its Project Rights and Obligations to other SCPPA members under the same terms and conditions as set forth in this Agreement, provided that each such other SCPPA member agrees in writing to be bound by the provisions of this agreement. In the event of such a sale, assignment or other disposition, the Parties shall provide for an Appendix B to the Agreement to reflect the new Facility Output share allocation among Purchaser and such other SCPPA member. The addition of an Appendix B for the purposes stated herein shall not be considered an amendment to this Agreement.

14.2 Restrictions on Elimination of Payment Obligations. No sale, assignment or other disposition of Purchaser's Project Rights and Obligations to any Person ("Assignee") shall release Purchaser from its payment obligations under this Agreement; provided, however, such payment obligations may be eliminated or reduced if the sale, assignment or other disposition is made pursuant to Section 14.1 of this Agreement or if (i) such Assignee shall assume and agree in writing to fully perform and discharge the Project Rights and Obligations under this Agreement, (ii) such Assignee shall have a corporate or long-term senior unsecured credit rating of A- or higher by S&P or A3 or higher by Moody's, unless otherwise provided by the Board of Directors, and (iii) the Board of Directors, by resolution, determines to eliminate or reduce such payment obligations, which determination shall not be unreasonably withheld.

14.3 Restrictions on Disposition of Purchaser's Entire System. Purchaser shall not sell, lease or otherwise dispose of all or substantially all of its electric system to any Person ("Acquiring Entity") unless the Acquiring Entity shall assume and agree to fully perform and discharge the Project Rights and Obligations under this Agreement, and such Acquiring Entity shall have a corporate or long-term senior unsecured credit rating not less than investment grade.

14.4 Successors and Assigns. Subject in all respects to Sections 11 and 14 hereof, the Project Rights and Obligations under this Agreement shall inure to the benefit of and shall be binding upon the respective successors and assigns of the Parties to this Agreement.

15. EFFECTIVE DATE, TERM AND EXPIRATION.

15.1 Effective Date; Execution in Counterparts. This Agreement shall become effective on the first Day when each and all of the following shall have occurred: (i) this Agreement shall have been duly executed and delivered by SCPPA and Purchaser, and (ii) the Power Purchase Agreement shall have been duly executed and delivered by SCPPA and the Power Purchase Provider.

15.2 Termination Conditions. Any obligation to make payments by Purchaser or SCPPA or any outstanding liability of Purchaser or SCPPA hereunder which either exists or may exist as of the date of termination of this Agreement, or which comes into existence at any future time as a result of any activity or transaction implemented under this Agreement, shall survive such termination.

15.3 Expiration. Unless terminated earlier pursuant to Section 15.4, the term of this Agreement shall expire on the date on which the Power Purchase Agreement is terminated and all obligation(s) of the parties under the Power Purchase Agreement have been fully satisfied or otherwise adequate provision for satisfaction of such obligation(s) have been made and no other such obligation(s) under the Power Purchase Agreement is outstanding; provided, however, that in no event shall the term of this Agreement expire so long as the Power Purchase Agreement is of any force or effect.

15.4 Termination of Agreement before Expiration Date. Notwithstanding the expiration date set forth in Section 15.3 hereof, this Agreement shall terminate on the date, if any, by which SCPPA notifies Purchaser that this Agreement is superseded as a result of

Purchaser having (i) succeeded to SCPPA's rights through another agreement or agreements, or (ii) entered into a replacement power sales agreement or other agreement with SCPPA. The purchase price and consideration to be paid to SCPPA by Purchaser with respect to any such superseding arrangement shall consist of the payments and satisfaction of all obligations by Purchaser under and pursuant to this Agreement prior to the effective date of the superseding arrangement plus any remaining costs or obligations incurred by SCPPA in connection with the Project.

15.5 Final Distribution of Reserve Fund. Following the expiration or earlier termination of this Agreement, and upon payment and satisfaction of any and all liabilities and obligations to make payments of the Purchaser under this Agreement and upon satisfaction of all remaining costs and obligations of SCPPA under this Agreement and in connection with the Facility, any amounts then remaining in the Reserve Fund shall be paid to the Purchaser.

16. SEVERABILITY. In case any one or more of the provisions of this Agreement shall for any reason be held to be illegal or invalid by a court of competent jurisdiction, it is the intention of each of the Parties hereto that such illegality or invalidity shall not affect any other provision hereof, but this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein unless a court holds that the provisions are not separable from all other provisions of this Agreement.

17. REPRESENTATION AND GOVERNING LAW. The Parties acknowledge that each Party was represented by counsel in the negotiation and execution of this Agreement. This Agreement was made and entered into in the County of Los Angeles, California, and shall be governed by, interpreted and enforced in accordance with the laws of the State of California. All litigation arising out of, or relating to this Agreement, shall be brought in a State or Federal court in the County of Los Angeles, State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

18. ARBITRATION AND ATTORNEYS' FEES. If a dispute arises between the Parties which the Board of Directors is unable to resolve, the Parties may by mutual agreement submit the dispute to mediation or non-binding arbitration. With respect to any such dispute the Parties agree that each Party shall bear its own attorneys' fees and costs. Notwithstanding the foregoing, Purchaser and SCPPA recognize and agree that SCPPA's attorneys' fees associated with any matter relating to the Project or this Agreement, including any dispute relating thereto, shall constitute a Project cost which shall be allocated and billed as set forth in Sections 4 and 7 hereof.

19. COUNTERPARTS AND ELECTRONIC SIGNATURES. This Agreement may be executed in one or more counterparts, each of which when executed by each Party shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same agreement or document. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global

and National Commerce Act and Records Act, and California's Uniform Electronic Transactions Act.

20. **NOTICES.** Any notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given or made if delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

Southern California Public Power Authority
Attention: Executive Director
1160 Nicole Court
Glendora, California 91740

City of Glendale
Glendale Electric Utility.
Attention: Stephen M. Zurn, General Manager
141 N. Glendale Ave.
Glendale, California 91206

21. **AMENDMENTS.** The Parties acknowledge and agree that any amendment to this Agreement shall be in writing and duly executed by the Parties.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have duly caused this Agreement to be executed on their respective behalves by their duly authorized representatives.

SOUTHERN CALIFORNIA PUBLIC
POWER AUTHORITY

By: _____
Michael S. Webster
Executive Director

Approved as to Legal Form and Content:

_____
Daniel S. Hashimi
Senior Assistant General Counsel

CITY OF GLENDALE

By: _____

APPENDIX A

DEFINITIONS

The following terms, whether in the singular or the plural, and initially capitalized, shall have the meanings specified below:

1. Act. All of the provisions contained in the California Joint Exercise of Powers Act found in Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, beginning at California Government Code Section 6500 et seq., as amended from time to time.

2. Ancillary Documents. "Ancillary Documents" shall mean the Ancillary Documents as defined in the Power Purchase Agreement.

3. Annual Budget. The budget adopted by SCPPA pursuant to Section 5.2.1 hereof not less than thirty (30) Days nor more than sixty (60) Days prior to the beginning of each Power Supply Year, including any amendments thereto, which shall show a detailed estimate of the Total Power Costs under this Agreement and all credits, charges, revenues, income, or other funds to be applied to such costs, for and applicable to such Power Supply Year.

4. Balancing Agent. "Balancing Agent" shall have the meaning set forth in Section 9.4.

5. Billing Statement. The written statement prepared or caused to be prepared each Month by, or on behalf of, SCPPA which shall be based upon certain of the information in the Annual Budget and shall show for such Month the amount to be paid to SCPPA by Purchaser in accordance with the provisions of Section 7 hereof.

6. Board of Directors. The Board of Directors of the Southern California Public Power Authority.

7. Capacity Rights. "Capacity Rights" shall have the definition set forth in the Power Purchase Agreement.

8. Commercial Operation. "Commercial Operation" shall have the definition set forth in the Power Purchase Agreement.

9. Compliance. Following a Payment Default, the Defaulting Purchaser shall be in compliance with its payment obligations under this Agreement if it (i) no later than the last Day of the Cure Period fully pays all amounts owed as reflected in any Default Invoice; (ii) pays any monthly Billing Statement which comes due during the Cure Period; and (iii) replenishes any reduction made to the Reserve Funds as a result of any Payment Default.

10. Consent Agreements. All consents to assignments and all agreements relating thereto entered into with any lender, financial institution or other Person for the purpose of consenting to the assignment of the rights or securing the obligations of the Power Purchase Provider under the Power Purchase Agreement, and all consents or agreements relating to a Change in Control (as defined in the Power Purchase Agreement) under Section 14.7(e) of the Power Purchase Agreement.

11. Cure Period. That period of time beginning on the date of a Payment Default and concluding

thirty (30) Days thereafter.

12. Cured Payment Default. A Payment Default which has been cured in accordance with Section 11.3 hereof. If at any time during the Cure Period the Defaulting Purchaser is in Compliance, then the requirements of a Cured Payment Default shall be deemed to have been satisfied as of the date of receipt of such payments by SCPPA and the Cure Period shall expire.

13. Daily Delay Damages. Daily Delay Damages shall have the definition set forth in the Power Purchase Agreement.

14. Day. "Day" means calendar Day unless otherwise specified herein.

15. Default Invoice. An invoice during the Payment Default Period and the Cure Period issued to the Defaulting Purchaser pursuant to Section 11 hereof that identifies the total defaulted amount owed, including late payment interest, to achieve a Cured Payment Default. During the Cure Period, the Default Invoice shall also include the amount that must be paid to achieve Compliance.

16. Defaulting Purchaser. "Defaulting Purchaser" means Purchaser, where Purchaser has caused a Payment Default under Section 11.1 hereof that has not been remedied or cured.

17. Delivery Output Cost Component. "Delivery Output Cost Component" is defined in Section 4.2.1.

18. Dynamic Scheduling. "Dynamic Scheduling" shall mean the automated scheduling of Energy from the Point of Delivery to Purchaser's control area or electric system, provided that said dynamic schedules adjust at four second intervals, or other intervals as specified by WECC, to match the amount of Energy actually delivered to the Point of Delivery from the Facility.

19. Energy. "Energy" shall have the same definition as in the Power Purchase Agreement.

20. Environmental Attributes. "Environmental Attributes" shall have the definition set forth in the Power Purchase Agreement.

21. Facility. "Facility" shall have the same definition as the Power Purchase Agreement.

22. Facility Output. All output, rights, and other tangible or intangible benefits derived from the Facility, whatsoever, including without limitation all Energy, Environmental Attributes and Capacity Rights, whether received by SCPPA under or pursuant to the Power Purchase Agreement or other applicable Project Agreement.

23. Fiscal Year. The twelve-month period commencing at 12:01 a.m. on July 1 of each year and ending at 12:01 a.m. on the following July 1, or such other time frame as determined by the Board of Directors.

24. Force Majeure. "Force Majeure" shall have the definition set forth in the Power Purchase Agreement.

25. Guaranteed Generation. "Guaranteed Generation" shall have the meaning provided in the Power Purchase Agreement.

26. Initial Payment Default Date. The earlier of (i) the end of the fifth Day following the first Payment Default for which no remedy in payment has occurred and been received by SCPPA, or (ii) the last Day of the Month in which the first Payment Default has occurred for which no remedy in payment has occurred and been received by SCPPA.

27. Joint Powers Agreement. The "Southern California Public Power Authority Joint Powers Agreement" dated as of November 1, 1980, as amended and modified from time to time, entered into pursuant to the provisions of the Act, among SCPPA and its members.

28. Month. A calendar month.

29. Monthly Costs. "Monthly Costs" is defined in Section 7.1.

30. Moody's. "Moody's" shall mean Moody's Investor Services, Inc.

31. Operating Budget. The operating budget approved by the Board of Directors which shall show a detailed estimate of Total Power Costs for a Power Supply Year and all revenues, income or other funds to be applied to Total Power Costs for and applicable to such Power Supply Year.

32. Payment Default. A failure by the Purchaser to pay when due all of its Billing Statement for any Month.

33. Payment Default Period. That period of time beginning on the initial date of a Payment Default and ending thirty (30) Days following a notice of default as provided in accordance with Section 11.2 hereof.

34. Person. "Person" means any individual, corporation, partnership, joint venture, limited liability company, association, joint stock company, trust, unincorporated organization, entity, government or other political subdivision.

35. Point of Delivery. Point of Delivery shall have the definition set forth in the Power Purchase Agreement.

36. Power Purchase Agreement. The Power Purchase Agreement between Southern California Public Power Authority and Star Peak Geothermal LLC, dated as of February 20, 2020, attached hereto as Appendix B, as the same may be amended from time to time.

37. Power Purchase Agreement General and Administrative Cost Component. "Power Purchase Agreement General and Administrative Cost Component" is defined in Section 4.2.2.

38. Power Purchase Provider. Star Peak Geothermal LLC, as the counterparty to SCPPA under the Power Purchase Agreement, and any other entity named under any applicable operating agreement to operate or otherwise run or manage the Facility, along with each of their successors, or any successors or assigns to the rights of these entities.

39. Power Supply Year. The Fiscal Year, except that the first Power Supply Year shall begin on the first to occur of (i) the date SCPPA is obligated to pay any portion of the costs of the Project, (ii) the date of Commercial Operation of the Facility, or (iii) the date of the first delivery of Energy to Purchaser pursuant to this Agreement. The first Power Supply Year shall end on the last Day of the then current Fiscal Year.

40. Project. The term "Project" means the Star Peak Geothermal Energy Project, and shall be broadly construed to entail the aggregate of rights, liabilities, interests and obligations of SCPPA pursuant to the Power Purchase Agreements and the other Project Agreements, including but not limited to all associated rights, liabilities, interests and obligations; provided, that for purposes of this Agreement it shall be limited to those rights, liabilities, interests and obligations acquired or undertaken by SCPPA in the Power Purchase Agreement and the Project Agreements associated with that agreement. The term Project shall also include those rights, liabilities, interests or obligations necessary or appropriate to carry out the functions specified in Section 6 and to utilize or deliver the Energy of the Facility as specified in Section 9.

41. Project Agreements. Insofar as they pertain to this Project, any project management agreement, the Power Sales Agreement, each of the Power Purchase Agreement, the Ancillary Documents or any other contracts for the purchase, procurement, delivery or transmission of Facility Output, or any other agreements for scheduling, dispatching, exchanging, tagging, movement or transmission of Facility Output, or agreements to which SCPPA is a party relating to the administration or management of the Project.

42. Project Manager. SCPPA in its capacity as Project Manager or a designee appointed by SCPPA to carry out SCPPA's responsibilities as Project Manager under this Agreement.

43. Project Rights. All rights and privileges of the Purchaser under this Agreement, including but not limited to its right to receive Facility Output under this Agreement.

44. Project Rights and Obligations. The Purchaser's Project Rights and obligations under the terms of this Agreement.

45. Reserve Fund Cost Component. "Reserve Fund Cost Component" is defined in Section 4.2.4.

46. Reserve Funds. Those reserve accounts deemed appropriate to afford a reliable source of funds for the payment obligations of the Project and taking into account the variability of costs associated with the Project for the purpose of providing a reliable payment mechanism to address the ongoing costs associated with the Project.

47. S&P. "S&P" shall mean Standard & Poor's Financial Services, LLC.

48. Shortfall Damages. "Shortfall Damages" shall have the meaning set forth in the Power Purchase Agreement.

49. Supplementary Services. Those services in connection with the delivery of Energy involving additional transmission, interconnection arrangements, energy management, firming, shaping, energy balancing, dispatching, tagging, scheduling, Dynamic Scheduling, transmitting, interconnecting, swapping, exchanging or other services associated with the transmission, use or disposition of Facility Output to be utilized by the Purchaser under this Agreement, and to otherwise provide for delivery and facilitate the disposition, movement, taking, receiving, accounting for, transferring and crediting the transfer of Facility Output from the Point of Delivery to any other points or destinations, as determined by the Purchaser. Supplementary Services include but are not limited to delivery point swaps, stranded energy/transmission curtailments, tie-point liquidity improvement, transmission loss savings, tie-point price spread optimization, on-peak/off-peak exchanges, peak shifting exchanges, seasonal exchanges, and both simultaneous or non-simultaneous green energy exchanges.

50. Supplementary Services Cost Component. "Supplementary Services Cost Component" is defined in Section 4.2.3.

51. Total Power Costs. "Total Power Costs" has the meaning described in Section 4.2.

52. Transmission System. "Transmission System" shall have the meaning set forth in the Power Purchase Agreement.

53. Uncontrollable Forces. Any Force Majeure event and any cause beyond the control of any Party, and which by the exercise of due diligence such Party is unable to prevent or overcome, including but not limited to, failure or refusal of any other Person to comply with then existing contracts, an act of God, fire, flood, explosion, earthquake, strike, sabotage, pestilence, an act of the public enemy (including terrorism), civil or military authority including court orders, injunctions and orders of governmental agencies with proper jurisdiction or the failure of such agencies to act, insurrection or riot, an act of the elements, failure of equipment, a failure of any governmental entity to issue a requested order, license or permit, inability of any Party or any Person engaged in work on the Project to obtain or ship materials or equipment because of the effect of similar causes on suppliers or carriers. Notwithstanding the foregoing, Uncontrollable Forces as defined herein shall also include events of Force Majeure pursuant to the Power Purchase Agreement, as defined therein.

54. WECC. The Western Electricity Coordinating Council or its successor.

APPENDIX B

STAR PEAK GEOTHERMAL ENERGY PROJECT
POWER PURCHASE AGREEMENT

SCPPA
Southern California Public Power Authority

AGENDA ITEM STAFF REPORT

MEETING DATE: February 20, 2020

RESOLUTION NUMBER: 2020-008

SUBJECT: Professional Services Agreement with Moss Adams LLP

DISCUSSION: ☒ **OR** **CONSENT:** ☐

Select the appropriate box(es):

FROM:		**METHOD OF SELECTION:**	
Finance	☒	Competitive	☒
Project Development	☐	Cooperative Purchase	☐
Program Development	☐	Sole Source	☐
Regulatory/Legislative	☐	Single Source	☐
Project Administration	☐	Other *(Please describe):*	
Legal	☐		
Executive Director	☐		

Approved by Executive Director: Michael A. Webster

RECOMMENDATION:

Approve the Professional Services Agreement with Moss Adams LLP ("Moss Adams") to provide independent professional accounting and auditing services for the fiscal years ending June 30, 2020, 2021 and 2022 with an option to extend the service agreement for an additional three years.

BACKGROUND:

In accordance with the SCPPA Joint Powers Agreement, SCPPA is required each year to have an independent audit of its financial statements. It has been several years since SCPPA has issued a Request for Proposals for auditing services. Moss Adams has been performing the audit for a number of years.

DISCUSSION:

- **Scope of Contract Services:**

  The scope of services to be provided by the auditor primarily includes:

  - Audit and report on the fairness of the presentation of SCPPA's combined and individual project financial statements in conformity with generally accepted accounting principles. Currently, the proposed scope of services has 41 projects/funds that will be audited.

  - Assist SCPPA in the resolution of complex accounting and financial issues and the implementation of Governmental Accounting Standards Board standards.

  - Assist in the preparation of the management representation letters.

  - Report on internal controls based on the auditor's understanding of the internal control structure and assessment of control risk.

  - Provide management letter listing suggestions for improvement for SCPPA.

- **Selection Method:**

  SCPPA issued a Request for Proposals ("RFP") for auditing services on September 3, 2019. The proposal submittal deadline for the RFP was October 18, 2019.

  The RFP was sent to seven firms with California joint power agencies and/or municipal utility clients. A total of four proposals were received. The proposals were evaluated by an evaluation team consisted of the members of the Audit Committee and were scored on the firm's experience with public utilities especially joint power agencies, the quality of the firm's professional personnel, adequacy of staffing plan, adequacy of audit scope and plan and competitive pricing. The top two ranked firms were invited for in-person interviews at the SCPPA office.

  Based on the results of the evaluations and interviews, the evaluation team recommended awarding the contract to Moss Adams for its strong experience in utility practice, professional and dedicated team members assigned to the audit, ability to adapt the audit plan and scope to specific project requirements, ability to maintain objectivity and quality and its competitive pricing. The recommendation was presented to the Finance Committee at its January 6, 2020 meeting and the Finance Committee recommended awarding the contract to Moss Adams.

- **SCPPA's Authority:**

  In accordance with the California Joint Exercise of Power Act and the SCPPA Joint Powers Agreement, SCPPA is authorized to obtain independent auditing services to express an opinion on the fairness of presentation of its financial statements on generation and transmission projects.

FISCAL IMPACT:

The all-inclusive price for the audit is $288,000 per fiscal year, for fiscal years June 30, 2020, 2021 and 2022, and covers the projects/funds as detailed in the RFP. Subsequent additional projects/funds may increase the scope of the audit and any additional costs will be mutually agreed between SCPPA and Moss Adams. The agreement also provides for additional professional services at specified hourly billing rates or mutually agreed-upon fixed fee, provided that in no event shall the aggregate amount paid by SCPPA for any additional work during the term of the agreement exceed $150,000.

The total compensation under the agreement, for the annual audit and any additional work, shall not exceed $1,014,000 over the three-year term.

The cost of the audit is included in SCPPA's annual Administrative and General expenditure budget.

RESOLUTION NO. 2020-008

RESOLUTION OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH MOSS ADAMS LLP FOR INDEPENDENT ACCOUNTANT AND FINANCIAL AUDIT SERVICES AND TAKING CERTAIN RELATED ACTIONS (RESTRUCTURING)

WHEREAS, the Southern California Public Power Authority (the "Authority") is a public entity duly organized and existing pursuant to the provisions of Chapter 5, Division 7, Title 1, commencing at section 6500, of the Government Code of the State of California; and

WHEREAS, pursuant to the agreements and laws governing the Authority, the Authority is, among other things, required to maintain accounts and records, complete a written report of all financial activities for each fiscal year, and cause all annual independent audit of the accounts and records of the Authority to be made by a certified public accountant; and

WHEREAS, the Authority conducted an extensive Request for Proposals process resulting in the selection of Moss Adams, LLP ("Independent Accountant") as the independent accountant and auditor to provide auditing services to the Authority; and

WHEREAS, the Independent Accountant employs a skilled and qualified professional staff experienced in performing a variety of auditing and accounting functions and possesses the resources and expertise necessary to render assistance as herein after provided; and

WHEREAS, the Authority has negotiated the terms of a professional services agreement with the Independent Accountant (the "Professional Services Agreement") and desires to engage the Independent Accountant to provide independent accounting and auditing services pursuant to such agreement; and

WHEREAS, the Professional Services Agreement between the Authority and the Independent Accountant is for a term of three years with an option for an additional three-year term which may only be exercise upon further approval by the Authority Board of Directors; and

NOW, THEREFORE, the Board of Directors of the Southern California Public Power Authority hereby finds, authorizes, orders, directs and resolves as follows:

1. The Executive Director is authorized and delegated the authority to enter into the Professional Services Agreement.

2. The Executive Director and the staff of the Authority are authorized to prepare such documents or instruments and to do and cause to be done all acts and things as may be necessary or appropriate to utilize the full benefits of the Professional Services Agreement.

3. The Board of Directors hereby authorizes the Executive Director to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts or things necessary or proper for carrying out the transactions contemplated by this Resolution and to carry forward such further actions as are necessary or appropriate to consummate the above engagement.

4. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 20th day of February 2020.

_____
PRESIDENT
Southern California Public
Power Authority

ATTEST:

_____
ASSISTANT SECRETARY
Southern California Public
Power Authority

PROFESSIONAL SERVICES AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
MOSS ADAMS LLP

This PROFESSIONAL SERVICES AGREEMENT ("Agreement") is dated as of February 20, 2020 by and between Moss Adams LLP ("Consultant"), a Washington limited liability partnership, located at 805 SW Broadway, Suite 1200, Portland, Oregon 97205 and the Southern California Public Power Authority ("SCPPA"), a joint powers agency created pursuant to the laws of the State of California, with offices at 1160 Nicole Court, Glendora, California 91740. SCPPA and Consultant are also referred to individually as ("Party") and together as ("Parties").

WHEREAS, SCPPA has a need for qualified firms of certified public accountants to provide independent professional accounting and auditing services; and

WHEREAS, Consultant is qualified and capable of providing such services;

NOW, THEREFORE, in consideration of the promises herein and for other good and valuable consideration, the parties agree as follows:

1. **Services to be Provided:** SCPPA engages the Consultant to perform all services and related tasks described in Exhibit A "Scope of Services" (or "Services"). Consultant will perform the services at the direction of SCPPA.

2. **Independent Contractor:** Consultant is an independent contractor, is not an employee of SCPPA and shall not be entitled to any benefits or rights, including, but not limited to, sick leave, vacation leave, holiday pay, worker's compensation or other insurance benefits. Consultant shall furnish the Services in its own manner and method except as required by this Agreement. Consultant shall have no authority, express or implied, to act on behalf of or bind SCPPA in any capacity whatsoever as agents or otherwise. Consultant may use the services of subcontractors to perform a portion of its obligations under this Agreement with the prior written approval of SCPPA. Subcontractors shall be provided with a copy of this Agreement and Consultant shall have an affirmative duty to assure that said subcontractors comply with the same and agree to be bound by its terms. Consultant shall be the responsible party with respect to all actions of its subcontractors performing services under this Agreement. Consultant is not required to perform the services at fixed hourly or daily times, nor at SCPPA premises unless as provided in the Scope of Services. Consultant's time spent at SCPPA or project location premises shall be subject to normal business hours, safety standards and security requirements.

3. **Standard of Care:** The Consultant will perform Services under this Agreement with the degree of skill and diligence normally practiced in the same industry by consultants performing the same or similar services. Consultant shall comply with all Federal, State, County, local and

other governing laws, rules and regulations as applicable to the performance of services under this Agreement including industry standard business practices or other ordinances including, but not limited to, equal opportunity practices, living wage ordinances, applicable business licenses, taxpayer protection acts (limiting gifts or campaign contributions), and assignment of antitrust causes of action.

4. **Changes/Amendments:** This Agreement may not be changed except by written amendment signed by both Parties. Services not expressly set forth in this Agreement are excluded. Consultant shall promptly notify SCPPA if changes to the Scope of Services affect the schedule, level of effort or payment to Consultant. If Consultant determines that changes should be made to Exhibit A or Exhibit B, the Consultant will notify SCPPA of such proposed changes in writing, including the effects on the schedule, level of effort and compensation for such changes, upon such notice SCPPA may elect to accept or reject the proposed change.

5. **Payment:** SCPPA shall pay Consultant for Services in accordance with the terms and schedule contained in Exhibit B. Each invoice shall state the basis for the amount invoiced, including services completed, units and costs, and any work performed. SCPPA shall pay properly invoiced amounts not more than sixty (60) days after delivery of an invoice.

6. **Taxes:** Any and all taxes imposed or assessed on Consultant's income by reason of this agreement or its performance, including but not limited to sales or use taxes, shall be paid by Consultant. Consultant shall be responsible for any taxes or penalties assessed by reason of any claims that Consultant is an employee of SCPPA.

7. **Indemnity**:
   Consultant shall defend, indemnify and hold harmless SCPPA and their officers, agents, representatives and employees from and against any and all suits and causes of action, claims, charges, damages, demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever ~~in~~ for death, bodily injury or personal injury to any person, including Consultant's employees and agents, or damage or destruction to any real or personal property of either Party, or such property of a third person in any manner to the extent caused by negligent acts, errors, omissions or willful misconduct incident to the performance of this Agreement on the part of the Consultant, or the Consultant's officers, agents, employees, or subcontractors of any tier.

8. **Intellectual Property Infringement.** Consultant shall defend, indemnify and hold SCPPA free and harmless from and against any loss, cost and expense that SCPPA incurs because of a claim that any deliverables, materials or equipment (hereinafter "Product") provided pursuant to this Agreement infringes on the intellectual property right of others. Consultant's obligations under this indemnification are expressly conditioned on the following: (i) SCPPA must promptly notify Consultant of any such claim; (ii) SCPPA must in writing grant Consultant sole control of the defense of any such claim and of all negotiations for its settlement or compromise (if SCPPA chooses to represent its own interests in any such action, SCPPA may do so at its own expense, but such representation must not prejudice Consultant's right to control the defense of the claim and negotiate its settlement or compromise); (iii) SCPPA must cooperate with Consultant to facilitate the settlement or defense of the claim; (iv)

the claim must not arise from modifications to or misuse of the Product by SCPPA or others. In the event of any such infringement claim, Consultant, at its sole option and expense, may (A) retake title and possession of the Product and refund all compensation paid by SCPPA, or (B) obtain for SCPPA the right to continue using the Product under the terms of this Agreement; or (C) replace the Product with another that is substantially equivalent in function, or modify the Product so that it becomes non-infringing and substantially equivalent in function.

9. **Insurance.** Consultant shall at its own expense, procure, provide and maintain, and shall require each subcontractor (regardless of tier) to provide and maintain, in effect during the performance of any Services under this Agreement insurance coverage with carriers reasonably satisfactory to SCPPA, as follows:

   (a) Workers' Compensation insurance in accordance with statutory limits, as required by the state in which the services are to be performed, including a waiver of subrogation favoring SCPPA, and Employer's Liability insurance with limits of not less than one million dollars ($1,000,000) each employee for accident, $1,000,000 each employee for disease, and $1,000,000 policy limit for disease.

   (b) Commercial General Liability insurance providing coverage for bodily injury, property damage, personal injury, advertising liability, blanket contractual liability, Consultant's obligations under this Agreement, products and completed operations, and coverage for independent contractors with limits of not less than one million dollars ($1,000,000) for each occurrence, an annual aggregate of two million dollars ($2,000,000), and a products/completed operations aggregate of two million dollars ($2,000,000). Such policy shall cover SCPPA as an additional insured (blanket endorsement acceptable), include a severability of interest provision, and be primary and not contributory with respect to any insurance carried by SCPPA.

   (c) Commercial Automobile Liability insurance providing coverage for all owned, non-owned, and hired automobiles used by Consultant in the performance of the services with a combined single limit of not less than one million dollars ($1,000,000) for each occurrence of bodily injury and property damage.

   (d) Errors & Omissions/Professional Liability insurance, including cover for liability arising from intellectual property infringement, information technology and software development services, with limits of one million dollars ($1,000,000).

   The insurance to be provided by Consultant under this Agreement shall not include any of the following:, a claims-made insurance policies, except for Professional Liability Insurance; a deductible amount greater than two hundred fifty thousand dollars ($250,000); any endorsement limiting coverage available to SCPPA that is otherwise required by this Section 9; and any policy or endorsement language that (i) limits the duty to defend SCPPA under the policy; (ii) permits the recovery of defense costs from any additional insured (except for Professional Liability). The insurance provided under this Agreement shall not contain any restrictions or limitations which are inconsistent with SCPPA's rights under this Agreement.

Consultant shall furnish a certificate of insurance evidencing the required coverages prior to commencement of Services under this Agreement and shall at all times thereafter maintain a certificate of insurance on file with SCPPA evidencing that the required coverages are in place.

10. **Term and Termination:** The term of this Agreement shall be three (3) years from the date hereof, unless sooner terminated in accordance with this section, at which time, it shall either expire or be extended for one (1) additional term of three (3) years subject, again, to earlier termination in accordance with this section. Notwithstanding anything to the contrary contained herein, either Party may terminate this Agreement, with or without cause, upon thirty (30) days' written notice to the other Party. SCPPA shall pay Consultant for all services rendered up to the date of termination plus reasonable expenses for winding down the services. Any rights or obligations pursuant to Sections 5, 6, 7, 8 and 11, respectively, shall survive the expiration or termination of this Agreement.

11. **Use and Ownership of Work Products:**

    (a) Work Product. As used in this agreement, the term "Work Product" means any and all deliverables or materials fixed in a tangible medium of expression, including software code, written procedures, written documents, abstracts and summaries thereof, or any portions or components of the foregoing created, written, developed, conceived, perfected or designed in connections with the Services provided under this Agreement. Work Product include, without limitation, audit reports, balance sheets, financial statements and other documentation representing Consultant's final work product. Work Product shall not include Consultant's work papers and other Consultant documents or information ("Consultant Materials") though Consultant Materials may be contained in Consultant's final work product. To the extent necessary to proper use and comprehension of Consultant final work product, SCPPA may use Consultant Materials.

    (b) SCPPA shall retain all rights, title and interest in and to the Work Product, including all intellectual property rights therein and any and all enhancements, improvements and derivative works thereof, and Consultant obtains no rights therein.

12. **Information Provided by Others:** SCPPA shall provide to the Consultant in a timely manner any information needed to perform the Services hereunder. Consultant may rely on the accuracy of information provided by SCPPA and its representatives. Any Customer Data furnished to Consultant by SCPPA shall be deemed Confidential Information subject to Section 13 of this Agreement. The term "Customer Data" shall mean any and all data that describes anything whatsoever about an individual customer, such as address, employment, contact information, usage history, financial transactions and/or credit history, or that affords a clear basis for inferring things done by or to an individual or entity such as a record of a person's presence in a place, or requests for temporary changes in service. "Customer Responses" shall be any and all information or opinion collected or gathered from an individual customer, either verbally, in writing, or electronically.

13. **Confidential Information:** With respect to any information supplied in connection with this Agreement, Confidential Information shall be any and all: (1) Customer Data provided by SCPPA to Consultant or any of Consultant's subcontractors; and (2) Customer Responses

collected by Consultant or any of Consultant's subcontractors from customers and (3) any information provided to one Party from another that is labeled and/or marked confidential. The recipient agrees to protect the Confidential Information in a reasonable and appropriate manner, and to use and reproduce the Confidential Information only as necessary to realize the benefits of or perform its obligations under this Agreement and for no other purpose.

Notwithstanding the foregoing, Confidential Information does not include information which (i) at the time of disclosure is within the public domain through no breach of this Agreement by either Party; (ii) has been known or independently developed by and is currently in the possession of recipient prior to disclosure or receipt thereof; (iii) was or is acquired by recipient from a third party (other than a customer contacted by Consultant in the course of performance of this Agreement) or (v) disclosed pursuant to a legal requirement or order. The recipient may disclose the Confidential Information on a need-to-know basis to its service providers, contractors, agents and affiliates who agree to confidentiality and non-use terms that are substantially similar to these terms. The parties acknowledge and agree that any proprietary software provided by Consultant in connection with this Agreement shall be considered the Confidential Information of Consultant.

In the case of a *bona fide* request received by SCPPA under the California Public Records Act ("CPRA,") Cal. Gov't Code § 6250 et seq.) from a third party for access to Consultant's Confidential Information subject to this Agreement, SCPPA shall promptly notify Consultant of such request and shall follow Consultant's reasonable instructions in responding thereto subject to the understanding that SCPPA cannot delegate the responsibilities imposed on it by the CPRA to Consultant. In the event access to such Confidential Information is denied and the third party requesting the same initiates litigation to compel access under the CPRA, SCPPA shall promptly advise Consultant of such litigation, and SCPPA shall have no other duty or obligation to Consultant under this Agreement with respect to the denial of access to such Confidential Information or to oppose or defend any such litigation. Consultant, at its own cost and expense, shall indemnify, defend and hold SCPPA free and harmless from such litigation or any claim, suit, cost, expense, judgment or order related thereto or otherwise arising from the denial of access to Consultant's Confidential Information to said third party.

Confidential Information must be kept in a secure location. Confidential Information received from customers will only be provided by Consultant to SCPPA and its designated representatives, and to no other party. Consultant shall, when directed by SCPPA, create aggregated data derived from Confidential Information in such a way such that individual customer responses or data cannot be determined. Consultant will retain the Confidential Information only so long as it is necessary to perform Consultant's tasks under the Agreement, and after such time, the Confidential Information will be returned to SCPPA (or at SCPPA's written option, destroyed), and Consultant will retain no copies of the Confidential Information.

Consultant shall be responsible to ensure that any subcontractors used to provide Services that have access to Confidential Information or who will collect Customer Responses comply with the provisions of this Section 13.

14. **Dispute Resolution:** Consultant and SCPPA shall attempt to resolve conflicts or disputes under this Agreement in a fair and reasonable manner and agree that if resolution cannot be made to attempt to mediate the conflict by a professional mediator. If mediation does not settle any dispute or action which arises under this Agreement or which relates in any way to this Agreement or the subject matter of this Agreement, the Parties may agree in writing to arbitration under the rules governing commercial arbitration as promulgated by the American Arbitration Association, arbitrability shall be subject to the Federal Arbitration Act and the locale of the arbitration shall be Southern California.

15. **Representatives**

SCPPA's representative for administration of this Contract is Aileen Ma, Chief Financial and Administrative Officer, telephone number (626) 793-9364, fax number (626) 793-9461 and e-mail address is ama@scppa.org. All of Consultant's questions pertaining to this Agreement shall be referred to the above-named person, or to the representative's designee.

Consultant's representative for this Contract is Julie Desimone, Partner, telephone number (503) 478-2101, and e-mail address is julie.desimone@mossadams.com. All of SCPPA's questions pertaining to this Agreement shall be referred to the above-named person.

The representatives set forth herein shall have authority to give all notices required herein.

16. **Notices**

All notices, requests, demands and other communications hereunder shall be deemed given only if in writing signed by an authorized representative of the sender (which may be other than the representatives referred to in Section 15) and delivered by first class mail, postage prepaid; by electronic mail or facsimile, with a hard copy mailed first class, postage prepaid; or when sent by a courier or service guaranteeing overnight delivery to the receiving party, addressed as follows:

To SCPPA:
Aileen Ma
Chief Financial and Administrative Officer
Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
(626) 793-9364
ama@scppa.org

To Consultant:
Julie Desimone
Partner
Moss Adams LLP
805 SW Broadway, Suite 1200
Portland, OR 97205
(503) 478-2101
Julie.desimone@mossadams.com
with copy to General Counsel, 999 Third Avenue, Suite 2800, Seattle WA 98104

Either party may change its authorized representative or its address for the purposes of this Agreement by giving written notice of such change to the other party in the manner provided in this Section.

Notice shall be deemed effective: 1) immediately, upon personal delivery; 2) two calendar days after transmission by electronic mail or facsimile; five calendar days after deposit in first class mail, if mailed within the United States; and ten calendar days after deposit in the mail, if mailed from outside the United States.

17. **Miscellaneous:**

(a) This Agreement is binding upon and will inure to the benefit of the SCPPA and Consultant and their respective successors and assigns. Neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party; provided, however, that either Party may assign this Agreement to a successor of the Party's entire business relating to this Agreement.

(b) If any provision of this Agreement is invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect and the provision declared invalid or unenforceable shall continue in full force shall continue as to other circumstances in accordance with, the laws of the State of California.

(c) This Agreement is entered into in Los Angeles County in the State of California and shall be governed by, and construed in accordance with, the laws of the State of California.

(d) IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR OTHERWISE ARISING OUT OF THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR EXEMPLARY OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT.

18. **Counterparts and Electronic Signatures:** This Agreement may be executed in one or more counterparts, each of which when executed by each party shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same agreement or document. A signed copy of this Agreement transmitted by facsimile, email or other means of

electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes, to the extent and as provided for in any applicable law, including without limitation California's Uniform Electronic Transactions Act.

[SIGNATURE PAGE FOLLOWS**]**

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first written above.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____
Michael S. Webster
Executive Director

Approved as to Legal Form and Content:

_____
Daniel S. Hashimi
Senior Assistant General Counsel

MOSS ADAMS LLP

By: _____
Julie Desimone
Partner

EXHIBIT A

SCOPE OF SERVICES

Scope of work to be performed by auditor

1) Audit and express an opinion on the fairness of presentation of SCPPA's combined and individual project statements of net position, statements of revenues, expenses and changes in net position, and statements of cash flow in conformity with generally accepted accounting principles. The auditor is not required to audit the supplemental schedules contained in the comprehensive financial statement report. However, the auditor is to provide "in-relation-to" reports on the supplemental schedules based on the audit procedures applied during the audit of the basic financial statements and provide related certifications to SCPPA's Trustees. The audit is to be conducted in accordance with auditing standards generally accepted in the United States of America and the California Code of Regulations, Title 2, Section 1131.2, State Controller's *Minimum Audit Requirements* for California Special Districts.

2) While purchased power agreement projects are considered one opinion unit, the auditor is to expand their testing in the individual power purchase agreement projects and will set individual materiality for each individual power purchase agreement project. The auditor will report any adjustments or passed adjustments as a result of this additional testing within their letter to those charged with governance.

3) Assist SCPPA in the resolution of complex accounting and financial issues, and the implementation of Governmental Accounting Standards Board (GASB) standards.

4) Assist in the preparation of the management representation letters.

5) Exit conference with the Executive Director and CFO/CAO and communicate any observations for improvements made during the audit and provide best practice recommendations.

Non-attest Services

1) Assist SCPPA in drafting the combined and individual project financial statements and related footnotes

Reports to be issued

Following the completion of the fiscal year audit, the auditor shall issue the following reports:

1) A report on the fairness of the presentation of the financial statements in conformity with generally accepted accounting principles to be completed no later than 110 days after June 30, for each project and each fund. This will be part of the comprehensive financial statement report.

2) A report on the internal controls based on the auditor's understanding of the internal control structure and assessment of control risk to be completed by no later than 110 days after June 30, for each project and each fund. This will be part of the comprehensive financial statement report.

3) A management letter listing suggestions for improvement for SCPPA.

Irregularities and Illegal Acts

Auditors shall make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the Executive Director.

Reporting to the Board of Directors

Auditors shall assure themselves that SCPPA's Board is informed of each of the following:

1) The auditor's responsibility under generally accepted auditing standards.
2) Significant accounting policies.
3) Management judgments and accounting estimates.
4) Significant audit adjustments.
5) Other information in documents containing audited financial statements.
6) Disagreements with management.
7) Management consultation with other accountants.
8) Major issues discussed with management prior to retention.
9) Difficulties encountered in performing the audit.

EXHIBIT B

COMPENSATION

Total all-inclusive maximum price

1) Annual financial report for the year ended June 30, 2020 - $288,000
2) Annual financial report for the year ended June 30, 2021 - $288,000
3) Annual financial report for the year ended June 30, 2022 - $288,000
4) Annual financial report for the year ended June 30, 2023 - $295,000
5) Annual financial report for the year ended June 30, 2024 - $295,000
6) Annual financial report for the year ended June 30, 2025 - $295,000

The compensation amounts listed above are for the scope of services listed in Exhibit A covering the following projects:

Projects	Power Purchase Agreements
Palo Verde Project	Antelope Big Sky Ranch Solar
San Juan Project (mine reclamation & decommissioning)	Antelope DSR 1
Magnolia Power Project	Antelope DSR 2
Canyon Power Project	Astoria 2
Apex Power Project	Chiquita Canyon Landfill Gas (Ameresco)
Tieton Hydropower Project	Columbia Two Solar
Milford I Wind Project	Copper Mountain Solar 3
Milford II Wind Project	Don Campbell I Geothermal
Windy Point Project	Don Campbell II Geothermal
Linden Wind Energy Project	Heber I Geothermal
Southern Transmission System Project	Heber South/Gould 2 Geothermal
Mead-Phoenix Project	Kingbird Solar B
Mead-Adelanto Project	MWD Small Hydro
Pinedale Project	Nevada Geothermal Portfolio
Barnett Project	Ormesa Geothermal Complex
Prepaid Natural Gas Project	Pebble Springs Wind
	Puente Hills Landfill Gas
	Springbok 1 Solar
	Springbok 2 Solar
	Springbok 3 Solar
	Summer Solar
	ARP Loyalton Biomass

Additional projects may increase the scope of the audit and any additional costs will be mutually agreed upon by SCPPA and Moss Adams.

All expenses, including expenses in connection with travel and other expenses, are all included in the compensation amounts listed above in this Exhibit “B”.

Rates for additional professional services

Rates for additional work not included in Exhibit A and agreed to in a separate writing between SCPPA and Moss Adams shall be performed at the hourly rates set forth below or mutually agreed upon fixed fee, provided that in no event shall the aggregate amount paid by SCPPA for any additional work during the term of this Agreement exceed $150,000:

1) Partner - $455
2) Senior Manager - $360
3) Manager - $260
4) Staff / Seniors - $175

PROFESSIONAL SERVICES AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
PFM FINANCIAL ADVISORS LLC

This PROFESSIONAL SERVICES AGREEMENT ("Agreement") is dated as of February 20, 2020, by and between PFM Financial Advisors LLC ("FA Consultant"), a Delaware limited liability company, located at 601 South Figueroa Street, Suite 4500, Los Angeles, California 90017 and the Southern California Public Power Authority ("SCPPA"), a joint powers agency created pursuant to the laws of the State of California, with offices at 1160 Nicole Court, Glendora, California 91740. SCPPA and FA Consultant are also referred to individually as ("Party") and together as ("Parties").

WHEREAS, SCPPA has a need for professional and technical services including studies and reports to improve upon and better facilitate SCPPA's services to its Members; and

WHEREAS, FA Consultant is qualified and capable of providing such services;

NOW, THEREFORE, in consideration of the promises herein and for other good and valuable consideration, the parties agree as follows:

1. **Services to be Provided:** SCPPA engages the FA Consultant to perform all services and related tasks described in Exhibit A "Scope of Services" (or "Services"). FA Consultant will perform the services at the direction of and on behalf of SCPPA and Members.

2. **Independent Contractor:** FA Consultant is an independent contractor, is not an employee of SCPPA or any SCPPA Member and shall not be entitled to any benefits or rights, including, but not limited to, sick leave, vacation leave, holiday pay, worker's compensation or other insurance benefits. FA Consultant shall furnish the Services in its own manner and method except as required by this Agreement. FA Consultant shall have no authority, express or implied, to act on behalf of or bind SCPPA or its Members in any capacity whatsoever as agents or otherwise. FA Consultant may use the services of subcontractors to perform a portion of its obligations under this Agreement with the prior written approval of SCPPA. Subcontractors shall be provided with a copy of this Agreement and FA Consultant shall have an affirmative duty to assure that said subcontractors comply with the same and agree to be bound by its terms. FA Consultant shall be the responsible party with respect to all actions of its subcontractors. FA Consultant is not required to perform the services at fixed hourly or daily times, nor at SCPPA or Member premises unless as provided in the Scope of Services. FA Consultant's time spent at SCPPA, Member, or project location premises shall be subject to normal business hours, safety standards and security requirements.

3. **Standard of Care:** The FA Consultant will perform Services under this Agreement with the degree of skill and diligence normally practiced in the same industry by consultants performing

the same or similar services. FA Consultant shall comply with all Federal, State, County, local and other governing laws, rules and regulations as applicable to the performance of services under this Agreement including Member business practices or other ordinances including, but not limited to, equal opportunity practices, living wage ordinances, applicable business licenses, taxpayer protection acts (limiting gifts or campaign contributions), and assignment of antitrust causes of action.

4. **Changes/Amendments:** This Agreement may not be changed except by written amendment signed by both Parties. Services not expressly set forth in this Agreement are excluded. FA Consultant shall promptly notify SCPPA if changes to the Scope of Services affect the schedule, level of effort or payment to FA Consultant. If FA Consultant determines that changes should be made to Exhibit A or Exhibit B, the FA Consultant will notify SCPPA of such proposed changes in writing, including the effects on the schedule, level of effort and compensation for such changes.

5. **Payment:** SCPPA shall pay FA Consultant for Services in accordance with the terms and schedule contained in Exhibit B. Each invoice shall state the basis for the amount invoiced, including services completed, units and costs, and any work performed. Invoices received by SCPPA on or before the 26th day of a given month and are subsequently approved by the Member(s) on or before the 5th day of the next month, will be paid by SCPPA by the end of said month for services performed in the previous month. SCPPA shall pay properly invoiced amounts not more than sixty (60) days after delivery of an invoice. If invoices are not received in the time frame above, then SCPPA will use their best efforts to pay within the 60 day term.

6. **Taxes:** Any and all taxes imposed or assessed on FA Consultant's income by reason of this agreement or its performance, including but not limited to sales or use taxes, shall be paid by FA Consultant. FA Consultant shall be responsible for any taxes or penalties assessed by reason of any claims that FA Consultant is an employee of SCPPA.

7. **Indemnity**: FA Consultant shall defend, indemnify and hold harmless SCPPA, its Members and their officers, agents, representatives, and employees, from and against any and all suits and causes of action, claims, charges, damages, demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever for death, bodily injury or personal injury to any person, including FA Consultant's employees and agents, or damage or destruction to any property of either party hereto, or third person in any manner arising by reason of negligent acts, errors, omissions or willful misconduct incident to the performance of this contract on the part of the FA Consultant, or the FA Consultant's officers, agents, employees, or subcontractors of any tier, except for the gross negligence or willful misconduct of SCPPA, its Members and their officers, agents, representatives or employees.

8. **Intellectual Property Infringement.** FA Consultant shall defend, indemnify and hold SCPPA and its Members free and harmless from and against any loss, cost and expense that SCPPA or any Member incurs because of a claim that any deliverables, materials or equipment (hereinafter "Product") provided pursuant to this Agreement infringes on the intellectual property right of others. FA Consultant's obligations under this indemnification are expressly conditioned on the following: (i) SCPPA must promptly notify FA Consultant of any such

claim; (ii) SCPPA must in writing grant FA Consultant sole control of the defense of any such claim and of all negotiations for its settlement or compromise (if SCPPA chooses to represent its own interests in any such action, SCPPA may do so at its own expense, but such representation must not prejudice FA Consultant's right to control the defense of the claim and negotiate its settlement or compromise); (iii) SCPPA and its Members must cooperate with FA Consultant to facilitate the settlement or defense of the claim; (iv) the claim must not arise from modifications to or misuse of the Product by SCPPA, its Members or others. In the event of any such infringement claim, FA Consultant, at its sole option and expense, may (A) retake title and possession of the Product and refund all compensation paid by SCPPA, or (B) obtain for SCPPA the right to continue using the Product under the terms of this Agreement; or (C) replace the Product with another that is substantially equivalent in function, or modify the Product so that it becomes non-infringing and substantially equivalent in function.

9. **Insurance.** FA Consultant shall at its own expense, procure, provide and maintain, and shall require each subcontractor (regardless of tier) to provide and maintain, in effect during the performance of any Services under this Agreement insurance coverage with carriers reasonably satisfactory to SCPPA, as follows:

   (a) Workers' Compensation insurance in accordance with statutory limits, as required by the state in which the services are to be performed, including a waiver of subrogation favoring SCPPA, and Employer's Liability insurance with limits of not less than one million dollars ($1,000,000) each employee for accident, $1,000,000 each employee for disease, and $1,000,000 policy limit for disease.

   (b) Commercial General Liability insurance providing coverage for bodily injury, property damage, personal injury, advertising liability, blanket contractual liability, FA Consultant's obligations under this Agreement, products and completed operations with limits of not less than one million dollars ($1,000,000) for each occurrence, an annual aggregate of two million dollars ($2,000,000), and a products/completed operations aggregate of two million dollars ($2,000,000). Such policy shall cover SCPPA and its Members as an additional insured, include a severability of interest provision, and be primary and not contributory with respect to any insurance carried by SCPPA or its Members.

   (c) Commercial Automobile Liability insurance providing coverage for all non-owned, and hired automobiles used by FA Consultant in the performance of the services with a combined single limit of not less than one million dollars ($1,000,000) for each occurrence of bodily injury and property damage.

   (d) Errors & Omissions/Professional Liability insurance, including cover for liability arising from intellectual property infringement, information technology and software development services, with limits of forty million dollars ($40,000,000).

   The insurance to be provided by FA Consultant under this Agreement shall not include any of the following:, a claims-made insurance policy, except for Professional Liability Insurance; a self-insured retention or deductible amount greater than one million dollars for Professional Liability Insurance and two hundred fifty thousand dollars ($250,000) for any other insurance, unless approved in writing by SCPPA; any endorsement limiting coverage available to SCPPA

that is otherwise required by this Section 9; and any policy or endorsement language that (i) negates coverage to SCPPA for SCPPA's own negligence; (ii) limits the duty to defend SCPPA under the policy; (iii) provides coverage to SCPPA only if FA Consultant is negligent, or (iv) permits the recovery of defense costs from any additional insured. The insurance provided under this Agreement shall not contain any restrictions or limitations which are inconsistent with SCPPA's rights under this Agreement.

FA Consultant shall furnish a certificate of insurance evidencing the required coverages prior to commencement of Services under this Agreement and shall at all times thereafter maintain a certificate of insurance on file with SCPPA evidencing that the required coverages are in place.

10. **Term and Termination:** The term of this Agreement shall be three (3) years from the date hereof, unless sooner terminated in accordance with this section, at which time, it shall either expire or be extended for one (1) additional term of two (2) years subject, again, to earlier termination in accordance with this section. Notwithstanding anything to the contrary contained herein, either Party may terminate this Agreement, with or without cause, upon thirty (30) days' written notice to the other Party. SCPPA shall pay FA Consultant for all services rendered up to the date of termination plus reasonable expenses for winding down the services. Any rights or obligations pursuant to Sections 5, 6, 7, 8 and 11, respectively, shall survive the expiration or termination of this Agreement.

11. **Use and Ownership of Work Products:**

    (a) Work Product. As used in this agreement, the term "Work Product" means any and all deliverables or materials fixed in a tangible medium of expression, including software code, written procedures, written documents, abstracts and summaries thereof, or any portions or components of the foregoing created, written, developed, conceived, perfected or designed in connections with the Services provided under this Agreement.

    (b) SCPPA shall retain all rights, title and interest in and to the Work Product, including all intellectual property rights therein and any and all enhancements, improvements and derivative works thereof, and FA Consultant obtains no rights therein.

12. **Information Provided by Others:** SCPPA and/or its Members shall provide to the FA Consultant in a timely manner any information needed to perform the Services hereunder. FA Consultant may rely on the accuracy of information provided by SCPPA and its representatives. Any Customer Data furnished to FA Consultant by SCPPA or its Members shall be deemed Confidential Information subject to Section 13 of this Agreement. The term "Customer Data" shall mean any and all data that describes anything whatsoever about an individual customer of a SCPPA Member, such as address, employment, contact information, usage history, financial transactions and/or credit history, or that affords a clear basis for inferring things done by or to an individual or entity such as a record of a person's presence in a place, or requests for temporary changes in service. "Customer Responses" shall be any and all information or opinion collected or gathered from an individual customer of a SCPPA Member, either verbally, in writing, or electronically.

13. **Confidential Information:** With respect to any information supplied in connection with this Agreement, Confidential Information shall be any and all: (1) Customer Data provided by SCPPA or any participating Member to FA Consultant or any of FA Consultant's subcontractors; and (2) Customer Responses collected by FA Consultant or any of FA Consultant's subcontractors from customers of any Members; and (3) any information provided to one Party from another that is labeled and/or marked confidential. The recipient agrees to protect the Confidential Information in a reasonable and appropriate manner, and to use and reproduce the Confidential Information only as necessary to realize the benefits of or perform its obligations under this Agreement and for no other purpose.

    Notwithstanding the foregoing, Confidential Information does not include information which (i) at the time of disclosure is within the public domain through no breach of this Agreement by either Party; (ii) has been known or independently developed by and is currently in the possession of recipient prior to disclosure or receipt thereof; (iii) was or is acquired by recipient from a third party (other than a SCPPA Member Customer contacted by FA Consultant in the course of performance of this Agreement) or (v) disclosed pursuant to a legal requirement or judicial order or regulatory process. The recipient may disclose the Confidential Information on a need-to-know basis to its contractors, agents and affiliates who agree to confidentiality and non-use terms that are substantially similar to these terms. The parties acknowledge and agree that any proprietary software provided by FA Consultant in connection with this Agreement shall be considered the Confidential Information of FA Consultant.

    In the case of a *bona fide* request received by SCPPA under the California Public Records Act ("CPRA,") Cal. Gov't Code § 6250 et seq.) from a third party for access to FA Consultant's Confidential Information subject to this Agreement, SCPPA shall promptly notify FA Consultant of such request and shall follow FA Consultant's reasonable instructions in responding thereto subject to the understanding that SCPPA cannot delegate the responsibilities imposed on it by the CPRA to FA Consultant. In the event access to such Confidential Information is denied and the third party requesting the same initiates litigation to compel access under the CPRA, SCPPA shall promptly advise FA Consultant of such litigation, and SCPPA shall have no other duty or obligation to FA Consultant under this Agreement with respect to the denial of access to such Confidential Information or to oppose or defend any such litigation. FA Consultant, at its own cost and expense, shall indemnify, defend and hold SCPPA free and harmless from such litigation or any claim, suit, cost, expense, judgment or order related thereto or otherwise arising from the denial of access to FA Consultant's Confidential Information to said third party.

    Confidential Information must be kept in a secure location. Confidential Information received from customers of a Member will only be provided by FA Consultant to SCPPA and its designated representatives, and to no other party. FA Consultant shall, when directed by SCPPA, create aggregated data derived from Confidential Information in such a way such that individual customer responses or data cannot be determined. FA Consultant will retain the Confidential Information only so long as it is necessary to perform FA Consultant's tasks under the Agreement, and after such time, the Confidential Information will be returned to SCPPA (or at SCPPA's written option, destroyed). Notwithstanding the foregoing, FA Consultant may

retain a copy of the Confidential Information to the extent required by law or regulation or automatically saved electronically as part of a computer disaster recovery or similar back-up system or internal document retention and business continuity policies and procedures.

FA Consultant shall be responsible to ensure that any subcontractors used to provide Services that have access to Confidential Information or who will collect Customer Responses comply with the provisions of this Section 13.

14. **Dispute Resolution:** FA Consultant and SCPPA shall attempt to resolve conflicts or disputes under this Agreement in a fair and reasonable manner prior to the commencement of any litigation.

15. **Representatives**

SCPPA's representative for administration of this Agreement is Aileen Ma, Chief Financial and Administrative Officer, telephone number (626) 793-9364, fax number (626) 793-9461 and e-mail address is ama@scppa.org. All of FA Consultant's questions pertaining to this Agreement shall be referred to the above-named person(s), or to the representative's designee.

FA Consultant's representative for this Agreement is Michael Berwanger, Managing Director and Western Region Manager, telephone number (213) 489-4075, fax number (213) 489-4085 and e-mail address is berwangerm@pfm.com. All of SCPPA's questions pertaining to this Agreement shall be referred to the above-named person.

The representatives set forth herein shall have authority to give all notices required herein.

16. **Notices**

All notices, requests, demands and other communications hereunder shall be deemed given only if in writing signed by an authorized representative of the sender (which may be other than the representatives referred to in Section 15) and delivered by first class mail, postage prepaid; by electronic mail or facsimile, with a hard copy mailed first class, postage prepaid; or when sent by a courier or service guaranteeing overnight delivery to the receiving party, addressed as follows:

[Continued on next page.]

To SCPPA:
Aileen Ma,
Chief Financial and Administrative Officer
Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
(626) 793-9364
ama@scppa.org

To FA Consultant:
Michael Berwanger
Managing Director and Western Region Manager
PFM Financial Advisors LLC
601 S. Figueroa Street, Suite 4500
Los Angeles, CA 90017
(213) 489-4075
berwangerm@pfm.com

Either party may change its authorized representative or its address for the purposes of this Agreement by giving written notice of such change to the other party in the manner provided in this Section.

Notice shall be deemed effective: 1) immediately, upon personal delivery; 2) two calendar days after transmission by electronic mail or facsimile; five calendar days after deposit in first class mail, if mailed within the United States; and ten calendar days after deposit in the mail, if mailed from outside the United States.

17. **Miscellaneous:**

(a) This Agreement is binding upon and will inure to the benefit of the SCPPA and FA Consultant and their respective successors and assigns. Neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party; provided, however, that either Party may assign this Agreement to a successor of the Party's entire business relating to this Agreement.

(b) If any provision of this Agreement is invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect and the provision declared invalid or unenforceable shall continue in full force shall continue as to other circumstances in accordance with, the laws of the State of California.

(c) This Agreement is entered into in Los Angeles County in the State of California and shall be governed by, and construed in accordance with, the laws of the State of California.

(d) PFM Financial Advisors LLC is a registered municipal advisor with the Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. The parties

agree that if SCPPA has designated FA Consultant as its independent registered municipal advisor ("IRMA") for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA exemption"), the services provided pursuant to such designation shall be the services described in Exhibit A hereto, subject to any agreed upon limitations. Verification of independence (as is required under the IRMA exemption) shall be the responsibility of such third party seeking to rely on such IRMA exemption. FA Consultant shall have the right to review and approve in advance any representation of FA Consultant's role as IRMA to the SCPPA

(e) MSRB Rules require that municipal advisors make written disclosures to their clients of all material conflicts of interest, certain legal or disciplinary events and certain regulatory requirements, which are provided in FA Consultant's Disclosure Statement delivered to SCPPA prior to or together with this Agreement.

(f) Upon request of SCPPA, FA Consultant or an affiliate of FA Consultant may agree to additional services to be provided by FA Consultant or an affiliate of FA Consultant, by a separate writing, including separate scope and compensation, between the SCPPA and FA Consultant or its respective affiliate. For the sake of clarity, any separate agreement between SCPPA and an affiliate of FA Consultant shall not in any way be deemed an amendment or modification of this Agreement.

(g) All information, data, reports, and records in the possession of SCPPA or any third party necessary for carrying out any services to be performed under this Agreement ("Data") shall be furnished to FA Consultant. FA Consultant may rely on the Data in connection with its provision of the services under this Agreement and the provider thereof shall remain solely responsible for the adequacy, accuracy or completeness of such Data

18. **Counterparts and Electronic Signatures:** This Agreement may be executed in one or more counterparts, each of which when executed by each party shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same agreement or document. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes, to the extent and as provided for in any applicable law, including without limitation California's Uniform Electronic Transactions Act.

[SIGNATURE PAGE FOLLOWS**]**

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first written above.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____
Michael S. Webster
Executive Director

Approved as to Legal Form and Content:

_____
Richard J. Morillo
General Counsel

PFM FINANCIAL ADVISORS LLC

By: _____
Michael Berwanger
Managing Director

EXHIBIT A

SCOPE OF SERVICES

FA Consultant shall provide the following base level services and other general advisory services as may be requested from time to time consistent with its Proposal for Municipal Advisory Services dated October 25, 2019, submitted by FA Consultant to SCPPA; provided, that swap advisory services shall be provided by PFM Swap Advisors LLC pursuant to its agreement with SCPPA:

1. Assist SCPPA in updating and implementing strategies, plans, and policies. This includes analyzing short-term, intermediate, long-term financing options, and ongoing surveys of the financial activities of public and private electric utilities.

2. Provide SCPPA with information, judgments, and forecasts regarding economic, capital market, and money market conditions.

3. Advise SCPPA on the timing, method, and structure of its security sales and provide, when requested, consultation in negotiating the components of the underwriters' spread and the pricing and other terms of the securities offered.

4. Assist SCPPA in preparing and reviewing documents necessary for the sale of its securities and the investment of the proceeds thereof.

5. Assist SCPPA, in coordination with the SCPPA's bond counsel, in ensuring that applicable laws and regulations relating to security offerings are followed.

6. Assist SCPPA with forming and implementing a rating strategy to optimize SCPPA's credit ratings including preparing any presentation before rating agencies, or other parties as appropriate.

7. Assist SCPPA in evaluating the performance of syndicate members, distribution of bonds, settlement and post-settlement analyses.

8. Assist SCPPA in restructuring its debt, including changes in variable rate exposure and early retirement of outstanding obligations.

9. Assist SCPPA in reviewing and analyzing legislation that may have a financial impact on SCPPA.

10. Solicit bids related to escrow funds, insurance, swap rates and other bids SCPPA may request, provided that any swaps services shall be provided by PFM Swap Advisors LLC.

11. When requested, assist SCPPA in negotiating applicable contracts.

12. Upon request, prepare special studies of a financial nature and review new financial products

or techniques which may be proposed to SCPPA from time to time.

13. Assist SCPPA in reviewing draft financial and rating agency reports prior to publication.

14. Assist SCPPA in developing and maintaining mailing lists for its financial statements.

15. Cooperate and coordinate with the Intermountain Power Authority on financial matters.

16. Attend monthly Finance Committee and other specific periodic meetings as requested and, upon request, attend meetings of the Board of Directors and the Investment Committee. From time to time, the FA Consultant will be asked to meet with staff and to make presentations to the Finance Committee, the Board of Directors or selected SCPPA project committees.

EXHIBIT B

COMPENSATION

FA Consultant shall be compensated for services provided pursuant to this Agreement consistent with its Proposal for Municipal Advisory Services dated October 25, 2019, summarized as follows:

1. Routine Matters -- Retainer of $7500 per month.
2. Refinancing of Existing Project Debt – For any refunding or refinancing transactions related to existing SCPPA project, a fixed fee as shown in the following chart:

Par Amount	Fixed Fee
<$25 million	$40,000
$25 million - $50 million	$60,000
>$50 million	$75,000

3. Credit Facility Replacement - $25,000 fixed fee where FA Consultant participates in the solicitation of proposals for and negotiation and documentation of a new credit facility.
4. Complex Transactions – An additional fee shall be subject to negotiation and included in a separate engagement letter.
5. Other Services – For non-transaction or special projects not covered under the Schedule of Services shown in Exhibit A, FA Consultant shall be compensated pursuant to a separately negotiated agreement or the following schedule of hourly rates:

Employee Title	Hourly Rate
Managing Director	$400
Director	$375
Senior Managing Consultant	$350
Senior Analyst	$280
Analyst	$260

6. Expenses – In addition, FA Consultant shall be entitled to reimbursement for its reasonable out-of-pocket expenses.

The total amount of compensation and reimbursement shall not exceed $1,800,000 over the three-year term of this Agreement without approval of the SCPPA Board of Directors.

PROFESSIONAL SERVICES AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
PFM SWAP ADVISORS LLC

This PROFESSIONAL SERVICES AGREEMENT ("Agreement") is dated as of February 20, 2020, by and between PFM Swap Advisors LLC ("Swap Consultant"), a Delaware limited liability company, located at or 1735 Market Street, 43rd Floor, Philadelphia, PA 19103, and the Southern California Public Power Authority ("SCPPA"), a joint powers agency created pursuant to the laws of the State of California, with offices at 1160 Nicole Court, Glendora, California 91740. SCPPA and Swap Consultant are also referred to individually as ("Party") and together as ("Parties").

WHEREAS, SCPPA has a need for professional and technical services including studies and reports to improve upon and better facilitate SCPPA's services to its Members; and

WHEREAS, Swap Consultant is qualified and capable of providing such services;

NOW, THEREFORE, in consideration of the promises herein and for other good and valuable consideration, the parties agree as follows:

1. **Services to be Provided:** SCPPA engages the Swap Consultant to perform all services and related tasks described in Exhibit A "Scope of Services" (or "Services") as a Municipal Advisor and designated Qualified Independent Representative ("QIR") in the provision of general swap advisory services related to any swap-related communication, interaction or other discussion ("Swap Communication") between SCPPA and Swap Dealers (as such term is defined by the Securities and Exchange Commission ("SEC") and the Commodity Futures Trading Commission ("CFTC")). Swap Consultant will perform the services at the direction of and on behalf of SCPPA and Members. This Agreement obligates Swap Consultant to comply with the applicable requirements of the Commodity Futures Trading Commission Regulation 17 CFR 23.450(b)(1) in providing QIR services to SCPPA.

2. **Independent Contractor:** Swap Consultant is an independent contractor, is not an employee of SCPPA or any SCPPA Member and shall not be entitled to any benefits or rights, including, but not limited to, sick leave, vacation leave, holiday pay, worker's compensation or other insurance benefits. Swap Consultant shall furnish the Services in its own manner and method except as required by this Agreement. Swap Consultant shall have no authority, express or implied, to act on behalf of or bind SCPPA or its Members in any capacity whatsoever as agents or otherwise. Swap Consultant may use the services of subcontractors to perform a portion of its obligations under this Agreement with the prior written approval of SCPPA. Subcontractors shall be provided with a copy of this Agreement and Swap Consultant shall have an affirmative duty to assure that said subcontractors comply with the same and agree to be bound by its terms. Swap Consultant shall be the responsible party with respect to all actions of its subcontractors. Swap Consultant is not required to perform the services at fixed hourly

or daily times, nor at SCPPA or Member premises unless as provided in the Scope of Services. Swap Consultant's time spent at SCPPA, Member, or project location premises shall be subject to normal business hours, safety standards and security requirements.

3. **Standard of Care:** The Swap Consultant will perform Services under this Agreement with the degree of skill and diligence normally practiced in the same industry by consultants performing the same or similar services. Swap Consultant shall comply with all Federal, State, County, local and other governing laws, rules and regulations as applicable to the performance of services under this Agreement including Member business practices or other ordinances including, but not limited to, equal opportunity practices, living wage ordinances, applicable business licenses, taxpayer protection acts (limiting gifts or campaign contributions), and assignment of antitrust causes of action.

4. **Changes/Amendments:** This Agreement may not be changed except by written amendment signed by both Parties. Services not expressly set forth in this Agreement are excluded. Swap Consultant shall promptly notify SCPPA if changes to the Scope of Services affect the schedule, level of effort or payment to Swap Consultant. If Swap Consultant determines that changes should be made to Exhibit A or Exhibit B, the Swap Consultant will notify SCPPA of such proposed changes in writing, including the effects on the schedule, level of effort and compensation for such changes.

5. **Payment:** SCPPA shall pay Swap Consultant for Services in accordance with the terms and schedule contained in Exhibit B. Each invoice shall state the basis for the amount invoiced, including services completed, units and costs, and any work performed. Invoices received by SCPPA on or before the 26th day of a given month and are subsequently approved by the Member(s) on or before the 5th day of the next month, will be paid by SCPPA by the end of said month for services performed in the previous month. SCPPA shall pay properly invoiced amounts not more than sixty (60) days after delivery of an invoice. If invoices are not received in the time frame above, then SCPPA will use their best efforts to pay within the 60 day term.

6. **Taxes:** Any and all taxes imposed or assessed on Swap Consultant's income by reason of this agreement or its performance, including but not limited to sales or use taxes, shall be paid by Swap Consultant. Swap Consultant shall be responsible for any taxes or penalties assessed by reason of any claims that Swap Consultant is an employee of SCPPA.

7. **Indemnity**: Swap Consultant shall defend, indemnify and hold harmless SCPPA, its Members and their officers, agents, representatives, and employees, from and against any and all suits and causes of action, claims, charges, damages, demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever for death, bodily injury or personal injury to any person, including Swap Consultant's employees and agents, or damage or destruction to any property of either party hereto, or third person in any manner arising by reason of negligent acts, errors, omissions or willful misconduct incident to the performance of this contract on the part of the Swap Consultant, or the Swap Consultant's officers, agents, employees, or subcontractors of any tier, except for the gross negligence or willful misconduct of SCPPA, its Members and their officers, agents, representatives or employees.

8. **Intellectual Property Infringement.** Swap Consultant shall defend, indemnify and hold SCPPA and its Members free and harmless from and against any loss, cost and expense that SCPPA or any Member incurs because of a claim that any deliverables, materials or equipment (hereinafter "Product") provided pursuant to this Agreement infringes on the intellectual property right of others. Swap Consultant's obligations under this indemnification are expressly conditioned on the following: (i) SCPPA must promptly notify Swap Consultant of any such claim; (ii) SCPPA must in writing grant Swap Consultant sole control of the defense of any such claim and of all negotiations for its settlement or compromise (if SCPPA chooses to represent its own interests in any such action, SCPPA may do so at its own expense, but such representation must not prejudice Swap Consultant's right to control the defense of the claim and negotiate its settlement or compromise); (iii) SCPPA and its Members must cooperate with Swap Consultant to facilitate the settlement or defense of the claim; (iv) the claim must not arise from modifications to or misuse of the Product by SCPPA, its Members or others. In the event of any such infringement claim, Swap Consultant, at its sole option and expense, may (A) retake title and possession of the Product and refund all compensation paid by SCPPA, or (B) obtain for SCPPA the right to continue using the Product under the terms of this Agreement; or (C) replace the Product with another that is substantially equivalent in function, or modify the Product so that it becomes non-infringing and substantially equivalent in function.

9. **Insurance.** Swap Consultant shall at its own expense, procure, provide and maintain, and shall require each subcontractor (regardless of tier) to provide and maintain, in effect during the performance of any Services under this Agreement insurance coverage with carriers reasonably satisfactory to SCPPA, as follows:

   (a) Workers' Compensation insurance in accordance with statutory limits, as required by the state in which the services are to be performed, including a waiver of subrogation favoring SCPPA, and Employer's Liability insurance with limits of not less than one million dollars ($1,000,000) each employee for accident, $1,000,000 each employee for disease, and $1,000,000 policy limit for disease.

   (b) Commercial General Liability insurance providing coverage for bodily injury, property damage, personal injury, advertising liability, blanket contractual liability, Swap Consultant's obligations under this Agreement, products and completed operations with limits of not less than one million dollars ($1,000,000) for each occurrence, an annual aggregate of two million dollars ($2,000,000), and a products/completed operations aggregate of two million dollars ($2,000,000). Such policy shall cover SCPPA and its Members as an additional insured, include a severability of interest provision, and be primary and not contributory with respect to any insurance carried by SCPPA or its Members.

   (c) Commercial Automobile Liability insurance providing coverage for all non-owned, and hired automobiles used by Swap Consultant in the performance of the services with a combined single limit of not less than one million dollars ($1,000,000) for each occurrence of bodily injury and property damage.

   (d) Errors & Omissions/Professional Liability insurance, including cover for liability arising

from intellectual property infringement, information technology and software development services, with limits of one million dollars ($1,000,000).

The insurance to be provided by Swap Consultant under this Agreement shall not include any of the following:, a claims-made insurance policies, except for Professional Liability Insurance; a self-insured retention or deductible amount greater than two hundred fifty thousand dollars ($250,000) unless approved in writing by SCPPA; any endorsement limiting coverage available to SCPPA that is otherwise required by this Section 9; and any policy or endorsement language that (i) negates coverage to SCPPA for SCPPA's own negligence; (ii) limits the duty to defend SCPPA under the policy; (iii) provides coverage to SCPPA only if Swap Consultant is negligent, or (iv) permits the recovery of defense costs from any additional insured. The insurance provided under this Agreement shall not contain any restrictions or limitations which are inconsistent with SCPPA's rights under this Agreement.

Swap Consultant shall furnish a certificate of insurance evidencing the required coverages prior to commencement of Services under this Agreement and shall at all times thereafter maintain a certificate of insurance on file with SCPPA evidencing that the required coverages are in place.

10. **Term and Termination:** The term of this Agreement shall be three (3) years from the date hereof, unless sooner terminated in accordance with this section, at which time, it shall either expire or be extended for one (1) additional term of two (2) years subject, again, to earlier termination in accordance with this section. Notwithstanding anything to the contrary contained herein, either Party may terminate this Agreement, with or without cause, upon thirty (30) days' written notice to the other Party. SCPPA shall pay Swap Consultant for all services rendered up to the date of termination plus reasonable expenses for winding down the services. Any rights or obligations pursuant to Sections 5, 6, 7, 8 and 11, respectively, shall survive the expiration or termination of this Agreement.

11. **Use and Ownership of Work Products:**

    (a) Work Product. As used in this agreement, the term "Work Product" means any and all deliverables or materials fixed in a tangible medium of expression, including software code, written procedures, written documents, abstracts and summaries thereof, or any portions or components of the foregoing created, written, developed, conceived, perfected or designed in connections with the Services provided under this Agreement.

    (b) SCPPA shall retain all rights, title and interest in and to the Work Product, including all intellectual property rights therein and any and all enhancements, improvements and derivative works thereof, and Swap Consultant obtains no rights therein.

12. **Information Provided by Others:** SCPPA and/or its Members shall provide to the Swap Consultant in a timely manner any information needed to perform the Services hereunder. Swap Consultant may rely on the accuracy of information provided by SCPPA and its representatives. Any Customer Data furnished to Swap Consultant by SCPPA or its Members shall be deemed Confidential Information subject to Section 13 of this Agreement. The term

"Customer Data" shall mean any and all data that describes anything whatsoever about an individual customer of a SCPPA Member, such as address, employment, contact information, usage history, financial transactions and/or credit history, or that affords a clear basis for inferring things done by or to an individual or entity such as a record of a person's presence in a place, or requests for temporary changes in service. "Customer Responses" shall be any and all information or opinion collected or gathered from an individual customer of a SCPPA Member, either verbally, in writing, or electronically.

13. **Confidential Information:** With respect to any information supplied in connection with this Agreement, Confidential Information shall be any and all: (1) Customer Data provided by SCPPA or any participating Member to Swap Consultant or any of Swap Consultant's subcontractors; and (2) Customer Responses collected by Swap Consultant or any of Swap Consultant's subcontractors from customers of any Members; and (3) any information provided to one Party from another that is labeled and/or marked confidential. The recipient agrees to protect the Confidential Information in a reasonable and appropriate manner, and to use and reproduce the Confidential Information only as necessary to realize the benefits of or perform its obligations under this Agreement and for no other purpose.

    Notwithstanding the foregoing, Confidential Information does not include information which (i) at the time of disclosure is within the public domain through no breach of this Agreement by either Party; (ii) has been known or independently developed by and is currently in the possession of recipient prior to disclosure or receipt thereof; (iii) was or is acquired by recipient from a third party (other than a SCPPA Member Customer contacted by Swap Consultant in the course of performance of this Agreement) or (v) disclosed pursuant to a legal requirement or judicial order or regulatory process. The recipient may disclose the Confidential Information on a need-to-know basis to its contractors, agents and affiliates who agree to confidentiality and non-use terms that are substantially similar to these terms. The parties acknowledge and agree that any proprietary software provided by Swap Consultant in connection with this Agreement shall be considered the Confidential Information of Swap Consultant.

    In the case of a *bona fide* request received by SCPPA under the California Public Records Act ("CPRA,") Cal. Gov't Code § 6250 et seq.) from a third party for access to Swap Consultant's Confidential Information subject to this Agreement, SCPPA shall promptly notify Swap Consultant of such request and shall follow Swap Consultant's reasonable instructions in responding thereto subject to the understanding that SCPPA cannot delegate the responsibilities imposed on it by the CPRA to Swap Consultant. In the event access to such Confidential Information is denied and the third party requesting the same initiates litigation to compel access under the CPRA, SCPPA shall promptly advise Swap Consultant of such litigation, and SCPPA shall have no other duty or obligation to Swap Consultant under this Agreement with respect to the denial of access to such Confidential Information or to oppose or defend any such litigation. Swap Consultant, at its own cost and expense, shall indemnify, defend and hold SCPPA free and harmless from such litigation or any claim, suit, cost, expense, judgment or order related thereto or otherwise arising from the denial of access to Swap Consultant's Confidential Information to said third party.

Confidential Information must be kept in a secure location. Confidential Information received from customers of a Member will only be provided by Swap Consultant to SCPPA and its designated representatives, and to no other party. Swap Consultant shall, when directed by SCPPA, create aggregated data derived from Confidential Information in such a way such that individual customer responses or data cannot be determined. Swap Consultant will retain the Confidential Information only so long as it is necessary to perform Swap Consultant's tasks under the Agreement, and after such time, the Confidential Information will be returned to SCPPA (or at SCPPA's written option, destroyed). Notwithstanding the foregoing, Swap Consultant may retain a copy of the Confidential Information to the extent required by law or regulation or automatically saved electronically as part of a computer disaster recovery or similar back-up system or internal document retention and business continuity policies and procedures

Swap Consultant shall be responsible to ensure that any subcontractors used to provide Services that have access to Confidential Information or who will collect Customer Responses comply with the provisions of this Section 13.

14. **Dispute Resolution:** Swap Consultant and SCPPA shall attempt to resolve conflicts or disputes under this Agreement in a fair and reasonable manner.

15. **Representatives**

SCPPA's representative for administration of this Agreement is Aileen Ma, Chief Financial and Administrative Officer, telephone number (626) 793-9364, fax number (626) 793-9461 and e-mail address is ama@scppa.org. All of Swap Consultant's questions pertaining to this Agreement shall be referred to the above-named person(s), or to the representative's designee.

Swap Consultant's representative for this Agreement is Jeffrey Pearsall, Managing Director, telephone number (215) 557-1466, fax number (215) 567-4180 and e-mail address is pearsallj@pfm.com. All of SCPPA's questions pertaining to this Agreement shall be referred to the above-named person.

The representatives set forth herein shall have authority to give all notices required herein.

16. **Notices**

All notices, requests, demands and other communications hereunder shall be deemed given only if in writing signed by an authorized representative of the sender (which may be other than the representatives referred to in Section 15) and delivered by first class mail, postage prepaid; by electronic mail or facsimile, with a hard copy mailed first class, postage prepaid; or when sent by a courier or service guaranteeing overnight delivery to the receiving party, addressed as follows:

[Continued on next page]

To SCPPA:
Aileen Ma,
Chief Financial and Administrative Officer
Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
(626) 793-9364
ama@scppa.org

To Swap Consultant:
Jeffrey M. Pearsall
Managing Director
PFM Swap Advisors LLC
1735 Market Street, 43rd Floor
Philadelphia, PA 19103
(215) 557-1466
pearsallj@pfm.com

Either party may change its authorized representative or its address for the purposes of this Agreement by giving written notice of such change to the other party in the manner provided in this Section.

Notice shall be deemed effective: 1) immediately, upon personal delivery; 2) two calendar days after transmission by electronic mail or facsimile; five calendar days after deposit in first class mail, if mailed within the United States; and ten calendar days after deposit in the mail, if mailed from outside the United States.

17. **Miscellaneous:**

(a) This Agreement is binding upon and will inure to the benefit of the SCPPA and Swap Consultant and their respective successors and assigns. Neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party; provided, however, that either Party may assign this Agreement to a successor of the Party's entire business relating to this Agreement.

(b) If any provision of this Agreement is invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect and the provision declared invalid or unenforceable shall continue in full force shall continue as to other circumstances in accordance with, the laws of the State of California.

(c) This Agreement is entered into in Los Angeles County in the State of California and shall be governed by, and construed in accordance with, the laws of the State of California.

(d) PFM Swap Advisors LLC is a registered municipal advisor with the Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2 and as a

Commodity Trading Advisor ("CTA") registered with the Commodity Futures Trading Commission ("CFTC"). As of the date of this Agreement, SCPPA has **not** designated Swap Consultant as its independent registered municipal advisor ("IRMA") for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA exemption."). SCCPA agrees not to represent that Swap Consultant is SCCPA's IRMA with respect to any aspect of a municipal securities issuance or municipal financial product, without Swap Consultant's prior written consent.

(e) MSRB Rules require that municipal advisors make written disclosures to their clients of all material conflicts of interest, certain legal or disciplinary events and certain regulatory requirements, which are provided in Swap Consultant's Disclosure Statement delivered to SCPPA prior to or together with this Agreement.

(f) Upon request of SCPPA, Swap Consultant or an affiliate of Swap Consultant may agree to additional services to be provided by Swap Consultant or an affiliate of Swap Consultant, by a separate writing, including separate scope and compensation, between the SCPPA and Swap Consultant or its respective affiliate. For the sake of clarity, any separate agreement between SCPPA and an affiliate of Swap Consultant shall not in any way be deemed an amendment or modification of this Agreement.

(g) All information, data, reports, and records in the possession of SCPPA or any third party necessary for carrying out any services to be performed under this Agreement ("Data") shall be furnished to Swap Consultant. Swap Consultant may rely on the Data in connection with its provision of the services under this Agreement and the provider thereof shall remain solely responsible for the adequacy, accuracy or completeness of such Data.

(h) Swap Consultant agrees that it will not deal with itself or with any other affiliated company or individual in making purchases or sales of the Swaps or any securities pursuant to this engagement, nor will we take a long or short position in securities subject to purchase or sale in connection with the Swaps. Swap Consultant confirms that it has no interest in the purchase or sale of the Swaps other than as described in this Agreement and except for any financial or investment advisory agreement between SCCPA and Swap Consultant's affiliates, Public Financial Management, Inc., PFM Financial Advisors LLC, or PFM Asset Management LLC.

18. **Counterparts and Electronic Signatures:** This Agreement may be executed in one or more counterparts, each of which when executed by each party shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same agreement or document. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes, to the extent and as provided for in any applicable law, including without limitation California's Uniform Electronic Transactions Act.

[SIGNATURE PAGE FOLLOWS**]**

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first written above.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____
Michael S. Webster
Executive Director

Approved as to Legal Form and Content:

_____
Richard J. Morillo
General Counsel

PFM SWAP ADVISORS LLC

By: _____
Jeffrey Pearsall
Managing Director

EXHIBIT A

SCOPE OF SERVICES

Swap Consultant shall provide the following swap advisory services for transactions involving swaps and other derivatives as may be requested from time to time consistent with the Proposal for Municipal Advisory Services dated October 25, 2019, submitted to SCPPA by Swap Consultant's affiliate PFM Financial Advisors LLC.

1. Provide SCPPA with ongoing assistance and advice regarding Dodd Frank compliance and other regulatory requirements;

2. Provide ongoing assistance and advice regarding the mark-to-market value of the swaps which have been executed by SCPPA;

3. Advise and assist SCPPA in the implementation of any negotiated or competitive process for the procurement, termination, or modification of swaps;

4. Provide advice on the advisability and efficiency regarding swaps that SCPPA may contemplate;

5. Advise and assist SCPPA in the fee negotiation and price negotiation of swap providers in connection with any negotiated swaps;

6. Provide SCPPA with a memorandum that summarizes the results of each swap transaction executed and which includes our opinion whether the pricing of the swap(s) as agreed to represents fair market value as of the date of its execution (in the event that we are unable to certify that the pricing of the swap(s) represents fair value, we will provide SCPPA with verification of the Swap Consultant-observed mid-market value for the swap(s) at the time of trade execution);

7. Apprise SCPPA of market conditions and pertinent regulatory issues related to municipal derivatives;

8. Provide SCPPA derivatives reporting/valuation services, including (i) annual swap fair valuation reporting required by GASB 72 and (ii) month-end swap mark-to-market valuations (via SwapViewer);

9. Assist SCPPA and their auditors with required disclosures and answer any auditor questions related to SCPPA's swaps

10. Other swap advisory services mutually agreed to by SCPPA and Swap Consultant in writing;

EXHIBIT B

COMPENSATION

Swap Consultant shall be compensated for services provided pursuant to this Agreement consistent with the Proposal for Municipal Advisory Services dated October 25, 2019, submitted to SCPPA by Swap Consultant's affiliate PFM Financial Advisors LLC, summarized as follows:

1. Routine Matters: $6,000 per year, payable annually.
2. GASB 72 Reports: $1,000 annually per swap.
3. Structured or Complex Transactions – An additional fee subject to negotiation and agreement between the Parties to be included in a separate engagement letter.
4. Use of Swap Viewer - $13,500 annually for unlimited use.
5. Expenses – In addition, Swap Consultant shall be entitled to reimbursement for its reasonable out-of-pocket expenses.

The total amount of compensation and reimbursement shall not exceed $200,000 over the three-year term of this Agreement without approval of the SCPPA Board of Directors.

SCPPA
Southern California Public Power Authority

AGENDA ITEM STAFF REPORT

MEETING DATE: February 20, 2020

RESOLUTION NUMBER: 2020-009

SUBJECT: Professional Services Agreements with PFM Financial Advisors LLC and PFM Swap Advisors LLC

DISCUSSION: ☒ **OR** **CONSENT:** ☐

Select the appropriate box(es):

FROM:		METHOD OF SELECTION:	
Finance	☒	Competitive	☒
Project Development	☐	Cooperative Purchase	☐
Program Development	☐	Sole Source	☐
Regulatory/Legislative	☐	Single Source	☐
Project Administration	☐	Other *(Please describe)*:	
Legal	☐		
Executive Director	☐		

Approved by Executive Director: Michael S. Webster

RECOMMENDATION:

Approve the Professional Services Agreements with PFM Financial Advisors LLC and PFM Swap Advisors LLC (together as "PFM") to provide municipal and swap advisory services for a period of three years with an option to extend the service agreements for an additional three years.

BACKGROUND:

SCPPA was created for the purpose of providing joint planning, financing, construction, and operation of transmission and generation projects. To carry out the joint financing of projects, SCPPA retains the service of a municipal advisory firm to assist with attaining the lowest possible financing cost for SCPPA and its Members as well as to assist with various financial related matters. It has been several years since SCPPA has issued a Request for Proposals for municipal advisory service. PFM has been serving as SCPPA's municipal advisor for a number of years.

DISCUSSION:

- **Scope of Contract Services:**

  The scope of work includes an annual base level of general municipal advisory services, financing transaction services, swap advisory services and other non-routine work as needed.

- **Selection Method:**

  SCPPA issued a request for proposals ("RFP") for municipal advisory services on September 23, 2019. The proposal submittal deadline for the RFP was October 25, 2019.

  The RFP was sent to seven firms with California public power clients. A total of two proposals were received. The proposals were evaluated by an evaluation team consisted of three members of the Finance Committee. The firms were evaluated on their capability and experience, methodology and approach to municipal advisory work, creativity and innovation in financing structures, understanding of SCPPA's requirements and competitive pricing.

  Based on the results of the evaluations, the evaluation team recommended awarding the contract to PFM for its strong experience with public power and joint action agencies, strong personnel assigned to the SCPPA account, deep internal resources, experience with innovative financing structures, proven track record of adding value, reducing costs and reducing risks, excellent understanding of SCPPA's requirements and competitive pricing. The recommendation was presented to the Finance Committee at its January 6, 2020 meeting and the Finance Committee recommended awarding the contract to PFM.

  Due to regulatory requirements, PFM is requesting two separate agreements to segregate swap related advisory services from non-swap municipal advisory services. Transactional work involving swaps and other derivatives will be performed by PFM Swap Advisors LLC and all other work will be performed by PFM Financial Advisors LLC.

- **SCPPA's Authority:**

  In accordance with the California Joint Exercise of Power Act and the SCPPA Joint Powers Agreement, SCPPA is authorized to obtain municipal and swap advisory services to provide for the financing of generation and transmission projects.

FISCAL IMPACT:

The agreements provide for a combined fixed monthly retainer of $8,000 per month for specified base level of municipal and swap advisory services. The agreements further provide for fixed transaction-based fees for the refunding of existing project debt and new credit facility, the negotiation of mutually acceptable fees for other financing transactions and non-routine work; and fees for all other professional services at specified hourly billing rates. The agreements also include an annual fee of $13,500 for the use of PFM's SwapViewer valuation tool software and an annual swap fair value measurement report as required under governmental accounting standards at a fee of $1,000 per swap.

The total amount of compensation and reimbursement under the PFM Financial Advisors LLC agreement shall not exceed $1,800,000 over the three-year term. The total amount of compensation and reimbursement under the PFM Swap Advisors LLC agreement shall not exceed $200,000 over the three-year term.

The fees for the monthly retainer, SwapViewer valuation tool software and the annual swap fair value measurement report are included in SCPPA's annual Administrative and General expenditure budget. Debt financing related fees are primarily paid with bond proceeds as part of the cost of issuance. All other transaction-specific fees and professional services will be allocated to the related project as they arise.

RESOLUTION NO. 2020-009

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE PROFESSIONAL SERVICES AGREEMENTS WITH PFM FINANCIAL ADVISORS LLC AND PFM SWAP ADVISORS LLC FOR MUNICIPAL ADVISORY SERVICES, AND TAKING CERTAIN RELATED ACTIONS.

WHEREAS, the Southern California Public Power Authority (the "Authority" or "SCPPA") was created pursuant to provisions contained in the Joint Exercise of Powers Act found in Chapter 5 of Division 7 of Title 1 of the Government Code of California, as amended from time to time (the "Act"), by its members, which are municipalities and an irrigation district that supply, among other things, electrical energy, in the State of California, for the purpose of jointly and cooperatively undertaking the planning, financing, development, acquisition, construction, improvement, betterment, operation, and maintenance, of projects for the generation or transmission of electric energy, including the development and implementation of systems and frameworks for the acquisition and delivery of secure, long-term reliable supplies of renewable electric energy.

WHEREAS, the Authority has need from time to time for municipal advisory services in connection with the financing and refinancing of its projects; and

WHEREAS, the Authority issued a Request for Proposals for such services on September 23, 2019, to which two qualified firms applied, one of which was PFM Financial Advisors LLC; and

WHEREAS, an evaluation committee comprised of Member staff met reviewed the proposals and presented a recommendation to the Finance Committee on January 6, 2020, that PFM Financial Advisors be selected for award of a contract, in which recommendation the Finance Committee concurred; and

WHEREAS, in its proposal PFM Financial Advisors requested that the scope of work be divided between itself and an affiliate, PFM Swap Advisors LLC, such that transactional work involving swaps and other derivatives be performed by PFM Swap Advisors and all other work be performed by PFM Financial Advisors, and that a separate agreement be executed by the Authority with each entity to delineate the services each will provide; and

WHEREAS, because there is no financial consequence to the Authority in the arrangement requested by PFM Financial Advisors, staff recommends the Board agree to it, and staff has prepared separate agreements for the Board's consideration.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

1. The Board of Directors hereby approves and authorizes the Executive Director to execute and deliver a Professional Services Agreement between the Authority and PFM Financial Advisors LLC, and a separate Professional Services Agreement between the Authority and PFM Swap Advisors LLC, copies of which have been presented to the Board substantially in final form.

2. The Executive Director of the Authority is further authorized to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.

3. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 20th day of February 2020.

_____
PRESIDENT
Southern California Public
Power Authority

ATTEST:

_____
ASSISTANT SECRETARY
Southern California Public
Power Authority

SCPPA
Southern California Public Power Authority

AGENDA ITEM STAFF REPORT

MEETING DATE: February 20, 2020

RESOLUTION NUMBER: 2020-010

SUBJECT: Refunding of Linden Wind Energy Project, Revenue Bonds, 2010 Series

DISCUSSION: ☒ **OR** **CONSENT:** ☐

Select the appropriate box(es):

FROM:		METHOD OF SELECTION:	
Finance	☒	Competitive	☐
Project Development	☐	Cooperative Purchase	☐
Program Development	☐	Sole Source	☐
Regulatory/Legislative	☐	Single Source	☐
Project Administration	☐	Other *(Please describe)*:	
Legal	☐	N/A	
Executive Director	☐		

Approved by Executive Director: Michael A. Webster

RECOMMENDATION:

Adopt the Resolution authorizing the preparation of financing documents for the refunding of Linden Wind Energy Project, Revenue Bonds, 2010 Series.

BACKGROUND:

The Linden Wind Energy Project, Revenue Bonds, 2010 Series A are 20-year fixed rate bonds issued in September 2010 in the amount of $96,775,000, with final maturity in 2030. Presently, $63,985,000 of the bonds remain outstanding and are subject to optional redemption on July 1, 2020. Current market conditions have made it economic to refund the outstanding bonds at lower interest rates for debt service savings.

The Member participants of the Linden Wind Energy Project are the Los Angeles Department of Water and Power ("LADWP") and the City of Glendale ("Glendale"). Through a separate layoff agreement, Glendale has sold 100% of its entitlement to capacity and energy to LADWP.

DISCUSSION:

- **Scope of Contract Services:**

  The Linden Wind Energy Project is located in the State of Washington and is subject to transmission constraints. Existing transmission and energy exchange agreements are in effect until the end of the current calendar year and are expected to be renewed for an additional three years. Given the uncertainty of future exchange agreements, LADWP desires to retain flexibility and realize some near-term debt service savings instead of doing a 10-year non-callable refunding today matching the same final maturity of the existing bonds.

  SCPPA will pursue a fixed rate put bond with a mandatory tender date of April 1, 2024. This financing structure will be a hybrid approach of a current refunding level debt service through 2024 and a fixed rate note structure in 2024 for the bonds that would have amortized from 2024 onward. LADWP will evaluate the Northwest power markets in 2023 and assess how best to structure the fixed rate note that would come due in 2024.

  On February 3, 2020, the Finance Committee discussed the proposed refunding and recommended bringing this Resolution to the Board authorizing the preparation of all documents necessary for the sale and issuance of refunding bonds. SCPPA will incur costs in connection with bond counsel and the financial advisor services for the preparation of the documents and related activities. These costs will be included in the total amount of bonds issued as bond issuance costs. The payment of bond counsel and financial advisor fees will be contingent on the successful closing of the transaction. Once the draft documents have been prepared, they will be brought to the Board of Directors for consideration and approval at a future meeting of the Board of Directors.

- **Selection Method:**

  The selection of the financing team will be done in accordance with the Policy for Financing and Selection of the Financing Team (Policy). The recently established underwriting pool will be used to select the underwriting team. The selection will consider the criteria as provided in the Policy to determine the firm(s) that will deliver the overall best value for the transaction.

- **SCPPA's Authority:**

  In accordance with the California Joint Exercise of Power Act and the SCPPA Joint Powers Agreement, SCPPA is authorized to provide for the financing of generation and transmission projects.

FISCAL IMPACT:

The refunding is expected to generate debt service savings of approximately $2.6 million through 2024, net of issuance costs, based on market conditions as of the end of January 2020. Actual savings will depend on the market conditions at the time of bond pricing. Total issuance costs are estimated at $655,000, which includes costs necessary to complete the transaction, such as bond counsel, financial advisor, rating agency and trustee fees and underwriter's discount.

[Project Vote: LADWP and Glendale]

RESOLUTION NO. 2020-010

RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY (I) AUTHORIZING THE PREPARATION OF ALL DOCUMENTS NECESSARY OR APPROPRIATE TO SELL AND ISSUE LINDEN WIND ENERGY PROJECT REVENUE REFUNDING BONDS, PROCEEDS OF WHICH WILL BE USED TO REFUND OUTSTANDING REVENUE BONDS AND (II) AUTHORIZING OFFICERS OF THE AUTHORITY TO DO ALL THINGS DEEMED NECESSARY OR APPROPRIATE (LINDEN WIND ENERGY PROJECT)

WHEREAS, the Finance Committee of the Southern California Public Power Authority (the "Authority") has determined that it is in the best interest of the Authority to proceed with preparing all documents necessary or appropriate to sell and issue bonds, notes or other obligations (the "Bonds"), the proceeds of which will be used to refund all or a portion of the Authority's Linden Wind Energy Project, Revenue Bonds, 2010 Series A and 2010 Series B (Taxable Build America Bonds); and

WHEREAS, once prepared, drafts of the contracts proposed to be entered into by the Authority in connection with the issuance of the Bonds will be presented for the Board's consideration.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

1. The Authority's staff and the Authority's team of financing professionals (including the personnel at the Los Angeles Department of Water and Power who work on Authority matters, the Authority's Co-Bond Counsel and the Authority's Financial Advisor) are hereby authorized (i) to prepare all documents necessary or appropriate for the sale and issuance of the Bonds and (ii) with the assistance of the Los Angeles Department of Water and Power, to solicit proposals from certain underwriters with respect to the sale and issuance of the Bonds.

2. Each of the President, Vice President, Executive Director, Secretary, any Assistant Secretary, any other officer of the Authority, and any designee of the President, Vice President or Executive Director, is hereby authorized and directed to do and cause to be done any and all acts and things deemed necessary or appropriate for carrying out the transactions contemplated by this Resolution.

3. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 20th day of February 2020.

_____
PRESIDENT
Southern California Public
Power Authority

ATTEST:

_____
ASSISTANT SECRETARY
Southern California Public
Power Authority

SCPPA
Southern California Public Power Authority

AGENDA ITEM STAFF REPORT

MEETING DATE: February 20, 2020

RESOLUTION NUMBER: 2020-011

SUBJECT: Refunding of Windy Point/Windy Flats Project, Revenue Bonds, 2010-1

DISCUSSION: ☒ **OR** **CONSENT:** ☐

Select the appropriate box(es):

FROM:		METHOD OF SELECTION:	
Finance	☒	Competitive	☐
Project Development	☐	Cooperative Purchase	☐
Program Development	☐	Sole Source	☐
Regulatory/Legislative	☐	Single Source	☐
Project Administration	☐	Other *(Please describe)*:	
Legal	☐	N/A	
Executive Director	☐		

Approved by Executive Director: Michael S. Dubin

RECOMMENDATION:

Adopt the Resolution authorizing the preparation of financing documents for the refunding of Windy Point/Windy Flats Project, Revenue Bonds, 2010-1.

BACKGROUND:

The Windy Point/Windy Flats Project, Revenue Bonds, 2010-1 are 20-year fixed rate bonds issued in September 2010 in the amount of $514,160,000 with final maturity in 2030. Presently, $341,135,000 of the bonds remain outstanding and are subject to optional redemption on July 1, 2020. Current market conditions have made it economic to refund the outstanding bonds at lower interest rates for debt service savings.

The Member participants of the Windy Point/Wind Flats Project are the Los Angeles Department of Water and Power ("LADWP") and the City of Glendale ("Glendale"). Through a separate layoff agreement, Glendale has sold 100% of its entitlement to capacity and energy to LADWP.

DISCUSSION:

- **Scope of Contract Services:**

  The Windy Point/Windy Flats Project is located in the State of Washington and is subject to transmission constraints. Existing transmission and energy exchange agreements are in effect until the end of the current calendar year and are expected to be renewed for an additional three years. Given the uncertainty of future exchange agreements, LADWP desires to retain flexibility and realize some near-term debt service savings instead of doing a 10-year non-callable refunding today matching the same final maturity of the existing bonds.

  SCPPA will pursue a fixed rate put bond with a mandatory tender date of April 1, 2024. This financing structure will be a hybrid approach of a current refunding level debt service through 2024 and a fixed rate note structure in 2024 for the bonds that would have amortized from 2024 onward. LADWP will evaluate the Northwest power markets in 2023 and assess how best to structure the fixed rate note that would come due in 2024.

  On February 3, 2020, the Finance Committee discussed the proposed refunding and recommended bringing this Resolution to the Board authorizing the preparation of all documents necessary for the sale and issuance of refunding bonds. SCPPA will incur costs in connection with bond counsel and the financial advisor services for the preparation of the documents and related activities. These costs will be included in the total amount of bonds issued as bond issuance costs. The payment of bond counsel and financial advisor fees will be contingent on the successful closing of the transaction. Once the draft documents have been prepared, they will be brought to the Board of Directors for consideration and approval at a future meeting of the Board of Directors.

- **Selection Method:**

  The selection of the financing team will be done in accordance with the Policy for Financing and Selection of the Financing Team (Policy). The recently established underwriting pool will be used to select the underwriting team. The selection will consider the criteria as provided in the Policy to determine the firm(s) that will deliver the overall best value for the transaction.

- **SCPPA's Authority:**

  In accordance with the California Joint Exercise of Power Act and the SCPPA Joint Powers Agreement, SCPPA is authorized to provide for the financing of generation and transmission projects.

FISCAL IMPACT:

The refunding is expected to generate debt service savings of approximately $14.5 million through 2024, net of issuance costs, based on market conditions as of the end of January 2020. Actual savings will depend on the market conditions at the time of bond pricing. Total issuance costs are estimated at $1.3 million, which includes costs necessary to complete the transaction, such as bond counsel, financial advisor, rating agency and trustee fees and underwriter's discount.

[Project Vote: LADWP and Glendale]

RESOLUTION NO. 2020-011

RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY (I) AUTHORIZING THE PREPARATION OF ALL DOCUMENTS NECESSARY OR APPROPRIATE TO SELL AND ISSUE WINDY POINT/WINDY FLATS PROJECT REVENUE REFUNDING BONDS, PROCEEDS OF WHICH WILL BE USED TO REFUND OUTSTANDING REVENUE BONDS AND (II) AUTHORIZING OFFICERS OF THE AUTHORITY TO DO ALL THINGS DEEMED NECESSARY OR APPROPRIATE (WINDY POINT/WINDY FLATS PROJECT)

WHEREAS, the Finance Committee of the Southern California Public Power Authority (the "Authority") has determined that it is in the best interest of the Authority to proceed with preparing all documents necessary or appropriate to sell and issue bonds, notes or other obligations (the "Bonds"), the proceeds of which will be used to refund all or a portion of the Authority's Windy Point/Windy Flats Project, Revenue Bonds, 2010-1; and

WHEREAS, once prepared, drafts of the contracts proposed to be entered into by the Authority in connection with the issuance of the Bonds will be presented for the Board's consideration.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

1. The Authority's staff and the Authority's team of financing professionals (including the personnel at the Los Angeles Department of Water and Power who work on Authority matters, the Authority's Co-Bond Counsel and the Authority's Financial Advisor) are hereby authorized (i) to prepare all documents necessary or appropriate for the sale and issuance of the Bonds and (ii) with the assistance of the Los Angeles Department of Water and Power, to solicit proposals from certain underwriters with respect to the sale and issuance of the Bonds.

2. Each of the President, Vice President, Executive Director, Secretary, any Assistant Secretary, any other officer of the Authority, and any designee of the President, Vice President or Executive Director, is hereby authorized and directed to do and cause to be done any and all acts and things deemed necessary or appropriate for carrying out the transactions contemplated by this Resolution.

3. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 20th day of February 2020.

_____
PRESIDENT
Southern California Public
Power Authority

ATTEST:

_____
ASSISTANT SECRETARY
Southern California Public
Power Authority

Memo

TO: Southern California Public Power Authority

FROM: The Ferguson Group

RE: Federal Legislative Report

DATE: February 10, 2020

January 2020 Legislative Report

The January 2020 legislative report covers federal legislative and regulatory activities related to water, energy, and natural resources issues from January 1 through January 31, 2020.

Executive Summary

APPA Legislative Rally: The 2020 American Public Power Association's (APPA's) Legislative Rally will be held February 24-26, 2020 at the Mayflower Hotel in Washington, D.C. The APPA hotel room blocks opened on Friday, November 1, 2019 in both the Mayflower Hotel, 1127 Connecticut Avenue N.W. and the Capitol Hilton, 1001 16th Street NW.

Budget: President Trump is scheduled to release his FY2021 budget proposal on February 10, 2020 without any funding for Yucca Mountain.

Energy: Energy and Commerce Committee Democrats released draft language for their CLEAN Future Act to achieve 100 percent clean economy by 2050.

Water and Natural Resources: The Trump Administration released proposed changes to the National Environmental Policy Act and final changes to the Obama-era Waters of the US rulemaking.

Telecommunications: A utility industry study concluded that opening the 6 GHz spectrum to unlicensed operators would endanger the reliability of utilities' point-to-point communication links.

Taxes: An infrastructure proposal from House Democrats would restore advance refunding and create new direct payment bonds (e.g. Build America Bonds) that are not subject to sequestration.

Budget

President Donald Trump is scheduled to release his FY2021 budget proposal on February 10, 2020. The $4.8 trillion budget blueprint is expected to cut billions in non-defense spending, while asking for a slight spending increase for the Pentagon — both asks that will surely be rejected by House Democrats. The fiscal 2021 budget echoes previous budgets on the non-defense side. EPA would get $6.7 billion under the Trump budget

proposal—a 27 percent cut from current funding—while the Army Corps of Engineers would see a 22 percent reduction. The president also proposes $35.4 billion for the Energy Department, marking an 8 percent cut from current funding, and Interior would get $12.7 billion, a 13 percent decrease from current funding.

In the biggest change from previous budgets, President Trump will not include funding to license the stalled Yucca Mountain nuclear waste repository. In a tweet, he announced:

> *Nevada, I hear you on Yucca Mountain and my Administration will RESPECT you! Congress and previous Administrations have long failed to find lasting solutions – my Administration is committed to exploring innovative approaches – I'm confident we can get it done!*

Administration officials have indicated that those "innovative approaches" for long-term nuclear waste storage will require the support of the states and communities that participate.

The President's budget proposal is also expected to call for $1 trillion for infrastructure over 10 years, which will be offset from proposed mandatory spending.

Energy

CLEAN Future Act

On January 28, 2020, House Energy and Commerce Committee Chairman Frank Pallone, Jr. (D-NJ), Environment and Climate Change Subcommittee Chairman Paul Tonko (D-NY), and Energy Subcommittee Chairman Bobby L. Rush (D-IL) released draft legislative text of the draft *Climate Leadership and Environmental Action for our Nation's (CLEAN) Future Act*, which would achieve a 100 percent "clean economy by 2050. The discussion draft fleshes out the legislative framework which was released earlier in January. The draft legislative text is available here and a section-by-section is available here.

For the power sector, the CLEAN Future Act creates a Clean Energy Standard (CES) that would require retail electric suppliers to obtain 100 percent of their electricity from clean energy sources by 2050. It also includes a host of provisions on transmission, electrification of the transportation sector, grid modernization, and hydropower, among others.

It also would create a national climate bank to provide massive new funding authorizations. States would be required to submit greenhouse gas regulation plans to the Environmental Protection Agency (EPA), which would provide enforcement mechanisms to help meet state emission-cutting goals. But rather than creating new authorities and programs, much of the bill would reauthorize existing regulatory programs at higher funding levels or modify current regulatory authority to push agencies such as the Federal Energy Regulatory Commission and EPA to be more aggressive in requiring carbon emission reductions.

The legislation would require each Department Secretary to develop a plan for how that agency will use its existing authorities to achieve net-zero emission by 2050. It would also create a framework for the Environmental Protection Agency (EPA) and the public to review the plans prior to their submission to Congress and implementation. Each agency would be required to review and amend its plan every two years as necessary and submit an annual report to Congress. The EPA would be required to monitor the nation's progress toward that goal and submit annual reports to Congress.

The Committee also specified in the draft that the EPA must recommend to Congress interim goals for greenhouse gas (GHG) reductions on the path to meeting the national goal. It also would create for the

first time a Clean Economy Federal Advisory Committee that will assist in the creation of those interim goals as well as EPA's annual report to Congress.

TFG has prepared a more detailed memorandum *on how the bill would address the power sector.*

Energy and Commerce Subcommittee Hearing on Wildfires

On January 28, 2020, the House Energy and Commerce Subcommittee on Energy and the Subcommittee on Environment and Climate Change held a joint hearing entitled, "Out of Control: The Impact of Wildfires on Our Power Sector and the Environment."

Members of both parties roundly condemned the U.S. Forest Service (USFS) for taking so long to write and finalize its vegetation management regulations. In fact, Rep. Kurt Schrader (D-OR) went so far as to lay responsibility for recent wildfires, including the ensuing deaths, at the feet of USFS. Members of both parties up and down the dais urged the USFS to complete its rulemaking swiftly and ensure timely and consistent approval for vegetation management plans on Federal lands.

Committee Democrats focused heavily on the role of climate change in contributing to the risk, severity, and frequency of wildfires. They argued that climate change fuels the frequency, size, and severity of wildfires "by increasing duration of droughts, causing long stretches of low humidity and high temperatures, and initiating early springtime melting which leads to dryer land in the summer months." They also argued that climate change is a main factor in the emergence of "megafires," which burn hotter, longer, and are more frequent. They urged their colleagues to support robust decarbonization efforts to combat climate change and the disastrous wildfires, flooding, and severe weather that accompany it.

Most Committee Republicans, on the other hand, gently or overtly refuted those claims and instead argued for more robust wildfire mitigation, including better forest management (i.e. timber harvesting) and prescribed burns. Ranking Member Greg Walden (R-OR) pointed out that in Oregon, there were an equal number of fire starts of USFS and non-USFS land, but that 90% of the state's fires were on USFS land, meaning that the lack of forest management and wildfire mitigation on USFS lands caused those fire starts to erupt into full-fledged wildfires more often.

Both Republicans and Democrats stressed the need for Congress to fully fund federal forest management programs and fire suppression activities. They also extolled the role that technology can play in wildfire mitigation and suppression, including micro grids, new materials, and energy storage, which would reduce the grid's need for miles long transmission corridor's through USFS land.

TFG prepared a more detailed memorandum *on the hearing.*

House Energy and Commerce Markup

On January 9, 2020, the House Energy and Commerce Energy Subcommittee reported nine targeted energy bills, by voice vote, to the full Committee. Despite the voice vote to advance the bills, Republicans were critical of several measures, given cost concerns and lack of process, which suggests some may oppose many of the measures in the full Committee or on the House floor. Energy and Commerce Chairman Frank Pallone (D-NJ) and Energy Subcommittee Chairman Bobby Rush (D-IL) said the package of bills would help combat climate change, including helping to modernize the grid so it could better accommodate increasing power from wind and solar power.

The bills include:

- H.R. 5527, the *21st Century Power Grid Act* would instruct DOE to establish a program to provide financial assistance for projects designed to improve the resiliency, performance, or efficiency of the electric grid, while demonstrating secure integration and management of energy resources, communications interoperability, or information technologies.
- H.R. 5545, the *New Opportunities to Expand Healthy Air Using Sustainable Transportation (NO EXHAUST) Act of 2020* would promote the domestic manufacture and use of advanced, fuel-efficient and zero emission vehicles; encourage electrification of the transportation sector; and create jobs to improve air quality.
- H.R. 1426, the *Timely Review of Infrastructure Act* would address insufficient compensation of employees and other personnel at the Federal Energy Regulatory Commission (FERC).
- H.R. 5542, would establish a Department of Energy grant program for states to provide incentives to natural gas distribution systems
- H.R. 2906, the *Clean Commute for Kids Act of 2019* would reauthorize and broaden the Clean School Bus Program to include electric vehicles and prioritize school system grants seeking buses with lower or zero emissions.
- H.R. 3361, the *Reliable Investment in Vital Energy Reauthorization (RIVER) Act* would reauthorize the hydroelectric production incentives program, which provides payments to owners or operators of hydroelectric facilities that are added to existing dams or conduits.
- H.R. 5518, would authorize the Secretary of Energy to begin a Clean Cities Coalition program to foster the development of local government-industry partnerships to encourage the use of alternative fuels and vehicles.
- H.R. 5541, would amend the Energy Policy Act of 1992 to reauthorize programs to assist consenting Indian tribes in meeting energy education, planning, and management needs, and for other purposes.
- H.R. 3079, the *Energy Savings Through Public-Private Partnerships Act of 2019* would encourage the increased use of performance contracting in federal facilities. The Committee reported an identical version of the legislation, H.R. 723, in the 115th Congress by unanimous consent.

Potential Senate Energy Package

Now that the Senate has concluded its impeachment trial, Senate Energy and Natural Resources (SENR) Committee Chair Lisa Murkowski (R-AK) announced that she is assembling a package of energy bills for potential Senate floor consideration. She expects her committee will be ready to unveil that package this week, and she hopes to see it get a vote this year.

More than 70 bills have been advanced out of the Energy and Natural Resources Committee since the start of the 116th Congress, including measures to boost wind energy and new incentives for battery storage, which can accommodate increased generation from clean energy. Chairman Lisa Murkowski (R-AK) plans to narrow those to a list of measures that moved through her panel with solid bipartisan backing. She indicated that it would be energy-focused and would not include public lands measures.

“What I have been assured for several months now is that the [majority] leader is looking for those initiatives that have gone through a good process and that have good bipartisan support and that we’d be able to move

through the floor with a good, solid time agreement," Murkowski told reporters. "That's what we're building and so I'd like to think that we're going to be early up in the queue."

TFG previously prepared brief summaries of Senate ENR Committee Markups on July 16, November 6, and November 19, 2019.

FERC Retirements

Republican FERC Commissioner Bernard McNamee announced he will not seek a new term when his current term expires at the end of June. He was confirmed to FERC in December 2018.

His departure would leave the five-member FERC with only two regulators and no quorum to vote—if the Senate does not confirm a replacement before he steps down. President Donald Trump last year nominated FERC General Counsel James Danly to fill an empty GOP seat on the commission, but the White House has not sent his nomination back to the Senate after it lapsed at the end of the year. Federal law allows McNamee to stay on at FERC until the end of the year if the Senate does not confirm a replacement by the end of his term on June 30.

In response to the announcement, Senate Energy and Natural Resources ranking member Joe Manchin (D-W.Va.) immediately called on the White House to name three nominees to fill all the openings, in part to avoid any hint of a loss of quorum. Manchin has insisted that a Democrat be included in the effort to fill the commission vacancies. Senate Democrats have tapped energy attorney Allison Clements as their preferred choice. The White House has not nominated Clements despite meeting with her twice. That inaction has caused discord on the ENR Committee, especially as it moved Republican nominee James Danly.

ENR Chairwoman Lisa Murkowski (R-Alaska) has maintained she can only set votes on nominees formally named by the White House. As with Danly, she said the committee would consider any replacement for McNamee once the White House picks someone and sends the paperwork.

Water and Natural Resources

Natural Resources Hearing on Salmon Protection Legislation

On January 14, 2020, Rep. Jared Huffman (D-CA), Chairman of the House Subcommittee on Water, Oceans and Wildlife and Co-Chair of the Congressional Wild Salmon Caucus, held a hearing *(testimony begins at 1 hour 25 minute mark)* on his bill, H.R. 4723, the *Salmon Focused Investments in Sustainable Habitats* (FISH) Act.

The legislation would direct the National Oceanic and Atmospheric Administration (NOAA) and U.S. Fish and Wildlife Service (FWS) to designate a new category of federal jurisdiction over areas dedicated to protecting salmon. Specifically, areas of salmon habitat that are recognized as productive and diverse would be established as "Salmon Conservation Areas" and general concentrations of salmon would be known as "Salmon Strongholds." Under the measure, these areas would be protected to ensure that future actions of the federal government and others do not adversely impact these areas. The legislation would limit the ability to nominate both types of protected salmon habitat for consideration to only states, tribes, Non-Governmental Organizations (NGOs), and members of the public.

Notably excluded from involvement in the nomination and consultation regarding establishing and operating these Salmon Conservation Areas and Strongholds are private sector companies or organizations (i.e. cruise

ship companies in Alaska), water districts and associations, as well as the Bureau of Reclamation and the Army Corps of Engineers.

A date for a markup has not been announced.

Proposed NEPA Regulations

The Trump Administration has proposed changes to the current rules for implementation of the National Environmental Policy Act (NEPA). If enacted without legal challenge, these would be the first complete changes to the regulations since they were created in 1978. The law requires federal agencies to evaluate environmental impacts of a wide range of actions, including energy projects, infrastructure (highways, dams), and management plans governing activities on public lands.

The changes are aimed at reducing paperwork and streamlining the approval process associated under NEPA. Public comments on the proposed rulemaking are due on March 10, 2020. There will be two public hearings: February 11, 2020 at the U.S. Environmental Protection Agency's Region 8 offices (1595 Wynkoop Street, Denver, CO) and on February 25, 2020 at the U.S. Department of the Interior's Yates Auditorium (1849 C Street NW, Washington, DC).

Among the major elements, the draft rule would: 1) simplify the definition of environmental "effects" and clarify that effects must be reasonably foreseeable and have a reasonably close causal relationship to the proposed action; 2) make clear that the analysis of "cumulative effects" is not required under NEPA; 3) limit to two years the completion of environmental impact statements (EISs) and one year for completion of environmental assessments (EAs); 4) establish page limits; 5) require joint schedules, a single EIS, and a single record of decision (ROD) when multiple agencies are involved; and 6) reduce duplication by making it easier to use documents required by other statutes or prepared by State, Tribal, and local agencies to comply with NEPA.

Additional background information on the rule and its development, as well as details on the opportunities to comment can be at the White House's Council on Environmental Quality here.

Final WOTUS Rule Issued

EPA and the Army Corps of Engineers jointly issued the *Navigable Waters Protection Rule* – commonly known as the "Waters of the United States (WOTUS) Rule – which will, for the first time, make clear what is a jurisdictional water under the Clean Water Act (CWA). The rule also provides exclusions for many water features that traditionally have not been regulated.

Under what is known as the final "Step 2" Rule, which replaces the 2019 "Step One" Rule, which repealed the 2015 rule, four categories of waters will be federally regulated: territorial seas and traditional navigable waters; perennial and intermittent tributaries to those waters; certain lakes, ponds, and impoundments; wetlands adjacent to jurisdictional waters.

In addition, the final rule identifies 12 categories of exclusions (i.e. features that are not "Waters of the United States"): groundwater: ditches, prior converted cropland, waste treatment systems, and water in direct response to rainfall (e.g., ephemeral features). The final rule also highlights key clarifications to the scope of the CWA's jurisdiction, including: streamlining separate categories for jurisdictional ditches and impoundments; clarifying the definition of a "typical year"; better defining "adjacent wetlands" as wetlands that are meaningfully connected to other jurisdictional waters.

The final 340-page rule will become effective 60 days after publication in the Federal Register, which is expected sometime next week. Additional background on the rule can be found here. Also, a Congressional Research Service (CRS) two-page report published on October 23, 2019 entitled "Waters of the United States (WOTUS): Repealing and Revising the 2015 Clean Water Rule" is available here.

Rep. Huffman's Draft Water Legislation Released

Chairman Huffman has released a draft version of his Furthering Underutilized Technologies and Unleashing Responsible Expenditures (FUTURE) Drought Resiliency Act.

The 125 page draft bill addresses several aspects of water use in the West. Key sections of the legislation include: a process for constructing new ground and surface water storage projects, mechanisms for advancing projects currently under development, significant funding for water reuse and recycling programs, as well as funding for dam safety improvements, provisions to advance waterfowl habitat creation, provisions to prevent and punish the theft of water for illegal marijuana cultivation, the enhancement of snowpack measurement technology to improve reservoir operations, a study of water consumption by certain types of crops, and training for the next generation of water managers.

The informal comment period on the bill set by the Chairman has ended. Once the bill is officially introduced, there will be opportunities for official comments through the traditional hearing and mark up process.

Telecommunications

6 GHz CII Study

In January, groups representing critical infrastructure industry (CII) utilities submitted a report to the Federal Communications Commission (FCC) that concludes unlicensed operations in the 6 gigahertz (GHz) band would cause harmful interference to point-to-point communication links used by utilities. The study, which was conducted by Roberson and Associates LLC, was supported by the Edison Electric Institute, American Gas Association, American Public Power Association, American Water Works Association, National Rural Electric Cooperative Association, Nuclear Energy Institute, and the Utilities Technology Council.

The study concludes that allowing unlicensed devices to operate in the 6 GHz band will render fixed point-to-point communications receivers serving utilities and other incumbent users unreliable. It also recommended, at a minimum, the use of an effective Automated Frequency Coordination (AFC) for indoor and outdoor Wi-Fi deployment. Incumbent 6 GHz users say that an AFC framework is unproven and complain that unlicensed proponents are pushing for some access to the band without even that protection. The FCC is expected to vote on a report and order in the coming months to open the 6 GHz band to shared use amongst licensed and unlicensed users.

Rural Digital Opportunity Fund

On January 30, the FCC voted to establish a framework for the two-phase Rural Digital Opportunity Fund (RDOF) to distribute as much as $20.4 billion over 10 years for the deployment of broadband networks. The first phase of RDOF will begin later this year and target wholly unserved census blocks with fixed broadband at speeds of at least 25/3 Mbps. This $16 billion available to census blocks where existing data shows there is no such service available whatsoever. The second phase would make at least $4.4 billion available for unserved

locations in partially served census blocks in an auction that will be held after the FCC has better broadband mapping data.

The minimum supported speed for RDOF subsidies is 25/3 Mbps, although preferences will be given for higher speeds up to 1 gigabit per second. Preferences will also be provided for service on tribal lands and service to areas that lack service at 10 /1 Mbps.

Tax

Ways and Means Hearing on Infrastructure Financing

On January 29, 2020, the House Ways and Means Committee held a hearing entitled, "Paving the Way for Funding and Financing Infrastructure Investments."

In many ways, this hearing didn't cover any new ground. Committee Democrats argued for a robust federal role in infrastructure, and Committee Republicans argued for more reliance on private investment and state and local governments. Committee members all agreed on the urgent need for a transformative infrastructure package; where they disagreed was on what the focus should be.

Chairman Neal also extolled the role of municipal finance in infrastructure development. He admonished Republicans for winding down Build America Bonds (BABs) and eliminating tax-exempt advance refunding bonds in the *Tax Cuts and Jobs Act*. He insisted that Congress restore advance refunding bonds and pass new rounds of direct payment bonds, like BABs, that are not subject to sequestration. He even argued that they should cover operations and maintenance as well—not just capital outlays. Rep. Terri Sewell (R-AL) emphasized the importance of Bank Qualified (BQ) bonds for small communities and how raising the cap on those could help smaller communities finance much needed infrastructure projects.

Rep. Kenny Marchant (R-TX), however, asked whether tax exempt municipal financing was the most efficient way to finance infrastructure, particularly when considering the revenue loss to the Treasury. Rep. George Holding (R-NC) even asked whether government funding and tax-exempt financing crowds out private investment.

Committee Democrats also stressed the need to address climate change. Rep. Lloyd Doggett (D-TX) argued for electrifying the highway transportation system and creating a comprehensive federal plan to transform the country's energy, water, housing, and highway infrastructure for full decarbonization. Rep. Mike Thompson (D-CA) also emphasized the importance of resiliency and making infrastructure robust enough to survive the more frequent and more ferocious natural disasters that come with climate change. Rep. Judy Chu (D-CA) suggested green infrastructure bonds and a national infrastructure bank. The witnesses, however, argued that a national infrastructure bank really will not provide much more than federal programs like Transportation Infrastructure Finance and Innovation Act (TIFIA) and Better Utilizing Investments to Leverage Development (BUILD) grants already do.

TGH prepared a more detailed memorandum *on the hearing.*

House Democrats Propose Infrastructure Framework

Democrat leaders of the House Transportation and Infrastructure, Energy and Commerce, and Ways and Means Committees released a five-year, $760 billion infrastructure plan, called Moving America Forward. It calls for addressing the long-term solvency of the Highway Trust Fund through user-based mechanisms, which

could open the door to a VMT-type system. It proposes new direct payment or direct subsidy bonds (e.g. BABs) and tax credit bonds, raises the volume-cap for qualified private activity bonds, restores advance refunding bonds, expands and creates new tax credits for infrastructure and community development projects, and further incentivizes energy efficiency and green energy infrastructure.

The framework, however, does not say how House Democrats plan to pay for the proposal. In fact, shortly after the framework was revealed, Chairman Neal indicated that they would not propose any pay-fors for the framework until they had reached an agreement with the White House. This echoed Rep. John Larson's (D-CT) comments from the Ways and Means Committee's Infrastructure hearing, in which he compared the political one-upmanship on infrastructure pay-fors with the "dance of the tarantulas," where the person who sticks his or her head out first always gets it lopped off.

While President Trump indicated previously that he desired to work with Democrats on an infrastructure package, it remains to be seen how willing he is to do so now that the Senate has completed his impeachment trial. The Senate Environment and Public Works Committee approved its own bipartisan infrastructure package, but it did not contain any revenue provisions (e.g. municipal bonds, increase in the gas tax).

TFG prepared a brief overview *of the framework.*

Southern California
Public Power Authority

TO: Board of Directors
FROM: Tanya DeRivi, Director of Government Affairs
Amy Mmagu, State Government Affairs Manager
Nick Blair, Regulatory Policy Analyst
SUBJECT: Government Affairs Update
DATE February 4, 2020

This memorandum includes brief updates on major policy matters.

STATE LEGISLATIVE UPDATE
The Legislature is back and introducing new bills on a daily basis. SCPPA Staff will provide an update on what bills have been introduced to date as well as priority issues facing the utility industry. The bill introduction deadline is on February 21, 2020.

SCPPA Staff will also discuss details surrounding the APPA Legislative Rally which will be held February 24-26. SCPPA priority issues for this year's rally includes:

- Vegetation Management & Wildfires (including PSPS events)
- Climate Change
- Municipal Financing
- Spent Nuclear Waste

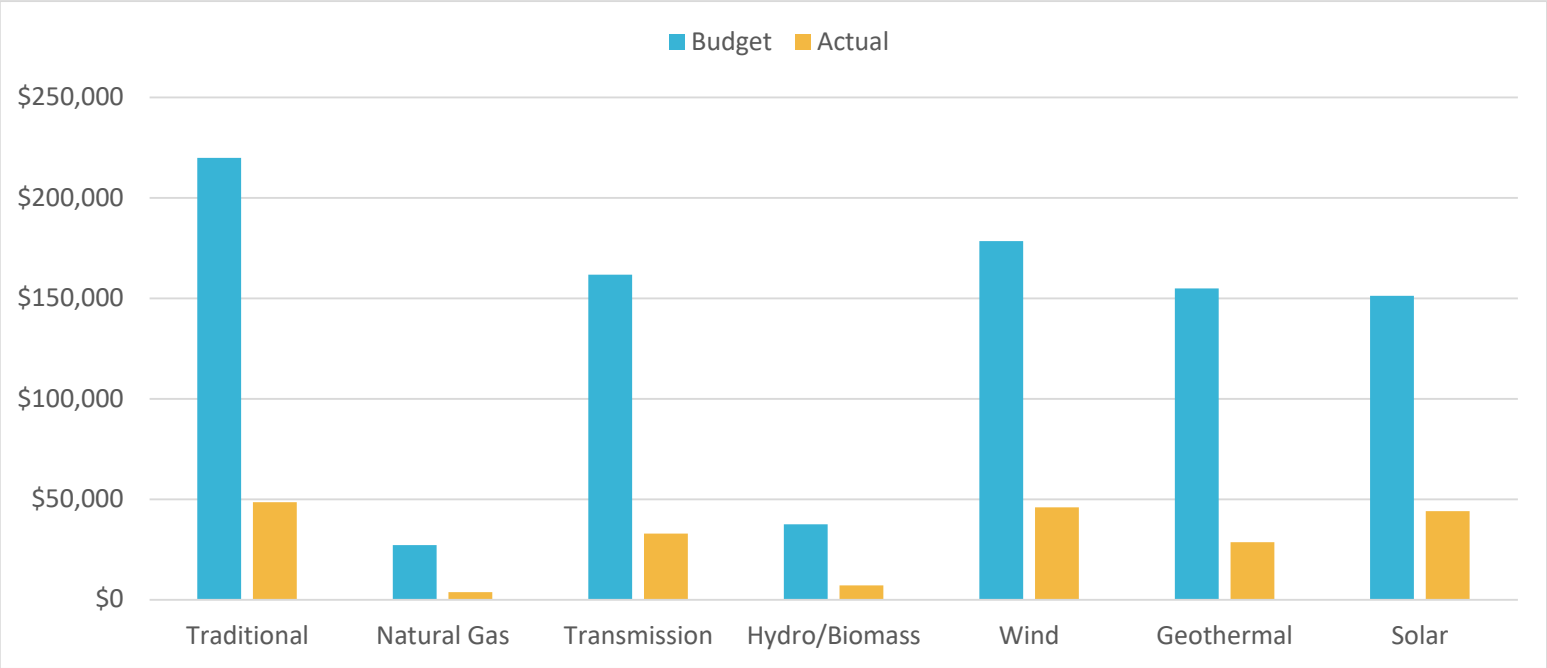
REGULATORY UPDATE
SCPPA Staff will provide an update of pending regulatory issues including, but not limited to CARB's Advanced Clean Trucks and the newly initiated "clean fleets" effort. Meanwhile, the CEC is expected to release formal 45-day comment amendments to the RPS Enforcement Procedures for Publicly Owned Utilities in April, hold a workshop or public hearing and potentially release 15-day language in Quarter 2 and adopt the final regulation in Quarter 3 with a requested effective date in Quarter 4.

SCPPA Quarterly Budget Comparisons

Quarter Ending September 30, 2019

($000s)

Project Type	Budget	Actual	Difference	%
Traditional	$ 219,912	$ 48,473	$ (171,439)	-78%
Natural Gas	$ 27,221	$ 3,729	$ (23,492)	-86%
Transmission	$ 161,760	$ 32,867	$ (128,893)	-80%
Hydro/Biomass	$ 37,548	$ 7,122	$ (30,426)	-81%
Wind	$ 178,404	$ 45,986	$ (132,418)	-74%
Geothermal	$ 154,908	$ 28,642	$ (126,266)	-82%
Solar	$ 151,148	$ 43,980	$ (107,168)	-71%
Total	**$ 930,901**	**$ 210,799**	**$ (720,102)**	**-77%**



SCPPA Quarterly Budget Comparisons

Quarter Ending September 30, 2019

Traditional Projects

Apex Combined Cycle	($000s)	Direct Admin & General	Indirect Admin & General	O&M	Capital Improvements	GE Maintenance	Transmission	Insurance	Net Debt Service	Taxes	Total Cost	MWHs Delivered
	Annual Budget	$ 252	$ 192	$ 10,380	$ 13,488	$ 7,896	$ 15,396	$ 504	$ 21,348	$ 804	$ 70,260	3,460,000
	YTD Actual	$ 54	$ 36	$ 1,844	$ -	$ 1,956	$ 4,145	$ 105	$ 5,304	$ 227	$ 13,672	825,276
	Variance	$ (198)	$ (156)	$ (8,536)	$ (13,488)	$ (5,940)	$ (11,251)	$ (399)	$ (16,044)	$ (577)	**$ (56,588)**	(2,634,724)
	% Variance	-78%	-81%	-82%	-100%	-75%	-73%	-79%	-75%	-72%	**-81%**	-76%

Canyon Power	($000s)	Direct Admin & General	Indirect Admin & General	O&M	Capital Improvements	Minimum Fuel	Variable Fuel	Insurance	Net Debt Service	Taxes	Total Cost	MWHs Delivered
	Annual Budget	$ 216	$ 108	$ 2,496	$ 600				$ 19,380		$ 22,800	171,600
	YTD Actual	$ 56	$ 21	$ 1,192	$ 43				$ 4,845		$ 6,158	41,189
	Variance	$ (160)	$ (87)	$ (1,304)	$ (557)				$ (14,535)		**$ (16,642)**	(130,411)
	% Variance	-74%	-80%	-52%	-93%				-75.00%		**-73%**	-76%

Palo Verde	($000s)	Direct Admin & General	Indirect Admin & General	O&M	Renewal & Replacements	APS Admin & General	Other Income	Insurance	Net Debt Service	Taxes	Minimum Cost	MWHs Delivered
	Annual Budget	$ 228	$ 480	$ 37,332	$ 13,980	$ 7,500		$ 204	$ (790)	$ 3,000	$ 61,934	1,962,645
	YTD Actual	$ 98	$ 97	$ 5,833	$ 3,909	$ 1,946		$ 109	$ (270)	$ 750	$ 12,471	506,633
	Variance	$ (130)	$ (383)	$ (31,499)	$ (10,071)	$ (5,554)	$ -	$ (95)	$ 520	$ (2,250)	**$ (49,463)**	(1,456,012)
	% Variance	-57%	-80%	-84%	-72%	-74%		-47%	-66%	-75%	**-80%**	-74%

Palo Verde	($000s)	Nuclear Fuel	Payments to SRP for Transmission	PV Switchyard O&M,Taxes	Debr Service ANPP Trans. Sys	Debt Service PV Swyd.					Variable Costs	Total Costs
	Annual Budget	$ 14,652	$ 168	$ 204	(13)	(1)					$ 15,010	**$ 76,944**
	YTD Actual	$ 3,577	$ -	$ 37	-	-					$ 3,614	**$ 16,085**
	Variance	$ (11,075)	$ (168)	$ (167)	$ 13	$ 1					**$ (11,396)**	**$ (60,859)**
	% Variance	-76%	-100%	-82%	-100%	-100%					**-76%**	-79%

Magnolia	($000s)	Direct Admin & General	Indirect Admin & General	O&M	Combined Capital Improvements	Major Maintenance	Fuel Transportation & Common Costs	Project A Net Debt Service	Project B Net Debt Service	Fuel	Total Cost	MWHs Delivered
	Annual Budget	$ 288	$ 516	$ 19,140	$ 624	$ 9,996	$ 2,904	$ 15,672	$ 768	$ -	$ 49,908	1,728,000
	YTD Actual	$ 94	$ 101	$ 5,138	$ 16	$ 2,499	$ 729	$ 3,533	$ 194	255	$ 12,559	421,085
	Variance	$ (194)	$ (415)	$ (14,002)	$ (608)	$ (7,497)	$ (2,175)	$ (12,139)	$ (574)	$ 255	**$ (37,349)**	(1,306,915)
	% Variance	-68%	-80%	-73%	-97%	-75%	-75%	-77%	-75%		**-75%**	-76%

SCPPA Quarterly Budget Comparisons

Quarter Ending September 30, 2019

Natural Gas Projects

Barnett	($000s)	Direct Admin & General	Indirect Admin & General	O&M	Pasadena Capital (Drilling & Completion)	Net Royalty Gas Tax Income	Investment Income	Cost of Gas	Net Debt Service	Taxes	Total Cost	MMBTUs Delivered
	Annual Budget	$ 192	$ 60	$ 696	$ 204				$ 5,496		$ 6,648	
	YTD Actual	$ 10	$ 6	$ 156	$ (2)		$ (12)		$ 1,379		$ 1,538	**111,785**
	Variance	$ (182)	$ (54)	$ (540)	$ (206)		$ (12)		$ (4,117)		**$ (5,110)**	
	% Variance	-95%	-90%	-78%	-101%				-75%		**-77%**	

Pinedale	($000s)	Direct Admin & General	Indirect Admin & General	O&M	Capital Improvements	Net Royalty Gas Tax Income	Net Oil Income	Cost of Gas	Net Debt Service	Taxes	Total Cost	MMBTUs Delivered
	Annual Budget	$ 216	$ 36	$ 3,996	$ 240	$ -	$ (1,200)		$ 2,328	$ 1,500	$ 7,116	
	YTD Actual	$ 72	$ 2	$ 852	$ (1)	$ (51)	$ (224)	$ 100	$ 592	$ 180	$ 1,520	714,338
	Variance	$ (144)	$ (34)	$ (3,144)	$ (241)	$ (51)	$ 976	$ 100	$ (1,736)	$ (1,320)	**$ (5,596)**	
	% Variance	-67%	-96%	-79%	-101%		-81%		-75%	-88%	**-79%**	

Prepay	($000s)	Direct Admin & General	Indirect Admin & General	O&M	Capital Improvements	Net Royalty Gas Tax Income	Net Oil Income	Cost of Gas	Net Debt Service	Taxes	Total Cost	MMBTUs Delivered
	Annual Budget	$ 96	$ 120					$ 13,241			$ 13,457	3,218,813
	Billed	$ 24	$ 30					$ 3,327			$ 3,381	
	YTD Actual	$ 63	$ 24					$ 584			$ 670	1,224,428
	Variance	$ (33)	$ (96)					$ (12,657)			**$ (12,787)**	
	% Variance	-34%	-80%					-96%			**-95%**	

SCPPA Quarterly Budget Comparisons

Quarter Ending September 30, 2019

Transmission Projects

	($000s)	Direct Admin & General	Indirect Admin & General	O&M A	Insurance Refund	O&M C	Capital Improvements	Net Debt Service	Taxes	Total Cost
Southern Transmission System	Annual Budget	$ 288	$ 552	$ 53,004				$ 75,504		$ 129,348
	YTD Actual	$ 94	$ 109	$ 6,890				$ 17,936		$ 25,029
	Variance	$ (194)	$ (443)	$ (46,114)				$ (57,568)		**$ (104,319)**
	% Variance	-67%	-80%	-87%				-76%		**-81%**
	($000s)	Direct Admin & General	Indirect Admin & General	O&M A	O&M B	O&M C	Capital Improvements	Net Debt Service	Taxes	Total Cost
Mead-Adelanto	Annual Budget	$ 132	$ 120	$ 2,616			$ 840	$ 15,720	$ 276	$ 19,704
	YTD Actual	$ 30	$ 22	$ 545			$ 138	$ 3,962	$ 52	$ 4,749
	Variance	$ (102)	$ (98)	$ (2,071)			$ (702)	$ (11,758)	$ (224)	**$ (14,955)**
	% Variance	-77%	-81%	-79%			-84%	-75%	-81%	**-76%**
	($000s)	Direct Admin & General	Indirect Admin & General	O&M A	O&M B	O&M C	Capital Improvements	Net Debt Service	Taxes	Total Cost
Mead-Adelando (LADWP)	Annual Budget	$ 60	$ 12	$ 624			$ 216	$ 2,724	$ 96	$ 3,732
	YTD Actual	$ 13	$ 2	$ 140			$ 36	$ 679	$ 21	$ 891
	Variance	$ (47)	$ (10)	$ (484)			$ (180)	$ (2,045)	$ (75)	**$ (2,841)**
	% Variance	-78%	-84%	-78%			-83%	-75%	-78%	**-76%**
	($000s)	Direct Admin & General	Indirect Admin & General	O&M A	O&M B	O&M C	Capital Improvements	Net Debt Service	Taxes	Total Cost
Mead-Phoenix	Annual Budget	$ 60	$ 12	$ 276	$ 120	$ 288	$ 252	$ 4,704	$ 348	$ 6,060
	YTD Actual	$ 10	$ 2	$ 117	$ 34	$ 64	$ 27	$ 1,156	$ 62	$ 1,471
	Variance	$ (50)	$ (10)	$ (159)	$ (86)	$ (224)	$ (225)	$ (3,548)	$ (286)	**$ (4,589)**
	% Variance	-83%	-82%	-58%	-72%	-78%	-89%	-75%	-82%	**-76%**
	($000s)	Direct Admin & General	Indirect Admin & General	O&M A	O&M B	O&M C	Capital Improvements	Net Debt Service	Taxes	Total Cost
Mead-Phoenix (LADWP)	Annual Budget	$ 60	$ 12	$ 180	$ -	$ 108	$ 84	$ 2,220	$ 252	$ 2,916
	YTD Actual	$ 13	$ 1	$ 74	$ -	$ 23	$ 10	$ 549	$ 56	$ 726
	Variance	$ (47)	$ (11)	$ (106)		$ (85)	$ (74)	$ (1,671)	$ (196)	**$ (2,190)**
	% Variance	-79%	-88%	-59%		-79%	-88%	-75%	-78%	**-75%**

SCPPA Quarterly Budget Comparisons

Quarter Ending September 30, 2019

Hydro/Landfill Gas/Biomass Projects

MWD	($000s)	Direct Admin & General	Indirect Admin & General	Capital & Operating Expense	PPA Payments	Scheduling	ISO Charges	Interest Received	Total Cost	MWHs Delivered
	Annual Budget	$ 12	$ 36		$ 1,644	$ 120			$ 1,812	30,000
	YTD Actual	$ 6	$ 6		$ 20	$ 30			$ 63	374
	Variance	$ (6)	$ (30)		$ (1,624)	$ (90)			**$ (1,749)**	(29,626)
	% Variance	-52%	-83%		-99%	-75%			**-97%**	-99%

Tieton	($000s)	Direct Admin & General	Indirect Admin & General	Capital & Operating Expense	PPA Payments	Project Manager	ISO Charges	Net Debt Service	Total Cost	MWHs Delivered
	Annual Budget	$ 120	$ 60	$ 4,248		$ 120		$ 3,204	$ 7,752	48,495
	YTD Actual	$ 56	$ 11	$ 235		$ 113		$ 814	$ 1,230	18,946
	Variance	$ (64)	$ (49)	$ (4,013)		$ (7)		$ (2,390)	**$ (6,522)**	$ (29,549)
	% Variance	-53%	-81%	-94%		-6%		-75%	**-84%**	-61%

Chiquita Canyon	($000s)	Direct Admin & General	Indirect Admin & General	Capital & Operating Expense	PPA Payments	Scheduling Fees	ISO Charges	Interest Received	Total Cost	MWHs Delivered
	Annual Budget	$ 12	$ 24		$ 3,132				$ 3,168	48,000
	YTD Actual	$ 5	$ 4		$ 665				$ 675	10,141
	Variance	$ (7)	$ (20)		$ (2,467)				**$ (2,493)**	(37,859)
	% Variance	-55%	-81%		-79%				**-79%**	-79%

Puente Hills	($000s)	Direct Admin & General	Indirect Admin & General	Capital & Operating Expense	PPA Payments	Scheduling Fees	ISO Charges	Interest Received	Total Cost	MWHs Delivered
	Annual Budget	$ 12	$ 360	$ -	$ 19,200		$ -		$ 19,572	240,000
	YTD Actual	$ 6	$ 69		$ 4,415				$ 4,491	55,192
	Variance	$ (6)	$ (291)		$ (14,785)				**$ (15,081)**	(184,808)
	% Variance	-50%	-81%		-77%				**-77%**	-77%

Loyalton	($000s)	Direct Admin & General	Indirect Admin & General	Capital & Operating Expense	PPA Payments	Scheduling Fees	ISO Charges	Interest Received	Total Cost	MWHs Delivered
	Annual Budget	$ 36	$ 48		$ 5,124	$ 36			$ 5,244	**52,560**
	YTD Actual	$ 9	$ 9		$ 647	$ 9		$ (10)	$ 663	**6,103**
	Variance	$ (27)	$ (39)	$ -	$ (4,477)	$ (27)		$ (10)	**$ (4,581)**	(46,457)
	% Variance	-75%	-82%		-87%	-74%			**-87%**	-88%

SCPPA Quarterly Budget Comparisons

Quarter Ending September 30, 2019

Wind Projects

Linden	($000s)	Direct Admin & General	Indirect Admin & General	Excess Energy	O&M	Transmisson/ Exchange	BPA Wind Integration	BPA Generation Imbalance Charge	Lease Expense	Insurance	Net Debt Service	Property Tax	Total Cost	MWHs Delivered
	Annual Budget	$ 120	$ 48		$ 2,196	$ 3,000	$ 756	$ 48	$ 504	$ 120	$ 9,936	$ 516	$ 17,244	135,780
	YTD Actual	$ 32	$ 9		$ 554	$ 1,005	$ 140	$ -	$ 143	$ 32	$ 2,280	$ 102	$ 4,296	39,197
	Variance	$ (88)	$ (39)		$ (1,642)	$ (1,995)	$ (616)	$ (48)	$ (361)	$ (88)	$ (7,656)	$ (414)	**$ (12,948)**	(96,583)
	% Variance	-73%	-81%		-75%	-66%	-82%	-100%	-72%	-74%	-77%	-80%	**-75%**	-71%

Milford I	($000s)	Direct Admin & General	Indirect Admin & General	Excess Energy	O&M	Transmisson/ Exchange	BPA Wind Integration	LADWP O&M	Environmental Attributes	Insurance	Net Debt Service (On Prepay)	Property Tax	Total Cost	MWHs Delivered
	Annual Budget	$ 108	$ 108	$ 7,404				$ 60	$ 6,672	$ 3,996	$ 18,240		$ 36,588	445,665
	YTD Actual	$ 26	$ 21	$ 3,336				$ 18	$ 1,698	$ -	$ 4,408		9,507	117,963
	Variance	$ (82)	$ (87)	$ (4,068)				$ (42)	$ (4,974)	$ (3,996)	$ (13,832)		**$ (27,081)**	(327,702)
	% Variance	-76%	-80%	-55%				-71%	-75%	-100%	-76%		**-74%**	-74%

Milford II	($000s)	Direct Admin & General	Indirect Admin & General	Excess Energy	O&M	Transmisson/ Exchange	BPA Wind Integration	LADWP O&M	Environmental Attributes	Taxes/ Insurance	Net Debt Service (On Prepay)	Property Tax	Total Cost	MWHs Delivered
	Annual Budget	$ 120	$ 60	$ 1,020				$ 72	$ 4,152	$ 2,100	$ 12,564		$ 20,088	205,510
	YTD Actual	$ 41	$ 10	$ -				$ 17	$ 1,136	$ 471	$ 3,126		$ 4,801	57,258
	Variance	$ (79)	$ (50)	$ (1,020)				$ (55)	$ (3,016)	$ (1,629)	$ (9,438)		**$ (15,287)**	(148,252)
	% Variance	-66%	-83%	-100%				-77%	-73%	-78%	-75%		**-76%**	-72%

Pebble Springs	($000s)	Direct Admin & General	Indirect Admin & General	Payments to Avangrid	Project Manager	Transmisson/ Exchange	BPA Wind Integration	Transmission &Generation Imbalance Charge	Environmental Attributes	Insurance	Interest Received	Property Tax	Total Cost	MWHs Delivered
	Annual Budget	$ 48	$ 96	$ 14,736		$ 3,360	$ 1,500	$ 1,500					$ 21,240	210,000
	YTD Actual	$ 14	$ 18	$ 4,885	$ 11	$ 1,247	$ 364	$ 360			$ (36)		$ 6,863	70,196
	Variance	$ (34)	$ (78)	$ (9,851)	$ 11	$ (2,113)	$ (1,136)	$ (1,140)			$ (36)		**$ (14,377)**	(139,804)
	% Variance	-71%	-82%	-67%		-63%	-76%	-76%					**-68%**	-67%

Windy Flats	($000s)	Direct Admin & General	Indirect Admin & General	Excess Energy	O&M	Transmisson/ Exchange	BPA Wnd Integration	BPA Generation Imbalance Charge	Environmental Attributes	Insurance	Net Debt Service	Property Tax	Total Cost	MWHs Delivered
	Annual Budget	$ 120	$ 228	$ 3,228	$ 15,996	$ 8,496	$ 11,004		$ 4,032		$ 40,140		$ 83,244	672,000
	YTD Actual	$ 42	$ 43	$ -	$ 3,895	$ 3,119	$ 2,168		$ 1,332		$ 9,921		$ 20,520	220,900
	Variance	$ (78)	$ (185)	$ (3,228)	$ (12,101)	$ (5,377)		$ -	$ (2,700)		$ (30,219)		**$ (62,724)**	(451,100)
	% Variance	-65%	-81%	-100%	-76%	-63%			-67%		-75%		**-75%**	-67%

SCPPA Quarterly Budget Comparisons

Quarter Ending September 30, 2019

Geothermal Projects

	($000s)	Direct Admin & General	Indirect Admin & General	Project Manager Costs	Working Capital	Payments to Ormat	Interest Received	Total Cost	MWHs Delivered
DAC I	**Annual Budget**	$ 48	$ 60	$ 60	$ -	$ 16,908	$ -	$ 17,076	170,820
	YTD Actual	$ 15	$ 10	$ 14	$ -	$ 2,564	$ (16)	$ 2,587	27,367
	Variance	$ (33)	$ (50)	$ (46)	$ -	$ (14,344)	$ (16)	**$ (14,489)**	(143,453)
	% Variance	-69%	-83%	-77%		-85%		**-85%**	-84%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**Project Manager Costs**	**Working Capital**	**Payments to Ormat**	**Interest Received**	**Total Cost**	**MWHs Delivered**
DAC II	**Annual Budget**	$ 48	$ 36	$ 24	$ -	$ 13,884	$ -	$ 13,992	170,820
	YTD Actual	$ 14	$ 7	$ 10	$ -	$ 1,806	$ (26)	$ 1,811	23,674
	Variance	$ (35)	$ (29)	$ (14)		$ (12,078)	$ (26)	**$ (12,181)**	(147,146)
	% Variance	-72%	-80%	-57%		-87%		**-87%**	-86%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**Project Manager Costs**	**Working Capital**	**Payments to Ormat**	**Interest Received**	**Total Cost**	**MWHs Delivered**
Heber I	**Annual Budget**	$ 48	$ 192	$ 48	$ -	$ 30,240	$ -	$ 30,528	361,486
	YTD Actual	$ 12	$ 37	$ 9	$ -	$ 6,154	$ (17)	$ 6,195	74,052
	Variance	$ (36)	$ (155)	$ (39)		$ (24,086)	$ (17)	**$ (24,333)**	(287,434)
	% Variance	-75%	-81%	-81%		-80%		**-80%**	-80%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**Project Manager Costs**	**Working Capital**	**Payments to Ormat**	**Scheduling Fees**	**Total Cost**	**MWHs Delivered**
Heber South/Gould 2	**Annual Budget**	$ 12	$ 84			$ 10,200	$ 96	$ 10,392	134,028
	YTD Actual	$ 6	$ 17			$ 2,221	$ 21	$ 2,265	29,981
	Variance	$ (6)	$ (67)			$ (7,979)	$ (75)	**$ (8,127)**	(104,047)
	% Variance	-52%	-80%			-78%	-78%	**-78%**	-78%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**Project Manager Costs**	**Working Capital**	**Payments to Ormat**	**Interest Received**	**Total Cost**	**MWHs Delivered**
NNGP	**Annual Budget**	$ 48	$ 156	12	0	$ 57,804		$ 58,020	765,604
	YTD Actual	$ 11	$ 31	23	0	$ 12,934	$ (32)	$ 12,968	178,007
	Variance	$ (37)	$ (125)	$ 11	$ -	$ (44,870)	$ (32)	**$ (45,052)**	(587,597)
	% Variance	-76%	-80%	90%		-78%		**-78%**	-77%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**Project Manager Costs**	**Working Capital**	**Payments to Ormat**	**Interest Received**	**Total Cost**	**MWHs Delivered**
Ormesa	**Annual Budget**	48	120	-	-	24,732	-	24,900	320,178
	YTD Actual	10	24	12		2,814	(44)	2,816	36,884
	Variance	$ (38)	$ (96)	$ 12		$ (21,918)	$ (44)	**$ (22,084)**	$ (283,294)
	% Variance	-79%	-80%			-89%		**-89%**	-88%

SCPPA Quarterly Budget Comparisons

Quarter Ending September 30, 2019

Geothermal Projects

	($000s)	Direct Admin & General	Indirect Admin & General	LADWP Project Manager	Working Capital	Payments to Ormat	Interest Received	Total Cost	MWHs Delivered
DAC I	**Annual Budget**	$ 48	$ 60	$ 60	$ -	$ 16,908	$ -	$ 17,076	170,820
	YTD Actual	$ 15	$ 10	$ 14	$ -	$ 2,564	$ (16)	$ 2,587	27,367
	Variance	$ (33)	$ (50)	$ (46)	$ -	$ (14,344)	$ (16)	**$ (14,489)**	(143,453)
	% Variance	-69%	-83%	-77%		-85%		**-85%**	-84%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**LADWP Project Manager**	**Working Capital**	**Payments to Ormat**	**Interest Received**	**Total Cost**	**MWHs Delivered**
DAC II	**Annual Budget**	$ 48	$ 36	$ 24	$ -	$ 13,884	$ -	$ 13,992	170,820
	YTD Actual	$ 14	$ 7	$ 10	$ -	$ 1,806	$ (26)	$ 1,811	23,674
	Variance	$ (35)	$ (29)	$ (14)		$ (12,078)	$ (26)	**$ (12,181)**	(147,146)
	% Variance	-72%	-80%	-57%		-87%		**-87%**	-86%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**LADWP Project Manager**	**Working Capital**	**Payments to Ormat**	**Interest Received**	**Total Cost**	**MWHs Delivered**
Heber I	**Annual Budget**	$ 48	$ 192	$ 48	$ -	$ 30,240	$ -	$ 30,528	361,486
	YTD Actual	$ 12	$ 37	$ 9	$ -	$ 6,154	$ (17)	$ 6,195	74,052
	Variance	$ (36)	$ (155)	$ (39)		$ (24,086)	$ (17)	**$ (24,333)**	(287,434)
	% Variance	-75%	-81%	-81%		-80%		**-80%**	-80%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**LADWP Project Manager**	**Working Capital**	**Payments to Ormat**	**Scheduling Fees**	**Total Cost**	**MWHs Delivered**
Heber South/Gould 2	**Annual Budget**	$ 12	$ 84			$ 10,200	$ 96	$ 10,392	134,028
	YTD Actual	$ 6	$ 17			$ 2,221	$ 21	$ 2,265	29,981
	Variance	$ (6)	$ (67)			$ (7,979)	$ (75)	**$ (8,127)**	(104,047)
	% Variance	-52%	-80%			-78%	-78%	**-78%**	-78%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**LADWP Project Manager**	**Working Capital**	**Payments to Ormat**	**Interest Received**	**Total Cost**	**MWHs Delivered**
NNGP	**Annual Budget**	$ 48	$ 156	$ 12	$ -	$ 57,804		$ 58,020	765,604
	YTD Actual	$ 11	$ 31	$ 23	$ -	$ 12,934	$ (32)	$ 12,968	178,007
	Variance	$ (37)	$ (125)	$ 11	$ -	$ (44,870)	$ (32)	**$ (45,052)**	(587,597)
	% Variance	-76%	-80%	90%		-78%		**-78%**	-77%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**LADWP Project Manager**	**Working Capital**	**Payments to Ormat**	**Interest Received**	**Total Cost**	**MWHs Delivered**
Ormesa	**Annual Budget**	$ 48	$ 120	0	$ -	$ 24,732	$ -	$ 24,900	320,178
	YTD Actual	$ 10	$ 24	12.285		$ 2,814	$ (44)	$ 2,816	36,884
	Variance	$ (38)	$ (96)	$ 12		$ (21,918)	$ (44)	**$ (22,084)**	$ (283,294)
	% Variance	-79%	-80%			-89%		**-89%**	-88%

SCPPA Quarterly Budget Comparisons

Quarter Ending September 30, 2019

Solar Projects

	($000s)	Direct Admin & General	Indirect Admin & General	LADWP O&M	Scheduling Fees	PPA Payments	Total Cost	MWHs Delivered
Big Sky Ranch	**Annual Budget**	$ 12	$ 72		$ 36	$ 4,848	$ 4,968	60,000
	YTD Actual	$ 7	$ 14		$ 9	$ 1,271	$ 1,301	17,861
	Variance	$ (5)	$ (58)		$ (27)	$ (3,577)	**$ (3,667)**	(42,139)
	% Variance	-42%	-81%		-75%	-74%	**-74%**	-70%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**LADWP O&M**	**Scheduling Fees**	**PPA Payments**	**Total Cost**	**MWHs Delivered**
DSR I	**Annual Budget**	$ 12	$ 96		$ 36	$ 7,416	$ 7,560	138,000
	YTD Actual	$ 3	$ 18		$ 9	$ 2,202	$ 2,233	40,969
	Variance	$ (9)	$ (78)		$ (27)	$ (5,214)	**$ (5,327)**	(97,031)
	% Variance	-73%	-81%		-74%	-70%	**-70%**	-70%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**LADWP O&M**	**Scheduling Fees**	**PPA Payments**	**Total Cost**	**MWHs Delivered**
DSR II	**Annual Budget**	$ 12	$ 36		$ -	$ 804	$ 852	15,000
	YTD Actual	$ 5	$ 7			$ 234	$ 246	4,354
	Variance	$ (7)	$ (29)		$ -	$ (570)	**$ (606)**	(10,646)
	% Variance	-62%	-80%			-71%	**-71%**	-71%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**LADWP O&M**	**Scheduling Fees**	**PPA Payments**	**Total Cost**	**MWHs Delivered**
Astoria 2	**Annual Budget**	$ 12	$ 144		$ -	$ 6,804	$ 6,960	108,000
	YTD Actual	$ 6	$ 28		$ 6	$ 2,075	$ 2,115	35,147
	Variance	$ (6)	$ (116)		$ 6	$ (4,729)	**$ (4,845)**	(72,853)
	% Variance	-50%	-80%			-69%	**-70%**	-67%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**LADWP O&M**	**Scheduling Fees**	**PPA Payments**	**Total Cost**	**MWHs Delivered**
Columbia Two	**Annual Budget**	$ 24	$ 36		$ 36	$ 2,940	$ 3,036	42,048
	YTD Actual	$ 3	$ 7		$ 9	$ 887	$ 906	12,691
	Variance	$ (21)	$ (29)		$ (27)	$ (2,053)	**$ (2,130)**	(29,357)
	% Variance	-86%	-82%		-75%	-70%	**-70%**	-70%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**LADWP O&M**	**Interest Received**	**PPA Payments**	**Total Cost**	**MWHs Delivered**
Copper Mountain 3	**Annual Budget**	$ 48	$ 192	$ 36	$ -	$ 58,716	$ 58,992	613,200
	YTD Actual	$ 17	$ 36	$ 23	$ (31)	$ 16,780	$ 16,826	175,253
	Variance	$ (31)	$ (156)	$ (13)	$ (31)	$ (41,936)	**$ (42,166)**	(437,947)
	% Variance	-65%	-81.03%	-37%		-71%	**-71%**	-71%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**LADWP O&M**	**Scheduling Fees**	**PPA Payments**	**Total Cost**	**MWHs Delivered**
Kingbird B	**Annual Budget**	$ 12	$ 72		$ 84	$ 4,128	$ 4,296	60,000
	YTD Actual	$ 3	$ 13		$ 22	$ 1,210	$ 1,249	17,604
	Variance	$ (9)	$ (59)		$ (62)	$ (2,918)	**$ (3,047)**	(42,396)
	% Variance	-72%	-81%		-74%	-71%	**-71%**	-71%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**LADWP O&M**	**Interest Received**	**PPA Payments**	**Total Cost**	**MWHs Delivered**
Springbok I	**Annual Budget**	$ 48	60	$ 48	$ -	$ 20,196	$ 20,352	294,336
	YTD Actual	$ 15	10	$ 17	$ (17)	$ 6,239	$ 6,264	90,946
	Variance	$ (33)	(50)	$ (31)	$ (17)	$ (13,957)	**$ (14,088)**	(203,390)
	% Variance	-69%	-83%	-65%		-69%	**-69%**	-69%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**LADWP O&M**	**Interest Received**	**PPA Payments**	**Total Cost**	**MWHs Delivered**
Springbok II	**Annual Budget**	$ 48	72	$ 24	$ -	$ 24,684	$ 24,828	420,918
	YTD Actual	$ 15	13	$ 16	$ (19)	$ 7,575	$ 7,600	129,271
	Variance	$ (33)	(59)	$ (8)	$ (19)	$ (17,109)	**$ (17,228)**	(291,647)
	% Variance	-69%	(1)	-34%		-69%	**-69%**	-69%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**LADWP O&M**	**Working Capital**	**PPA Payments**	**Total Cost**	**MWHs Delivered**
Springbok III	**Annual Budget**	$ 48	$ 36	$ 12	$ 500	$ 14,568	$ 15,164	$ 280,284
	YTD Actual	$ (6)	$ 9	$ 14	$ 500	$ 3,476	$ 3,993	$ 74,681
	Variance	$ (54)	$ (27)	$ 2	$ -	$ (11,092)	**$ (11,171)**	$ (205,603)
	% Variance	-112%	-75%	17%	0%	-76%	**-74%**	-73%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**LADWP O&M**	**Scheduling Fees**	**PPA Payments**	**Total Cost**	**MWHs Delivered**
Summer	**Annual Budget**	$ 12	$ 60		$ 36	$ 4,032	$ 4,140	$ 57,816
	YTD Actual	$ 6	$ 11		$ 9	$ 1,221	$ 1,247	$ 17,546
	Variance	$ (6)	$ (49)		$ (27)	$ (2,811)	**$ (2,893)**	$ (40,270)
	% Variance	-52%	-81%		-75%	-70%	**-70%**	-70%

Renewable Project Performance Report

Prepared by:
Nicole Solano
Utility Analyst

January 23rd, 2020

For The Period Beginning
October 1st and Ending
December 31st, 2019

Table of Contents

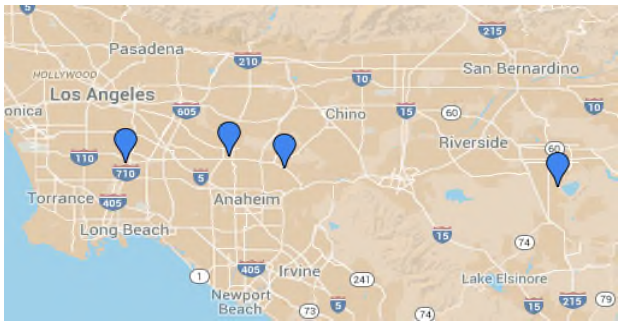
		Page
Hydro	MWD	1
	Tieton	2
Landfill Gas	Chiquita Canyon	3
	Puente Hills	4
Geothermal	Heber-Gould	5
	Heber-I	6
	Don A. Campbell I	7
	Don A. Campbell II	8
	ONGP	9
	Ormesa	10
Wind	Pebble Springs	11
	Windy Flats	12
	Linden	13
	Milford I	14
	Milford II	15
Solar	Antelope Big Sky Ranch	16
	Antelope DSR I & II	17
	Astoria 2	18
	Columbia Two	19
	Copper Mountain 3	20
	Kingbird B	21
	Springbok I-III	22-24
	Summer	25
Biomass	Loyalton	26

MWD SMALL HYDRO

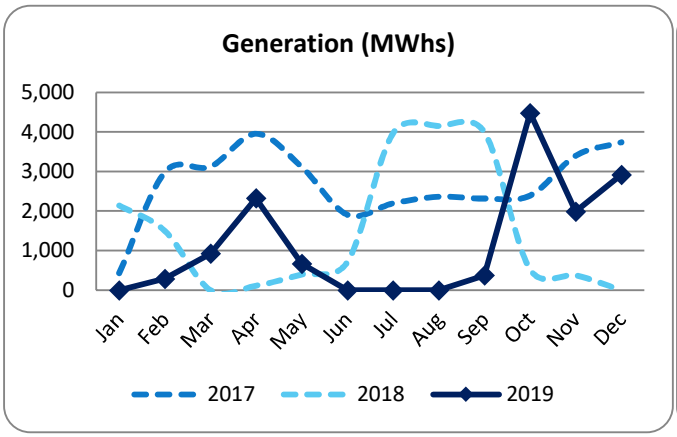
Location: 4 locations throughout Southern California
Type: Hydro
COD: 1-Nov-08
Capacity (MWs): 17.08
Term: 15 years & 2 months (ending 31-Dec-23)

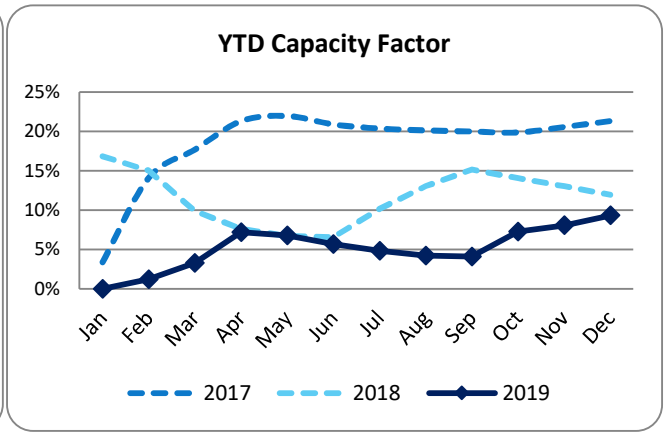
Participants:	%	MWs
Anaheim	56%	9.56
Azusa	22%	3.76
Colton	22%	3.76
	100%	17.08

Operations Notes:



Generation for this period is up compared to the same time period in 2018, despite 20% lower YTD generation. The State Water Project allocation is expected to reduce in early 2020. That, combined with low demand, is expected to yield a 2020 generation forecasted equal to or less than 2019 generation.





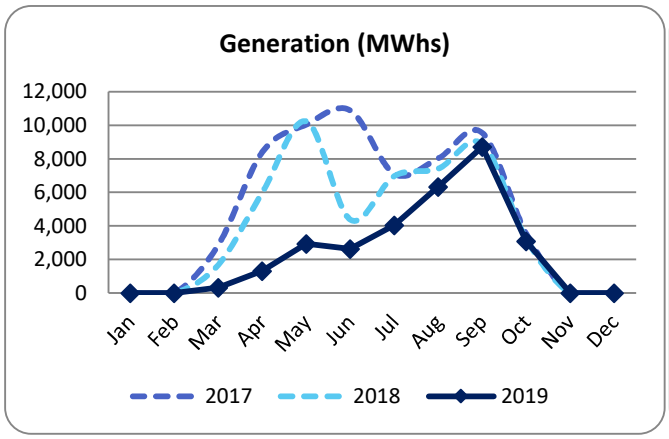
TIETON SMALL HYDRO

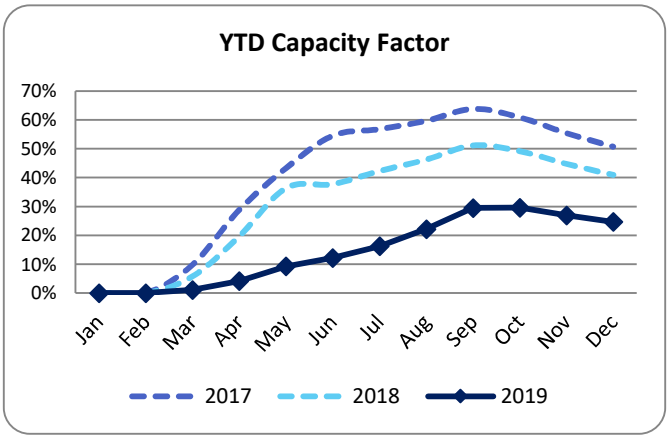
Location: 40 miles west of Yakima, WA
Type: Hydro
Acquisition: 30-Nov-09
Capacity (MWs): 13.6
Term: Permanent Ownership

Participants:	%	MWs
Burbank	50%	6.80
Glendale	50%	6.80
	100%	13.60

Operations Notes:

Tieton generated 3,086 MWhs of energy during this period and 29,373 MWhs of energy this calendar year. 2019 generation remains significantly lower than historical averages mainly due to low flow. In fact, 2019 was the lowest generation year since the project began delivering to SCPPA in 2014. Units 1 and 2 were taken offline in mid-October for an annual maintenance outage and remained offline for the rest of the season.





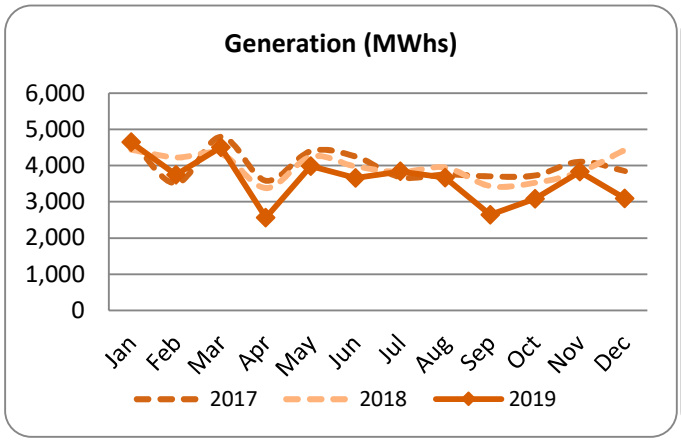
CHIQUITA CANYON

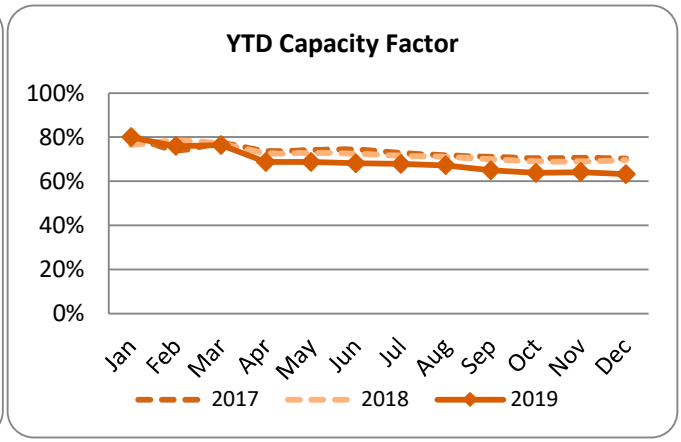
Location: Valencia, CA
Type: Landfill Gas
COD: 1-Nov-10
Capacity (MWs): 7.8 (net)
Term: 20 years

Participants:	%	MWs
Burbank	17%	1.33
Pasadena	83%	6.47
	100%	7.80

Operations Notes:

During this period, the Chiquita facility experienced several outages, both planned and unplanned. In late October, the facility was offline for two days due to a Southern California Edison extreme weather shutdown. After the shutdown, the facility returned online with no issues. In November, turbine 2 went offline for 111 hours due to a bad pilot valve. The valve was replaced, reset, and restarted without further incident. Also in November, turbine 1 experienced several unknown startup failures that were investigated and resolved without additional maintenance needed. Turbine 2 was again offline for several days in December, due to compressor issues. The operator reached out to ABB to troubleshoot the problem and after a TSA media change, the compressor was able to restart. The plant closed out 2019 with both units online, and with generation approximately 10% below 2018.

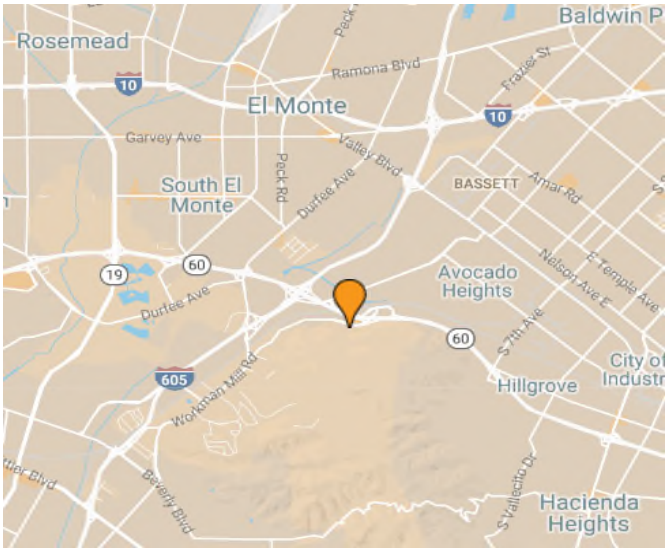




PUENTE HILLS

Location: City of Industry, CA
Type: Landfill Gas
COD: 1-Jan-17 (start of SCPPA deliveries)
Capacity (MWs): 41.5
Term: 10 years

Participants:	%	MWs
Banning	21%	8.69
Colton	26%	10.62
Pasadena	30%	12.55
Vernon	23%	9.65
	100%	41.50



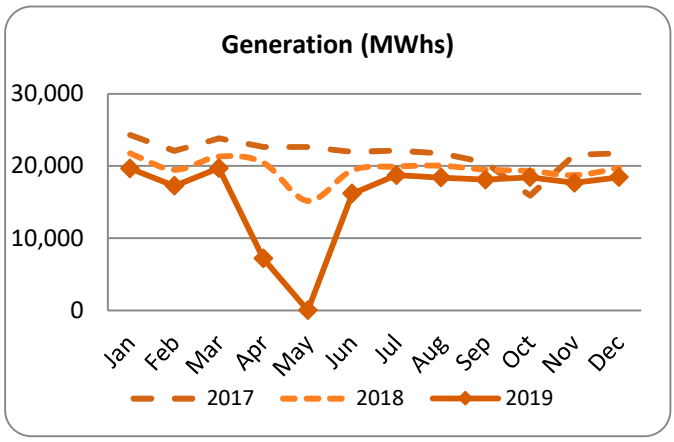
Operations Notes:

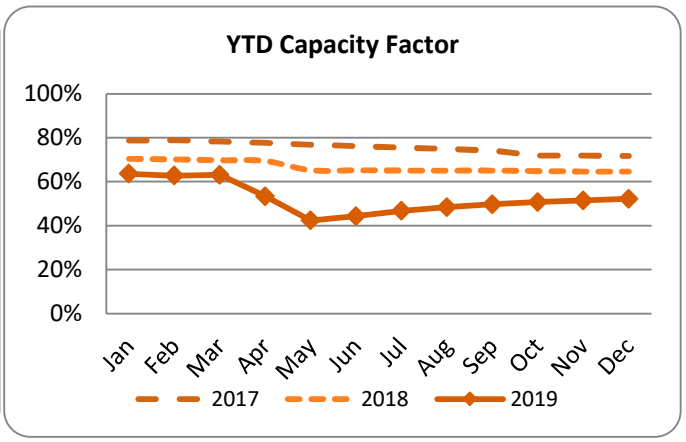
The PERG power plant operated at 99.7% availability during the period. There were two plant outages accounting for 3.1 hours of lost availability during this time.

On October 30th, the plant tripped due to low fuel pressure caused by an electric motor failure. When the motor failed, fuel pressure dropped and both boilers tripped. The motor failure also tripped the 4,160-volt electrical bus. A spare motor was installed, and the plant returned online without further incident.

On November 22nd, the plant tripped while operations staff were attempting to adjust boiler fuel pressure. Flares were immediately lit, and the boilers were restarted.

Because of a planned major maintenance outage in the spring and other various, unplanned outages throughout the year, 2019 generation was lower than 2018 but net capacity factor still closed the year at 52%.

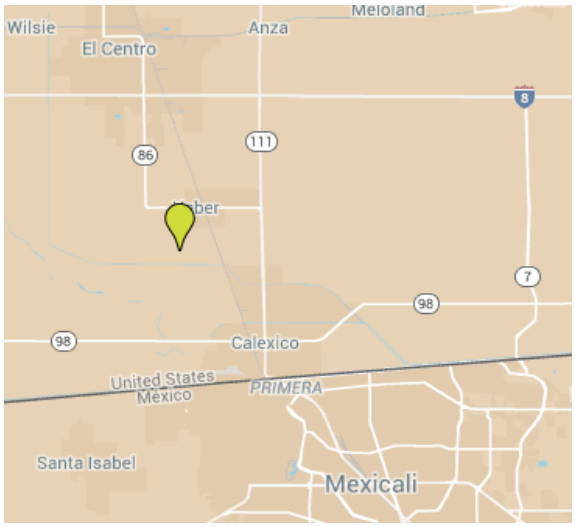




HEBER SOUTH-GOULD 2

Location: Heber, CA
Type: Geothermal
COD: 18-Jun-06
Capacity (MWs): 17
Term: 25 years

Participants:	%	MWs
Anaheim	60%	10.20
Banning	10%	1.70
Glendale	15%	2.55
Pasadena	15%	2.55
	100%	17



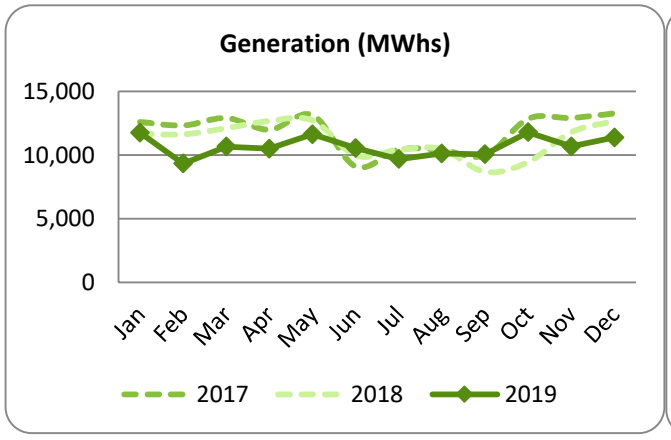
Operations Notes:

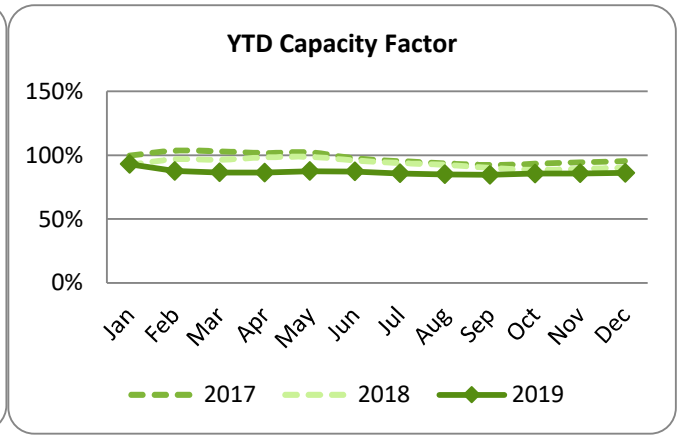
Minimal downtime was experienced at the faciliy with no major issues to report in October. Actual generation was 7.5% above forecast for the month. Commercial availability closed at 100%.

In November, plant performance was stable with no reportable issues and minimal downtime, caused by an LP injection leak, and a weather-related fault. Generation finished at approximately 3% below forecast, with availability at 100% and no economic curtailment.

December generation closed at 7% below forecast despite no outages or downtime for the month.

The facility maintained normal operations for the period and saw 2019 YTD generation 2% below 2018.

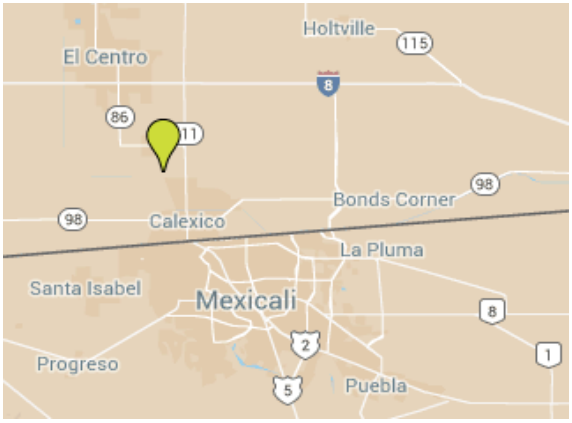




HEBER-1

Location: Heber, CA
Type: Geothermal
COD: 2-Feb-16 (SCPPA deliveries began)
Capacity (MWs): 62.5
Term: 10 years

Participants:	%	MWs
IID	22%	13.75
LADWP	78%	48.75
	100%	62.5



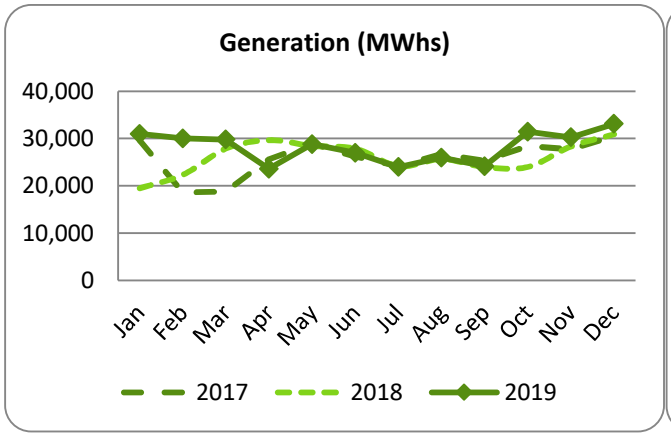
Operations Notes:

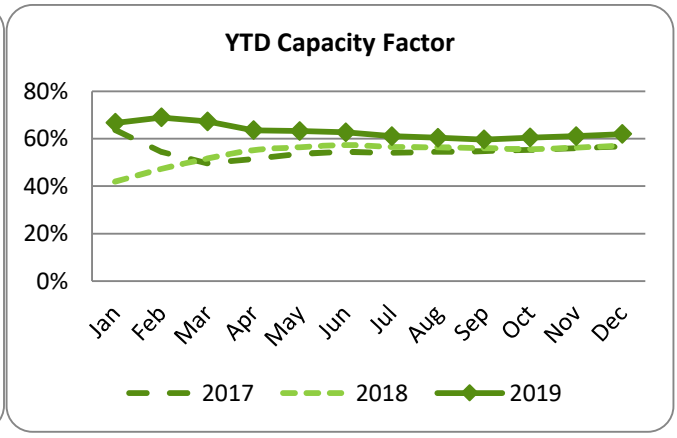
Generation was down just under 2% in October due to motor and pump failures and replacements. This resulted in OEC11 going offline for 120 hours for a heat exchanger clean-out and HGU-18 going offline the entire month for a pump replacement. Because of this, commercial availability was down to 94%.

In November, generation decreased to 5% below forecast due to instrumentation issues and IID transmission line maintenance.

December continued the pattern of under performance, finishing the year at 4% under forecast, largely due to an underground cooling water leak.

Despite 7% lower than forecasted generation, YTD generation still remains higher than the same period last year and overall plant performance was stable with commercial availability closing for the period at 94%.





DON A. CAMPBELL 1

Location: Mineral County, NV
Type: Geothermal
COD: 31-Dec-13
Capacity (MWs): 25
Term: 20 years

Participants:	%	MWs
Burbank	15%	3.85
LADWP	85%	21.16
	100%	25

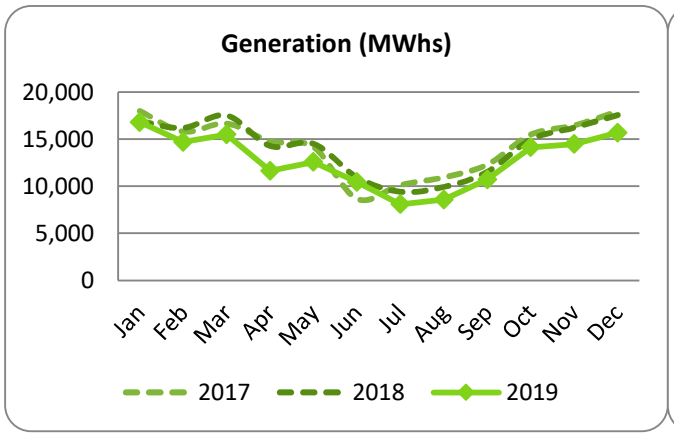
Operations Notes:

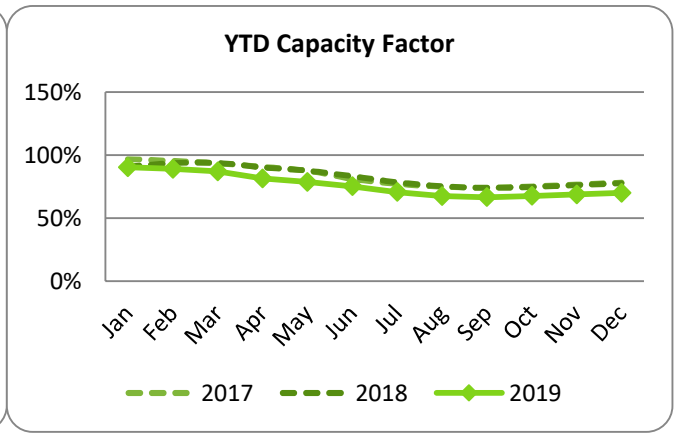
October generation was less than 1% above forecast with 100% commercial availability and no reportable issues or downtime.

November generation was down 1% with approximately 5 hours of downtime due to a defective ethernet switch and turbine vibrations. The facility was also curtailed due to a transmission line outage, for a total loss of 48MW.

Actual generation in December was 2% under forecast with 100% availability, despite OEC going offline for high vibrations and experiencing 2.5 hours of downtime for the month.

Overall period performance was stable with generation only slightly below the same time period in 2018. Capacity factor averaged 76% for the year, while YTD generation remains 3.5% under the forecasted amount.





DON A. CAMPBELL 2

Location: Mineral County, NV
Type: Geothermal
COD: 17-Sep-15
Capacity (MWs): 25
Term: 20 years

Participants:	%	MWs
LADWP	100%	25.0
	100%	25

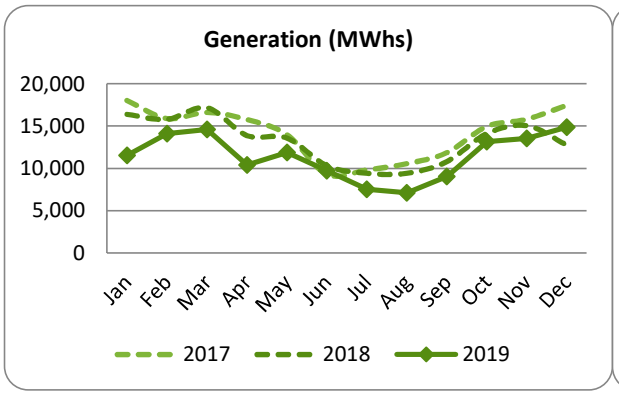
Operations Notes:

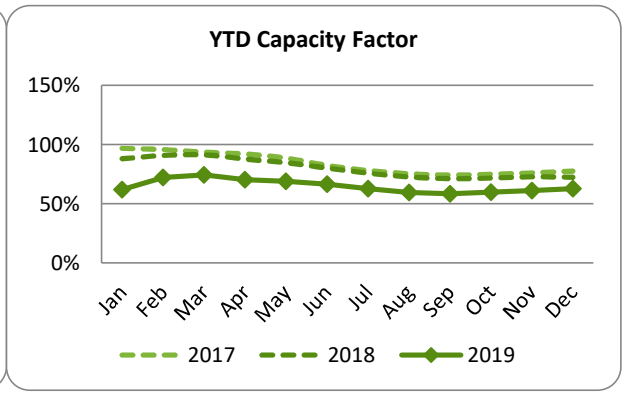
Plant generation in October was 6% below forecast, despite no reported operational issues or economic curtailment for the month.

November generation closed at 10% under forecast due to a transmission line outage curtailment, resulting in a total loss of 48 MWhs.

December experienced generation at 6% below forecast with no reported operational issues, curtailments or outages.

Actual YTD generation finished at 6% below the forecast with availability closing at 98%.





Northern Nevada Geothermal Portfolio

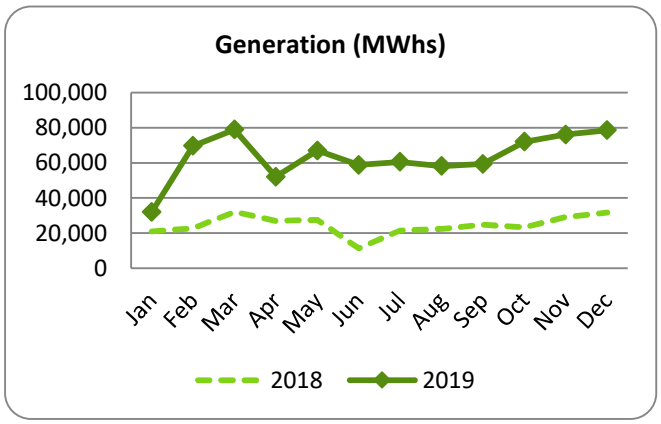
Location: Churchill & Washoe County, NV
Type: Geothermal
COD: 1-Dec-17
Capacity (MWs)*: 81
Term: 25 years

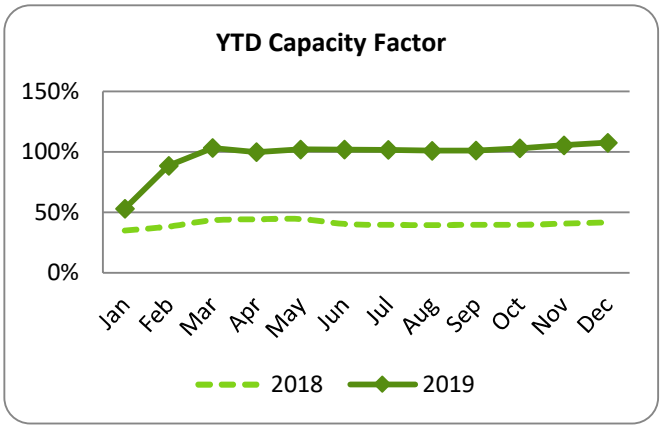
Participants:	%	MWs
LADWP	100%	81.0
	100%	81

Operations Notes:

Geothermal facilities continue to generate above nameplate capacity in the cooler months of the year. In 2019, the project produced greater than the guaranteed generation specified in the PPA.

Overall period performance was stable despite the McGinness Hills facility going offline for approximately 48 hours in early October, being curtailed in late November for a line outage, and experiencing various repairs and replacement in December. The facility still generated 7% above forecast YTD while commercial availability closed for the year at 94%. Steamboat Hills experienced above-forecast generation in October but was forced offline for 2 days for a NV Energy substation work curtailment. In November, generation was 6% below forecast due to OEC-41 becoming limited to 1 MW/hr for suspected vaporizer plugging. December closed the year at 1% over forecast and 98% availability. Tungsten Mountain saw generation ranging from 1-6% above forecast, despite a line outage curtailment in November. The facility closed the year at 4% above forecast YTD, with availability at 97% for 2019. Galena 2 experienced generation 28% above forecast YTD. This higher than expected performance occurred despite curtailments, pump failures, and drilling operations throughout the period.





* Capacity increases with each development period. Max capacity is capped at 185 MW.

ORMESA

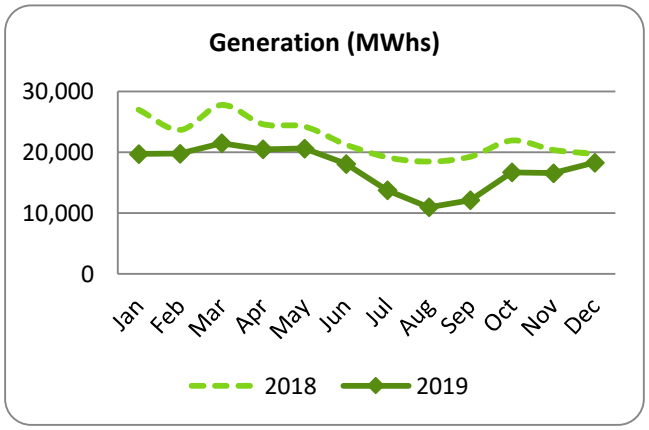
Location: Imperial County, CA
Type: Geothermal
COD: 1-Jan-18
Capacity (MWs): 43
Term: 25 years

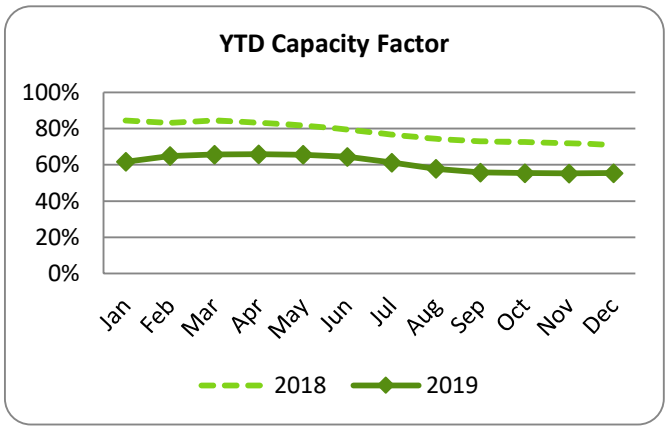
Participants:	%	MWs
IID	14%	6.1
LADWP	86%	36.9
	100%	43.0

Operations Notes:

This period, generation at the facility was very poor, with all three months performing between 25-35% below forecast. This is due to high vibrations, pump replacements, curtailments, and various mechinical repairs.

YTD generation is 23% below forecast, with a decline in capacity factor from 72% to 55% from December 2018 to December 2019. Ormat is currently working on the Ormesa 3 project, which is essentially a repowering project that will improve on the existing, older equipment. Ormesa 3 is scheduled to come online the first week of February 2020.





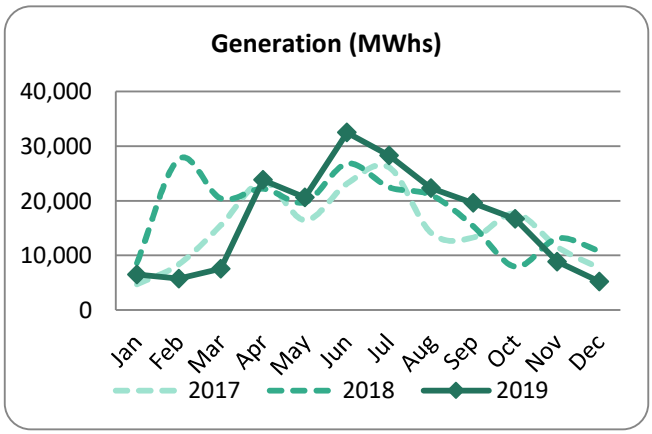
PEBBLE SPRINGS

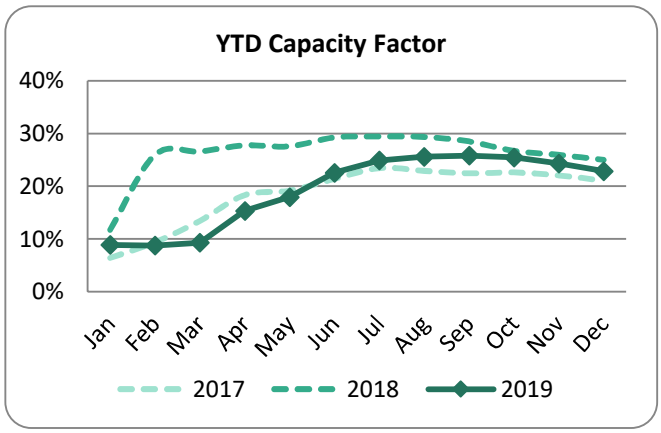
Location: Gilliam County, OR
Type: Wind
COD: 31-Jan-09
Capacity (MWs): 98.7
Term: 18 years

Participants:	%	MWs
Burbank	10%	9.97
Glendale	20%	20.04
LADWP	70%	68.70
	100%	98.7

Operations Notes:

This period saw normal operations for Pebble Springs, with 98% availability. October 2019 generation was more than double the same month in 2018, but November and December saw significant decreases in generation compared to 2018, due to poor weather conditions in the Pacific Northwest. 2019 YTD generation was nearly 20,000 MWhs lower than 2018 with a 2% negative change in net capacity factor.





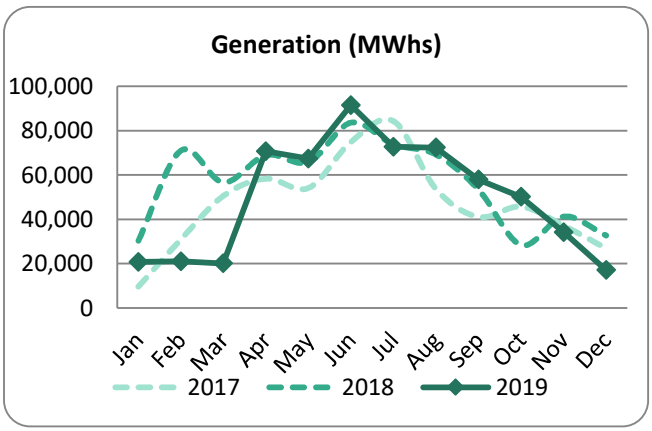
WINDY FLATS

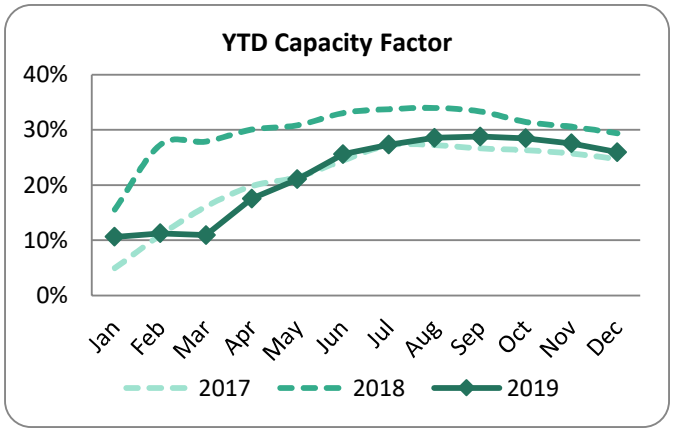
Location: Klickitat County, WA
Type: Wind
COD: 25-Jan-10
Capacity (MWs): 262.2
Term: 20 years

Participants:	%	MWs
LADWP	92%	242.19
Glendale*	8%	20.01
	100%	262.2

Operations Notes:

The project experienced another period of solid production this period with October finishing at 2% below forecast, due to lower wind speeds than the same period last year. Commercial availability for the month finished at 99.99% and the project met it's guaranteed generation number. In November, the project experienced no curtailments or limitations but still fell short of expected generation by 8%. Twelve turbines complete annual services during the month. December was the worst production month that the project has ever experienced, dipping 12% below expected generation. The facility completed all required services, as part of the annual service cycle, in addition to a turbine gearbox and generato replacement. 2019 generation finished for the year at 12% below 2018 production numbers with a large impact from lower wind speeds compared to the previous year.





*Through a separate layoff agreement, the City of Glendale sold 100% of its entitlement to capacity and energy to LADWP.

LINDEN

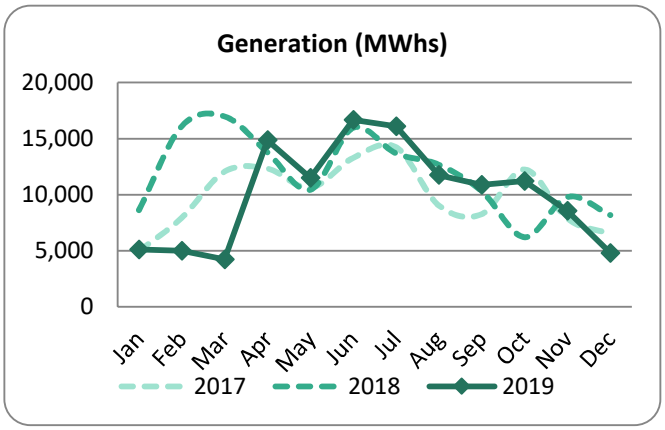
Location: Klickitat County, WA
Type: Wind
COD: 30-Jun-10
Capacity (MWs): 50
Term: Permanent Ownership

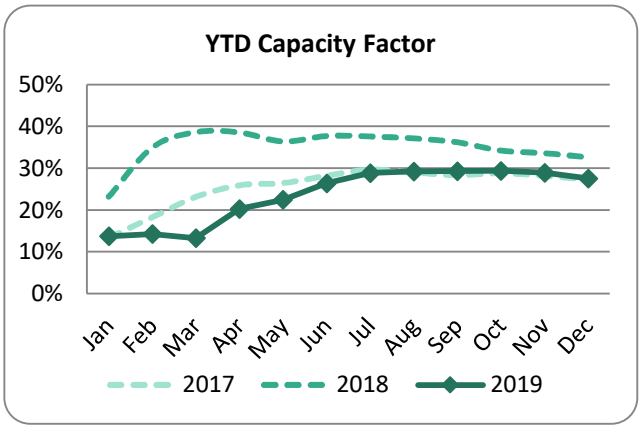
Participants:	%	MWs
LADWP	90%	45.00
Glendale*	10%	5.00
	100%	50

Operations Notes:

While wind production for the October-December period was almost exactly equal to the same period in 2018, total 2019 YTD production was approximately 20,000 MWHs less than 2018.

Senvion is still in the middle of their bankruptcy proceedings and as a result, the Linden facility has been experiencing issues due to delayed repair work and maintenance. Senvion is now on pace to miss their availability guarantee, which is indicative of structural problems within the organization as it pertains to financial and resource allocations. SCPPA and Operating Agent staff are currently conducting analysis on alternative options and will provide updates when available.



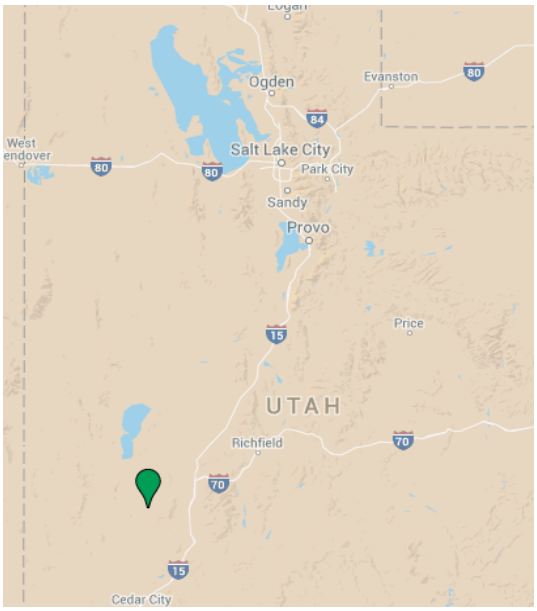


*Through a separate layoff agreement, the City of Glendale sold 100% of its entitlement to capacity and energy to LADWP.

MILFORD I

Location: Milford, UT
Type: Wind
COD: 16-Nov-09
Capacity (MWs): 203.5
Term: 20 years

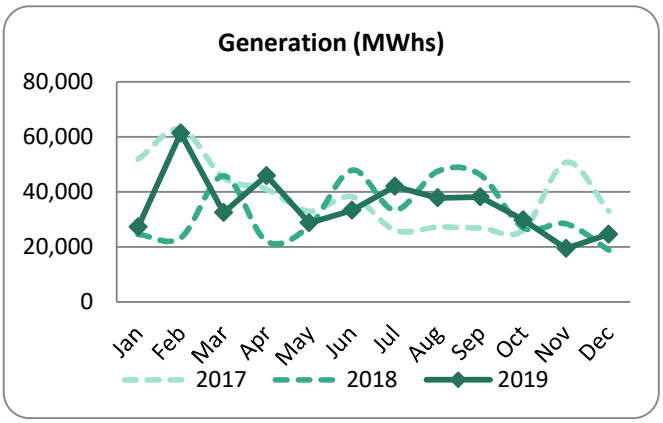
Participants:	%	MWs
Burbank	5%	10.18
LADWP	93%	188.24
Pasadena	3%	5.09
	100%	203.5

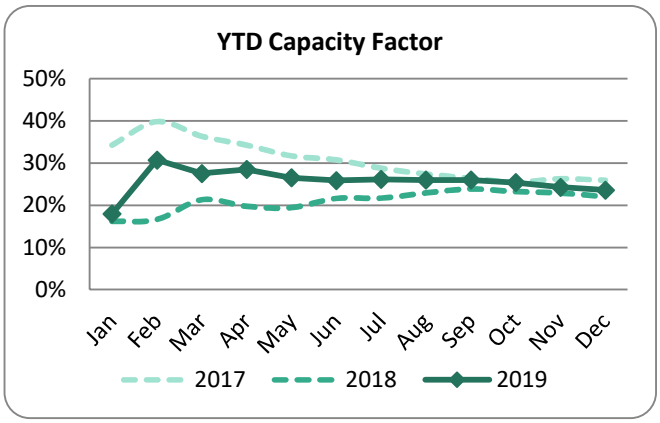


Operations Notes:

October generation was slightly higher than the same period last year, but only approximately 1.5% over forecast.
November and December saw generation slightly lower compared to the previous year. Net capacity factor increased 2% in 2019 and closed at 24%.

No significant balance of plant activities occurred during the period. Milford I also experienced zero accidents or recordable incidents during the period.





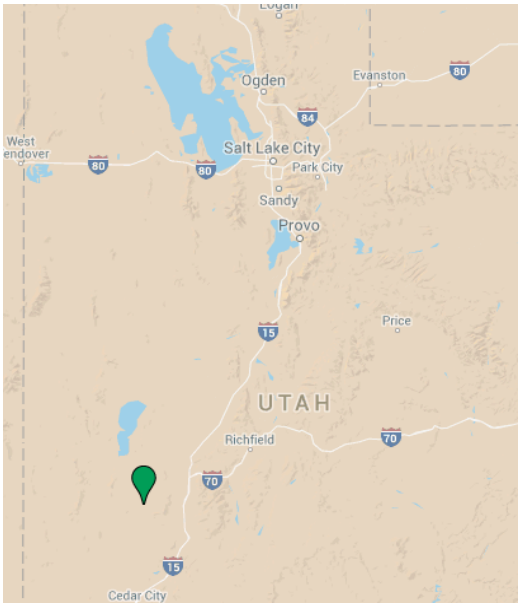
MILFORD II

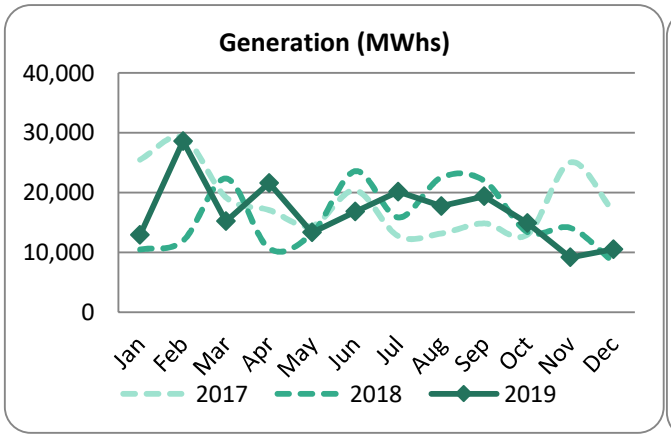
Location: Milford, UT
Type: Wind
COD: 2-May-11
Capacity (MWs): 102
Term: 20 years

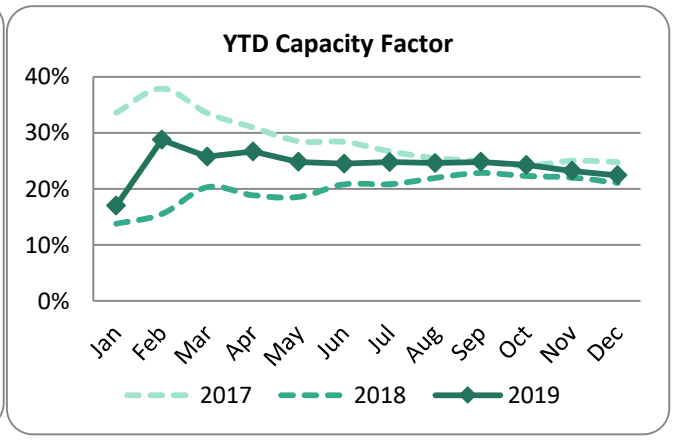
Participants:	%	MWs
Glendale*	5%	5.10
LADWP	95%	96.90
	100%	102

Operations Notes:

Overall, Milford II operated roughly at expectation during the period, with October generation finishing approximately 1,500 MWhs higher the same period in 2018. November generation dipped significantly compared to 2018 and December finished the year approximately 2,000MWh over December 2018. Total 2019 YTD generation was still significantly higher than the same period last year and next capacity factor improved 1% from 2018.







*Through a separate layoff agreement, the City of Glendale sold 100% of its entitlement to capacity and energy to LADWP.

ANTELOPE BIG SKY RANCH

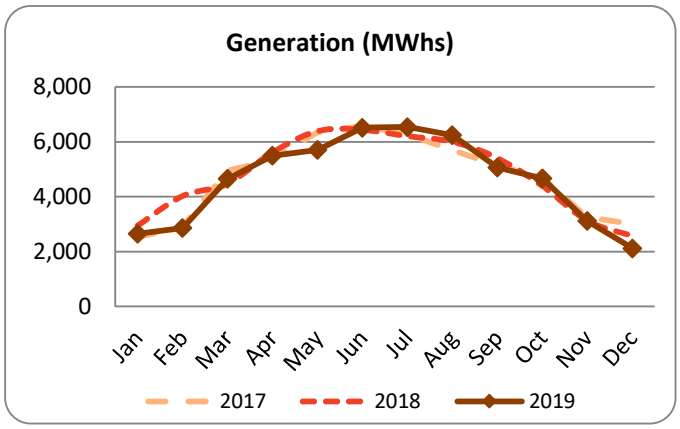
Location: Lancaster, CA
Type: Solar
COD: 19-Aug-16
Capacity (MWs): 20
Term: 25 years

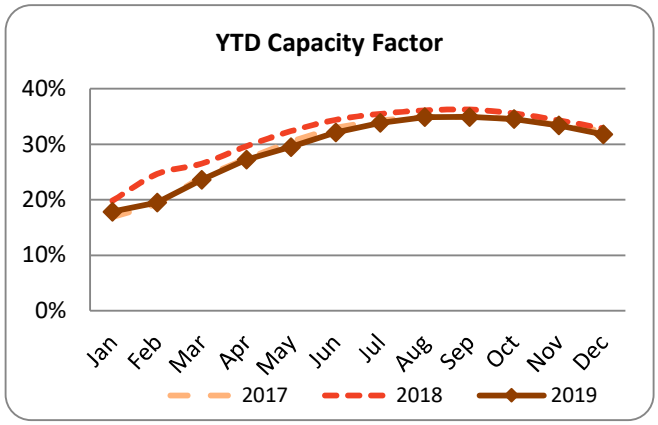
Participants:	%	MWs
Azusa	17.5%	3.50
Pasadena	32.5%	6.50
Riverside	50%	10.00
	100%	20

Operations Notes:

ABSR performed near expectations for the period, with generation only slightly below last year, but still above benchmark. The facility experienced approximately 1,000 MWhs of lost energy during the period, mostly due to weather impacts and unplanned outages. Net capacity factor closed the year at 32%, a decrease of 1% from 2018.

sPower performed several firmware upgrades, planned site work, and other maintenance throughout the three month period.





ANTELOPE DSR 1 & 2

Location: Lancaster, CA
Type: Solar
COD: 20-Dec-2016 & 6-Dec-2016
Capacity (MWs): 55 (50 MWs DSR1 & 5 MWs DSR2)
Term: 20 years

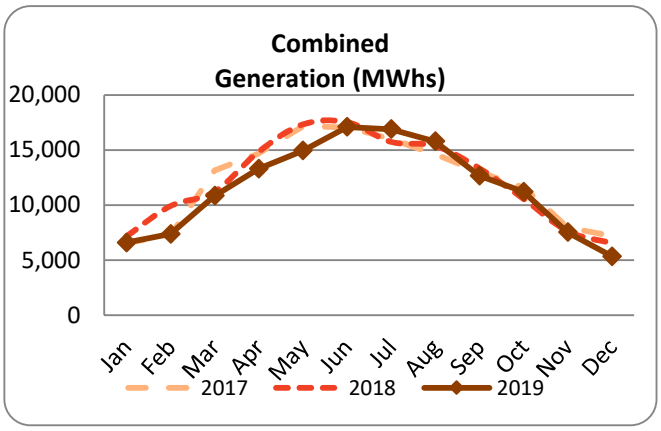
Participants:	%	MWs
Riverside	45.5%	25.00
Vernon	45.5%	25.00
Azusa	9.1%	5.00
	100%	55.00

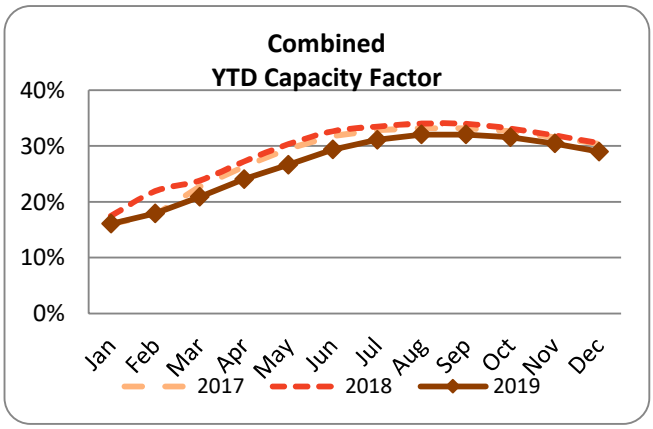
Operations Notes:

In the fourth period, ADSR1 experienced performance and environmental impacts, as well as unplanned outages caused by hardware malfunctions, inverter issues, and software problems. These impacts, mostly weather related due to the winter season, resulted in 3,068 MWhs of lost generation for the period.

Minimal downtime was experienced at DSR II, with only 17 MWhs of lost generation for the period.

Generation for both projects remains slightly lower than the same period last year, largely due to inverter issues and a nearly two-month long outage at DSR II earlier in the year.





ASTORIA 2

Location: Kern County, CA
Type: Solar
COD: 9-Dec-16
Capacity (MWs): 35
Term: 20 years

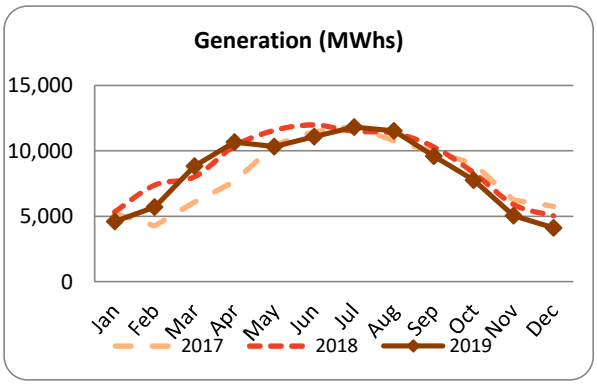
Participants:	%	MWs
Banning	17.8%	6.22
Colton	15.6%	5.44
Vernon	67%	23.33
	100%	35.00

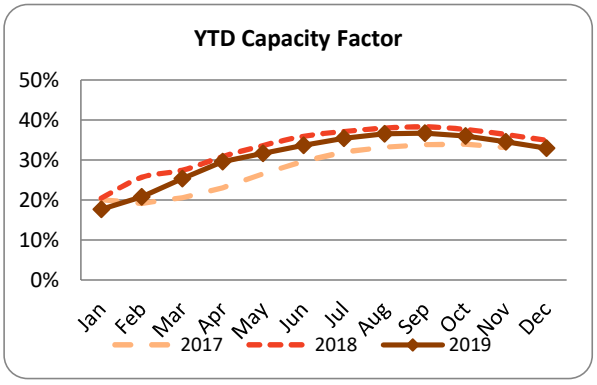
Operations Notes:

In October, production was lower than expected due to low irradiance, an SCE transmission outage, and inverter outages, causing approximately 250 MWhs of production loss. One pump fault during the month also caused 50 MWhs of lost production. The site experienced one curtailment event for the month, resulting about 5 MWh of production loss.

Production was lower than expected in November, primarily due to inverter outages, a transmission induced outage for SCE line work, and curtailment. The site also experienced communication issues throughout the month and weather data was backfilled using neighboring site data. Soiling had minimal economic impact on production during November.

December production dipped gradually from the other two months in the period, but YTD generation is only slightly below that of 2018. Overall, there was very low economic curtailment for the period, no safety or security issues took place, and regular preventative maintenance was conducted site-wide.





COLUMBIA TWO

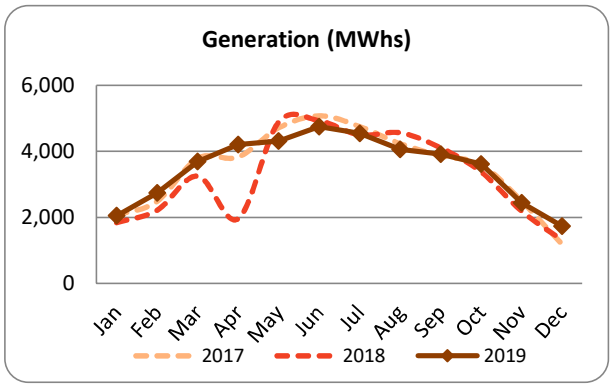
Location: Kern County, CA
Type: Solar
COD: 31-Dec-14
Capacity (MWs): 15
Term: 20 years

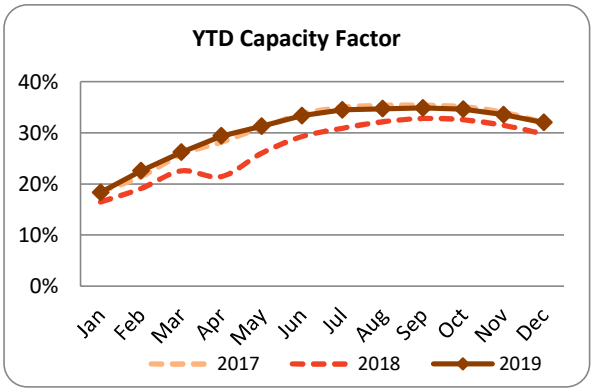
Participants:	%	MWs
Azusa	9%	1.35
Pasadena	17%	2.55
Riverside	74%	11.10
	100%	15

Operations Notes:

The fourth period of 2019 saw adequate performance from Columbia 2 with October and November actual generation above expected energy. December actual generation finished just slightly above the same period last year.

Preventative maintenance continues to be performed including data automation, vegetation management, and semi-annual PV array maintenance. Dominion data automation, Solar PI nodes upgrades, and server replacements remain in progreess.





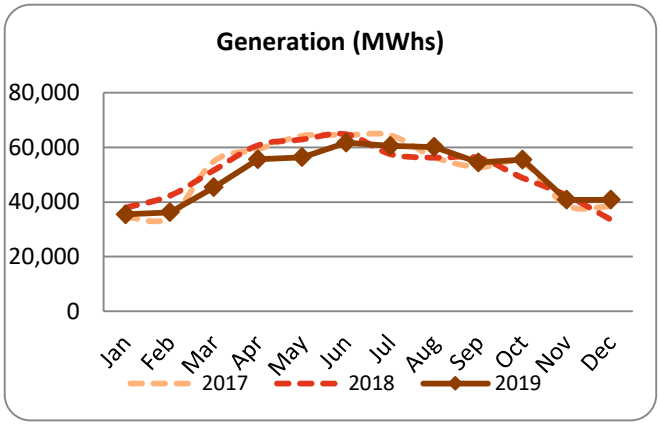
COPPER MOUNTAIN 3

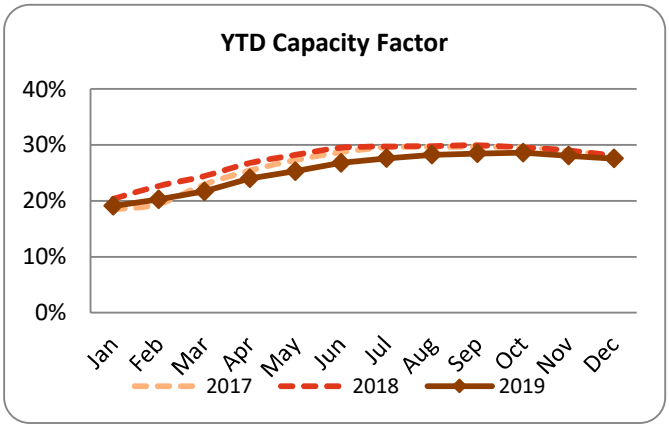
Location: Boulder City, NV
Type: Solar
COD: 9-Apr-15
Capacity (MWs): 250
Term: 20 years

Participants:	%	MWs
Burbank	16%	40.00
LADWP	84%	210.00
	100%	250

Operations Notes:

CMS3 had excellent performance in the last period of 2019. Plant staff maintained an average of 99.96% availability throughout the quarter, while the plant's actual generation finished at 2% above plan. CMS3 personnel submitted all necessary regulatory requirements and technicians replaced one MV transformer, 18 delta fuses in various inverters, as well as two gigivac relays and ground fault fuses. All scheduled maintenance including fire inspections, plant battery preventative maintenance, soiling station preventative maintenance, weed abatement, and environmental performance inspections were satisfactorily completed. The three-year main transformer inspection and testing was also completed.





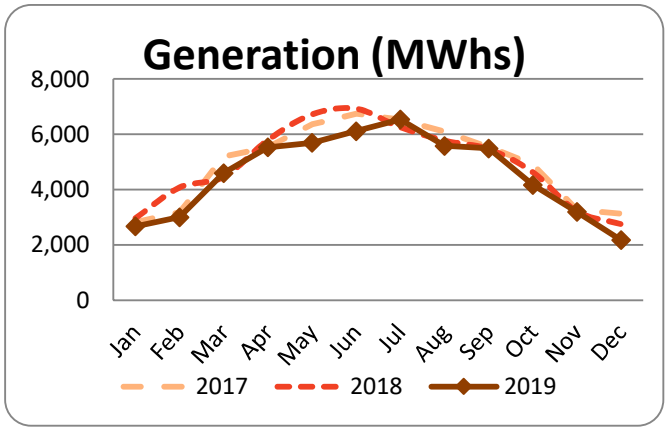
KINGBIRD B

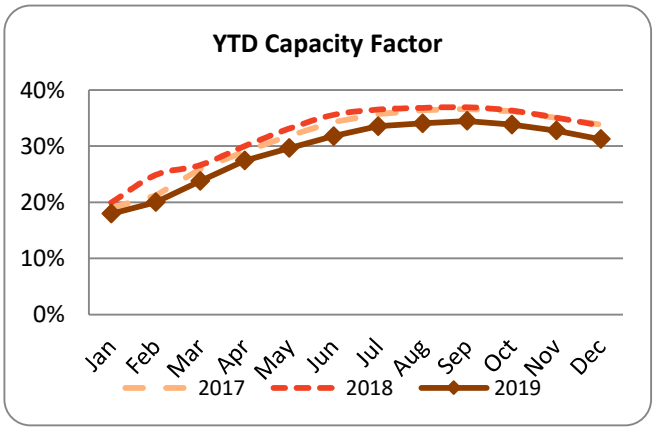
Location: Rosamond, CA
Type: Solar
COD: 30-Apr-16
Capacity (MWs): 20
Term: 25 years

Participants:	%	MWs
Azusa	15%	3.00
Colton	15%	3.00
Riverside	70%	14.00
	100%	20.00

Operations Notes:

Generation for this period was similar to the same period in 2018, and 2019 YTD production was was only slightly below that of 2018 generation. The facility finished the year with a net capacity factor of 31%, a negative change of 3% from the previous year.





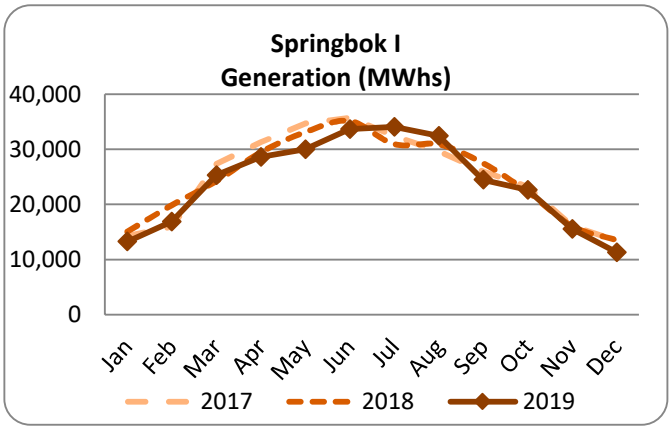
SPRINGBOK I

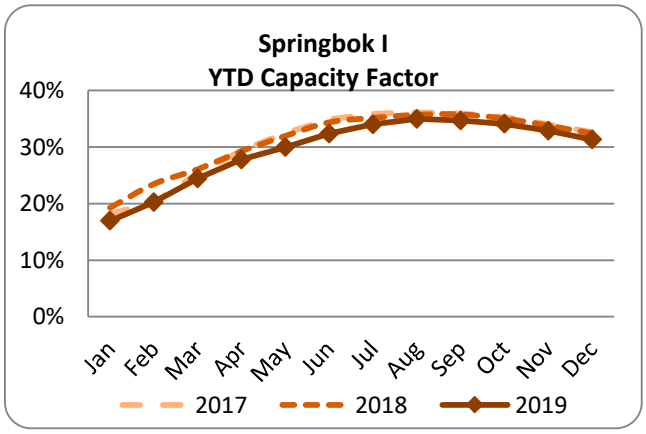
Location: Kern County, CA
Type: Solar
COD: 11-Jul-16
Capacity (MWs): 105
Term: 25 years

Participants:	%	MWs
LADWP	100%	105
	100%	105

Operations Notes:

Springbok I continues to perform as expected with few issues and only a slight negative shift in production from 2018. While the facility experienced no curtailments during the period, the total 2019 YTD curtailed energy was 3,323 MWhs. The 2019 YTD availability for Springbok I closed at 97.8%. No major scheduled/corrective maintenance was performed for the period.





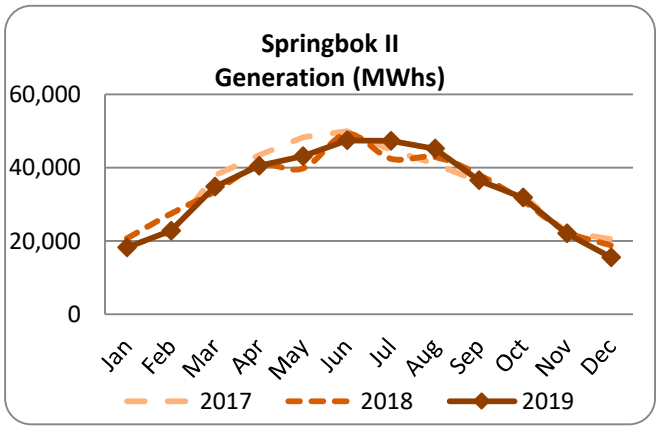
SPRINGBOK II

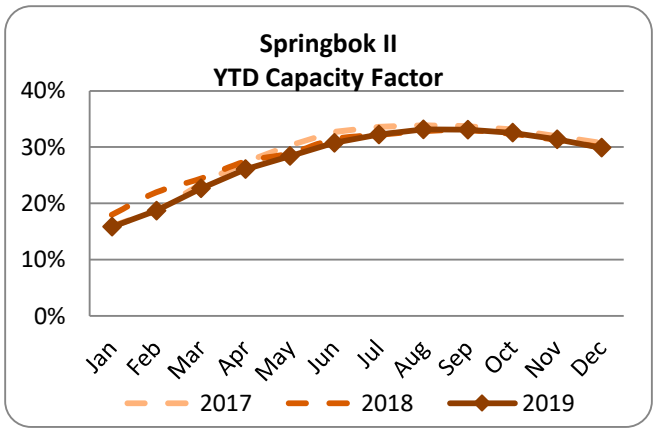
Location: Kern County, CA
Type: Solar
COD: 6-Sep-16
Capacity (MWs): 150
Term: 27 years

Participants:	%	MWs
LADWP	100%	150
	100%	150

Operations Notes:

Springbok II also continues to perform as expected with no major issues or outages occuring during the period. While the facility experienced no curtailments during the period, the total 2019 YTD curtailed energy was 2,084 MWhs.The 2019 YTD availability for Springbok II is 99.2% and 2019 YTD generation is only slightly below 2018 numbers.





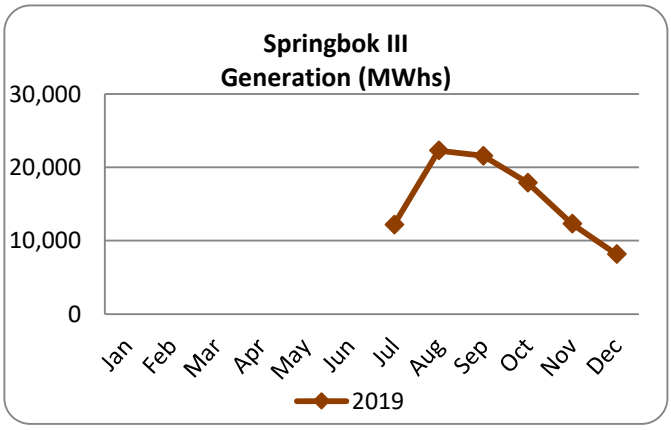
SPRINGBOK III

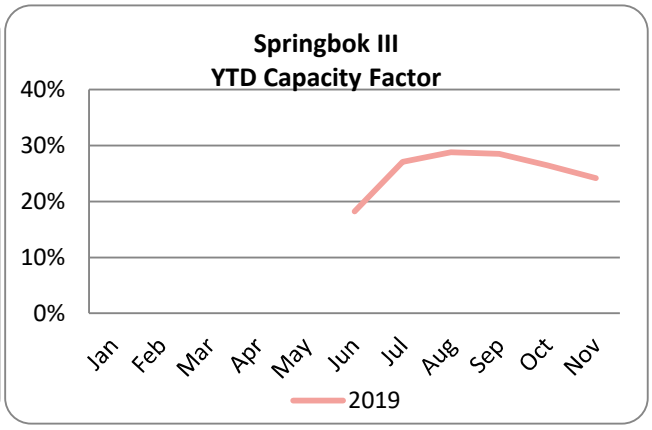
Location: Kern County, CA
Type: Solar
COD: 19-Jul-19
Capacity (MWs): 90
Term: 27 years

Participants:	%	MWs
LADWP	100%	90
	100%	90

Operations Notes:

Springbok III produced 38,000 MWhs of energy from October to December and a total of 94,428 MWhs for 2019- just surpassing the guaranteed generation numbers for the initial stub year, as stipulated in the PPA. There were no curtailments in 2019 and commercial availability closed for the year at 87%.





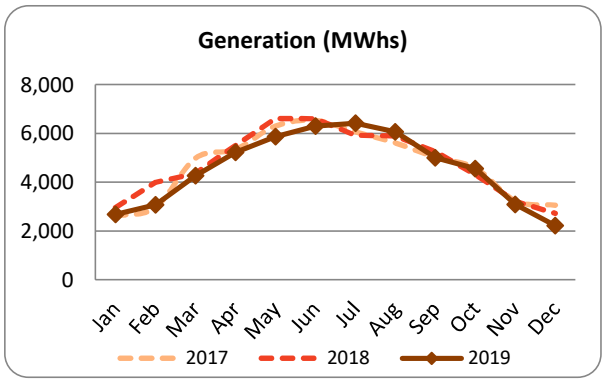
SUMMER

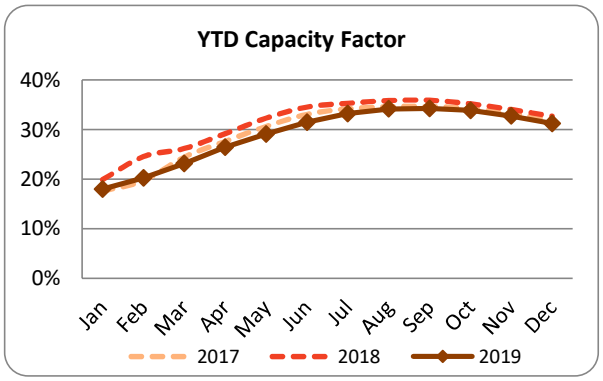
Location: Lancaster, CA
Type: Solar
COD: 25-Jul-16
Capacity (MWs): 20
Term: 25 years

Participants:	%	MWs
Azusa	17.5%	3.5
Pasadena	32.5%	6.5
Riverside	50.0%	10.0
	100%	20

Operations Notes:

Summer Solar experienced YTD generation slightly below the same period last year with actual generation at 95% of the expected amount for the year. The facility saw approximately 1,104 MWhs of lost energy, mostly due to weather and unplanned outages. 2019 net capacity factor closed at 31%, down 2% from 2018.





Loyalton

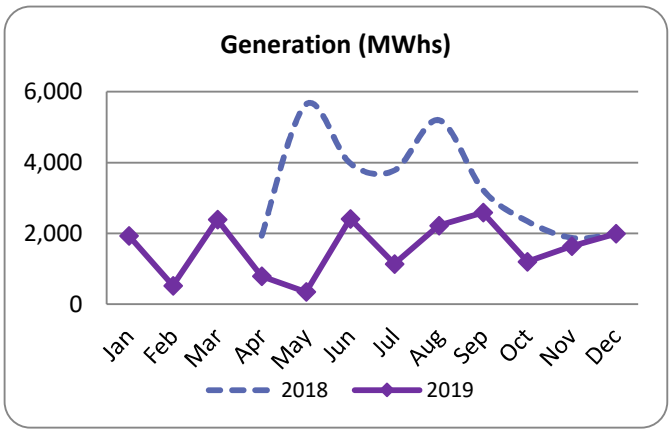
Location: Loyalton, CA
Type: Biomass
COD: 20-Apr-18 (start of SCPPA deliveries)
Capacity (MWs): 12 (SCPPA Capacity)
Term: 5 years

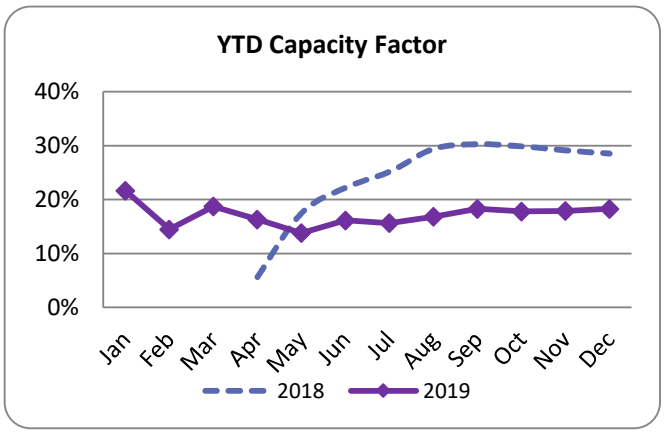
Participants:	%	MWs
Anaheim	7%	0.81
IID	12%	1.49
LADWP	73%	8.80
Riverside	7%	0.84
	100%	12

Operations Notes:

The plant operated intermittently throughout the period due to fuel and equipment issues. As a result, the plant generated energy on 140 days in 2019 and finished the year with the longest operating period of 20.5 days. The plant ended the year with a net capacity factor of 18%

SCPPA continues to meet with both project participants and the facility operator to discuss long-term solutions and possible SB-859 compliance issues related to the chronic operational and financial issues with the facility and will provide updates as they become available.





Sean Kigerl
Phone (818) 238-3774
February 20, 2020

MAGNOLIA POWER PLANT
OPERATIONS REPORT
January 2020

Reporting Period

January 1-31, 2020

Workforce Safety Statistics

- There were zero (0) lost time accidents this month and zero (0) this year-to-date (YTD).
- There were zero (0) reportable incidents in January and zero (0) YTD.

Plant Performance Information

- **Availability:** 88% in January, 95.3% fiscal year-to-date (FYTD), and 88.0% YTD. (A table showing monthly plant availability for the past thirteen months is attached.)
- **Unit Capacity Factor (240 MW):** 65.2% in January, 74.6% FYTD, and 65.2% YTD.
- **Fired Factored Hours:** 654.8 hours in January 2020.
- **Plant Starts (5 starts/month allowed):** Two (2) starts were used this month.
- **Statistics:** Details are provided on the attached monthly production report entitled "Year-to-Date Summary of Statistics CY 2020 & FY 2020-2020."

Plant Outage Summary and Other Actions Taken by Operating Agent

- Magnolia Power Plant (MPP) was shut down from January 18-22, 2020, to perform an offline water wash of the combustion turbine compressor and install instrumentation in support of pre-enhancement performance testing with General Electric (GE).
- MPP was shut down on January 31, 2020 for the installation of the GE enhancement. The plant is scheduled to be restarted on February 25, 2020, to begin testing and tuning of the new components. The "2020 MPP GE Enhancement Implementation Plan" is attached.
- A table entitled "Outage Summary" is attached; it shows all of the outages that have occurred over the past twelve (12) months. The "2020-2023 Scheduled Inspection Plan" is also attached showing the calendar for future planned outages at MPP.
- There were zero (0) instances of stranded energy in January 2020. (A table showing stranded energy by month is attached.)

Quarterly Budget Information

- A summary of the budget performance is tabulated below, and a detailed report entitled "MPP Operations Report for the Year-to-Date December 31, 2019" is attached.

	(In Millions)		
(Fiscal) Year to Date	**Budget**	**Actual**	**Variance**
Debt Svc & Gas Transport	$9.6	$9.6	$0.0
O&M	15.4	13.7	1.7
Capital	0.3	0.0	0.3
Total	$25.3	$23.3	$2.0

MAGNOLIA MONTHLY PRODUCTION REPORT
Year-to-Date Summary of Statistics
CY 2019 & FY 2019-2020

		2019	2019	2019	2019	2019	2019	2020	2020	2020	2020	2020	2020		
		Jul	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**FYTD**	**YTD**
ENERGY															
Combustion Turbine (Gross)	MWH	93,652	80,172	89,335	91,050	81,148	86,465	74,178						596,000	74,178
Steam Turbine	MWH	56,233	47,928	53,765	55,344	48,853	53,630	46,805						362,558	46,805
Plant Generation (Gross)	MWH	149,885	128,100	143,100	146,394	130,000	140,095	120,983						958,557	120,983
Plant Auxiliaries (Unit Aux.)	MWH	5,386	4,502	5,164	5,119	4,577	4,946	4,503						34,197	4,503
Plant Auxiliaries (Reserve)	MWH	7	502	7	6	254	7	456						1,239	456
Plant Generation (Net)	MWH	144,499	123,598	137,936	141,275	125,423	135,149	116,480						924,360	116,480
Capacity Factor (240 MW Net)	%	80.9%	69.2%	79.8%	79.1%	72.6%	75.7%	65.2%						74.6%	65.2%
THERMAL EFFICIENCY															
Combustion Turbine (Gross)	BTU/KWh	11,385	11,377	11,399	11,477	11,457	11,663	11,766						11,498	11,766
Total Plant (Gross)	BTU/KWh	7,114	7,123	7,117	7,138	7,153	7,198	7,214						7,149	7,214
Total Plant (Net)	BTU/KWh	7,379	7,383	7,383	7,397	7,414	7,462	7,493						7,414	7,493
AVAILABILITY															
Hours in the Month	Hours	744.0	744.0	720.0	744.0	720.0	744.0	744.0						5,160.0	744.0
Plant Operating Hours	Hours	744.0	638.5	720.0	744.0	660.5	744.0	654.8						4,905.8	654.8
Duct Burner Operating Hours	Hours	0.0	2.2	0.1	0.0	2.0	0.0	0.0						4.4	0.0
Plant Availability	%	100.0%	87.4%	100.0%	100.0%	91.7%	100.0%	88.0%						95.3%	88.0%
Offline yet Available Hours	Hours	0.0	11.6	0.0	0.0	0.0	0.0	0.0						11.6	0.0
Planned Outage Hours	Hours	0.0	60.0	0.0	0.0	59.6	0.0	89.2						208.8	89.2
Forced Outage Hours	Hours	0.0	21.9	0.0	0.0	0.0	0.0	0.0						21.9	0.0
Forced Outage	%	0.0%	2.9%	0.0%	0.0%	0.0%	0.0%	0.0%						0.4%	0.0%
Total Hours Offline	Hours	0.0	93.6	0.0	0.0	59.6	0.0	89.2						242.4	89.2
Forced Derated Hours	Hours	0.0	0.0	0.0	0.0	0.0	0.0	0.0						0.0	0.0
(FFH) From Steam Injection	Hours	0.0	0.0	0.0	0.0	0.0	0.0	0.0						0.0	0.0
Total Factored Fired Hours	Hours	744.0	638.5	720.0	744.0	660.5	744.0	654.8						4,905.8	654.8
(FFH) Before Next Inspection	Hours	12,155	11,516	10,796	10,052	9,392	8,648	7,993						-	-
Estimated Date of Next Major Outage														Jan 2021	
FUEL USAGE AND QUALITY															
Combustion Turbine	DTH	1,066,202	912,092	1,018,377	1,044,998	929,728	1,008,452	872,766						6,852,615	872,766
Duct Burner	DTH	4	417	6	4	127	4	2						564	2
Duct Burner	MMSCF	0.0	0.4	0.0	0.0	0.1	0.0	0.0						0.5	0
Duct Burner Fuel Remaining	MMSCF	571.4	571.0	571.0	571.0	570.9	570.9	555.0						-	555
Total Plant Usage	DTH	1,066,205	912,509	1,018,377	1,045,002	929,855	1,008,456	872,768						6,853,172	872,768
Gas BTU (HHV)	BTU/SCF	1,043	1,043	1,044	1,038	1,031	1,043	1,050						1,042	1,050

Magnolia Power Plant - Outage Summary

Outages During the Reporting Period January 1-31, 2020

Outage Type	Start Date/Time	End Date/Time	Hours this month	Comments
PO	1/18/20 6:29 PM	1/22/20 6:11 AM	83.7	CT water wash for pre-enhancement performance test
PO	1/31/20 6:26 PM	2/1/20 12:00 AM	5.6	GE enhancement installation outage

Summary of Outages During the Past Twelve Months

Outage Type	Start Date	End Date	Hours	Cause
PO	February 15, 2019	February 22, 2019	154.9	CT water wash, and HRSG clean-out
FO	February 22, 2019	February 22, 2019	1.0	Unexpected instrumentation issue (false level alarm on STG drains).
PO	May 17, 2019	May 20, 2019	60.0	CT water wash
FO	August 3, 2019	August 3, 2019	11.3	Plant tripped because of a combustion turbine fuel valve solenoid failure.
FO	August 11, 2019	August 12, 2019	10.7	Plant tripped because of a Mark VI comm card failure.
OMC	August 16, 2019	August 16, 2019	12.0	Plant shutdown for gas supply piping inspection by SoCal Gas.
PO	August 16, 2019	August 19, 2019	60.0	CT water wash
RS	August 19, 2019	August 19, 2019	11.6	Plant was available but not placed online.
PO	November 15, 2019	November 18, 2019	59.5	CT water wash

Outage Type Legend

RS - Reserve Shutdown
PO - Planned Outage
FO - Forced Outage
OMC - Outside of Management Control

Magnolia Power Plant - Availability Summary Table

Monthly	Quarterly	Semi-Annually	Annually
Jan-19 100.0%			
Feb-19 76.8%	**Q1 '19** 92.8%		
Mar-19 100.0%		**H1 '19** 95.0%	
Apr-19 100.0%			
May-19 91.9%	**Q2 '19** 97.3%		
Jun-19 100.0%			**Yr '19** 95.8%
Jul-19 100.0%			
Aug-19 87.4%	**Q3 '19** 95.7%		
Sep-19 100.0%		**H2 '19** 96.5%	
Oct-19 100.0%			
Nov-19 91.7%	**Q4 '19** 97.3%		
Dec-19 100.0%			
Jan-20 88.0%			

Magnolia Power Project

2019-2023

Scheduled Inspection Plan with 32K Hardware

Offline Water Wash

Hot Gas Path / Minor Inspection

Major Inspection

As of **Feb. 1st, 2020**

Total Fired Time **105,105.8 Hours**

Total Fired Hours PROJECTED ANNUALLY	2019 (8,379 Hours)	2020 (7,812 Hours)	2021 (7,176 Hours)	2022 (8,472 Hours)	2023 (8,472 Hours)
INSPECTIONS **Water Wash** 90 Day Intervals Every 2,160 Hours	49 97,170.4 hrs February 2019 **Offline 6:00 PM 2/15/2019** **Online 6:00 AM 2/22/2019** **CT Borescope/Boiler Inspection**	53 54 See MPP GE Enhancement Plan Attached	58 2 January 2021 **Offline 6:00 PM 1/08/2021** **Online 6:00 AM 3/08/2021** **Major Inspection/Boiler Inspection**	62 February 2022 **Offline 6:00 PM 2/25/2022** **Online 6:00 AM 3/02/2022** **CT Borescope/Boiler Inspection**	66 March 2023 **Offline 6:00 PM 3/03/2023** **Online 6:00 AM 3/08/2023** **CT Borescope/Boiler Inspection**
Hot Gas Path / Minor Inspection Every 32,000 Hours Last HGP @ 81,095 Hrs	50 99,197.5 hrs May 2019 **Offline 6:00 PM 5/17/2019** **Online 6:00 AM 5/20/2019**	55 June 2020 **Offline 6:00 PM 6/12/2020** **Online 6:00 AM 6/15/2020**	59 June 2021 **Offline 6:00 PM 6/04/2021** **Online 6:00 AM 6/07/2021**	63 June 2022 **Offline 6:00 PM 6/03/2022** **Online 6:00 AM 6/06/2022**	67 June 2023 **Offline 6:00 PM 6/02/2023** **Online 6:00 AM 6/05/2023**
Major Inspection Every 64,000 Hours Last Major @ 49,277 Hrs	51 101,287 hrs August 2019 **Offline 6:00 PM 8/16/2019** **Online 6:00 AM 8/19/2019**	56 September 2020 **Offline 6:00 PM 9/11/2020** **Online 6:00 AM 9/14/2020**	60 August 2021 **Offline 6:00 PM 8/27/2021** **Online 6:00 AM 8/30/2021**	64 August 2022 **Offline 6:00 PM 8/26/2022** **Online 6:00 AM 8/29/2022**	68 August 2023 **Offline 6:00 PM 8/25/2023** **Online 6:00 AM 8/28/2023**
Upcoming Inspections Major Inspection **1/08/2021 - 3/08/2021**	52 103,401 hrs November 2019 **Offline 6:00 PM 11/15/2019** **Online 6:00 AM 11/18/2019**	57 December 2020 **Offline 6:00 PM 12/11/2020** **Online 6:00 AM 12/14/2020**	61 December 2021 **Offline 6:00 PM 12/03/2021** **Online 6:00 AM 12/06/2021**	65 December 2022 **Offline 6:00 PM 12/02/2022** **Online 6:00 AM 12/05/2022**	69 December 2023 **Offline 6:00 PM 12/01/2023** **Online 6:00 AM 12/04/2023**
All Future Dates are estimates based on run hours and are subject to change					
End Of Year Totals	104,451 Hours	112,263 Hours	119,439 Hours	127,911 Hours	136,383 Hours

Magnolia Power Project

Offline Water Wash

2020
MPP GE Enhancement Implementation Plan

As of **Dec. 10th, 2019**

Total Fired Time **103,933.7 Hours**

Total Fired Hours PROJECTED ANNUALLY

INSPECTIONS

Water Wash
90 Day Intervals
Every 2,160 Hours

Hot Gas Path / Minor Inspection
Every 32,000 Hours
Last HGP @ 81,095 Hrs

Major Inspection
Every 64,000 Hours
Last Major @ 49,277 Hrs

Upcoming Inspections
Major Inspection
1/08/2021 - 3/08/2021

All Future Dates are estimates based on run hours and are subject to change

End Of Year Totals

2020 Enhancement/Water Wash Schedule

53 January 2020 Offline 6:00 PM 1/18/2020 Online 6:00 AM 1/22/2020 **Water Wash for Pre-Enhancement Performance Test** **Instrument Installation**	March 2020 Offline 6:00 PM 3/06/2020 Online 6:00 AM 3/07/2020 **Software Download/** **NPI Validation Start 3**
Jan-Feb 2020 Offline 6:00 PM 1/31/2020 Online 6:00 AM 2/25/2020 **Enhancement Installation Outage/** **NPI Validation Start 1**	54 March 2020 Offline 6:00 PM 3/10/2020 Online 6:00 AM 3/13/2020 **NPI Instrumented Hardware Removal** **Water Wash for Post-Enhancement Performance Test**
February 2020 Offline 6:00 PM 2/26/2020 Online 6:00 AM 2/27/2020 **Strainer Cleanout/** **NPI Validation Start 2**	March 2020 Offline 6:00 PM 3/20/2020 Online 6:00 AM 3/22/2020 **Post Performance Test Complete/** **Instrumentation Removal**

Stranded Energy Monthly Report

Month	Participant	Energy (MWh)
Jul-19	-	-
Aug-19	-	-
Sep-19	-	-
Oct-19	-	-
Nov-19	Cerritos Pasadena	8 1
Dec-19	-	-
Jan-20	-	-

MPP Operations Report
For the Year-to-Date December 31, 2019

December-19	FERC ACCT #	Annual Bud FY 19-20	YTD Bud FY 19-20	YTD Actual FY 19-20		Under (Over) Budget	
Debt Services	427.0000	$16,288,448	$8,144,224	8,144,224	(a)	-	
Natural Gas Transport	547.0003	$2,905,180	$1,452,590	1,458,360		(5,770)	
OPERATING AND MAINTENANCE EXPENSES							
Generation Expenses	548						
Recycled Water	548.0001	$1,592,500	$796,250	652,043		144,207	(A)
Demineralized Water	548.0003	$275,000	$137,500	91,961		45,539	(A)
Emissions Control Chemicals	n/a	$65,000	$32,500	22,342		10,158	(A)
Cooling Tower Chemicals	548.0004	$230,500	$115,250	99,430		15,821	
Boiler Chemicals	548.0005	$48,000	$24,000	14,713		9,287	(A)
Lubrication and Gases	548.0006	$80,000	$40,000	25,789		14,211	(A)
CEMS Gases	548.1008	$30,000	$15,000	5,782		9,218	(A)
Waste Material	548.0007	$15,000	$7,500	4,532		2,968	(A)
Environmental Compliance	548.0008	$40,000	$20,000	3,632		16,368	(A)
Materials	548.0010	$24,000	$12,000	6,328		5,672	(A)
Sewer Charges	548.0011	$7,200	$3,600	277		3,323	(A)
Consultants	548.0070	$137,375	$68,688	7,170		61,518	(A)
Private Contractual Services	548.0750	$55,300	$27,650	10,450		17,200	(A)
Labor	548.0080	$5,594,925	$2,797,462	2,563,589		233,873	
Classroom Instruction Training	548.0082	$53,500	$26,750	9,520		17,230	(A)
Software, Online Feeds	548.0081	$6,300	$3,150	3,574		(424)	(A)
ZLD Chemicals	548.0083	$750,000	$375,000	326,987		48,013	
ZLD Labor	n/a	$1,076,231	$538,116	461,661		76,455	
ZLD Consultants	548.0070	$27,000	$13,500	33,287		(19,787)	(A)
ZLD Materials	n/a	$8,000	$4,000	5,675		(1,675)	
ZLD Waste Material	548.0087	$425,000	$212,500	154,243		58,257	(A)
		$10,540,831	$5,270,415	4,502,984		767,432	
Misc Power Generation Expenses	549						
Utilities	549.0006	$200,546	$100,273	96,291		3,982	
Consultants	549.0070	$60,000	$30,000	5,653		24,348	(A)
		$260,546	$130,273	$101,944		28,329	
Site Lease	550.0000	$431,021	$215,511	215,510		-	
Maintenance of Generation Plant	553						
Reserve for Other Major Maintenance	553.0000	$1,127,395	$563,698	563,698	(b)	-	
Reserve for GE Major Maintenance	553.6001	$6,916,667	$3,458,333	3,458,333	(c)	-	
GE Service Agreement and Repairs	553.6002	$1,956,365	$978,182	977,350		833	
Other Plant Maintenance		$725,000	$362,500	241,423		121,077	(A)
Materials & Other Expenses	553.0010	$260,252	$130,126	102,135		27,991	(A)
Lubrication/Gases	n/a	$35,000	$17,500	26,076		(8,576)	
Consultants	553.0070	$145,000	$72,500	20,314		52,186	(A)
Private Contractual Services	553.0071	$75,000	$37,500	107,774		(70,274)	(C)
Mechanical Labor	553.0032	$1,673,058	$836,529	600,104		236,424	(C)
Electric Labor	553.0080	$1,000,766	$500,383	347,981		152,402	(C)
Instr Controls Labor	553.0030	$957,398	$478,699	292,756		185,943	(C)
Classroom Instruction Training	553.0082	$55,000	$27,500	6,347		21,153	(A)
ZLD Mechanical Labor	553.0083	$872,836	$436,418	341,440		94,978	(C)
ZLD Electric Labor	553.0084	$53,135	$26,568	78,522		(51,955)	(A)
ZLD Instr Controls Labor	553.0085	$108,396	$54,198	25,679		28,519	(C)
ZLD Maintenance Materials	553.0086	$300,000	$150,000	34,249		115,751	(A)
Subtotal Maintenance of Generation Plant		$16,261,267	$8,130,634	7,224,181		906,452	

MPP Operations Report
For the Year-to-Date December 31, 2019

December-19	FERC ACCT #	Annual Bud FY 19-20	YTD Bud FY 19-20	YTD Actual FY 19-20	Under (Over) Budget
System Control & Load Dispatching	556				
Software, Online Feeds	556.0001	$54,000	$27,000	30,180	(3,180)
SoftSmith Subscription Agreement	556.0003	$120,000	$60,000	55,700	4,300
Consultants	556.0070	$60,000	$30,000	-	30,000 **(A)**
ECC Labor for MPP	556.0080	$153,000	$76,500	100,967	(24,467) **(A)**
Subtotal System Control & Load Dispatching		$387,000	$193,500	186,847	6,653
Station & Local Network Expenses (69kV lines)	565.0000	$75,000	$37,500	7,270	30,230 **(A)**
Administrative, General Plant and General Expenses	920-935				
Property/Liability Insurance	924.0000	$730,000	$730,000	765,832	(35,832)
Regulatory Expense	928	$200,000	$100,000	211,461	(111,461) **(D)**
Regulatory Professional Services	923	$240,000	$120,000	11,261	108,739 **(A)**
Transportation/Vehicle Allow.	933	$14,096	$7,048	7,048	(0)
SCPPA Agency Expenses	935.0000	$852,964	$426,482	426,482 **(a)**	-
Subtotal Administrative and General Expenses		$2,037,060	$1,383,530	$1,422,084	(38,554)
			$95,602		
Capital Plan	999.0001	$620,000	$310,000	32,149	277,851 **(A)**
Capital Plan		$620,000	$310,000	$32,149	277,851
TOTAL OPERATING AND MAINTENANCE EXPENSES		**$49,806,353**	**$25,268,176**	$23,295,553	**1,972,623**

ACCRUALS

(a) Provided by SCPPA
(b) $94k per month - Reserve for Other Maint.
(c) $576k per month - Major Maintenance Reserve

FOOTNOTES

(A) The variance for these items is driven by the timing of expenditures.
(C) The variance is primarily driven by departmental vacancies.
(D) The variance is driven by annual payment made to California Energy Commission for Energy facility compliance fees.

SCPPA BOARD MEETING
NOVEMBER 21st, 2019
PALO VERDE NUCLEAR GENERATING STATION
STATUS REPORT

Plant Operations:

Following is the status of the plant as of November 12, 2019:

- Unit 1 is operating at full power and is on its 187th day of continuous operation.
- Unit 2 is operating at full power and is on its 84st day of continuous operation.
- Unit 3 is in the 38th day of outage 3R21.

Through August 2019, the year-to-date maximum dependable capacity factor of the station is as follows:

	Capacity Factor
Unit 1	86.6%
Unit 2	99.3%
Unit 3	100.3%
Station	95.4%

Budget:

Through September 2019, the year-to-date cost report is summarized as follows:

(In $millions)

Year-to-Date	Budget	Actual	Variance
O&M	435.05	433.75	(1.30)
Capital	171.77	159.90	11.86
Fuel	183.48	162.23	(21.25)
Total	790.30	755.88	(34.42)

The year-to-date $2.29M under-run in the O&M budget is largely driven by “Budget Savings” category items equaling $14.43M. Items that fell under budget savings include, but are not limited to, Site-Wide Travel, STARS Volume Incentive, Site Station Fixed Costs, Radwaste Disposal Contract Amendment, Online Emergent Work Fund, and Flex Power Contract.

The month-to-date $0.98 over-run in the O&M budget is largely driven by “Budget Impacts” category items $2.64M. Items that fell under budget savings include, but are not limited to Operations Retention Plan, Payroll Load Mid-Year Rate Change.

The year-to-date $11.86M under-run in the Capital Budget is largely due to items classified under “Budget Savings” at $20.21M. This includes but is not limited to Clarifiers Life Extension T6, Security Access Control Computer Replacement, GF Filter Media, and Class Top Simulator.

The month-to-date $3.92M under-run in the Capital Budget is largely due to items classified under “Budget Savings” at $3.61M. This includes but is not limited to Glass Top Simulator, Wireless Infrastructure in PA, U3 Containment Antenna, and Clarifiers Life Extension.

The year-to-date $21.25 under-run in the Fuel Budget was due to a combination of factors including but not limited to favorable market conditions in the uranium market, renegotiated prices in the cost of enrichment, less than expected vendor qualification cost, across the board savings in dry cast storage cost due to few systems ordered than originally budgeted.

The year-end budget projection is as follows:

Year-End	Budget	Actual	Variance
O&M	631.60	631.60	0.00
Capital	240.00	240.00	0.00
Fuel	247.95	244.57	(3.38)
Total	1,119.55	1,116.17	(3.38)

Developments:

Palo Verde is currently rapping up its 21st refueling outage for Unit 3 (3R21). It looks to be on schedule and will be near it 40 day goal. This is a significant achievement given the complexity and size of the projects undertaken during this outage.

(Roll Call Vote)

RESOLUTION NO. 2020-007

RESOLUTION OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
APPROVING THE ANNUAL BUDGET FOR
WHITEGRASS GEOTHERMAL PROJECT
FOR THE FISCAL YEAR
JULY 1, 2019 THROUGH JUNE 30, 2020

BE IT RESOLVED by the Board of Directors of the Southern California Public Power Authority (the "Authority") that:

1. The budget for the Whitegrass Geothermal Project for the Fiscal Year July 1, 2019 through June 30, 2020, submitted to this Board of Directors, is hereby approved. The Executive Director is hereby authorized and directed to place the budget so approved in final form, with such changes as shall be necessary or advisable to comply with the Whitegrass Geothermal Project Power Sales Contract; and the budget hereby approved, in such final form, shall constitute the Authority's Annual Budget for Fiscal Year July 1, 2019 through June 30, 2020.

2. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority, this 20th day of February 2020.

_____
PRESIDENT
Southern California Public
Power Authority

ATTEST:

_____
ASSISTANT SECRETARY
Southern California Public
Power Authority

ANNUAL BUDGET

July 1, 2019 through June 30, 2020
White Grass Geothernal Project
($000)

Month	Payments to Open Mountain	Excess Energy	Direct Admin. & General	Indirect Admin. & General	Working Capital	**Total Cost of Power**	Estimated Energy (MWH) to be Scheduled
Jul	$0	$0	$0	$0	$0	**$0**	0
Aug	$0	$0	$0	$0	$0	**$0**	0
Sep	$0	$0	$0	$0	$0	**$0**	0
Subtotal	$0	$0	$0	$0	$0	**$0**	0
Oct	$0	$0	$0	$0	$0	**$0**	0
Nov	$0	$0	$0	$0	$0	**$0**	0
Dec	$0	$0	$0	$0	$0	**$0**	0
Subtotal	$0	$0	$0	$0		**$0**	0
Jan	$0	$0	$0	$0	$0	**$0**	0
Feb	$0	$0	$0	$0	$0	**$0**	0
Mar	$0	$0	$0	$0	$0	**$0**	0
Subtotal	$0	$0	$0	$0	$0	**$0**	0
Apr	$125	$12	$4	$0	$100	**$241**	1,943
May	$125	$12	$4	$0	$100	**$241**	1,905
Jun	$125	$12	$4	$0	$100	**$241**	1,729
Subtotal	$375	$36	$12	$0	$300	**$723**	5,577
Total FY	$375	$36	$12	$0	$300	**$723**	5,577

July 1, 2019 through June 30, 2020
White Grass Geothernal Project
($000)

	Revenues			Revenue Fund Disbursements		
Month	Monthly Power Costs	Interest Earnings (4)	Total Revenues	Operating Fund	Reserve Account	Total Revenue Fund Disbursements
Jul	$0	$0	$0	$0	$0	$0
Aug	$0	$0	$0	$0	$0	$0
Sep	$0	$0	$0	$0	$0	$0
Subtotal	$0	$0	$0	$0	$0	$0
Oct	$0	$0	$0	$0	$0	$0
Nov	$0	$0	$0	$0	$0	$0
Dec	$0	$0	$0	$0	$0	$0
Subtotal	$0	$0	$0	$0	$0	$0
Jan	$0	$0	$0	$0	$0	$0
Feb	$0	$0	$0	$0	$0	$0
Mar	$0	$0	$0	$0	$0	$0
Subtotal	$0	$0	$0	$0	$0	$0
Apr	$241	$0	$241	$241	$0	$241
May	$241	$0	$241	$241	$0	$241
Jun	$241	$0	$241	$241	$0	$241
Subtotal	$723	$0	$723	$723	$0	$723
Total FY	$723	$0	$723	$723	$0	$723