

**WILLOW ROCK ENERGY STORAGE CENTER  
PROJECT PARTICIPATION SHARE AGREEMENT**

among

**CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH ITS  
PUBLIC UTILITIES COMMISSION CLEANPOWERSF**

and

**PENINSULA CLEAN ENERGY AUTHORITY**

and

**REDWOOD COAST ENERGY AUTHORITY**

and

**CITY OF SAN JOSÉ, ADMINISTRATOR OF SAN JOSÉ CLEAN ENERGY**

and

**SILICON VALLEY CLEAN ENERGY AUTHORITY**

and

**VALLEY CLEAN ENERGY**

and

**CALIFORNIA COMMUNITY POWER**

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**WILLOW ROCK ENERGY STORAGE CENTER  
PROJECT PARTICIPATION SHARE AGREEMENT**

**PREAMBLE**

This Project Participation Share Agreement (“**Agreement**”) is entered into as of [ **DATE**] (the “**Effective Date**”), by and among the City and County of San Francisco acting by and through its Public Utilities Commission – CleanPowerSF, Peninsula Clean Energy Authority, a California joint powers authority, Redwood Coast Energy Authority, a California joint powers authority, City of San José, a California municipal corporation administering San José Clean Energy, Silicon Valley Clean Energy, a California joint powers authority, and Valley Clean Energy, a California joint powers authority (each individually a “**Project Participant**” and collectively referred to as the “**Project Participants**”) and California Community Power (“**CCP**”), a California joint powers authority. CCP and the Project Participants are sometimes referred to herein individually as a “**Party**” and jointly as the “**Parties.**” All capitalized terms used in this Agreement are used with the meanings ascribed to them in Article 1 to this Agreement.

**RECITALS**

WHEREAS CCP is a Joint Powers Authority, was formed for the purpose of developing, acquiring, constructing, owning, managing, contracting for, engaging in, or financing electric energy generation and storage projects, and for other purposes; and

WHEREAS, the Project Participants have participated with CCP in the negotiation of an agreement for purchase of the certain wholesale energy market products of the Willow Rock Energy Storage Center (the “**Project**” as defined in Exhibit A of the Offtake Agreement), and CCP is to enter into a Resource Adequacy plus TB4 Agreement (“**Offtake Agreement**”), which is incorporated herein by this reference, with GEM A-CAES LLC, a Delaware limited liability company (“**Project Developer**”), providing for purchase of the wholesale energy market products, and associated rights, benefits, and credits from the Project on behalf of the Project Participants; and

WHEREAS, pursuant to this Agreement, CCP shall cause to deliver to each Project Participant the Project Participant’s associated share of the wholesale energy market products and associated rights, benefits, and credits of the Project.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree to the following:

## **ARTICLE 1**

### **DEFINITIONS**

1.1. **Definitions.** The following terms, when used herein with initial capitalization, shall have the meanings set forth below:

“**AC**” means alternating current.

“**Affiliate**” means, with respect to any Person, each Person that directly or indirectly controls, is controlled by, or is under common control with such designated Person. For purposes of this definition and the definition of “Permitted Transferee”, “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any Person, shall mean (a) the direct or indirect right to cast at least fifty percent (50%) of the votes exercisable at an annual general meeting (or its equivalent) of such Person or, if there are no such rights, ownership of at least fifty percent (50%) of the equity or other ownership interest in such Person, or (b) the right to direct the policies or operations of such Person.

“**Agreement**” has the meaning set forth in the Preamble and any Exhibits, schedules, and any written supplements hereto.

“**Alternate Normal Vote**” has the meaning set forth in Exhibit D, Section 3.5.3.

“**Amended Annual Budget**” means the budget recommended by the CCP Manager and adopted by the CCP Board pursuant to Section 5.1(c) of this Agreement.

“**Annual Budget**” means the budget recommended by the CCP Manager and adopted by the CCP Board pursuant to Section 5.1(c) of this Agreement for the operating costs associated with CCP’s administration of this Agreement.

“**Bankrupt**” or “**Bankruptcy**” means, with respect to any entity, such entity that (a) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar Law, (b) has any such petition filed or commenced against it which remains unstayed or undismissed for a period of ninety (90) days, (c) makes an assignment or any general arrangement for the benefit of creditors, (d) otherwise becomes bankrupt or insolvent (however evidenced), (e) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (f) is generally unable to pay its debts as they fall due.

“**Billing Statement**” has the meaning set forth in Section 9.2 of this Agreement.

“**Buyer Liability Pass Through Agreement**” or “**BLPTA**” means, for each Project Participant, the form set forth in Exhibit L of the Offtake Agreement, as executed by such Project Participant, countersigned by CCP, and delivered to the Project Developer.

“**Business Day**” means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday in California. A Business Day begins at 8:00 a.m. and ends at 5:00 p.m. local time for the Party sending a Notice, or payment, or performing a specified action.

“**CAISO**” means the California Independent System Operator Corporation or any successor entity performing similar functions.

“**CAISO Tariff**” means the California Independent System Operator Corporation Agreement and Tariff, Business Practice Manuals (BPMs), and Operating Procedures, including the rules, protocols, procedures, and standards attached thereto, as the same may be amended or modified from time-to-time and approved by FERC.

“**Capacity Damages**” has the meaning set forth in Section 5 of Exhibit B of the Offtake Agreement.

“**CCP Board**” means the Board of Directors of California Community Power.

“**CCP Manager**” means the General Manager of California Community Power or any person who is designated by the CCP Board to act in the capacity of the General Manager.

“**Capacity Attribute**” means any current or future defined characteristic, certificate, tag, credit, or accounting construct associated with the amount of power that the Facility can charge, discharge, and deliver to the Delivery Point at a particular moment and that can be purchased, sold, or conveyed under CAISO or CPUC market rules, including Resource Adequacy Benefits.

“**Chair**” has the meaning set forth in Exhibit D, Section 3.3.1.

“**Change of Control**” has the meaning set forth in Section 1.1 of the Offtake Agreement.

“**Charging Energy**” has the meaning set forth in Section 1.1 of the Offtake Agreement.

“**Commercial Operation Date**” or “**COD**” has the meaning set forth in Section 1.1 of the Offtake Agreement.

“**Commercial Operation Delay Damages**” has the meaning set forth in Section 1.1 of the Offtake Agreement.

“**Community Choice Aggregator**” has the meaning set forth in California Public Utilities Code § 331.1.

“**Confidential Information**” has the meaning set forth in Section 18.1 of the Offtake Agreement.

“**Construction Delay Damages**” has the meaning set forth in Section 1.1 of the Offtake Agreement.

“**Construction Start Date**” has the meaning set forth in Exhibit B of the Offtake Agreement.

“**Contract Price**” has the meaning set forth on the Cover Sheet of the Offtake Agreement.

“**Contract Term**” has the meaning set forth in Section 2.1 of the Offtake Agreement.

“**Contract Year**” means a period of twelve (12) consecutive months. The first Contract Year shall commence on the Commercial Operation Date and each subsequent Contract Year shall commence on the anniversary of the Commercial Operation Date.

“**Coordinated Operations Agreement**” means the agreement by and among CCP and all Project Participants for purposes of operating the Project.

“**Costs**” means, with respect to a Project Participant assuming all or a portion of a Defaulting Project Participant’s Entitlement Share pursuant to the process set forth in Section 12.8(b) or 12.8(c), brokerage fees, commissions and other similar third-party transaction costs and expenses reasonably incurred by such Project Participant in terminating any arrangement pursuant

to which it has hedged its obligations; and all reasonable attorneys' fees and expenses incurred by the Project Participant in connection with the Step-Up Allocation.

**"CPUC"** means the California Public Utilities Commission, or successor entity.

**"Cured Payment Default"** means a Payment Default that has been cured in accordance with Section 12.4 of this Agreement.

**"Damage Payment"** means the amount to be paid by the Offtake Agreement Defaulting Party to the Offtake Agreement Non-Defaulting Party after a Terminated Transaction occurring prior to the Commercial Operation Date, in a dollar amount set forth in Section 11.3(a) of the Offtake Agreement.

**"Defaulting Project Participant"** has the meaning set forth in Section 12.1.

**"Delivery Point"** means the Facility PNode on the CAISO grid.

**"Delivery Term"** means the period of Contract Years set forth on the Cover Sheet of the Offtake Agreement beginning on the Commercial Operation Date, unless terminated earlier in accordance with the terms and conditions of the Offtake Agreement.

**"Designated Fund"** has the meaning set forth in Section 10.5.

**"Development Security"** means (a) cash or (b) a Letter of Credit in the amount set forth on the Cover Sheet of the Offtake Agreement.

**"Discharging Energy"** has the meaning set forth in Section 1.1 of the Offtake Agreement.

**"Effective Date"** has the meaning set forth in the Preamble.

**"Energy"** means electrical energy, measured in kilowatt-hours or Megawatt-hours or multiple units thereof.

**"Energy Settlement Revenues"** has the meaning set forth in Section 1.1 of the Offtake Agreement.

**"Entitlement Share"** means the percentage entitlement of each Project Participant as set forth in Exhibit B of this Agreement (entitled "Schedule of Project Participant Entitlement Shares and Step-Up Allocation Caps") attributable to each such Project Participant, as may be amended pursuant to Section 4.2 or 12.8.

**"Entitlement Share Reduction Amount"** has the meaning set forth in Exhibit C.

**"Entitlement Share Reduction Compensation Amount"** has the meaning set forth in Exhibit C.

**"Entitlement Share Reduction Notice"** has the meaning set forth in Exhibit C.

**"Estimated Monthly Project Cost"** has the meaning set forth in Section 8.1.

**"Event of Default"** has the meaning set forth in Section 11.1 of the Offtake Agreement.

**"Facility"** means the energy storage facility described on the Cover Sheet of the Offtake Agreement and in Exhibit A of the Offtake Agreement, located at the Site and including mechanical equipment and associated facilities and equipment required to deliver Product (but excluding any Shared Facilities), as such facility may be expanded or otherwise modified from time to time in accordance with the terms of the Offtake Agreement.

**“Facility Meter”** has the meaning set forth in Section 1.1 of the Offtake Agreement.

**“Facility Metering Point”** means the location(s) of the Facility Meter shown in Exhibit R of the Offtake Agreement.

**“FERC”** means the Federal Energy Regulatory Commission or any successor government agency.

**“Fiscal Year”** means CCP’s fiscal year as determined by the CCP Board.

**“Force Majeure Event”** has the meaning set forth in Section 10.1 of the Offtake Agreement.

**“Gains”** means, with respect to a Project Participant assuming all or a portion of a Defaulting Project Participant’s Entitlement Share pursuant to the process set forth in Section 12.8(b) or 12.8(c), an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from such Step-Up Allocation for the remaining Contract Term of the Offtake Agreement, determined in a commercially reasonable manner. Factors used in determining the economic benefit to such Project Participant may include, without limitation, reference to information supplied by one or more third parties, which shall exclude Affiliates of such Project Participant, including without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g., NP-15), all of which should be calculated for the remaining Contract Term, and include the value of Capacity Attributes.

**“Governmental Authority”** means any federal, state, provincial, local, or municipal government, any political subdivision thereof or any other governmental, congressional, or parliamentary, regulatory, or judicial instrumentality, authority, body, agency, department, bureau, or entity with authority to bind a Party at law, including CAISO; *provided*, “Governmental Authority” shall not in any event include any Party, except to the extent that the Party is acting solely in its governmental capacity.

**“Guaranteed Commercial Operation Date”** means the date set forth on the Cover Sheet of the Offtake Agreement, as such date may be extended pursuant to Exhibit B of the Offtake Agreement.

**“Guaranteed Construction Start Date”** means the date set forth on the Cover Sheet of the Offtake Agreement, as such date may be extended pursuant to Exhibit B of the Offtake Agreement.

**“Interconnection Agreement”** means the interconnection agreement entered into by Project Developer pursuant to which the Facility will be interconnected with the Transmission System, and pursuant to which Project Developer’s Interconnection Facilities and any other Interconnection Facilities will be constructed, operated, and maintained during the Offtake Agreement Contract Term.

**“Interconnection Facilities”** means the interconnection facilities, control and protective devices, and metering facilities required to connect the Facility with the Transmission System in accordance with the Interconnection Agreement.

**“Interest Rate”** has the meaning set forth in Section 8.2 of the Offtake Agreement.

**“Invoice Amount”** has the meaning set forth in Section 9.2.

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

**“Joint Powers Agreement”** means that certain Joint Powers Agreement dated January 29, 2021, as amended from time to time, under which CCP is organized as a Joint Powers Authority in accordance with the Joint Powers Act.

**“kWh”** means a kilowatt-hour measured in alternating current, unless expressly stated in terms of direct current.

**“Late Payment Notice”** means a notice issued by CCP to a Project Participant pursuant to Section 9.7.

**“Late Payment Charge”** has the meaning set forth in Section 9.7.

**“Law”** means any applicable law, statute, rule, regulation, decision, writ, order, decree or judgment, permit or any interpretation thereof, promulgated or issued by a Governmental Authority.

**“Lead Point Person”** has the meaning set forth in Exhibit D, Section 2.1.

**“Letter(s) of Credit”** has the meaning set forth in Section 1.1 the Offtake Agreement.

**“Losses”** means, with respect to a Project Participant assuming all or a portion of a Defaulting Project Participant’s Entitlement Share pursuant to the process set forth in Section 12.8(b) or 12.8(c), an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from such Step-Up Allocation for the remaining Contract Term of the Offtake Agreement, determined in a commercially reasonable manner. Factors used in determining economic loss to such Project Participant may include, without limitation, reference to information supplied by one or more third parties, which shall exclude Affiliates of the Project Participant, including without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g., NP-15), all of which should be calculated for the remaining Contract Term of the Offtake Agreement and must include the value of Capacity Attributes.

**“Month”** means a calendar month.

**“Monthly Costs”** has the meaning set forth in Section 9.1.

**“Monthly Energy Settlement Amount”** has the meaning set forth in Exhibit C of the Offtake Agreement.

**“Monthly Product Payment”** means the Monthly Capacity Payment required to be made by CCP to Project Developer each month of the Delivery Term as compensation for the Product, as calculated in accordance with Exhibit C of the Offtake Agreement.

**“MW”** means megawatts in alternating current, unless expressly stated in terms of direct current.

**“MWh”** means megawatt-hour measured in alternating current, unless expressly stated in terms of direct current.

**“Non-Defaulting Project Participant”** has the meaning set forth in Section 12.1.

**“Normal Vote”** has the meaning set forth in Exhibit D, Section 3.5.

**“Notice”** shall, unless otherwise specified in the Agreement, mean written communications by a Party to be delivered by hand delivery, United States mail, overnight courier service, or electronic messaging (e-mail).

**“Offtake Agreement”** means the agreement between CCP and Project Developer for the purchase of wholesale energy market products of the Willow Rock Energy Storage Center, executed on **[Offtake Agreement Effective Date]**.

**“Offtake Agreement Defaulting Party”** has the meaning set forth in Section 11.1(a) of the Offtake Agreement.

**“Offtake Agreement Non-Defaulting Party”** has the meaning set forth in Section 11.2 of the Offtake Agreement.

**“Operating Account”** means an internal accounting mechanism utilized by CCP to track the amounts paid by and owed to each individual Project Participant pursuant to the terms of this Agreement.

**“Operations Advisory Subcommittee”** has the meaning set forth in Exhibit D, Section 3.1.

**“Operating Cost”** means the share of the Annual Budget or Amended Annual Budget attributable to the applicable Month for a Billing Statement.

**“Party”** has the meaning set forth in the Preamble.

**“Payment Default”** has the meaning set forth in Section 12.2.

**“Payment Default Termination Deadline”** has the meaning set forth in Section 12.6.

**“Performance Security”** means (i) cash or (ii) a Letter of Credit in the amount set forth on the Cover Sheet of the Offtake Agreement.

**“Permitted Transferee”** has the meaning set forth in Section 1.1 of the Offtake Agreement.

**“Person”** means any individual, sole proprietorship, corporation, limited liability company, limited or general partnership, joint venture, association, joint-stock company, trust, incorporated organization, institution, public benefit corporation, unincorporated organization, government entity or other entity.

**“PNode”** has the meaning set forth in the CAISO Tariff.

**“Product”** has the meaning set forth in Section 3.1

**“Progress Report”** means a progress report including the items set forth in Exhibit E of the Offtake Agreement.

**“Project”** shall be broadly construed to entail the aggregate of rights, liabilities, interests, and obligations of CCP pursuant to the Offtake Agreement, including but not limited to all rights, liabilities, interests, and obligations associated with the Product, all rights, liabilities, interests and obligations associated with the Facility, and including all aspects of the operation and

administration of the Facility and the Offtake Agreement and the rights, liabilities, interests and obligations associated therewith.

“**Project Developer**” means GEM A-CAES LLC, a Delaware limited liability company, or assignee as permitted under the Offtake Agreement.

“**Project Participants**” means those entities executing this Agreement, as identified in the Preamble, together in each case with each entity’s successors or assigns.

“**Project Revenue Rights**” means all rights of a Project Participant under this Agreement to any revenue owed to CCP associated with the Facility, including the Monthly Energy Settlement Amount.

“**Project Rights**” means all rights and privileges of a Project Participant under this Agreement, including but not limited to its Entitlement Share, and its right to receive the Product from the Facility.

“**Project Rights and Obligations**” means the Project Participants’ Project Rights and obligations under the terms of this Agreement.

“**Proposed Entitlement Share Reduction Compensation Amount**” has the meaning set forth in Exhibit C.

“**Prudent Operating Practice**” means (a) the applicable practices, methods and acts required by or consistent with applicable Laws and reliability criteria, and otherwise engaged in or approved by a significant portion of the electric industry during the relevant time period with respect to grid-interconnected, utility-scale energy storage facilities in the Western United States, and (b) any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Operating Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to acceptable practices, methods or acts generally accepted in the industry with respect to grid-interconnected, utility-scale energy storage facilities in the Western United States. Prudent Operating Practice shall include compliance with applicable Laws, applicable safety and reliability criteria, and the applicable criteria, rules and standards promulgated in the National Electric Safety Code and the National Electrical Code, as they may be amended or superseded from time to time, including the criteria, rules, and standards of any successor organizations.

“**RA Deficiency Amount**” has the meaning set forth in Exhibit C of the Offtake Agreement.

“**Receiving Party**” has the meaning set forth in Section 18.2 of the Offtake Agreement.

“**Remedial Action Plan**” has the meaning set forth in Section 2.4 of the Offtake Agreement.

“**Replacement RA**” has the meaning set forth in Section 1.1 of the Offtake Agreement.

“**Resource Adequacy Benefits**” has the meaning set forth in Section 1.1 of the Offtake Agreement.

“**Resource Adequacy Requirements**” or “**RAR**” means the resource adequacy requirements applicable to an entity as established by the CAISO pursuant to the CAISO Tariff,

by the CPUC pursuant to the Resource Adequacy Rulings, or by any other Governmental Authority.

**“Resource Adequacy Rulings”** means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-04-040, 06-06-064, 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024, 14-06-050, 15-06-063, 16-06-045, 17-06-027, 18-06-030, 18-06-031, 19-02-022, 19-06-026, 19-10-021, 20-01-004, 20-03-016, 20-06-002, 20-06-031, 20-06-028, 20-12-006, 21-06-029, 21-06-035, 21-07-014, 22-03-034, 22-06-050, 23-04-010, 23-06-029, 24-06-040, 24-12-003, 25-06-048 and any other existing or subsequent ruling or decision, or any other resource adequacy laws, rules or regulations enacted, adopted or promulgated by any applicable Governmental Authority, however described, as such decisions, rulings, Laws, rules or regulations may be amended or modified from time-to-time throughout the Contract Term.

**“Shared Facilities”** means the gen-tie lines, transformers, substations, or other equipment, permits, contract rights, and other assets and property (real or personal), in each case, as necessary to enable delivery of the Facility’s Energy to and from the Delivery Point, including the Interconnection Facilities and the Interconnection Agreement itself, if applicable, that are used in common with third parties or by the Project Developer for electric generation or storage facilities owned by Project Developer other than the Facility.

**“Site”** has the meaning set forth in Section 1.1 of the Offtake Agreement, as further described in Exhibit A of the Offtake Agreement.

**“Step-Up Allocation Cap”** has the meaning set forth in Section 12.8(a).

**“Step-Up Invoice”** means an invoice sent to a Non-Defaulting Project Participant as a result of a Defaulting Project Participant’s Payment Default, which invoice shall separately identify any amount owed with respect to the monthly Billing Statement of the Defaulting Project Participant, as the case may be, pursuant to Section 12.7.

**“Step-Up Invoice Amount”** has the meaning set forth in Section 12.7.

**“Step-Up Invoice Amount Cap”** has the meaning set forth in Section 12.7.

**“Step-Up Reserve Account”** has the meaning set forth in Section 12.7(a)(i).

**“Term”** has the meaning set forth in Section 2.1(a).

**“Terminated Transaction”** has the meaning set forth in Section 11.2(a) the Offtake Agreement.

**“Termination Payment”** has the meaning set forth in Section 11.3 of the Offtake Agreement.

**“Transmission System”** means the transmission facilities operated by the CAISO, now or hereafter in existence, which provide energy transmission service downstream from the Delivery Point.

**“Uncontrollable Forces”** means any Force Majeure event and any cause beyond the control of any Party, 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, epidemic or pandemic (excluding impacts of the disease designated COVID-19 or the related virus designated SARS-CoV-2 impacts actually known by the Party claiming the Force Majeure Event as of the

Effective Date), 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, licenseor 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 Offtake Agreement, as defined therein.

“**Vice Chair**” has the meaning set forth in Exhibit D, Section 3.3.1.

1.2. Rules of Interpretation. In this Agreement, except as expressly stated otherwise or unless the context otherwise requires:

(a) headings and the rendering of text in bold and italics are for convenience and reference purposes only and do not affect the meaning or interpretation of this Agreement;

(b) words importing the singular include the plural and vice versa and the masculine, feminine and neuter genders include all genders;

(c) the words “hereof”, “herein”, and “hereunder” and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement;

(d) a reference to an Article, Section, paragraph, clause, Party, or Exhibit is a reference to that Article, Section, paragraph, clause of, or that Party or Exhibit to, this Agreement unless otherwise specified;

(e) a reference to a document or agreement, including this Agreement shall mean such document, agreement or this Agreement including any amendment or supplement to, or replacement, novation, or modification of this Agreement, but disregarding any amendment, supplement, replacement, novation or modification made in breach of such document, agreement or this Agreement;

(f) a reference to a Person includes that Person’s successors and permitted assigns;

(g) the terms “include” and “including” mean “include or including (as applicable) without limitation” and any list of examples following such term shall in no way restrict or limit the generality of the word or provision in respect of which such examples are provided;

(h) references to any statute, code or statutory provision are to be construed as a reference to the same as it may have been, or may from time to time be, amended, modified, or reenacted, and include references to all bylaws, instruments, orders and regulations for the time being made thereunder or deriving validity therefrom unless the context otherwise requires;

(i) in the event of a conflict, a mathematical formula or other precise description of a concept or a term shall prevail over words providing a more general description of a concept or a term;

(j) references to any amount of money shall mean a reference to the amount in United States Dollars;

(k) the expression “and/or” when used as a conjunction shall connote “any or all of”;

(l) words, phrases or expressions not otherwise defined herein that (i) have a generally accepted meaning in Prudent Operating Practice shall have such meaning in this Agreement or (ii) do not have well known and generally accepted meaning in Prudent Operating Practice but that have well known and generally accepted technical or trade meanings, shall have such recognized meanings;

(m) each Party acknowledges that it was represented by counsel in connection with this Agreement and that it or its counsel reviewed this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement; and

(n) in the event of any conflict or inconsistency between the terms of this Agreement and the terms of the Offtake Agreement or the Coordinated Operations Agreement, the terms and provisions of this Agreement shall control.

## **ARTICLE 2**

### **EFFECTIVE DATE AND TERM**

#### 2.1. Term.

(a) The term of this Agreement shall commence on the Effective Date and shall remain in full force and effect until the occurrence of all of the following: (i) the termination of the Offtake Agreement, (ii) the termination of the Buyer Liability Pass Through Agreements for all the Project Participants, and (iii) all Parties have met their obligations under this Agreement (“**Term**”).

(b) Applicable provisions of this Agreement shall continue in effect after termination to the extent necessary to enforce or complete the duties, obligations or responsibilities of the Parties arising prior to termination. All indemnity and audit rights shall remain in full force and effect for three (3) years following the termination of this Agreement.

## **ARTICLE 3**

### **AGREEMENT**

3.1. Transaction. Subject to the terms and conditions of this Agreement, the Project Participants authorize CCP to purchase all Capacity Attributes associated with the Facility and any Replacement RA and Energy Settlement Revenues provided pursuant to the Offtake Agreement (collectively the “**Product**”), on behalf of the Project Participants. Pursuant to the procedures set

forth in the Coordinated Operations Agreement, CCP shall cause Project Developer to deliver each Project Participant's Entitlement Share of the Capacity Attributes to such Project Participant. CCP shall cause Project Developer to deliver any amounts owed to CCP associated with the Offtake Agreement, including the Monthly Energy Settlement Amount, RA Deficiency Amount, Construction Delay Damages, Commercial Operation Delay Damages, Capacity Damages, or any amounts otherwise owed to CCP pursuant to the Offtake Agreement. CCP shall administer the Offtake Agreement and oversee the Project Developer's development and operation of the Project. CCP shall not sell, assign, or otherwise transfer any Product, or any portion thereof, to any third party other than to the Project Participants, unless authorized by the Project Participants pursuant to this Agreement.

#### **ARTICLE 4** **ENTITLEMENT SHARE**

4.1. Initial Entitlement Share. Each Project Participant's initial Entitlement Share as of the Effective Date shall be set forth in Column B of the Table provided in Exhibit B of this Agreement (entitled "Schedule of Project Participant Entitlement Shares and Step-Up Allocation Caps"). Any revisions to the Entitlement Shares specified in Exhibit B pursuant to Section 4.2 or Section 12.8 shall be considered an element of the administration of this Agreement and shall not require the consent of the Parties hereto.

4.2. Change of Entitlement Share. Any Project Participant may reduce its Entitlement Share of the Project pursuant to the process set forth in Exhibit C.

4.3. Reduction of Entitlement Share to Zero. If any Project Participant's Entitlement Share is reduced to zero through any process specified in Exhibit C, such Project Participant shall remain a Party to this Agreement and shall be subject to all rights, obligations, and liabilities of this Agreement, including but not limited to any liabilities for Monthly Product Payments, Damage Payment or Termination Payment, as applicable, and any other damage payments or reimbursement amounts under the Offtake Agreement.

#### **ARTICLE 5** **OBLIGATIONS OF CCP AND ROLE OF CCP BOARD**

5.1. Obligations of CCP.

(a) CCP shall take such commercially reasonable actions or implement such commercially reasonable measures as may be necessary or desirable for the utilization, maintenance, or preservation of the rights and interests of the Project Participants in the Project including, if appropriate, such enforcement actions or other measures as CCP or the CCP Board deems to be in the Project Participants' best interests. To the extent not inconsistent with the Offtake Agreement or other applicable agreements, CCP may also be authorized by the Project Participants to assume any responsibilities in relation to the Project necessary to effectuate the conveyance of the Product to Project Participants in accordance with Project Participants' Entitlement Shares.

(b) To the extent such services are available and can be carried forth in accordance with the Offtake Agreement, CCP shall also provide such other services, as may be deemed necessary by CCP or the CCP Board to secure the benefits and/or satisfy the obligations associated with the Offtake Agreement.

(c) Adoption of Annual Budget. The Annual Budget and any amendments to the Annual Budget shall be prepared and approved in accordance with this Section 5.1(c).

(i) The CCP Manager will prepare a proposed Annual Budget at least ninety (90) days prior to the beginning of each Fiscal Year during the Term of this Agreement. The proposed Annual Budget shall be based on the prior Fiscal Year's actual costs, as applicable, and shall include reasonable estimates of the costs CCP expects to incur during the applicable Fiscal Year in association with the administration of the Offtake Agreement. The CCP Manager shall present the proposed Annual Budget to the CCP Board. The CCP Board shall adopt the Annual Budget no later than thirty (30) days prior to the beginning of such Fiscal Year and shall cause copies of such adopted Annual Budget to be delivered to each Project Participant.

(A) For operating costs not otherwise collected through Articles 8 and 9 incurred prior to the Commercial Operation Date and which are approved by the CCP Board, including costs related to administering the Offtake Agreement, overseeing the development and CAISO integration of the Project, and other costs that are determined to be attributable to the Project by action of the CCP Board, shall be invoiced to each Project Participant based on their Project Entitlement Share.

(ii) At any time after the adoption of the Annual Budget for a Fiscal Year, the CCP Manager may prepare a proposed Amended Annual Budget for and applicable to the remainder of such Fiscal Year. The proposal shall (A) explain why an amendment to the Annual Budget is needed, (B) compare estimated costs against actual costs, and (C) describe the events that triggered the need for additional funding. The CCP Manager shall present the proposed Amended Annual Budget to the CCP Board. Upon adoption of the Amended Annual Budget by the CCP Board, such Amended Annual Budget shall apply to the remainder of the Fiscal Year and the CCP Board shall cause copies of such adopted Amended Annual Budget to be delivered to each Project Participant.

(iii) Reports. CCP will prepare and issue to Project Participants the following reports each quarter of a year during the Term:

(A) Financial and operating statement relating to the Project.

(B) 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. If CCP incurred any material costs to provide services that were deemed necessary pursuant to Section 5.1(b), the variance report shall identify the costs and describe the services provided.

(d) Records and Accounts. CCP will keep, or cause to be kept, accurate records and accounts of 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 CCP relating to the Project with respect to each Fiscal Year shall be subject to an annual audit.

Each Project Participant 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.

(e) Information Sharing. Upon CCP's request, each Project Participant agrees to coordinate with CCP to provide such information, documentation, and certifications that are reasonably necessary for the administration, financing, refinancing, operation, scheduling, maintenance, attribute transfer, settlement, compliance reporting, and other ongoing activities of the Project, including information required to respond to requests for such information from any federal, state, or local regulatory body or other authority.

(f) [Reserved].

(g) Deposit of Insurance Proceeds. CCP shall promptly attribute any insurance proceeds received by CCP from any insurance obtained pursuant to this Agreement or otherwise associated with the Project to the Operating Accounts of the Project Participants based on each Project Participants' Entitlement Shares.

(h) Liquidated and Other Damages. Any amounts paid to CCP or applied against payments otherwise due by CCP pursuant to the Offtake Agreement or each Project Participant's respective BLPTA, by the Project Developer shall be attributed on a pro rata share, based on each Project Participant's Entitlement Share, to each Project Participant's Operating Account. Liquidated Damages include, but are not limited to Construction Delay Damages, Commercial Operation Delay Damages, Capacity Damages, Damage Payment, and Termination Payment.

(i) [Reserved].

(j) Resale of Product. Any Project Participant may direct CCP to remarket such Project Participant's Entitlement Share of the Product, or such Project Participant's Entitlement Share of any part of the Product. If CCP incurs any expenses associated with the remarketing activities pursuant to this Section 5.1(j), then CCP shall include the total amount of such expenses as a Monthly Cost on the Project Participant's next Billing Statement. Prior to offering the Project Participant's Entitlement Share of the Product, or the Project Participant's Entitlement Share of any part of the Product to any third party, CCP shall first offer the Product or portion of the Product to the other Project Participants. The amount of compensation paid to the selling Project Participant shall be negotiated and agreed to between the selling Project Participant and the purchasing Project Participant or third party. Any payments for any resold Product pursuant to this Section 5.1(j) shall be transmitted directly from the purchasing Project Participant or purchasing third party to the reselling Project Participant. Any such resale to a third party shall not convey any rights or authority over the operation or administration of the Project, and the Project Participant shall not make a representation to the third party that the resale conveys any rights or authority over the operation of the Project.

(k) Uncontrollable Forces. CCP shall not be required to provide, and CCP shall not be liable for failure to provide, the Product, Replacement RA, or other service under this Agreement when such failure, or the cessation or curtailment of, or interference with, the service is caused by Uncontrollable Forces or by the failure of the Project Developer, or its

successors or assigns, to obtain any required governmental permits, licenses, or approvals to acquire, administer, or operate the Project; provided, however, that the Project Participants shall not thereby be relieved of their obligations to make payments under this Agreement except to the extent CCP is so relieved pursuant to the Offtake Agreement, and provided further that CCP shall pursue all applicable remedies against the Project Developer under the Offtake Agreement and distribute any remedies obtained pursuant to Section 5.1(h).

(l) Insurance. As of the Effective Date of this Agreement, CCP shall secure and maintain, during the Term, insurance coverage as follows:

(i) Commercial General Liability. CCP shall maintain, or cause to be maintained, commercial general liability insurance, including products and completed operations and personal injury insurance, in a minimum amount of One Million Dollars (\$1,000,000) per occurrence, and an annual aggregate of not less than Two Million Dollars (\$2,000,000), endorsed to provide contractual liability in said amount, specifically covering CCP's obligations under this Agreement and including each Project Participant as an additional insured.

(ii) Employer's Liability Insurance. CCP, if it has employees, shall maintain Employers' Liability insurance with limits of not less than One Million Dollars (\$1,000,000) for injury or death occurring as a result of each accident. With regard to bodily injury by disease, the One Million Dollar (\$1,000,000) policy limit will apply to each employee.

(iii) Workers' Compensation Insurance. CCP, if it has employees, shall also maintain at all times during the Term workers' compensation and employers' liability insurance coverage in accordance with statutory amounts, with employer's liability limits of not less than One Million Dollars (\$1,000,000) for each accident, injury, or illness; and include a blanket waiver of subrogation.

(iv) Business Auto Insurance. CCP shall maintain at all times during the Term business auto insurance for bodily injury and property damage with limits of One Million Dollars (\$1,000,000) per occurrence. Such insurance shall cover liability arising out of CCP's use of all owned (if any), non-owned and hired vehicles, including trailers or semi-trailers in the performance of the Agreement and shall name each Project Participant as an additional insured and contain standard cross-liability and severability of interest provisions.

(v) Public Entity Liability Insurance. CCP shall maintain public entity liability insurance, including public officials' liability insurance, public entity reimbursement insurance, and employment practices liability insurance in an amount not less than Two Million Dollars (\$2,000,000) per claim, and an annual aggregate of not less than Two Million Dollars (\$2,000,000) and CCP shall maintain such coverage for at least two (2) years from the termination of this Agreement.

(m) Evidence of Insurance. Within ten (10) days after the deadline for securing insurance coverage specified in Section 5.1(l), and upon annual renewal thereafter, CCP shall deliver to each Project Participant certificates of insurance evidencing such coverage with insurers with ratings comparable to A-VII or higher, and that are authorized to do business in the State of California, in a form evidencing all coverages set forth above. Such certificates shall specify that

each Project Participant shall be given at least thirty (30) days prior Notice by CCP in the event of cancellation or termination of coverage. Such insurance shall be primary coverage without right of contribution from any insurance of each Project Participant. Any other insurance maintained by CCP not associated with this Agreement is for the exclusive benefit of CCP and shall not in any manner inure to the benefit of Project Participants. The general liability, auto liability and worker's compensation policies shall be endorsed with a waiver of subrogation in favor of each Project Participant for all work performed by CCP, its employees, agents and sub-contractors.

## 5.2. Role of CCP Board.

(a) The rights and obligations of CCP under the Offtake Agreement shall be subject to the ultimate control at all times of the CCP Board. The CCP Board shall have, in addition to the duties and responsibilities set forth elsewhere in this Agreement, the duties and responsibilities listed below, among others. The actions identified in Section 5.2(a)(ii) through (a)(ix) shall require CCP Board approval.

(i) Dispute Resolution. The CCP Board shall review, discuss and attempt to resolve any disputes among CCP, any of the Project Participants, and the Project Developer relating to the Project, the operation and management of the Facility, and CCP's rights and interests in the Facility.

(ii) Offtake Agreement. The CCP Board shall have the authority to review, modify, and approve, as appropriate, all amendments, modifications, and supplements to the Offtake Agreement.

(iii) [Reserved].

(iv) [Reserved].

(v) Budgeting. Upon the submission of a proposed Annual Budget or proposed Amended Annual Budget, the CCP Board shall review, modify, and approve each Annual Budget and Amended Annual Budget in accordance with Section 5.1(c) of this Agreement.

(vi) Early Termination of Offtake Agreement. The CCP Board shall review, modify, and approve the recommendations of the CCP Manager, made pursuant to Section 6.2(b) of this Agreement, as to an early termination of the Offtake Agreement pursuant to Section 11.2 of the Offtake Agreement.

(vii) Assignment by Project Developer. The CCP Board shall review, modify, and approve the recommendations of the CCP Manager, made pursuant to Section 6.2(c) of this Agreement, as to any assignment by Project Developer pursuant to Section 14.1 of the Offtake Agreement other than any assignment pursuant to Sections 14.2 or 14.3 of the Offtake Agreement.

(viii) Buyer Financing Assignment. The CCP Board shall review, modify, and approve the recommendations of the CCP Manager, made pursuant to Section 6.2(d) of this Agreement, as to an assignment by CCP to a financing entity pursuant to Section 14.5 of the Offtake Agreement.

(ix) Change of Control. The CCP Board shall review, modify, and approve the recommendations of the CCP Manager, made pursuant to Section 6.2(e) of this Agreement, as to any Change of Control requiring CCP's consent, as specified in Section 14.1 of the Offtake Agreement.

(x) Supervening Authority of the Board. The CCP Board has complete and plenary supervening power and authority to act upon any matter which is capable of being acted upon by the CCP Manager or which is specified as being within the authority of the CCP Manager pursuant to the provisions of this Agreement.

(xi) Other Matters. The CCP Board is authorized to perform such other functions and duties, including oversight of those matters and responsibilities addressed by the CCP Manager as may be provided for under this Agreement and under the Offtake Agreement, or as may otherwise be appropriate.

(xii) Periodic Audits. The CCP Board or the CCP Manager may arrange for the annual audit by certified accountants, selected by the CCP Board and experienced in electric generation or electric utility accounting, of the books and accounting records of CCP and the Project Developer, to the extent authorized under the Offtake Agreement, and such audit shall be completed and submitted to the CCP Board as soon as reasonably practicable after the close of the Fiscal Year. CCP shall promptly furnish to the Project Participant copies of all audits. No more frequently than once every calendar year, each Project Participant may, at its sole cost and expense, audit, or cause to be audited the books and cost records of CCP and/or the Project Developer, to the extent authorized under the Offtake Agreement.

(b) Pursuant to Section 5.06 of the Joint Powers Agreement, this Agreement modifies the voting rules of the CCP Board for purposes of approving or acting on any matter identified in this Agreement, as follows:

(i) Quorum. A quorum shall consist of a majority of the CCP Board members that represent Project Participants.

(ii) Voting. Each CCP Board member that represents a Project Participant shall have one vote for any matter identified in this Agreement. Any CCP Board member representing a CCP member that is not a Project Participant shall abstain from voting on any matter identified in this Agreement. A vote of the majority of the CCP Board members representing Project Participants that are in attendance shall be sufficient to constitute action, provided a quorum is established and maintained.

## **ARTICLE 6**

### **ROLE AND RESPONSIBILITIES OF CCP MANAGER**

6.1. Role of CCP Manager. The CCP Manager shall take all actions necessary to ensure that CCP fulfills its obligations under this Agreement, including the obligations set forth in Section 5.1. The CCP Manager is authorized to take any action that CCP is authorized to take, except those actions that expressly require CCP Board approval. In addition to any duties or

responsibilities set forth elsewhere in this Agreement, the CCP Manager is directed to do the following:

(a) Consult with the Project Participants with respect to the ongoing administration of the Project, including through the formation of advisory subcommittees.

(b) Oversee, as appropriate, the completion of any Project-related contract negotiation, contract administration, CAISO integration, attribute and revenue transfers, settlements, preparation of compliance reporting, and dispute resolution.

(c) Review, discuss, and attempt to resolve any disputes among the Project Participants relating to this Agreement or the Offtake Agreement.

(d) Review, validate, dispute, approve and timely pay, as appropriate, each invoice submitted by Project Developer.

(e) Upon a request or demand by any third person that is not a Party to the Offtake Agreement or a Project Participant, for Confidential Information as described in Section 18.2 of the Offtake Agreement, the CCP Manager shall notify the Project Developer and coordinate the response of CCP and Project Participants.

(f) Review Progress Reports provided by Project Developer to CCP pursuant to Section 2.3 of the Offtake Agreement and participate in any associated meetings with Project Developer to discuss development and construction progress. If Project Developer provides a Progress Report to CCP, the CCP Manager shall promptly provide such Progress Report to each Project Participant. The CCP Manager shall promptly notify the Project Participants upon receiving a Progress Report from the Project Developer that identifies a delay to the Construction Start Date or Commercial Operation Date.

(g) Take any necessary actions or implement such measures as may be necessary to facilitate the transfer of Resource Adequacy Benefits from the Project Developer to the Project Participants.

(h) Perform such other functions and duties as may be provided for under this Agreement, the Offtake Agreement, or as may otherwise be appropriate or beneficial to the Project or the Project Participants, unless such action requires CCP Board approval pursuant to this Agreement.

## 6.2. CCP Manager Recommendations to the CCP Board.

(a) Budgeting. Recommend each proposed Annual Budget and proposed Amended Annual Budget for submission to the CCP Board for final approval.

(b) Early Termination of Offtake Agreement. Recommend to the CCP Board regarding an early termination of the Offtake Agreement pursuant to Section 11.2 of the Offtake Agreement.

(c) Assignment by Project Developer. Recommend to the CCP Board any proposed assignment by Project Developer pursuant to Section 14.1 of the Offtake Agreement other than any assignment pursuant to Sections 14.2 or 14.3 of the Offtake Agreement.

(d) Buyer Financing Assignment. Recommend to the CCP Board an assignment by CCP to a financing entity pursuant to Section 14.5 of the Offtake Agreement.

(e) Change of Control. Recommend to the CCP Board any Change of Control requiring CCP's consent, as specified in Section 14.1 of the Offtake Agreement.

6.3. CCP Manager Report to CCP Board on Actions relating to the Offtake Agreement or the Project. The CCP Manager shall report to the CCP Board on the occurrence of any of the following actions taken by the CCP Manager. Such report may be written or oral and shall be provided at the next CCP Board Meeting occurring within a reasonable amount of time after the action was taken. Any information included as part of such report may be provided by the CCP Manager in a manner that maintains the confidentiality of such information, as reasonably determined to be necessary by the CCP Manager.

(a) Confirmation by the CCP Manager that the requirements of Exhibit B of the Offtake Agreement have been satisfied, such that the Guaranteed Construction Start Date and/or Guaranteed Commercial Operation Date has been achieved or extended.

(b) Any exercise of CCP's rights under the Offtake Agreement if an Event of Default has occurred under Section 11.1 of the Offtake Agreement.

(c) The approval or modification of any arrangements and instruments entered into by the Project Developer or any affiliate thereof to, among other things, secure certain performance requirements, including, but not limited to, the Offtake Agreement, the Development Security or the Performance Security and any other letter of credit delivered to, or for the benefit of, CCP by the Project Developer and take such actions or make such recommendations as may be appropriate or desirable in connection therewith.

(d) The approval of any Remedial Action Plan submitted by Project Developer to CCP pursuant to Section 2.4 of the Offtake Agreement.

(e) The written acknowledgement by CCP of the occurrence of the Commercial Operation Date in accordance with Section 2.2 of the Offtake Agreement.

(f) The approval of the return of the Development Security to Project Developer in accordance with Section 8.7 of the Offtake Agreement.

(g) The approval of the return of any unused Performance Security to Project Developer in accordance with Section 8.8 of the Offtake Agreement.

(h) The collection of any liquidated damages owed by Project Developer to CCP under the Offtake Agreement, or any draw upon the Development Security or Performance Security.

6.4. Subcommittees. The CCP Manager may establish as needed subcommittees including, but not limited to, contract management, auditing, legal, financial, engineering, mechanical, weather, geologic, diurnal, barometric, meteorological, operating, insurance, governmental relations, environmental, and public information subcommittees. The authority, membership, and duties of any subcommittee shall be established by the CCP Manager; provided, however, such authority, membership or duties shall not conflict with the provisions of the Offtake Agreement or this Agreement.

(a) Project Participant Expenses. Any expenses incurred by any representative of any Project Participant or group of Project Participants serving on any subcommittee in connection with their duties on such subcommittee shall be the responsibility of the Project Participant which they represent and shall not be an expense payable under this Agreement.

6.5. Delegation. To secure the effective cooperation and interchange of information in a timely manner in connection with various administrative, technical, and other matters which may arise from time to time in connection with administration of the Offtake Agreement, in appropriate cases, duties and responsibilities of the CCP Board, as the case may be under this Section 6, may be delegated to the CCP Manager by the CCP Board upon notice to the Project Participants.

## **ARTICLE 7**

### **COORDINATED OPERATIONS AGREEMENT**

7.1. Coordinated Operations Agreement. The Project Participants hereby establish and agree to a Coordinated Operations Agreement by and among CCP and all Project Participants for purposes of operating the Project as set forth in Exhibit D of this Agreement, which shall be construed in accordance with the terms of this Agreement.

## **ARTICLE 8**

### **OPERATING ACCOUNT**

8.1. Calculation of Estimated Monthly Project Cost. No later than ninety (90) days prior to the start of the Fiscal Year in which the Commercial Operation Date is expected to occur, the CCP Manager shall present to the Project Participants a proposed “**Estimated Monthly Project Cost**”, which shall be equal to a forecast of expected Monthly Product Payments over an entire Contract Year, divided by twelve (12). The Project Participants shall review, and, if appropriate, recommend approval of, or modification to the proposed Estimated Monthly Project Cost.

8.2. Operating Account. CCP shall establish an Operating Account for each Project Participant. Such Operating Accounts are for the purpose of internally tracking the amounts paid by each Project Participant, any amounts owed to a Project Participant, Project Participant’s Monthly Costs, and any balances held within the Operating Account.

(a) Operating Account Amount. The Operating Account Amount for each Project Participant shall be an amount equal to the product of (i) the Estimated Monthly Project

Cost (\$/month), (ii) three (3) (months), and (iii) such Project Participant's Entitlement Share (%) ("**Operating Account Amount**").

(b) **Initial Funding of Operating Account.** By no later than ninety (90) days prior to the expected Commercial Operation Date, each Project Participant shall pay to CCP an amount equal to that Project Participant's Operating Account Amount.

(c) **Recalculation of Operating Account Amount.** Upon the occurrence of any change in Entitlement Share of any Project Participant pursuant to any provision of or amendment to this Agreement, the Operating Account Amounts of all Project Participants shall be recalculated consistent with this Section 8.2. By no later than thirty (30) days after the effective date of such change in Entitlement Share, any Project Participant that has an increase in the Operating Account Amount must pay to CCP an additional amount sufficient to comply with the recalculated Operating Account Amount. If a Project Participant's Operating Account Amount is reduced, CCP will issue a refund of the excess amount to the Project Participant within five (5) Business Days of the date on which all Project Participants with an increased Entitlement Share have paid to CCP the necessary amounts to meet their increased Operating Account Amounts.

(d) **Use of Operating Account.** CCP may utilize the funds attributed to each Project Participant's Operating Account each month in an amount equal to the Monthly Costs multiplied by such Project Participant's Entitlement Share.

(e) **Final Distribution of Operating Account.** Following the expiration or earlier termination of the Offtake Agreement, and upon payment and satisfaction of any and all liabilities and obligations to make payments of the Project Participants under this Agreement and upon satisfaction of all remaining costs and obligations of CCP under the Offtake Agreement, any amounts then remaining in any Project Participant's Operating Account shall be paid to the associated Project Participant.

## **ARTICLE 9** **BILLING**

9.1. **Monthly Costs.** The amount of a Project Participant's Monthly Costs for a particular Month shall be the product of (a) the Project Participant's Entitlement Share multiplied by (b) the sum of (i) the actual Monthly Product Payments for such Month plus (ii) the Operating Cost for such Month minus (iii) the positive revenue associated with the Monthly Energy Settlement Amount minus (iv) any RA Deficiency Amount, as shown in the following formula:

Project Participant's Monthly Cost = (Project Participant's Entitlement Share) × [(Monthly Product Payments) + (Operating Costs) – (Monthly Energy Settlement Amount) – (RA Deficiency Amount)]

9.2. **Billing Statements.** By no later than ten (10) calendar days after CCP receives an invoice from Project Developer for the prior Month during the Delivery Term pursuant to Section 8.1 of the Offtake Agreement, CCP shall issue to each Project Participant a copy of the invoice and a "**Billing Statement**," which specifies such Project Participant's Monthly Costs, itemized by each part of such Monthly Cost. The amount of Monthly Costs attributable to a Project Participant, and specified in such Billing Statement, shall be the "**Invoice Amount**."

9.3. Disputed Monthly Billing Statement. A Project Participant may dispute, by written Notice to CCP, any portion of any Billing Statement submitted to that Project Participant by CCP pursuant to Section 9.2, provided that the Project Participant shall pay the full amount of the Billing Statement when due. If CCP determines that any portion of the Billing Statement is incorrect, CCP will attribute the difference between such correct amount and such full amount, if any, including interest at the rate received by CCP on any overpayment to such Project Participant's Operating Account. If CCP and a Project Participant disagree regarding the accuracy of a Billing Statement, CCP will give consideration to such dispute and will advise all Project Participants with regard to CCP's position relative thereto within thirty (30) days following receipt of written Notice by Project Participant of such dispute.

9.4. Payment Adjustments; Billing Errors. If CCP or Project Developer determines that a prior invoice or Billing Statement was inaccurate, CCP shall credit against or increase as appropriate each Project Participant's subsequent Monthly Costs according to such adjustment. The accompanying Billing Statement shall describe the cause of such adjustment and the amount of such adjustment.

9.5. Payment of Invoice Amount. Each Project Participant shall pay the Invoice Amount for the applicable Month to CCP by no later than the twentieth (20<sup>th</sup>) calendar day of the following Month after the Billing Statement is issued, unless CCP has failed to issue the Billing Statement by the deadline specified in Section 9.2, in which case, each Project Participant shall pay the Invoice Amount for the applicable Month by no later than thirty (30) days after the date on which CCP issues the Billing Statement to the Project Participant.

9.6. Deduction of Invoice Amount from Operating Account. After CCP issues a Billing Statement to a Project Participant or a Step-Up Invoice to a Project Participant, CCP shall deduct the Invoice Amount or the Step-Up Invoice Amount from each Project Participant's Operating Account. If the Monthly Cost attributable to such Project Participant is a negative number, CCP shall add such funds to the Operating Account of that Project Participant.

9.7. Late Payments.

(a) If any Project Participant fails to pay the Invoice Amount to CCP by the deadline specified in Section 9.5, then CCP will issue such Project Participant a Late Payment Notice within five (5) days of the deadline specified in Section 9.5 directing the Project Participant to immediately pay the Invoice Amount to CCP and informing the Project Participant that such Project Participant must pay a charge ("**Late Payment Charge**"). Upon issuing a Late Payment Notice to any Project Participant, CCP shall promptly provide Notice of such occurrence to all other Project Participants.

(b) The Late Payment Charge shall be equal to (i) the Invoice Amount minus any partial payment multiplied by (ii) the Interest Rate specified in Section 8.2 of the Offtake Agreement for the period from the deadline specified in Section 9.5 until the date on which the Project Participant pays the Invoice Amount plus the Late Payment Charge. Upon payment, CCP shall withdraw the full amount of such Late Payment Charge from the Project Participant's Operating Account and attribute any such Late Payment Charge to the Operating Accounts of all

other Project Participants on a pro rata share, based on such other Project Participants' Entitlement Shares.

**ARTICLE 10**  
**UNCONDITIONAL PAYMENT OBLIGATIONS; AUTHORIZATIONS; CONFLICTS;**  
**LITIGATION**

10.1. Unconditional Payment Obligation. Beginning with the earliest of (i) the date CCP is obligated to pay any portion of the costs of the Project, (ii) the date of the COD, or (iii) the date of the first delivery of the Product to Project Participants and continuing through the Term of this Agreement, Project Participants shall pay CCP the amounts of Monthly Costs set forth in the Billing Statements submitted by CCP to Project Participants in accordance with the provisions of Section 9, whether or not the Project or any part thereof has been completed, is functioning, producing, operating or operable or its output or the provision of Facility products are 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, provided that the obligation of Project Participants to pay amounts associated with the Monthly Product Payment shall be limited to the amount of Monthly Product Payment charged by the Project Developer to CCP and paid by CCP to the Project Developer.

10.2. Authorizations. Each Project Participant 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 such Project Participant for the execution and delivery by the Project Participant, or the performance by the Project Participant of its obligations under this Agreement except for such as have been obtained.

10.3. Conflicts. Each Project Participant represents and warrants to CCP as of the Effective Date that, to the Project Participant's knowledge, the execution and delivery of this Agreement by the Project Participants and the Project Participants' performance hereunder 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 the Project Participant, 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 the Project Participant.

10.4. Litigation. Each Project Participant represents and warrants to CCP that, as of the Effective Date, to the Project Participant's knowledge, except as disclosed, there are no actions, suits or proceedings pending against the Project Participant (service of process on the Project Participant having been made) in any court that questions the validity of the authorization, execution or delivery by the Project Participant of this Agreement, or the enforceability on the Project Participant of this Agreement.

10.5. San José Clean Energy.

(a) The City of San José is a municipal corporation and is precluded under the California State Constitution and applicable law from entering into obligations that financially bind future governing bodies without an appropriation for such obligation, and, therefore, nothing

in the Agreement shall constitute an obligation of future legislative bodies of the City of San José to appropriate funds for purposes of the Agreement; provided, however, that the City of San José has created and set aside a designated fund (being the San Jose Energy Operating Fund established pursuant to City of San Jose Municipal Code, Title 4, Part 63, Section 4.80.4050 *et. seq.*) (“**Designated Fund**”) for payment of its obligations under this Agreement.

(b) Limited Obligations. The City of San José’s payment obligations under this Agreement are special limited obligations of San José Clean Energy payable solely from the Designated Fund and are not a charge upon the revenues or general fund of the City of San José or upon any non- San José Clean Energy moneys or other property of the Community Energy Department or the City of San José.

10.6. CleanPowerSF. With regard to CleanPowerSF only, (1) obligations under this Agreement are special limited obligations of CleanPowerSF payable solely from the revenues of CleanPowerSF, and shall not be a charge upon the revenues or general fund of the San Francisco Public Utilities Commission or the City and County of San Francisco or upon any non-CleanPowerSF moneys or other property of the San Francisco Public Utilities Commission or the City and County of San Francisco, (2) cannot exceed the amount certified by the San Francisco City Controller for the purpose and period stated in such certification, and (3) absent an authorized emergency per the San Francisco City Charter or Code, no San Francisco City representative is authorized to offer or promise, nor is San Francisco required to honor, any offered or promised payments under this Agreement for work beyond the agreed upon scope or in excess of the certified maximum amount without the San Francisco City Controller having first certified the additional promised amount.

## **ARTICLE 11**

### **RIGHTS AND OBLIGATIONS UNDER THE OFFTAKE AGREEMENT**

11.1. CCP Rights and Obligations under the Offtake Agreement. Notwithstanding anything to the contrary contained in this Agreement: (i) the obligation of CCP to cause the delivery of the Project Participants’ Entitlement Shares of the Product during the Delivery Term of this Agreement is limited to the Product which CCP receives from the Facility (or the Project Developer, as applicable); (ii) the obligation of CCP to pay any amount to Project Participants hereunder or to give credits against amounts due from Project Participants hereunder is limited to amounts CCP receives in connection with the transaction to which the payment or credit relates (or is otherwise available to CCP in connection with this Agreement for which such payment or credit relates); (iii) any purchase costs, operating costs, energy costs (including costs related to Charging Energy), capacity costs, Facility costs, transmission costs, tax costs, insurance costs, indemnifications, other costs or other charges for which CCP is responsible under the Offtake Agreement shall be considered purchase costs, operating costs, energy costs, capacity costs, Facility costs, transmission costs, tax costs, insurance costs, indemnifications, other costs or other charges incurred by CCP and payable by Project Participants as provided in this Agreement; (iv) CCP shall carry out its obligations and exercise its rights under the Offtake Agreement in a commercially reasonable manner; (v) all remedies provided to CCP pursuant to the Offtake Agreement shall be provided to Project Participants in accordance with Section 5.1(h); and (vi) any Force Majeure under the Offtake Agreement or other event of force majeure affecting the delivery of Product pursuant to applicable provisions of the Offtake Agreement shall be considered

an event caused by Uncontrollable Forces affecting CCP with respect to the delivery of the Product hereunder and CCP forwarding to Project Participants notices and information from the Project Developer concerning an event of Force Majeure upon receipt thereof shall be sufficient to constitute a Notice that Uncontrollable Forces have occurred pursuant to Section 5.1 of this Agreement. Any net proceeds received by CCP from the sale of the Product by the Project Developer to any third-party as a result of a Force Majeure event or failure by CCP to accept delivery of Product pursuant to the Offtake Agreement and any reimbursement received by CCP for purchase of Replacement RA shall be remitted by CCP to the Project Participants in accordance with their respective Entitlement Shares.

## **ARTICLE 12**

### **NONPERFORMANCE AND PAYMENT DEFAULT.**

12.1. Nonperformance by Project Participants. If a Project Participant fails to perform any covenant, agreement, or obligation under this Agreement or shall cause CCP to be in default with respect to any undertaking entered into for the Project or to be in default under the Offtake Agreement (“**Defaulting Project Participant**”), CCP may, in the event the performance of any such obligation remains unsatisfied after thirty (30) days’ prior written notice thereof to such Project Participant 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 such Project Participant’s rights under this Agreement including any rights to its Entitlement Share of the Product, and/or 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 such Project Participant with regard to its failure to so perform. Any Project Participant that is not the Defaulting Project Participant (“**Non-Defaulting Project Participant**”) may submit Notice directly to the CCP Board, if such Non-Defaulting Project Participant determines that CCP is or may not be fully taking appropriate actions to enforce CCP’s rights under this Agreement against a Defaulting Project Participant. The CCP Board shall consider such Notice and direct CCP to take appropriate action, if any.

12.2. Payment Default. If any Project Participant fails to pay the Invoice Amount by the deadline specified in Section 9.5, and if such Participant has not paid the Invoice Amount plus the Late Payment Charge within ten (10) calendar days of the issuance of the Late Payment Notice to such Project Participant by CCP, then such occurrence shall constitute a “**Payment Default.**”

12.3. Payment Default Notice. Upon the occurrence of a Payment Default, CCP shall issue a Notice of Payment Default to the Project Participant notifying such Project Participant that as a result of a Payment Default, it is in default under this Agreement and has assumed the status of a Defaulting Project Participant and that such Defaulting Project Participant’s Project Revenue Rights have been suspended and that such Defaulting Project Participant’s Project Rights are subject to termination and disposal in accordance with Sections 12.6 and 12.8 of this Agreement. CCP shall provide a copy of such Notice of Default to all other Project Participants within five (5) calendar days after the issuance of the written Notice of Payment Default by CCP to the Defaulting Project Participant.

12.4. Cured Payment Default. If after a Payment Default, the Defaulting Project Participant cures such Payment Default within forty-five (45) calendar days after the issuance of the Late Payment Notice by CCP, the Defaulting Project Participant's Project Revenue Rights shall be reinstated and its Project Rights shall not be subject to termination and disposal as provided for in Sections 12.6 and 12.8. In order to cure a Payment Default, the Defaulting Project Participant must pay to CCP the full amount of any unpaid Invoice Amounts and any associated Late Payment Penalties.

12.5. Suspension of Project Participant's Project Revenue Rights and Treatment of Capacity Attributes.

(a) Upon the occurrence of a Payment Default, the Defaulting Project Participant's Project Revenue Rights shall be suspended until such time as such Defaulting Project Participant cures the Payment Default pursuant to the requirements of Section 12.4. Any revenue associated with the Monthly Energy Settlement Amount shall be attributed by CCP to the Step-Up Reserve Account, as specified in Section 12.7.

(b) For any Month where there are funds remaining in a Defaulting Project Participant's Operating Account, CCP shall withdraw the Invoice Amount from such Defaulting Project Participant's Operating Account and shall cause the delivery of the Defaulting Project Participant's Entitlement Share of the Capacity Attributes associated with the Facility that have already been included on a RA Compliance Showing or otherwise provided for pursuant to the Offtake Agreement prior to the Payment Default and shall pass through any RA Deficiency Amounts associated with such RA Compliance Showing(s) to the Defaulting Project Participant. From the date of the Payment Default, the Defaulting Project Participant shall not be entitled to count any Capacity Attributes on any new RA Compliance Showing(s) until such Payment Default has been cured. From the date of the Payment Default until the completion of a Step-Up Allocation as set forth in Section 12.8, Defaulting Project Participant's Entitlement Share of the Capacity Attributes and any associated RA Deficiency Amounts shall be allocated to each Non-Defaulting Project Participant based on such Non-Defaulting Project Participant's pro rata share, calculated based on its Entitlement Share of the difference of the entire project minus the Entitlement Share of the Defaulting Project Participant for purposes of any RA Compliance Showing occurring during such period.

(c) During the period following the occurrence of a Payment Default and until such Payment Default has been cured or a Step-Up Allocation has taken place, Defaulting Project Participant shall be entitled to its pro-rata Entitlement Share of any Damage Payment or Termination Payment owed to Project Participants by Seller.

12.6. Termination and Disposal of Project Participant's Project Rights. If a Defaulting Project Participant has not cured a Payment Default within forty-five (45) calendar days after the payment deadline specified in Section 9.5 by CCP ("**Payment Default Termination Deadline**"), then all Project Rights and Obligations pursuant to this Agreement shall be terminated and disposed in accordance with Sections 12.6 and 12.8 of this Agreement; provided, however, that the Defaulting Project Participant shall be liable for all outstanding payment obligations accrued prior to the Payment Default Termination Deadline and shall remain subject to all rights, obligations, and liabilities of this Agreement, including but not limited to any liabilities for

Damage Payment or Termination Payment, as applicable, and any other damage payments or reimbursement amounts under the Offtake Agreement. CCP shall provide to the Defaulting Project Participant a separate monthly invoice of any such payment obligations of such Defaulting Project Participant. CCP shall immediately notify the other Project Participants of such termination of the Defaulting Project Participant's Project Rights and Obligations.

#### 12.7. Step-Up Invoices.

(a) Upon the occurrence of a Payment Default, CCP shall, concurrently with the Late Payment Notice issued pursuant to Section 9.7(a), issue a Step-Up Invoice to each Non-Defaulting Project Participant that specifies such Non-Defaulting Project Participant's pro rata payment obligation, calculated based on the Entitlement Share of such Non-Defaulting Project Participant, of the amount of the Payment Default for the Defaulting Project Participant (the "**Step-Up Invoice Amount**"); provided, however, that a Non-Defaulting Project Participant's Step-Up Invoice Amount shall not exceed twenty-five percent (25%) of such Non-Defaulting Project Participant's Invoice Amount for the same month for which the Payment Default occurred (the "**Step-Up Invoice Amount Cap**").

(i) Each Non-Defaulting Project Participant shall pay the Step-Up Invoice Amount by the later of the twentieth (20<sup>th</sup>) calendar day of the following Month or thirty (30) days after the date on which CCP issues the Step-Up Invoice to the other Project Participants. No sooner than five (5) calendar days after CCP issues the Step-Up Invoice, CCP may deduct the amount of the Step-Up Invoice from each Project Participant's Operating Account and attribute such funds to a separate tracking account ("**Step-Up Reserve Account**"), which shall be accessible only by CCP, and which CCP may in its sole discretion deduct from in order to ensure that CCP can meet the payment obligations of the Offtake Agreement. CCP first shall deduct all funds from a Defaulting Project Participant's Operating Account before deducting funds from the Step-Up Reserve Account.

(ii) Application of Moneys Received from a Defaulting Project Participant. If a Defaulting Project Participant cures a Payment Default on or before the Payment Default Termination Deadline, any funds remaining in the Step-Up Reserve Account shall be attributed to the Operating Accounts of the other Project Participants on a pro rata share, based on the Entitlement Share of such other Project Participant. If a Defaulting Project Participant fails to cure a Payment Default and the Defaulting Project Participant's Project Rights and Obligations are terminated and disposed of in accordance with Section 12.8, any funds remaining in the Step-Up Reserve Account or the Defaulting Project Participant's Operating Account shall be attributed to the Operating Accounts of the Non-Defaulting Project Participants on a pro rata share, based on the Entitlement Share, subject to the Step-Up Invoice Amount Cap for each Non-Defaulting Project Participant. If any Non-Defaulting Project Participant has not paid the full amount of its share of the Step-Up Invoice Amount to CCP by the deadline specified in Section 12.7(a)(i), then such occurrence shall be a Late Payment as specified in Section 9.7(a) and is subject to a Late Payment Charge pursuant to Section 9.7(b), and any such Non-Defaulting Project Participant shall not be entitled to its share of any moneys received from the Defaulting Project Participant or any funds remaining in the Step-Up Reserve Account in accordance with this Section 12.7(a)(ii) until such Non-Defaulting Project Participant has paid to CCP the full amount of its Step-Up Invoice Amount and the Late Payment Charge.

12.8. Step-Up Allocation of Project Participant's Project Rights. In the event that a Defaulting Project Participant's Project Rights are terminated pursuant to Section 12.6, then such Defaulting Project Participant's Entitlement Share shall be allocated to the other Project Participants ("Step-Up Allocation") pursuant to the process set forth in this Section 12.8. If a Project Participant has defaulted in the performance of any of its obligations under its BLPTA, and any applicable cure periods under the BLPTA have expired, the Project Participants shall, to the extent required by each respective Project Participant's BLPTA, utilize the procedures set forth in this Section 12.8 to allocate the Project Rights and Obligations of the Project Participant that has defaulted under the BLPTA to the Project Participants that have not defaulted under the BLPTA, subject to the Step-Up Allocation Cap specified in Section 12.8(a).

(a) Step-Up Allocation Cap. If a Defaulting Project Participant's Entitlement Share is allocated to the Non-Defaulting Project Participants pursuant to this Section 12.8, no individual Non-Defaulting Project Participant shall be obligated to assume an allocation that exceeds that Project Participant's Step-Up Allocation Cap set forth in Column E of the Table in Exhibit B of this Agreement. Each Non-Defaulting Project Participant's initial Step-Up Allocation Cap shall be equal to the Non-Defaulting Project Participant Entitlement Share as of the Effective Date and set forth in Column B of the Table in Exhibit B of this Agreement, multiplied by one hundred and twenty-five percent (125%). If a Project Participant modifies its Entitlement Share pursuant to Section 4.2 of this Agreement, then that Project Participant's Step-Up Allocation Cap shall be equal to the Project Participant's Entitlement Share as modified pursuant to Section 4.2 multiplied by one hundred and twenty-five percent (125%). Upon a modification of a Project Participant's Entitlement Share pursuant to Section 4.2, the CCP Manager shall cause the Step-Up Allocation Cap specified in Column E of the Table in Exhibit B of this Agreement to be modified in accordance with this Section 12.8(a). For avoidance of doubt, if a Project Participant's Entitlement Share is increased pursuant to Section 12.8(b) or (c), then such Project Participant's Step-Up Allocation Cap shall not be modified.

(b) Step-Up Allocation Share. If a Defaulting Project Participant's Project Rights are terminated pursuant to Section 12.6, then such Defaulting Project Participant's Entitlement Share shall be allocated to each Non-Defaulting Project Participant based on such Non-Defaulting Project Participant's pro rata share, calculated based on its Entitlement Share of the difference of the entire project minus the Entitlement Share of the Defaulting Project Participant, unless such allocation would cause any individual Non-Defaulting Project Participant to exceed its Step-Up Allocation Cap, in which case Section 12.8(c) shall apply. Upon allocation of a defaulting Project Participant's Entitlement Share pursuant to this Section 12.8(b), the CCP Manager shall cause each affected Project Participant's Entitlement Share specified in Column D of the Table in Exhibit B to be modified in accordance with this Section 12.8.

(c) Voluntary Allocation of Project Rights in Excess of the Step-Up Allocation Caps. If the allocation of a Defaulting Project Participant's Entitlement Share pursuant to Section 12.8(b) would cause any Non-Defaulting Project Participant's Entitlement Share to exceed its Step-Up Allocation Cap, then no allocation shall occur pursuant to Section 12.8(b). In such case, the CCP Manager shall oversee the offering of the total amount of the Defaulting Project Participant's Entitlement Share to the Non-Defaulting Project Participants on a voluntary basis. The initial offering shall be to each Non-Defaulting Project Participant on a pro rata share, based on such Non-Defaulting Project Participant's Entitlement Share. Each Project Participant may

accept or reject the portion of the Defaulting Project Participant's Entitlement Share. If any portion of the Defaulting Project Participant's Entitlement Share remains unclaimed after the initial offering, then the remaining portion shall be offered to any Non-Defaulting Project Participant that accepted its full share of the Defaulting Project Participant's Entitlement Share in the initial offering on a pro rata share, based on such Non-Defaulting Project Participant's Entitlement Share as a percentage of the total Entitlement Shares of all Project Participants that are participating in the subsequent round of offerings. The CCP Manager shall conduct subsequent offering rounds until either the total amount of the Defaulting Project Participant's Entitlement Share is accepted by one or more of the Non-Defaulting Project Participants or some portion of the Defaulting Project Participant's Entitlement Share remains, but all Non-Defaulting Project Participants have rejected such remaining amount.

(d) Step-Up Allocation Damage Payment. A Defaulting Project Participant shall owe to each Non-Defaulting Project Participant that assumes any portion of the Defaulting Project Participant's Entitlement Share pursuant to the process set forth in Section 12.8(b) or 12.8(c) a "**Step-Up Allocation Damage Payment**" equal to the Costs and Losses, on the one hand, netted against its Gains, on the other. If the Non-Defaulting Project Participant's Costs and Losses exceed its Gains, then the Step-Up Allocation Damage Payment shall be an amount owing to such Non-Defaulting Project Participant. If the Non-Defaulting Project Participant's Gains exceed its Costs and Losses, then the Step-Up Allocation Damage Payment shall be zero dollars (\$0). A Defaulting Project Participant shall not be entitled to any Step-Up Allocation Damage Payment or any other damages otherwise authorized under this Agreement from any other Project Participant. The Step-Up Allocation Damage Payment does not include consequential, incidental, punitive, exemplary, or indirect or business interruption damages. Each Non-Defaulting Project Participant that assumes any portion of the Defaulting Project Participant's Entitlement Share pursuant to the process set forth in Section 12.8(b) or 12.8(c) shall calculate, in a commercially reasonable manner, the Step-Up Allocation Damage Payment for the Defaulting Project Participant's Entitlement Share assumed by the Non-Defaulting Project Participant as of the effective date of such Step-Up Allocation. Third parties supplying information for purposes of the calculation of Gains or Losses may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information. If the Defaulting Project Participant disputes the Non-Defaulting Project Participant's calculation of the Step-Up Allocation Damage Payment, in whole or in part, the Defaulting Project Participant shall, within five (5) Business Days of receipt of the Non-Defaulting Project Participant's calculation of the Step-Up Allocation Damage Payment, provide to the Non-Defaulting Project Participant a detailed written explanation of the basis for such dispute. Disputes regarding the Step-Up Allocation Damage Payment shall be determined in accordance with Article 16. Each Party agrees and acknowledges that (i) the actual damages that the other Project Participant would incur in connection with a Step-Up Allocation would be difficult or impossible to predict with certainty, (ii) the Step-Up Allocation Damage Payment described in this Section 12.8(d) is a reasonable and appropriate approximation of such damages, and (iii) the Step-Up Allocation Damage Payment described in this Section 12.8(d) is the exclusive remedy of a Project Participant in connection with a Step-Up Allocation pursuant to the process set forth in Sections 12.8(b) or 12.8(c) against a Defaulting Project Participant but shall not otherwise act to limit any of the Non-Defaulting Project Participant's rights or remedies under this Agreement.

(e) Remarketing of Unclaimed Defaulting Project Participant's Entitlement Share. If after the process set forth in Section 12.8(c), some portion of the Defaulting Project Participant's Entitlement Share remains unclaimed, the CCP Manager, in their discretion or as directed by the Non-Defaulting Project Participants, may take any action to generate revenue from such unclaimed Entitlement Share in order to meet CCP's payment obligation under the Offtake Agreement. For avoidance of doubt, the CCP Manager shall not be limited by the requirements of Section 4.2 or 5.1(j) of this Agreement in remarketing or generating revenue based on the unclaimed share.

12.9. Elimination or Reduction of Payment Obligations. Notwithstanding anything to the contrary in this Agreement, upon termination of a Defaulting Project Participant's Project Rights pursuant to Section 12.6 and the full disposal of all of such Defaulting Project Participant's Project Rights and Obligations pursuant to Section 12.8, such Defaulting Project Participant's obligation to make payments under this Agreement (notwithstanding anything to the contrary herein) shall be eliminated, provided, however, such Defaulting Project Participant remains a party to this Agreement and subject to any remaining obligations and/or liabilities other than payment obligations until such time as the parties to this Agreement execute an amendment to this Agreement that removes such Defaulting Project Participant.

## **ARTICLE 13** **LIABILITY**

13.1. Project Participants' Obligations Several. No Project Participant shall be liable under this Agreement for the obligations of any other Project Participant or for the obligations of CCP incurred on behalf of other Project Participants. Each Project Participant shall be solely responsible and liable for performance of its obligations under this Agreement, except as otherwise provided for herein. The obligation of Project Participants to make payments under this Agreement is a several obligation and not a joint obligation with those of the other Project Participants.

13.2. No Liability of CCP or Project Participants. Except as provided for under Section 13.5 herein, the Parties agree that neither CCP, Project Participants, nor any of their past, present or future directors, officers, employees, board members, agents, attorneys or advisors (collectively, the "**Released Parties**") shall be liable to any other of the Released Parties for any and all claims, demands, liabilities, obligations, losses, damages (whether direct, indirect or consequential), penalties, actions, loss of profits, judgments, orders, suits, costs, expenses (including attorneys' fees and expenses) or disbursements of any kind or nature whatsoever in law, equity or otherwise (including, without limitation, death, bodily injury or personal injury to any person or damage or destruction to any property of Project Participants, CCP, or third persons) suffered by any Released Party as a result of the action or inaction or performance or non-performance by the Project Developer under the Offtake Agreement. Except as provided for under Section 13.5 herein, each Party shall release each of the other Released Parties from any claim or liability that such Party may have cause to assert as a result of any actions or inactions or performance or non-performance by any of the other Released Parties under this Agreement (excluding gross negligence and 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). Notwithstanding

the foregoing, no such action or inaction or performance or non-performance by any of the Released Parties shall relieve CCP or any Project Participants from their respective obligations under this Agreement, including, without limitation, the Project Participants' obligation to make payments required under Section 9.5 of this Agreement and CCP's obligation to make payments under Section 8.2 of the Offtake Agreement. The provisions of this Section 13.2 shall not be construed so as to relieve the CCP or the Project Developer from any obligation or liability under this Agreement or the Offtake Agreement.

13.3. Extent of Exculpation; Enforcement of Rights. The exculpation provision set forth in Section 13.2 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, any 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 any 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.

13.4. No General Liability of CCP. The undertakings under this Agreement by CCP shall not constitute a debt or indebtedness of CCP 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.

13.5. Indemnification. Each Party shall indemnify, defend, protect, hold harmless, and release the other Parties, their directors, board members, officers, employees, agents, attorneys and advisors, past, present or future, from and against any and all claims, demands, liabilities, obligations, losses, damages (whether direct, indirect or consequential), penalties, actions, loss of profits, judgments, orders, suits, costs, expenses (including attorneys' fees and expenses) or disbursements of any kind or nature whatsoever in law, equity or otherwise, which include, without limitation, death, bodily injury, or personal injury to any person or damage or destruction to any property of Project Participants, CCP, or third persons, that may be imposed on, incurred by or asserted against any Party arising by manner of any breach of this Agreement, or the negligent acts, errors, omissions or willful misconduct incident to the performance of this Agreement on the part of any Party or any Party's directors, board members, officers, employees, agents and advisors, past, present or future.

## **ARTICLE 14**

### **NOTICES**

14.1. Addresses for the Delivery of Notices. Any Notice required, permitted, or contemplated hereunder shall be in writing, shall be addressed to the Party to be notified at the address set forth in Exhibit A or at such other address or addresses as a Party may designate for itself from time to time by Notice hereunder.

14.2. Acceptable Means of Delivering Notice. Each Notice required, permitted, or contemplated hereunder shall be deemed to have been validly served, given or delivered as follows:

(a) if sent by United States mail with proper first class postage prepaid, five (5) Business Days following the date of the postmark on the envelope in which such Notice was deposited in the United States mail;

(b) if sent by a regularly scheduled overnight delivery carrier with delivery fees either prepaid or an arrangement with such carrier made for the payment of such fees, the next Business Day after the same is delivered by the sending Party to such carrier;

(c) if sent by electronic communication (including electronic mail or other electronic means) at the time indicated by the time stamp upon delivery and, if after 5:00 pm, on the next Business Day; or

(d) if delivered in person, upon receipt by the receiving Party.

Notwithstanding the foregoing, Notices of outages or other scheduling or dispatch information or requests, may be sent by electronic communication and shall be considered delivered upon successful completion of such transmission.

## **ARTICLE 15** **ASSIGNMENT**

15.1. General Prohibition on Assignments. No Party may assign this Agreement, or its rights or obligations under this Agreement, without the prior written consent of all other Parties, in each Party's sole discretion.

## **ARTICLE 16** **GOVERNING LAW AND DISPUTE RESOLUTION**

16.1. Governing Law. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced, and performed in accordance with the laws of the state of California, without regard to principles of conflicts of Law. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. The Parties agree that any suit, action, or other legal proceeding by or against any Party with respect to or arising out of this Agreement shall be brought in the federal or state courts located in the State of California in a location to be mutually chosen by all Parties, or in the absence of mutual agreement, the County of Sacramento.

16.2. Dispute Resolution. In the event of any dispute arising under this Agreement, within ten (10) days following the receipt of a Notice from either Party identifying such dispute, the Parties shall meet, negotiate, and attempt, in good faith, to resolve the dispute quickly and informally without significant legal costs. If the Parties are unable to resolve a dispute arising hereunder within thirty (30) days after Notice of the dispute, the Parties may pursue all remedies available to them at Law or in equity.

## **ARTICLE 17** **MISCELLANEOUS**

17.1. Entire Agreement; Integration; Exhibits. This Agreement, together with the Exhibits attached hereto constitutes the entire agreement and understanding by and among the Parties with respect to the subject matter hereof and supersedes all prior agreements relating to the subject matter hereof, which are of no further force or effect. The Exhibits attached hereto are integral parts hereof and are made a part of this Agreement by reference. The headings used herein are for convenience and reference purposes only. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission, or other event of negotiation, drafting or execution hereof.

17.2. Amendments. This Agreement may only be amended, modified, or supplemented by an instrument in writing executed by duly authorized representatives of all Parties; *provided*, this Agreement may not be amended by electronic mail communications. Any revisions to the Entitlement Share specified in Exhibit B pursuant to Section 4.2. or Section 12.8 shall be considered an element of the administration of this Agreement and shall not require the consent of the Parties hereto.

17.3. No Waiver. Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default.

17.4. Severability. In the event that any provision of this Agreement is unenforceable or held to be unenforceable, the Parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby. The Parties shall, however, use their best endeavors to agree on the replacement of the void, illegal or unenforceable provision(s) with legally acceptable clauses which correspond as closely as possible to the sense and purpose of the affected provision and this Agreement as a whole.

17.5. Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument and each of which shall be deemed an original.

17.6. Electronic Delivery. This Agreement may be duly executed and delivered by a Party by electronic format (including portable document format (.pdf)). Delivery of an executed counterpart in .pdf electronic version shall be binding as if delivered in the original. The words “execution,” “signed,” “signature,” and words of like import in this Agreement shall be deemed to include electronic signatures or electronic records, each of which shall be of the same legal effect, validity, or enforceability as a manually executed signature or the use of a paper-based record keeping system, as the case may be, to the extent and as provided for in any applicable law.

17.7. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

17.8. Forward Contract. The Parties acknowledge and agree that this Agreement constitutes a “forward contract” within the meaning of the U.S. Bankruptcy Code, and that the Parties are “forward contract merchants” within the meaning of the U.S. Bankruptcy Code. Each Party further agrees that, for all purposes of this Agreement, each Party waives and agrees not to assert the applicability of the provisions of 11 U.S.C. § 366 in any Bankruptcy proceeding wherein

such Party is a debtor. In any such proceeding, each Party further waives the right to assert that the other Party is a provider of last resort to the extent such term relates to 11 U.S.C. §366 or another provision of 11 U.S.C. § 101-1532.

17.9. City of San Francisco Standard Provisions.

(a) False Claims. Pursuant to San Francisco Administrative Code § 21.35, any Party to this Agreement who submits a false claim shall be liable to the City and County of San Francisco for the statutory penalties set forth in that section. A Party will be deemed to have submitted a false claim to the City and County of San Francisco if the Party: (i) knowingly presents or causes to be presented to an officer or employee of the City and County of San Francisco a false claim or request for payment or approval; (ii) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City and County of San Francisco; (iii) conspires to defraud the City and County of San Francisco by getting a false claim allowed or paid by the City and County of San Francisco; (iv) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City and County of San Francisco; or (v) is a beneficiary of an inadvertent submission of a false claim to the City and County of San Francisco, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City and County of San Francisco within a reasonable time after discovery of the false claim.

(b) Political Activity. In performing its responsibilities under this Agreement, CCP shall comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by the City and County of San Francisco for this Agreement from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure.

(c) Non-discrimination Requirements.

(i) Non-discrimination in Contracts. CCP shall comply with the provisions of Chapters 12B and 12C of the San Francisco Administrative Code. CCP shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. CCP is subject to the enforcement and penalty provisions in Chapters 12B and 12C.

(ii) Non-discrimination in the Provision of Employee Benefits. San Francisco Administrative Code 12B.2. CCP does not as of the date of this Agreement, and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of employee benefits between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, subject to the conditions set forth in San Francisco Administrative Code Section 12B.2.

(d) Consideration of Criminal History in Hiring and Employment Decisions. CCP agrees to comply fully with and be bound by all of the provisions of Chapter 12T, "City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment

Decisions,” of the San Francisco Administrative Code, including the remedies provided, and implementing regulations, as may be amended from time to time. The requirements of Chapter 12T shall only apply to CCP’s operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, and shall apply when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City. Chapter 12T shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

(e) MacBride Principles – Northern Ireland. Pursuant to San Francisco Administrative Code § 12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

(f) Tropical Hardwood and Virgin Redwood Ban. The City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood product, virgin redwood or virgin redwood product. If this order is for wood products or a service involving wood products:

(i) Chapter 8 of the Environment Code is incorporated herein and by reference made a part hereof as though fully set forth.

(ii) Except as expressly permitted by the application of Sections 802(B), 803(B), and 804(B) of the Environment Code, CCP shall not provide any items to the City in performance of this Agreement which are tropical hardwoods, tropical hardwood products, virgin redwood or virgin redwood products.

(iii) Failure of CCP to comply with any of the requirements of Chapter 8 of the Environment Code shall be deemed a material breach of contract.

#### 17.10. City of San José Standard Provisions.

(a) Nondiscrimination/Non-Preference. The Parties shall not, and shall not cause or allow its subcontractors to, discriminate against or grant preferential treatment to any person on the basis of race, sex, color, age, religion, sexual orientation, actual or perceived gender identity, disability, ethnicity or national origin. This prohibition applies to recruiting, hiring, demotion, layoff, termination, compensation, fringe benefits, advancement, training, apprenticeship and other terms, conditions, or privileges of employment, subcontracting and purchasing. The Parties will inform all subcontractors of these obligations. This prohibition is subject to the following conditions: (i) the prohibition is not intended to preclude Parties from providing a reasonable accommodation to a person with a disability; (ii) the City of San José’s Compliance Officer may require the Parties to file, and cause any Party’s subcontractor to file, reports demonstrating compliance with this section. Any such reports shall be filed in the form and at such times as the City’s Compliance Officer designates. They shall contain such information, data and/or records as the City’s Compliance Officer determines is needed to show

compliance with this provision.

(b) Conflict of Interest. The Parties represent that they are familiar with the local and state conflict of interest laws, and agrees to comply with those laws in performing this Agreement. The Parties certify that, as of the Effective Date, are unaware of any facts constituting a conflict of interest or creating an appearance of a conflict of interest. The Parties shall avoid all conflicts of interest or appearances of conflicts of interest in performing this Agreement. The Parties have the obligation of determining if the manner in which it performs any part of this Agreement results in a conflict of interest or an appearance of a conflict of interest, and a Party shall immediately notify the City of San José in writing if it becomes aware of any facts giving rise to a conflict of interest or the appearance of a conflict of interest. A Party's violation of this Section 17.10(b) is a material breach.

(c) Environmentally Preferable Procurement Policy. Parties shall perform its obligations under this Agreement in conformance with San José City Council Policy 1-19, entitled "Prohibition of City Funding for Purchase of Single serving Bottled Water," and San José City Council Policy 4-6, entitled "Environmentally Preferable Procurement Policy," as those policies may be amended from time to time. The Parties acknowledge and agree that in no event shall a breach of this Section 17.10(c) be a material breach of this Agreement or otherwise give rise to an Event of Default or entitle the City of San José to terminate this Agreement.

(d) Gifts Prohibited. The Parties represent that they are familiar with Chapter 12.08 of the San José Municipal Code, which generally prohibits a City of San José officer or designated employee from accepting any gift. The Parties shall not offer any City of San José officer or designated employee any gift prohibited by Chapter 12.08. A Party's violation of this Section 17.10(d) is a material breach.

(e) Disqualification of Former Employees. The Parties represent that they are familiar with Chapter 12.10 of the San José Municipal Code, which generally prohibits a former City of San José officer and former designated employee from providing services to the City of San José connected with his/her former duties or official responsibilities. Parties shall not use either directly or indirectly any officer, employee or agent to perform any services if doing so would violate Chapter 12.10.

17.11. Further Assurances. Each of the Parties hereto agrees to provide such information, execute, and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by the other Party which are not inconsistent with the provisions of this Agreement and which do not involve the assumptions of obligations other than those provided for in this Agreement, to give full effect to this Agreement and to carry out the intent of this Agreement.

*[Signatures on following page]*

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the Effective Date.

<p><b>California Community Power</b></p> <p>By:</p> <p>Name: <u>Alexander Morris</u></p> <p>Title: <u>General Manager</u></p> <p>Approved as to form by Counsel</p> <p>By:</p> <p>Name: <u>Joshua Nelson</u></p> <p>Title: <u>General Counsel</u></p>	<p><b>CleanPowerSF</b></p> <p>By:</p> <p>Name: <u>Dennis J. Herrera</u></p> <p>Title: <u>General Manager, San Francisco Public Utilities Commission</u></p> <p>Approved as to form by Counsel</p> <p>By:</p> <p>Name: <u>Sushil Jacob</u></p> <p>Title: <u>Deputy City Attorney</u></p>
<p><b>Peninsula Clean Energy Authority</b></p> <p>By:</p> <p>Name: <u>Shawn Marshall</u></p> <p>Title: <u>Chief Executive Officer</u></p>	<p><b>Redwood Coast Energy Authority</b></p> <p>By:</p> <p>Name: <u>Elizabeth Burks</u></p> <p>Title: <u>Executive Director</u></p>
<p><b>San José Clean Energy</b></p> <p>By:</p> <p>Name: <u>Lori Mitchell</u></p> <p>Title: <u>Director of San José Clean Energy</u></p> <p>Approved as to form by Counsel</p> <p>By:</p> <p>Name: <u>William Charley</u></p> <p>Title: <u>Senior Deputy City Attorney</u></p>	<p><b>Silicon Valley Clean Energy</b></p> <p>By:</p> <p>Name: <u>Monica Padilla</u></p> <p>Title: <u>Chief Executive Officer</u></p> <p>Approved as to form by Counsel</p> <p>By:</p> <p>Name: <u>Michael Callahan</u></p> <p>Title: <u>General Counsel</u></p>

**Valley Clean Energy**

By:

Name: Mitch Sears

Title: Chief Executive Officer

**EXHIBIT A**  
**NOTICES**

<b>Party</b>	<i>All Notices</i>	<i>Invoices</i>
<b>California Community Power</b>	[Redacted]	[Redacted]
<b>CleanPowerSF</b>	[Redacted]	[Redacted]
<b>Peninsula Clean Energy</b>	[Redacted]	[Redacted]
<b>Redwood Coast Energy Authority</b>	[Redacted]	[Redacted]

Party	<i>All Notices</i>	<i>Invoices</i>
<p><b>San José Clean Energy</b></p>	<p>[Redacted]</p>	<p>[Redacted]</p>
<p><b>Silicon Valley Clean Energy</b></p>	<p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>	<p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>
<p><b>Valley Clean Energy</b></p>	<p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>	<p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>

**EXHIBIT B**

**SCHEDULE OF PROJECT PARTICIPANT ENTITLEMENT SHARES  
AND STEP-UP ALLOCATION CAPS**

*Dated:* \_\_\_\_\_

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>Project Participant</b>	<b>Entitlement Share <i>As of Effective Date</i></b>	<b>Entitlement Share <i>As Modified Pursuant to Section 4.2</i></b>	<b>Entitlement Share <i>As Modified Pursuant to Section 12.8(b) or 12.8(c)</i></b>	<b>Step-Up Allocation Cap <i>125% multiplied by Column B or C as applicable</i></b>
CleanPowerSF	23.00%			28.75%
Peninsula Clean Energy	30.00%			37.50%
Redwood Coast Energy Authority	6.20%			7.75%
San José Clean Energy	24.00%			30.00%
Silicon Valley Clean Energy	11.40%			14.25%
Valley Clean Energy	5.40%			6.75%
<b>Total</b>	<b>100%</b>			

**Instructions:** If the CCP Manager modifies one or more Project Participant’s Entitlement Share pursuant to Section 4.2, the CCP Manager shall prepare an updated Exhibit B that shows the prior Entitlement Share (Column B or D) in ~~strikeout~~ and specifies the new Entitlement Share values and the effective date of such modification in Column C. If the CCP Manager modifies one or more Project Participant’s Entitlement Share pursuant to Section 12.8, the CCP Manager shall prepare an updated Exhibit B that shows the prior Entitlement Share (Column B or Column C) in ~~strikeout~~ and specifies the new Entitlement Share values and the effective date of such modification in Column D.

## EXHIBIT C

### PROCEDURE FOR VOLUNTARY REDUCTION OF PROJECT PARTICIPANT'S ENTITLEMENT SHARE

(a) Offer to Other Project Participants. A Project Participant proposing to reduce its Entitlement Share of the Project shall provide Notice to all other Project Participants and CCP specifying the quantity of the proposed reduction of Entitlement Share (“**Entitlement Share Reduction Amount**”) and the first Month for which the Project Participant Proposes that the change of Entitlement Share would become effective (such Notice referred to as the “**Entitlement Share Reduction Notice**”).

(i) Upon receiving an Entitlement Share Reduction Notice from any Project Participant, the CCP Manager shall promptly do all of the following:

(A) Establish Entitlement Share Reduction Compensation Amount. The CCP Manager shall secure at least one (1), but no more than three (3), valuations of the net present value of the Entitlement Share Reduction Amount over the remaining term of the Offtake Agreement from one or more qualified firm(s) with the requisite experience to determine such valuation. The valuation, or if more than one valuation is obtained, the average of all valuations received, shall be the “**Proposed Entitlement Share Reduction Compensation Amount**.” The CCP Manager shall present the Proposed Entitlement Share Reduction Compensation Amount to the Project Participants. The Project Participants shall by a Normal Vote either approve the Proposed Entitlement Share Reduction Compensation Amount or direct the CCP Manager to secure additional valuations. The Proposed Entitlement Share Reduction Compensation Amount approved by the Project Participants shall be the “**Entitlement Share Reduction Compensation Amount**.” The Project Participant proposing to reduce its Entitlement Share may modify the quantity of the Entitlement Share Reduction Amount associated with its proposal or withdraw its proposal at any time prior to the initiation of the process set forth in paragraph (a)(i)(B).

(B) Oversee the Offering of the Entitlement Share Reduction Amount to Other Project Participants. The CCP Manager shall facilitate the offering of the Entitlement Share Reduction Amount to the other Project Participants through multiple rounds of offerings.

a) The initial offering shall be to each Project Participant on a pro rata share, based on such Project Participant's Entitlement Share. Each Project Participant may accept or reject the portion of the Entitlement Share Reduction Amount offered to the Project Participant through this process. If any portion of the Entitlement Share Reduction Amount remains after the initial offering, then the remaining portion shall be offered to any Project Participant that accepted the share of the Entitlement Share Reduction Amount offered in the initial offering on a pro rata share, based on such Project Participant's Entitlement Share as a percentage of the total Entitlement Shares of all Project Participants that accepted the portion of the Entitlement Share Reduction Amount offered to them in the initial offering.

b) The CCP Manager shall conduct subsequent offering rounds until either the total Entitlement Share Reduction Amount is accepted by one or more of the other Project Participants or some portion of the Entitlement Share Reduction Amount remains, but all Project Participants have rejected such amount.

c) Any Project Participant accepting a share of the offered Entitlement Share Reduction Amount shall either pay the offering Project Participant or be compensated by the offering Project Participant at the Entitlement Share Reduction Compensation Amount multiplied by the quantity of the portion being accepted.

d) Before a transfer of all or a portion of any Project Participant's Entitlement share to another Project Participant can become effective, the proposed transfer must be submitted to and approved by the CCP Manager.

e) After acceptance and payment for such portion of the Entitlement Share Reduction Amount, the CCP Manager shall cause the Entitlement Share specified in Exhibit B to be modified accordingly, and such modification shall be considered an element of the administration of this Agreement and shall not require the consent of the Parties hereto.

(C) Oversee the Offering of the Entitlement Share Reduction Amount to CCP Members that are not Project Participants. If there is any portion of the Entitlement Share Reduction Amount that remains unaccepted after the process specified in paragraph (a)(i)(B) is complete, then the Project Participant proposing to reduce its Entitlement Share may request that the CCP Manager offer the remaining portion of the Entitlement Share Reduction Amount to CCP Members that are not Project Participants. If any CCP Member wishes to accept any or all of the remaining portion of the Entitlement Share Reduction Amount, such action shall require the CCP Member to become a Project Participant through an amendment to this Agreement, which shall be subject to the consent and approval of all Parties to this Agreement and the CCP Member becoming a Project Participant. The compensation amount associated with the CCP Member accepting the remaining portion of the Entitlement Share Reduction Amount shall be negotiated between the CCP Member and the offering Project Participant.

(D) Oversee the Offering of the Entitlement Share Reduction Amount to a Community Choice Aggregator that is not a CCP Member. If there is any portion of the Entitlement Share Reduction Amount that remains unaccepted after the process specified in both paragraphs (a)(i)(B) and (a)(i)(C) is complete, then the Project Participant proposing to reduce its Entitlement Share, may request that the CCP Manager offer the remaining portion of the Entitlement Share Reduction Amount to a Community Choice Aggregator that is not a CCP Member. If any Community Choice Aggregator wishes to accept any or all of the remaining portion of the Entitlement Share Reduction Amount, such action shall require the Community Choice Aggregator to become a CCP Member, and subsequent to becoming a CCP Member, to become a Project Participant through an amendment to this Agreement that is subject to the consent and approval of all Parties to this Agreement and the Community Choice Aggregator becoming a Project Participant. The compensation amount associated with the Community Choice Aggregator accepting the remaining portion of the Entitlement Share Reduction Amount shall be negotiated between the Community Choice Aggregator and the offering Project Participant.

**EXHIBIT D**  
**COORDINATED OPERATIONS AGREEMENT**

**1. AGREEMENT; TERM**

1.1. Agreement. This Coordinated Operations Agreement establishes the structure for CCP to oversee the operations of the Project and for the Project Participants to advise CCP on the operation of the Project through the Operations Advisory Subcommittee.

**2. LEAD POINT PERSON**

2.1. Lead Point Person. The CCP Manager shall appoint a “**Lead Point Person**,” who shall be an employee of CCP with the responsibilities set forth herein.

2.2. Lead Point Person Responsibilities. In consultation with the Operations Advisory Subcommittee, the Lead Point Person shall be responsible for fulfilling the operational requirements of the Project Participation Share Agreement, the Offtake Agreement, and CCP policies, and developing the procedures, protocols, and strategies relating to the operations of the Project. Examples include, but are not limited to, the following tasks, as applicable:

- settlements;
- after-the-fact analysis;
- Project inspections and performance testing;
- meter testing, calibration, and certification;
- compliance, Project performance, and market operations reporting;
- records management;
- facilitation of Capacity Attribute or other Product delivery, certification, and (subject to individual Project Participants’ authorization for their Entitlement Share) resale;
- and any other relevant operational activities relating to the Project.

2.3. Reporting. Commencing no later than twelve (12) months prior to the expected COD, the Lead Point Person shall provide regular reports, no less frequently than monthly, to the Operations Advisory Subcommittee regarding the status and performance of the Project and any actions taken by the Lead Point Person on a regular cadence, as requested by the Operations Advisory Subcommittee.

2.4. Calling and Leading Meeting. The Lead Point Person shall call and lead meetings of the Operations Advisory Subcommittee, shall coordinate the Operations Advisory Subcommittee meetings with the Chair and Vice Chair, and shall follow the guidance of the Operations Advisory Subcommittee and any Normal Votes or Alternate Normal Votes by the Operations Advisory Subcommittee in his or her management of the Project.

**3. OPERATIONS ADVISORY SUBCOMMITTEE**

- 3.1. Operations Advisory Subcommittee. The Project Participants shall form an “**Operations Advisory Subcommittee**” with the responsibilities set forth below to advise the Lead Point Person upon all actions reasonably necessary to ensure that the Project Participants may obtain the benefits of the Offtake Agreement in a manner consistent with the terms and conditions of the Offtake Agreement.
- 3.2. Operations Advisory Subcommittee Membership. The Operations Advisory Subcommittee shall consist of one representative from each Project Participant and the Lead Point Person. An alternate representative may attend all meetings of the Operations Advisory Subcommittee but may vote only if the representative for whom they serve as alternate is absent. The Lead Point Person may bring in additional CCP staff as needed to support the operations of and reporting on the status of the Project.
- 3.3. Operations Advisory Subcommittee Leadership.
  - 3.3.1. The Project Participants shall on an annual basis elect through a Normal Vote of the Operations Advisory Subcommittee a “**Chair**” and “**Vice Chair**” from among the Project Participants to coordinate the Operations Advisory Subcommittee meetings with the Lead Point Person and provide more regular feedback and guidance to the Lead Point Person on the operation of the Project and management of the Operations Advisory Subcommittee.
  - 3.3.2. The Chair and Vice Chair shall review and curate materials to be presented to the Operations Advisory Subcommittee by the Lead Point Person, as appropriate.
  - 3.3.3. The Chair and Vice Chair roles shall each be subject to a continuous term limit of two (2) years and shall be representatives from different Project Participants.
- 3.4. Operations Advisory Subcommittee Responsibilities.
  - 3.4.1. Unless otherwise agreed to by the Operations Advisory Subcommittee and Lead Point Person, the Operations Advisory Subcommittee shall meet no less than monthly to review the activities of and advise the Lead Point Person upon the development and implementation of the CCP policies, procedures, protocols, and strategies relating to the operations of the Project. At least one representative from each Project Participant and the Lead Point Person shall be present at each meeting.
  - 3.4.2. To the extent a Project Participant is unable to attend a meeting, such Project Participant shall delegate his or her advisory vote.
  - 3.4.3. Any Project Participant may call for a meeting of the Operations Advisory Subcommittee during normal business hours
- 3.5. Operations Advisory Subcommittee Voting Procedures. All advisory votes by the Project Participants within the Operations Advisory Subcommittee for any policies, procedures, protocols, and strategies relating to the operations of the Project, shall proceed pursuant to the “**Normal Vote**” process:

- 3.5.1. Quorum. No Normal Vote of the Operations Advisory Subcommittee shall be taken unless a representative is present or a vote is delegated for at least fifty percent (50%) of the total number of Project Participants; provided, however, that the Lead Point Person, Chair, and Vice Chair may call for a Normal Vote to be conducted by email, in which case at least fifty percent (50%) of the total number of Project Participants shall participate in the Normal Vote for a quorum to be met. For avoidance of doubt, the Lead Point Person shall not be a voting party, unless delegated a vote(s) by a Project Participant(s), pursuant to Exhibit D, Section 3.7.
- 3.5.2. Initial Normal Vote. All advisory guidance shall be informed by an affirmative vote of at least fifty-one percent (51%) of the total number of Project Participants, without regard to each Project Participant's Entitlement Share; provided, however, any representative of the Operations Advisory Subcommittee may request an Alternate Normal Vote.
- 3.5.3. Alternate Normal Vote. Any representative of the Operations Advisory Subcommittee may request that any Normal Vote be taken on an Entitlement Share basis (referred to as an "**Alternate Normal Vote**"). If a representative requests an Alternate Normal Vote, such Alternate Normal Vote shall replace and take precedence over any Normal Vote that may have been taken on the applicable matter. The following vote requirements shall apply to an Alternate Normal Vote:
- 3.5.3.1. If any individual Project Participant has an Entitlement Share exceeding fifty percent (50%), then all advisory guidance for which an Alternate Normal Vote is taken, shall require that the Project Participant with an Entitlement Share exceeding fifty percent (50%) plus any other Project Participant vote in the affirmative.
- 3.5.3.2. If no individual Project Participant has an Entitlement Share exceeding fifty percent (50%), then all advisory guidance for which an Alternate Normal Vote is taken, shall require an affirmative vote of Project Participants having Entitlement Shares aggregating at least fifty-one percent (51%) of the total Entitlement Shares
- 3.6. Inaction. If the Operations Advisory Subcommittee is unable or fails to agree with respect to any matter or dispute which it is authorized to advise upon or otherwise act upon after a reasonable opportunity to do so, then the Lead Point Person or CCP Manager shall notify the CCP Board of such matter or dispute, provided, however, the CCP Manager may take such action as, in their discretion, they determine is necessary for the timely performance of any requirement pursuant to the Offtake Agreement.
- 3.7. Delegation. Duties and responsibilities of the Operations Advisory Subcommittee may be delegated to any individual in the Operations Advisory Subcommittee, including the Lead Point Person, upon agreement according to a Normal Vote among the Project Participants. Any Project Participant may delegate its vote to the Lead Point Person or another Project Participant prior to any meeting by giving Notice to all of the Project Participants.

3.8. Role of CCP Board. The rights and obligations of the Operations Advisory Subcommittee, CCP Manager, and Lead Point Person under this Coordinated Operations Agreement shall be subject to the ultimate control at all times of the CCP Board.