

**MASTER POWER PURCHASE AND SALE AGREEMENT
GREENHOUSE GAS-FREE (“GHG-FREE”) ENERGY SALE CONFIRMATION
LETTER
BETWEEN
CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH ITS SAN
FRANCISCO PUBLIC UTILITIES COMMISSION, CLEANPOWERSF (“PARTY A”)
AND
PACIFIC GAS AND ELECTRIC COMPANY (“PARTY B”)**

This confirmation letter (“Confirmation”) confirms the Transaction between Party A, as Buyer, and Party B, as Seller, which becomes effective on the date it is fully executed by both Parties and approved by the San Francisco Board of Supervisors pursuant to Section 8.1 (the “Confirmation Effective Date”), in which Seller agrees to provide to Buyer the Product, as such term is defined in this Confirmation. This Transaction is governed by the Master Power Purchase and Sale Agreement between the Parties, effective as of June 13, 2018, together with the Cover Sheet, the Collateral Annex and Paragraph 10 to the Collateral Annex, and any other annexes thereto (collectively, as amended, restated, supplemented, or otherwise modified from time to time, the “Master Agreement”). The Master Agreement and this Confirmation are collectively referred to herein as the “Agreement”. Capitalized terms used but not otherwise defined in this Confirmation, have the meanings specified for such terms in the Master Agreement or the Tariff (defined below), as applicable. Section references herein are to this Confirmation unless otherwise noted.

**ARTICLE 1
PRODUCT AND CONTRACT QUANTITY**

1.1 Product. The “Product” shall mean Buyer’s exclusive right (a) to the GHG-Free Energy, and (b) to account for or report to a Governmental Entity the Contract Quantity of the GHG-Free Energy. GHG-Free Energy shall mean the Energy generated from Seller’s Resources in the Resource Pools. The list of Resources in the Resource Pools is in Appendix B.

1.2 Changes to Resource Pools. Seller has no obligation to retain Resources that are within the Resource Pools. Seller may remove a Resource from the Resource Pools for the following reasons: (i) if the power purchase agreement corresponding to the Resource has expired or is terminated, (ii) if the Resource is no longer in Seller’s portfolio for some other reason, or (iii) if the Resource is owned by Seller, but ceases operation for Seller. Seller shall retain the sole and absolute discretion to enforce or terminate its power purchase agreements for Resources during the Confirmation Delivery Period. Buyer shall not have any right to or discretion to request changes to the Resource Pool or the Resource(s) during the Confirmation Delivery Period.

1.3 Contract Quantity.

1.3.1 The “Contract Quantity” shall equal the quantity, as measured in megawatt-hours (MWh), of GHG-Free Energy to be delivered to Buyer for each Contract Year during the Confirmation Delivery Period. The actual quantity of Product delivered to the Delivery Point may be less than Contract Quantity for any Contract Year, whether as the result of actual deliveries of Product from the Resource Pools or as otherwise provided under Section 1.2 of this Confirmation. The Contract Quantity and Contract Price for each Contract Year of the Confirmation Delivery Period pursuant to this Confirmation are set forth in the table below:

Contract Year	Contract Quantity (MWh)	GHG-Free Energy Price (\$/MWh)	GHG-Free Energy Premium (\$/MWh)	GHG-Free Energy Premium Amount (\$)
2025		Index Price		

1.3.2 Buyer may, by indicating in the table below, make a one-time election to receive an additional amount of GHG-Free Energy at the Contract Price during the Confirmation Delivery Period, to be delivered after fulfillment of the Contract Quantity for a Contract Year (“Incremental Contract Quantity”). The Incremental Contract Quantity shall be calculated as the product of (a) Buyer’s Portfolio Share, which percentage shall be specified in the table below, multiplied by (b) the total GHG-Free Energy generated by the Resources during a Contract Year net of the Contract Quantity and third-party sales. The Incremental Contract Quantity for any Contract Year may equal zero.

Contract Year	(Optional) Portfolio Share (%)	(Optional) Maximum Incremental Contract Quantity (MWh)
2025	N/A	N/A

ARTICLE 2 **DELIVERY**

2.1 Delivery. Throughout the Confirmation Delivery Period, Seller shall deliver, and Buyer shall receive the Product in accordance with the Confirmation. Seller will act as Scheduling Coordinator to deliver the Product in each hour to the CAISO at the Delivery Point. Title to the Product shall be deemed to pass from Seller to Buyer at the Delivery Point.

2.2 **Delivery Point.** The Delivery Point is and shall mean where Seller shall deliver to, and Buyer shall take possession of, the Product, which shall be NP 15.

2.3 **Delivery Period.** The “Confirmation Delivery Period” shall commence on the start date set forth in the table below (“Confirmation Delivery Start Date”) and shall end on the earlier of (a) the conclusion of the hour ending 2400 (PPT) of the date set forth in the table below (“Confirmation Delivery End Date”), and (b) that date upon which the amount of Product delivered by Seller satisfies the total amount of Product as designated in 1.3.1 and 1.3.2.

Confirmation Delivery Start Date	Confirmation Delivery End Date
01/01/2025	12/31/2025

The “Annual Delivery Period” shall commence on the start date set forth in the table below (“Annual Delivery Start Date”) and shall end on the earlier of (a) the conclusion of the hour ending 2400 (PPT) of the date set forth in the table below (“Annual Delivery End Date”), and (b) that date upon which the amount of Product delivered by Seller satisfies the Contract Quantity and Incremental Contract Quantity, as applicable, for each Contract Year, as designated in 1.3.1 and 1.3.2.

Contract Year	Annual Delivery Start Date	Annual Delivery End Date
2025	01/01/2025	12/31/2025

If the San Francisco Board of Supervisors has not approved the Transaction by December 31, 2024, the Confirmation Delivery Start Date and Annual Delivery Start Date shall be adjusted to the first calendar day following Seller’s receipt of Buyer’s Notice of such approval. Seller will provide Notice of such adjusted dates to Buyer. This adjustment shall not affect the Contract Quantity.

ARTICLE 3

REPORTING REQUIREMENTS

3.1 **Monthly Estimate.** In the month following each Calculation Period (as such term is defined in Section 5.1), Seller shall provide to Buyer a non-binding estimate of the Product delivered to Buyer for such Calculation Period as determined per Section 5.2 (“Monthly Estimate”), along with a monthly invoice consistent with Section 5.3.

3.2 **Final Report.** Seller shall provide to Buyer the Contract Quantity and Incremental Contract Quantity, as applicable, with the monthly generation of the Resources from the Resource Pool in a final report following the Annual Delivery Period (the “Final Report”). The Final Report will include the Product delivered from Seller to Buyer from each Resource from the Resource Pool. Seller will provide Buyer with the

Final Report by May 1st of the year following the year of the applicable Calculation Periods.

3.3 Seller has the sole right and discretion to revise a Monthly Estimate at any time prior to issuance of the Final Report. Any revisions to a Monthly Estimate will be reflected in subsequent Monthly Estimates or prior to the issuance of the Final Report.

3.4 Seller shall notify the California Energy Commission (CEC) pursuant to the then-current CEC regulations of the sale of the Contract Quantity and Incremental Contract Quantity, as applicable, of GHG-Free Energy for purposes of Power Content Label (PCL) reporting. Seller will report as a “sale” in its Power Source Disclosure Report the Contract Quantity and Incremental Contract Quantity, as applicable, from the Resources. Buyer may report as a “purchase” in its Power Source Disclosure Report the Contract Quantity and Incremental Contract Quantity from the Resources.

ARTICLE 4 **DAMAGES**

4.1 If Seller fails to deliver to Buyer the Contract Quantity of Product for any Contract Year during the Confirmation Delivery Period in accordance with Section 2.1, Seller shall not be liable for damages pursuant to Section 4.1 of the Master Agreement.

4.2 If this Confirmation is terminated prior to the end of the Confirmation Delivery Period, and if Buyer has paid for a portion of the Contract Quantity in accordance with Section 5.3, Seller shall provide to Buyer a Final Report in accordance with Section 3.2, which shall contain the prorated amount of GHG-Free Energy reflecting such payment, subject to Section 5.4.

ARTICLE 5 **COMPENSATION**

5.1 Calculation Period. The “Calculation Period” shall be each calendar month or portion thereof during the Confirmation Delivery Period that Product was delivered to the Delivery Point pursuant to this Confirmation.

5.2 Monthly Cash Settlement Amount. Buyer shall pay Seller the Monthly Cash Settlement Amount, in arrears, for each Calculation Period. The “Monthly Cash Settlement Amount” for a particular Calculation Period shall be equal to the sum of (a) plus (b) minus (c), where:

- (a) equals the sum, over all hours of the Calculation Period, of the Index Price multiplied by the quantity of Product delivered to the Delivery Point during that hour; and

- (b) equals the sum, over all hours of the Calculation Period, of the applicable GHG-Free Energy Premium multiplied by the quantity of Product delivered to the Delivery Point during that hour; and
- (c) equals the sum, over all hours of the Calculation Period, of the Index Price multiplied by the quantity of Product delivered to the Delivery Point during that hour.

5.3 Payment. Notwithstanding anything to the contrary in Article Six of the Master Agreement, Buyer shall pay Seller the Monthly Cash Settlement Amount on or before the later of (a) the twentieth (20th) day of the month in which the Buyer receives from Seller an invoice for the Calculation Period to which the Monthly Cash Settlement Amount pertains, or (b) within ten (10) days following receipt of an invoice issued by Seller for the Calculation Period or, if such day is not a Business Day, then on the next Business Day. For any sums due to Seller as the result of a revision to the final Monthly Estimate, Buyer shall pay Seller within ten (10) days following receipt of an invoice issued by Seller for such sums or, if such day is not a Business Day, then on the next Business Day.

5.4 Revisions. In accordance with Section 3.3, Seller may revise a Monthly Estimate at any time prior to issuance of the Final Report. Any revisions to a Monthly Estimate will be reflected in subsequent Monthly Estimates or prior to the issuance of the Final Report and invoiced pursuant to Section 5.3.

ARTICLE 6

CREDIT REQUIREMENTS

6.1 Party A Collateral Requirements

6.1.1 Section 8.2 of the Master Agreement, entitled “Party B Credit Protection”, and all corresponding provisions to Section 8.2 of the Master Agreement do not apply to this Confirmation.

6.2 Party B Collateral Requirements

6.2.1 Section 8.1 of the Master Agreement, entitled “Party A Credit Protection”, and all corresponding provisions to Section 8.1 of the Master Agreement do not apply to this Confirmation.

ARTICLE 7

SELLER’S REPRESENTATIONS, WARRANTIES, AND COVENANTS

7.1 Seller represents and warrants the following:

7.1.1 that it has the contractual rights to sell all rights, title, and interest in the Product to be delivered hereunder;

7.1.2 it has not sold the Product required to be delivered hereunder, or any attribute thereof, to any other person or entity;

7.1.3 it will not substitute or purchase any Product from any generating resource other than from the Resources in the Resource Pool for delivery hereunder; and

7.1.4 it will not include the Product in any of its own Power Content Label (PCL) reporting except to allow it to provide the Product to Buyer consistent with Section 3.4.

7.1.5 it will provide all reasonable information to Buyer necessary for Buyer to timely comply with periodic compliance reporting requirements as set forth herein and as otherwise required by applicable law with respect to this Product, including documents that Buyer is required to maintain or provide to the California Air Resources Board (CARB) in accordance with Assembly Bill (AB) 32. Seller shall maintain adequate records to reasonably assist Buyer in meeting any reporting, verification, transfer, registration, or retirement requirements of a Governmental Authority associated with the Confirmation.

7.2 Seller makes no representation, warranty or covenant with respect to the following:

7.2.1 Characterization, qualities, presence, or non-presence of any greenhouse gas (GHG) emissions of the Resources in the Resource Pool, including whether Resources in the Resource Pool emit GHGs, the type of GHGs, the carbon intensity of the Resources or Resource Pool or anything related to the environmental attributes of the Resources within the Resource Pool.

7.2.2 The ability of Buyer to use the Product for any compliance, regulatory, or reporting purpose.

ARTICLE 8 - GENERAL

8.1 Condition Precedent. Notwithstanding Section 2.1 of the Master Agreement, this Confirmation shall not be effective, and the Delivery Period shall not commence, until it has been approved by the San Francisco Board of Supervisors. Buyer will submit the Transaction for approval by the San Francisco Board of Supervisors following the date the Confirmation is fully executed by both Parties. Buyer will provide Notice of such approval to Seller within 3 business days of such approval. If the San Francisco Board of Supervisors has not approved the Transaction by February 28, 2025, Seller may terminate the Transaction by giving written notice to Buyer. If the San Francisco Board of Supervisors fails to approve the Transaction, or if Seller terminates the Transaction pursuant to this Section 8.1, it shall not be an Event of Default of Buyer and Buyer shall not owe Seller a Termination Payment.

[Signatures on following page.]

ACKNOWLEDGED AND AGREED TO:

Buyer, or Party A:
CITY AND COUNTY OF SAN
FRANCISCO, ACTING BY AND
THROUGH ITS SAN FRANCISCO
PUBLIC UTILITIES COMMISSION,
CLEANPOWERSE

DocuSigned by:
Sign: Dennis Herrera
0619F304C40A4DA...
Print: Dennis J. Herrera
Title: General Manager
Date: 09/11/2024 | 3:48:08 PM PDT

Seller, or Party B:
PACIFIC GAS AND ELECTRIC
COMPANY, a California corporation

Sign: Mark Muranishi
Print: Mark Muranishi
Title: Director, Structured Energy Transactions
Date: 9/12/2024

Approved as to form:

DAVID CHIU
City Attorney

DocuSigned by:
By: Sushil Jacob
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Deputy City Attorney

APPENDIX A

DEFINED TERMS

Any capitalized terms used in this Confirmation but not otherwise defined below shall have the meaning ascribed to such term in the Master Agreement:

“Annual Delivery End Date” has the meaning set forth in Article 2.3.

“Annual Delivery Period” has the meaning set forth in Article 2.3.

“Annual Delivery Start Date” has the meaning set forth in Article 2.3.

“Applicable Law” means any statute, law, treaty, rule, tariff, regulation, ordinance, code, permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, or any binding interpretation of the foregoing, as any of them is amended or supplemented from time to time, that apply to either or both of the Parties, the Product, or the terms of the Agreement.

“Buyer” means Party A.

“CAISO” means the California Independent System Operator Corporation or the successor organization to the functions thereof.

“CEC” means the California Energy Commission.

“CPUC” means the California Public Utilities Commission.

“Calculation Period” means the calendar month or portion thereof during the Confirmation Delivery Period that Product was delivered to the Delivery Point pursuant to this Confirmation.

“California RPS” or “California Renewables Portfolio Standard” means the California renewables portfolio standard, as set forth in Cal. Pub. Util. Code §§ 399.11 et seq. and Cal. Pub. Res. Code §§ 25740-25751, and as administered by the CEC as set forth in the CEC RPS Eligibility Guidebook (9th Ed.), as may be subsequently modified by the CEC, and the California Public Utilities Commission (“CPUC”) as set forth in CPUC Decision (“D”) 08-08-028, D.08-04-009, D.11-01-025, D.11-12-020, D.11-12-052, D.12-06-038 and D.14-12-023, and as may be modified by subsequent decision of the CPUC or by subsequent legislation, and regulations promulgated with respect thereto.

“Confirmation Delivery End Date” has the meaning set forth in Article 2.3.

“Confirmation Delivery Period” has the meaning set forth in Article 2.3.

“Confirmation Delivery Start Date” has the meaning set forth in Article 2.3.

“Contract Price” means the sum of the GHG-Free Energy Price and GHG-Free Energy Premium, measured in \$/MWh, for each MWh of Product delivered to Buyer during the Confirmation Delivery Period.

“Contract Quantity” has the meaning set forth in Article 1.3.1.

“Contract Year” means the calendar year of the Annual Delivery Period

“Delivery Point” has the meaning set forth in Article 2.2.

“Energy” means electrical energy, measured in MWh.

“FERC” means the Federal Energy Regulatory Commission.

“GHG-Free Energy” means the Energy generated from Resources from the Resource Pool. GHG-Free Energy does not include any California RPS-eligible Energy generated from any Resource in the Resource Pool, nor does it include any California RPS-eligible attributes or any other current or future attributes associated with the Product.

“GHG-Free Energy Price” means the Index Price, measured in \$/MWh, for each MWh of Product.

“GHG-Free Energy Premium” means the incremental price to the GHG-Free Energy Price, measured in \$/MWh, for each MWh of Product, as defined in Appendix A.

“GHG-Free Energy Premium Amount” means the Contract Quantity multiplied by GHG-Free Energy Premium.

“Governmental Authority” means any federal, state, local or municipal government, governmental department, commission, board, bureau, agency, or instrumentality, or any judicial, regulatory or administrative body, or the CAISO or any other transmission authority, having or asserting jurisdiction over a Party or the Agreement.

“Index Price” means the NP 15 Trading Hub price (as defined in the Tariff) measured in \$/MWh, for each MWh of Product, and associated with the Product to the Delivery Point for each applicable hour as published by the CAISO on the CAISO website; or any successor thereto, unless a substitute publication and/or index is mutually agreed to by the Parties.

“Large Hydroelectric” has the meaning set forth in Cal. Code Regs., Title 20, § 1391(k)

“MW” means megawatt.

“MWh” means megawatt-hour.

“Maximum Incremental Contract Quantity” means the optional maximum volume of GHG-Free Energy to be delivered under Article 1.3.2.

“Monthly Cash Settlement Amount” has the meaning set forth in Article 5.2.

“NP 15” means the transmission area north of Path 15.

“PG&E” means the Pacific Gas and Electric Company, its successors and assigns.

“Portfolio Share” means the percentage of the total GHG-Free Energy generated from the Resources during a Contract Year that is in excess of the Contract Quantity and third-party sales.

“Power Content Label” has the meaning set forth in Cal. Code Regs., Title 20, § 1393(a)(3).

“Power Source Disclosure Report” means the reporting requirements as required by the California Energy Commission and codified in Cal. Code Regs., Title 20, § 1391-1394.

“Product” has the meaning set forth in Section 1.1.

“Resource” means generation units contracted for through power purchase agreement by Seller or owned by Seller, as listed in the Resource Pools.

“Resource Pool” means aggregate of all Large Hydroelectric generation facilities that are Resources.

“Scheduling Coordinator (SC)” means an entity certified by the CAISO to perform the functions as described in the Tariff.

“Seller” means Party B.

“Tariff” means the FERC-approved California Independent System Operator Tariff, including any current CAISO-published “Operating Procedures” and “Business Practice Manuals,” as may be amended, supplemented or replaced from time to time.

APPENDIX B
LIST OF RESOURCES IN RESOURCE POOL

Resource Name	CAISO Resource ID	EIA IDs
Balch #1 PH	BALCHS_7_UNIT 1	217
Balch #2 PH	BALCHS_7_UNIT 2 BALCHS_7_UNIT 3	218
Belden	BELDEN_7_UNIT 1	219
Bucks Creek	BUCKCK_7_PL1X2	220
Butt Valley	BUTTVL_7_UNIT 1	221
Caribou 1	CARBOU_7_UNIT 1 CARBOU_7_PL2X3	222
Caribou 2	CARBOU_7_PL4X5	223
Cresta	CRESTA_7_PL1X2	231
Drum #1	DRUM_7_PL1X2 DRUM_7_PL3X4	235
Drum #2	DRUM_7_UNIT 5	236
Electra	ELECTR_7_PL1X3	239
Haas	HAASPH_7_PL1X2	240
James B Black	BLACK_7_UNIT 1 BLACK_7_UNIT 2	249
Kerckhoff #2 PH	KERKH2_7_UNIT 1	682
Kings River	KINGRV_7_UNIT 1	254
Pit 1	PIT1_7_UNIT 1 PIT1_7_UNIT 2	265
Pit 3	PIT3_7_PL1X3	266
Pit 4	PIT4_7_PL1X2	267
Pit 5	PIT5_7_PL1X2 PIT5_7_PL3X4	268
Pit 6	PIT6_7_UNIT 1 PIT6_7_UNIT 2	269
Pit 7	PIT7_7_UNIT 1 PIT7_7_UNIT 2	270
Poe	POEPH_7_UNIT 1 POEPH_7_UNIT 2	272
Rock Creek	RCKCRK_7_UNIT 1 RCKCRK_7_UNIT 2	275
Salt Springs	SALTSP_7_UNITS	279
Stanislaus	STANIS_7_UNIT 1	285
Tiger Creek	TIGRCK_7_UNITS	287
NID-Chicago Park	CHICPK_7_UNIT 1	412

APPENDIX C
NOTICE INFORMATION

Name: City and County of San Francisco,
acting by and through its San Francisco
Public Utilities Commission, CleanPowerSF

Name: Pacific Gas and Electric Company, a
California corporation

("Party A")
All Notices:

("Party B")
All Notices:

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City: San Francisco State: CA Zip: 94102

Mail Address:
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