**PURCHASE AND SALE OF CALIFORNIA RPS CATEGORY 1 PRODUCT**

**MASTER POWER PURCHASE AND SALE AGREEMENT**

**CONFIRMATION LETTER**

From: [*Seller Name*]

[*Seller Address*]

Attn:

To: Marin Clean Energy

1125 Tamalpais Avenue

San Rafael, CA 94901

Attn: Greg Brehm

This confirmation letter (“**Confirmation Letter**”) confirms the Transaction reached on the Trade Date between Marin Clean Energy, a California joint powers authority (“**Buyer**”) and [*Seller’s Name*] (“**Seller**”) regarding the sale and purchase of the Product under the terms and conditions of this Confirmation Letter. This Confirmation Letter is provided pursuant to and in accordance with the Master Power Purchase and Sale Agreement dated [*Effective Date*], together with any and all exhibits, schedules or supplements thereto or incorporated therein by reference, each in force and effect from time to time between the Parties (collectively, the “**Master Agreement**”) and constitutes part of and is subject to the terms and provisions of such Master Agreement. The Master Agreement and this Confirmation shall be collectively referred to herein as the “**Agreement**.” Capitalized terms used but not defined herein shall have the meaning given to them in the Master Agreement. This Agreement shall constitute the Transaction between the Parties related to the subject matter hereof and supersedes and replaces any prior oral or written confirmation, including broker confirmations, regarding this Transaction

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| **Trade Date:** | [*Trade Date*] |
| **Effective Date:** | The Effective Date is the date upon which this Confirmation Letter has been executed by both Parties. |
| **Trade ID(s):** |  |
| **Buyer:** | Marin Clean Energy (“Buyer”) |
| **Seller:** | [*Seller*] (“Seller”) |
| **Product:** | The “Product” shall mean bundled renewable energy, which is comprised of energy generated by the Project(s) (also referred to herein as “energy” or “electricity”) and the associated Green Attributes, including Renewable Energy Credits, delivered on a unit firm basis during the Delivery Term. |
| **Green Attributes:** | The Product shall include all Green Attributes associated with the energy.  “Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as:  (1) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants;  (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere1;  (3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser’s discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy.  Green Attributes do not include:  (i) any energy, capacity, reliability or other power attributes from the Project,  (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the Project that are applicable to a state or federal income taxation obligation,  (iii) fuel-related subsidies or “tipping fees” that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project. [STC 2]   1. Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the list of Green Attributes, this inclusion does not create any right to use those avoided emissions to comply with any GHG regulatory program. |
| **Project:** | The term “Project” shall mean the portion of the net energy delivered to the CAISO corresponding to the Contract Quantity of Product delivered to Buyer in accordance with the terms and conditions of this Confirmation from the renewable generation facility or facilities specified in Schedule A, including any “pooled facilities” added to Schedule A in accordance with this Confirmation (collectively, the “Facilities”), in each case, (a) which has been certified by the California Energy Commission (“CEC”) as an ERR, and (b) which has its first point of interconnection to the WECC transmission grid within the metered boundaries of a California balancing authority area.  The Parties acknowledge and agree that the Project consists of the Facilities and that Seller will, in its sole discretion, utilize one or more of the Facilities in order to satisfy its obligations hereunder. Following the Effective Date, Seller may add facilities to Schedule A, provided that (a) each facility added is certified by the CEC as an ERR, (b) each facility added is identified in a written notice provided by Seller to Buyer at least one Business Day prior to such addition to Schedule A, and (c) for the purposes of this Transaction, Seller shall only deliver Product to Buyer from an additional pooled facility that is generated on a date after the date that the additional facility is added to Schedule A. |
| **Delivery Term:** | The “Delivery Term” shall commence on [*insert date*] through the earlier of (a) [*insert date*] or (b) the date on which Seller has completed delivery of the maximum Contract Quantity of Product to Buyer pursuant to this Confirmation. Notwithstanding the foregoing, RECs shall be delivered in accordance with the “RPS Category 1 Delivery Obligations” section below. |
| **Contract Quantity:** | Subject to the Delivery Periods for each Facility set forth in Schedule A, “Contract Quantity” shall be [\_\_\_\_\_\_\_] MWh of Product. |
| **Delivery Point(s):** | As specified in Schedule A. |
| **Scheduling and Tagging:** | For each hour of each day in the Delivery Term, Seller and Buyer or Buyer’s designee shall schedule the Hourly Amount of Electric Energy as an IST-APN in the Integrated Forward Market (“IFM”) at the Delivery Point on a day-ahead basis in accordance with the Tariff. By 1700 on each day prior to the scheduling day(s) consistent with the WECC Preschedule Calendar, Seller shall notify Buyer of the Hourly Amounts by email.  In the event that the IST-APN fails in any hour of the IFM, the Parties agree that a subsequent IST-APN at the Delivery Point for the Hourly Amount shall be rescheduled for that failed hour in the Real-Time Market pursuant to the Tariff.  Seller shall generate all e-Tags required to schedule the energy to and from the Delivery Point. Seller shall match RECs with e-Tags before transferring the RECs to Buyer. Each e-Tag shall show the CAISO Balancing Authority as the last CA (Control Area) under ‘Physical Path’. Seller will be the Party delivering energy to the CAISO. |
| **Contract Price:** | The “Contract Price” for each MWh of Product delivered to Buyer shall consist of the Energy Price plus the RPS Category 1 Energy Premium. |
| **Energy Price:** | The “Energy Price” means **[$X.XX]** for each MWh of Energy delivered to the Delivery Point. |
| **RPS Category 1 Energy Premium:** | The “RPS Category 1 Energy Premium” shall mean **[$X.XX]** per REC |
| **Settlement and Payment of Energy Price:** | Seller shall invoice Buyer for the energy portion of the Product on a monthly basis as follows:  Energy Price multiplied by the quantity of energy delivered to Buyer in each hour of the invoiced month.  Invoicing and payment for Energy delivered to Buyer shall be in accordance with Article 6 of the Master Agreement and Buyer shall pay such invoices in accordance with the Master Agreement and this Confirmation. |
| **Settlement and Payment of RPS Category 1 Premium:** | Invoicing and payment for Green Attributes delivered to Buyer shall be in accordance with Article 6 of the Master Agreement and Buyer shall pay such invoices in accordance with the Master Agreement and this Confirmation.  Seller shall invoice Buyer for the Green Attributes portion of the Product on a monthly basis upon delivery of Green Attributes to Buyer’s WREGIS Account as follows:  RPS Category 1 Premium multiplied by the quantity of RECs delivered to Buyer’s WREGIS Account in the invoiced month.  Buyer shall pay Seller for the invoiced RECs within fifteen (15) days of Buyer’s receipt of Seller’s invoice.  The provisions in this Confirmation addressing Settlement and Payment of the Energy Price and the RPS Category 1 Premium are for administrative convenience only, and in no way shall modify the definition of Product.  The Parties acknowledge that invoicing and payments for the Energy may not occur in the same month as invoicing and payments for the Green Attributes associated with such Energy due to the delivery of the Green Attributes on WREGIS timelines. |
| **Carbon Pricing:** | Neither Party shall be responsible to the other Party for any carbon related costs. |
| **Credit:** | As per the terms of the Master Agreement. |
| **Assignment:** | Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof to its financing providers and the financing provider(s) shall assume the payment and performance obligations provided under this Agreement with respect to the transferring Party provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request. [STC 16] |
| **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. [STC 17] |
| **Representations and Warranties:** | Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource (“ERR”) as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project’s output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. [STC 6]  Seller, and, if applicable, its successors, represents and warrants that, as of the date of execution of this Confirmation and as of the date on which Seller provides notice to Buyer of the addition of a pooled facility to Schedule A in accordance with this Confirmation, the Product delivered by Seller to Buyer meets the RPS compliance requirements for Category 1 as set forth in California Public Utilities Code Section 399.16(b)(1)(A) and California Public Utilities Commission (“CPUC”) Decision 11-12-052 (“RPS Category 1”).  Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. [STC REC -1]  Seller hereby provides and conveys all Green Attributes associated with all electricity generation from the Project to Buyer as part of the Product being delivered. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Project, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Project. [STC 2]  For the purposes of STC REC-1 and STC 6 “Commercially reasonable efforts” shall not require Seller to expend more than $5,000 in aggregate out-of-pocket costs and expenses to comply with such change in law.  Seller, and if applicable, its successors, represents and warrants to Buyer throughout the Delivery Term, that:   1. Seller has good and marketable title to the Product being sold and delivered to Buyer pursuant to this Agreement; 2. Seller has not sold separately or committed to any third party any of the Product being sold and delivered to Buyer pursuant to this Agreement; 3. the Green Attributes being sold and delivered to Buyer pursuant to this Agreement have not been sold or otherwise claimed by Seller or, to Seller’s knowledge, any third party; 4. the Green Attributes being sold and delivered to Buyer pursuant to this Agreement have not been used to meet any federal, state or local renewable energy requirement, renewable energy procurement, renewable portfolio standard, or other renewable energy mandate by Seller or, to Seller’s knowledge, any third party; 5. the Green Attributes being sold and delivered to Buyer pursuant to this Agreement are associated with generation from the Project during the Delivery Period; 6. The Project has its first point of interconnection to the WECC transmission grid within the metered boundaries of a California balancing authority area. |
| **RPS Category 1 Delivery Obligations:** | Seller shall use the Western Renewable Energy Generation Information System (WREGIS) to transfer RECs to Buyer within 30 days of receipt of RECs in Seller’s WREGIS account and in accordance with the terms and conditions of this Confirmation, provided that, in no event shall RECs be transferred that do not contain the California RPS Certification Number.  Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract. [STC REC-2]  Buyer warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract.   1. For RECs not tracked in WREGIS due to circumstances beyond reasonable control of the Seller, Seller shall provide all necessary documentation in order for the CEC to assign California RPS eligibility to non-WREGIS RECs. Seller shall, at its sole expense, take all actions and execute all documents or instruments necessary to ensure that all WREGIS Certificates associated with all Renewable Energy Credits corresponding to all delivered electricity are issued and tracked for purposes of satisfying the requirements of the California Renewables Portfolio Standard and transferred in a timely manner to Buyer for Buyer’s sole benefit. 2. Seller shall, at its sole expense, ensure that the WREGIS Certificates for a given calendar month correspond with the delivered electricity for such calendar month as evidenced by the Project’s metered data during the Delivery Term. 3. For the term of the Agreement, Seller shall deliver and convey the Green Attributes as provided above by properly transferring WREGIS Certificates corresponding to such Green Attributes, using “Inter-Account” (as described in the WREGIS Operating Rules) from Seller’s WREGIS account to Buyer’s WREGIS account such that all right, title and interest in and to such WREGIS Certificates shall transfer from Seller to Buyer. Seller shall be responsible for all expenses associated with establishing and maintaining Seller’s WREGIS Account. 4. Seller shall exercise commercially reasonable efforts to assist Buyer (or its affiliates) with Buyer’s (or its affiliate’s) RPS compliance filings which are directly related to this Transaction, as may be necessary. |
| **Definitions:** | 1. “Integrated Forward Market” or “IFM” has the meaning set forth in the Tariff. 2. “MW” means megawatt. 3. “MWh” means megawatt-hour. 4. “Real-Time Market” has the meaning set forth in the Tariff and shall include any market that CAISO may establish prior to or during the Term that clears at an interval between the Day-Ahead Market and the Real-Time Market. 5. “RECs” or “Renewable Energy Credits” has the meaning set forth in the California Public Utilities Code Section 399.12 and CPUC Decision 08-08-028, as may be amended or supplemented from time to time or as further defined or supplemented by law. 6. “RPS” or California Renewables Portfolio Standard” means the renewable energy program and policies established by Senate Bills 1038 and 1078 and 2 (1X) codified in California Public Utilities Code Sections 399.11 *et seq* and California Public Resources Code Sections 25740 through 25751, as such provisions are amended or supplemented from time to time. 7. “Tariff” means the CAISO Fifth Replacement FERC Electric Tariff, as amended from time to time. 8. “WECC” means the Western Electricity Coordinating Council. 9. “WECC Preschedule Calendar” means the annual Preschedule Calendar set by the Western Electricity Coordinating Council that defines the timing for scheduling of energy transmission for new months and approved holidays. 10. “WREGIS” means the Western Renewable Energy Generation Information System or any successor renewable energy tracking program. 11. “WREGIS Certificate” means a “Certificate” as defined by WREGIS in the WREGIS Operating Rules and designated by law as eligible for complying with the California Renewables Portfolio Standard. 12. “WREGIS Operating Rules” means those operating rules and requirements adopted by WREGIS, as subsequently amended, supplemented or replaced from time to time. |

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| **[*Seller*]** |  | **Marin Clean Energy** |
| By: |  | By: |
|  |  |  |
| Name: |  | Name: Dawn Weisz |
|  |  |  |
| Title: |  | Title: Executive Officer |
|  |  |  |
| Date: |  | Date: |

SCHEDULE A

**(PROJECT)**

Facilities Comprising the Project as of the Effective Date

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| --- | --- | --- | --- | --- |
| **Name of Facility** | **Delivery Point** | **CEC RPS ID** | **Delivery Period** | **Host Balancing Authority** |
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