

CLEAN ENERGY PURCHASE CONTRACT

between

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

and

MARIN CLEAN ENERGY

Dated as of [____], 2021

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CLEAN ENERGY PURCHASE CONTRACT

This Clean Energy Purchase Contract (this “Agreement”) is made and entered into as of [____], 2021 (the “Execution Date”), by and between California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (“Issuer”) and Marin Clean Energy, a California joint powers authority (“Purchaser”).

WITNESSETH:

WHEREAS, Issuer has planned and developed a project to acquire long-term supplies of Product from Aron Energy Prepay 5 LLC, a Delaware limited liability company (“Prepay LLC”) and a wholly-owned subsidiary of The Goldman Sachs Group, Inc., pursuant to a Master Power Supply Agreement, dated as of [____], 2021 (the “Master Power Supply Agreement”), to meet a portion of the Product supply requirements of Purchaser through a discounted clean energy purchase product (the “Clean Energy Project”);

WHEREAS, Purchaser desires to enter into an agreement with Issuer for the purchase of Product acquired by the Issuer under the Clean Energy Project;

WHEREAS, Issuer will finance its payment for Product under, and the other costs of, the Clean Energy Project by issuing Bonds;

WHEREAS, Purchaser is a joint powers authority and a community choice aggregator, duly organized, validly existing and in good standing under the laws of the State of California and the rules, regulations and orders of the California Public Utilities Commission, and is qualified to conduct business in each jurisdiction of the Joint Powers Agreement members for the transmission, distribution, sale, and delivery of Product to retail electric consumers within its service area;

WHEREAS, Purchaser is agreeable to purchasing a portion of its Product requirements from Issuer under the terms and conditions set forth in this Agreement and Issuer is agreeable to selling to Purchaser such supplies of Product under the terms and conditions set forth in this Agreement;

WHEREAS, concurrently herewith, Purchaser has assigned to J. Aron (as defined below) certain Assigned Rights and Obligations (as defined below), including the right to receive Assigned Product (as defined below), which Assigned Product will be resold to Prepay LLC under the Electricity Sale and Service Agreement, then resold to Issuer under the Master Power Supply Agreement and then resold to Purchaser hereunder; and

WHEREAS, as a condition precedent to the effectiveness of the Parties’ obligations under this Agreement, Issuer shall have entered into the Master Power Supply Agreement and shall have issued the Bonds.

NOW, THEREFORE, in consideration of the premises above and the mutual covenants and agreements herein set forth, Issuer and Purchaser (the “Parties” hereto; each is a “Party”) agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.1 Defined Terms. The following terms, when used in this Agreement (including the preamble or recitals to this Agreement) and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“Administrative Fee” means the amount per MWh specified as such in Exhibit H.

“Affiliate” means, with respect to either Party, any entity which is a direct or indirect parent or subsidiary of such Party or which directly or indirectly (i) owns or controls such Party, (ii) is owned or controlled by such Party, or (iii) is under common ownership or control with such Party. For purposes of this definition, “control” of an entity means the power, directly or indirectly, either to (a) vote 50% or more of the securities having ordinary voting power for the election of directors or Persons performing similar functions or (b) direct or cause the direction of the management and policies, whether by contract or otherwise.

“Agreement” has the meaning specified in the preamble and shall include exhibits, recitals and attachments referenced herein and attached hereto.

“Alternate Delivery Point” has the meaning specified in Section 5.1(a).

“Annual Refund” means the annual refund, if any, to be provided to the Purchaser and calculated pursuant to the procedures specified in Section 3.4.

“APC Contract Price” has the meaning specified in Exhibit F.

“APC Party” has the meaning specified in Exhibit F.

“Applicable Project” has the meaning specified in Exhibit F.

“Assignable Power Contract” has the meaning specified in Section 6.1.

“Assigned Delivered Value” means, for any Month and each Assigned PPA, the value of the Assigned Product that is Scheduled and delivered during such Month pursuant to such Assigned PPA, with such value being determined using the applicable APC Contract Price for such Assigned Product.

“Assigned Delivered Value Excess” has the meaning specified in Section 6.4(a)(i).

“Assigned Delivered Value Shortfall” has the meaning specified in Section 6.4(a).

“Assigned Delivery Point” means, with respect to any Assigned Energy, the Assigned Delivery Point as set forth in the applicable Assignment Schedule for such Assigned Energy.

“Assigned Discounted Product” means, for any Month, the lesser of (i) the total quantity of Assigned Product (in MWh) delivered hereunder in such Month and (ii) the aggregate Assigned Prepay Quantities for such Month.

“Assigned Energy” means any Energy, including Energy associated with PCC1 Product and Long-Term PCC1 Product, to be delivered to J. Aron or any successor thereto pursuant to any Assigned Rights and Obligations.

“Assigned PAYGO Product” means, for any Month, the amount, if any, by which the total quantity of Assigned Product delivered hereunder in such Month exceeds the aggregate Assigned Discounted Product for such Month.

“Assigned PPA” means any power purchase agreement that is assigned pursuant to an Assignment Agreement in accordance with the terms of this Agreement.

“Assigned Prepay Quantity” has the meaning specified in Exhibit F.

“Assigned Prepay Value” means, for any Month and each Assignment Schedule, the Assigned Prepay Quantity for such Month multiplied by the applicable APC Contract Price.

“Assigned Product” means, as applicable, PCC1 Product, Long-Term PCC1 Product, Assigned Energy, Assigned RECs and any other Product included on an Assignment Schedule, subject to the limitations for such other Product set forth in Exhibit F.

“Assigned Quantity” means, with respect to each Hour during an Assignment Period, the quantity of Assigned Energy (in MWh) to be delivered in connection with the Assigned Product during such Hour.

“Assigned RECs” means any RECs associated with PCC1 Product or Long-Term PCC1 Product to be delivered to J. Aron or any successor thereto pursuant to any Assigned Rights and Obligations.

“Assigned Rights and Obligations” has the meaning specified in Section 6.1.

“Assigned Value Shortfall Tracking Account” has the meaning specified in Section 6.4(a).

“Assigned Value Shortfall Tracking Account Overage” has the meaning specified in Section 6.4(a)(ii).

[“Assigned Value Tracking Account Limit” has the meaning specified in the Master Power Supply Agreement.]

“Assignment Agreement” means, for any Assigned Rights and Obligations, an agreement among Purchaser, J. Aron and the APC Party, approved by Issuer, in the form attached hereto as Annex II to Exhibit F (with such changes thereto as may be mutually agreed upon by Purchaser, J. Aron, the APC Party, and Issuer, each in its sole discretion).

“Assignment Period” for any Assigned Rights and Obligations has the meaning specified in the applicable Assignment Agreement.

“Assignment Schedule” has the meaning specified in Exhibit F.

“Available Discount Percentage” has the meaning specified in the Re-Pricing Agreement. For the avoidance of doubt, the “Available Discount Percentage” under the Re-Pricing Agreement includes the Monthly Discount Percentage, as well as additional discounting expected to be made available through the Annual Refund.

“Balancing Authority” has the meaning specified in the CAISO Tariff.

“Base Delivery Point” means (i) the CAISO delivery point set forth in Exhibit A-1 (the “Primary Delivery Point”) or (ii) any other CAISO delivery point (an “Alternate Delivery Point”) that has been mutually agreed by Issuer and Prepay LLC under the terms of the Master Power Sale Agreement and by Purchaser hereunder.

“Base Product” means Firm (LD) Energy delivered to the Base Delivery Point.

“Base Quantity” means, with respect to each Hour during the Delivery Period, the Base Unadjusted Quantity for such Hour less the Base Quantity Reduction for such Hour, each as set forth on Exhibit A-1, as Exhibit A-1 may be revised pursuant to Article VI.

“Base Quantity Reduction” means, with respect to each Hour during the Delivery Period, the “Base Quantity Reduction” of Base Product (in MWh) set forth for such Hour on Exhibit A-1, as Exhibit A-1 may be revised pursuant to Article VI.

“Base Unadjusted Quantity” means, with respect to each Hour during the Delivery Period, the “Base Unadjusted Quantity” (in MWh) set forth for such Hour on Exhibit A-1.

“Bond Closing Date” means the date on which Bonds are first issued pursuant to the Bond Indenture.

“Bond Indenture” means (i) the Trust Indenture to be entered into prior to the commencement of the Delivery Period between Issuer and the Trustee, and (ii) any trust indenture entered into in connection with the commencement of any Interest Rate Period after the initial Interest Rate Period between Issuer and the Trustee containing substantially the same terms as the indenture described in clause (i) and which is intended to replace the indenture described in clause (i) as of the commencement of such Interest Rate Period.

“Bonds” means the bonds issued pursuant to the Bond Indenture.

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a Federal Reserve Bank Holiday, (iii) any other day on which commercial banks generally in either New York, New York or the State of California are authorized or required by Law to close, or (iv) any day excluded from “Business Day” as therein defined, pursuant to the Bond Indenture.

“CAISO” means California Independent System Operator or its successor.

“CAISO Tariff” means CAISO’s FERC-approved tariff, as modified, amended or supplemented from time to time

“Calculation Agent” has the meaning specified in the Re-Pricing Agreement.

“California Long-Term Contracting Requirements” means the long-term contracting requirement set forth in the Clean Energy and Pollution Reduction Act of 2015 (SB 350), California Public Utilities Code section 399.13(b), and CPUC Decision 17-06-026 and CPUC Decision 18-05-026, as may be modified by subsequent decision of the California Public Utilities Commission or by other Law.

“CEC” means California’s State Energy Resources Conservation and Development Commission, also known as the California Energy Commission, and any successor agency thereto.

“Claiming Party” has the meaning specified in Section 11.1.

“Claims” means all claims or actions, threatened or filed, that directly or indirectly relate to the indemnities provided herein, and the resulting losses, damages, expenses, attorneys’ fees, experts’ fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

“Clean Energy Project” has the meaning specified in the recitals.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commercially Reasonable” or “Commercially Reasonable Efforts” means, with respect to any purchase or sale or other action required to be made, attempted or taken by a Party under this Agreement, such efforts as a reasonably prudent Person would undertake for the protection of its own interest under the conditions affecting such purchase or sale or other action, including without limitation, the amount of notice of the need to take such action, the duration and type of the purchase or sale or other action, the competitive environment in which such purchase or sale or other action occurs, and the risk to the Party required to take such action.

“Commodity Reference Price” means either (i) the Day-Ahead Market Price, or (ii) the Real-Time Market Price, as applicable.

“Contract Price” means (i) with respect to the Base Product and any Hour, (A) the Day-Ahead Market Price for such Hour at the Base Delivery Point less (B) the product of the Fixed Price multiplied by the Monthly Discount Percentage, (ii) with respect to Assigned Discounted Product, (A) the applicable APC Contract Price(s) multiplied by (B) the result of 100% less the

Monthly Discount Percentage, and (iii) with respect to Assigned PAYGO Product, the APC Contract Price(s), provided that Assigned PAYGO Product may be subject to an aggregate discount in a Month in accordance with Section 3.2(b).

“Day” means each period of 24 consecutive Hours commencing at the Hour ending at 01:00 (LPT) through the Hour ending at 24:00 (LPT).

“Day-Ahead Market Price” has the meaning specified on Exhibit A-1 for each Delivery Point.

“Default Rate” means, as of any date of determination, the lesser of (a) the sum of (i) the rate of interest per annum quoted in The Wall Street Journal (Eastern Edition) under the “Money Rates” section as the “Prime Rate” for such date of determination, plus (ii) one percent per annum, or (b) if a lower maximum rate is imposed by applicable Law, such maximum lawful rate.

“Delivery Period” has the meaning specified in Exhibit H.

“Delivery Point” means the Base Delivery Point or an Assigned Delivery Point, as applicable.

“Disqualified Sale Proceeds” has the meaning specified in Section 7.6.

“Disqualified Sale Units” has the meaning specified in Section 7.6.

[“Electricity Sale and Service Agreement” has the meaning specified in the Master Power Supply Agreement.]

“Eligible Renewable Energy Resource” has the meaning set forth in California Public Utilities Code Section 399.12(e) and California Public Resources Code Section 25741(a), as either code provision is amended or supplemented from time to time.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours.

“EPS” means California’s Emissions Performance Standards, as set forth in Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law.

“EPS Compliant Energy” means Energy that Purchaser can contract for and purchase in compliance with EPS requirements that are applicable to Purchaser.

“EPS Energy Period” means any Assignment Period or J. Aron EPS Energy Period.

“Execution Date” has the meaning specified in the preamble.

“Federal Tax Certificate” means the executed Federal Tax Certificate delivered by Purchaser in the form attached as Exhibit D.

“FERC” means the Federal Energy Regulatory Commission or any successor thereto.

“Firm (LD)” means, with respect to a Party’s obligation to sell and deliver or purchase and receive, that such Party’s liability for the failure to meet such obligation shall only be excused to the extent that, and for the period during which, such performance is prevented by Force Majeure, and that in the absence of Force Majeure, the Party to which performance of such obligation is owed shall be entitled to receive from the Party which failed to deliver/receive an amount determined pursuant to Article IV.

“Fixed Price” means \$[____]/MWh, which is the price that Issuer pays to Prepay LLC for MPSA Base Quantities under the Master Power Supply Agreement and that is reflected on Exhibit F of the Master Power Supply Agreement.

“Force Majeure” means an event or circumstance which prevents one Party from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the date this Agreement was executed, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided; provided that, for the avoidance of doubt, the declaration of “Force Majeure” by an APC Party under a PPA (as defined in an Assignment Agreement) shall constitute Force Majeure hereunder. Force Majeure shall include, provided the criteria in the first sentence are met, riot, insurrection, war, labor dispute, natural disaster, vandalism, terrorism, sabotage. Force Majeure shall not be based on (i) the loss of Purchaser’s markets; (ii) Purchaser’s inability economically to use or resell the Product purchased hereunder; (iii) the delay, loss or failure of Issuer’s supply; or (iv) Issuer’s ability to sell the Product at a higher price. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (x) such Party has contracted for firm transmission with a Transmission Provider for the Product to be delivered to or received at the applicable Delivery Point and (y) such curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the Transmission Provider’s tariff; provided, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of a Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that a Force Majeure as defined in the first sentence hereof has occurred. Force Majeure invoked by Prepay LLC under the Master Power Supply Agreement shall constitute Force Majeure in respect of Issuer hereunder to the extent the conditions set forth above have been satisfied with respect to Prepay LLC.

“Government Agency” means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

“Governmental Approval” means any authorization, consent, approval, license, ruling, permit, exemption, variance, order, judgment, registration, filing, giving of notice to, decree, declaration of or regulation by any Government Agency relating to the valid execution, delivery or performance of this Agreement or the consummation of any of the transactions contemplated hereby.

“Hour” means the 60-minute period commencing at 00:00 (LPT) on first Day of the Delivery Period and ending at 01:00 (LPT) on the first Day of the Delivery Period, and each 60-minute interval thereafter. The term “Hourly” shall be construed accordingly.

“Initial Assigned Rights and Obligations” means the Assigned Rights and Obligations that have been assigned by Purchaser to J. Aron concurrently with the execution of this Agreement as set forth in Exhibit A-2 hereto.

“Initial Reset Period” has the meaning specified in Exhibit H.

[“Interest Rate Period” has the meaning specified in the Bond Indenture.]

“Issuer” has the meaning specified in the preamble.

“Issuer Default” has the meaning specified in Section 17.1.

“ISTs” has the meaning specified in Section 5.1(a).

“J. Aron” means J. Aron & Company LLC, a New York limited liability company, and its permitted successors and assigns under an Assignment Agreement.

“J. Aron EPS Energy Period” has the meaning specified in Section 6.1(c).

“J. Aron Fixed Payment” has the meaning specified in the MCE Custodial Agreement.

“J. Aron PAYGO Payment” has the meaning specified in the MCE Custodial Agreement.

“J. Aron Prepay Payment” has the meaning specified in the MCE Custodial Agreement.

“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 December 19, 2008, as amended from time to time, under which Purchaser is organized as a Joint Powers Authority in accordance with the Joint Powers Act.

“Law” means any statute, law, rule or regulation or any written judicial or administrative decision, ruling or interpretation with respect thereto or thereof having the effect of

the foregoing enacted, promulgated, or issued by a Government Agency whether in effect as of the Execution Date or at any time during the term of this Agreement.

“Long-Term PCC1 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1, and the California Long-Term Contracting Requirements, to be delivered to J. Aron or any successor thereto pursuant to any Assigned Rights and Obligations.

“LPT” means the local prevailing time then in effect in the State of California.

“Mandatory Purchase Date” has the meaning specified in the Bond Indenture.

“Master Power Supply Agreement” has the meaning specified in the recitals.

“MCE Custodial Agreement” means that certain Custodial Agreement, dated as of the date hereof, by and among Purchaser, Issuer, J. Aron, Prepay LLC and the MCE Custodian.

“MCE Custodian” means [____], a [____]

“MCE Fixed Payment” has the meaning specified in Section 3.2(a).

“MCE Gross Payment” has the meaning specified in the MCE Custodial Agreement.

“Minimum Discount Percentage” has the meaning specified in Exhibit H.

“Month” means a period beginning on the first Day of a calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

“Monthly Discount Percentage” has the meaning specified in Exhibit H.

“MPSA Base Quantities” has the meaning specified in Section 6.4(a)(ii).

“Municipal Utility” means any Person that (i) is a “governmental person” as defined in the implementing regulations under Section 141 of the Code and any successor provision, (ii) owns either or both a gas distribution utility or an electric distribution utility (or provides natural gas or electricity at wholesale to, or that is sold to entities that provide natural gas or electricity at wholesale to, governmental Persons that own such utilities), and (iii) agrees in writing to use the gas or electricity purchased by it (or cause such gas or electricity to be used) for a qualifying use as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii).

“MWh” means megawatt-hour.

“Party” has the meaning specified in the preamble.

“PCC1 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1 to be delivered to J. Aron or any successor thereto pursuant to any Assigned Rights and Obligations.

“Person” means any individual, corporation, partnership, joint venture, trust, unincorporated organization, or Government Agency.

“Portfolio Content Category 1” or “PCC1” means any Renewable Energy Credit associated with the generation of electricity from an Eligible Renewable Energy Resource consisting of the portfolio content set forth in California Public Utilities Code Section 399.16(b)(1), as may be amended from time to time or as further defined or supplemented by Law.

“Potential Remarketing Event” has the meaning specified in Section 3.5(b).

“Prepay LLC” has the meaning stated in the recitals.

“Primary Delivery Point” has the meaning specified in Section 5.1(a).

“Priority Products” means the Base Quantity and Assigned Products to be purchased by Purchaser under this Agreement, together with Products that (i) Purchaser is obligated to take under a long-term agreement, which Products either have been purchased by Purchaser or a joint action agency pursuant to a long-term prepaid power purchase agreement using the proceeds of bonds, notes, or other obligations, the interest on which is excluded from income for federal income tax purposes, or (ii) with respect to Energy, Energy that is generated using capacity that was constructed using the proceeds of bonds, notes, or other obligations, the interest on which is excluded from income for federal income tax purposes (provided that, for the avoidance of doubt, Priority Products shall not include Energy that is generated using capacity that was wholly or partially financed through the monetization of renewable tax credits, whether such monetization is accomplished through a tax equity investment or otherwise, or that is generated from federally owned and operated hydroelectric facilities, including through the United States Army Corps of Engineers and the United States Bureau of Reclamation, and marketed by the Bonneville Power Administration or the Western Area Power Administration).

“Product” means Energy and, to the extent included on an Assignment Schedule, associated RECs, capacity or other products related to the foregoing; *provided* that the inclusion of any Product on an Assignment Schedule is subject to the limitation set forth in Exhibit F.

“Purchaser” has the meaning specified in the preamble.

“Purchaser Default” has the meaning specified in Section 17.2.

“Qualifying Use Requirements” means, with respect to any Product delivered under this Agreement, such Product is used (i) for a “qualifying use” as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii), (ii) in a manner that will not result in any “private business use” within

the meaning of Section 141 of the Code, and (iii) in a manner that is consistent with the Federal Tax Certificate attached as Exhibit D.

“Quarterly Report” has the meaning specified in Section 7.6.

“Re-Pricing Agreement” means the Re-Pricing Agreement, dated as of the Bond Closing Date (as defined in the Bond Indenture), by and between Prepay LLC and Issuer.

“Real-Time Market Price” means, for each Hour, [_____].

“Remarketing Election Deadline” means, for any Reset Period, the last date and time by which the Purchaser may provide a Remarketing Election Notice as set forth in the applicable Reset Period Notice.

“Remarketing Election Notice” has the meaning specified in Section 3.5(b).

“Renewable Energy Credit” or “REC” has the meaning specified for “Renewable Energy Credit” in California Public Utilities Code Section 399.12(h), as may be amended from time to time or as further defined or supplemented by Law.

“Replacement Assigned Rights and Obligations” means any Assigned Rights and Obligations other than the Initial Assigned Rights and Obligations.

“Replacement Price” means, with respect to any Shortfall Quantity of Base Quantities, the price at which Purchaser, acting in a Commercially Reasonable manner, purchases at the applicable Delivery Point Replacement Product for such Shortfall Quantity, plus (i) costs reasonably incurred by Purchaser in purchasing Replacement Product, and (ii) additional transmission charges, if any, reasonably incurred by Purchaser to the applicable Delivery Point, or at Purchaser’s option, the market price at the Delivery Point for such Product not delivered as determined by Purchaser in a Commercially Reasonable manner. The Replacement Price for any Shortfall Quantity shall not include any administrative or other internal costs incurred by Purchaser and shall be limited to a price that is Commercially Reasonable with respect to the timing and manner of purchase. In no event shall the Replacement Price include any penalties, ratcheted demand or similar charges, nor shall Purchaser be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Issuer’s liability.

“Replacement Product” means any Energy purchased by Purchaser to replace any Shortfall Quantity at the Delivery Point where such Shortfall Quantity occurred; provided that such Energy is purchased for delivery in the Hour to which such Shortfall Quantity relates.

[“Reset Period” means each “Reset Period” under the Re-Pricing Agreement.]

“Reset Period Notice” has the meaning specified in Section 3.5(a).

“RPS Law” means the California Renewable Energy Resources Act, including the California Renewables Portfolio Standard Program, Article 16 of Chapter 2.3, Division 1 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law.

“Schedule”, “Scheduled” or “Scheduling” means the actions of Issuer, Purchaser and/or their designated representatives, including each Party’s Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity and type of Product to be delivered during any given portion of the Delivery Period at a specified Delivery Point.

“Shortfall Quantity” has the meaning specified in Section 4.1(a).

“Transmission Provider” means any entity or entities transmitting or transporting the Product on behalf of Issuer or Purchaser to or from the Delivery Point.

“Trustee” means U.S. Bank National Association, and its successors as trustee under the Bond Indenture.

“Utility Revenues” means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of Purchaser’s electric system, including, without limiting the generality of the foregoing, (1) all income, rents, rates, fees, charges, or other moneys derived by the Purchaser from the sale, furnishing and supplying of the electric capacity or energy or other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Purchaser’s electric system, (2) the earnings on and income derived from the investment of such income, rents, rates, fees, charges, or other moneys to the extent that the use of such earnings and income is limited to Purchaser’s electric system by or pursuant to law, (3) deferred revenues and moneys maintained in the Purchaser’s Operating Reserve Fund and (4) such other income, charges, revenue or moneys maintained in reserves as the Purchaser may specify in a written order of the Purchaser filed with the Issuer, but excluding (A) in all cases customers’ deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the Purchaser; and (B) such other income, charges, revenue or moneys as the Purchaser may specify in a written order of the Purchaser filed with the Issuer, provided that such written order of the Purchaser confirms that, following the filing of such written order of the Purchaser, (i) the requirements of Section 14.7 shall be satisfied; and (ii) the income, charges, revenue or moneys specified in such written order of the Purchaser shall be accounted for separately from the “Utility Revenues” as defined herein

“Voided Remarketing Election Notice” has the meaning specified in Section 3.5(b).

“Western EIM” has the meaning ascribed to “Energy Imbalance Market (EIM)” under the CAISO Tariff.

“WREGIS” means the Western Renewable Energy Generation Information System or its successor.

Section 1.2 Definitions; Interpretation. References to “Articles,” “Sections,” “Schedules” and “Exhibits” shall be to Articles, Sections, Schedules and Exhibits, as the case may be, of this Agreement unless otherwise specifically provided. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending

on the reference. The use herein of the word “include” or “including”, when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest scope of such general statement, term or matter. Except where expressly provided otherwise, any reference herein to any agreement or document includes all amendments, supplements or restatements to and of such agreement or document as may occur from time to time in accordance with its terms and the terms hereof, and any reference to a party to any such agreement includes all successors and assigns of such party thereunder permitted by the terms hereof and thereof.

ARTICLE II.

DELIVERY PERIOD; NATURE OF CLEAN ENERGY PROJECT; CONDITION PRECEDENT

Section 2.1 Delivery Period. Subject to Section 2.3, delivery of Product by Issuer to Purchaser shall commence at the beginning of the Delivery Period and, except for any Reset Period for which a Remarketing Election Notice is in effect as provided in Section 3.5(b), shall continue throughout the Delivery Period.

Section 2.2 Nature of Clean Energy Project. Purchaser acknowledges and agrees that Issuer will meet its obligations to provide Product to Purchaser under this Agreement exclusively through its purchase of Product from Prepay LLC pursuant to the Master Power Supply Agreement and that Issuer is financing its purchase of such supplies through the issuance of the Bonds.

Section 2.3 Condition Precedent. Notwithstanding anything to the contrary herein, commencement of deliveries and the rights and obligations of Issuer and Purchaser hereunder are subject to the condition precedent that Issuer shall have entered into the Master Power Supply Agreement and shall have issued the Bonds.

Section 2.4 Pledge of this Agreement. Purchaser acknowledges and agrees that Issuer will pledge its right, title and interest under this Agreement and the revenues to be received under this Agreement to secure Issuer’s obligations under the Bond Indenture.

ARTICLE III.

SALE AND PURCHASE; PRICING

Section 3.1 Sale and Purchase of Product. Issuer shall sell and deliver or cause to be delivered to Purchaser, and Purchaser shall purchase and receive from Issuer, the applicable Product in the quantities and at the times and subject to the terms and conditions set forth in this Agreement. The quantity of Product to be sold and purchased pursuant to the terms and conditions set forth in this Agreement in each Hour shall be equal to the sum of the Base Quantity for such

Hour and the Assigned Energy associated with the Assigned Product delivered to J. Aron in such Hour pursuant to the Assignment Agreements.

Section 3.2 Purchaser Payments.

(a) For each Month for which an EPS Energy Period is in effect:

(i) Purchaser shall pay Issuer the Contract Price multiplied by the Assigned Prepay Quantities regardless of whether such Assigned Prepay Quantities are delivered (such amount, the “MCE Fixed Payment” as set forth on Exhibit A-3); and

(ii) Pursuant to the terms of the MCE Custodial Agreement Purchaser shall owe a separate MCE Gross Payment for each Assigned PPA consistent with the terms of the MCE Custodial Agreement, and, upon satisfying its obligations under the MCE Custodial Agreement in respect of such amount (after taking into consideration any PPA Seller Payment Obligation (as such term is defined in the MCE Custodial Agreement) credited to MCE in respect thereof), any portion of such amount attributable to Assigned PAYGO Product shall be deemed to be paid by Purchaser to the applicable PPA Seller on behalf of J. Aron and shall satisfy the obligations of the respective parties under each of the Electricity Sale and Service Agreement, the Master Power Supply Agreement, this Agreement and the applicable Assignment Agreement for such Assigned PAYGO Product.

(b) To the extent that Base Quantities are delivered hereunder in any Month, Purchaser shall pay Issuer the Contract Price multiplied by the Base Quantities actually delivered.

(c) The Contract Price for Assigned Energy is inclusive of any amounts due in respect of other Assigned Products.

Section 3.3 Limited Obligation to Take Base Quantities. Notwithstanding anything to the contrary in this Agreement, Purchaser shall not be required to purchase and receive any Base Quantities hereunder except in the circumstances specified in Section 6.4, and Issuer, with respect to any Base Quantities that otherwise would be delivered hereunder, shall cause Prepay LLC to remarket such Base Quantities pursuant to the provisions of Exhibit C to the Master Power Supply Agreement.

Section 3.4 Annual Refund. In addition to any Monthly Discount Percentage applied to Energy Scheduled hereunder, Issuer shall credit such Annual Refund to Purchaser as may be available for distribution by Issuer pursuant to Section [5.10(b)] of the Bond Indenture, subject to the provisions of this Section 3.4. Such Annual Refund, if any, shall be credited to the next amount due from Purchaser following the release of funds for such purpose to Issuer under the terms of the Bond Indenture. In determining the amount of such Annual Refund, if any, to be credited to Purchaser, Issuer may reserve such funds (i) as may be required under the terms of the Bond

Indenture or (ii) with the prior written consent of Purchaser (a) to fund or maintain the Minimum Discount Percentage for any future Reset Period, (b) to fund or maintain any rate stabilization or working capital reserve, (c) to reserve or account for unfunded liabilities and expenses or (d) for other costs of the Clean Energy Project.

Section 3.5 Reset Period Remarketing.

(a) Reset Period Notice. For each Reset Period, Issuer shall provide to Purchaser, at least ten (10) days prior to the Remarketing Election Deadline, written notice (a “Reset Period Notice”) setting forth (i) the duration of such Reset Period, (ii) the estimated Available Discount Percentage for such Reset Period, and (iii) the applicable Remarketing Election Deadline. Issuer may thereafter update such notice at any time prior to the Remarketing Election Deadline and in any such update may extend the Remarketing Election Deadline in its sole discretion.

(b) Remarketing Election. If the Reset Period Notice (or any update thereto) for any Reset Period indicates that the estimated Available Discount Percentage specified in such notice is not at least equal to the Minimum Discount Percentage for such Reset Period, then: (i) a “Potential Remarketing Event” shall be deemed to exist, and (ii) Purchaser may, not later than the Remarketing Election Deadline, issue a written notice in the form attached hereto as Exhibit C (a “Remarketing Election Notice”) to Issuer, Prepay LLC and the Trustee electing for the Assignment Agreements to be terminated and all Base Quantities with respect to such Reset Period to be remarketed; provided, however, if the actual Available Discount Percentage, as finally determined under the Re-Pricing Agreement, is equal to or greater than the Minimum Discount Percentage, then Issuer may, in its sole discretion, elect by written notice (a “Voided Remarketing Election Notice”) to Purchaser to treat such Remarketing Election Notice as void. If Purchaser issues a valid Remarketing Election Notice (other than a Voided Remarketing Election Notice) in accordance with this Section 3.5(b) for any Reset Period, then Purchaser shall have no rights or obligations to receive any Product hereunder during such Reset Period or to receive any Annual Refund attributable to such Reset Period.

(c) Final Determination of Available Discount Percentage. The Parties acknowledge and agree that the final Available Discount Percentage for any Reset Period following the Initial Reset Period will be determined on the Re-Pricing Date (as defined in the Re-Pricing Agreement) for such Reset Period, and that such Available Discount Percentage may differ from the estimate or estimates of such Available Discount Percentage last provided to Purchaser prior to the Remarketing Election Deadline for such Reset Period; provided that the Available Discount Percentage for any Reset Period will not be less than the lower of (i) the last estimated Available Discount Percentage set forth in the Reset Period Notice for such Reset Period (or any update thereof) sent to Purchaser by Issuer and (ii) the Minimum Discount Percentage for Reset Period.

(d) Obligations Following a Remarketing Election. Notwithstanding the issuance of any Remarketing Election Notice for a Reset Period, Purchaser shall not make any new commitment to purchase Priority Products during such Reset Period to the extent any such commitment could reasonably be expected to cause, during any portion of the Delivery Period

after such Reset Period, Purchaser's aggregate obligations to purchase Priority Products (including its obligation to purchase Priority Products hereunder) to exceed Purchaser's expected aggregate requirements for Products that will be used (i) for a "qualifying use" as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii) and (ii) in a manner that will not result in any "private business use" within the meaning of Section 141 of the Code. Unless Purchaser issues a new Remarketing Election Notice (other than a Voided Remarketing Election Notice) for any subsequent Reset Period in accordance with this Section 3.5, Purchaser and J. Aron will cooperate in good faith and exercise Commercially Reasonable Efforts to locate EPS Compliant Energy for redelivery hereunder in any such Reset Period.

ARTICLE IV.

FAILURE TO SCHEDULE PRODUCT

Section 4.1 Issuer's Failure to Schedule Base Quantity (Not Due to Force Majeure).

(a) Shortfall Quantity. If, for any Hour during the Delivery Period, Issuer breaches its obligation to Schedule or deliver all or any portion of the Base Quantity, after giving effect to reductions for Assigned Energy at any Delivery Point pursuant to the terms of this Agreement, then the portion of the Base Quantity that Issuer failed to Schedule or deliver shall be a "Shortfall Quantity".

(b) Issuer Cover Damage Payments. To the extent Purchaser actually purchases Replacement Product with respect to any Shortfall Quantity, then Issuer shall pay to Purchaser the result determined by the following formula:

$$P = Q \times (RP - CP + AF)$$

Where:

P = The amount payable by Issuer under this Section 4.1(b);

Q = The quantity of Replacement Product purchased;

RP = The Replacement Price;

CP = The Contract Price that would have applied to such Product; and

AF = The Administrative Fee.

(c) Purchaser Obligation to Mitigate. Purchaser shall exercise Commercially Reasonable Efforts to mitigate Issuer's damages paid by Issuer hereunder.

Section 4.2 Purchaser's Failure to Schedule or Take Base Quantities (Not Due to Force Majeure). If, for any Hour during the Delivery Period, Purchaser breaches its obligation to

Schedule or take all or any portion of the Base Quantity at any Delivery Point pursuant to the terms of this Agreement, then Purchaser shall remain obligated to pay Issuer the Contract Price for such Base Quantity. Issuer shall credit to Purchaser's account any net revenues Issuer may receive from Prepay LLC under the Master Power Supply Agreement in connection with the ultimate sale of any such Product by Prepay LLC to Municipal Utilities or, if necessary, other purchasers, up to the Contract Price.

Section 4.3 Assigned Product. Notwithstanding anything herein to the contrary, neither Purchaser nor Issuer shall have any liability or other obligation to one another for any failure to Schedule, take, or deliver Assigned Product, except as expressly set forth in Article VI.

Section 4.4 Sole Remedies. Except with respect to (i) termination of this Agreement pursuant to Article XVII and (ii) the obligations set forth in Section 6.4, the remedies set forth in this Article IV shall be each Party's sole and exclusive remedies for any failure by the other Party to Schedule, deliver or take Product, as applicable, pursuant to this Agreement.

ARTICLE V.

DELIVERY POINTS; SCHEDULING

Section 5.1 Delivery Points.

(a) Base Delivery Points. All Base Product delivered under this Agreement shall be Scheduled for delivery and receipt at (i) the Delivery Point set forth in Exhibit A-1 (the "Primary Delivery Point") or (ii) any other point (an "Alternate Delivery Point") that has been mutually agreed by Issuer, Purchaser and Prepay LLC (the Primary Delivery Point or, to the extent specified, any Alternate Delivery Point being the "Base Delivery Point"). Delivery of Energy to Purchaser at the Primary Delivery Point shall be facilitated through submission of Inter-SC Trades, as defined in the CAISO Tariff ("ISTs"). Purchaser shall designate a scheduling coordinator in the CAISO market for this purpose as specified in Exhibit G.

(b) Alternate Base Market Prices. The Day-Ahead Market Price and Real-Time Market Price for each Alternate Delivery Point, as applicable, shall be the price mutually agreed and identified by the Parties, or if no such price is identified for such Alternate Delivery Point, the Day-Ahead Market Price and Real-Time Market Price, as applicable, specified on Exhibit A-1 for the Primary Delivery Point from which quantities are being shifted to such Alternate Delivery Point.

(c) Assigned Energy Delivery Points. Assigned Energy delivered under this Agreement shall be Scheduled for delivery and receipt at the applicable Assigned Delivery Point specified in the applicable Assignment Schedule. All other Assigned Product shall be delivered consistent with the terms of the applicable Assignment Agreement

Section 5.2 Transmission and Scheduling. Issuer shall Schedule or arrange for Scheduling services with CAISO in accordance with the CAISO Tariff, to deliver the Base Product to the Base Delivery Point. Purchaser shall Schedule or arrange for Scheduling services with

CAISO in accordance with CAISO Tariff, to receive the Base Product at the Base Delivery Point. If Prepay LLC Schedules or arranges for Scheduling services, to deliver Base Product to the Base Delivery Point, then Issuer's obligations under this Section shall be relieved pro tanto. Scheduling of Assigned Energy shall be in accordance with the applicable Assignment Schedule.

Section 5.3 Title and Risk of Loss. Title to and risk of loss of the Product delivered under this Agreement shall pass from Issuer to Purchaser at the applicable Delivery Point. The transfer of title and risk of loss for all Assigned Product shall be in accordance with the applicable Assignment Agreement; provided that all Assignment Agreements shall provide for the transfer of Renewable Energy Credits in accordance with WREGIS. Subject to Section 18.1, each Party shall indemnify, defend and hold harmless the other Party from and against any Claims made by a third party arising from or out of any event, circumstance, act or incident related to the Product delivered hereunder first occurring or existing during the period when control and title to Base Product or Assigned Product is vested in the indemnifying Party as provided in this Section; provided that, notwithstanding the foregoing, (a) Issuer shall have no obligations to indemnify, defend or hold harmless Purchaser for any such Claims relating to replacement costs, cover damages or similar liabilities that are payable to any Person because of Purchaser's failure to deliver any Product to such Person and (b) no obligation to indemnify, defend or hold harmless shall supplant or control the provisions of this Agreement relating to Force Majeure. Notwithstanding anything to the contrary herein, no Party shall have any obligations to indemnify, defend or hold harmless the other Party in respect of any Claims relating to any Assigned Product.

Section 5.4 PCC1 Product and Long-Term PCC1 Product. To the extent that any Assigned Product is PCC1 Product or Long-Term PCC1 Product, the following provisions apply:

(a) **Eligibility.** 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, Non-Modifiable. (Source: D.07-11-025, Attachment A.) D.08-04-009].** As used above, "Seller" means "Issuer", Buyer means "Purchaser", and any other capitalized terms not otherwise defined herein shall have the meaning specified in the Assigned PPA.

(b) **Transfer of Renewable Energy Credits.** 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, Non-modifiable. D.11-01-025]**. As used above, “Seller” means “Issuer”, Buyer means “Purchaser”, and any other capitalized terms not otherwise defined herein shall have the meaning specified in the Assigned PPA.

(c) Tracking of RECs in WREGIS. 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, Non-modifiable. D.11-01-025]**. As used above, “Seller” means “Issuer”, Buyer means “Purchaser”, and any other capitalized terms not otherwise defined herein shall have the meaning specified in the Assigned PPA.

(d) 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. **[STC 17, Non-Modifiable. (Source: D.07-11-025, Attachment A) D.08-04-009]**

(e) Issuer Representations and Warranties.

Issuer represents and warrants:

- (i) Issuer has the right to sell the Assigned Product from the Applicable Project;
- (ii) Issuer has not sold the Assigned Product or any REC or other attributes of the Assigned Product to be transferred to Purchaser to any other person or entity;
- (iii) the Energy component of the Assigned Product produced by the Applicable Project and purchased by Issuer for resale to Purchaser hereunder is not being sold by Issuer back to the Applicable Project or PPA Seller;
- (iv) Assigned Energy and Assigned RECs to be purchased and sold pursuant to this Agreement are not committed to another party;
- (v) The Assigned Product is free and clear of all liens or other encumbrances;
- (vi) Issuer will deliver to Purchaser all Assigned Energy and associated RECs generated by the Applicable Project for Long-Term PCC1 Product in compliance with the California Long-Term Contracting Requirements, if applicable

- (vii) The Assigned Product supplied to Purchaser under this Agreement that is Long-Term PCC1 Product will be sourced solely from Applicable Projects that have an Assignment Period of ten years or more in length, or otherwise in compliance with the California Long Term Contracting Requirements; and
- (viii) Issuer will cooperate and work with Purchaser, the CEC, and/or the CPUC to provide any documentation required by the CPUC or CEC to support the Product's classification as a Portfolio Content Category 1 Product as set forth in California Public Utilities Code Section 399.16(b)(1) or, if applicable, or compliance with the California Long-Term Contracting Requirements.

Issuer further represents and warrants to Purchaser that, to the extent that the Product sold by Issuer is a resale of part or all of a contract between Issuer and one or more third parties, Issuer represents, warrants and covenants that the resale complies with the following conditions in (i) through (iv) below during the Assignment Period and throughout the generation period:

- (i) The original upstream third-party contract(s) meets the criteria of California Public Utilities Code Section 399.16(b)(1);
- (ii) This Agreement transfers only electricity and RECs that have not yet been generated prior to the Assignment Period;
- (iii) The electricity transferred by this Agreement is transferred to Purchaser in real time; and
- (iv) If the Applicable Project has an agreement to dynamically transfer electricity to a California balancing authority, the transactions implemented under this Agreement are not contrary to any condition imposed by a balancing authority participating in the dynamic transfer arrangement.

(f) Subsequent Changes in Law. In the event that the qualifications or requirements of the RPS program, PCC1 Product or the California Long-Term Contracting Requirements change, Issuer shall take commercially reasonable actions to meet the amended qualifications or requirements of the RPS Law, PCC1 Product or the California Long-Term Contracting Requirements but will not be required to incur any unreimbursed costs to comply with the RPS Law, PCC1 or the California Long-Term Contracting Requirements, collectively.

(g) Limitations. Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree as follows:

- (i) Issuer has relied exclusively upon the representations and warranties of each respective APC Party set forth in the Assigned PPAs in

making the representations and warranties set forth in this Section 5.4 and has not performed any independent investigation with respect thereto;

(ii) J. Aron has agreed pursuant to the Electricity Sale and Service Agreement to terminate the applicable Assignment Period in the event that any representation or warranty in this Section 5.4 proves to be incorrect in any respect; and

(iii) Purchaser agrees that its sole recourse for any breach of the provisions of this Section 5.4 shall be the termination of the applicable Assignment Period and Purchaser shall have no other recourse against Issuer or remedies under this Agreement.

Section 5.5 Communications Protocol. With respect to the Scheduling and delivery of Base Quantities, Issuer and Purchaser shall comply with the communications protocol set forth in Exhibit G. Scheduling and transmission of Assigned Energy shall be in accordance with the applicable Assignment Agreement pursuant to which the Project Participant shall act as scheduling agent for each of J. Aron, Prepay LLC and Issuer.

Section 5.6 Deliveries within CAISO or another Balancing Authority. The Parties acknowledge that Energy delivered by Issuer at a Delivery Point within CAISO or another Balancing Authority (including a Balancing Authority operating within the Western EIM) will be delivered in accordance with the CAISO Tariff and rules of the Balancing Authority as applicable. Scheduling such Energy in accordance with the requirements of the applicable Product into the applicable Balancing Authority shall constitute delivery of such Product to Purchaser hereunder, provided that any associated Renewable Energy Credits and other Assigned Product are also delivered to Purchaser.

Section 5.7 Assigned Products. Notwithstanding anything to the contrary herein, except as provided in Section 6.3, Issuer shall have no liability under this Article V with respect to any Assigned Products.

ARTICLE VI.

ASSIGNMENT OF POWER PURCHASE AGREEMENTS

Section 6.1 Assignments Generally.

(a) Initial Assigned Rights and Obligations. Concurrently with the execution of this Agreement, Purchaser has assigned the Initial Assigned Rights and Obligations to J. Aron.

(b) Assignments of Replacement Assigned Rights and Obligations. Commencing one year prior to the expiration of any EPS Energy Period or otherwise immediately upon the early termination or anticipated early termination of a EPS Energy Period, Purchaser shall exercise Commercially Reasonable Efforts

and cooperate with J. Aron in good faith to assign a portion of Purchaser's rights and obligations (the "Assigned Rights and Obligations") under one or more power purchase agreements (each such agreement, an "Assignable Power Contract") pursuant to which Purchaser is purchasing EPS Compliant Energy, RECs and other products that may be assigned pursuant to Exhibit F. The Parties recognize that, in the case of such an assignment, J. Aron will be obligated to sell and deliver Assigned Product it receives under all Assigned Rights and Obligations to Prepay LLC under the terms of the Electricity Sale and Service Agreement, and Prepay LLC will be obligated to deliver such Product to Issuer under the terms of the Master Power Supply Agreement. To be effective hereunder, any assignment of Replacement Assigned Rights and Obligations must be proposed, agreed and consented to in accordance with Exhibit F and the Master Power Supply Agreement.

(c) J. Aron Procurement of EPS Compliant Energy. Under certain circumstances specified in [Section 6.1(c)] of the Electricity Sale and Service Agreement, J. Aron is obligated to exercise Commercially Reasonable Efforts to obtain EPS Compliant Energy for ultimate redelivery to Purchaser hereunder, and, in such case, Purchaser shall cooperate in good faith with J. Aron in connection therewith, provided that:

(i) J. Aron's procurement of any such EPS Compliant Energy for ultimate redelivery hereunder shall be subject to Purchaser's prior written consent, with such consent not to be unreasonably withheld, provided, for the avoidance of doubt, that it shall be reasonable for Purchaser to withhold its consent based on the requirements of the EPS or other regulatory requirements;

(ii) Issuer and Purchaser shall act in good faith and in a Commercially Reasonable manner to negotiate appropriate amendments to this Agreement to facilitate the delivery of such EPS Compliant Energy, including with respect to the Delivery Point, consequences of failing to deliver or receive and scheduling matters;

(iii) the period of delivery for any such EPS Compliant Energy (any such period, a "J. Aron EPS Energy Period") shall not exceed the length, as applicable, of (A) the then-current Reset Period if such EPS Compliant Energy is obtained for delivery for the remainder of a Reset Period and (B) the length of the next succeeding Reset Period if such EPS Compliant Energy is obtained for delivery commencing in such succeeding Reset Period; and

(iv) during a J. Aron EPS Energy Period, if requested by J. Aron, Purchaser shall continue to exercise Commercially Reasonable Efforts and cooperate with J. Aron in good faith to assign Assigned Rights and Obligations to J. Aron under an Assignable Power Contract.

(d) Amendments. Purchaser and Issuer agree to seek the written consent of J. Aron prior to any amendment to this Article VI or Exhibit F hereto.

(e) Tax Opinion. The parties acknowledge and agree that their ability to enter into a new Reset Period will be contingent on obtaining an [Opinion of Special Tax Counsel] (as defined in the Bond Indenture), which will be dependent on the availability of EPS Compliant Energy for delivery in such Reset Period.

Section 6.2 Failure to Obtain EPS Compliant Energy. To the extent an EPS Energy Period terminates or expires and Purchaser and J. Aron have been unable to obtain EPS Compliant Energy for delivery hereunder pursuant to the provisions of Section 6.1, then, until EPS Compliant Energy is obtained for delivery hereunder, Prepay LLC shall remarket Purchaser's Base Quantities pursuant to the provisions of Exhibit C to the Master Power Supply Agreement, subject to the following:

(a) Purchaser's and J. Aron's obligations set forth in Section 6.1 shall continue to apply; and

(b) Purchaser shall not make any new commitment to purchase Priority Products during such a remarketing.

Section 6.3 Adjustments to Base Quantities and MCE Fixed Payment Schedule.

(a) The Base Quantity Reductions set forth on Exhibit A-1 hereto have been calculated to reflect the Initial Assigned Rights and Obligations using the same methodology that would apply to determine such Base Quantity Reductions in connection with the assignment of any Replacement Assigned Rights and Obligations as provided in Exhibit F hereto. Effective upon the first day of the Month following the termination or expiration of an EPS Energy Period for any reason, Issuer shall revise Exhibit A-1 to (i) update the Base Quantity Reductions as provided in Exhibit F to the extent a subsequent EPS Energy Period will commence immediately following such termination or expiration or (ii) reverse such Base Quantity Reductions for all remaining Hours in the Delivery Period to the extent an EPS Energy Period will not commence immediately following such termination or expiration. In the case of any other commencement of a subsequent EPS Energy Period, Issuer shall revise the Base Quantity Reductions in Exhibit A-1 as provided by Exhibit F hereto.

(b) The MCE Fixed Payments set forth on Exhibit A-3 hereto have been calculated based upon the applicable APC Contract Prices and Assigned Prepay Quantities for the Initial Assigned Rights and Obligations. Effective upon the first day of the Month following termination or expiration of an EPS Energy Period for any reason, Issuer shall revise Exhibit A-3 to reflect (i) the applicable APC Contract Prices and Assigned Prepay Quantities for any EPS Energy Period that will take effect immediately following such termination or expiration or (ii) a reduction in the MCE Fixed Payments to the extent an EPS Energy Period will not commence

immediately following such termination or expiration. In the case of any other commencement of an EPS Energy Period, Issuer shall revise Exhibit A-3 to reflect the applicable contract price and notional quantities for such EPS Energy Period.

Section 6.4 Tracking of Assigned Energy Value. Purchaser and Issuer acknowledge that the Assigned Delivered Value for any Month may differ from the Assigned Prepay Value for such Month. Any such difference will be reconciled in accordance with this Section 6.4.

(a) Assigned Delivery Shortfalls. If the J. Aron Prepay Payment for any Assigned PPA in any Month is less than the J. Aron Fixed Payment for such Assigned PPA, then the excess of the J. Aron Fixed Payment over the J. Aron Prepay Payment (such excess, an “Assigned Delivered Value Shortfall”) shall be added as a positive number to the balance of a notional tracking account maintained by J. Aron under the Electricity Sale and Service Agreement (the “Assigned Value Shortfall Tracking Account”), effective as of the end of the Month in which the applicable J. Aron Prepay Payment is due. An Assigned Delivered Value Shortfall added to the Assigned Value Shortfall Tracking Account will be reduced in future Months by the sale and delivery of any Assigned Product that is in excess of Assigned Prepay Quantities or, if necessary, by the sale and delivery of additional Base Quantities, as follows:

(i) if a J. Aron PAYGO Payment is included on any Monthly Statement (as defined in the MCE Custodial Agreement), then the balance of the Assigned Value Shortfall Tracking Account shall be reduced by an amount equal to such J. Aron PAYGO Payment (provided that, to the extent such J. Aron PAYGO Payment is not actually paid in accordance with the MCE Custodial Agreement, the Assigned Value Shortfall Tracking Account balance shall be increased by the amount not paid);

(ii) if the Assigned Value Shortfall Tracking Account has a positive balance for more than 90 days at any time, then Purchaser may upon no less than 30 days’ notice direct Issuer to cause J. Aron to deliver Base Quantities under the Electricity Sale and Service Agreement, which Base Quantities will ultimately be redelivered hereunder in order to reduce the Assigned Value Shortfall Tracking Account balance (such Base Quantities, “Increased Base Quantities”); and

(iii) to the extent that the Assigned Value Shortfall Tracking Account in any Month has a balance that exceeds the sum of the remaining MCE Fixed Payments, then in the following Month J. Aron shall deliver Increased Base Quantities in an amount sufficient that, if such amount were delivered in each Month for remainder of the Delivery Period and there were no further additions to the Assigned Value Shortfall Tracking Account, the balance of the Assigned Value Shortfall Tracking Account would equal zero as of the end of the Delivery Period.

(b) Scheduling of Increased Base Quantities. During the Delivery Period, any Increased Base Quantities described under clause (a)(ii) above may be Scheduled on a [**NOTE: Insert description of pricing period used for Base Quantities (24x7 or peak)**] basis or as otherwise agreed by Issuer and Purchaser. Issuer shall, if requested by Purchaser, request that Prepay LLC cause J. Aron to exercise Commercially Reasonable Efforts to deliver such Increased

Base Quantities ratably during the relevant Months; provided that Purchaser acknowledges and agrees that J. Aron may adjust such Increased Base Quantities throughout such Months based on changing Day-Ahead Market Prices in order to avoid delivering Increased Base Quantities with a value in excess of the Assigned Value Shortfall Tracking Account balance; provided further that, to the extent that Increased Base Quantities are delivered with a value in excess of the Assigned Value Shortfall Tracking Account balance, Purchaser agrees it shall pay Issuer the Day-Ahead Market Price for such Increased Base Quantities.

(c) No Interest. Notwithstanding anything to the contrary herein, no interest shall accrue on the Assigned Value Shortfall Tracking Account or on any amounts tracked pursuant to such account, including but not limited to any Assigned Delivered Value Shortfall or Assigned Value Shortfall Tracking Account Overage.

Section 6.5 J. Aron Non-Payment to APC Party. To the extent that (a) J. Aron fails to pay when due any J. Aron Prepay Payment or J. Aron PAYGO Payment and (b) Purchaser makes a payment for such amounts to the applicable APC Party, Purchaser shall provide notice thereof to Issuer upon Purchaser's payment to the applicable APC Party and Issuer shall make a payment to Purchaser in the amount of such non-payment; provided that, with respect to any such reimbursement obligations relating to Assigned PAYGO Product, Issuer shall owe a reimbursement payment to Purchaser for amounts relating thereto only to the extent that Issuer has received or has been deemed to receive payment hereunder for such Assigned PAYGO Product consistent with Section 3.2(a)(ii).

ARTICLE VII.

USE OF PRODUCT

Section 7.1 Tax Exempt Status of the Bonds. Purchaser acknowledges that the Bonds will be issued with the intention that the interest thereon will be exempt from federal taxes under Section 103 of the Code. Accordingly, Purchaser agrees that it will (a) provide such information with respect to its community choice aggregation program as may be requested by Issuer in order to establish the tax-exempt status of the Bonds, and (b) act in accordance with such written instructions as Issuer may provide from time to time in order to maintain the tax-exempt status of the Bonds. Purchaser further agrees that it will not at any time take any action, or fail to take any action, that, if taken or omitted, respectively, would adversely affect the tax-exempt status of the Bonds.

Section 7.2 Priority Products. Purchaser agrees to purchase and receive the Base Quantities and Assigned Quantities to be delivered under this Agreement (a) in priority over and in preference to all other Products available to Purchaser that are not Priority Products; and (b) on at least a pari passu and non-discriminatory basis with other Priority Products.

Section 7.3 Assistance with Sales to Third Parties. If, notwithstanding Purchaser's compliance with Section 7.1, Purchaser does not require all or any portion of the Base Quantities or Assigned Energy to meet its requirements for Energy for any Hour that it is obligated to purchase under this Agreement as a result of (i) insufficient demand by Purchaser's retail

customers or (ii) a change in Law, Purchaser may, with reasonable notice issued in the form of a remarketing notice in accordance with Exhibit G, request that Prepay LLC, as permitted by the Master Power Supply Agreement, sell such portion of such Base Quantities or Assigned Energy (i) to another Municipal Utility, or (ii) if necessary, to another purchaser. Any remarketing notice issued under clause (ii) above shall constitute a Structural Remarketing Notice (as defined in the Master Power Supply Agreement) and shall be subject to the requirements set forth in the Master Power Supply Agreement. If Prepay LLC makes such a sale under Exhibit C to the Master Power Supply Agreement, Issuer shall credit against the amount owed by Purchaser to Issuer hereunder the amount received by Issuer from Prepay LLC for such sales less all reasonable costs and expenses directly incurred by Issuer, including but not limited to remarketing administrative charges paid by it to Prepay LLC under the Master Power Supply Agreement, but in no event shall the amount of such credit be more than the Contract Price for the Energy so sold.

Section 7.4 Qualifying Use. Without limiting Purchaser's other obligations under this Article VII, Purchaser agrees that, subject to Section 7.5, it will use all of the Product purchased under this Agreement in compliance with the Qualifying Use Requirements. Purchaser agrees that it will provide such additional information, records and certificates as Issuer may reasonably request to confirm Purchaser's compliance with this Section 7.4.

Section 7.5 Remediation. The Parties acknowledge that Purchaser may at times inadvertently remarket Products received hereunder in a manner that does not comply with Qualifying Use Requirements due to daily and hourly fluctuations in Purchaser's Product needs. To the extent Purchaser does so, Purchaser shall (a) exercise Commercially Reasonable Efforts to use any Disqualified Sale Proceeds of such remarketing to purchase Products (other than Priority Products) that Purchaser then uses in compliance with the Qualifying Use Requirements and (b) reserve funds in an amount equal to any Disqualified Sale Proceeds until such Disqualified Sale Proceeds are remediated or transferred to the Trustee pursuant to Section 7.6(b) below.

Section 7.6 Quarterly Report; Ledger Entries; Redemption.

(a) Quarterly Reports. To track compliance with the requirements of Section 7.5, Purchaser will provide a quarterly report to Issuer (delivered not later than the 15th day of each April, July, October and January until the end of the Delivery Period) showing the following (each, a "Quarterly Report"): the total quantity of proceeds from sales of Products received hereunder that (i) were sold by Purchaser to any Person in a transaction that does not comply with the Qualifying Use Requirements and (ii) have not been remediated by Purchaser by applying such proceeds to purchase Products that are used in compliance with the Qualifying Use Requirements (the quantities of Product producing such proceeds, "Disqualified Sale Units" and such proceeds received, "Disqualified Sale Proceeds").

(b) Ledger Entries. Issuer shall report such unremediated Disqualified Sale Proceeds and the associated Disqualified Sale Units to Prepay LLC for addition to the remarketing ledgers maintained by Prepay LLC under the Master Power Supply Agreement, with the ledger entries to be dated as of the end of the first month of the relevant quarter.

(c) Transfers to Trustee. Purchaser shall transfer (to the extent such unremediated Disqualified Sales Proceeds and associated Disqualified Sale Units remain reflected on the remarketing ledger under Section 7.6(a) at the time such transfer is required by this Section 7.6(c)) any such unremediated Disqualified Sale Proceeds and any other required funds (i.e., all additional funds necessary for redemption of the Bonds referred to in this Section 7.6(c)) to the Trustee at least 95 days prior to the second anniversary of the date on which such unremediated Disqualified Sale Proceeds and the associated Disqualified Sale Units were first reflected on the remarketing ledgers in accordance with Section 7.6(a), with such funds to be deposited in the Debt Service Account (as defined in the Bond Indenture) and applied to the redemption of Bonds as directed by Issuer and approved by Special Tax Counsel (as defined in the Bond Indenture) as preserving the tax-exempt status of the Bonds.

ARTICLE VIII.

REPRESENTATIONS AND WARRANTIES; ADDITIONAL COVENANTS

Section 8.1 Representations and Warranties of Issuer. As a material inducement to entering into this Agreement, each Party, with respect to itself, hereby represents and warrants to the other Party as of the Execution Date as follows:

(a) in the case of Issuer as the representing Party, Issuer is a joint powers authority, duly organized and validly existing under the Laws of the State of California,

(b) in the case of Purchaser as the representing Party, Purchaser is a public agency of the State of California, duly organized and validly existing under the Laws of the State of California;

(c) it has all requisite power and authority, corporate or otherwise, to own its material properties, carry on its material business as now being conducted, enter into, deliver and to perform its obligations under this Agreement and to carry out the terms and conditions hereof and the transactions contemplated hereby;

(d) there is no litigation, action, suit, proceeding with service of process accomplished with respect to such Party or investigation pending or, to the best of such Party's knowledge, threatened, in each case before or by any Government Agency and, in each case, which could reasonably be anticipated to materially and adversely affect such Party's ability to perform its obligations under this Agreement or that questions the validity, binding effect or enforceability hereof, any action taken or to be taken by such Party pursuant hereto, or any of the transactions contemplated hereby;

(e) the execution, delivery and performance of this Agreement by such Party have been duly authorized by all necessary action on the part of such Party and its governing body and do not require any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party;

(f) this Agreement has been duly executed and delivered on behalf of such Party by an appropriate officer or authorized Person of such Party and constitutes the legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights generally and by general principles of equity;

(g) the execution, delivery and performance of this Agreement by such Party shall not violate any provision of any Law, order, writ, judgment, decree or other legal or regulatory determination applicable to it;

(h) the execution, delivery and performance by such Party of this Agreement, and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its financial obligations under this Agreement, shall not result in any violation of any term of any material contract or agreement applicable to it, or any of its charter or bylaws or of any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, Law, ordinance, rule or regulation applicable to it or any of its properties or to any obligations incurred by it or by which it or any of its properties or obligations are bound or affected, or of any determination or award of any arbitrator applicable to it, and shall not conflict with, or cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets, except with respect to Issuer, the lien of the Bond Indenture;

(i) to the best of the knowledge and belief of such Party, no Governmental Approval is required in connection with the valid authorization, execution, delivery and performance by such Party of this Agreement or the consummation of any of the transactions contemplated hereby other than those Governmental Approvals that have been obtained; and

(j) it enters this Agreement as a bona-fide, arms-length transaction involving the mutual exchange of consideration and, once executed by both Parties, considers this Agreement a legally enforceable contract.

Section 8.2 Warranty of Title. Issuer warrants that it will deliver to Purchaser (a) all Base Product free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any Person arising prior to the Delivery Point, and (b) all Assigned Product free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any Person that are imposed on such Assigned Product solely as a result of Issuer's or Prepay LLC's actions.

Section 8.3 Disclaimer of Warranties. EXCEPT FOR THE WARRANTIES EXPRESSLY MADE BY ISSUER IN THIS Article VIII, ISSUER HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Section 8.4 Continuing Disclosure. Purchaser agrees to provide to Issuer: (a) such financial and operating information as may be requested by Issuer, including Purchaser's most recent audited financial statements, for use in Issuer's offering documents for the Bonds; and (b) annual updates to such information and statements to enable Issuer to comply with its undertakings

to enable the underwriters of the offerings of the Bonds to comply with the continuing disclosure provisions of Rule 15(c)2-12 of the United States Securities and Exchange Commission. Failure by Purchaser to comply with its agreement to provide such annual updates shall not be a default under this Agreement, but any such failure shall entitle Issuer or an owner of the Bonds to take such actions and to initiate such proceedings as may be necessary and appropriate to cause Purchaser to comply with such agreement, including without limitation the remedies of mandamus and specific performance.

ARTICLE IX.

TAXES

As between Issuer and Purchaser, Issuer shall (i) be responsible for and pay or cause to be paid all ad valorem, excise, severance, production and other taxes assessed with respect to Product (other than any Assigned Product) delivered pursuant to this Agreement arising prior to the applicable Delivery Point and (ii) indemnify Purchaser and its Affiliates for any such taxes paid by Purchaser or its Affiliates. As between Issuer and Purchaser, Purchaser shall (i) be responsible for all taxes with respect to Product received pursuant to this Agreement assessed at or from the applicable Delivery Point, and (ii) indemnify Issuer and its Affiliates for any such taxes paid by Issuer or its Affiliates. Nothing shall obligate or cause a Party to pay or be liable for any tax for which it is exempt under Law.

ARTICLE X.

JURISDICTION; WAIVER OF JURY TRIAL

Section 10.1 Consent to Jurisdiction. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST EITHER PARTY ARISING OUT OF OR RELATING HERETO SHALL BE BROUGHT EXCLUSIVELY IN (A) THE COURTS OF THE STATE OF CALIFORNIA LOCATED IN THE CITY OF SAN FRANCISCO, (B) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE NORTHERN DISTRICT OF CALIFORNIA SITTING IN THE CITY AND COUNTY OF SAN FRANCISCO. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH ARTICLE XVI; AND AGREES THAT SERVICE AS PROVIDED ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT.

Section 10.2 Waiver of Jury Trial. TO THE EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING UNDER THIS AGREEMENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT

AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 10.2 AND EXECUTED BY EACH OF THE PARTIES), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY A COURT.

ARTICLE XI.

FORCE MAJEURE

Section 11.1 Applicability of Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and such Party (the “Claiming Party”) gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations with respect to this Agreement (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. For the duration of the Claiming Party’s non-performance (and only for such period), the non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

Section 11.2 Settlement of Labor Disputes. Notwithstanding anything to the contrary herein, the Parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the Party experiencing such disturbance, and the failure of a Party to settle such strikes, lockouts or other industrial disturbances shall not prevent the existence of Force Majeure or of reasonable dispatch to remedy the same.

ARTICLE XII.

GOVERNMENTAL RULES AND REGULATIONS

Section 12.1 Compliance with Laws. This Agreement shall be subject to all present and future Laws of any Government Agency having jurisdiction over this Agreement or the transactions to be undertaken hereunder, and neither Party has knowingly undertaken or will knowingly undertake or knowingly cause to be undertaken any activity that would conflict with

such Laws; provided, however, that nothing herein shall be construed to restrict or limit either Party's right to object to or contest any such Law, or its application to this Agreement or the transactions undertaken hereunder, and neither acquiescence therein or compliance therewith for any period of time shall be construed as a waiver of such right.

Section 12.2 Contests. Excluding all matters involving a contractual dispute between the Parties, no Party shall contest, cause to be contested or in any way actively support the contest of the equity, fairness, reasonableness or lawfulness of any terms or conditions set forth or established pursuant to this Agreement, as those terms or conditions may be at issue before any Government Agency in any proceeding, if the successful result of such contest would be to preclude or excuse the performance by either Party of this Agreement or any provision hereunder.

Section 12.3 Defense of Agreement. Excluding all matters involving a contractual dispute between the Parties, each Party shall hereafter exercise Commercially Reasonable Efforts to defend and support this Agreement before any Government Agency in any proceeding, if the substance, validity or enforceability of all or any part of this Agreement is hereafter directly challenged or if any proposed changes in regulatory practices or procedures would have the effect of making this Agreement invalid or unenforceable or would subject either Party to any greater or different regulation or jurisdiction that materially affects the rights or obligations of the Parties under this Agreement.

ARTICLE XIII.

ASSIGNMENT

The terms and provisions of this Agreement shall extend to and be binding upon the Parties and their respective successors, assigns, and legal representatives; *provided*, however, that, subject to Section 18.14, neither Party may assign this Agreement or its rights and interests, in whole or in part, under this Agreement without the prior written consent of the other Party; *provided* furthermore that, for the avoidance of doubt, any applicable Assignment Agreement shall terminate concurrent with the assignment of this Agreement. Prior to assigning this Agreement, Purchaser shall deliver to Issuer written confirmation from each Rating Agency (as defined in the Bond Indenture), *provided* that such agency has rated and continues to rate the Bonds, that the assignment will not result in a reduction, qualification, or withdrawal of the then-current ratings assigned by such Rating Agency to the Bonds. Whenever an assignment or a transfer of a Party's interest in this Agreement is requested to be made with the written consent of the other Party, the assigning or transferring Party's assignee or transferee shall expressly assume, in writing, the duties and obligations under this Agreement of the assigning or transferring Party. Upon the agreement of a Party to any such assignment or transfer, the assigning or transferring Party shall furnish or cause to be furnished to the other Party a true and correct copy of such assignment or transfer and assumption of duties and obligations

ARTICLE XIV.

PAYMENTS

Section 14.1 Monthly Statements.

(a) Purchaser's Statements. No later than the 5th day of each Month during the Delivery Period (excluding the first Month of the Delivery Period) and the first Month following the end of the Delivery Period, Purchaser shall deliver to Issuer a statement (a "Purchaser's Statement") listing (i) in respect of any Shortfall Quantity in the prior Month, the Replacement Price applicable to such Shortfall Quantity, and (ii) any other amounts due to Purchaser in connection with this Agreement with respect to the prior Months.

(b) Billing Statements. No later than the 10th day of each Month during the Delivery Period (excluding the first Month of the Delivery Period) and the first Month following the end of the Delivery Period (the "Billing Date"), Issuer shall deliver a statement (a "Billing Statement") to Purchaser indicating (i) the total amount due to Issuer for Product delivered in the prior Month, (ii) any other amounts due to Issuer or Purchaser in connection with this Agreement with respect to the prior Months, (iii) the net amount due to Issuer or Purchaser and (iv) the Assigned Value Shortfall Tracking Account balance, if any; provided that Prepay LLC's delivery of a Billing Statement to Issuer and Purchaser pursuant to and as defined in the Master Power Supply Agreement shall be deemed to satisfy Issuer's obligation to deliver a Billing Statement hereunder. If the actual quantity delivered is not known by the Billing Date, Issuer may provisionally prepare a Billing Statement based on Issuer's best available knowledge of the quantity of Product delivered. The invoiced quantity and amounts paid thereon (with interest calculated on the amount overpaid or underpaid by Purchaser at the Default Rate) will then be adjusted on the following Month's Billing Statement, as actual delivery information becomes available based on the actual quantity delivered.

(c) Supporting Documentation. Upon request by either Party, the other Party shall deliver such supporting documentation of the foregoing statements and information described in this Section 14.1 as such requesting Party may reasonably request.

Section 14.2 Payments.

(a) Payments Due. If the Billing Statement indicates an amount due from Purchaser, then Purchaser shall remit such amount to Issuer by wire transfer (pursuant to the Trustee's instructions), in immediately available funds, on or before the later of (i) the 24th day of the Month following the most recent Month to which such Billing Statement relates, or (ii) the 10th day following Purchaser's receipt of Issuer's Billing Statement, or if either such day is not a Business Day, the preceding Business Day. If the Billing Statement indicates an amount due from Issuer, then Issuer shall remit such amount to Purchaser by wire transfer (pursuant to Purchaser's instructions), in immediately available funds, on or before the later of (i) the 28th day of the Month following the most recent Month to which such Billing Statement relates, or (ii) the 10th day following Issuer's receipt of Purchaser's Statement, or if either such day is not a Business Day, the following Business Day. Notwithstanding the foregoing, payments due from Purchaser for Assigned PAYGO Product shall be satisfied by Purchaser's compliance with Section 3.2(a)(ii) in respect of such Assigned PAYGO Product.

(b) No Duty to Estimate. If Purchaser fails to issue a Purchaser's Statement with respect to any Month, Issuer shall not be required to estimate any amounts due to Purchaser for such Month, provided that Purchaser may include any such amount on subsequent Purchaser's Statements issued within the next sixty (60) days. The sixty (60)-day deadline in this subsection (b) replaces the two (2) year deadline in Section 14.5 with respect to any claim by any non-delivering Party of inaccuracy in any estimated invoice issued or payment made pursuant to this subsection (b).

Section 14.3 Payment of Disputed Amounts. If Purchaser disputes any amounts included in a Billing Statement, Purchaser shall (except in the case of manifest error) nonetheless pay any amount required by the Billing Statement in accordance with Section 14.2 without regard to any right of set-off, counterclaim, recoupment or other defenses to payment that Purchaser may have; *provided, however*, that Purchaser shall have the right, after payment, to dispute any amounts included in a Billing Statement or otherwise used to calculate payments due under this Agreement pursuant to Section 14.5. If Issuer disputes any amounts included in the Purchaser's Statement, Issuer may withhold payment to the extent of the disputed amount; *provided, however*, that interest shall be due at the Default Rate for any withheld amount later found to have been properly due.

Section 14.4 Late Payment. If Purchaser fails to remit within one Business Day the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at the Default Rate.

Section 14.5 Audit; Adjustments.

(a) Right to Audit. A Party shall have the right, at its own expense, upon reasonable notice to the other Party and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other Party to the extent reasonably necessary, but only to such extent, to verify the accuracy of any statement, charge, payment, or computation made under this Agreement. This right to examine, audit, and obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Agreement.

(b) Deadline for Objections. Each Purchaser's Statement and each Billing Statement shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such Purchaser's Statement or Billing Statement is objected to in writing, with adequate explanation and/or documentation, within two (2) years after the applicable Month of Product delivery.

(c) Payment of Adjustments. All retroactive adjustments shall be paid in full by the Party owing payment within 30 days of notice and substantiation of such inaccuracy. If the Parties are unable to agree upon any retroactive adjustments requested by either Party within the time period specified in Section 14.5(b), then either Party may pursue any remedies available with respect to such adjustments at law or in equity. Retroactive adjustments for payments made based on an incorrect Purchaser's Statement or Billing Statement shall bear interest at the Default Rate from the date such payment was made.

Section 14.6 Netting; No Set-Off. The Parties shall net all amounts due and owing, including any past due amounts (which, for the avoidance of doubt, shall include any accrued interest), arising under this Agreement such that the Party owing the greater amount shall make a single payment of the net amount to the other Party in accordance with this Article XIV. Notwithstanding the foregoing, no Party shall be entitled to net any amounts that are in dispute and payment for all amounts set forth in a Billing Statement provided to Purchaser shall be made without set-off or counterclaim of any kind.

Section 14.7 Rate Covenant. Purchaser agrees to make payments it is required to make under this Agreement from Utility Revenues, and only from such Utility Revenues, and as a charge against such Utility Revenues, as an operating expense of its electric system and a cost of purchased Product; provided, however, that Purchaser, in its discretion, may apply any legally available moneys to the payment of amounts due under this Agreement. Purchaser hereby covenants and agrees that it will establish, maintain, and set rates and charges for its electric system so as to provide Utility Revenues sufficient, together with all available electric system revenues, to enable Purchaser to pay to Issuer all amounts payable under this Agreement and to pay all other amounts payable from the revenues of Purchaser's electric system, and to maintain any reserves as required by the Purchaser's reserve policy. Purchaser further covenants and agrees that it shall not furnish or supply electric services free of charge to any person, firm, corporation, association, or other entity, public or private, except any such service free of charge that Purchaser is supplying on the date hereof or such free service as required by order of the CPUC or the State of California, and that it shall promptly enforce the payment of any and all accounts owing to Purchaser for the sale of electricity or the provision of transmission, distribution or other services to its customers. Purchaser further covenants and agrees that in any future bond issue, certificate of participation issue, interest rate swap agreement, commodity swap agreement or any other financing or financial transaction undertaken by, or on behalf of, Purchaser in connection with its electric system, Purchaser shall not pledge or encumber the Utility Revenues through a gross revenue pledge or in any other way which creates a prior or superior obligation to its obligation to make payments under this Agreement.

ARTICLE XV.

[RESERVED]

ARTICLE XVI.

NOTICES

Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to the other Party (or to any third party) shall be in writing and shall either be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses specified in Exhibit B for the receiving Party. Any such notice, demand, or request shall be deemed to be given (i) when delivered by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon 10 days' prior written notice to the other Party, to change its list of notice recipients and addresses in Exhibit B. The Parties may

mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods, such as electronic mail. Notwithstanding the foregoing, either Party may at any time notify the other that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective.

ARTICLE XVII.

DEFAULT; REMEDIES; TERMINATION

Section 17.1 Issuer Default. Each of the following events shall constitute a “Issuer Default” under this Agreement:

(a) any representation or warranty made by Issuer in this Agreement shall prove to have been incorrect in any material respect when made; or

(b) Issuer shall have failed to perform, observe or comply with any covenant, agreement or term contained in this Agreement, and such failure continues for more than thirty (30) days following receipt by Issuer of written notice thereof.

Section 17.2 Purchaser Default. Each of the following events shall constitute a “Purchaser Default” under this Agreement:

(a) Purchaser fails to pay when due any amounts owed to Issuer pursuant to this Agreement and such failure continues for three Days following receipt by Purchaser of written notice thereof;

(b) Purchaser (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency Law or other similar Law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained, in each case within 30 days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied,

enforced or sued on or against all or substantially all its of assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (viii) causes or is subject to any event with respect to it which, under the applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (vii); or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

(c) any representation or warranty made by Purchaser in this Agreement proves to have been incorrect in any material respect when made, and such default is not remedied within thirty (30) days after receipt by Purchaser of written notice thereof;

(d) Purchaser shall have failed to perform, observe or comply with any material covenant, agreement or term contained in this Agreement, and such failure continues for more than 30 days following the earlier of receipt by Purchaser of notice thereof; or

(e) Purchaser shall have failed to establish, maintain, or collect rates or charges adequate to provide Utility Revenues sufficient to enable Purchaser to pay all amounts due to Issuer under this Agreement in accordance with Section 14.7 (Rate Covenant), and such failure continues for more than 30 days following the earlier of receipt by Purchaser of notice thereof.

Section 17.3 Remedies Upon Default.

(a) Termination. If at any time a Issuer Default or a Purchaser Default has occurred and is continuing, then the non-defaulting Party may do any or all of the following (i) by notice to the defaulting Party specifying the relevant Issuer Default or Purchaser Default, as applicable, terminate this Agreement effective as of a day not earlier than the day such notice is deemed given under Article XVI and/or (ii) declare all amounts due to the non-defaulting Party under this Agreement or any part thereof immediately due and payable, and the same shall thereupon become immediately due and payable, without notice, demand, presentment, notice of dishonor, notice of intent to demand, protest or other formalities of any kind, all of which are hereby expressly waived by the defaulting Party; *provided, however*, this Agreement shall automatically terminate and all amounts due to the non-defaulting Party hereunder shall immediately become due and payable as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition giving rise to a Purchaser Default specified in Section 17.2(b)(iv) or, to the extent analogous thereto, Section 17.2(b)(viii). In addition, during the existence of an Issuer Default or a Purchaser Default, as applicable, the non-defaulting Party may exercise all other rights and remedies available to it at Law or in equity, including without limitation mandamus, injunction and action for specific performance, to enforce any covenant, agreement or term of this Agreement. Notwithstanding any provision in this Agreement to the contrary, Purchaser's maximum liability under this Agreement for a Purchaser Default shall not exceed (a)

any amounts due for Assigned PAYGO Product plus (b) [_____] ¹; provided that the foregoing limit shall not apply to Purchaser's obligation to pay for Products that have been delivered.

(b) Additional Remedies. In addition to the remedies set forth in Section 17.3(a) (and without limiting any other provisions of this Agreement), during the existence of any Purchaser Default, Issuer may suspend its performance hereunder and discontinue the supply of all or any portion of the Product otherwise to be delivered to Purchaser by it under this Agreement. If Issuer exercises its right to suspend performance under this Section 17.3(b), Purchaser shall remain fully liable for payment of all amounts in default and shall not be relieved of any of its payment obligations under this Agreement. Deliveries of Product may only be reinstated, at a time to be determined by Issuer, upon (i) payment in full by Purchaser of all amounts then due and payable under this Agreement and (ii) unless otherwise agreed by Issuer, payment in advance by Purchaser at the beginning of each Month of amounts estimated by Issuer to be due to Issuer for the future delivery of Product under this Agreement for such Month. Issuer may continue to require payment in advance from Purchaser after the reinstatement of Issuer's supply services under this Agreement for such period of time as Issuer in its sole discretion may determine is appropriate. In addition, and without limiting any other provisions of or remedies available under this Agreement, if Purchaser fails to accept from Issuer any Product tendered for delivery under this Agreement, Issuer shall have the right to sell such Product to third parties on any terms that Issuer, in its sole discretion, determines are appropriate.

(c) Effect of Early Termination. As of the effectiveness of any termination date in accordance with clause (i) of Section 17.3(a), (i) the Delivery Period shall end, (ii) the obligation of Issuer to make any further sales and deliveries of Product to Purchaser under this Agreement shall terminate, and (iii) the obligation of Purchaser to purchase and receive deliveries of Product from Issuer under this Agreement will terminate. Neither this Agreement nor the Delivery Period may be terminated for any reason except as specified in this Article XVII. Without prejudice to any payment obligation in respect of periods prior to termination, no payments will be due from either Party in respect of periods occurring after the effective termination date of this Agreement.

Section 17.4 Termination of Master Power Supply Agreement. Purchaser acknowledges and agrees that (i) in the event the Master Power Supply Agreement terminates prior to the end of the primary term of this Agreement, this Agreement shall terminate on the effective date of early termination of the Master Power Supply Agreement (which date shall be the last date upon which deliveries are required thereunder, subject to all winding up arrangements) and (ii) Issuer's obligation to deliver Product under this Agreement shall terminate upon the termination of deliveries of Product to Issuer under the Master Power Supply Agreement. Issuer shall provide notice to Purchaser of any early termination date of the Master Power Supply Agreement. The Parties recognize and agree that, in the event that the Master Power Supply Agreement terminates

¹ HB NTD: To be an amount equal to maximum 3 months of Unadjusted Base Quantities multiplied by approximately \$75.

because of a Failed Remarketing (as defined in the Bond Indenture) of the Bonds that occurs in the first Month of a Reset Period, Issuer shall deliver Product under this Agreement for the remainder of such first Month, and, notwithstanding anything in this Agreement to the contrary, no Monthly Discount Percentage or Annual Refunds shall be associated with such deliveries and the Contract Price shall be adjusted accordingly.

Section 17.5 Limitation on Damages. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS HEREIN PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION, OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING WITHOUT LIMITATION THE NEGLIGENCE OF EITHER PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THIS AGREEMENT ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT, AND THE LIQUIDATED DAMAGES CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS. IN DETERMINING THE APPROPRIATE MEASURE OF DAMAGES THAT WOULD MAKE THE PARTIES WHOLE, THE PARTIES HAVE THOROUGHLY CONSIDERED, INTER ALIA, THE UNCERTAINTY OF FLUCTUATIONS IN PRODUCT PRICES, THE ABILITY AND INTENTION OF THE PARTIES TO HEDGE SUCH FLUCTUATIONS, THE BARGAINED-FOR ALLOCATION OF RISK, THE KNOWLEDGE, SOPHISTICATION AND EQUAL BARGAINING POWER OF THE PARTIES, THE ARMS-LENGTH NATURE OF THE NEGOTIATIONS, THE SPECIAL CIRCUMSTANCES OF THIS TRANSACTION, THE ACCOUNTING AND TAX TREATMENT OF THE TRANSACTION BY THE PARTIES, AND THE ENTERING INTO OF OTHER TRANSACTIONS IN RELIANCE ON THE ENFORCEABILITY OF THE LIQUIDATED DAMAGES PROVISIONS CONTAINED HEREIN.

ARTICLE XVIII. MISCELLANEOUS

Section 18.1 Indemnification Procedure. With respect to each indemnification included in this Agreement, the indemnity is given to the fullest extent permitted by applicable Law and the following provisions shall be applicable. The indemnified Party shall promptly notify the indemnifying Party in writing of any Claim and the indemnifying Party shall have the right to

assume its investigation and defense, including employment of counsel, and shall be obligated to pay related court costs, attorneys' fees and experts' fees and to post any appeals bonds; *provided*, however, that the indemnified Party shall have the right to employ at its expense separate counsel and participate in the defense of any Claim. The indemnifying Party shall not be liable for any settlement of a Claim without its express written consent thereto. In order to prevent double recovery, the indemnified Party shall reimburse the indemnifying Party for payments or costs incurred in respect of an indemnity with the proceeds of any judgment, insurance, bond, surety or other recovery made by the indemnified Party with respect to a covered event.

Section 18.2 Deliveries. Contemporaneously with this Agreement (unless otherwise specified),

(a) each Party shall deliver to the other Party evidence reasonably satisfactory to it of (i) such Party's authority to execute, deliver and perform its obligations under this Agreement and (ii) the appropriate individuals who are authorized to sign this Agreement on behalf of such Party;

(b) on the Bond Closing Date, Purchaser shall deliver to Issuer a fully executed Federal Tax Certificate in the form attached hereto as Exhibit D; and

(c) on the Bond Closing Date, Purchaser shall deliver to Issuer an opinion of counsel to Purchaser in the form attached hereto as Exhibit E.

Section 18.3 Entirety; Amendments. This Agreement, including the exhibits and attachments hereto, constitutes the entire agreement between the Parties and supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof. There are no prior or contemporaneous agreements or representations affecting the same subject matter other than those expressed herein. Except for any matters that, in accordance with the express provisions of this Agreement, may be resolved by oral agreement between the Parties, no amendment, modification, supplement, or change hereto shall be enforceable unless reduced to writing and executed by both Parties.

Section 18.4 Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLE THAT WOULD DIRECT THE APPLICATION OF ANOTHER JURISDICTION'S LAW.

Section 18.5 Non-Waiver. No waiver of any breach of any of the terms of this Agreement shall be effective unless such waiver is in writing and signed by the Party against whom such waiver is claimed. No waiver of any breach or breaches shall be deemed a waiver of any other subsequent breach.

Section 18.6 Severability. If any provision of this Agreement, or the application thereof, shall for any reason be invalid or unenforceable, then to the extent of such invalidity or

unenforceability, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, but rather shall be enforced to the maximum extent permissible under applicable Law, so long as the economic and legal substance of the transactions contemplated hereby is not affected in any materially adverse manner as to either Party.

Section 18.7 Exhibits. Any and all Exhibits and attachments referenced in this Agreement are hereby incorporated herein by reference and shall be deemed to be an integral part hereof.

Section 18.8 Winding Up Arrangements. All indemnity and confidentiality obligations, audit rights, and other provisions specifically providing for survival shall survive the expiration or termination of this Agreement. The expiration or termination of this Agreement shall not relieve either Party of (a) any unfulfilled obligation or undischarged liability of such Party on the date of such termination or (b) the consequences of any breach or default of any warranty or covenant contained in this Agreement. All obligations and liabilities described in the preceding sentence of this Section 18.8, and applicable provisions of this Agreement creating or relating to such obligations and liabilities, shall survive such expiration or termination.

Section 18.9 Relationship of Parties. The Parties shall not be deemed to be in a relationship of partners or joint venturers by virtue of this Agreement, nor shall either Party be an agent, representative, trustee or fiduciary of the other. Neither Party shall have any authority to bind the other to any agreement. This Agreement is intended to secure and provide for the services of each Party as an independent contractor.

Section 18.10 Immunity. Each Party represents and covenants to and agrees with the other Party that it is not entitled to and shall not assert the defense of sovereign immunity with respect to its obligations or any Claims under this Agreement.

Section 18.11 Rates and Indices. If the source of any publication used to determine the index or other price used in the Contract Price should cease to publish the relevant prices or should cease to be published entirely, an alternative index or other price will be used based on the determinations made by Issuer and Prepay LLC under [Section 18.11] of the Master Power Supply Agreement. Issuer shall provide Purchaser the opportunity to provide its recommendations and other input to Issuer for Issuer's use in the process for selecting such alternative index or other price under Section 18.11 of the Master Power Supply Agreement.

Section 18.12 Limitation of Liability. Notwithstanding anything to the contrary herein, all obligations of Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of Issuer payable solely from Trust Estate (as such term is defined in the Bond Indenture) as and to the extent provided in the Bond Indenture, including with respect to Operating Expenses (as such term is defined in the Bond Indenture). Issuer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Bond Indenture) and other assets pledged under the Bond Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of Issuer nor the taxing power of the State of California or any political subdivision thereof is

pledged to payments pursuant to this Agreement. Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Bond Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Bond Indenture.

Section 18.13 Counterparts. This Agreement may be executed and acknowledged in multiple counterparts and by the Parties in separate counterparts, each of which shall be an original and all of which shall be and constitute one and the same instrument.

Section 18.14 Third Party Beneficiaries; Rights of Trustee. Purchaser acknowledges and agrees that (a) Issuer will pledge and assign its rights, title and interest in this Agreement and the amounts payable by Purchaser under this Agreement to secure Issuer's obligations under the Bond Indenture, (b) the Trustee shall be a third-party beneficiary of this Agreement with the right to enforce Issuer's rights and Purchaser's obligations under this Agreement, (c) J. Aron shall be a third-party beneficiary of this Agreement with the right to enforce the provisions of Article VI and Exhibit F of this Agreement, (d) the Trustee or any receiver appointed under the Bond Indenture shall have the right to perform all obligations of Issuer under this Agreement, and (e) in the event of any Purchaser Default under Section 17.2(a), (i) Prepay LLC may, to the extent provided for in, and in accordance with, the Receivables Purchase Exhibit to the Master Power Supply Agreement, take assignment from Issuer of receivables owed by Purchaser to Issuer under this Agreement, and Prepay LLC or any third party transferee who purchases and takes assignment of such receivables from Prepay LLC shall thereafter have all rights of collection with respect to such receivables (provided that, if at any time an insurance provider agrees to insure Purchaser's payment obligations hereunder, then such insurance provider shall have the same rights under this Section 18.14 as Prepay LLC), and (ii) if such receivables are not so assigned, the Swap Counterparties (as defined in the Bond Indenture) shall have the right to pursue collection of such receivables to the extent any non-payment by Issuer to any Swap Counterparty was caused by Purchaser's payment default. Pursuant to the terms of the Bond Indenture, Issuer has irrevocably appointed the Trustee as its agent to issue notices and, as directed under the Bond Indenture, to take any other actions that Issuer is required or permitted to take under this Agreement. Purchaser may rely on notices or other actions taken by Issuer or the Trustee and Purchaser has the right to exclusively rely on any notices delivered by the Trustee, regardless of any conflicting notices that it may receive from Issuer.

Section 18.15 No Recourse to Members of Purchaser. Purchaser is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to its Joint Powers Agreement and is a public entity separate from its constituent members. Purchaser shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Issuer shall have no rights and shall not make any claims, take any actions or assert any remedies against any of Purchaser's constituent members, or the employees, directors, officers, consultants or advisors or Purchaser or its constituent members, in connection with this Agreement.

Section 18.16 Waiver of Defenses. Each Party waives all rights to set-off, counterclaim, recoupment and any other defenses that might otherwise be available to it with regard to its obligations pursuant to the terms of this Agreement.

Section 18.17 Rate Changes.

(a) Standard of Review. Absent the agreement of the Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in Section 18.17(b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting *sua sponte*, shall solely be the “public interest” application of the “just and reasonable” standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) and clarified by Morgan Stanley Capital Group Inc. v. Public Util. Dist. No. 1 of Snohomish, 554 U.S. 527 (2008).

(b) Waiver. In addition, and notwithstanding Section 18.17(a), to the fullest extent permitted by applicable Law, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under Section 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable Law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in applicable Law or market conditions that may occur. In the event it were to be determined that applicable Law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this Section 18.17(b) shall not apply, *provided* that, consistent with Section 18.17(a), neither Party shall seek any such changes except solely under the “public interest” application of the “just and reasonable” standard of review and otherwise as set forth in Section 18.17(a).

IN WITNESS WHEREOF, the Parties have caused this Clean Energy Purchase Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

[Separate Signature Page(s) Attached]

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

MARIN CLEAN ENERGY

By: _____
Name: _____
Title: _____

EXHIBIT A-1
BASE QUANTITIES; BASE DELIVERY POINTS; COMMODITY REFERENCE PRICES

Primary Delivery Point		[To come] (Primary Delivery Point)		
Delivery Hours		<div>[Each Hour beginning at 9:00 a.m. CPT on the first Day of the Delivery Period and ending at the end of the last Hour in the Delivery Period.] [NOTE: This provision shall apply if the Participant elects a 24x7 structure, with such election to be made at the time of or prior to execution of the Agreement.]</div> <div>[Each Hour from 07:00 a.m. to 11:00 p.m. LPT, Mondays through Fridays, excluding NERC Holidays, during the Delivery Period. The Base Quantity for all other Hours shall be zero.] [NOTE: This provision shall apply if the Participant elects a 5x16 structure, with such election to be made at the time of or prior to execution of the Agreement.]</div>		
Commodity Reference Prices		<div>Day-Ahead Market Price: [To come]</div> <div>Real-Time Market Price: [To come]</div>		
# of Days	Month	Base Unadjusted Quantity: MWh/Delivery Hour	Base Quantity Reduction: MWh/Delivery Hour	Base Quantity: MWh/Delivery Hour
30	Jun-18	0		
	July18			
	Aug-18			
	Sep-18			
	Oct-18			
	Nov-18			
	Dec-18			
	Jan-19			
	Feb-19			
	Mar-19			

EXHIBIT A-2
INITIAL ASSIGNED RIGHTS AND OBLIGATIONS²

² NTD: To include information on initial Assigned PPAs, including the PPA Sellers, the Assigned Prepay quantities, the assigned delivery points and the assignment periods.

EXHIBIT A-3
MCE FIXED PAYMENT SCHEDULE³
[To come.]

³ NTD: To provide MCE fixed payment schedule based on Assigned Prepay quantities, applicable PPA contract prices and the monthly discount.

EXHIBIT B

NOTICES

IF TO ISSUER: []
 []
 []
Scheduling: []
 []
 []
Invoicing/Payments: []
 []
 []
Payment Account: []

Statements: []
 []
 []
General Notices: []
 []
 []
IF TO PURCHASER: []

 []
 []
Scheduling: []
 []
 []
Invoicing/Payments: []
 []
 []

Statements: []
 []
 []
General Notices: []

[
[

EXHIBIT C

REMARKETING ELECTION NOTICE

[Issuer]
[Address]

[Prepay LLC]
[Address]

[Trustee]
[Address]

To the Addressees:

The undersigned, duly authorized representative of [_____] (the "Purchaser"), is providing this notice (the "Remarketing Election Notice") pursuant to the Clean Energy Purchase Contract, dated as of [_____] 2021 (the "Clean Energy Purchase Contract"), between California Community Choice Financing Authority and Purchaser. Capitalized terms used herein shall have the meanings set forth in the Clean Energy Purchase Contract.

Pursuant to Section 3.5(b) of the Clean Energy Purchase Contract, the Purchaser has elected to have its Base Quantity, for each Hour of the Reset Period commencing _____ and extending to and including _____, remarketed beginning as of the commencement of such Reset Period. The resumption of deliveries of Base Quantities in any future Reset Period shall be in accordance with Section 3.5(d) of the Clean Energy Purchase Contract.

Given this [_____] day of [_____] 20[____].

MARIN CLEAN ENERGY

By: _____
Printed Name:
Title:

EXHIBIT D

FORM OF FEDERAL TAX CERTIFICATE

This Federal Tax Certificate is executed in connection with the Clean Energy Purchase Contract dated as of [____], 2021 (the “Clean Energy Purchase Contract”), by and between the California Community Choice Financing Authority (“Issuer”) and Marin Clean Energy, a California joint powers authority (“Power Purchaser”). Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Clean Energy Purchase Contract, in the Tax Certificate and Agreement, or in the Bond Indenture.

WHEREAS Power Purchaser acknowledges that Issuer is issuing the Bonds to fund the prepayment price under the Master Power Supply Agreement; and

WHEREAS the Bonds are intended to qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended; and

WHEREAS Power Purchaser’s use of Energy acquired pursuant to the Clean Energy Purchase Contract and certain funds and accounts of Power Purchaser will affect the Bonds’ qualification for such tax exemption.

NOW, THEREFORE, POWER PURCHASER HEREBY CERTIFIES AS FOLLOWS:

Power Purchaser is a joint powers authority and a community choice aggregator created and existing pursuant to the provisions of California law, organized under the laws of the State of California.

Power Purchaser will resell all of the Energy acquired pursuant to the Clean Energy Purchase Contract to its retail Energy customers within its service area, with retail sales in all cases being made pursuant to regularly established and generally applicable tariffs. For purposes of the foregoing sentence, the term “service area” means (x) the area throughout which Power Purchaser provided power service at all times during the 5-year period ending on December 31, 2020, and from then until the date of issuance of the Bonds (the “Closing Date”), and (y) any area recognized as the service area of Power Purchaser under state or federal law.

The annual average amount during the testing period of Energy purchased (other than for resale) by customers of Power Purchaser who are located within the service area of Power Purchaser is [____] MWh. The maximum annual amount of Energy in any year being acquired pursuant to the Clean Energy Purchase Contract is [____] MWh. The annual average amount of Energy which Power Purchaser otherwise has a right to acquire as of the Closing Date (including rights to capacity to generate electricity, whether owned, leased or otherwise contracted for) is [____] MWh. The sum of (a) the maximum amount of Energy in any year being acquired pursuant to the Clean Energy Purchase Contract, and (b) the amount of Energy that Power Purchaser otherwise has a right to acquire (including rights to capacity to generate electricity, whether owned, leased or otherwise contracted for) in the year described in the foregoing clause

(a), is [] MWh. Accordingly, the amount of Energy to be acquired under the Clean Energy Purchase Contract by Power Purchaser, supplemented by the amount of Energy otherwise available to Power Purchaser as of the Closing Date, during any year does not exceed the sum of (i) []% of the annual average amount during the testing period of Energy purchased (other than for resale) by customers of Power Purchaser who are located within the service area of Power Purchaser; and (ii) the amount of Energy to be used to transport the Energy purchased pursuant to the Master Power Supply Agreement to Power Purchaser during such year. For purposes of this paragraph 3, the term "testing period" means the 5 calendar years ending December 31, 2019, and the term "service area" means (x) the area throughout which Power Purchaser provided power service at all times during the testing period, (y) any area within a county contiguous to the area described in (x) in which retail customers of Power Purchaser are located if such area is not also served by another utility providing power services, and (z) any area recognized as the service area of Power Purchaser under state or federal law. **[MCE NOTE: None of MCE's service areas are exclusive to MCE. PG&E also provides some level of power services in these service areas to accounts that opted-out of MCE's CCA program.]**

Power Purchaser expects to pay for Energy acquired pursuant to the Clean Energy Purchase Contract solely from funds derived from its power distribution operations. Power Purchaser expects to use current net revenues of its to pay for current Energy acquisitions. There are no funds or accounts of Power Purchaser or any person who is a related Person to Power Purchaser in which monies are invested and which are reasonably expected to be used to pay for Energy acquired more than one year after it is acquired. No portion of the proceeds of the Bonds will be used directly or indirectly to replace funds of Power Purchaser or any persons who are related Persons to Power Purchaser that are or were intended to be used for the purpose for which the Bonds were issued.

_____, 2021

By: _____

[Name]

[Title]

EXHIBIT E

OPINION OF COUNSEL

[To come.]

EXHIBIT F

ASSIGNMENT OF ASSIGNABLE POWER CONTRACTS

1. **General Requirements.** Assigned Rights and Obligations under an Assignable Power Contract may only be assigned under this Exhibit F if the following requirements are satisfied or waived by J. Aron and Issuer:
 - 1.1. The seller under such Assignable Power Contract (the “APC Party”) either (i) has a long-term senior unsecured credit rating that is “Baa3” or higher from Moody’s Investor’s Service, Inc. (or any successor to its credit rating service operation), “BBB-” or higher from Standard & Poor’s Global Ratings (or any successor to its credit rating service operation) or “BBB-” or higher from Fitch Ratings, Inc. (or any successor to its credit rating service operation), (ii) provides credit support that is reasonably satisfactory to J. Aron or (iii) otherwise provides evidence of its creditworthiness that is reasonably satisfactory to J. Aron (which, for the avoidance of doubt, may include credit support provided by such APC Party to Purchaser).
 - 1.2. The APC Party satisfies J. Aron’s internal requirements as they relate to “know your customer” rules, policies and procedures, anti-money laundering rules and regulations, Dodd-Frank Act, Commodity Exchange Act, Patriot Act and similar rules, regulations, requirements and corresponding policies.
 - 1.3. The APC Party is organized in the United States and in a jurisdiction that does not present adverse tax consequences to J. Aron or Issuer in connection with such proposed assignment.
 - 1.4. J. Aron, Purchaser, and Issuer have agreed on and executed an Assignment Schedule for such assignment.
 - 1.5. J. Aron, Purchaser, Issuer, and the applicable APC Party have agreed on and executed an Assignment Agreement for such assignment.
 - 1.6. The contract price (in \$/MWh) payable by Purchaser under the applicable Assignable Power Contract (the “APC Contract Price”) is a fixed price unless Issuer, Purchaser and J. Aron agree, each in their sole discretion, to appropriate changes to the relevant documents to accommodate a floating APC Contract Price. For purposes of this Exhibit H, a “fixed price” shall be deemed to include any price that is fixed but for a periodic escalation, whether pre-determined or by reference to a price index, provided that the Base Quantity Reductions required to reflect any index-based escalation shall be made promptly following the time that such index is available.
 - 1.7. If the Assignable Power Contract is unit-contingent or for an as-generated Product, then:
 - 1.7.1. J. Aron has determined with a high degree of certainty that the Applicable Project will be able to generate the Assigned Prepay Value in each Month during the proposed Assignment Period.
 - 1.7.2. The Applicable Project (as defined below) has generated the Assigned Prepay Value (as defined below) in each Month since commencing commercial operation.

2. **Proposed Assignment.** Purchaser may propose an assignment of Assigned Rights and Obligations under Article VI of the Clean Energy Purchase Contract by delivering the following items to Issuer and to J. Aron:
 - 2.1. A written notice of the proposed assignment signed by Purchaser.
 - 2.2. A true and complete copy of the Assignable Power Contract under which such Assigned Rights and Obligations would arise.
 - 2.3. Evidence reasonably satisfactory to Issuer and J. Aron that all authorizations, consents, approvals, licenses, rulings, permits, exemptions, variances, orders, judgments, decrees, declarations of or regulations by any Government Agency necessary in connection with the transactions contemplated by the Assignable Power Contract and the assignment of the Assignable Power Contract to J. Aron have been obtained and are in full force and effect. Such Evidence may be provided by a closing certificate with appropriate back-up materials.
 - 2.4. Such additional information as Issuer and J. Aron may reasonably request regarding the Assignable Power Contract and the APC Party.
 - 2.5. If the Assignable Power Contract is unit-contingent or for an as-generated Product, then:
 - 2.5.1. A description and information of the applicable project to which the Assignable Power Contract applies (the “Applicable Project”), including but not limited to information on the location, interconnection(s), and operating and compliance history of Applicable Project.
 - 2.5.2. Either (i) a report from a nationally recognized consultant in the energy industry that is reasonably acceptable to Issuer and J. Aron showing the “P99” forecasted generation (“P99 Generation”) and “P50” forecasted generation (“P50 Generation”) of the Applicable Project for the entire Assignment Period, as the terms P99 and P50 are commonly used in the renewable energy industry or (ii) monthly historical generation and meteorological data of the Applicable Project dating back to the commercial operation date.

Following Issuer’s and J. Aron’s receipt of such information, Purchaser and Issuer will and J. Aron has agreed in the Electricity Sale and Service Agreement to (i) negotiate in good faith with one another and exercise Commercially Reasonable Efforts to agree upon an Assignment Schedule, with the initial draft of such Assignment Schedule to be developed by J. Aron, and (ii) negotiate in good faith with one another and the APC Party regarding an Assignment Agreement, in each case related to the proposed assignment. If such Assignment Schedule and Assignment Agreement are agreed to by the representative parties thereto, the applicable parties will execute such Assignment Agreement and Assignment Schedule to be effective upon the assignment of the Assigned Rights and Obligations from Purchaser to J. Aron pursuant to the Assignment Agreement. J. Aron will act in good faith in considering proposed assignments that meet the criteria set forth in this Exhibit F, in accordance with the provisions set forth in the Electricity Sale and Service Agreement. For the avoidance of doubt, Purchaser acknowledges that J. Aron will not be required to execute any Assignment Agreement or Assignment Schedule, or otherwise accept any Assigned Rights and Obligations unless the APC Party (i) satisfies J. Aron’s internal requirements as they relate to “know your customer” rules, policies and procedures, anti-money laundering rules and regulations, Dodd-Frank Act,

Commodity Exchange Act, Patriot Act and similar rules, regulations, requirements and corresponding policies, (ii) is organized in the United States, and (iii) satisfies all other requirements in Section 1 of this Exhibit F.

3. **Assignment Schedule.** In connection with each assignment, an “Assignment Schedule” will be prepared in the form attached hereto as Annex I (with such changes as agreed by the Parties in their sole discretion), must be executed by Purchaser, Issuer and J. Aron, and must include each of the following:

- 3.1. The term of such Assigned Rights and Obligations (an “Assignment Period”) shall have the meaning specified in each applicable Assignment Agreement and shall (i) end not later than (a) the end of the delivery period under the Assignable Power Contract and (b) the end of the Delivery Period under this Agreement, (ii) not commence any earlier than sixty (60) days after Purchaser’s original notice under Section 2.1 above, and (iii) have a primary term that is not less than 18 Months in duration (provided, for the avoidance of doubt, the primary term references the term of the applicable Assignment Period and not the term of the Assignable Power Contract).
- 3.2. If the Assignable Power Contract is unit-contingent or for an as-generated product, then a description of the Applicable Project.
- 3.3. The “Assigned Prepay Quantity” means, for each Month of an Assignment Period and each Assignment Agreement, a quantity of Energy agreed upon by J. Aron, Issuer and Purchaser, which Assigned Prepay Quantity, if the Assignable Power Contract is unit contingent or for an as-generated Product, shall not exceed an amount that J. Aron has determined with a high degree of certainty that the Applicable Project will be able to generate in each Month during the Assignment Period; provided that the Assigned Prepay Quantity for each Month may not exceed the limit expressed in the proviso to Section 3.4 below. For the avoidance of doubt, the Assigned Rights and Obligations will include all of Purchaser’s rights to receive Energy under the Assignable Power Contract even if such rights to receive Energy may exceed the Assigned Prepay Quantity.
- 3.4. An updated Exhibit A-1 to the Clean Energy Purchase Contract reflecting a reduction in Base Quantity for each Hour during an Assignment Period after giving effect to the Assignment Schedule (each, a “Base Quantity Reduction”), which Base Quantity Reduction for each Hour will equal (i) the Assigned Prepay Quantity for such Hour, multiplied by (ii) the result of (A) the APC Contract Price applicable for such Hour, divided by (B) \$[]/MWh **[NOTE: This price will be filled in based on the Fixed Price under the Issuer commodity swap less program fees]**; provided that if the Base Quantity Reduction for any Hour would result in a Base Quantity of less than zero, then the Assigned Prepay Quantity for such Hour will be reduced to the closest whole MWh such that the Base Quantity is not reduced below zero.
- 3.5. The APC Contract Price, which as set forth in Section 1.6 above must be a fixed price unless Issuer, Purchaser and J. Aron agree to appropriate changes to the relevant documents to accommodate a floating APC Contract Price.
- 3.6. The Assigned Delivery Point for all Assigned Energy.
- 3.7. The Assigned Product included in the Assigned Rights and Obligations, which Assigned Product may not include any Product other than (a) Energy, (b) associated

RECs, and (c) other product included within the sale of Energy and not separately delivered from Energy, provided that the APC Contract Price must be inclusive of any amounts due in respect of all Assigned Product.

ASSIGNMENT SCHEDULE

Assigned Product: [_____]

Assigned Delivery Point: [_____]

Assigned Prepay Quantity: As set forth in Appendix 2; provided that all Assigned Products shall be delivered pursuant to the Limited Assignment Agreement during the Assignment Period as provided in Appendix 1.

APC Contract Price: \$[____]/MWh

Assignment Period: [_____]

Other Provisions:

Attachment: Updated Exhibit A-1 to Clean Energy Purchase Contract

FORM OF ASSIGNMENT AGREEMENT

NOTE: Purchaser may include the form included in this Annex II as an exhibit to any PPA executed by Purchaser and include the following or similar language in the PPA: “[Seller] agrees that [Buyer] may assign a portion of its rights and obligations under this Agreement to J. Aron & Company LLC (“J. Aron”) at any time upon not less than [] days’ notice by delivering a written request for such assignment, which request must include a proposed assignment agreement in the form attached hereto as [Exhibit], with the blanks in such form completed in [Buyer’s] sole discretion. Provided that [Buyer] delivers a proposed assignment agreement complying with the previous sentence, [Seller] agrees to (i) comply with J. Aron’s reasonable requests for know-your-customer and similar account opening information and documentation with respect to [Seller], including but not limited to information related to forecasted generation, credit rating, and compliance with anti-money laundering rules, the Dodd-Frank Act, the Commodity Exchange Act, the Patriot Act and similar rules, regulations, requirements and corresponding policies; and (ii) promptly execute such assignment agreement and implement such assignment as contemplated thereby, subject only to the countersignature of J. Aron and Company, LLC and [Buyer].”

[To be attached in the form agreed by J. Aron and MCE.]

EXHIBIT G

COMMUNICATIONS PROTOCOL FOR BASE QUANTITIES

This Exhibit G (“Communications Protocol”) addresses the Scheduling of Base Quantities to be delivered and received at the Base Delivery Point. It is intended to be attached to both the Master Power Supply Agreement and the Clean Energy Purchase Contract, each as defined below.

1. ADDITIONAL DEFINED TERMS

In addition to the terms defined in Article I of this Agreement, the following terms used in this Communications Protocol shall have the following meanings:

- 1.1. “Agreement” means (i) when this Communications Protocol is attached to the Master Power Supply Agreement, the Master Power Supply Agreement and (ii) when this Communications Protocol is attached to the Clean Energy Purchase Contract, the Clean Energy Purchase Contract.
- 1.2. “Clean Energy Purchase Contract” means that certain Clean Energy Purchase Contract dated as of [____], 2021 by and between Issuer and Project Participant.
- 1.3. “Delivery Scheduling Entity” means Prepay LLC or a Person designated by Prepay LLC, as set forth in Attachment 4 hereto or in a subsequent written notice to Issuer and the Project Participant.
- 1.4. “Issuer” means California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended).
- 1.5. “Master Power Supply Agreement” means that certain Master Power Supply Agreement dated as of [____], 2021 by and between Prepay LLC and Issuer that is specified as relating to the Clean Energy Purchase Contract with Project Participant.
- 1.6. “Operational Nomination” has the meaning specified in Section 4.1.1.
- 1.7. “Prepay LLC” means Aron Energy Prepay [] LLC, a Delaware limited liability company.
- 1.8. “Project Participant” means Marin Clean Energy, a California joint powers authority.
- 1.9. “Receipt Scheduling Entity” for any Delivery Point means the Project Participant, unless the Clean Energy Purchase Contract has been suspended or terminated, in which case the Receipt Scheduling Entity will be Issuer or a Person designated by Issuer for such Delivery Point in accordance with this Communications Protocol.

- 1.10. “Relevant Contract” means the Master Power Supply Agreement and the Clean Energy Purchase Contract.
- 1.11. “Relevant Party” means Issuer, Prepay LLC or the Project Participant.
- 1.12. “Relevant Third Party” means any Person that is (i) a Transmission Provider that will or is intended to transport Product to be delivered or received under the Agreement, (ii) an independent system operator or control area that coordinates the Scheduling of Product at the Base Delivery Point, (iii) Scheduling receipt of Product by Issuer or for the account of Issuer to the extent such Product has been delivered to Issuer or for the account of Issuer under the Master Power Supply Agreement, and (iv) delivering Product to Issuer or for the account of Issuer to the extent such Product is intended to be re-delivered ultimately to the Project Participant or for the account of the Project Participant under the Clean Energy Purchase Contract.
- 1.13. “Scheduling Entities” means the Receipt Scheduling Entity and the Delivery Scheduling Entity.

2. AGREEMENTS OF RELEVANT PARTIES

Each Relevant Party that is a party to Relevant Contract to which this Communications Protocol is attached acknowledges that this Communications Protocol sets forth certain obligations that may be delegated to other Relevant Parties that are not parties to such Relevant Contracts. In connection therewith:

- 2.1 ***Reliance on Scheduling Entity.*** Each Relevant Party shall be entitled to rely exclusively on any communications or directions given by a Delivery Scheduling Entity or Receipt Scheduling Entity, in each case to the extent such communications are permitted hereunder.
- 2.2 ***Performance of Communications Protocol.*** Each Relevant Party to a Relevant Contract shall cause its counterparty to each other Relevant Contract to comply with the provisions of this Communications Protocol as the provisions apply to such counterparty to the extent required to perform the obligations of the Relevant Party under the Relevant Contract.
- 2.3 ***Third Party Beneficiaries.*** To the extent this Communications Protocol purports to give any Relevant Party (a “Beneficiary”) rights vis-à-vis any other Relevant Party (a “Burdened Party”) with whom such Beneficiary does not have privity under a Relevant Contract, such Beneficiary shall be deemed to be a third party beneficiary of each Relevant Contract to which the Burdened Party is a party to the extent necessary or convenient to enforce the obligations of the Burdened Party under this Communications Protocol.

- 2.4 ***Amendment of Relevant Contracts.*** No Relevant Party shall amend, waive or otherwise modify any provision of any Relevant Contract to which it is a party without the consent of each other Relevant Party whose rights or obligations would be materially and adversely affected by such amendment, waiver or modification as it relates to this Communications Protocol.
- 2.5 ***Amendment of Communications Protocol.*** No Relevant Party shall amend any provision of this Communications Protocol in a Relevant Contract without the consent of each other Relevant Party.
- 2.6 ***Waiver of Communications Protocol.*** No Relevant Party shall waive any provision of this Communications Protocol in a Relevant Contract without the consent of each other Relevant Party whose rights or obligations would be materially and adversely affected by such waiver.

3 DESIGNATION AND REPLACEMENT OF SCHEDULING ENTITIES

- 3.1 ***Designation of Delivery Scheduling Entity.*** Prepay LLC may designate a new Delivery Scheduling Entity upon thirty (30) days written notice to Issuer substantially in the form of Attachment 4. Any Scheduling Entity designated in accordance with this Section 3.1 shall commence service at the beginning of a Month, unless mutually agreed in writing between Prepay LLC and Issuer.
- 3.2 ***Assumption by Receipt Scheduling Entity.*** If any Delivery Scheduling Entity (other than Prepay LLC) persistently fails to perform its obligations as contemplated under this Communications Protocol, the Receipt Scheduling Entity may, by notice to Prepay LLC, require that Prepay LLC deal directly with the Receipt Scheduling Entity until a new Delivery Scheduling Entity is designated in accordance with this Section 3.1.
- 3.3 ***Scheduling Coordinator.*** Project Participant shall designate a scheduling coordinator for the purposes of accepting Base Product delivery at the Base Delivery Point through the scheduling of ISTs.

4 INFORMATION EXCHANGE AND COMMUNICATION BETWEEN ISSUER AND PREPAY LLC

- 4.1 ***Communication of Operational Nomination Details.***
 - 4.1.1 Not later than three Days prior to each Day during which Base Product is required to be delivered under the Agreement, the Receipt Scheduling Entity for such Delivery Point may deliver an operational nomination in writing (the “Operational Nomination”) indicating any inability of a Project Participant to receive all of its Base Quantities during such Day, which Operational Nomination shall be without prejudice to any party’s rights

under the Relevant Contracts for failure to receive Base Quantities. If no changes to Base Quantities are so submitted, the Operational Nomination shall be deemed to nominate the full Base Quantities required to be delivered on a Day.

- 4.1.2 Not later than three Days prior to each Day during which Base Product is required to be delivered under the Agreement, the Delivery Scheduling Entity for such Delivery Point may revise the Operational Nomination to indicate any inability of Prepay LLC to deliver all Base Quantities during such Day, which revised Operational Nomination shall be without prejudice to any party's rights under the Relevant Contracts for failure to deliver Base Quantities.

4.2 *Event-specific Communications.*

- 4.2.1 Remarketing Notices issued by Issuer under the Master Power Supply Agreement shall be substantially in the form of Attachment 2 hereto. Any such notices to remarket must be delivered directly to Prepay LLC and the Delivery Scheduling Entity.
- 4.2.2 Each Scheduling Entity shall notify Prepay LLC, Issuer and the Project Participant as soon as practicable in the event of: (i) any deficiencies in Scheduling related to such Scheduling Entity; (ii) any deficiencies in Scheduling related to the other such Scheduling Entity; and (iii) any issues with Relevant Third Parties that that would reasonably be expected to create issues related to Product Scheduling under the Relevant Contract.

5 ACCESS AND INFORMATION

- 5.1 ***Verification of Product Scheduled.*** In addition to the delivery of and access to the records and data required pursuant to the Agreement, each Relevant Party agrees to provide relevant records from itself and other Relevant Third Parties necessary to document and verify Product Scheduled within and after the Month as needed to facilitate the Relevant Contracts.
- 5.2 ***View Rights.*** To the extent requested by a Delivery Scheduling Entity or Prepay LLC, the Receipt Scheduling Entities will use Commercially Reasonable Efforts to cooperate with the Delivery Scheduling Entity and Prepay LLC to ensure that Delivery Scheduling Entity and Prepay LLC has sufficient agency view rights from each such Scheduling Entity to allow Prepay LLC to view Base Product Scheduling at the Base Delivery Point.

6 NOTICES

Any notice, demand, request or other communication required or authorized by this Communications Protocol to be given by one Relevant Party to another Relevant Party shall be in writing, except as otherwise expressly provided herein. It shall either be sent by facsimile (with receipt confirmed by telephone and electronic transmittal receipt), courier, or personally delivered (including overnight delivery service) to the representative of the other Relevant Party designated in Attachment 1 hereto. Any such notice, demand, or request shall be deemed to be given (i) when sent by facsimile confirmed by telephone and electronic transmittal receipt or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Relevant Party shall have the right, upon written notice to the other Relevant Parties, to change its address at any time, and to designate that copies of all such notices be directed to another Person at another address.

7 NO IMPACT ON CONTRACTUAL OBLIGATIONS

Except as expressly set forth herein or in an applicable Relevant Contract, nothing in this Communications Protocol nor any Relevant Party's actions or inactions hereunder shall have any impact on any Relevant Party's rights or obligations under the Relevant Contracts.

8 ATTACHMENTS

Attachment 1 - Key Personnel

Attachment 2 - Remarketing Notice Form

Attachment 3 - Designation of Alternate Base Delivery Points Form

Attachment 4 - Designation of Scheduling Entities Form

Attachment 1

Key Personnel

Prepay LLC Marketing Personnel:

Kenan Arkan
Sales and Trading
Telephone: (212) 357-2542
gs-prepay-notices@gs.com

Prepay LLC Scheduling Personnel:

Scheduling Team
Email: ficc-jaron-natgasops@ny.email.gs.com
Direct Phone: (212) 902-8148
Fax: 212.493.9847

Carly Norlander
ICE Chat: cnorlander1
Email: ficc-jaron-natgasops@ny.email.gs.com
Direct Phone: (403) 233-9299
Fax: (212) 493-9847

Other Prepay LLC Personnel:

Eric Hudson
Telephone: (212) 855-0880
ficc-struct-sett@gs.com

Patricia Hazel
Telephone: (212) 855-0880
ficc-struct-sett@gs.com

John R. Thomas
General Notices
Telephone: (212) 902 -1806
Fax: (212) 256 - 2456
gs-prepay-notices@gs.com

Issuer Personnel:

Project Participant Personnel:

[]

Attachment 2**Remarketing Notice Form**

Date: [_____]

To: Prepay LLC Scheduling

From: [Project Participant Scheduling]

This notice is being delivered pursuant to that certain Master Power Supply Agreement (the “Prepaid Agreement”) dated as of [_____], 2021 by and between Aron Energy Prepay 5 LLC (“Prepay LLC”) and California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (“Issuer”) and relates to the Clean Energy Purchase Contract (the “Clean Energy Purchase Contract”) dated as of [_____], 2021 by and between Issuer and [_____] (“Project Participant”). Capitalized terms not defined herein are defined in the Prepaid Agreement.

Check the box to indicate type of Remarketing Notice (*The numbers of the Primary (“P”) and Alternate (“A”) Delivery Points below correspond to those same Primary and Alternate Base Delivery Points set forth in Exhibit A-1 of the Agreement, or as may be designated by the Parties from time to time*):

☐ Monthly Remarketing Notice:

Month(s) for which remarketing is requested: _____, 20__ through _____, 20__.

Pursuant to Section 3(b) of Exhibit C of the Clean Energy Purchase Contract, Project Participant requests that Prepay LLC remarket in such Month(s) the following Base Quantities of Product required to be delivered at the following Delivery Points:

Delivery Point (P/A, #)	MWh/ Hour for each Hour in the Month

☐ Daily Remarketing Notice:

Hours for which remarketing is requested: _____, 20__ through
_____, 20__.

Pursuant to Section 3(c) of Exhibit C of the Clean Energy Purchase Contract, Project Participant requests that Prepay LLC remarket for such Hours the following Base Quantities of Product required to be delivered at the following Delivery Point:

Delivery Point (P/A, #)	MWh/Hour

Submitted by Project Participant:

[_____]

By: _____

Name:

Title:

Attachment 3**Designation of Alternate Base Delivery Points Form**

This designation is delivered pursuant to that certain Master Power Supply Agreement (the “Master Power Supply Agreement”) dated as of [____], 2021 by and between Aron Energy Prepay 5 LLC (“Prepay LLC”) and California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (“Issuer”) and the Clean Energy Purchase Contract (the “Clean Energy Purchase Contract”) dated as of [____], 2021 by and between Issuer and [____] (“Project Participant”). Capitalized terms not defined herein are defined in the Master Power Supply Agreement and the Clean Energy Purchase Contract. [Project Participant and/or Issuer] hereby proposes the following Alternate Delivery Points for deliveries of Energy that would otherwise be made at the specified Primary Delivery Point:

ALTERNATE DELIVERY POINT	PRIMARY DELIVERY POINT AFFECTED	COMMODITY REFERENCE PRICE PRICING POINT	ADDITIONAL RESTRICTIONS
1			[e.g.
2			Vol. Limit:
3			Time Limit:]
(etc.)			

Unless otherwise agreed among Prepay LLC, Issuer and Project Participant, an Alternate Delivery Point shall utilize the same Commodity Reference Price as the Primary Delivery Point it replaces or otherwise affects. Project Participant is not required to agree or accept this designation (or any change to the Commodity Reference Price) if it is being submitted by Issuer pursuant to the Master Power Supply Agreement only.

AGREED AND ACCEPTED BY PREPAY LLC:	(if required) AGREED TO AND ACCEPTED BY PROJECT PARTICIPANT:	(if required) AGREED TO AND ACCEPTED BY ISSUER:
By: Name: Title:	By: Name: Title:	By: Name: Title:

Attachment 4

Designation of Scheduling Entities Form

This designation is being delivered pursuant to that certain Master Power Supply Agreement (the “Master Power Supply Agreement”) dated as of _____, 2021 by and between J. Aron Energy Prepay 5 LLC (“Prepay LLC”) and California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (“Issuer”) and relates to the Clean Energy Purchase Contract (the “Clean Energy Purchase Contract”) dated as of _____, 2021 by and between Issuer and _____ (“Project Participant”). Capitalized terms not defined herein are defined in the Master Power Supply Agreement and Clean Energy Purchase Contract.

[If delivered by Project Participant:

Receipt Scheduling Entity:

Delivery Point: _____

Effective Date(s) of Service of Receipt Scheduling Entity (full Months only):
_____, _____ to _____, _____, if applicable

Notice Information for Receipt Scheduling Entity:

Name: _____
 Attention: _____
 Address: _____

 Telephone: _____
 Fax: _____]

[If delivered by Prepay LLC:

Delivery Scheduling Entity:

Delivery Point: _____

Effective Date(s) of Service of Delivery Scheduling Entity (full Months only):
_____, _____ to _____, _____, if applicable

Notice Information for Delivery Scheduling Entity:

Name: _____
Attention: _____
Address: _____

Telephone: _____
Fax: _____]
Submitted by: _____

[Project Participant or Prepay LLC]

By: _____
Name: _____
Title: _____

EXHIBIT H**PRICING AND OTHER TERMS**

Administrative Fee:	\$[]/MWh
Delivery Period:	The period beginning on and including [] and ending at the end of the Day before []; provided that the Delivery Period shall end immediately upon termination of deliveries of Product under the Master Power Supply Agreement pursuant to <u>Article XVII</u> thereof or early termination of the Clean Energy Purchase Contract pursuant to <u>Article XVII</u> hereof.
Initial Reset Period:	The period beginning at the beginning of the Day on [] and ending at the end of the Day before [].
Minimum Discount Percentage:	An Available Discount Percentage as determined under the Re-Pricing Agreement of []% for the Initial Reset Period and []% for each subsequent Reset Period.
Monthly Discount Percentage:	For each Month of the Initial Reset Period, []%, and for each Month of any other Reset Period, the percentage determined by the Calculation Agent pursuant to the Re-Pricing Agreement, exclusive of any Annual Refund.

ASSIGNMENT SCHEDULE
[PROJECT NAME]

Assigned Product: Energy, Green Attributes (PCC1)

Assigned Delivery Point: [_____]

Assigned Prepay Quantity: As set forth in Appendix 2; provided that (i) all Assigned Products shall be delivered pursuant to the Limited Assignment Agreement during the Assignment Period as provided in Appendix 1 and (ii) the Assigned Prepay Quantity is defined for the convenience of PPA Buyer and J. Aron and shall have no impact on the obligations of the Parties under the Limited Assignment Agreement.

APC Contract Price: \$[____]/MWh

Assignment Period: [TBD]

Other Provisions:

Attachment: Updated Exhibit A-1 to Clean Energy Purchase Contract

LIMITED ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this “**Assignment Agreement**” or “**Agreement**”) is entered into as of [____], 2021 by and among [____], [____] (“**PPA Seller**”), Marin Clean Energy, a California joint powers authority (“**PPA Buyer**”), and J. Aron & Company LLC, a New York limited liability company (“**J. Aron**”), and relates to that certain power purchase agreement (the “**PPA**”) between PPA Buyer and PPA Seller as described on Appendix 1. Unless the context otherwise specifies or requires, capitalized terms used but not defined in this Agreement have the meanings set forth in the PPA.

In consideration of the premises above and the mutual covenants and agreements herein set forth, PPA Seller, PPA Buyer and J. Aron (the “**Parties**” hereto; each is a “**Party**”) agree as follows:

1. Limited Assignment and Delegation.

- (a) PPA Buyer hereby assigns, transfers and conveys to J. Aron all right, title and interest in and to the rights of PPA Buyer under the PPA to receive delivery of the products described on Appendix 1 (the “**Assigned Products**”) during the Assignment Period (as defined in Appendix 1), as such rights may be limited or further described in the “Further Information” section on Appendix 1 (the “**Assigned Product Rights**”). All Assigned Products shall be delivered pursuant to the terms and conditions of this Agreement during the Assignment Period as provided in Appendix 1. All other rights of PPA Buyer under the PPA are expressly reserved for PPA Buyer.
- (b) PPA Buyer hereby delegates to J. Aron the obligation to pay for all Assigned Products that are actually delivered to J. Aron pursuant to the Assigned Product Rights during the Assignment Period (the “**Delivered Product Payment Obligation**” and together with the Assigned Product Rights, collectively the “**Assigned Rights and Obligations**”); provided that (i) all other obligations of PPA Buyer under the PPA are expressly retained by PPA Buyer and PPA Buyer shall be solely responsible for any amounts due to PPA Seller that are not directly related to Assigned Products; and (ii) the Parties acknowledge and agree that PPA Seller will only be obligated to deliver a single consolidated invoice during the Assignment Period (with a copy to J. Aron consistent with Section 1(d) hereof). To the extent J. Aron fails to pay the Delivered Product Payment Obligation by the due date for payment set forth in the PPA, notwithstanding anything in this Agreement to the contrary, PPA Buyer agrees that it remains responsible for such payment and that it will be an Event of Default pursuant to Section [____] if PPA Buyer does not make such payment within five (5) Business Days (as defined in the PPA) of receiving notice of such non-payment from PPA Seller.
- (c) J. Aron hereby accepts and PPA Seller hereby consents and agrees to the assignment, transfer, conveyance and delegation described in clauses (a) and (b) above.
- (d) All scheduling of Assigned Products and other communications related to the PPA shall take place between PPA Buyer and PPA Seller pursuant to the terms of the PPA; provided that (i) title to Assigned Product will pass from PPA Seller to J. Aron upon delivery by PPA Seller of Assigned Product in accordance with the PPA; (ii) PPA Buyer is hereby authorized by J. Aron and shall act as J. Aron’s agent with regard to scheduling Assigned Product; (iii) PPA Buyer will provide copies to J. Aron of any Notice (as defined in the PPA) of a Force Majeure Event or Event of Default or default, breach or other occurrence that, if not cured within the applicable grace period, could result in an Event of Default contemporaneously upon delivery thereof to PPA Seller

and promptly after receipt thereof from PPA Seller; (iv) PPA Seller will provide copies to J. Aron of annual forecasts of Metered Energy and monthly forecasts of Available Capacity provided pursuant to Section [] of the PPA; (v) PPA Seller will provide copies to J. Aron of all invoices and supporting data provided to PPA Buyer pursuant to Section [], provided that any payment adjustments or subsequent reconciliations occurring after the date that is 10 days prior to the payment due date for a monthly invoice, including pursuant to Section [], will be resolved solely between PPA Buyer and PPA Seller and therefore PPA Seller will not be obligated to deliver copies of any communications relating thereto to J. Aron; and (vi) PPA Buyer and PPA Seller, as applicable, will provide copies to J. Aron of any other information reasonably requested by J. Aron relating to Assigned Products.

- (e) PPA Seller acknowledges that (i) J. Aron intends to immediately transfer title to any Assigned Products received from PPA Seller through one or more intermediaries such that all Assigned Products will be re-delivered to PPA Buyer, and (ii) J. Aron has the right to purchase receivables due from PPA Buyer for any such Assigned Products. PPA. To the extent J. Aron purchases any such receivables due from PPA Buyer, J. Aron may transfer such receivables to PPA Seller and apply the face amount thereof as a reduction to any Delivered Product Payment Obligation.
- (f) On or before the commencement of the Assignment Period, The Goldman Sachs Group (“Guarantor”), Inc. will issue, in favor of PPA Seller, a guaranty of J. Aron’s payment obligations under this Assignment Agreement substantially in the form of Appendix 3 attached hereto (“Guaranty”).
- (g) Notwithstanding any other provision of this Agreement, PPA Buyer shall be entitled to retain for its own account all CAISO revenues associated with delivery of the Assigned Product to CAISO, including where PPA Buyer is acting as Scheduling Coordinator for the Facility (as defined in the PPA) and through scheduling of ISTs. Nothing in this Agreement modifies or amends any rights or obligations of PPA Buyer and PPA Seller under the PPA with respect to CAISO revenues and costs. As used in this clause (h), the following terms have the meanings specified below.

“**CAISO**” means California Independent System Operator or its successor.

“**CAISO Tariff**” means CAISO’s Federal Energy Regulatory Commission approved tariff, as modified, amended or supplemented from time to time.

“**Inter-SC Trade**” or “**IST**” has the meaning set forth in the CAISO Tariff.

“**Scheduling Coordinator**” means an entity certified by the CAISO as qualifying as a Scheduling Coordinator pursuant to the CAISO Tariff for the purposes of undertaking the functions specified in “Responsibilities of a Scheduling Coordinator,” of the CAISO.

- (h) The Assigned Prepay Quantity set forth in Appendix 2 relates to obligations by and between J. Aron and PPA Buyer and has no impact on PPA Seller’s rights and obligations under the PPA.

2. Assignment Early Termination.

- (a) The Assignment Period may be terminated early upon the occurrence of any of the following:

- (1) delivery of a written notice of termination by either J. Aron or PPA Buyer to each of the other Parties hereto;
 - (2) delivery of a written notice of termination by PPA Seller to each of J. Aron and PPA Buyer following J. Aron's failure to pay when due any amounts owed to PPA Seller in respect of any Delivered Product Payment Obligation and such failure continues for one business day following receipt by J. Aron of written notice thereof;
 - (3) delivery of a written notice by PPA Seller if any of the events described in Section [] [Bankruptcy] of the PPA occurs with respect to J. Aron; or
 - (4) delivery of a written notice by J. Aron if any of the events described in Section [] [Bankruptcy] of the PPA occurs with respect to PPA Seller.
- (b) The Assignment Period will end at the end of last delivery hour on the date specified in the termination notice provided pursuant to Section 2(a), which date shall not be earlier than the end of the last day of the calendar month in which such notice is delivered if termination is pursuant to clause (a)(1) or (a)(2) above. All Assigned Rights and Obligations shall revert from J. Aron to PPA Buyer upon the early termination of the Assignment Period, provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron prior to the end of the Assignment Period, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the expiration or early termination of the Assignment Period
- (c) The Assignment Period will automatically terminate upon the expiration or early termination of the PPA. All Assigned Rights and Obligations shall revert from J. Aron to PPA Buyer upon the expiration of or early termination of the PPA, provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron prior to the end of the Assignment Period, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the expiration or early termination of the Assignment Period.
- (d) The Assignment Period will automatically terminate upon delivery by Guarantor of a notice of termination of the Guaranty. All Assigned Rights and Obligations shall revert from J. Aron to PPA Buyer upon the termination of the Assignment Period, provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron prior to the end of the Assignment Period, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the expiration or early termination of the Assignment Period.

3. Representations and Warranties. The PPA Seller and the PPA Buyer represent and warrant to J. Aron that (a) the PPA is in full force and effect; (b) no event or circumstance exists (or would exist with the passage of time or the giving of notice) that would give either of them the right to terminate the PPA or suspend performance thereunder; and (c) all of its obligations under the PPA required to be performed on or before the Assignment Period Start Date have been fulfilled.

4. Notices. Any notice, demand, or request required or authorized by this Assignment Agreement to be given by one Party to another Party shall be delivered in accordance with

Article 9 and the Cover Sheet of the PPA and to the addresses of each of PPA Seller and PPA Buyer specified in the PPA. PPA Buyer agrees to notify J. Aron of any updates to such notice information, including any updates provided by PPA Seller to PPA Buyer. Notices to J. Aron shall be provided to the following address, as such address may be updated by J. Aron from time to time by notice to the other Parties:

J. Aron & Company LLC
 200 West Street
 New York, New York 10282-2198
 Email: gs-prepay-notices@gs.com

5. Miscellaneous. Sections ☐ (Buyer's Representations and Warranties), ☐ (Confidential Information), Sections ☐ (Severability), ☐ (Counterparts), ☐ (Amendments), ☐ (No Agency), ☐ (Mobile-Sierra), ☐ (Counterparts), ☐ (Facsimile or Electronic Delivery), Section ☐ (Binding Effect) and ☐ (No Recourse to Members of Buyer) of the PPA are incorporated by reference into this Agreement, *mutatis mutandis*, as if fully set forth herein.

6. U.S. Resolution Stay Provisions. The Parties hereby confirm that they are adherents to the ISDA 2018 U.S. Resolution Stay Protocol ("ISDA U.S. Stay Protocol"), the terms of the ISDA U.S. Stay Protocol are incorporated into and form a part of this Agreement, and for the purposes of such incorporation, (i) J. Aron shall be deemed to be a Regulated Entity, (ii) each of PPA Buyer and PPA Seller shall be deemed to be an Adhering Party, and (iii) this Agreement shall be deemed a Protocol Covered Agreement. In the event of any inconsistencies between this Agreement and the ISDA U.S. Stay Protocol, the ISDA U.S. Stay Protocol will prevail.

7. Governing Law, Jurisdiction, Waiver of Jury Trial.

- (a) **Governing Law.** This Assignment Agreement and the rights and duties of the parties under this Assignment Agreement will be governed by and construed, enforced and performed in accordance with the laws of the State of [California], without reference to any conflicts of laws provisions that would direct the application of another jurisdiction's laws; provided, however, that the authority of PPA Buyer to enter into and perform its obligations under this Assignment Agreement shall be determined in accordance with the laws of the State of California.
- (b) **Jurisdiction.** Each party submits to the exclusive jurisdiction of the federal courts of the United States of America for the Northern District of California sitting in the city and county of San Francisco.
- (c) **Waiver of Right to Trial by Jury.** Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this assignment agreement.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the Parties have executed this Assignment Agreement effective as of the date first set forth above.

[PPA SELLER]

a [_____]

By: _____

Name: _____

Title: _____

MARIN CLEAN ENERGY

a California joint powers authority

By: _____

Name: _____

Title: _____

J. ARON & COMPANY LLC

By: _____

Name:

Title:

Execution and delivery of the foregoing Assignment Agreement is hereby approved.

[ISSUER]

By: _____

Name:

Title:

Appendix 1

Assigned Rights and Obligations

PPA: “PPA” means that certain Power Purchase and Sale Agreement dated [____], by and between Marin Clean Energy, a California joint powers authority, and [____], a [____], as amended from time to time.

“**Assignment Period**” means the period beginning on [_____] and extending until [_____] provided that in no event shall the Assignment Period extend past the earlier of (i) the termination of the Assignment Period pursuant to Section 2 of the Assignment Agreement and (ii) the end of the Delivery Term under the PPA; provided that applicable provisions of this Agreement shall continue in effect after termination of the Assignment Period to the extent necessary to enforce or complete, duties, obligations or responsibilities of the Parties arising prior to the termination.

Assigned Product: “Assigned Products” includes all (i) Energy and (ii) Green Attributes (PCC1) produced by the Facility.

Further Information: PPA Seller shall continue to transfer the WREGIS Certificates associated with all Renewable Energy Credits corresponding to all Metered Energy under the PPA pursuant to Section [____] of the PPA, provided that the transferee of such WREGIS Certificates may be changed from time to time in accordance with the written instructions of both J. Aron and Marin Clean Energy upon twenty (20) Business Days’ notice, which change shall be effective as of the first day of the next calendar month, unless otherwise agreed. All Assigned Product delivered by PPA Seller to J. Aron shall be a sale made at wholesale, with J. Aron reselling all such Assigned Product.

Appendix 2

Assigned Prepay Quantity

[NOTE: To be set forth in a monthly volume schedule.]

Appendix 3

Form of GSG Guaranty

, 2021

NAME
ADDRESS

Attention:

Ladies and Gentlemen:

For value received, The Goldman Sachs Group, Inc. (the “Guarantor”), a corporation duly organized under the laws of the State of Delaware, hereby unconditionally guarantees the prompt and complete payment when due, whether by acceleration or otherwise, of all obligations and liabilities, whether now in existence or hereafter arising, of J. Aron & Company LLC, a subsidiary of the Guarantor and a limited liability company duly organized under the laws of the State of New York (the “Company”), to **COUNTERPARTY NAME** (the “Counterparty”) arising out of or under the Limited Assignment Agreement among the Company, the Counterparty and Marin Clean Energy dated as of [], 2021. This Guaranty is one of payment and not of collection.

The Guarantor hereby waives notice of acceptance of this Guaranty and notice of any obligation or liability to which it may apply, and waives presentment, demand for payment, protest, notice of dishonor or non-payment of any such obligation or liability, suit or the taking of other action by Counterparty against, and any other notice to, the Company, the Guarantor or others.

Counterparty may at any time and from time to time without notice to or consent of the Guarantor and without impairing or releasing the obligations of the Guarantor hereunder: (1) agree with the Company to make any change in the terms of any obligation or liability of the Company to Counterparty, (2) take or fail to take any action of any kind in respect of any security for any obligation or liability of the Company to Counterparty, (3) exercise or refrain from exercising any rights against the Company or others, or (4) compromise or subordinate any obligation or liability of the Company to Counterparty including any security therefor. Any other suretyship defenses are hereby waived by the Guarantor.

This Guaranty shall continue in full force and effect until the opening of business on the fifth business day after Counterparty receives written notice of termination from the Guarantor. It is understood and agreed, however, that notwithstanding any such termination this Guaranty shall continue in full force and effect with respect to the obligations and liabilities set forth above which shall have been incurred prior to such termination.

The Guarantor may not assign its rights nor delegate its obligations under this Guaranty, in whole or in part, without prior written consent of the Counterparty, and any purported

assignment or delegation absent such consent is void, except for (i) an assignment and delegation of all of the Guarantor's rights and obligations hereunder in whatever form the Guarantor determines may be appropriate to a partnership, corporation, trust or other organization in whatever form that succeeds to all or substantially all of the Guarantor's assets and business and that assumes such obligations by contract, operation of law or otherwise, and (ii) the Guarantor may transfer this Guaranty or any interest or obligation of the Guarantor in or under this Guaranty, or any property securing this Guaranty, to another entity as transferee as part of the resolution, restructuring or reorganization of the Guarantor upon or following the Guarantor becoming subject to a receivership, insolvency, liquidation, resolution or similar proceeding. Upon any such delegation and assumption or transfer of obligations, the Guarantor shall be relieved of and fully discharged from all obligations hereunder, whether such obligations arose before or after such delegation and assumption or transfer.

THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW. GUARANTOR AGREES TO THE EXCLUSIVE JURISDICTION OF COURTS LOCATED IN THE STATE OF NEW YORK, UNITED STATES OF AMERICA, OVER ANY DISPUTES ARISING UNDER OR RELATING TO THIS GUARANTY.

In the event the Guarantor becomes subject to a proceeding under the Federal Deposit Insurance Act or Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together, the "U.S. Special Resolution Regimes"), the transfer of this Guaranty, and any interest and obligation in or under, and any property securing, this Guaranty, from the Guarantor will be effective to the same extent as the transfer would be effective under such U.S. Special Resolution Regime if this Guaranty, and any interest and obligation in or under this Guaranty, were governed by the laws of the United States or a state of the United States. In the event the Company or the Guarantor, or any of their affiliates, becomes subject to a U.S. Special Resolution Regime, default rights against the Company or the Guarantor with respect to this Guaranty are permitted to be exercised to no greater extent than such default rights could be exercised under such U.S. Special Resolution Regime if this Guaranty was governed by the laws of the United States or a state of the United States.

Very truly yours,

THE GOLDMAN SACHS GROUP, INC.

By: _____
Authorized Officer

HB Draft 24 June 2021

LETTER AGREEMENT

[____], 2021

Marin Clean Energy

[____]

[____]

Re: Prepay Limited Assignment Agreements

Ladies and Gentlemen:

This Letter Agreement (this “Letter Agreement”) confirms our mutual agreement with respect to the matters set forth below and relates to those certain Limited Assignment Agreements listed on Exhibit A (the “Assignment Agreements”, which definitions shall include any new Assignment Agreements identified by J. Aron’s delivery of an updated Exhibit A consistent with Section 2), with each of the PPA Sellers identified in Exhibit A (each, individually, a “PPA Seller” and collectively the “PPA Sellers”, and which definitions shall include any new PPA Seller identified by J. Aron’s delivery of an updated Exhibit A consistent with Section 2). Any capitalized term used in this Letter Agreement and not otherwise defined herein shall have the meaning assigned to such term in the Clean Energy Purchase Contract. In consideration of each party’s execution of the Assignment Agreements, as well as the premises above and the mutual covenants and agreements set forth herein, J. Aron & Company LLC (“J. Aron”) and Marin Clean Energy (“MCE” and together with J. Aron, collectively the “Parties”) agree as follows:

1. **Assignment Early Termination.** Each of the Parties agrees that it shall only exercise its right to deliver a written notice of terminating an Assignment Period under an Assignment Agreement consistent with the following:

(a) Either Party may deliver a notice of termination in the event of (i) the suspension, expiration, or termination of performance of a PPA by either MCE or the applicable PPA Seller; or (ii) the termination or suspension of deliveries for any reason other than force majeure under (A) that certain Clean Energy Purchase Contract (the “Clean Energy Purchase Contract”), dated as of [____], 2021 by and between MCE and California Community Choice Financing Authority (including, for the avoidance of doubt, due to a “Remarketing Election” by MCE under the Clean Energy Purchase Contract) or (B) that certain Electricity Purchase, Sale and Service Agreement, dated as of [____], 2021 by and between J. Aron and Aron Energy Prepay 5 LLC (the “Electricity Sale and Service Agreement”);

(b) MCE shall deliver a notice of termination contemporaneous with any assignment by MCE of its interest in the Clean Energy Purchase Contract, provided that J. Aron in any event shall be entitled to deliver a notice of termination to the extent MCE fails to do so in connection with the assignment of MCE’s interest under the Clean Energy Purchase Contract;

(c) J. Aron may deliver a notice of termination if (i) PPA Seller delivers less than the Assigned Prepay Quantity for any [four] months in the aggregate during a twelve month period or (ii) any event or circumstance occurs that would give either MCE or a PPA Seller the right to

terminate or suspend performance under a PPA (regardless of whether MCE or the applicable PPA Seller exercises such right);

(d) either Party may deliver a notice of termination to the extent that the Parties have mutually agreed upon an assignment of Replacement Assigned Rights and Obligations (as defined in the Clean Energy Purchase Contract) that will replace the Assigned Rights and Obligations under the applicable Assignment Agreement immediately following the termination thereof; and

(e) either Party may deliver a notice of termination under the applicable Assignment Agreement to the extent that:

(i) any of the representations and warranties set forth in [Sections 5.4] of the Electricity Sale and Service Agreement and the Clean Energy Purchase Contract, respectively, ceases to be true with respect to an Assigned PPA;

(ii) the Assigned Energy being delivered pursuant to an Assignment Agreement ceases to be EPS Compliant Energy; or

(iii) any Assigned Product that constituted PCC1 Product or Long-Term PCC1 Product while being delivered directly to MCE under an Assigned PPA ceases to qualify as PCC1 Product or Long-Term PCC1 Product when being redelivered through the Electricity Sale and Service Agreement, Master Power Supply Agreement and Clean Energy Purchase Contract.

For the avoidance of doubt, each of the Parties agrees that it shall not terminate an Assignment Agreement pursuant to Section 4(a)(1) thereof except as set forth immediately above.

2. **Exhibit A.** Exhibit A to this Agreement lists the PPAs assigned pursuant to the Assignment Agreements. J. Aron shall deliver an updated Exhibit A to this Agreement to reflect any changes to the information set forth therein in connection with the termination, expiration or replacement of an Assignment Agreement consistent with the terms of the Clean Energy Purchase Contract.

3. **Representations, Warranties and Covenants.**

(a) MCE agrees that it shall provide a true, complete, and correct copy to J. Aron of any PPA to be assigned pursuant to an Assignment Agreement.

(b) Each Party represents to the other:

(i) **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.

(ii) **Powers.** It has the power to execute, deliver and perform its obligations under this Letter Agreement, the Assignment Agreement and any other documentation to which it is a party relating to this Letter Agreement and the Assignment Agreement,

and it has taken all necessary action to authorize such execution, delivery and performance.

- (iii) **No Violation or Conflict.** Such execution, delivery and performance of this Letter Agreement and the Assignment Agreement and the consummation of the transactions contemplated hereby and thereby, including the incurrence by such Party of its obligations under this Letter Agreement and the Assignment Agreement, will not result in any violation of, or conflict with; (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination or award of any arbitrator applicable to it or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any government agency, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.
- (iv) **Consents.** All consents, approvals, orders or authorizations of; registrations, declarations, filings or giving of notice to; obtaining of any licenses or permits from; or taking of any other action with respect to, any Person or Government Agency, that are required to have been obtained or made by such Party with respect to this Letter Agreement and Assignment Agreement and the transactions contemplated hereby and thereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.
- (v) **Obligations Binding.** Its obligations under this Agreement and the Assignment Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).
- (vi) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and the Assignment Agreement and as to whether this Agreement and the Assignment Agreement are appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement or the Assignment Agreement; it being understood that information and explanations related to the terms and conditions of this Agreement and the Assignment Agreement shall not be considered investment advice or a

recommendation to enter into this Agreement. It is entering into this Agreement and the Assignment Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by the applicable parties, considers this Agreement and the Assignment Agreement to be legally enforceable contracts. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement or the Assignment Agreement.

(vii) ***Assessment and Understanding.*** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement and the Assignment Agreement. It is also capable of assuming, and assumes, the risks of this Agreement and the Assignment Agreement.

(viii) ***Status of Parties.*** Neither of Parties is acting as a fiduciary for or an adviser to the other in respect of this Agreement or the Assignment Agreement.

4. **Governing Law, Jurisdiction, Waiver of Jury Trial**

(a) **Governing Law.** This Letter Agreement and the rights and duties of the parties under this Letter Agreement will be governed by and construed, enforced and performed in accordance with the laws of the State of New York, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction's laws; provided, however, that the authority of MCE to enter into and perform its obligations under this Letter Agreement shall be determined in accordance with the laws of the State of California.

(b) **Jurisdiction.** Each party submits to the exclusive jurisdiction of the federal courts of the United States of America for the Northern District of California sitting in the city and county of San Francisco.

(c) **Waiver of Right to Trial by Jury.** Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Letter Agreement.

[Signature Pages to Follow]

Very truly yours,

J. ARON

J. ARON & COMPANY LLC

By: _____
Name: _____
Title: _____

ACKNOWLEDGED, ACCEPTED AND AGREED TO as of the date first set forth above:

MCE

MARIN CLEAN ENERGY

By: _____
Name: _____
Title: _____

Exhibit A

Assignment Agreements

[To come.]

CUSTODIAL AGREEMENT

This Agreement (this “Agreement”) is made and entered into as of [____], 2021, by and among Marin Clean Energy, a California joint powers authority (“MCE”), J. Aron & Company LLC, a New York limited liability company (“J. Aron”), Aron Energy Prepay 5 LLC, a Delaware limited liability company (“Prepay LLC”), California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (defined below) (the “Issuer”) and U.S Bank National Association, a US Chartered Bank, (the “Custodian” and together with MCE, J. Aron, Prepay LLC and Issuer, the “Parties”).

RECITALS:

WHEREAS, Issuer is issuing its Clean Energy Project Revenue Bonds, Series 2021 (the “Bonds”) pursuant to the Trust Indenture, dated as of [____], 2021 (the “Bond Indenture”) between Issuer and U.S. Bank National Association, in its capacity as trustee under the Bond Indenture (the “Trustee”); and

WHEREAS, Prepay LLC and Issuer are entering into that certain Master Power Supply Agreement, dated as of the date hereof (the “Master Power Supply Agreement”); and

WHEREAS, in connection with the execution of the Master Supply Agreement, Prepay LLC and J. Aron are entering into a Product Purchase, Sale and Service Agreement, dated as of the date hereof (the “Product Sale and Service Agreement”); and

WHEREAS, in connection with the execution of the Master Supply Agreement, Issuer and MCE are entering into a Clean Energy Purchase Contract, dated as of the date hereof (the “Clean Energy Purchase Contract” and together with the Master Power Supply Agreement and the Product Sale and Service Agreement, the “Clean Energy Prepay Agreements”); and

WHEREAS, in connection with the execution of the Clean Energy Prepay Agreements, J. Aron, Issuer and MCE have entered into those certain Assignment Agreements dated as of the date hereof (the “Assignment Agreements”, which definition shall include any new Assignment Agreement identified by J. Aron’s delivery of an updated Exhibit A consistent with Section 3(b)), with each of [PPA Seller 1], [PPA Seller 2] and [PPA Seller 3] (each, individually, a “PPA Seller” and collectively the “PPA Sellers”, and which definitions shall include any new PPA Seller identified by J. Aron’s delivery of an updated Exhibit A consistent with Section 3(b)), pursuant to which MCE has partially assigned its rights and obligations under the Assigned PPAs (as defined in the Clean Energy Purchase Contract) to J. Aron; and

WHEREAS, the Parties propose to enter into this Custodial Agreement in order to administer payments to be received by the PPA Sellers under the Assigned PPAs.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

Section 1. Defined Terms. Any capitalized term used herein and not otherwise defined herein (including in the recitals) shall have the meaning assigned to such term in the Clean Energy Purchase Contract. The following additional terms, when used in this Agreement (including the preamble or recitals to this Agreement) and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“J. Aron Fixed Payment” means, in respect of each Assigned PPA and each Month in an Assignment Period thereunder, the amount set forth for such Assigned PPA and Month on Exhibit B hereto.

“J. Aron PAYGO Payment” means, in respect of each Monthly PPA Invoice that reflects amounts owed for Assigned PAYGO Energy, an amount determined by MCE as the lesser of (a) the total amount due under such Monthly PPA Invoice for such Assigned PAYGO Energy (determined without regard to any PPA Seller Payment Obligation), and (b) the positive balance, if any, of the Assigned Value Shortfall Tracking Account as of the time such Monthly Statement is prepared. For the avoidance of doubt, the J. Aron PAYGO Payment will be zero if such Assigned Value Tracking Account balance is not positive or the Monthly PPA Invoice does not reflect amounts owed for Assigned PAYGO Energy.

“J. Aron Prepay Payment” means, in respect of each Monthly PPA Invoice, an amount determined by MCE as the lesser of (a) the J. Aron Fixed Payment for the relevant Month and Assigned PPA, and (b) the actual quantity of Assigned Energy reflected in such Monthly PPA Invoice multiplied by the contract price then in effect with respect to Energy in the relevant Assigned PPA, which J. Aron Prepay Payment will be determined without regard to any PPA Seller Payment Obligation.

“MCE Gross Payment” means, in respect of any Monthly PPA Invoice, an amount determined by MCE as the positive result, if any, of (a) all amounts owed to the relevant PPA Seller in respect of such Monthly PPA Invoice (determined without respect to the PPA Seller Payment Obligation), less (b) the J. Aron Prepay Payment, less (c) any J. Aron PAYGO Payment; provided, for clarity, that the MCE Gross Payment (i) shall be deemed to be paid to the PPA Seller on behalf of J. Aron to the extent it relates to any Assigned PAYGO Energy and Assigned RECs, and (ii) otherwise shall be deemed to be paid to the PPA Seller on behalf of MCE.

“MCE Net Payment” means, in respect of any Monthly PPA Invoice, an amount determined by MCE as the positive result, if any, of (a) the MCE Gross Payment, less (b) the PPA Seller Payment Obligation.

“Monthly PPA Payment” means, in respect of any Monthly PPA Invoice, an amount determined by MCE as the total amount to be withdrawn from the Assigned PPA Payments Account by the Custodian and paid to the relevant PPA Seller in respect of such Monthly PPA Invoice, which shall equal the total net amount due to the PPA Seller in respect of such Monthly PPA Invoice and shall consist of the following components:

- (a) The J. Aron Prepay Payment, which shall be deemed to be paid to the PPA Seller on behalf of J. Aron in respect of Assigned Energy;

- (b) The J. Aron PAYGO Payment, which shall be deemed to be paid to the PPA Seller on behalf of J. Aron in respect of Assigned PAYGO Energy; and
- (c) the MCE Net Payment.

“PPA Seller Payment Obligation” means, in respect of any Monthly PPA Invoice, an amount determined by MCE as the total amount owed by the relevant PPA Seller as reflected in such Monthly PPA Invoice, including any amounts that have been netted or set-off against amounts owed to the PPA Seller; provided, for clarity, that the PPA Seller Payment Obligation shall be deemed to be paid to MCE and credited against the MCE Gross Payment thereby resulting in the MCE Net Payment required to be made by MCE hereunder.

Section 2. Appointment of Custodian. MCE, J. Aron, Prepay LLC and Issuer hereby appoint [_____] as Custodian under this Agreement, with such rights and obligations as are specifically set forth herein. The Custodian hereby accepts such appointment under the terms and conditions set forth herein.

Section 3. Payment Instructions to Custodian; Assigned PPA Exhibits.

(a) No later than [seven]¹ days following receipt of an invoice from a PPA Seller in respect of any Month in an Assignment Period (a “Monthly PPA Invoice”), MCE shall deliver a statement (the “Monthly Statement”) showing each of the following (based on the information provided by the PPA Seller in the Monthly PPA Invoice) to each of the Parties hereto:

- (i) the J. Aron Prepay Payment;
- (ii) the J. Aron PAYGO Payment;
- (iii) the MCE Gross Payment;
- (iv) the PPA Seller Payment Obligation;
- (v) the MCE Net Payment;
- (vi) the Monthly PPA Payment;
- (vii) the “Monthly PPA Invoice Payment Date”, which shall be the last Business Day on which payment on such Monthly PPA Invoice may be made before any incremental interest arises thereon or any default or breach arises under the relevant Assigned PPA;
- (viii) the “Custodial Agreement Payment Date,” which shall be two Business Days preceding the Monthly PPA Invoice Payment Date; and
- (ix) the then-current balance of the Assigned Value Shortfall Tracking Account;

provided that MCE shall deliver an updated Monthly Statement within [seven] days following agreement by MCE and PPA Seller to an adjustment to a Monthly PPA Invoice to the extent that

¹ HB NTD: MCE to confirm how much time it needs to provide the relevant payment calculations.

such adjustment is agreed upon prior to the date that is 10 days prior to the Monthly PPA Invoice Date; provided furthermore that the Parties acknowledge and agree that any adjustments agreed upon with respect to a Monthly PPA Invoice after the date specified in the foregoing provision shall be resolved solely between MCE and the relevant PPA Seller as provided in the Assignment Agreements.

(b) J. Aron shall notify MCE and each other Party promptly, but in no event more than three (3) Business Days, following MCE's delivery of a Monthly Statement if J. Aron believes any information included on such Monthly Statement is incorrect. Following receipt and verification of the information included in any such notice from J. Aron, MCE shall, to the extent appropriate and in consultation with J. Aron, issue a corrected Monthly Statement to all Parties. J. Aron and each other Party hereto acknowledges and agrees that (i) MCE is calculating the Monthly Statement only for convenience of the Parties, (ii) the purpose of this Agreement is solely to determine amounts to be paid by MCE and J. Aron under separate contracts, and (iii) none of MCE, J. Aron nor any other Party hereto will have any liability whatsoever with respect to any action taken or omitted by it under this Agreement (but without prejudice to an express payment obligation arising under another contract), including as a result of any failure by MCE to timely or properly calculate any amount to be included in a Monthly Statement. Without limiting the foregoing, J. Aron acknowledges that it will have an opportunity to review and comment on each calculation and date included in a Monthly Statement (and shall be aware if such Monthly Statement has not been timely delivered) and MCE will not be responsible in any way for any damages, costs, liabilities, loss of use or any other claims related to an insufficient or late payment under an Assigned PPA as a result of any deficiencies in any Monthly Statement.

(c) Exhibit A to this Agreement sets forth certain information regarding the Assigned PPAs as of the date hereof, including the Assignment Periods for each Assigned PPA, the Assigned Notional Quantities, the PPA Sellers thereunder and the payment instructions for payments to the PPA Sellers. Exhibit B sets forth the J. Aron Fixed Payments. J. Aron shall deliver an updated Exhibit A or Exhibit B, as applicable, to each of the other Parties hereto to reflect any changes to the information set forth therein.

Section 4. Assigned PPA Payments Account.

(a) With respect to payments required to be made by J. Aron and MCE to the PPA Sellers under the Assigned PPAs, there is hereby established with the Custodian at its office located at [____], the following custodial account: a payments account designated as the "[____] Acct.", bearing Custodian's Account No. [____] (the "Assigned PPA Payments Account") and all payments made by J. Aron and MCE hereunder shall be wired to such Assigned PPA Payments Account :

[____]
ABA: [____]
FBO: [____]
FFC: [____]²

² NTD: Custodian to provide wire instructions.

(b) J. Aron shall make each J. Aron Prepay Payment and the J. Aron PAYGO Payment in respect of each Monthly Statement on the relevant Custodial Agreement Payment Date set forth in such statement; provided that the Custodian shall promptly notify MCE if it does not receive a payment from J. Aron on the Custodial Agreement Payment Date and MCE may elect in its sole discretion to make such payment to the Custodian (in which case MCE will have a reimbursement claim against Issuer under [Section 6.5] of the Clean Energy Purchase Contract).

(c) MCE shall make each MCE Net Payment on the in respect of each Monthly Statement on relevant Custodial Agreement Payment Date set forth in such statement.

(d) The Custodian shall withdraw amounts on deposit in the Assigned PPA Payments Account for purposes of making a payment of the Monthly PPA Payment to each PPA Seller in respect of each Monthly Statement on the relevant Monthly PPA Invoice Payment Date pursuant to the payment instructions set forth on Exhibit A; provided that if amounts on deposit in the Assigned PPA Payment Account are insufficient to pay the entire Monthly PPA Payment on such date, the Custodian shall withdraw and pay to such PPA Seller the entire remaining balance of the Assigned PPA Payment Account.

(e) Amounts deposited in the Assigned PPA Payments Account shall be held in trust for the benefit of MCE until applied as set forth in Section 3(d) and Section 12, as applicable, and there is hereby granted to MCE a lien on and security interest in the Assigned PPA Payments Account pending such application. The Custodian shall not be required to comply with any orders, demands, or other instructions from MCE with respect to the Assigned PPA Payments Account, including, without limitation, items presented for payment, or any order or instruction directing the disposition of funds or other assets held in or credited to the Assigned PPA Payments Account, and MCE agrees that prior to the termination of this Agreement in accordance with the terms hereof, it shall have no right to direct the disposition of funds or other assets held in or credited to the Assigned PPA Payments Account, or to withdraw or otherwise obtain funds or other assets held in or credited to the Assigned PPA Payments Account, whether by order or instruction to the Custodian or otherwise.

Section 5. Custodian. The Custodian shall have (a) no liability under any agreement other than this Agreement and (b) no duty to inquire as to the provisions of any agreement other than this Agreement and the Assigned PPAs. The Custodian may rely upon and shall not be liable for acting or refraining from acting upon any written notice, document, instruction or request furnished to it hereunder in accordance with the terms hereof and believed by it to be genuine and to have been signed or presented by the proper Party or Parties. The Custodian shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document, notice, instruction or request. The Custodian shall have no duty to solicit any payments which may be due to it, or to take any action to compel J. Aron or MCE to make the deposits required under Section 4(b). The Custodian shall not be liable for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines that the Custodian's gross negligence or willful misconduct was the primary cause of any loss to any other Party hereto. In connection with the execution of any of its powers or the performance of any of its duties hereunder, the Custodian may consult with counsel, accountants and other skilled persons selected and retained by it. The Custodian shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other

skilled persons, provided the Custodian exercised due care and good faith in the selection of such person. The permissive rights of the Custodian to take actions enumerated under this Agreement shall not be construed as duties. In the event that the Custodian shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any Party hereto which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be directed otherwise in writing by all of the other Parties hereto or by a final order or judgment of a court of competent jurisdiction. The Custodian may interplead all of the assets held hereunder into a court of competent jurisdiction or may seek a declaratory judgment with respect to certain circumstances, and thereafter be fully relieved from any and all liability or obligation with respect to such interpleaded assets or any action or non-action based on such declaratory judgment. Anything in this Agreement to the contrary notwithstanding, in no event shall the Custodian be liable for special, indirect, incidental or consequential damages, losses or penalties of any kind whatsoever (including but not limited to lost profits), regardless of the form of action. The Custodian shall be responsible only for funds actually received by it for deposit into the Assigned PPA Payments Account, and the Custodian shall not be obliged to advance or risk its own funds to make any payments required hereunder. The Custodian shall have only those duties expressly set forth in this Agreement and no implied duties shall be read into this Agreement against the Custodian. The Parties hereto acknowledge and agree that the Custodian is not a fiduciary by virtue of accepting and carrying out its obligations under this Agreement and has not accepted any fiduciary duties, responsibilities or liabilities with respect to its services hereunder.

Section 6. Succession. The Custodian may resign and be discharged from its duties or obligations hereunder by giving not less than 60 days' advance notice in writing of such resignation to the other Parties hereto specifying a date when such resignation shall take effect; and such resignation shall take effect upon the day specified in such notice unless a successor shall not have been appointed by the other Parties hereto on such date, in which event such resignation shall not take effect until a successor is appointed. The other Parties hereto shall use their commercially reasonable efforts to make such appointment in a timely fashion, provided that any custodian appointed in succession to the Custodian shall be a bank or trust company organized under the laws of any state or a national banking association and shall have capital stock, surplus and undivided earnings aggregating at least \$50,000,000 and shall be a bank with trust powers or trust company willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Agreement. Any corporation or association into which the Custodian may be merged or converted or with which it may be consolidated, or any corporation or association to which all or substantially all of the Custodian's corporate trust line of business may be transferred, shall be the Custodian under this Agreement without further act. Notwithstanding the foregoing, if no appointment of a successor Custodian shall be made pursuant to the foregoing provisions of this Section 6 within 60 days after the Custodian has given written notice to the other Parties of its resignation as provided in this Section 6, the Custodian may, in its sole discretion, apply to any court of competent jurisdiction to appoint a successor Custodian. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Custodian.

Section 7. Reimbursement. J. Aron and MCE agree, jointly and severally (subject to the second proviso of this Section 6), to reimburse the Custodian and its directors, officers, agents and employees for any and all loss, liability or expense (including the fees and expenses of in-

house or outside counsel and experts and their staffs and all expense of document location, duplication and shipment) arising out of or in connection with (a) its acting as the Custodian under this Agreement, except to the extent that such loss, liability or expense is finally adjudicated to have been caused primarily by the gross negligence or willful misconduct of the Custodian or such director, officer, agent or employee seeking reimbursement, or (b) its following any instructions or other directions from J. Aron or MCE, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof; provided, however, that any amounts due under this Section 6 shall not duplicate any other amounts due under this Agreement, including without limitation amounts due under Section 12 hereof; provided further, however, that, notwithstanding the joint and several nature of the obligations under this Section 6, any amounts due under clause (b) of this sentence resulting from instructions or directions that are not expressly provided for in this Agreement and are given to the Custodian by only one Party shall be the sole obligation of such Party. The Parties hereto acknowledge that this provision shall survive the resignation or removal of the Custodian or the termination of this Agreement.

Section 8. Taxpayer Identification Numbers; Tax Matters. J. Aron and MCE represent that that their correct taxpayer identification numbers assigned by the Internal Revenue Service or any other taxing authority is set forth on the signature page hereof. Any tax returns or reports required to be prepared and filed in connection with the Assigned PPA Payments Account will be prepared and filed by MCE, and the Custodian shall have no responsibility for the preparation and/or filing of any tax return with respect to any income earned on the Assigned PPA Payments Account. In addition, any tax or other payments required to be made pursuant to such tax return or filing shall be paid by MCE. The Custodian shall have no responsibility for making such payment unless directed to do so by the appropriate authorized Party.

Section 9. Notices. Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another Party shall be in writing and shall either be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses specified in Exhibit C for the receiving Party. Any such notice, demand, or request shall be deemed to be given (i) when delivered by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon 10 days' prior written notice to the other Party, to change its list of notice recipients and addresses in Exhibit C. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods, such as electronic mail. Notwithstanding the foregoing, a Party may at any time notify the others that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective.

Section 10. Miscellaneous.

(a) The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all of the Parties hereto.

(b) Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by any Party, except as provided in Section 5, without the prior written consent of the other Parties.

(c) 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 New York, without regard to any conflicts of law principle that would direct the application of the laws another jurisdiction.

(d) Each Party hereto irrevocably waives any objection on the grounds of venue, forum non-conveniens or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the exclusive jurisdiction of (A) the courts of the State of New York located in the Borough of Manhattan, (B) the federal courts of the United States of America for the Southern District of New York or (C) the federal courts of the United States of America in any other state. The Parties further hereby waive any right to a trial by jury with respect to any lawsuit or judicial proceeding arising or relating to this Agreement.

(e) No Party to this Agreement shall be liable to any other Party hereto for losses due to, or if it is unable to perform its obligations under the terms of this Agreement because of, acts of God, fire, war, terrorism, floods, strikes, electrical outages, equipment or transmission failure, or other causes reasonably beyond its control.

(f) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. All signatures of the Parties to this Agreement may be transmitted by facsimile or by digital pdf transmission, and such facsimile or pdf will, for all purposes, be deemed to be the original signature of such Party whose signature it reproduces, and will be binding upon such Party.

(g) The Custodian shall not be under any obligation to invest or pay interest on amounts held in the Assigned PPA Payments Account from time to time.

(h) Issuer shall have only such duties under this Agreement as are expressly set forth herein as duties on its part to be performed, and no implied duties shall be read into this Agreement against Issuer.

Section 11. Compliance with Court Orders. In the event that any amount held by the Custodian hereunder shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court affecting the property deposited under this Agreement, the Custodian is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing are binding upon it, whether with or without jurisdiction, and in the event that the Custodian obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties hereto or to any other person, firm or corporation, by reason of such compliance notwithstanding that such writ, order or decree may be subsequently reversed, modified, annulled, set aside or vacated.

Section 12. Term; Winding Up. This Agreement will expire concurrently with the receipt of written notice from MCE, with a copy to the other Parties, that the Clean Energy

Purchase Contract has terminated in accordance with its terms. Following the Custodian's payment of any Monthly PPA Payments due in respect of the final month of commodity deliveries prior to such a termination, any remaining balance in the Assigned PPA Payments Account shall be paid to MCE.

Section 13. Indemnification. J. Aron and MCE, jointly and severally, agree to protect, indemnify, defend and hold harmless, the Custodian, and affiliates, and each person who controls the Custodian (and each of their respective directors, officers, agents and employees) from and against all claims, losses, liabilities, actions, suits, costs, judgments and expenses (including court costs and reasonable attorneys' fees) arising from its acting as Custodian hereunder (including, for the avoidance of doubt, any costs, expenses and reasonable attorneys' fees incurred in enforcing any payment obligation of an indemnifying Party), except for any claim, damage or loss resulting from the gross negligence or willful misconduct of the Custodian; provided, however, that any amounts due under this Section 12 shall not duplicate any other amounts due under this Agreement, including without limitation amounts due under Section 6 hereof. The obligations of this Section 12 shall survive any resignation or removal of the Custodian and the termination of this Agreement. In addition, notwithstanding anything herein to the contrary, the Custodian and Issuer shall have all of the rights (including the indemnification rights), benefits, privileges and immunities under this Agreement as are granted to Issuer under the Bond Indenture, all of which are incorporated, mutatis mutandis, into this Agreement.

Section 14. Limitation of Liability. Notwithstanding anything to the contrary herein, all obligations of the Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of the Issuer, payable solely from the Trust Estate (as such term is defined in the Bond Indenture) as and to the extent provided in the Bond Indenture, including with respect to Operating Expenses (as such term is defined in the Bond Indenture). The Issuer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Bond Indenture) and other assets pledged under the Bond Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of the Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. The Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Bond Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Bond Indenture.

Section 15. Patriot Act. J. Aron and MCE acknowledge that the Custodian is subject to federal laws, including the Customer Identification Program ("CIP") requirements under the USA PATRIOT Act and its implementing regulations, pursuant to which the Custodian must obtain, verify and record information that allows the Custodian to identify J. Aron and MCE. Accordingly, prior to opening the Assigned PPA Payments Account described in Section 3 of this Agreement, the Custodian will ask J. Aron and MCE to provide certain information including but not limited to name, physical address, tax identification number and other information that will help the Custodian identify and verify J. Aron's and MCE's identities, such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information. J.

Aron and MCE agree that the Custodian cannot open any account hereunder unless and until the Custodian verifies J. Aron's and MCE's identities in accordance with its CIP.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the date first written above.

MARIN CLEAN ENERGY

By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

J. ARON & COMPANY LLC

By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

ARON ENERGY PREPAY 5 LLC

By: J. Aron & Company LLC, its
Manager

By: _____
Name: _____
Title: _____

[CUSTODIAN]

By: _____
Name: _____
Title: _____

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT A
ASSIGNED PPAS

[To come.]

EXHIBIT B

J. ARON FIXED PAYMENTS

[To come.]

EXHIBIT C
NOTICE INFORMATION

[To come.]

C&C DRAFT: 6.14.21

CLEAN ENERGY PROJECT OPERATIONAL SERVICES AGREEMENT

This Clean Energy Project Operational Services Agreement (this “Agreement”) is made and entered into as of [____], 2021, by and between California Community Choice Financing Authority (“CCCFA”) and Marin Clean Energy (“MCE”) with respect to the Clean Energy Project (defined below). CCCFA and MCE may be referred to individually herein as a “Party” and collectively as the “Parties”.

W I T N E S S E T H:

WHEREAS, MCE is a “community choice aggregator” under the Public Utilities Code of the State of California, as amended; and

WHEREAS, MCE and certain other community choice aggregators have created CCCFA as a joint exercise of powers authority under and pursuant to the Joint Exercise of Powers Act, constituted as Chapter 5 of Division 7 of Title 1 of the California Government Code, being Section 6500 and following, as amended, and a Joint Powers Agreement by and among the Members of CCCFA named therein, including MCE (as the same may be amended or supplemented from time to time in accordance with its terms, the “Joint Powers Agreement”); and

WHEREAS, CCCFA’s purpose is to assist its Members, including MCE, by undertaking the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds and other obligations on behalf of one or more of the Members by, among other things, issuing or incurring bonds and entering into related contracts with Members; and

WHEREAS, CCCFA and MCE are entering into a Clean Energy Purchase Contract, dated [____], 2021 (as amended, restated, supplemented or otherwise modified from time to time, the “Clean Energy Purchase Contract”), pursuant to which CCCFA has agreed to supply Energy to MCE under the terms set forth therein; and

WHEREAS, in order to provide such Energy to MCE under the Clean Energy Purchase Contract, CCCFA is entering into a Master Power Supply Agreement, dated [____], 2021 (as amended, restated, supplemented or otherwise modified from time to time, the “Master Power Supply Agreement”), between CCCFA, as buyer, and Aron Energy Prepay LLC 5, a Delaware limited liability company, as seller (the “Prepaid Seller”), under which it will make a prepayment to the Prepaid Seller for the purchase and delivery of such Energy; and

WHEREAS, the Issuer will finance the prepayment under the Master Power Supply Agreement and related costs by issuing its Clean Energy Project Revenue Bonds, Series 2021A (the “Bonds”) pursuant to a Trust Indenture, dated as of [____], 2021 (as amended, restated, supplemented or otherwise modified from time to time, the “Indenture”), between CCCFA and U.S. Bank National Association, as trustee (together with any successor or replacement trustee under the Indenture, the “Trustee”); and

WHEREAS, the issuance of the Bonds by CCCFA and relating undertakings of CCCFA under the Indenture, the acquisition and sale of Energy and related undertakings of CCCFA under the Master Power Supply Agreement and the Clean Energy Purchase Contract, and the sale to MCE of such Energy and related undertakings of MCE under the Clean Energy Purchase Contract are referred to herein as the “Clean Energy Project”; and

WHEREAS, the Parties are entering into this Agreement in order to provide for the administration of certain operational matters relating to the Clean Energy Project;

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Clean Energy Purchase Contract or the Master Power Supply Agreement, as applicable.

Section 2. Assignment Agreements. As contemplated by the Master Power Supply Agreement and the Clean Energy Purchase Contract, MCE will enter into the Initial Assignment Agreements and may from time to time enter into additional Assignment Agreements to provide for the assignment of Assigned Product for delivery to CCCFA under the Master Power Supply Agreement and to MCE under the Clean Energy Purchase Contract. With respect to any Assignment Agreement, the Parties acknowledge and agree as follows:

- (a) as of the date of this Agreement, MCE has entered into the Initial Assignment Agreements specified in the Clean Energy Purchase Contract with respect to its entire Contract Quantity;
- (b) subject to the terms of the applicable Assignment Letter Agreement, MCE may from time to time enter into additional Assignment Agreements with respect to all or a portion of its Contract Quantity; and
- (c) MCE shall determine in its sole discretion when and if any Assignment Agreement is entered into or terminated and the underlying power purchase agreement and portion of its Contract Quantity to which such Assignment Agreement relates.

Section 3. Scheduling and Delivery of Assigned Energy. Assigned Energy and any other Assigned Product delivered to CCCFA under the Master Power Supply Agreement shall be Scheduled by MCE for delivery to CCCFA under the Master Power Supply Agreement and for delivery to MCE under the Clean Energy Purchase Contract, and CCCFA shall have no responsibility for (a) any Scheduling or other operational requirements necessary for the delivery of Assigned Energy to MCE's Assigned Delivery Point and the transfer of other Assigned Product to MCE, or (b) any accounting for under-deliveries or over-deliveries or other record-keeping requirements with respect to any Assigned Energy and other Assigned Product, all of which shall be the sole responsibility of MCE.

Section 4. Qualified Use; Remarketing of Base Energy. Any Base Quantities required to be delivered by the Prepaid Seller are required to be remarketed by the Prepaid Seller pursuant to the Master Power Supply Agreement. MCE shall be responsible for any notices or other communications required in connection with such remarketing, as well communications required for the Scheduling and delivery of Base Quantities under the communications protocol set forth in Exhibit G to the Master Power Supply Agreement and any other operational requirements related to the delivery and remarketing of Base Quantities under the Master Power Supply Agreement. MCE will account for any Base Quantities and subsequently remarketed, including accounting for any remediation of any such remarketing sales as may be required pursuant to the Qualifying Use Requirements. MCE agrees to provide to CCCFA any information reasonably requested by it in order to comply with any reporting or record-keeping requirements related to such delivery and remarketing of Base Quantities, including such information

relating to compliance with the Qualifying Use Requirements, as may be required pursuant to the Master Power Supply Agreement or the Indenture.

Section 5. Directions, Consents and Waivers. CCCFA may be requested or required from time to time to provide certain directions, consents, or waivers under the terms of the Master Power Supply Agreement, the Indenture and the Re-pricing Agreement. Provided no event of default has occurred and is continuing with respect to MCE under the Clean Energy Purchase Contract, such direction, consent or waiver shall only be provided by CCCFA in accordance with written instructions provided by MCE.

Section 6. Re-pricing Information. CCCFA shall provide, or cause Prepaid Seller to provide, to MCE such information as is required to be provided by Prepaid Seller to CCCFA in accordance the Re-pricing Agreement at such times as are required under the Re-pricing Agreement.

Section 7. Notices. Notices and other information to be provided by a Party to the other Party under this Agreement shall be provided in accordance with Article XVI of the Clean Energy Purchase Contract.

Section 8. Governing Law. This Agreement and the obligations of the Parties hereunder shall be governed by and determined in accordance with the laws of the State of California.

Section 9. Counterparts. This Agreement may be executed and acknowledged in multiple counterparts and by the Parties in separate counterparts, each of which shall be an original and all of which shall be and constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

CALIFORNIA COMMUNITY CHOICE FINANCING
AUTHORITY

By: _____
Name: _____
Title: _____

MARIN CLEAN ENERGY

By: _____
Name: _____
Title: _____

APPENDIX A

MARIN CLEAN ENERGY

General

Marin Clean Energy (“MCE”) is a joint powers authority organized and existing pursuant to the Joint Exercise of Powers Act (constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500), as amended or supplemented from time to time) (the “*Joint Powers Act*”), as a “community choice aggregator” (“CCA”) as defined in Section 331.1 of the Public Utilities Code of the State of California, as amended (the “*Public Utilities Code*”). For a general description of “community choice aggregators” in California, see the section “COMMUNITY CHOICE AGGREGATORS” in this Official Statement.

MCE was originally created in 2008 under the name “Marin Energy Authority” as the first CCA in California pursuant to a Joint Powers Agreement, as amended, by and among the cities and towns participating in MCE and named therein. MCE began providing service to customers in 2010.

Originally created to serve communities in Marin County, MCE now serves 36 member communities across four Bay Area counties: Contra Costa, Marin, Napa, and Solano. MCE offers renewable power at stable rates, significantly reducing energy-related greenhouse emissions and enabling millions of dollars of reinvestment in local energy programs. MCE’s mission is to address climate change by reducing energy-related greenhouse gas emissions with renewable energy and energy efficiency at cost-competitive rates while offering economic and workforce benefits and creating more equitable communities.

Formation and History of MCE

General. MCE was formed in December 2008 as a “joint powers authority” in order to provide electric power and related benefits within its service area, including developing a wide range of renewable energy sources and energy efficiency programs. The formation of MCE was made possible by the passage of California Assembly Bill 117 in 2002, enabling communities to purchase power on behalf of their residents and businesses and creating competition in the electric power market. MCE is an electric service provider (“ESP”) to the communities it serves and does not provide transmission, distribution or billing services. Transmission, distribution and billing services are provided by Pacific Gas and Electric Company (“PG&E”). PG&E bills customers on MCE’s behalf, and remits payments to MCE on a daily basis.

Commencement of Service and Expansion. MCE began serving customers in communities in Marin County in 2010. In 2012 the Board of Directors adopted a policy enabling new communities to join MCE service, leading to expansion of MCE’s service territory to include communities in the neighboring Counties of Napa, Contra Costa and Solano. As further described below, MCE now serves 36 communities in Marin, Napa, Contra Costa and Solano Counties,

including all of Marin County and Napa County. MCE does not intend at this time to expand beyond communities in Marin, Napa, Contra Costa and Solano Counties.

Service Area

Communities Served by MCE. MCE currently serves 36 communities and unincorporated areas in Marin, Napa, Contra Costa and Solano Counties, as follows:

City of American Canyon	City of Belvedere	City of Benicia
City of Calistoga	City of Concord	Town of Corte Madera
Town of Danville	City of El Cerrito	Town of Fairfax
City of Lafayette	City of Larkspur	City of Martinez
Town of Moraga	City of Mill Valley	City of Napa
City of Novato	City of Oakley	City of Pinole
City of Pittsburg	City of Pleasant Hill	City of Richmond
Town of Ross	Town of San Anselmo	City of San Pablo
City of San Rafael	City of San Ramon	City of Sausalito
City of St. Helena	Town of Tiburon	City of Vallejo
City of Walnut Creek	Town of Yountville	County of Contra Costa
County of Marin	County of Napa	County of Solano

Service Area Map. The service area of MCE is shown on the map below:



Governance and Management

Board of Directors. MCE is governed by its Board of Directors. Each community that has elected to join MCE appoints a representative to the Board of Directors. Members of the Board of Directors serve at the pleasure of their respective communities. Meetings of the full Board of Directors are scheduled every month. There are also an Executive Committee a Technical Committee and Ad Hoc Committees with members appointed by the Board of Directors that review and report to the Board on various matters.

Management.

Dawn Weisz, Chief Executive Officer: As CEO, Dawn is responsible for the vision, strategy, and leadership of MCE. After coordinating efforts to explore and launch MCE in 2004, Dawn has been recognized nationwide as a community choice trailblazer—managing a rapidly expanding program that has become a model for CCAs across the state encouraging more than 160 California communities to form or join a local community choice program. Under her leadership, MCE became the first community choice program to earn investment-grade credit ratings and now provides service to more than 540,000 customers and over a million residents and businesses. Dawn has more than 25 years of experience developing and managing renewable energy and energy efficiency programs while working for leading public agencies in the field. Previously, she was a Principal Planner with the County of Marin, where she managed energy and sustainability initiatives. She also previously served as the Executive Director for Sustainable North Bay, and prior to that, worked as a labor and environmental justice organizer in Los Angeles. Dawn has been a guest lecturer at UC Berkeley, UC Davis, and for the National American Planning Association and the U.S. Environmental Protection Agency (the “EPA”). She has also received awards from the EPA, the Power Association of Northern California and the U.S. Department of Energy. She currently serves as President of the California Community Choice Association.

Vicken Kasarjian, Chief Operating Officer. As the Chief Operating Officer, Vicken oversees Finance, Power Resources, Scheduling Coordination with the California Independent Systems Operator (“CAISO”), Customer Programs, Administrative Services and Technology & Analytics functions at MCE. With a long-term vision of meeting or exceeding environmental goals, Vicken focuses on developing and establishing internal policies and procedures to help take MCE to the next level of maturity and growth. Externally, he focuses on establishing strategic alliances and functions to further the collective effectiveness of CCAs in all CAISO markets. Vicken’s career in the energy industry spans over 34 years and includes 3 years as the Manager of Energy Department at Imperial Irrigation District and 10 years as Director of System Operations and Reliability at Sacramento Municipal Utility District. Vicken participated in the formation of the CAISO where he was the Manager of Coordinated Operations, and started his career at the California Department of Water Resources.

Shalini Swaroop, General Counsel & Director of Policy. Shalini leads MCE’s legal and policy teams, overseeing litigation, compliance, municipal law, and policy advocacy at state regulatory agencies and the California Legislature. Shalini has advocated on issues related to equity, CCA ratepayers, and local governance in over 100 cases before California regulatory agencies. She has testified in the State Capitol building before a joint panel of the California Public Utilities Commission and the California Energy Commission (the “CEC”) on the future of

California's energy market. She previously practiced before the CPUC as a consumer advocate on behalf of low-income constituents and communities of color. Shalini was recently profiled in the LA Times for her work at MCE and leadership in the community choice energy movement. Shalini received her Juris Doctorate from Berkeley Law School, where she was elected student body president. Currently, Shalini holds leadership positions on the boards of the ACLU of Northern California, JustPeace Labs, and Youth Celebrate Diversity; she also sits on the board of the Conference of California Public Utility Counsel.

Garth Salisbury, Director of Finance & Treasurer. As Director of Finance & Treasurer, Garth is responsible for all Finance, Budget, Accounting, Treasury, Investments and Internal Financial Risk Management functions. Garth joined MCE with the goal of further enhancing the organization's mandate of advancing renewable energy and energy efficiency through reduced financing costs, improving and leveraging MCE's credit strength, and maximizing returns on capital and investments. Garth brings over 30 years of public electric utility finance experience having worked at major investment banks and consulting firms including 17 years at J.P. Morgan, 8 years at Lehman Brothers and 6 years at Royal Bank of Canada. He has financed over \$35 billion of utility infrastructure projects over his career and initiated the internal approvals process for RBC to invest in renewable energy Production Tax Credits and Investment Tax Credits.

Lindsay Saxby, Director of Power Resources. Lindsay is focused on meeting MCE's ambitious renewable and carbon-free targets through strategic procurement that maximizes benefits to MCE's customers while keeping energy costs low. Her breadth of experience includes planning, procurement, and negotiation of renewable and carbon-free power, California energy markets, and portfolio management. Prior to MCE, Lindsay spent 6 years at PG&E in renewable procurement and contract management. Lindsay is a North Bay native and discovered her passion for renewable energy while pursuing an MBA in Sustainable Management from Presidio Graduate School.

Customers

General. MCE provides energy to more than 540,000 residential, commercial and industrial accounts serving over 1,000,000 residents and businesses in its service area. The current mix of MCE's customer base is approximately 51% residential and 49% commercial/industrial by percentage of load served.

Customer Energy Choices. MCE offers all customers 3 choices of energy service: Light Green, Deep Green and Local Sol. Customers receiving "Light Green" service are provided with a minimum of 60% renewable energy, sourced from a mix of wind, geothermal, solar, small hydro and biomass/biowaste. Light Green service will ramp up to 85% renewable energy by 2029 and is on track to become 95% Green House Gas free ("*GHG-free*") in 2022. Deep Green customers receive 100% renewable energy from wind and solar sources in California. Local Sol customers are provided with 100% renewable energy from specific local solar sources located within MCE's service area.

Customer Enrollment. All Customers are automatically enrolled in "Light Green" service. Customers may opt-in to "Deep Green" service for a slight premium. Currently, approximately 97.8% of MCE customers receive "Light Green" service and approximately 2.2% have elected to

receive “Deep Green” service. Availability of “Local Sol” service is limited to specific customers that are served by specific solar resources and represents approximately 0.04% of customers and 0.02% of MCE’s load.

New Customers. MCE has fully subscribed the cities and unincorporated portions of Marin and Napa counties, and MCE is actively engaging with unsubscribed communities in Solano and Contra Costa counties. The Cities of Vallejo and Pleasant Hill joined MCE in April 2021, and the City of Fairfield is will begin receiving MCE service in April 2022.

Customer Election to Opt-out of MCE Service. Customers can “opt-out” of MCE service and return to service from their traditional electric service provider, Pacific Gas & Electric Company (“PG&E”), upon initial enrollment in MCE or at any time after MCE becomes their energy provider.

Cumulative Opt-Out Rate and Customer Retention. Although opt-out rates were higher in the initial years following commencement of MCE service in 2010, opt-out rates have continued to decline and are now in the range of 9-11% for new customers. This much lower initial opt-out rate has resulted in bringing down the *cumulative* opt-out rate to 13.5% as of May 31, 2021. For planning purposes, MCE expects opt-out rates to be about 10% when MCE service begins in a new community. Most opt-outs occur during the 60 day pre- and post- enrollment windows. A small number of “late” opt-outs normally continue for newly enrolled communities for one to two years. After that point, enrollment levels have generally remained flat or have trended upward. Customers moving into our service area (“move-ins”) are also automatically enrolled in MCE service and also have the option to opt out at any time.

Service Rates

General. Rates for MCE energy service are determined by its Board of Directors and are not regulated by the CPUC. In addition to MCE’s charges for energy, customers’ rates include amounts for transmission and distribution of electricity established by PG&E, as well as a “power charge indifference adjustment” (“PCIA”) and other non-by-passable load charges imposed by the CPUC in order to compensate investor-owned utilities for investments in power generation and long-term power purchase contracts associated with the loss of customers to CCAs, which in each case are passed through on a customer’s bill in the amounts established or imposed.

Determination of Rates for Energy. The rates MCE charges for “Light Green” and “Deep Green” service are based primarily on the cost of the energy and services provided by MCE. Rates are designed to ensure revenue sufficiency while providing customers with stable rates that are competitive with those offered by PG&E.

Current and Historical Rate Information. An MCE customer’s total cost of electric service is determined by MCE’s charges for energy and include PG&E charges for transmission, distribution and other non-by-passable charges. Additionally, MCE’s customers pay a PCIA which can vary annually based upon a number of market factors including benchmarks for regional energy costs, resource adequacy, the year in which their community joined MCE and other considerations. These charges including the PCIA establish the all-in cost of service to MCE’s customers.

Since 2014, the total cost of service with MCE – inclusive of the PCIA - has been at or below the cost of PG&E service approximately 60% of the time. The total cost of service with MCE has generally remained within 10% below or above the comparable cost of PG&E service. Even when the cost of MCE service to customers has been higher than PG&E's, MCE has not experienced a material number of opt-outs and has consistently maintained customers counts during these periods. There are no assurances that this customer behavior will continue during times when MCE's bundled costs are higher than PG&E's or that MCE customers will not decide to opt-out for reasons unrelated to cost of service.

California Renewable Portfolio Standards and Other Regulations

General. Community choice aggregators such as MCE are “load-serving entities” (“LSEs”) and as such are required to comply with California’s Renewable Portfolio Standard, Resource Adequacy requirements and Power Source Disclosure requirements described below.

Renewable Portfolio Standard. California’s Renewable Portfolio Standard (“RPS”) requires LSEs to supply their retail sales with minimum quantities of eligible renewable energy. Senate Bill 100 directs all LSEs to procure 60% of their portfolios from RPS-eligible resources by 2030, and 100% of their retail sales from zero-carbon resources (or eligible renewable resources) by 2045. MCE began supplying its retail sales with 60% RPS-eligible resources in 2017, 13 years ahead of the RPS requirement. MCE has executed RPS contracts of ten years or more in duration that are projected to meet MCE’s RPS long-term contracting requirement through 2029.

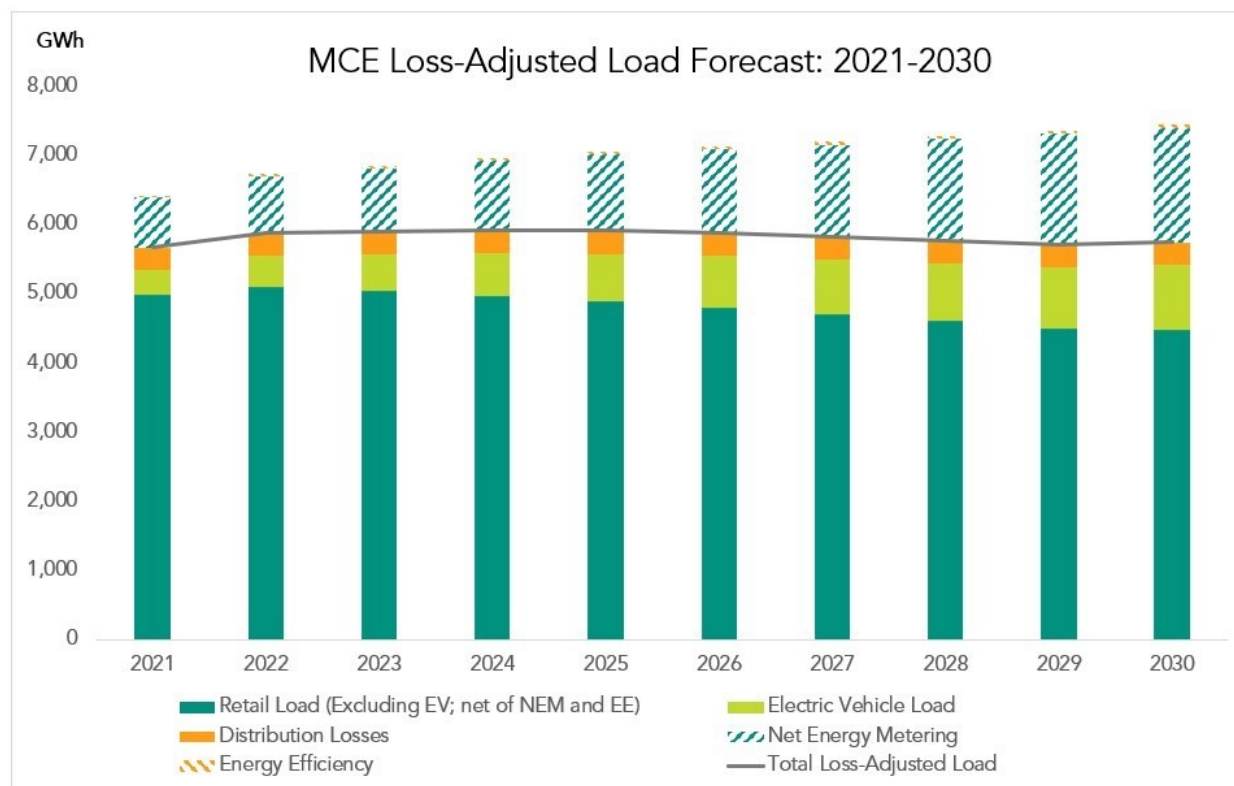
Resource Adequacy. Resource Adequacy (“RA”), a California program jointly administered by the CPUC, the California Energy Commission (“CEC”) and the California Independent System Operator (“CAISO”), directs LSEs to secure forward capacity and offer it into the CAISO’s Day-Ahead and Real-Time markets to ensure that there will be enough supply in the right locations and with sufficient ramping capability to meet load. The RA program is comprised of three products: System RA; Local RA; and Flexible RA. Local RA obligations will be assigned to a Central Procurement Entity starting in 2023. In addition, per CPUC Decision 19-11-016, LSEs are required to procure “Incremental System Capacity,” which is RA capacity that is in addition to the identified resources on the CPUC’s 2022 baseline list of resources.

Power Source Disclosure. California law requires LSEs to disclose the types of power resources used to supply retail sales. This mandate, known as the Power Source Disclosure Program (“PSDP”), is a consumer information program managed by the CEC on an annual basis. A key output of the PSDP is the Power Content Label (“PCL”). The PCL is an LSE-specific document that shows the breakdown of power resource types for each of the LSE’s energy products used to serve retail load, as well as a breakdown of resource types for the overall California grid. The PCL is distributed to customers each summer.

Energy Demand

Long-term Load Forecast. MCE’s long-term load forecast is a 10-year projection of the energy (reflected in MWh) that its customers will annually consume. MCE’s long-term load forecast is driven primarily by the number and types of customers that MCE expects to serve, in conjunction with weather projections. MCE’s long-term load forecast also incorporates the load-

modifying effects of electric vehicles, behind the meter solar and/or storage (via net energy metering), and energy efficiency. The forecast is also adjusted to incorporate the power that MCE expects to lose to the distribution system. The figure below shows MCE's loss-adjusted load forecast for 2021 through 2030, with net energy metering and energy efficiency shown above the line to represent what MCE's load would have been without these important demand-side resources.



Sources of Energy

General. MCE uses a portfolio risk-management approach in its power purchasing program, seeking low-cost supply as well as diversity among technologies, production profiles, project sizes and locations, counterparties, length of contract, and timing of market purchases. MCE currently has over 350 renewable, hydro, system energy, hedge and Resource Adequacy contracts in place from diversified sources and counterparties, totaling over \$2.4 billion in notional amount of energy contracts to provide renewable energy to its customers over the next 20-25 years.

Energy Purchases. In 2020, MCE procured approximately 5.071 million MWh of electricity for its customers. MCE anticipates that 98% of its total 2021 retail sales will be sourced from renewables, large hydroelectric and Asset Controlling Supplier (“ACS”) energy (primarily large hydroelectric energy from the Pacific Northwest, but also relatively small amounts of nuclear energy and unspecified system energy). As mentioned below, MCE’s Light Green service option is expected to be 95% GHG-free by 2022 and will also ramp up to 85% renewable energy by 2029. MCE’s procurement strategy through 2030 includes procuring 2.8 million MWh of new California renewables on an annual basis by 2030, via contracts with terms of 10 years or more. This 2.8 million MWh will be in addition to the 1.9 million MWh of annual generation from 677 MW of

new California renewables that MCE has already procured. The strategy also includes investments in wholesale storage capacity and stand-alone storage, as further described below.

Energy Load and Supply Risk Management. MCE continually manages its forward load obligations and supply commitments with the objective of balancing cost stability and cost minimization, while leaving some flexibility to take advantage of market opportunities or technological improvements that may arise. MCE closely monitors its open positions for Portfolio Content Category 1 (“PCC 1”) and Portfolio Content Category 2 (“PCC 2”) renewable energy, both of which are based on calendar-year targets. MCE maintains portfolio coverage targets of up to 100% in the near-term (0 to 5 years) and leaves a greater portion open in the medium- to long-term, consistent with generally accepted industry practice.

MCE monitors its positions on a daily basis with our its Scheduling Coordinator agent who produces a daily report of positions and pricing. MCE uses fixed-price forward contracts (*i.e.*, “fixed for floating” contracts) to hedge CAISO day-ahead market price exposure associated with its portfolio. More specifically, for the volumes and hours where MCE does not have supply contracts that yield CAISO day-ahead revenue, MCE uses fixed-price forward contracts where MCE pays a fixed price per MWh in order to receive a floating price that clears for each hour. This helps hedge MCE’s CAISO day-ahead market price exposure because the floating price (NP15) is correlated with MCE’s CAISO load price (PG&E’s default load aggregation point). These contracts are an important complement to MCE’s portfolio, which includes contracts where MCE is not entitled to the CAISO revenue. As MCE procures increasing portions of fixed-price renewables with storage and fixed-price large hydroelectric and ACS energy, MCE expects to reduce its use of fixed for floating contracts.

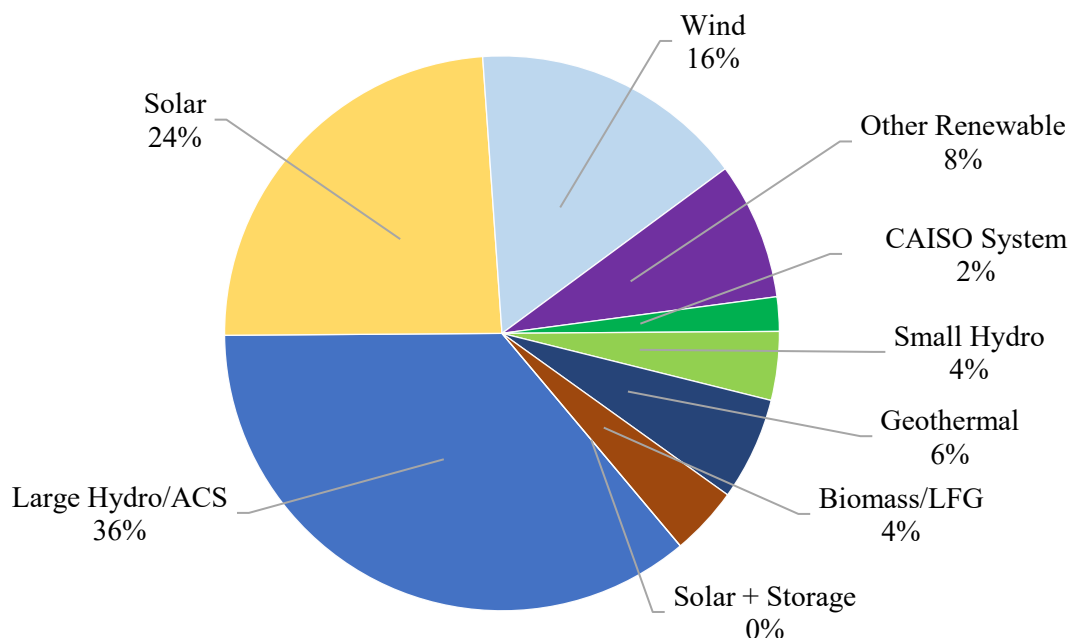
In the third quarter of each year, MCE enters into a contract with an energy off-taker to sell energy at MCE’s discretion from 0 MWh to a predetermined upper limit, the volume of which is to be decided on by MCE in the second quarter of the following year. This allows MCE to right-size its portfolio and true-up actual load with actual energy deliveries, which allows us to precisely hit our renewable and carbon free targets and mitigate excess procurement and costs.

Procurement. MCE procures energy and Resource Adequacy consistent with its Board-approved Energy Risk Management Policy. In order to effectively plan and manage its portfolio, MCE differentiates contracts by their term length: short-term (up to twelve months), medium-term (longer than twelve months and up to five years), intermediate-term (longer than five years and up to ten years) and long-term (longer than ten years). Based upon the expected contract tenor, MCE may use a variety of methods, including competitive solicitations, standard contract offerings, and bilaterally negotiated agreements. With regard to short-term power purchases, MCE may negotiate bilateral agreements directly, especially for unique or time-sensitive transactions that do not lend themselves to inclusion in a competitive solicitation. Alternatively, particularly in markets with sufficient transparency to ensure competitive outcomes, MCE may negotiate short-term transactions via its scheduling coordinator or independent energy brokers or marketers.

Light Green Procurement Targets. Reducing GHG emissions is at the heart of MCE’s mission. With this in mind, MCE is structuring a Light Green portfolio that will be approximately 95% GHG-free in 2022 and beyond, subject to market and regulatory changes. To structure such a clean Light Green portfolio by 2022, MCE expects to procure three products: (1) RPS-eligible

renewable energy; (2) large hydroelectric energy; and (3) ACS energy, the vast majority of which is large hydroelectric. RPS-qualifying renewable energy will continue to account for at least 60% of MCE's Light Green portfolio and will ramp up to 85% by 2029. MCE is planning to phase out its use of PCC 2 renewables by 2022 and will ramp up its use of PCC 1 renewables to make up the difference.

MCE 2021 Estimate Resource Mix*



*The chart directly above is an estimate of the energy supply that MCE will use to serve its 2021 retail sales for the Light Green, Deep Green and Local Sol product offerings.

Further descriptions of MCE's policies and procedures addressing energy procurement and risk management can be found on the MCE website at <https://www.mcecleanenergy.org>. The references to this web site address is presented herein for informational purposes only, and information on such website is not incorporated by reference to this Official Statement.

Energy Storage

MCE has committed to develop 585 MW of wholesale (*i.e.*, in front of the meter) storage capacity over the course of the next ten years. MCE currently estimates that 300 MW of this nameplate capacity will be paired with renewables, and 285 MW will be stand-alone storage. Of the aforementioned 285 MW, MCE anticipates that 45 MW will consist of long-duration resources that can discharge at full capacity for at least eight hours.

In 2020, MCE launched its Energy Storage Program to deploy 15 MWh of customer-sited battery storage systems capable of providing both backup power and behind-the-meter dispatch, driving decarbonization, lowering utility costs for program participants, and enabling local grid management through load shaping. This program prioritizes vulnerable customers and populations that are disproportionately affected by grid outages.

Financial Information

Revenues from Energy Sales and Operating Expenses. MCE derives its operating revenues primarily from energy sales to its customers. Increases in operating revenues in the past three fiscal years have been driven primarily by rate changes as well as the inclusion of new communities beginning in April 2018. This expansion covered unincorporated Contra Costa County, as well as the cities and towns of Concord, Martinez, Oakley, Pinole, Pittsburg, San Ramon, Danville and Moraga. Operating expenses, which are comprised primarily of energy procurement costs, increased each year due primarily to such expansion.

Other Sources of Revenue. MCE also receives revenues from sources other than retail customer sales. These sources include wholesale energy sales to other suppliers, as well as grant income used to assist with various customer programs.

Results of Operations. The following is a summary of MCE's results of operations for fiscal years ending March 31:

	<u>FY 2020/21*</u>	<u>FY 2019/20</u>	<u>FY 2018/19</u>
OPERATING REVENUES			
Electricity sales, net	\$ 438,638,873	\$ 413,996,865	\$ 353,959,271
Revenue transferred to Operating Reserve Fund	-	(10,500,000)	-
Grant revenue	5,040,192	3,414,529	2,285,626
Wholesale resource sales	13,693,041	5,428,151	5,399,080
Liquidated damages	66,450	3,750,000	437,253
Other revenue	16,636	29,778	210,797
Total operating revenues	<u>457,455,192</u>	<u>416,119,323</u>	<u>362,292,027</u>
Operating Expenses			
Cost of electricity	393,477,405	322,052,462	299,406,063
Contract services	17,343,166	13,396,517	12,126,677
Staff compensation	12,207,989	9,365,433	7,904,309
General and administration	3,715,601	3,642,487	2,716,666
Depreciation	270,383	259,988	189,490
Total operating expenses	<u>427,014,543</u>	<u>348,716,887</u>	<u>322,343,205</u>
Operating income	<u>30,440,649</u>	<u>67,402,436</u>	<u>39,948,822</u>
NONOPERATING REVENUE (EXPENSES)			
Interest income	1,784,590	2,957,808	943,712
Loan fee expense	(180,472)	(131,319)	(47,222)
Total nonoperating revenues (expenses), net	<u>1,604,118</u>	<u>2,826,489</u>	<u>896,490</u>
CHANGE IN NET POSITION	<u>32,044,766</u>	<u>70,228,925</u>	<u>40,845,312</u>
Net position at beginning of year	<u>161,805,540</u>	<u>91,576,615</u>	<u>50,731,303</u>
Net position at end of year	<u><u>193,850,306</u></u>	<u><u>\$ 161,805,540</u></u>	<u><u>91,576,615</u></u>

*Unaudited

Assets, Liabilities, Deferred Inflows or Resources and Net Position. The following table is a summary of MCE's assets, liabilities, deferred inflows or resources and net position for the years ending March 31 (appears on following page):

	<u>FY 2020/21*</u>	<u>FY 2019/20</u>	<u>FY 2018/19</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 187,677,074	\$ 144,607,424	\$ 54,426,942
Accounts receivable, net of allowance	34,374,473	29,801,063	27,525,151
Accrued revenue	16,132,750	15,758,273	11,960,984
Market settlements receivable	-	-	5,828,255
Other receivables	2,556,349	2,879,452	3,422,518
Prepaid expenses	1,051,125	1,455,435	1,465,199
Investments	-	-	10,000,000
Deposits	4,353,382	8,091,551	6,642,817
Restricted cash	10,423,941	9,115,747	6,362,129
Total current assets	256,596,094	211,708,945	127,633,995
Noncurrent assets			
Unrestricted cash in Operating Reserve Fund	10,500,000	10,500,000	-
Restricted cash	-	-	2,500,000
Capital assets, net of depreciation	958,570	1,142,836	1,127,966
Deposits	360,188	381,417	340,511
Total noncurrent assets	11,818,758	12,024,253	3,968,477
Total Assets	268,387,852	223,733,198	131,602,472
LIABILITIES			
Current liabilities			
Accounts payable	2,910,914	2,266,392	1,807,129
Accrued cost of electricity	43,409,420	32,995,146	29,693,302
Other accrued liabilities	1,229,501	1,096,341	894,468
User taxes and energy surcharges due to governments	1,578,272	1,336,236	1,237,879
Security deposits from energy suppliers	4,632,500	4,550,000	-
Advances from grantors	10,276,941	9,115,747	6,362,129
Total current liabilities	64,037,547	51,359,862	39,994,907
Noncurrent liabilities			
Contract retention	-	67,796	30,950
Total liabilities	64,037,547	51,427,658	40,025,857
DEFERRED INFLOWS OF RESOURCES			
Operating Reserve Fund	10,500,000	10,500,000	-
NET POSITION			
Net position			
Investment in capital assets	958,570	1,142,836	1,127,966
Restricted for line of credit collateral	-	-	2,500,000
Unrestricted	192,891,735	160,662,704	87,948,649
Total net position	193,850,305	161,805,540	91,576,615

*Unaudited

Deposit Accounts. MCE maintains its cash in both interest-bearing and non-interest-bearing demand and term deposit accounts at River City Bank of Sacramento, California. MCE's deposits with River City Bank are subject to California Government Code Section 16521 which requires that River City Bank collateralize public funds in excess of the Federal Deposit Insurance Corporation limit of \$250,000 by 110%. MCE monitors its risk exposure to River City Bank on an ongoing basis. MCE's Investment Policy permits the investment of funds in depository accounts, certificates of deposit and the Local Agency Investment Fund program operated by the California State Treasury, United States Treasury obligations, Federal Agency Securities, commercial paper, money market funds and FDIC insured placement service deposits.

Other Liquidity Sources. In November 2019, MCE entered into a revolving credit agreement with JPMorgan Chase Bank. The available credit line under this agreement is \$40,000,000 and enhances MCE's overall liquidity for potential working capital needs and collateral requirements. This agreement terminates in November 2022 and is expected to be renewed. MCE has no standby letters of credit or amounts outstanding under the agreement.