

VALLEY CLEAN ENERGY ALLIANCE**Staff Report – Item 15**

TO: Board of Directors

FROM: Edward Burnham, Director of Finance and Internal Operations
Mitch Sears, Chief Executive Officer

SUBJECT: Approval of the Execution and Delivery of a Clean Energy Purchase Contract and Certain Other Documents in Connection with the Issuance of California Community Choice Financing Authority (“CCCFA”) Clean Energy Project Revenue Bonds

DATE: February 13, 2025

RECOMMENDATION:

Approve the Execution and Delivery of a Clean Energy Purchase Contract and Certain Other Documents in Connection with the Issuance of California Community Choice Financing Authority (“CCCFA”) Clean Energy Project Revenue Bonds:

1. Clean Energy Purchase Contract with California Community Choice Finance Authority (CCCFA)
2. Form of Limited Assignment Agreement (LAA)
3. Letter Agreement regarding LAAs
4. PPA Custodial Agreement
5. Operational Services Agreement
6. MOU with CCCFA
7. Appendix A to the POS

Overview

The adoption of the Resolution by the VCE Board of Directors (Board) and the execution of the above documents will enable the CCCFA Board of Directors to approve the transaction, further enabling the issuance of tax-exempt municipal bonds required to initiate the Prepay transaction.

The approvals provided shall be subject to the following parameters:

- I. the municipal bonds will not be obligations of VCE, but will be limited obligations of CCCFA;
- II. the aggregate principal amount of the municipal bonds issued to fund the Prepay shall not exceed \$600 million;

- III. the annual energy savings to VCE under the Clean Energy Purchase Contract shall be at least 8%; and
- IV. the cost of issuing the municipal bonds will not exceed 1% of the bonds.

BACKGROUND

On June 13, 2024 the Board received an overview presentation from VCE's Financial Advisor, PFM (Item 13) regarding energy prepayment transactions. On July 11, 2024, the Board received a presentation [Item 12](#), regarding the energy prepayment transaction and the conduit issuer, California Community Choice Financing Authority ("CCCFA"). At this meeting the Board also authorized the Executive Officer to approve Energy Prepayment Counsel and Energy Prepayment Counter Party ("Underwriter") Agreements. Following a request for proposals process, VCE had engaged Goldman Sachs as Underwriter and Orrick, Herrington & Sutcliffe as Counsel for the Prepay transaction. At the September 12, 2024 Board meeting, the Board approved VCE to join CCCFA as an associate member to pursue the proposed transaction.

DISCUSSION & ANALYSIS

The financial markets continue to favor renewable prepay transactions. As a reminder, the savings are based mainly on the spread between taxable and tax-exempt interest rates, which continue to remain relatively large. Over the past four years, there have been 18 Prepay transactions for California CCAs for a total amount of \$17.76B. The CCAs that have completed Prepay transactions are Marin Clean Energy, Ava Community Energy, Silicon Valley Clean Energy, Pioneer Community Energy, Clean Power Alliance, Central Coast Community Energy, San Jose Clean Energy, Peninsula Clean Energy, Sonoma Clean Power, and San Diego Community Power. The execution of 10+ prepay transactions by fellow CCA's has built confidence in the use of familiar public financing tools thereby derisking these types of transactions.

Utilizing these non-taxable public financing tools, participating CCA's have saved over \$100M/yr for their customers.

The annual savings from VCE's initial Prepay transaction are currently estimated to be approximately \$2-3 million, representing approximately 8-12% savings on the annual energy procurement costs of the four selected PPAs included in the transaction. Importantly, staff will continue to monitor the financial markets and only launch a transaction if a minimum discount of 8% can be realized, representing annual savings of approximately \$2 million.

Below is a summary of the documents needed to execute the Prepay transaction.

Clean Energy Purchase Contract

- Function: 30-year agreement under which VCE will purchase discounted electricity from CCCFA
- Signed by: VCE and CCCFA

Form of Limited Assignment Agreement

- Function: Governs the assignment of electricity and green attributes from selected PPAs into the Prepay
- Signed by: VCE, PPA counterparties, and J. Aron (Goldman Sachs subsidiary)

Letter Agreement to LAA

- Function: Agreement on management of the PPA portfolio assigned into the Prepay
- Signed by: VCE and J. Aron

PPA Custodial Agreement

- Function: Creates a custody account at US Bank for the receipt of payments from VCE and J. Aron to settle monthly invoices
- Signed by: VCE, J. Aron and US Bank

LLC Agreement

- Function: VCE representative to be one of three directors of LLC setup specifically for this Prepay
- Signed by: VCE, J. Aron and independent director

Operational Services Agreement

- Function: Sets out terms for VCE to act on behalf of CCCFA
- Signed by: VCE and CCCFA

MOU with CCCFA

- Function: VCE is responsible for rating agency and Green Bonds verification fees (paid from bond proceeds at closing)
- Signed by: VCE and CCCFA

Preliminary Offering Statement (POS)

- Function: Public offering document for bonds issued by CCCFA which describes in Appendix A VCE's organization and operations; used to market the bonds
- Signed by: Not a signed document; VCE Board to approve Appendix A of POS

Staff recognizes the importance of affordability and the opportunity for the prepay transaction to contribute to reducing power costs. Through a PPA prepayment transaction, VCE can more easily set rates to meet costs/build cash reserves, offer customer choices, maintain cost competitiveness, and improve its ability to execute local programs.

CONCLUSION

Based on current market conditions and assumptions, an initial VCE Prepay transaction will save approximately \$2-3 million in annual energy procurement costs. Actual savings are unknown until the

time of the transaction. Board Approval of the Execution and Delivery of a Clean Energy Purchase Contract and Certain Other Documents in Connection with the Issuance of California Community Choice Financing Authority (“CCCFA”) Clean Energy Project Revenue Bonds will enable VCE to take the next step in the process of the Prepay transaction.

ATTACHMENTS

- 1) Resolution 2025-XXX
- 2) Clean Energy Purchase Contract with California Community Choice Finance Authority (CCCFA)
- 3) Form of Limited Assignment Agreement (LAA)
- 4) Letter Agreement regarding LAAs
- 5) PPA Custodial Agreement
- 6) Operational Services Agreement
- 7) MOU with CCCFA
- 8) Appendix A to the POS

VALLEY CLEAN ENERGY ALLIANCE**RESOLUTION NO. 2025-___****RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE
AUTHORIZING THE EXECUTION AND DELIVERY OF A CLEAN ENERGY PURCHASE CONTRACT
AND CERTAIN OTHER DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF CALIFORNIA
COMMUNITY CHOICE FINANCING AUTHORITY CLEAN ENERGY PROJECT REVENUE BONDS AND
CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

WHEREAS, the Valley Clean Energy Alliance (“VCE”) was formed as a community choice aggregation agency (“CCA”) on November 16, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 et seq., among the County of Yolo, and the Cities of Davis and Woodland, to reduce greenhouse gas emissions, provide electricity, carry out programs to reduce energy consumption, develop local jobs in renewable energy, and promote energy security and rate stability in all of the member jurisdictions. The City of Winters, located in Yolo County, was added as a member of VCE and a party to the JPA in December of 2019;

WHEREAS, VCE is duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California, is duly authorized to transact business, having obtained all necessary and legally required filings, governmental licenses, and approvals in the State of California, and has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage;

WHEREAS, VCE is a community choice aggregator (as defined in Section 331.1 of the California Public Utilities Code), and is a public agency (as defined in the Act) that has implemented a community choice aggregation program pursuant to Section 366.2 of the California Public Utilities Code, and possesses the power to purchase and sell electric energy and associated capacity and environmental attributes and enter into contracts for such purposes;

WHEREAS, VCE, acting pursuant to the Act, may enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them and exercise certain additional powers provided in the Act;

WHEREAS, pursuant to the provisions of the Act, VCE and certain other California community choice aggregators have entered into a joint powers agreement (the “**Joint Powers Agreement**”) pursuant to which the California Community Choice Financing Authority (the “**Issuer**”) was organized for the purpose, among other things, of entering into contracts and issuing bonds to assist community choice aggregators, including VCE, in financing the acquisition of supplies of clean electric energy and associated capacity and environmental attributes;

WHEREAS, the Issuer is authorized by the Joint Powers Agreement to acquire supplies of clean electric energy and associated capacity and environmental attributes and to issue revenue

bonds to finance the cost of such transactions, and is vested with all powers necessary to accomplish the purposes for which it was created;

WHEREAS, VCE has determined that it is desirable to acquire a long-term supply of clean electrical energy from the Issuer pursuant to a clean energy prepayment transaction;

WHEREAS, VCE has determined to authorize pursuant to this Resolution the undertaking of a clean energy prepayment transaction with the Prepaid Supplier (defined below);

WHEREAS, in connection with the foregoing, VCE is requesting the Issuer to agree to purchase on a prepaid basis certain quantities of clean electrical energy from Aron Energy Prepay 44 LLC (the “**Prepaid Supplier**”) and to sell such clean electrical energy to VCE, as contemplated herein (the “**Project**”);

WHEREAS, VCE is requesting that the Issuer finance the costs of the Project with the proceeds of one or more series of its clean energy project revenue bonds, with such designations determined by the Issuer (the “**Bonds**”);

WHEREAS, VCE has determined to authorize the representatives of VCE to take all necessary action to accomplish the purchase of clean electrical energy from the Issuer and to assist the Issuer in the issuance, sale, and delivery of the Bonds;

WHEREAS, there have been made available to the Board of Directors of VCE (the “**Board of Directors**”) the following documents and agreements (collectively, the “**VCE Documents**”):

1. A proposed form of Clean Energy Purchase Contract, between VCE and the Issuer;
2. A proposed form of PPA Custodial Agreement, among VCE, the Issuer, J. Aron & Company LLC, a New York limited liability company (“**J. Aron**”) and U.S. Bank Trust Company, National Association, as custodian, or other custodian named therein;
3. A proposed form of Limited Assignment Agreement, among VCE, J. Aron and certain sellers of electricity (collectively, the “**PPA Sellers**”) under one or more power purchase and sale agreements between VCE and the respective PPA Sellers (collectively, the “**Assigned PPAs**”);
4. A proposed form of Letter Agreement, between VCE and J. Aron;
5. A proposed form of Clean Energy Project Operational Services Agreement relating to the Project, between VCE and the Issuer; and
6. A proposed form of Memorandum of Understanding, between VCE and the Issuer indemnifying the Issuer against certain fees; and

WHEREAS, there has also been made available to the Board of Directors the following additional document relating to the Project:

1. A proposed form of Appendix A to the Preliminary Official Statement to be used in connection with the offering and sale of the Bonds;

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance hereby finds, declares, and resolves as follows:

- Section 1.** The above recitals are true and correct.
- Section 2.** The proposed forms of the VCE Documents, as made available to the Board of Directors for this meeting, are hereby approved. The proposed form of Limited Assignment Agreement may be used, in a substantially similar form, for assignments of the initial or any additional Assigned PPAs, as needed to maintain the transactions approved hereby, and any such Limited Assignment Agreements shall be included in the VCE Documents approved hereby. Subject to the parameters set forth in Section 5 of this Resolution, any of the Chair of the Board of Directors, the Vice Chair of the Board of Directors, the Chief Executive Officer of VCE, the Chief Operating Officer of VCE or the Director of Finance & Internal Operations of VCE (each, including the designees thereof, an “**Authorized Representative**”) is hereby authorized and directed, for and on behalf of VCE, to execute and deliver the VCE Documents in substantially said form, with such changes and insertions therein as the Authorized Representative executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.
- Section 3.** Appendix A to the Preliminary Official Statement is hereby approved. Any Authorized Representative is hereby authorized and directed, for and on behalf of VCE, to execute and deliver a certificate as to the information regarding VCE contained in such Appendix A, with such changes and insertions therein as the Authorized Representative approving the same may deem necessary or appropriate. VCE hereby authorizes the inclusion of such Appendix A in the Preliminary Official Statement and the final Official Statement, in each case with such changes as may be approved as aforesaid.
- Section 4.** The Authorized Representatives, each acting alone, are hereby authorized and directed, for and in the name and on behalf of VCE, to execute and deliver any and all documents, including, without limitation, any tax certificates or agreements relating to the Bonds, any continuing disclosure certificates or agreements relating to the Bonds, and any and all closing documents and certificates to be executed in connection with the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which VCE has approved in this Resolution, for the issuance, sale and delivery of the Bonds, and to consummate by VCE the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given under or in accordance with such documents.

Section 5. The approvals provided for herein shall be subject to the following parameters:

(a) the Bonds will not be obligations of VCE, but will be limited obligations of the Issuer payable solely from the revenues and other amounts pledged thereto, including amounts payable by VCE under the Clean Energy Purchase Contract;

(b) the aggregate principal amount of the Bonds shall not exceed \$600,000,000;

(c) the “Monthly Discount Percentage” as provided for in the Clean Energy Purchase Contract shall result in at least 8.0% savings on an annual basis during the initial reset period; and

(d) CCCFA total cost of issuance for the Bonds including all underwriting, legal and consultant fees will not exceed 1.0% of the proceeds of the Bonds. For the purpose of the limitations contained in this subparagraph (d), costs of issuance do not include any structuring charge payable by the Energy Supplier to J. Aron or any costs ultimately paid with additional proceeds or rounding amounts (howsoever such proceeds or amounts are designated in any pricing schedules relating to the Bonds).

Section 6. Execution and delivery of the VCE Documents by an Authorized Representative shall be conclusive evidence that the parameters set forth in Section 5 have been met, and all actions heretofore taken by the Authorized Representatives with respect to the transactions approved by this Resolution and the issuance of the Bonds are hereby ratified, confirmed, and approved.

Section 7. If Section 5 and Section 6 listed herein have been met, an Authorized Representative may direct CCCFA to make payments to vendors that provided professional services to VCE to complete the VCE Documents and ultimately the issuance of the Bonds. These professional services include legal counsel, bond counsel, tax counsel, municipal financial advisor, swap advisor, trustee and trustee counsel, underwriter of the bonds, underwriter’s counsel, and any other vendor required to complete the issuance of the Bonds. Payment to these vendors is considered a cost of issuance and will be paid by CCCFA out of the proceeds of the sale of the Bonds.

Section 8. The Board of Directors hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California

Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

Section 9. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Valley Clean Energy Alliance, held on the ____ day of _____ 2025, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____, VCE Chair

Alisa M. Lembke, VCE Board Secretary

CLEAN ENERGY PURCHASE CONTRACT

between

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

and

VALLEY CLEAN ENERGY ALLIANCE

Dated as of [____], 2025

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Exhibit A-2 — Assigned Rights and Obligations

Exhibit B — Notices

Exhibit C — Remarketing Election Notice

Exhibit D — Federal Tax Certificate

Exhibit E — Purchaser’s Legal Opinion

Exhibit F — Assignment of Assignable Power Contracts

Exhibit G — Communications Protocol

Exhibit H — Pricing and Other Terms

Exhibit I — Closing Certificate

CLEAN ENERGY PURCHASE CONTRACT

This Clean Energy Purchase Contract (this “Agreement”) is made and entered into as of [____], 2025 (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 Valley Clean Energy Alliance, 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 44 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 [____], 2025 (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” means (i) the fixed prices specified in Exhibit A-2 as of the date hereof with respect to the Initial Assigned Rights and Obligations and (ii) the Day-Ahead Average Price with respect to any Assignment Period outside of the Initial Assignment Periods.

“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 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 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 with respect to an Assigned PPA, the amount, if any, by which the total quantity of Assigned Product delivered under such Assigned PPA in such Month exceeds the Assigned Prepay Quantity for such Assigned PPA 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 Assigned PPA and each Month during the Assignment Period therefor, the quantity of Assigned Energy delivered pursuant to such Assigned PPA consistent with the terms of the applicable Assigned Rights and Obligations in connection with the Assigned Product during such Month.

“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.

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

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

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

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

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

“Bonds” means the bonds issued pursuant to the Trust 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 Trust 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 Delivery Hour, (A) the Day-Ahead Market Price for such Delivery Hour at the Base Delivery Point less (B) the product of the Fixed Price for Base Quantities multiplied by the Monthly Discount Percentage, (ii) with respect to Assigned Prepay Quantities during the Initial Assignment Periods, (A) the applicable APC Contract Price(s) multiplied by (B) the result of 100% less the Monthly Discount Percentage, (iii) with respect to Assigned Prepay Quantities outside of the Initial Assignment Periods, (A) the APC Contract Price less (B) the product of the Fixed Price for Assigned Prepay Quantities outside of the Initial Assignment Periods multiplied by the Monthly Discount Percentage, and (iv) with respect to Assigned PAYGO Product, the APC Contract Price(s).

“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 Average Price” means, for any Assigned Products after the Initial Assignment Periods, (x) the sum of the Day-Ahead Market Prices for each Pricing Interval in a Month divided by (y) the number of Pricing Intervals in such Month. As used in this definition, “Pricing Interval” means the unit of time for which CAISO establishes a separate price.

“Day-Ahead Market Price” has the meaning specified on Exhibit A-1 for the Primary 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 Hour” has the meaning specified in Exhibit A-1.

“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 with respect to Base Quantities and \$[____]/MWh with respect to Assigned Prepay Quantities outside of the Initial Assignment

Periods, which are the fixed prices under the Buyer Swap (as defined in 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 declared 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. Notwithstanding the foregoing or anything to the contrary herein, to the extent that an Assignment Agreement is terminated early, such termination shall constitute Force Majeure with respect to Issuer hereunder until the earlier of (I) the commencement of an “Assignment Period” under a replacement Assignment Agreement, (II) the commencement of a J. Aron EPS Energy Period or (III) the end of the first Month following the Month in which such early termination occurs.

“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.

“Initial Assigned Rights and Obligations” means the Assigned Rights and Obligations set forth in Exhibit A-2 hereto as of the date hereof.

“Initial Assignment Periods” means the Assignment Periods for the Initial Assigned Rights and Obligations specified in Exhibit A-2 hereto as of the date hereof.

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

“Interest Rate Period” has the meaning specified in the Trust 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 PPA Custodial Agreement.

“J. Aron Prepay Payment” has the meaning specified in the PPA 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 October 25, 2016, 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 Trust Indenture.

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

“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.

“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.

“Non-Priority Products” means any Products that are not Priority Products.

“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).

“PPA Custodial Agreement” means that certain PPA Custodial Agreement, dated as of the Bond Closing Date, by and among Purchaser, Issuer, J. Aron and the PPA Custodian.

“PPA Custodian” means U.S. Bank Trust Company, National Association.

“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 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.

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

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

“Remarketing Election Deadline” means, for any Reset Period, the last date and time by which Purchaser may provide a Remarketing Election Notice, which shall be 4:00 p.m. LPT on the 10th day of the Month (or, if such day is not a Business Day, the next succeeding Business Day) prior to the first delivery Month of a Reset Period with respect to which a Potential Remarketing Event has occurred.

“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 Delivery 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 Trust Company, National Association, and its successors as trustee under the Trust Indenture.

“Trust 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.

“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 Trust 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 quantities of Product to be sold and purchased and delivered and received pursuant to the terms and conditions set forth in this Agreement shall be equal to (a) the Base Quantity, if any, for each Delivery Hour and (b) the Assigned Quantity delivered to J. Aron in each Month of the Delivery Period pursuant to the Assignment Agreements.

Section 3.2 Payments.

(a) For each Month for which an EPS Energy Period is in effect at the start of such Month:

(i) Purchaser shall pay Issuer the Contract Price multiplied by the Assigned Prepay Quantities actually delivered for such Month, provided that Issuer shall owe a payment to Purchaser to the extent that the Contract Price for Assigned Prepay Quantities is negative; and

(ii) Pursuant to the terms of the PPA Custodial Agreement, Purchaser shall owe a separate VCE Gross Payment (as defined in the PPA Custodial Agreement) for each Assigned PPA consistent with the terms of the PPA Custodial Agreement, and, upon satisfying its obligations under the PPA Custodial Agreement in respect of such amount (after taking into consideration any PPA Seller Payment Obligation (as such term is defined in the PPA Custodial Agreement) credited to VCE in respect thereof), any portion of such amount attributable to Assigned PAYGO Product shall be deemed to be paid by Purchaser to the applicable APC Party 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, 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 5.12 of the Trust 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 Trust 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 Trust 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, provided that Issuer may extend the Remarketing Election Deadline only to the extent consented to in writing by J. Aron.

(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 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 and any rights and obligations assigned to Prepay LLC under an Assigned PPA including, without limitation, the right to receive Assigned Products, shall revert to Purchaser as of the end of the Initial Reset Period or the then-current Reset Period, as applicable.

(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 Delivery 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 Delivery 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 Failure to Deliver or Take Due to Force Majeure. If with respect to all or any portion of Base Quantities or Assigned Prepay Quantities:

(a) Purchaser fails to take or Issuer fails to deliver all or any portion of such quantities at any Delivery Point pursuant to the terms of this Agreement; and

(b) such failure is due to Force Majeure claimed by either Party,

then the Parties shall have no payment obligations with respect to such quantities hereunder.

Section 4.4 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.

Section 4.5 Sole Remedies. Except with respect to the termination of this Agreement pursuant to Article XVII, 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. Notwithstanding any other provision of this Agreement to the contrary, 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].**

(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].**

(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].** With respect to Sections 5.4(a) through (c), “Seller” means “Issuer”, Buyer means “Purchaser”, and any other capitalized terms not otherwise defined therein 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 APC Party;
- (iv) Assigned Product to be purchased and sold pursuant to this Agreement has not been 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 Purchaser 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.** Prior to the commencement of the Delivery Period, Purchaser agrees to exercise Commercially Reasonable Efforts to assign the Initial Assigned Rights and Obligations to J. Aron.

(b) Assignments of Replacement Assigned Rights and Obligations. Commencing (i) one year prior to the expiration of any EPS Energy Period or (ii) otherwise immediately upon the early termination or anticipated early termination of a EPS Energy Period or a failure to assign any portion of the Initial Assigned Rights and Obligations, 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.

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. The Base Quantity Reductions set forth on Exhibit A-1 hereto have been calculated as described in Exhibit F hereto. Effective upon the first day of the second Month following the early termination of an EPS Energy Period for any reason, Issuer shall revise Exhibits A-1 and A-2 to (a) update the Base Quantity Reductions as provided in Exhibit F to the extent a subsequent EPS Energy Period will commence on such date or (b) reverse such Base Quantity Reductions associated with the EPS Energy Period that terminated for all remaining Hours in the Delivery Period to the extent a replacement EPS Energy Period will not commence on such date. In the case of any other commencement of a subsequent EPS Energy Period, Issuer shall revise (i) the Base Quantity Reductions in Exhibit A-1 as provided by Exhibit F hereto and (ii) Exhibit A-2 to reflect the details for such EPS Energy Period.

Section 6.4 J. Aron Non-Payment to APC Party. To the extent that (a) J. Aron fails to pay when due any J. Aron Prepay 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.

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 Products 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 (a) (i) a quantity of Assigned Product less than the Assigned Prepay Quantity is delivered hereunder in any Month during an Assignment Period for any reason other than Force Majeure or (ii) an Assigned PPA FM Remarketing Event has occurred and is in effect (as defined in Exhibit F to the Master Power Supply Agreement), (b) Issuer is required under Section 3.3 to cause Base Quantities that otherwise would be delivered hereunder to be remarketed or (c) notwithstanding Purchaser's compliance with Section 7.1, Purchaser does not require all or any portion of the Assigned Prepay Quantity to meet its requirements for Energy 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 (and, in the case of clauses (a) and (b), shall be deemed to request) that Prepay LLC, as permitted by the Master Power Supply Agreement, sell such portion of such Base Quantities or Assigned Product (I) to another Municipal Utility, or (II) if necessary, to another purchaser. Any remarketing notice issued under clause (c)(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.

(a) 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.

(b) To the extent that all or any portion of Assigned Quantities or Base Quantities are remarketed under Section 3.3 or under Section 7.3, as applicable, and any such remarketing results in a Ledger Entry (as defined in the Master Power Supply Agreement), Purchaser agrees that it shall (i) exercise Commercially Reasonable Efforts to use an amount equivalent to the remarketing proceeds associated with such any such Ledger Entry to purchase Non-Priority Products and use such Non-Priority Products in compliance with the Qualifying Use Requirements in order to remediate such Ledger Entries; and (ii) apply its purchases of Non-Priority Products to remediate any such proceeds under the Master Power Supply Agreement prior to remediating such proceeds under any other contract that provides for the purchase of Priority Products. To track compliance with Purchaser's obligations under this Section 7.5(b), Purchaser shall deliver a remediation certificate to Issuer and Prepay LLC by the tenth day of the Month subsequent to any relevant Non-Priority Products purchases (which may include purchases of Energy from CAISO to the extent such Energy is used in compliance with the Qualifying Use Requirements); provided that the Parties acknowledge and agree that any purchases of Assigned PAYGO Products (commencing with purchases of Assigned PAYGO Products in the Month in which any such Ledger Entry occurs) shall be applied to remediate any such Ledger Entries and no remediation certificate shall be required with respect to purchases of Assigned PAYGO Products. For Ledger Entries remediated under this Section 7.5(b) that have not otherwise been remediated by Prepay LLC pursuant to the remarketing provisions of the Master Power Supply Agreement, Issuer shall pay Purchaser any portion of the Monthly Discount Percentage associated with such Ledger Entries that is available under the Trust Indenture on or before the last Business Day of the Month in which Purchaser provides a certificate under this Section 7.5(b) evidencing such remediation.

Section 7.6 Remediation; Ledger Entries; Redemption.

(a) Remediation. To track compliance with the requirements of Section 7.5(a), 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) ¹showing the following: the total quantity of proceeds from sales of Products received hereunder that (i) were sold by Purchaser

¹ NTD: Timeline for delivery of quarterly reports under VCE review.

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 described under Section 7.6(b) 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(b), with such funds to be deposited in the Debt Service Account (as defined in the Trust Indenture) and applied to the redemption of Bonds as directed by Issuer and approved by Special Tax Counsel (as defined in the Trust Indenture) as preserving the tax-exempt status of the Bonds.

ARTICLE VIII.

REPRESENTATIONS AND WARRANTIES; ADDITIONAL COVENANTS

Section 8.1 Representations and Warranties. 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) it is a joint powers authority, duly organized and validly existing under the Laws of the State of California,

(b) 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;

(c) 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;

(d) 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;

(e) 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;

(f) 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;

(g) 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 Trust Indenture;

(h) 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

(i) 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 and as provided in Section 4.3). 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 Trust Indenture) then rating the Bonds, *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 the prior Month, if Base Quantities were required to be delivered in such Month and there is a Shortfall Quantity for such 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 prior Months.

(b) Billing Statements.

(i) No later than the 20th 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, and (iii) the net amount due to Issuer or Purchaser; 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; provided furthermore that invoicing for all Assigned PAYGO Products shall occur under the PPA Custodial Agreement.

(ii) If a Monthly Statement (as defined in the PPA Custodial Agreement) for an Assigned PPA has not been delivered by the 15th day of the Month following deliveries, Issuer shall provisionally prepare or cause to be prepared a Billing Statement for this Agreement that assumes all of the Assigned Prepay Quantities were delivered under the applicable Assigned PPA for such Month. In such case, to the extent that a Monthly Statement subsequently delivered under the PPA Custodial Agreement reflects that less than the Assigned Prepay Quantities were actually delivered under any such Assigned PPA, then (A) the previously delivered Billing Statement shall be deemed to be updated in accordance with such Monthly Statement, (B) Prepay LLC shall be deemed under the remarketing provisions of the Master Power Supply Agreement to remarket and purchase such undelivered portion of the Assigned Prepay Quantities for its own account resulting in a Ledger Entry (as defined in the Master Power Supply Agreement) and (C) Issuer shall owe a resettlement payment to Purchaser in an amount equal to the product of (x) the applicable APC Contract Price multiplied by (y) the portion of the Assigned Prepay Quantities not delivered in such Month. The Parties acknowledge and agree that J. Aron shall have a separate resettlement

payment obligation with respect to the amounts described in the clause (C) of the preceding sentence under the Electricity Sale and Service Agreement, and J. Aron's payment of the J. Aron Resettlement Payment as defined in and pursuant to the PPA Custodial Agreement shall satisfy the corresponding obligations of the respective parties under each of the Electricity Sale and Service Agreement, the Master Power Supply Agreement and this Agreement.

(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 23rd day of the Month following the most recent Month to which such Billing Statement relates, or if 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 28th day of the Month following the most recent Month to which such Billing Statement relates, or if 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.

(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), (ii) Issuer's obligation to deliver Product, and Purchaser's obligation to purchase and receive deliveries, under this Agreement shall terminate upon the termination of deliveries of Product to Issuer under the Master Power Supply Agreement and (iii) in either event described in clauses (i) or (ii), Purchaser shall exercise its right to terminate any Assignment Agreements in effect. Issuer shall provide notice to Purchaser of any early termination date of the Master Power Supply Agreement or any termination of deliveries of Product to Issuer under the Master Power Supply Agreement. The Parties recognize and agree that, in the event that the Master Power Supply Agreement terminates because of a Failed Remarketing (as defined in the Trust 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 substantially the form attached hereto as Exhibit D;

(c) on the Bond Closing Date, Purchaser shall deliver to Issuer an opinion or opinions of counsel to Purchaser covering the matters set forth in the form attached hereto as Exhibit E; and

(d) on the Bond Closing Date, Purchaser shall deliver to Issuer a Closing Certificate in substantially the form set forth hereto as Exhibit I.

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 Trust Indenture) as and to the extent provided in the Trust Indenture, including with respect to Operating Expenses (as such term is defined in the Trust 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 Trust Indenture) and other assets pledged under the Trust 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 Trust Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Trust Indenture.

Section 18.13 Counterparts; Electronic Signatures. 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. Each of the Parties agrees that the transaction consisting of this Agreement may be conducted by electronic means. Each Party agrees, and acknowledges that it is such Party's intent, that if such Party signs this Agreement using an electronic signature, it is signing, adopting, and accepting this Agreement and that signing this Agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this Agreement on paper. Each Party acknowledges that it is being provided with an electronic or paper copy of this Agreement in a usable format.

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 Trust 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 Trust 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 Counterparty or Swap Counterparties (as defined in the Trust 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 Trust Indenture, Issuer has irrevocably appointed the Trustee as its agent to issue notices and, as directed under the Trust 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 of 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: _____

VALLEY CLEAN ENERGY ALLIANCE

By: _____

Name: _____

Title: _____

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

[To be attached.]

EXHIBIT A-2
ASSIGNED RIGHTS AND OBLIGATIONS

[To be attached.]

EXHIBIT B

NOTICES

IF TO ISSUER: California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901
Email: notices@cccfa.org and invoices@cccfa.org

IF TO PURCHASER: Valley Clean Energy Alliance
[]
[]
[]

EXHIBIT C

REMARKETING ELECTION NOTICE

California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901
Email: notices@cccfa.org and invoices@cccfa.org

Aron Energy Prepay [] LLC
c/o J. Aron & Company LLC
200 West Street
New York, NY 10282

[Trustee]
[]
[]
[]

To the Addressees:

The undersigned, duly authorized representative of Valley Clean Energy Alliance (the "Purchaser"), is providing this notice (the "Remarketing Election Notice") pursuant to the Clean Energy Purchase Contract, dated as of [], 2025 (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[].

VALLEY CLEAN ENERGY ALLIANCE

By: _____
Printed Name:
Title:

EXHIBIT D²

FORM OF FEDERAL TAX CERTIFICATE

This Federal Tax Certificate is executed in connection with the Clean Energy Purchase Contract dated as of [____], 2025 (the “Clean Energy Purchase Contract”), by and between the California Community Choice Financing Authority (“Issuer”) and Valley Clean Energy Alliance, a California joint powers authority (“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 Trust Indenture.

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

NOW, THEREFORE, POWER PURCHASER HEREBY CERTIFIES AS FOLLOWS:

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. As a community choice aggregator, the Purchaser is a load-serving entity providing electricity to customers within the boundaries of cities and/or counties that have elected to participate in Purchaser’s community choice aggregation program. For purposes of this Certificate, the term “service area” of the Purchaser means the boundaries of the cities and/or counties that have elected to participate in the Purchaser’s community choice aggregation program, as well as any other area recognized as the service area of the Purchaser under state or federal law.

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.

From January 2019 to [____], the monthly average amount of Energy purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser is at least [____] MWh. Over the term of the Clean Energy Purchase Contract, the Purchaser expects the monthly average amount of Energy purchased (other than for resale) by customers of the

² NTD: Under VCE and Orrick review.

Purchaser who are located within the service area of the Purchaser to be at least [____] MWh. The maximum monthly amount of Energy in any month being acquired pursuant to the Clean Energy Purchase Contract is [____] MWh.

The Purchaser has existing rights to acquire other energy (including rights to capacity to generate electricity, whether owned, leased or otherwise contracted for) over the term of the Clean Energy Purchase Contract. Over the term of the Clean Energy Purchase Contract, the sum of (a) the amount of Energy being acquired pursuant to the Clean Energy Purchase Contract in any month, and (b) the amount of Energy that Purchaser otherwise has a right to acquire (including rights to capacity to generate electricity, whether owned, leased or otherwise contracted for) for such month does not exceed (i) [____]% of the monthly amount of Energy expected to be purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser in any month in calendar year [____], and (ii) does not exceed [____]% of the monthly amount of Energy expected to be purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser in any month in later calendar years.

The Purchaser has assigned certain rights and obligations under power purchase agreements to J. Aron that, in addition to rights to Energy, include rights to capacity based on battery storage (the “Storage”) that will be charged from Energy produced at the same facilities and acquired pursuant to that same power purchase agreements. The Purchaser certifies that it will exercise its rights pursuant to such power purchase agreements to ensure that such Storage will only be charged from Energy produced at such facilities and acquired pursuant to such power purchase agreements.

In the event of the expiration or termination of an EPS Energy Period, Purchaser agrees to comply with its obligations in the Clean Energy Purchase Contract, including but not limited to its obligations to (a) exercise Commercially Reasonable Efforts to assign a portion of Purchaser’s rights and obligations under a power purchase agreement under which Purchaser is purchasing EPS Compliant Energy to J. Aron pursuant to an Assignment Agreement and (b) cooperate in good faith with Issuer and J. Aron with respect to any proposed assignments.

Purchaser expects to pay for Energy acquired pursuant to the Clean Energy Purchase Contract solely from funds derived from its power distribution operations. Purchaser expects to use current net revenues of its to pay for current Energy acquisitions. Neither the Purchaser nor any person who is a related party to the Purchaser will hold any funds or accounts in which monies are invested and which are reasonably expected to be used to pay for Energy acquired more than one year after such monies are set aside. No portion of the proceeds of the Bonds will be used directly or indirectly to replace funds of Purchaser or any persons who are related Persons to Purchaser that are or were intended to be used for the purpose for which the Bonds were issued.

_____, 2025

By: _____

[Name]

[Title]

EXHIBIT E³

OPINION OF COUNSEL

California Community Choice Financing Authority
San Rafael, CA

Aron Energy Prepay [__] LLC
New York, NY

Goldman Sachs & Co. LLC
New York, NY

[Trustee]
[City, State]

[Commodity Swap Counterparty]
[_____]

Re: Power Supply Contract between Valley Clean Energy Alliance and California Community Choice Financing Authority dated as of [_____], 2025

Ladies and Gentlemen:

We are Counsel to Valley Clean Energy Alliance (“Purchaser”). Purchaser is a Purchaser in the Energy Project undertaken by California Community Choice Financing Authority (“Issuer”). We are furnishing this opinion to you in connection with the Power Supply Contract between Issuer and Purchaser dated as of [_____], 2025 (the “Supply Contract”).

Unless otherwise specified herein, all terms used but not defined in this opinion shall have the same meaning as is ascribed to them in the Supply Contract.

In connection with this opinion, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the following:

- (a) The Constitution and laws of the State of California (the “State”) including, as applicable, acts, ordinances, certificates, articles, charters, bylaws, and agreements pursuant to which Purchaser was created and by which it is governed;

³ NTD: Under VCE review.

(b) Resolution No. [___], duly adopted by Purchaser on [_____] (the “Resolution”) and certified as true and correct by certificate and seal, authorizing Purchaser to execute and deliver the Supply Contract;

(c) A copy of the Supply Contract executed by Purchaser; and

(d) All outstanding instruments relating to bonds, notes, or other indebtedness of or relating to Purchaser and Purchaser's CCA System (as defined in the Supply Contract).

We have also examined and relied upon originals or copies, certified or otherwise authenticated to our satisfaction, of such records, documents, certificates, and other instruments, and made such investigations of law, as in our judgment we have deemed necessary or appropriate to enable us to render the opinions expressed below.

Based upon the foregoing, we are of the opinion that:

1. Purchaser is a joint powers authority of the State, duly organized and validly existing as a community choice aggregator under the laws of the State, and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under the Agreement.

2. The execution, delivery, and performance by Purchaser of the Supply Contract have been duly authorized by the governing body of Purchaser and do not and will not require, subsequent to the execution of the Supply Contract by Purchaser, any consent or approval of the governing body or any officers of Purchaser.

3. The Supply Contract is the legal, valid, and binding obligation of Purchaser, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

4. No approval, consent or authorization of any governmental or public agency, authority, commission or person, or, to our knowledge, of any holder of any outstanding bonds or other indebtedness of Purchaser, is required with respect to the execution, delivery and performance by Purchaser of the Supply Contract or Purchaser's participation in the transactions contemplated thereby other than those approvals, consents and/or authorizations that have already been obtained.

5. The authorization, execution and delivery of the Supply Contract and compliance with the provisions thereof (a) will not conflict with or constitute a breach of, or default under, (i) any instrument relating to the organization, existence or operation of Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State relating to Purchaser and its affairs, and (b) to our knowledge will not result in, or require the creation or

imposition of, any lien on any of the properties or revenues of Purchaser pursuant to any of the foregoing.

6. Purchaser is not in breach of or default under any applicable constitutional provision or any law or administrative regulation of the State or the United States or any applicable judgment or decree or, to our knowledge, any loan or other agreement, resolution, indenture, bond, note, resolution, agreement or other instrument to which Purchaser is a party or to which Purchaser or any of its property or assets is otherwise subject, and to our knowledge no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument.

7. Payments to be made by Purchaser under the Supply Contract shall constitute operating expenses of Purchaser's CCA System payable solely from the revenues and other available funds of Purchaser's CCA System as a cost of purchased electricity. The application of the revenues and other available funds of Purchaser's CCA System to make such payments is not subject to any prior lien, encumbrance or other restriction.

8. As of the date of this opinion, to the best of our knowledge after due inquiry, there is no pending or threatened action or proceeding at law or in equity or by any court, government agency, public board or body affecting or questioning the existence of Purchaser or the titles of its officers to their respective offices or affecting or questioning the legality, validity, or enforceability of this Supply Contract nor to our knowledge is there any basis therefor.

This opinion is rendered solely for the use and benefit of the addressees listed above in connection with the Supply Contract and may not be relied upon other than in connection with the transactions contemplated by the Supply Contract, or by any other person or entity for any purpose whatsoever, nor may this opinion be quoted in whole or in part or otherwise referred to in any document or delivered to any other person or entity, without the prior written consent of the undersigned.

Very truly yours,

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. If the Assignable Power Contract is unit-contingent or for an as-generated Product, then:
 - 1.6.1. 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.
 - 1.6.2. 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. The reduction in Base Quantity for each Delivery Hour during an Assignment Period after giving effect to an Assignment Agreement (each, a “Base Quantity Reduction”) shall be calculated in accordance with this Section 3.4. For the Initial Assignment Periods, the Base Quantity Reductions have been calculated as follows: the Base Quantity Reduction for each Delivery Hour of the Initial Assignment Periods equal (i) the Assigned Prepay Quantity for each such Delivery Hour (which will be determined by dividing the Assigned Prepay Quantity for the applicable Month by the number of Delivery Hours in such Month), multiplied by (ii) the result of (A) the APC Contract Price applicable for such Hour, divided by (B) the ***[NOTE: To list the result of the following formula as determined at pricing: Front End Fixed Price for Base Quantities + (Active Swap Fee – Standby Swap Fee).]*** For any Assignment Period other than the Initial Assignment Periods, the Base Quantity Reduction for each Delivery Hour of the relevant Assignment Period shall equal (i) the Assigned Prepay Quantity for each such Delivery Hour (which will be determined by dividing the Assigned Prepay Quantity for the applicable Month by the number of Delivery Hours in such Month), multiplied by (ii) the result of (A) Fixed Price for Assigned Prepay Quantities outside of the Initial Assignment Periods divided by (B) the Fixed Price for Base Quantities; provided that if the Base Quantity Reduction for any Delivery Hour would result in a Base Quantity of less than zero, then the Assigned Prepay Quantity for such Delivery Hour will be reduced to the closest whole MWh such that the Base Quantity is not reduced below zero.

- 3.5. Except for the Assignment Agreements for the Initial Assignment Periods, the APC Contract Price under the relevant Assignment Agreement shall be the Day-Ahead Average Price, unless Issuer, Purchaser and J. Aron agree to appropriate changes to the relevant documents to accommodate a different 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, provided furthermore that Assigned Product may not in any case include capacity.

ASSIGNMENT SCHEDULE

Assigned Product: [____]

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: \$[____]

Assignment Period: [____]

FORM OF LIMITED 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].”

LIMITED ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this “**Assignment Agreement**” or “**Agreement**”) is entered into as of [___], by and among [___], a [___] (“**PPA Seller**”), Valley Clean Energy Alliance, 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 10 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 shall have the option to make 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 of receiving Notice of such non-payment from PPA Seller, in which case PPA Buyer will exercise its reimbursement claim pursuant to Section 6.5 of the Clean Energy Purchase Contract, dated as of [], by and between PPA Buyer and California Community Choice Financing Authority (the "Clean Energy Purchase Contract").

- (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 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 will provide copies to J. Aron of any Notice 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; (iii) PPA Seller will provide copies to J. Aron of annual forecasts of Energy and monthly forecasts of available capacity and Energy provided pursuant to Section [] of the PPA; (iv) 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 (v) 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) in the event that PPA Buyer fails to pay the relevant intermediary entity for any such Assigned Products, the receivables owed by PPA Buyer for such Assigned Products ("PPA Buyer Receivables") may be transferred to J. Aron. To the extent any such PPA Buyer Receivables are transferred to J. Aron, J. Aron may transfer such PPA Buyer Receivables to PPA Seller and apply the face amount thereof as a reduction to any Delivered Product Payment Obligation. Thereafter, PPA Seller shall be entitled to pursue collection on such PPA Buyer Receivables directly against PPA Buyer.
- (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 (g), 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 specifying a termination date by either J. Aron or PPA Buyer to each of the other Parties;
 - (2) delivery of a written notice of termination specifying a termination date 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 payment is not made by J. Aron within five (5) business days following receipt by J. Aron and PPA Buyer of written notice;
 - (3) delivery of a written notice by PPA Seller if any of the events described in the definition of Bankrupt in 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 in the definition of Bankrupt in 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 2(a)(1) or 2(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 [] 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. Section [] (Buyer's Representations and Warranties), Article [] (Confidential Information), Sections [] (Severability), [] (Counterparts), [] (Amendments), [] (No Agency, Partnership, Joint Venture or Lease), [] (Mobile-Sierra), [] (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.

(a) As between J. Aron and PPA Buyer, J. Aron and PPA Buyer 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) PPA Buyer 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.

(b) As between J. Aron and PPA Seller:

(i) In the event that J. Aron becomes subject to a proceeding under (A) the Federal Deposit Insurance Act and the regulations promulgated thereunder or (B) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder (a “U.S. Special Resolution Regime”) the transfer from J. Aron of this Agreement, and any interest and obligation in or under, and any property securing, this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any interest and obligation in or under, and any property securing, this Agreement were governed by the laws of the United States or a state of the United States.

(ii) In the event that J. Aron or an Affiliate becomes subject to a proceeding under a U.S. Special Resolution Regime, any Default Rights (as defined in 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable (“Default Right”)) under this Agreement that may be exercised against J. Aron are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(iii) Limitation on Exercise of Certain Default Rights Related to an Affiliate’s Entry into Insolvency Proceedings. Notwithstanding anything to the contrary in this Agreement, J. Aron and PPA Seller expressly acknowledge and agree that:

(1) PPA Seller shall not be permitted to exercise any Default Right with respect to this Agreement or any Affiliate Credit Enhancement that is related, directly or indirectly, to an Affiliate of J. Aron becoming subject to receivership, insolvency, liquidation, resolution, or similar proceeding (an “Insolvency Proceeding”), except to the extent that the exercise of such Default Right would be permitted under the provisions of 12 C.F.R. 252.84, 12 C.F.R. 47.5 or 12 C.F.R. 382.4, as applicable; and

(2) Nothing in this Agreement shall prohibit the transfer of any Affiliate Credit Enhancement, any interest or obligation in or under such Affiliate Credit Enhancement, or any property securing such Affiliate Credit Enhancement, to a transferee upon or following an Affiliate of J. Aron becoming subject to an Insolvency Proceeding, unless the transfer would result in PPA Seller being the beneficiary of such Affiliate Credit Enhancement in violation of any law applicable to PPA Seller.

(iv) U.S. Protocol. If PPA Seller adheres to the ISDA U.S. Protocol, the terms of the ISDA U.S. Protocol will supersede and replace the terms of this Section 6(b).

(v) For purposes of this Section 6(b):

(1) “**Affiliate**” is defined in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k); and

(2) “**Credit Enhancement**” means any credit enhancement or credit support arrangement in support of the obligations of J. Aron under or with respect to this Agreement, including any guarantee, collateral arrangement (including any pledge, charge, mortgage or other security interest in collateral or title transfer arrangement), trust or similar arrangement, letter of credit, transfer of margin or any similar arrangement.

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.
- (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]

By: _____

Name: _____

Title: _____

VALLEY CLEAN ENERGY ALLIANCE

By: _____

Name: _____

Title: _____

J. ARON & COMPANY LLC

By: _____

Name:

Title:

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

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____

Name:

Title:

Appendix 1

Assigned Rights and Obligations

PPA: “PPA” means that certain Power Purchase and Sale Agreement dated [____], by and between Valley Clean Energy Alliance and [____], 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” include [____].

Further Information: PPA Seller shall continue to transfer the WREGIS Certificates associated with all Renewable Energy Credits corresponding to all Facility 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 Valley Clean Energy Alliance 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

[Date]

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 Valley Clean Energy Alliance dated as of [____]. 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

EXHIBIT G⁴

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 [____], 2025 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 [____], 2025 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.

⁴ NTD: Under VCE review.

- 1.8. “Project Participant” means Valley Clean Energy Alliance, 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:

Timothy Capuano
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:

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

Andres E. Aguila
Telephone: (212) 855-6008
Fax: (212) 291-2124
andres.aguila@gs.com

Issuer Personnel:

notices@cccfa.org and invoices@cccfa.org

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 “Master Power Supply Agreement”) dated as of [____], 2025 by and between Aron Energy Prepay [__] 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 [____], 2025 by and between Issuer and Valley Clean Energy Alliance (“Project Participant”). Capitalized terms not defined herein are defined in the Master Power Supply 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 Delivery Points and Alternate 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:
VALLEY CLEAN ENERGY ALLIANCE

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 [____], 2025 by and between Aron Energy Prepay [__] 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 [____], 2025 by and between Issuer and Valley Clean Energy Alliance (“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 [____], 2025 by and between J. Aron Energy Prepay [__] 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 [____], 2025 by and between Issuer and Valley Clean Energy Alliance (“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:	\$0.50 perMWh
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 Article XVII 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 last Day of the Month preceding the last Month of the Initial Interest Rate Period (as defined in the Trust Indenture).
Minimum Discount Percentage:	An Available Discount Percentage as determined under the Re-Pricing Agreement of [____]%.
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 as defined in and pursuant to the Re-Pricing Agreement, exclusive of any Annual Refund.

EXHIBIT I
FORM OF CLOSING CERTIFICATE

CLOSING CERTIFICATE OF PURCHASER

_____, 2025

Re: California Community Choice Financing Authority
[Clean Energy Project Revenue Bonds]

The undersigned _____ of Valley Clean Energy Alliance (“*Purchaser*”) hereby certifies as follows in connection with the Power Supply Contract dated as of _____, 2025 (the “*Agreement*”) between the Purchaser and California Community Choice Financing Authority (“*Issuer*”) and the issuance and sale by Issuer of the above-referenced bonds (the “*Bonds*”) (capitalized terms used and not defined herein shall have the meanings given to them in the Agreement):

1. Purchaser is a joint powers authority, duly organized and validly existing and in good standing under the laws of the State of California (the “*State*”), and has the corporate power and authority to enter into and perform its obligations under the Agreement.

2. By all necessary official action on its part, Purchaser has duly authorized and approved the execution and delivery of, and the performance by Purchaser of the obligations on its part contained in, the Agreement, and such authorization and approval has not been amended, supplemented, rescinded or modified in any respect since the date thereof.

3. The Agreement constitutes the legal, valid and binding obligation of Purchaser.

4. The authorization, execution and delivery of the Agreement and compliance with the provisions on Purchaser's part contained therein (a) will not conflict with or constitute a breach of or default under (i) any instrument relating to the organization, existence or operation of Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Purchaser (or any of its officers in their respective capacities as such) is subject, or (iii) any provision of the laws of the State relating to Purchaser and its affairs, and (b) will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Purchaser pursuant to any of the foregoing.

5 Purchaser is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which Purchaser is a party or to which Purchaser or any of its property or assets are subject, and no event has occurred and is continuing which constitutes, or with the passage of time or the giving of notice, or both, would constitute, a default or event of default by Purchaser under any of the foregoing.

6. Payments to be made by Purchaser under the Agreement shall constitute operating expenses of Purchaser's power supply system payable solely from the revenues and other available funds of Purchaser's power supply system as a cost of purchased electricity.

7. No litigation, proceeding or tax challenge is pending or, to its knowledge, threatened, against Purchaser in any court or administrative body which would (a) contest the right of the officials of Purchaser to hold and exercise their respective positions, (b) contest the due organization and valid existence of Purchaser, (c) contest the validity, due authorization and execution of the Agreement, or (d) attempt to limit, enjoin or otherwise restrict or prevent Purchaser from executing, delivering and performing the Agreement, nor to the knowledge of Purchaser is there any basis therefor.

8. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by Purchaser of its obligations under the Agreement have been duly obtained.

9. The representations and warranties of Purchaser contained in the Agreement were true, complete and correct on and as of the date thereof and are true, complete and correct on and as of the date hereof.

10. The statements and information with respect to Purchaser contained in the Preliminary Official Statement dated [____], 2025 and the Official Statement dated [____], 2025 with respect to the Bonds, including Appendix A thereto (together, the "*Official Statement*"), fairly and accurately describe and summarize the financial and operating position of Purchaser for the periods shown therein, and such statements and information did not as of the respective dates of the Official Statement and do not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements and information, in the light of the circumstances under which they were made, not misleading.

11. To Purchaser's knowledge, no event affecting Purchaser has occurred since the date of the Official Statement which should be disclosed therein in order to make the statements and

information with respect to Purchaser contained therein, in light of the circumstances under which they were made, not misleading in any material respect.

IN WITNESS WHEREOF the undersigned has executed this Certificate on and as of the date first written above.

VALLEY CLEAN ENERGY ALLIANCE

By _____

Name:

Title:

FORM OF ASSIGNMENT SCHEDULE

Assigned Product: [____]

Assigned Delivery Point: [____]

Assigned Prepay Quantity: As set forth in Appendix 2; provided that (i) all Assigned Products shall be delivered pursuant to this 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 this Limited Assignment Agreement.

APC Contract Price: \$[____]/MWh

Assignment Period: [____]

FORM OF LIMITED ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this “**Assignment Agreement**” or “**Agreement**”) is entered into as of [____], by and among [____], a [____] (“**PPA Seller**”), Valley Clean Energy Alliance, 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 the APC Contract Price 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 10 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 will remain responsible for 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 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 will provide copies to J. Aron of any Notice 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; (iii) PPA Seller will provide copies to J. Aron of annual forecasts of Energy and monthly forecasts of available capacity and Energy provided pursuant to Section [____] of the PPA; (iv) 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 (v) 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) in the event that PPA Buyer fails to pay the relevant intermediary entity for any such Assigned Products, the receivables owed by PPA Buyer for such Assigned Products (“PPA Buyer Receivables”) may be transferred to J. Aron. To the extent any such PPA Buyer Receivables are transferred to J. Aron, J. Aron may transfer such PPA Buyer Receivables to PPA Seller and apply the face amount thereof as a reduction to any Delivered Product Payment Obligation. Thereafter, PPA Seller shall be entitled to pursue collection on such PPA Buyer Receivables directly against PPA Buyer.
- (f) On or before the commencement of the Assignment Period, The Goldman Sachs Group, Inc. (“Guarantor”) 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 (g), 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 specifying a termination date by either J. Aron or PPA Buyer to each of the other Parties;
 - (2) delivery of a written notice of termination specifying a termination date 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 payment is not made by J. Aron within five (5) business days following receipt by J. Aron and PPA Buyer of written notice;
 - (3) delivery of a written notice by PPA Seller if any of the events described in the definition of Bankrupt in 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 in the definition of Bankrupt in 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 2(a)(1) or 2(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 [] 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. Section [] (Buyer’s Representations and Warranties), Article [] (Confidential Information), Sections [] (Severability), [] (Counterparts), [] (Amendments), [] (No Agency, Partnership, Joint Venture or Lease), [] (Mobile-Sierra), [] (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.

(a) As between J. Aron and PPA Buyer, J. Aron and PPA Buyer 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 Assignment Agreement, and for the purposes of such incorporation, (i) J. Aron shall be deemed to be a Regulated Entity, (ii) PPA Buyer shall be deemed to be an Adhering Party, and (iii) this Assignment Agreement shall be deemed a Protocol Covered Agreement. In the event of any inconsistencies between this Assignment Agreement and the ISDA U.S. Stay Protocol, the ISDA U.S. Stay Protocol will prevail.

(b) As between J. Aron and PPA Seller:

(i) In the event that J. Aron becomes subject to a proceeding under (A) the Federal Deposit Insurance Act and the regulations promulgated thereunder or (B) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder (a “U.S. Special Resolution Regime”) the transfer from J. Aron of this Agreement, and any interest and obligation in or under, and any property securing, this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any interest and obligation in or under, and any property securing, this Agreement were governed by the laws of the United States or a state of the United States.

(ii) In the event that J. Aron or an Affiliate becomes subject to a proceeding under a U.S. Special Resolution Regime, any Default Rights (as defined in 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable (“Default Right”)) under this Agreement that may be exercised against J. Aron are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(iii) Notwithstanding anything to the contrary in this Agreement, J. Aron and PPA Seller expressly acknowledge and agree that:

(1) PPA Seller shall not be permitted to exercise any Default Right with respect to this Agreement or any Affiliate Credit Enhancement that is related, directly or indirectly, to an Affiliate of J. Aron becoming subject to receivership, insolvency, liquidation, resolution, or similar proceeding (an “Insolvency Proceeding”), except to the extent that the exercise of such Default Right would be permitted under the provisions of 12 C.F.R. 252.84, 12 C.F.R. 47.5 or 12 C.F.R. 382.4, as applicable; and

(2) Nothing in this Agreement shall prohibit the transfer of any Affiliate Credit Enhancement, any interest or obligation in or under such Affiliate Credit Enhancement, or any property securing such Affiliate Credit Enhancement, to a transferee upon or following an Affiliate of J. Aron becoming subject to an Insolvency Proceeding, unless the transfer would result in PPA Seller being the beneficiary of such Affiliate Credit Enhancement in violation of any law applicable to PPA Seller.

(iv) If PPA Seller adheres to the ISDA U.S. Protocol, the terms of the ISDA U.S. Protocol will supersede and replace the terms of this Section 6(b).

(v) For purposes of this Section 6(b):

(1) “**Affiliate**” is defined in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k); and

(2) “**Credit Enhancement**” means any credit enhancement or credit support arrangement in support of the obligations of J. Aron under or with respect to this Agreement, including any guarantee, collateral arrangement (including any pledge, charge, mortgage or other security interest in collateral or title transfer arrangement), trust or similar arrangement, letter of credit, transfer of margin or any similar arrangement.

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.

(b) **Jurisdiction.** Each Party submits to the exclusive jurisdiction of the federal courts of the United States of America for the Southern District of California sitting in the city and county of Los Angeles.

(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]

By: _____

Name: _____

Title: _____

VALLEY CLEAN ENERGY ALLIANCE

By: _____

Name: _____

Title: _____

J. ARON & COMPANY LLC

By: _____

Name:

Title:

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

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____

Name:

Title:

Appendix 1

Assigned Rights and Obligations

PPA: “PPA” means that certain Power Purchase and Sale Agreement dated [____], by and between Valley Clean Energy Alliance and [____], 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” include [____].

Custodial Account for Administration of Payments under Section 1(h):

[____]

[____]

[____]

Further Information: PPA Seller shall continue to transfer the WREGIS Certificates associated with all Renewable Energy Credits corresponding to all Facility 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 PPA Buyer 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

[Date]

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 Valley Clean Energy Alliance dated as of [____]. 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

LETTER AGREEMENT

[____], 2025

Valley Clean Energy Alliance

[____]

[____]

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 Valley Clean Energy Alliance (“VCE” 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 termination of 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 VCE 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 [____], 2025 by and between VCE and California Community Choice Financing Authority (including, for the avoidance of doubt, due to a “Remarketing Election” by VCE under the Clean Energy Purchase Contract) or (B) that certain Electricity Purchase, Sale and Service Agreement, dated as of [____], 2025 by and between J. Aron and Aron Energy Prepay 44 LLC (the “Electricity Sale and Service Agreement”);

(b) VCE shall deliver a notice of termination contemporaneous with any assignment by VCE 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 VCE fails to do so in connection with the assignment of VCE’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 five months in the aggregate during a twelve month period, (ii) any event or circumstance occurs that would give either VCE or a PPA Seller the right to terminate

or suspend performance under a PPA (regardless of whether VCE or the applicable PPA Seller exercises such right) or (iii) VCE requests remarketing of the Assigned Quantities under an Assigned PPA pursuant to the terms Section 7.3(c) of the Clean Energy Purchase Contract;

(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 VCE 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 the at will termination provision thereof except in the circumstances set forth immediately above. The at will termination provision referenced in the immediately preceding sentence (x) is set forth in Section 2(a)(1) of the form of Assignment Agreement attached to the Clean Energy Purchase Contract (y) shall refer to any such provision forth in an Assignment Agreement entered into by the Parties consistent with the terms of the Clean Energy Purchase Contract and the Electricity Sale and Service Agreement.

2. **Exhibit A.** Promptly following execution of the Assignment Agreements with respect to the Initial Assigned Rights and Obligations, J. Aron shall deliver an Exhibit A that lists such 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) VCE 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 and any other documentation to which it is a party relating to this Letter 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 consummation of the transactions contemplated hereby and thereby, including the incurrence by such Party of its obligations under this Letter 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 the transactions contemplated hereby, 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 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 as to whether this Agreement is 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; it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this 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 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.

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

VCE

VALLEY CLEAN ENERGY ALLIANCE

By: _____

Name: _____

Title: _____

Exhibit A

Assignment Agreements

[To come.]

PPA CUSTODIAL AGREEMENT

This PPA Custodial Agreement (this “Agreement”) is made and entered into as of [____], 2025, by and among Valley Clean Energy Alliance, a California joint powers authority (“VCE”), J. Aron & Company LLC, a New York limited liability company (“J. Aron”), 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 Trust Company, National Association, (the “Custodian” and together with VCE, J. Aron and Issuer, the “Parties”).

RECITALS:

WHEREAS, in connection with the issuance of one or more series of bonds by Issuer, J. Aron, Issuer and VCE will enter into Assignment Agreements (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 the sellers under certain power purchase agreements (each, individually, a “PPA Seller” and collectively the “PPA Sellers”, 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 VCE will partially assign its rights and obligations under its Power Supply Agreements (“Assigned PPAs”) to J. Aron for redelivery under the Prepay Contract Chains; and

WHEREAS, the Parties propose to enter into this Agreement in order to administer payments to be received by the sellers under the Assigned PPAs (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) of this Agreement) for each of the Prepay Contract Chains identified in Exhibit C as updated from time to time in accordance with Section 3(b) of this Agreement.

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; Interpretation.

(a) 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 Contracts. 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:

“Affiliate” means, with respect to any person, any entity which is a direct or indirect parent or subsidiary of such person or which directly or indirectly (i) owns or controls such person, (ii) is owned or controlled by such person, or (iii) is under common ownership or control with such person. 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.

“Assigned Product Price” has the meaning specified in Exhibit A, as may be updated from time to time consistent with the terms hereof.

“Clean Energy Purchase Contracts” means each of the Clean Energy Purchase Contracts by and between VCE and Issuer as set forth in Exhibit C to this Agreement, which Exhibit C may be updated from time to time in accordance with Section 3(b).

“Electricity Sale and Service Agreements” means each of the Electricity Purchase, Sale and Service Agreements by and between J. Aron and the buyer thereunder as set forth in Exhibit C to this Agreement, which Exhibit C may be updated from time to time in accordance with Section 3(b).

“Issuer Negative Pricing Payment Amount” means the positive difference, if any, for any Month of an Assignment Period between (a) amounts due from Issuer to VCE under any Clean Energy Purchase Contract with respect to negatively priced Assigned Products and (b) amounts due from VCE to Issuer under such Clean Energy Purchase Contract with respect to positively priced Assigned Products.

“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; provided that there shall be two J. Aron Fixed Payments for each Month of the Assignment Period with respect to any Assigned PPA that includes separate Assigned Prepay Quantities for Energy and storage Products. Notwithstanding the foregoing, there shall be no J. Aron Fixed Payment for an Assignment Agreement that provides for payment by J. Aron to the relevant PPA Seller of a floating price for Assigned Products delivered during the Assignment Period.

“J. Aron Prepay Payment” means, in respect of each Monthly PPA Invoice, an amount determined by VCE as the lesser of (a) (i) with respect to any Assigned PPA that has a J. Aron Fixed Payment, the J. Aron Fixed Payment for the relevant Month and Assigned PPA or (ii) with respect to any Assigned PPA that does not have a J. Aron Fixed Payment, the Assigned Prepay Quantity for the relevant Assigned PPA for the relevant Month multiplied by the Assigned Product Price, and (b) the actual quantity of Assigned Product reflected in such Monthly PPA Invoice multiplied by the Assigned Product Price then in effect with respect to applicable Product in the relevant Assigned PPA; provided that the J. Aron Prepay Payment shall be reduced by the face amount of any Receivable (as defined in the Electricity Sale and Service Agreement) that is delivered by J. Aron to the Custodian pursuant to Section 4(f); provided further that (x) the J. Aron Prepay Payment will be determined without regard to any PPA Seller Payment Obligation and (y) there shall be two J. Aron Prepay Payments for each Month of the Assignment Period with respect to any Assigned PPA that includes separate Assigned Prepay Quantities for Energy and storage Products. Furthermore, the J. Aron Prepay Payment shall be determined pursuant to clause (b) for each Month of the relevant Assignment Period for an Assignment Agreement that provides for payment by J. Aron to the relevant PPA Seller of a floating price for Assigned Products delivered during the Assignment Period.

“J. Aron Resettlement Payment” means, in respect of any Monthly PPA Invoice that (a) is delivered after the delivery of the Billing Statement under a Clean Energy Purchase Contract for such Month and (b) reflects a quantity of Product less than the Assigned Prepay Quantity was delivered in such Month under the relevant Assigned PPA, an amount equal to the product of (x) the Assigned Prepay Quantity for such Month minus the Assigned Quantity actually delivered under the relevant Assigned PPA, multiplied by (y) the applicable APC Contract Price.

“Master Power Supply Agreements” means each of the Master Power Supply Agreements by and between Issuer and the seller thereunder, as set forth in Exhibit C to this Agreement, which Exhibit C may be updated from time to time in accordance with Section 3(b).

“Monthly PPA Payment” means, in respect of any Monthly PPA Invoice, an amount determined by VCE 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 such PPA Seller in respect of such Monthly PPA Invoice and shall consist of the following components:

- (a) The J. Aron Prepay Payment(s), which shall be deemed to be paid to the relevant PPA Seller on behalf of J. Aron in respect of Assigned Products; and
- (b) the VCE Net Payment.

“PPA Seller Payment Obligation” means, in respect of any Monthly PPA Invoice, an amount determined by VCE 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 such PPA Seller; provided, for clarity, that the PPA Seller Payment Obligation shall be deemed to be paid to VCE and credited against the VCE Gross Payment thereby resulting in the VCE Net Payment required to be made by VCE hereunder.

“PPA Shortfall Lookback Summary” means, in respect of any Monthly PPA Invoice, a list that sets forth the following:

- (i) which Months, if any, the relevant PPA Seller delivered less than the Assigned Prepay Quantity in the preceding 12 Months (any such Month, a “Lookback Shortfall Month”) under the applicable Assigned PPA and whether such under-deliveries were a result of Force Majeure (as defined in the relevant Assigned PPA);
- (ii) the percentage of the Assigned Prepay Quantity actually delivered under the applicable Assigned PPA for each such Lookback Shortfall Month; and
- (iii) an indication of whether an increased Remarketing Fee (as defined in the relevant Master Power Supply Agreement) is in effect consistent with the terms of Exhibits C and F of the relevant Master Power Supply Agreement.

“Prepay Contract Chain” means, with respect to each bond issuance by Issuer detailed in Exhibit C, the Electricity Sale and Service Agreement, Master Power Supply Agreement and Clean Energy Purchase Contract relating thereto. As used herein, Prepay Contract Chains shall be limited to contract chains entered into in connection with bond issuances by Issuer

for a prepayment to an Affiliate of J. Aron pursuant to a Master Power Supply Agreement between Issuer and an Affiliate of J. Aron.

“VCE Gross Payment” means, in respect of any Monthly PPA Invoice, an amount determined by VCE 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(s); provided, for clarity, that the VCE Gross Payment (i) shall be deemed to be paid to the relevant PPA Seller on behalf of J. Aron to the extent it relates to any Assigned PAYGO Product, and (ii) otherwise shall be deemed to be paid to the relevant PPA Seller on behalf of VCE.

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

(b) 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.

Section 2. Appointment of Custodian. VCE, J. Aron and Issuer hereby appoint U.S. Bank Trust Company, National Association 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) Monthly Statements. No later than five Business Days following receipt of an invoice from a PPA Seller in respect of any Month in an Assignment Period (a “Monthly PPA Invoice”), VCE shall deliver a statement (the “Monthly Statement”) showing each of the following (based on the information provided by the relevant PPA Seller in the Monthly PPA Invoice) to each of the Parties hereto and the seller under the Master Power Supply Agreement for the Prepay Contract Chain to which such Assigned PPA is assigned:

- (i) the J. Aron Prepay Payment(s);
- (ii) the J. Aron Resettlement Payment;
- (iii) the VCE Gross Payment;
- (iv) the PPA Seller Payment Obligation;
- (v) the VCE 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 one Business Day preceding the Monthly PPA Invoice Payment Date;

(ix) the PPA Shortfall Lookback Summary;

(x) the Issuer Negative Payment Amount, if any;

(xi) the quantity of Assigned PAYGO Products delivered under such Assigned PPA in such Month (including written instructions regarding the application of such Assigned PAYGO Products to remediate remarketing proceeds for one or more Prepay Contract Chains, provided that Assigned PAYGO Products shall be applied first to the remediation of remarketing proceeds for the Prepay Contract Chain to which such Assigned PPA is assigned consistent with [Section 7.5(b)] of the Clean Energy Purchase Contracts);

provided furthermore that VCE shall deliver an updated Monthly Statement within seven days following agreement by VCE and any PPA Seller to an adjustment to a Monthly PPA Invoice to the extent that such adjustment is agreed upon prior to the date that is 10 days prior to the Monthly PPA Invoice Payment 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 VCE and the relevant PPA Seller as provided in the Assignment Agreements. The Parties agree to exercise commercially reasonable efforts to implement a test billing period for a period of at least two Months prior to the effectiveness of any Assignment Agreement after the Initial Assignment Agreement.

(b) Monthly Statement Verification. J. Aron shall notify VCE and each other Party promptly, but in no event more than three (3) Business Days, following VCE’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, VCE 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) VCE 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 VCE and J. Aron under separate contracts, and (iii) none of VCE, 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 VCE 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 VCE 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) Exhibits.

(i) 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 Prepay Quantities, the PPA Sellers thereunder and the payment instructions for payments to the PPA Sellers. Exhibit B to this Agreement sets forth the J. Aron Fixed Payments with respect to each of the Assigned PPAs. 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, including in connection with the execution of a new Prepay Contract Chain in connection with a bond issuance by Issuer.

(ii) Exhibit C to this Agreement sets forth certain information regarding the Prepay Contract Chains in effect as of the date hereof. J. Aron shall deliver an updated Exhibit C to each of the other Parties hereto to reflect any changes to the information set forth therein, including due to the execution of a new Prepay Contract Chain in connection with a bond issuance by Issuer.

(d) Remediation of Remarketing Proceeds with VCE's Purchases of Assigned PAYGO Products. Subject to [Section 12(b) of Exhibit C to the Master Power Supply Agreements] regarding the automatic application of VCE's purchase of certain Assigned PAYGO Products to the remediation of remarketing proceeds, the Parties acknowledge and agree that VCE's purchase of Assigned PAYGO Products shall be applied to the remediation of remarketing proceeds, if any, under the Master Power Supply Agreements in accordance with VCE's written instructions pursuant to Section 3(a)(xi).

Section 4. Assigned PPA Payments Account.

(a) Payments. With respect to certain payments required to be made by J. Aron and VCE to the PPA Sellers under the Assigned PPAs, there is hereby established the custodial account detailed below (the "Assigned PPA Payments Account"), and all payments made by J. Aron and VCE hereunder shall be wired to such Assigned PPA Payments Account :

[____]
ABA: [____]
FBO: [____]
Acct: [____]
FFC: [____]

(b) J. Aron Payments. J. Aron shall pay the J. Aron Prepay Payment(s) and any J. Aron Resettlement Payment into the Assigned PPA Payments Account, in respect of each Monthly Statement on the relevant Custodial Agreement Payment Date set forth in such statement. To the extent that (i) a J. Aron Prepay Payment and a J. Aron Resettlement Payment are due and (ii) J. Aron pays some portion of such amounts but less than the total amount due, J. Aron's partial payment shall be applied first to the J. Aron Prepay Payment. In addition, the Custodian agrees to promptly notify VCE if it does not receive the J. Aron Prepay Payment or any J. Aron Resettlement Payment from J. Aron on the Custodial Agreement Payment Date, and in such case VCE may elect in its sole discretion to make the J. Aron Prepay Payment to the Custodian for the purpose of

satisfying the Monthly PPA Payment (in which case VCE will have a reimbursement claim against Issuer under Section 6.4 of the Clean Energy Purchase Contract).

(c) VCE Payments. VCE shall pay the VCE Net Payment into the Assigned PPA Payments Account in respect of each Monthly Statement on the relevant Custodial Agreement Payment Date set forth in such statement. For each Month, if any, of an Assignment Period for which there is an Issuer Negative Pricing Payment Amount, VCE shall make payment of such amount into the Assigned PPA Payments Account on the Custodial Agreement Payment Date; provided that, notwithstanding the foregoing, VCE shall have no payment obligation hereunder with respect to an Issuer Negative Pricing Payment Amount to the extent that J. Aron receives such amount from the PPA Seller pursuant to the terms of the applicable Assignment Agreement.

(d) Application of Payments. The Custodian shall withdraw and apply amounts received under this Section 4 as follows:

(i) any J. Aron Prepay Payment received from J. Aron (including any payment by VCE on J. Aron's behalf pursuant to the last sentence of Section 4(b)) and any VCE Net Payment received from VCE shall be applied to the 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 (i) withdraw and pay to such PPA Seller the entire remaining balance of the Assigned PPA Payment Account and (ii) notify such PPA Seller of the amounts received for such Month from each of J. Aron and VCE consistent with such PPA Seller's contact information provided in Exhibit A; provided furthermore that, if the J. Aron Prepay Payment for any Month exceeds the Monthly PPA Payment, then the excess of the J. Aron Prepay Payment over the Monthly PPA Payment shall be remitted to VCE on the relevant Monthly PPA Invoice Payment Date pursuant to VCE's payment instructions set forth on Exhibit C;

(ii) with respect to any Monthly Statement for an Assigned PPA that (A) has been verified by J. Aron pursuant to Section 3(b) of this Agreement and (B) reflects a J. Aron Resettlement Payment, any J. Aron Resettlement Payment received from J. Aron shall be remitted promptly to VCE pursuant to VCE's payment instructions set forth on Exhibit C; and

(iii) for any Month in an Assignment Period for which an Issuer Negative Pricing Payment Amount is due from VCE, the Custodian shall, after application of amounts on deposit in the Assigned PPA Payments Account pursuant to clause (i) or (ii) above, as applicable, withdraw amounts on deposit in the Assigned PPA Payments Account to make payment of the Issuer Negative Pricing Payment Amount to J. Aron.

(e) Amounts Held in Trust. Amounts deposited in the Assigned PPA Payments Account shall be held in trust for the benefit of VCE until applied as set forth in Section 4(d) and Section 12, as applicable, and there is hereby granted to VCE 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 VCE 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 VCE 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.

(f) Transfer of Receivables. With respect to each Monthly Statement, to the extent J. Aron has purchased Receivables (as defined in the Electricity Sale and Service Agreement) for amounts owed by VCE for the Month to which such Monthly Statement relates, J. Aron may, at its option, (i) notify the Custodian that it intends to transfer all or any portion of such Receivables to the applicable PPA Seller, and (ii) reduce the J. Aron Prepay Payment by the face amount of such Receivables to be transferred. To the extent J. Aron has notified the Custodian of its intent to transfer any such Receivables, J. Aron shall cause such Receivables to be transferred to the relevant PPA Seller not later than the relevant Custodial Agreement Payment Date.

Section 5. Custodian; Fees.

(a) Limitation on Liability. The Custodian shall have (i) no liability under any agreement other than this Agreement and (ii) 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 or compel any payments which may be due to it, or to take any action to compel J. Aron or VCE to make the deposits required under Section 4. 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 and powers 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 may engage and act through agents and attorneys and shall not be liable for the misconduct or negligence of any such agent or attorney appointed with due care. 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. The Custodian shall not be responsible for the perfection of any security interest granted hereunder.

(b) Custodian Fee. The Issuer agrees to (i) pay the Custodian reasonable compensation for the services to be rendered hereunder, which compensation shall be \$1,200.00 for each year that this Agreement is in effect, and (ii) pay or reimburse the Custodian upon request for all expenses, disbursements and advances, including reasonable attorney's fees and expenses, incurred or made by it in connection with the preparation, execution, performance, delivery, modification and termination of this Custodial Agreement. The parties hereto acknowledge that this provision shall survive the resignation or removal of the Custodian or the termination of this Agreement.

Section 6. Succession. The Custodian may resign and be discharged from its duties or obligations hereunder by giving not less than 45 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 45 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 VCE agree, jointly and severally (subject to the second proviso of this Section 7), 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 VCE, 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 7 shall not duplicate any other amounts due under this Agreement, including without limitation amounts due under Section 13 hereof; provided further, however, that, notwithstanding the joint and several nature of the obligations under this Section 7, 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 VCE 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 VCE, 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 VCE. 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 or other Electronic Means (defined below), 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 other Electronic Means (defined below), 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.

As used herein, "Electronic Means" shall mean e-mail transmission or other similar electronic means of communication providing evidence of transmission, S.W.I.F.T, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, facsimile transmission, including a telephone communication confirmed by any other method set forth in this definition, or another method or system specified by a Responsible Officer of the Custodian as available for use in connection with the Custodian's services hereunder.

Section 10. Miscellaneous.

(a) Amendments. 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) Assignments. 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 6, without the prior written consent of the other Parties.

(c) 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 New York, without regard to any conflicts of law principle that would direct the application of the laws another jurisdiction; provided that the authority of each of the Issuer and VCE to enter into and perform its obligations under this Agreement shall be determined in accordance with the laws of the State of California.

(d) Jurisdiction. 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) Force Majeure. 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, epidemic, pandemic, floods, strikes, electrical outages, equipment or transmission failure, or other causes reasonably beyond its control; provided that a party affected by any such event shall exercise commercially reasonable efforts to resume performance as quickly as possible.

(f) Counterparts. 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) No Obligation to Invest. 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) Limited Duties. 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 VCE, with a copy to the other Parties, that the Clean Energy Purchase Contracts have terminated in accordance with their 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 VCE.

Section 13. Indemnification. J. Aron and VCE, 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 13 shall not duplicate any other amounts due under this Agreement, including without limitation amounts due under Section 7 hereof. The obligations of this Section 13 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 and the Trustee under the Trust 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 Trust Indenture) as and to the extent provided in the Trust Indenture, including with respect to Operating Expenses (as such term is defined in the Trust 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 Trust Indenture) and other assets pledged under the Trust 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 Trust Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Trust Indenture.

Section 15. Patriot Act. J. Aron and VCE 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 VCE. Accordingly, prior to opening the Assigned PPA Payments Account described in Section 4 of this Agreement, the Custodian will ask J. Aron and VCE 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 VCE’s identities, such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information. J. Aron and VCE agree that the Custodian cannot open any account hereunder unless and until the Custodian verifies J. Aron’s and VCE’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.

VALLEY CLEAN ENERGY ALLIANCE

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

J. ARON & COMPANY LLC

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

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT A
ASSIGNED PPAS

[To come.]

EXHIBIT B

J. ARON FIXED PAYMENTS

[To be attached.]

EXHIBIT C

**PREPAY CONTRACT CHAINS AND RELATED NOTICE AND PAYMENT
INFORMATION**

[To come.]

CLEAN ENERGY PROJECT OPERATIONAL SERVICES AGREEMENT

This Clean Energy Project Operational Services Agreement (this “Agreement”) is made and entered into as of [Closing Date], by and between California Community Choice Financing Authority (“CCCFA”) and Valley Clean Energy Alliance (“VCE”) with respect to the Clean Energy Project (defined below). CCCFA and VCE 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, VCE is a “community choice aggregator” under the Public Utilities Code of the State of California, as amended; and

WHEREAS, CCCFA is 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 VCE (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 VCE, 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 VCE are entering into a Clean Energy Purchase Contract, dated as of [Pricing Date] (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 VCE under the terms set forth therein; and

WHEREAS, in order to provide such Energy to VCE under the Clean Energy Purchase Contract, CCCFA is entering into a Master Power Supply Agreement, dated as of [Pricing Date] (as amended, restated, supplemented or otherwise modified from time to time, the “Master Power Supply Agreement”), between CCCFA, as buyer, and Aron Energy Prepay 44 LLC, a Delaware limited liability company, as seller (the “Prepaid Seller”), under which CCCFA will make a prepayment to the Prepaid Seller for the purchase and delivery of such Energy; and

WHEREAS, CCCFA will finance the prepayment under the Master Power Supply Agreement and related costs by issuing its Clean Energy Project Revenue Bonds, Series 2025[___] (the “Bonds”) pursuant to a Trust Indenture, dated as of [March] 1, 2025 (as amended, restated, supplemented or otherwise modified from time to time, the “Indenture”), between CCCFA and U.S. Bank Trust Company, 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 related 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 VCE of such Energy and related undertakings of VCE 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 Indenture, 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, VCE will initially enter into Assignment Agreements relating to the Initial Assigned Rights and Obligations 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 VCE 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], VCE has entered into the Assignment Agreements for the Initial Assigned Rights and Obligations specified in the Clean Energy Purchase Contract;

(b) subject to the terms of the Clean Energy Purchase Contract, VCE may from time to time enter into additional Assignment Agreements; and

(c) VCE shall determine in its sole discretion when and if any Assignment Agreement is entered into (subject to J. Aron & Company LLC (“J. Aron”) consent as provided in the Clean Energy Purchase Contract) or terminated (subject to the terms of the Letter Agreement, dated [Pricing Date], between J. Aron and VCE) and the underlying power purchase agreement and the quantities of Product to which such Assignment Agreement relates.

Section 3. Scheduling and Delivery of Assigned Product. Assigned Product delivered to CCCFA under the Master Power Supply Agreement shall be Scheduled by VCE for delivery to CCCFA under the Master Power Supply Agreement and for delivery to VCE 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 Product to VCE’s Assigned Delivery Point and the transfer of other Assigned Product to VCE, or (b) any accounting for under-deliveries or over-deliveries or other record-keeping requirements with respect to any Assigned Product, all of which shall be the sole responsibility of VCE.

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. VCE shall be responsible for any notices or other communications required from CCCFA in connection with such remarketing, as well as 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. VCE will account for any Base Quantities delivered and subsequently remarketed, including accounting for any remediation of any such remarketing sales as may be required pursuant to the Qualifying Use Requirements and the terms of the Clean Energy Purchase Contract. VCE agrees to provide to CCCFA any information reasonably requested by it 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 VCE under the Clean Energy Purchase Contract, such direction, consent or waiver shall only be provided by CCCFA in accordance with written instructions provided by VCE.

Section 6. Re-Pricing Information. CCCFA shall provide, or cause Prepaid Seller to provide, to VCE 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. Provided no event of default has occurred and is continuing with respect to VCE under the Clean Energy Purchase Contract, any direction, consent or waiver requested or required to be provided by CCCFA under the Re-Pricing Agreement shall only be provided by CCCFA in accordance with written instructions provided by VCE.

Section 7. Administrative Fee; Reimbursement and Refund of Operating Expenses.

(a) Under the Indenture, Operating Expenses relating to the Clean Energy Project are to be paid from amounts deposited annually in the Administrative Fee Fund, which amount shall be equal to \$[_____] in the aggregate for each annual period ending on [_____] of each year (the “Administrative Fee”). If at any time the amount on deposit in the Administrative Fee Fund is not sufficient to pay all such Operating Expenses as the same become due, VCE agrees to pay to the Trustee such additional amounts as are necessary to pay such Operating Expenses upon receipt of notice of the amount due from the Trustee or CCCFA.

(b) As soon as practicable, but in no event later than 60 days, following the end of each annual period referred to in paragraph (a), CCCFA agrees that the amounts received in respect of the Administrative Fee for such annual period shall be reconciled with the Operating Expenses paid or accrued for such period. In the event that, following each such reconciliation, it is determined that the amounts received in respect of the Administrative Fee during the applicable annual period exceed Operating Expenses paid or accrued for such period, VCE will be provided written notice thereof and the amount of such excess will be included in its Annual Refund under the Clean Energy Purchase Contract.

Section 8. 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 9. 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 10. 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: _____

VALLEY CLEAN ENERGY ALLIANCE

By: _____
Name: _____
Title: _____

[Clean Energy Project Operational Services Agreement]

MEMORANDUM OF UNDERSTANDING (“MOU”)

Date: January 17, 2025

To: Garth Salisbury
Treasurer/Controller
California Community Choice Financing Authority
gsalisbury@cccfa.org
(707) 535-9779

From: Valley Clean Energy Alliance

Re: California Community Choice Financing Authority Energy Prepayment Financing on behalf of Valley Clean Energy Alliance

Overview

The California Community Choice Financing Authority (“CCCFA” or the “Issuer”) seeks to procure a 30-year supply of energy, through the issuance of Clean Energy Project Revenue Bonds (the “Bonds”) to be issued by CCCFA. The CCCFA will sell all the Prepaid Energy acquired from this transaction to Valley Clean Energy Alliance (“VCE”), the “Project Participant.”

Rating Agency Fee and Green Bond Second Party Opinion Fee

The Rating Agency Fee and expenses (“Rating Agency Fee”) is paid from the proceeds of the Bonds. However, unlike most of the other fees associated with the issuance of the Bonds, payment of the Rating Agency Fee is not contingent upon the issuance of the Bonds.

In the event the Bonds are not issued, and there remains a Rating Agency Fee payable to Moody’s Investors Service (the “Rating Agency” or “Moody’s”), the Project Participant agrees that it will be liable for the costs and make direct payment to Moody’s for such fee.

In the event a Green Bond Second Party Opinion is obtained, and the Bonds are not issued, the fee payable to the Green Bond Second Party Opinion provider (the “SPO Fee”) shall be incurred by the Project Participant and in such event, to the extent the SPO Fee was already paid by CCCFA, the Project Participant agrees to reimburse CCCFA.

Memorandum of Understanding
January 17, 2025
Page 2

Sincerely,

VALLEY CLEAN ENERGY ALLIANCE



Digitally signed by Bruce Edward Burnham II
DN: cn=Bruce Edward Burnham II,
email=edward.burnham@valleycleanenergy.org
Date: 2025.01.17 13:42:12 -0800

Edward Burnham, Director of Finance & Internal Operations
Date: January 17, 2025

ACCEPTED AND AGREED

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: Garth Salisbury, Treasurer/Controller
Date: January 17, 2025

Memorandum of Understanding
January 17, 2025
Page 2

Sincerely,

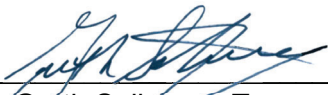
VALLEY CLEAN ENERGY ALLIANCE

Edward Burnham, Director of Finance & Internal Operations
Date: January 17, 2025

ACCEPTED AND AGREED

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____


Name: Garth Salisbury, Treasurer/Controller
Date: January 17, 2025

APPENDIX A

VALLEY CLEAN ENERGY

General

Valley Clean Energy Alliance (“VCE”) 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 CCAs in California, see the section “COMMUNITY CHOICE AGGREGATORS” in this Official Statement.

Formation and Purpose of VCE

VCE was created in 2017 pursuant to a Joint Exercise of Powers Agreement, as amended, currently among the County of Yolo, the City of Davis, the City of Woodland and the City of Winters, and is a public agency separate from its members. VCE was established to enable participating jurisdictions to determine the sources, modes of production and costs of the electricity they procure for the residential, commercial, agricultural and industrial users in their areas. In June 2018, VCE began providing service to approximately 57,000 customer accounts as part of its initial enrollment phase. In calendar year 2020, VCE enrolled approximately 2,500 Net Energy Metering (“NEM”) customer accounts and in January 2021, VCE enrolled approximately 2,500 customer accounts in the City of Winters.

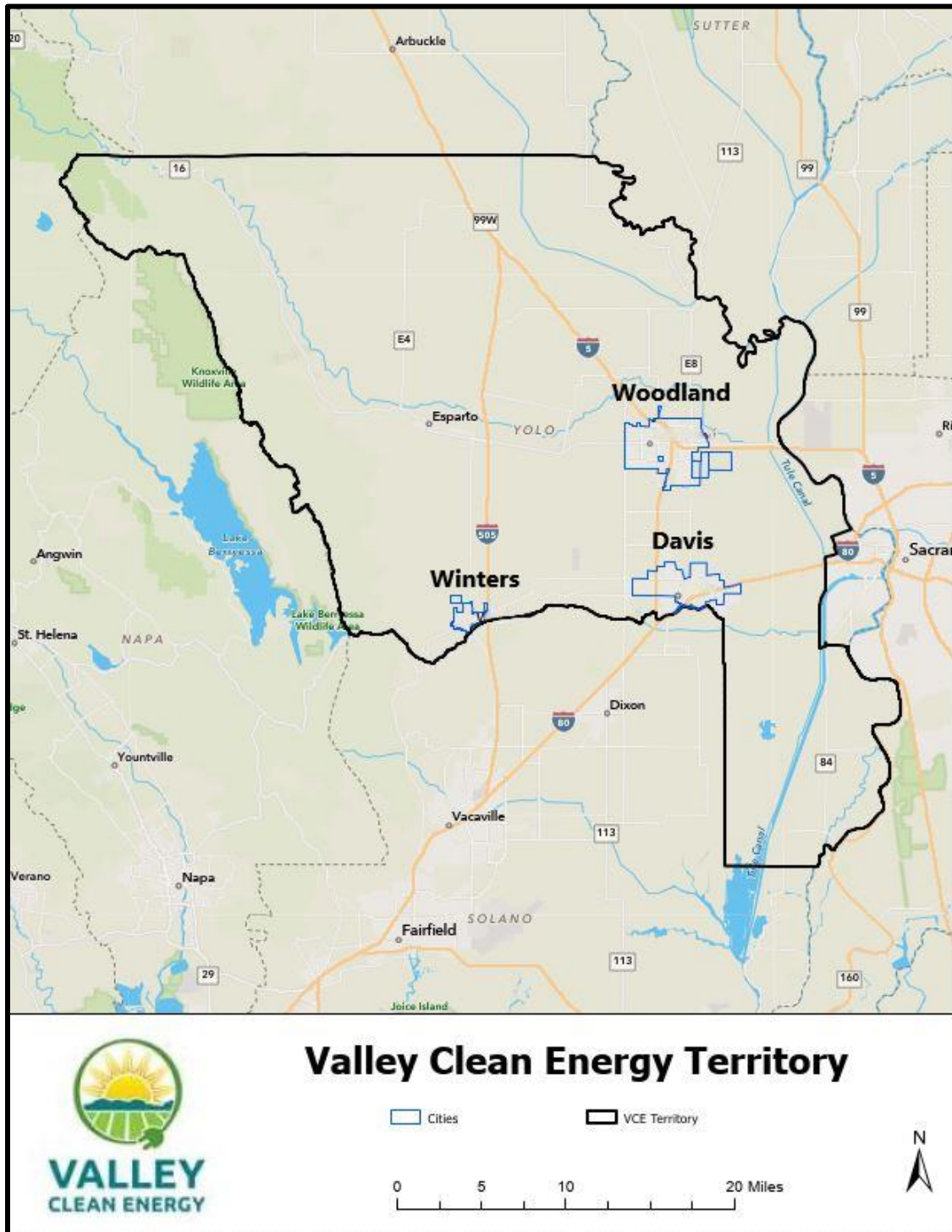
VCE’s mission is to deliver cost-competitive clean electricity, product choice, price stability, energy efficiency, and greenhouse gas emission reductions. VCE provides electric service to retail customers and has the rights and powers to set rates and charges for electricity and services it furnishes and incur indebtedness and other obligations. VCE acquires electricity from commercial suppliers and delivers it through existing physical infrastructure and equipment managed by the California Independent System Operator (“CAISO”) and Pacific Gas and Electric Company (“PG&E”).

Service Area

VCE currently serves the cities of Woodland, Winters, and Davis and unincorporated Yolo County. VCE is responsible for the acquisition of electric power for its service area.

The service area of VCE is shown in the following map:

VCE Service Territory



Governance and Management

Board of Directors. VCE is governed by an eight-member board of directors (the “*Board of Directors*”) composed of two elected officials representing each of its member agencies. The Board of Directors meets monthly to discuss matters pertaining to the operation of VCE.

Management.

Mitch Sears, Chief Executive Officer. Mitch has played a central role in launching VCE; managing start-up, customer launch, early/on-going operations and strategic planning for the new community based public energy agency providing service to the communities of the County of Yolo. Under his leadership VCE has signed over \$600 million in long-term renewable and energy storage contracts while advancing award winning innovative programs that have earned recognition by peer agencies. He currently serves on the Board of Directors of the California Community Choice Association, the statewide association of community choice aggregation programs that serve approximately one-third of California’s generation load (approximately 14 million customers) and California Community Power, a joint powers agency that enables its members to combine their buying power to procure new, cost-effective clean energy and reliability resources for over 2.7 million customers. He has contributed his depth of experience to VCE gained through nearly 28 years with the City of Davis serving in various staff and management roles. He served as the City’s Sustainability Manager/Assistant Director of the Community Development and Sustainability Department, leading Davis’ comprehensive efforts to address climate change, including implementation of community energy projects. Prior to that, he oversaw the City’s Agricultural Land Conservation Program, helping permanently preserve over a thousand acres of prime Yolo County farmland through innovative market-based transactions with willing property owners. He holds degrees in Environmental Planning and Economics.

Gordon Samuel, Chief Operating Officer. Gordon joined VCE in 2020 and is responsible for acquiring a diverse supply of clean renewable resources. With over 25 years’ experience leading resource planning and acquisition, marketing and trading, and regulatory compliance, Gordon brings a wealth of experience to the VCE team. Prior to joining VCE, Gordon was with Marin Clean Energy and also spent two years with a start-up battery storage integrator company (Doosan GridTech) developing key relationships with investor-owned and public utilities, independent power producers, and electric cooperatives. The bulk of Gordon’s career was with Arizona Public Service Company where he had several roles including the procurement of numerous large-scale wind, photovoltaic and solar thermal projects.

Edward Burnham, Director of Finance & Internal Operations. Edward joined VCE in 2021 as Director of Finance & Internal Operations and is responsible for oversight of finance and accounting as well as treasury, enterprise risk, information technology, and audits. Prior to joining VCE, Edward served with the County of Yolo as the Manager overseeing Revenues, Treasury, and Finance activities. Additionally, Edward served international postings from 2005 to 2017 in various financial positions, including responsibility for all country financial activities in China, UK, Ukraine, Saudi Arabia, and the West Africa region for the Energy Sector. Edward holds a BBA in International Business from Stephen F. Austin State University, an MBA from

Rutgers University as well as studies in Spanish and Mandarin. He currently holds a CPA license with the California State Board of Accountancy. Edward remains actively involved with various finance professional associations, most recently serving on the Board of Financial Executives International Sacramento Chapter and Chair for Sacramento Chapter of Financial Executives Network Group.

Customers

General. VCE provides energy to approximately 54,000 residential, 6,050 commercial and agricultural and 1,950 industrial accounts throughout its service area. The current mix of VCE's customer base is approximately 42% residential and 58% commercial, agricultural and industrial based on load served.

Customer Energy Choices. VCE offers three levels of electricity service to its customers, Standard Green, UltraGreen, and Base Green. Standard Green is VCE's default electricity service that is 60% renewable, 60% clean and priced below PG&E's rates. UltraGreen is VCE's premium service, it is both 100% renewable and 100% carbon free with a slight premium over Standard Green (currently \$0.015 per kWh more than Standard Green). Base Green is VCE's lowest-cost option, with slightly lower renewable content than Standard Green, and is cheaper than PG&E's rates. The average VCE residential customer uses between 460 and 660 kWh of electricity monthly, so opting for UltraGreen costs an additional \$7 to \$10 per month for most customers.

Customer Enrollment. All new customers are automatically enrolled in Standard Green service. Once enrolled customers may choose to switch products at any time.

Customer Election to Opt-out of Service. Customers can "opt out" of VCE service and return to service from their traditional electric service provider, PG&E, upon initial enrollment in VCE or at any time after VCE becomes their energy provider. VCE opt-out fees are \$5 for residential customers and \$25 for non-residential customers.

Cumulative Opt-Out Rate and Customer Retention. The total customer participation rate across VCE's entire service territory is approximately 92%, meaning that VCE is providing electric service to the vast majority of residential and commercial customers throughout its service territory. VCE has close to a 30% turnover rate of customers annually as residents start/stop energy services and move in/out of the service territory. This is mainly driven by college students attending UC Davis. All new accounts are automatically opted in to VCE service, even if the previous account holder decided to opt-out. Therefore, while VCE continues to experience some amount of opt-out activity seasonally, many of those accounts do eventually turn over and VCE has achieved its strategic goal to be above 90% customer participation in each year of VCE's operation since launch.

Service Rates

General. VCE electric generation rates are managed with the intention of providing cleaner electricity than PG&E at competitive rates. Rates are determined by VCE's Board of Directors and are not regulated by the California Public Utilities Commission ("CPUC"). Any

changes to rates will be adopted at duly noticed public meetings of the VCE Board of Directors. Pursuant to the terms of the Clean Energy Purchase Contract, VCE covenants that it will establish, maintain, and set rates and charges so as to provide revenues sufficient to enable it to pay any and all amounts payable from the revenues of its operations and to maintain any reserves as required by VCE's reserve policies. VCE further covenants and agrees that it will not pledge or encumber its 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 the Clean Energy Purchase Contract.

Determination of Rates for Energy. A customer's total cost of electric service is determined by VCE's charges for energy and PG&E charges for transmission, distribution and other non-by-passable charges. Changes to PG&E or VCE rates will impact cost comparisons between VCE and PG&E. PG&E charges VCE customers a monthly Power Charge Indifference Adjustment ("PCIA"), which can vary annually based upon a number of market factors including benchmarks for regional energy costs, resource adequacy, the year in which the community joined VCE and other considerations, as well as a Franchise Fee Surcharge. VCE has already accounted for these additional charges in calculating rates. Financial assistance programs like CARE (California Alternative Rates for Energy), FERA (Federal Electric Rate Assistance) and Medical Baseline Allowance remain the same with VCE.

Current and Historical Rate Information. VCE rates are designed to cover the costs of energy, resource adequacy, and operating costs, fund customer programs, and meet VCE's reserve and liquidity goals.

A VCE customer's total cost of electric service includes both VCE's energy charges and PG&E's charges for transmission, distribution, and other non-by-passable charges. These charges, including the PCIA, determine the all-in cost of service for VCE customers.

Since beginning to provide service in 2018, VCE rates have remained at or below PG&E generation rates (not taking into account the price premium for UltraGreen). However, if VCE's operating reserves are projected to fall below 120 days of operating expenses, VCE will implement plans—such as increasing rates or reducing VCE's discount—to restore operating reserves to the target of 120 days within 18 months through VCE's rate adjustment policy.

California Renewable Portfolio Standards and Other Regulations

General. Community choice aggregators such as VCE 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. VCE has exceeded the RPS regulatory minimum requirements since its inception. In 2024, VCE met 83% of its total retail sales with eligible RPS resources, above the 2024 RPS percentage target of 40%. VCE has adopted a policy to achieve 100% of retail sales from renewable resources by 2030. To date VCE has 12 executed RPS contracts and three stand-alone

storage contracts of ten years or more in term length and will continue to solicit and execute additional contracts to meet VCE’s renewable goals.

Resource Adequacy. Resource Adequacy (“RA”), a California program jointly administered by the CPUC 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 have been assigned to a Central Procurement Entity as of 2023. In addition, per CPUC Decisions 19-11-016, 21-06-035, and 23-02-040, LSEs are required to procure “Incremental System Capacity,” which is RA capacity from non-emitting, storage, and/or renewable resources that are in addition to the resources identified on a baseline list respective to each Decision. VCE has a strong track record of meeting its RA obligations and expects to meet its future RA obligations through its PPAs and ESAs as well as bilateral transactions from qualifying generators to comply with the RA program.

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 (“PSD”), is a consumer information program managed by the CEC on an annual basis. A key output of the PSD program 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 year.

Energy Demand

Long-Term Load Forecast. VCE’s long-term load forecast is a 10-year projection of electricity consumption (MWh) by all VCE customers. Its forecast is built on the previous five years of historical data segmented by customer class, month, hour, and weekday/weekend. Load-per-meter and number of meters are forecasted separately. The load-per-meter forecast weather normalizes historical data at the level of segmentation specified above while accounting for year-on-year behavior changes. The number of residential and small commercial customer accounts is forecasted to grow at an average rate of 1% per year; no growth is forecasted for other classes. The forecasts of load-per-meter and number of meters are used to create the Gross Load Forecasts. Then load-modifying technologies are layered on to calculate the Net Load Forecasts. Currently this includes estimates of new EV adoption and behind-the-meter solar and solar + storage systems. The EV adoption forecast is based on both recent trends and modelling by industry experts. The behind-the-meter solar and solar + storage forecast is based on recent adoption trends in the short term and industry forecasts in the long term.

The table below shows VCE’s actual historical retail load for the years 2022-2024 and VCE’s long-term retail load forecast for the years 2025-2035.

Year	Actuals			Forecast										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
RetailLoad(GWh)	719.68	650.83	668.73	706.89	707.19	707.49	707.78	708.08	708.38	708.67	708.97	709.27	709.56	709.86

Sources of Energy

General. In its procurement of energy supplies, VCE prioritizes securing sufficient, low-cost, clean sources of electricity that achieve VCE's priorities while ensuring reliability and meeting regulatory mandates. VCE's procurement strategies focus on diversity among technologies, production profiles, project sizes and locations, counterparties, length of contract, and timing of market purchases.

Energy Purchases. In 2023, VCE procured approximately 347,222 MWh of carbon free electricity for its customers. VCE anticipates that roughly 92% of its total 2024 retail sales will be sourced from renewables and carbon-free large hydroelectric projects. VCE's procurement strategy includes continuing to procure new RPS eligible renewable resources, via contracts with terms of 10 years or more. These new renewable contracts will be in addition to more than 368 MW of renewables that VCE had already procured. The strategy also includes investments in wholesale storage capacity to help VCE with meeting regulatory compliance and mitigating market risks.

Energy Load and Supply Risk Management. VCE manages risks associated with its portfolio by aligning electricity purchase commitments with expected demand for electricity and by securing power supplies from a diversity of technologies, geographical locations, and suppliers. VCE maintains its portfolio coverage targets of up to 70-130% in the near term and leaves a portion open in the medium- to long-term, consistent with generally accepted industry practice. VCE monitors its positions on a regular basis to reduce exposure to CAISO day-ahead market prices. VCE uses fixed-price shaped and block energy contracts to hedge CAISO day-ahead market price exposure associated with its portfolio. These products are solicited on a quarterly basis through issuing RFPs (Request for Proposals).

Procurement. All contracting for energy and energy-related products for VCE, including but not limited to products related to electricity, capacity, energy efficiency, distributed energy resources, demand response, and storage shall be referred to as "Energy Procurement". In Energy Procurement, VCE will procure according to established guidelines.

VCE procures energy and Resource Adequacy consistent with its internal goals, Energy Risk Management Policy and regulatory requirements. To effectively plan and manage its portfolio, VCE differentiates contracts by their term length, technology, location, production profile, and project size. VCE uses a variety of methods, including competitive solicitations, standard contract offerings, and bilaterally negotiated agreements.

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

Technology and Analytics

VCE is committed to maintaining the highest standards of cybersecurity and data protection following industry standards and best practices to ensure safe and secure information. VCE adheres to a comprehensive set of IT policies on advanced encryption, access controls, vulnerability assessments, continuous monitoring, and employee training.

VCE goes through a triennial regulatory compliance and IT security audit administered by a third party. This includes a complete assessment of VCE's IT infrastructure, network, and systems and VCE's adherence to industry standards and regulatory requirements. VCE's successful audit outcomes demonstrate VCE's commitment to maintaining a secure IT environment.

Energy Storage

VCE currently has approximately 132.4 MW of wholesale (i.e., in front of the meter) storage capacity contracted over the course of the next fifteen to twenty years. Of the 132.4 MW contracted storage capacity, 127 MW is paired with renewables. VCE is in the process of negotiating and executing additional co-located and standalone storage contracts.

Financial Information

Revenues from Energy Sales and Operating Expenses. VCE's operating revenues are derived from the sale of electricity to commercial, agricultural and residential customers through its territory. VCE reports its revenue net of uncollectible accounts.

Other Sources of Revenue. VCE receives revenue from sources other than retail customer sales through grant awards that are primarily driven by energy programs and energy investment projects from regional, state, and federal organizations.

Financial Statements. For financial information related to VCE, see the annual audited financial statements of VCE for the calendar years ended December 31, 2023 and 2022 attached to this Official Statement as Appendix B.

Deposit Accounts. VCE maintains its cash in both interest-bearing and non-interest-bearing deposit accounts at River City Bank of Sacramento, California. VCE'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%. VCE monitors its risk exposure to River City Bank on an ongoing basis. VCE has not adopted its own investment policy and follows the investment policy of the County of Yolo.

Financial Reserves. VCE's Financial Reserve Policy recognizes the importance of developing reserves to ensure financial stability, ensure access to credit at competitive rates, ensure rate stability and set aside monies for local programs. To achieve these objectives, VCE targets an operating cash reserves account minimum balance of 120 days of operating expenses, with a goal of building and maintaining a reserve of 180 days of operating expenses. Additionally, VCE

targets a rate stabilization reserve account with a minimum balance of 60 days of operating expenses. VCE local programs and dividends are designated by the Board of Directors during the annual budget process and dividend program allocation process.

Other Liquidity Sources. VCE has available at River City Bank a line of credit totaling \$11,000,000 with a \$7,000,000 withdrawal limit, which expires on April 15, 2026. The related debt outstanding as of [DATE TBD] was \$0. VCE has issued, but undrawn, letters of credit for a total of \$3,897,000 for regulatory and power purchase requirements.

Risk Management. VCE maintains risk management policies, procedures and systems that help mitigate credit, liquidity, market, operating, regulatory and other risks that arise from participation in the California energy market. Credit guidelines include a preference for transactions with investment-grade counterparties, evaluation of counterparties' financial condition and assigning credit limits as applicable. These credit limits are established based on risk and return considerations under terms customarily available in the industry. In addition, VCE enters into netting arrangements whenever possible and where appropriate obtains collateral and other performance assurances from counterparties.