

Board Finance & Audit Committee Meeting and Special SMUD Board of Directors Meeting

Date: Tuesday, September 19, 2023

Time: Scheduled to begin at 6:00 p.m.

Location: SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, CA

Powering forward. Together.



AGENDA

BOARD FINANCE & AUDIT COMMITTEE MEETING AND SPECIAL SMUD BOARD OF DIRECTORS MEETING

Tuesday, September 19, 2023
SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, California
Scheduled to begin at 6:00 p.m.

Remote Telephonic Location:
Courtyard Washington Downtown/Convention Center
901 L Street NW
Washington, DC 20001

This Committee meeting is noticed as a joint meeting with the Board of Directors for the purpose of compliance with the Brown Act. In order to preserve the function of the Committee as advisory to the Board, members of the Board may attend and participate in the discussions, but no Board action will be taken. The Finance & Audit Committee will review, discuss and provide the Committee's recommendation on the agenda items.

Virtual Viewing or Attendance:

Live video streams (view-only) and indexed archives of meetings are available at:
http://smud.granicus.com/ViewPublisher.php?view_id=16

Zoom Webinar Link: [Join Board Finance & Audit Committee Meeting Here](#)

Webinar/Meeting ID: 161 422 0175

Passcode: 340940

Phone Dial-in Number: 1-669-254-5252 or 1-833-568-8864 (Toll Free)

Verbal Public Comment:

Members of the public may provide verbal public comment by:

- Registering in advance of a meeting by sending an email to PublicComment@smud.org, making sure to include the commenter's name, date of the meeting, and topic or agenda item for comment. Microphones will be enabled for virtual or telephonic attendees at the time public comment is called and when the commenter's name is announced.
- Completing a sign-up form at the table outside of the meeting room and giving it to SMUD Security.
- Using the "Raise Hand" feature in Zoom (or pressing *9 while dialed into the telephone/toll-free number) during the meeting at the time public comment is called. Microphones will be enabled for virtual or telephonic attendees when the commenter's name is announced.

Written Public Comment:

Members of the public may provide written public comment on a specific agenda item or on items not on the agenda (general public comment) by submitting comments via email

to PublicComment@smud.org or by mailing or bringing physical copies to the meeting. Comments will not be read into the record but will be provided to the Board and placed into the record of the meeting if received within two hours after the meeting ends.

DISCUSSION ITEMS

1. Joel Ledesma
Authorize the Chief Executive Officer and General Manager to negotiate and execute the **Country Acres Clean Power, LLC Power Purchase Agreement (PPA)** with a 30-year term for 344 MW of solar photovoltaic power and a 20-year term for 172 MW of battery storage, substantially in form attached, as well as all other agreements necessary to facilitate the Country Acres project.
Presentation: 10 minutes
Discussion: 5 minutes

2. Russell Mills
Authorize the Chief Executive Officer and General Manager to execute **Appendix Firm Storage Service** documents with **Wild Goose Storage LLC** for:
 - a. Five-year Firm Storage Agreement for 2 Bcf of natural gas storage service for the period April 1, 2024, through March 31, 2029; and
 - b. Natural gas injection service for the period December 1, 2023, through March 31, 2024.Presentation: 10 minutes
Discussion: 5 minutes

3. Laurie Rodriguez
 - a. Discuss contract change to Contract No. 4500110473 with **United Health Care Insurance Company** approving 2024 medical insurance premium rates and extending the contract by one year for the period January 1, 2024, through December 31, 2024; 2024 cost estimated at \$39.1 million.
 - b. Discuss contract change to Contract No. 4500043215 with **Kaiser Permanente** approving 2024 medical insurance premium rates and extending the contract by one year for the period January 1, 2024, through December 31, 2024; 2024 cost estimated at \$30.7 million.Presentation: 7 minutes
Discussion: 5 minutes

INFORMATIONAL ITEMS

4. Lisa Limcaco Provide the Board with SMUD's financial results from the seven-month period ended July 31, 2023, and a summary of SMUD's current Power Supply Costs.
Presentation: 5 minutes
Discussion: 2 minutes

5. Claire Rogers Internal Audit Services Report: California Energy Commission's Power Source Disclosure Program and Power Content Label.
Discussion: 1 minute

6. Public Comment.

7. Rob Kerth Summary of Committee Direction.
Discussion: 1 minute

Members of the public shall have up to three (3) minutes to provide public comment on items on the agenda or items not on the agenda, but within the jurisdiction of SMUD. The total time allotted to any individual speaker shall not exceed nine (9) minutes.

Members of the public wishing to inspect public documents related to agenda items may click on the Information Packet link for this meeting on the smud.org website or may call 1-916-732-7143 to arrange for inspection of the documents at the SMUD Headquarters Building, 6201 S Street, Sacramento, California.

ADA Accessibility Procedures: Upon request, SMUD will generally provide appropriate aids and services leading to effective communication for qualified persons with disabilities so that they can participate equally in this meeting. If you need a reasonable auxiliary aid or service for effective communication to participate, please email Toni.Stelling@smud.org, or contact by phone at 1-916-732-7143, no later than 48 hours before this meeting.

SSS No. ET&C 23-023

BOARD AGENDA ITEM STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – 09/19/23
Board Meeting Date September 21, 2023

TO	TO
1. Jon Olson	6. Lora Anguay
2. Russell Mills	7. Scott Martin
3. Joel Ledesma	8. Jose Bodipo-Memba
4. Mark Willis	9. Legal
5. Jennifer Davidson	10. CEO & General Manager

Consent Calendar	X	Yes	No	<i>If no, schedule a dry run presentation.</i>	Budgeted	X	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
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FROM (IPR) Jennifer Archuleta	DEPARTMENT Energy Trading & Contracts	MAIL STOP A404	EXT. 7252	DATE SENT 8/25/2023
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NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager, or his designee, to negotiate and execute the Country Acres Clean Power, LLC (Country Acres) Power Purchase Agreement (PPA) with a 30-year term for 344 MW of solar photovoltaic power (Solar PV) and a 20-year term for 172 MW of battery storage, substantially in the form attached, as well as all other agreements necessary to facilitate the Country Acres project.

Summary: In 2021, SMUD released a competitive solicitation to develop the Country Acres project. SMUD evaluated the offers received through that solicitation and determined that the Clenera (parent company of Country Acres Clean Power, LLC) offer provided superior value versus the alternatives. SMUD and Clenera negotiated a mutually beneficial PPA under which SMUD will purchase the energy, capacity, and environmental attributes, including Portfolio Content Category 1 Renewable Energy Credits (PCC1 RECs). The Country Acres project provides SMUD full dispatch rights to 344 MW of Solar PV plus 172 MW/4-hour battery storage for an annual approximate cost of \$59.7 million, with a combined maximum output of 344 MW at the Point of Interconnection to SMUD’s transmission system. The scheduled commercial operation date is December 15, 2026.

In addition to the PPA, SMUD is also negotiating a Large Generator Interconnection Agreement, Lease Agreement, Station Service Agreement, and a Development Services Agreement (DSA) that define the requirements for the project’s interconnection, land use, and certain project development responsibilities and terms. The DSA terms include direct reimbursement or waiver of costs where this method is more beneficial to SMUD than Clenera paying and passing those costs back to SMUD through the PPA price.

Two additional agreements with Placer County authorities apply to the project. A Memorandum of Understanding between the County of Placer and SMUD (MOU) establishes a development fee that SMUD will pay to the County to provide funding for fire, police, and public protection services, as well as additional costs and requires an annual payment of \$1,178,790 during the operational period of the project. A Mitigation Agreement between Placer Conservation Authority and SMUD (PCA Agreement) establishes a mechanism to pay for the mitigation required by the Environmental Impact Report and a Conditional Use Permit to be considered by Placer County Board of Supervisors and requires a one-time payment of approximately \$25M.

Board Policy: Strategic Direction SD-2, Competitive Rates; Strategic Direction SD-7, Environmental Leadership; Strategic Direction SD-9 Resource Planning: This contract provides economic, zero carbon power and will be a key contributor to achieving our 2030 Zero Carbon Plan. It allows access to competitively priced and carbon-free generation that is electrically connected to SMUD’s territory and delivered directly to SMUD.

Benefits: Supports SMUD’s 2030 Zero Carbon Plan by providing approximately 660 GWh/year of locally sourced carbon free energy, California Energy Commission (CEC) Renewables Portfolio Standard (RPS) Category 1 RECs, and 172 MW of dispatchable energy storage for a 4-hour duration.

Cost/Budgeted: The expenses for the project have been included in our budget and financial forecast. The average annual cost for the PPA is approximately \$59.7 million for the solar and battery storage. The expected cost for DSA includes up to \$236.6 million for the reimbursement of the switchyard, agrivoltaic project, SMUD construction and oversight, switchyard operations and maintenance (O&M), and property taxes on the fixtures, if applicable. These PPA and DSA costs are budgeted expenses. The annual \$1,178,790 cost for the MOU will be budgeted beginning in 2027. The \$25M cost for the PCA Agreement is a budgeted expense.

Alternatives: Rely on other sources for carbon free energy. Alternatives are limited to locations that support reliability and development of these resources may delay, by years, full implementation of the 2030 Zero Carbon Plan.

Affected Parties: Energy Trading & Contracts, Energy Settlements, Resource Planning, Budget Office, Grid Operations, Treasury, Real Estate, Power Generation, Grid Planning, Research and Development.

Coordination: Energy Contracts, Legal

Presenter: Joel Ledesma, Director, Power Generation

Additional Links:

SUBJECT

Country Acres 344 MW Solar PV & 172 MW Battery Storage PPA

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

DRAFT POWER PURCHASE AGREEMENT

BETWEEN

SACRAMENTO MUNICIPAL UTILITY DISTRICT

AND

COUNTRY ACRES CLEAN POWER, LLC

DATED []

Draft - Not for Execution

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This POWER PURCHASE AGREEMENT (the "Agreement") for an Eligible Renewable Energy Resource is made and entered into this _____ day of _____, 2023, ("Effective Date"), by and between the Sacramento Municipal Utility District ("SMUD"), and Country Acres Clean Power, LLC ("Seller"). SMUD and Seller are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties."

- A. Seller desires to interconnect and operate a fully integrated solar photovoltaic generation plus battery storage facility (the "Project"), as described in Exhibit A, to be located on land identified by SMUD near SMUD's service territory and interconnected to SMUD's Elverta-Orangevale and Elverta-Foothill 230kV lines, in parallel with the SMUD Transmission System.
- B. The Parties wish to enter into a power purchase agreement for the sale and purchase of all Energy, Capacity, Capacity Attributes, and Environmental Attributes from the Project directly to SMUD.
- C. In conjunction with this Agreement, the Parties wish to execute a Large Generator Interconnection Agreement, Lease Agreement, Development Services Agreement and Station Service Agreement (together these four agreements are referred to as "Definitive Agreements"). This Agreement does not constitute an agreement by SMUD to interconnect the Project.
- D. The Lease Agreement for the project site will, among other things, require Seller as Lessee to follow SMUD's Principles of Sustainable Development and Seller's Sustainable Development Plan.
- E. This Agreement requires the Seller to be a retail customer and to obtain retail electrical service from SMUD to serve certain electrical loads at the premises identified in Exhibit A, except as otherwise permitted under SMUD's tariffs. This Agreement does not constitute an agreement by SMUD to provide retail electrical service to Seller. Such arrangements must be made separately between SMUD and Seller.
- F. Developer will design, construct and operate a portion of the Project to accommodate SMUD's Agrivoltaics Farming and Orchard Project, as specified in the Land Lease ("Agrivoltaics FOP").

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement, and of other good and valuable considerations, the sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. DEFINITION OF TERMS; RULES OF INTERPRETATION

1.1 DEFINITION OF TERMS

12, 15 and 20-year Purchase Options: Has the meaning set forth in Section 19.1.

Accepted Capacity Attribute Compliance Expenditures: Has the meaning set forth in Section 4.5.3.

Accepted Compliance Expenditures: Has the meaning set forth in Section 3.4.3.

Affiliate: Has the meaning set forth in Section 17.1.2.

Agreement: Has the meaning set forth in the Preamble.

Agrivoltaics FOP: Has the meaning set forth in Recital F.

Ancillary Services: Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's transmission system in accordance with Good Utility Practice.

Annual Average PV Availability: The average of each monthly Availability Percentage for the Solar Project during a Contract Year.

Annual Average Battery Storage Availability: The average of each monthly Availability Percentage for the Battery Storage Project during a Contract Year.

Annual Battery Storage Capacity Test: Has the meaning given in Exhibit M.

Available Battery Storage Capacity: The total capacity of the Battery Storage Project, expressed in megawatts (AC), that is available to store Energy, as specified by Seller, from time to time, in accordance with the Outage Coordination Process.

Available PV Capacity: The power output from the Solar Project, expressed in megawatts (AC), that is available to generate Energy, as specified by Seller, from time to time, in accordance with the Outage Coordination Process.

Availability: The average percentage of time that the Project is available to generate, store, or discharge energy up to Pmax as corrected for ambient conditions. Availability shall be provided separately for the Solar Project and the Battery Storage Project and each shall be determined in accordance with Exhibit U.

Availability Percentage: The percentage determined in accordance with Exhibit U.

Availability System of Record: Seller's data historian or other automated tracking system that automatically tracks and reports all events affecting the availability of the Solar Project and Battery Storage Project, as validated by Seller's outage reporting into SMUD's iTOA system. The Availability System of Record shall be consistent with IEC 63019 record requirements, and Seller's SCADA system, and shall include a satisfactory description of each event affecting Availability.

Balancing Authority: Entity responsible for the reliable planning and operation of the bulk power system in a defined area.

Bank: Has the meaning set forth in Section 9.2.

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

Battery Storage Availability Requirement: Eighty-Five percent (85%).

Battery Storage Capacity Shortfall: The Initial Expected Battery Storage Capacity less the Expected Battery Storage Capacity that has been commissioned and is capable of reliably charging and discharging Energy.

Battery Storage Capacity Test: Any test or retest of the Capacity of the Battery Storage Project conducted in accordance with the testing procedures, requirements and protocols set forth in Exhibit M.

Battery Storage Commercial Operation Test: Has the meaning set forth in Section 2.3.10.

Battery Storage Deficit Damages: Has the meaning set forth in Section 2.3.8(b).

Battery Storage Meter: The bi-directional revenue quality meter or meters, along with a compatible data processing gateway or remote intelligence gateway, telemetering equipment and data acquisition services sufficient for monitoring, recording and reporting, in real time, the amount of Charging Energy delivered to the Battery Storage Project and the amount of Discharging Energy discharged from the Battery Storage Project to the Delivery Points. For clarity, (i) the Project will contain multiple measurement devices that will make up the Battery Storage Meter, and, unless otherwise indicated, references to the Battery Storage Meter shall mean all such measurement devices and the aggregated data of all such measurement devices, taken together, and (ii) the Battery Storage Meter will be located, and the Energy will be measured, at the low voltage side of the main step up transformer and will be subject to adjustment in accordance with any meter requirements of SMUD and Prudent Utility Practices to account for applicable Electrical Losses to the Delivery Points.

Battery Storage Operating Restrictions: Those rules, requirements and procedures set forth in Exhibit J.

Battery Storage Price: Has the meaning set forth in Exhibit B.

Battery Storage Product: (a) Discharging Energy, (b) Capacity Attributes of the Battery Storage Project, if any, (c) Expected Battery Storage Capacity, and (d) Ancillary Services, if any, in each case arising from or relating to the Battery Storage Project.

Battery Storage Project: Seller's energy storage project described in Exhibit A, located at the Project site and including the mechanical equipment and associated facilities and equipment required to deliver Battery Storage Product, as such Battery Storage Project may be modified from time to time in accordance with the terms hereof.

Battery Storage Reliability Percentage: Has the meaning set forth in Exhibit S.

Bid: Has the meaning set forth in the CAISO Tariff.

Business Day: Any Monday through Friday, inclusive, but excluding days that are observed as business holidays by either Party or days that are NERC Holidays.

CAISO: The California Independent System Operator Corporation or its successor.

CAISO Balancing Authority Area: The system of transmission lines and associated facilities that is operated by the CAISO and for which the CAISO has operational control and responsibility for grid reliability.

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

California Energy Commission (CEC): The agency responsible for certifying eligible renewable resources and tracking the procurement of such resources.

California Renewables Portfolio Standard (RPS): The standard, codified in Public Utilities Code (PUC) Sections 399.11 through 399.20, and Public Resources Code Sections 25740 through 25751, as may be amended from time to time.

Capacity: The instantaneous ability of a generator to produce Energy (real power) at a specified output or of a storage facility to charge or discharge Energy (real power) at a specified input or output. Capacity is measured in megawatts ("MW") AC or kilowatts ("kW") AC.

Capacity Attributes: Any current or future defined characteristic, status, certificate, tag, credit, or ancillary service attribute, whether general in nature or specific as to the location or any other attribute of the Project, intended to value any aspect of the capacity of the Project to produce energy, charge and discharge energy or provide Ancillary Services, including, but not limited to, any accounting construct so that the full output of the Project may be counted toward a Resource Adequacy requirement or any other measure by an entity invested with the authority under federal or state law, to require SMUD to procure, or to procure at SMUD's expense, Resource Adequacy or other such products.

Capacity Attribute Compliance Expenditures: Has the meaning set forth in Section 4.5.1.

Capacity Attribute Compliance Expenditure Cap: Has the meaning set forth in Section 4.5.1.

Capacity Subtotal Payment: Has the meaning set forth in Section 2.4.7(a).

Change of Control: Any circumstance in which Ultimate Parent ceases (i) to retain the ability to control, directly or indirectly, the decision-making of Seller, or (ii) to own, directly or indirectly through one or more intermediate entities, more than fifty percent (50%) of the outstanding equity interests (measured by either voting power or economic interests) in Seller; provided that in calculating ownership percentages for all purposes of the foregoing:

- a) any ownership interest in Seller held by Ultimate Parent indirectly through one or more intermediate entities shall not be counted towards Ultimate Parent's ownership interest in Seller unless Ultimate Parent directly or indirectly owns more than fifty percent (50%) of the outstanding equity interests (measured by either voting power or economic interests) in each such intermediate entity; and
- b) ownership interests in Seller owned directly or indirectly by any lender (including any tax equity provider and any agent acting for or on behalf of such lender) shall be excluded from the total outstanding equity interests in Seller;

Provided that any Permitted Transfer shall not constitute or be deemed a "Change of Control." Furthermore, a foreclosure by any lender on the direct or indirect ownership interests in Seller (including a transfer in lieu of foreclosure or any transfer to a Permitted Transferee) shall not constitute or be deemed a "Change of Control".

Charging Energy: Energy delivered by SMUD, either from Transmission Provider's electrical system or from the Solar Project, for use in charging the Battery Storage Project and for discharge at a later time.

Charging Notice: The operating instruction, and any subsequent updates, given by SMUD to Seller, (i) directing the Battery Storage Project to charge at a specific MW rate to a specified Stored Energy Level and (ii) identifying the quantity of Charging Energy, provided that any such operating instruction or updates shall be in compliance with Section 5.4 and the Battery Storage Operating Restrictions. For the avoidance of doubt, any SMUD request to initiate a Battery Storage Capacity Test shall not be considered a Charging Notice. For the further avoidance of doubt, the Plant Controller shall automatically determine the amount of Charging Energy based on the MW setpoint for the combined total output of the Solar Project and Battery Storage Project given by SMUD.

Closing: Has the meaning set forth in Section 19.3.

Closing Date: Has the meaning set forth in Section 19.3.

COD Conditions: Has the meaning set forth in Section 2.3.4.

COD Notice: Has the meaning set forth in Section 2.3.4.

Co-located Resource: Has the meaning as defined in the CAISO Tariff.

Commercial Operation: The period of operation of the Project once the Commercial Operation Date has occurred.

Commercial Operation Date (COD): The date specified in the Commercial Operation Date Confirmation Letter on which the Project satisfies the COD Conditions set forth in Section 2.3.4.

Commercial Operation Date Confirmation Letter: A letter that the Parties execute and exchange in accordance with this Agreement, the form of which is attached as Exhibit E.

Compliance Expenditure(s): Has the meaning set forth in Section 3.4.1.

Compliance Expenditure Cap: Has the meaning set forth in Section 3.4.1.

Contract Price: The prices (\$/kW-month) paid by SMUD to Seller for each MW of Expected Battery Storage Capacity and Expected PV Capacity and for Product delivered to the Delivery Points. The Contract Price is shown in Exhibit B.

Contract Year: Any of the one-year periods during the Delivery Term, with the first Contract Year commencing on the COD and ending on the last day of the twelfth (12th) full month thereafter and each subsequent one-year period commencing on the applicable anniversary of such date.

Costs: Has the meaning set forth in Section 8.5.1(c).

Day-Ahead Market: Has the meaning set forth in the CAISO Tariff.

Defaulting Party: Has the meaning set forth in Section 8.2.1.

Deficit Damages: Has the meaning set forth in Section 2.3.8(b).

Definitive Agreements: Has the meaning set forth in the Preamble.

Delay Damages: The compensation paid by Seller to SMUD due to a failure of Seller to meet the Scheduled Commercial Operation Date in accordance with Section 2.3.7.

Delay LD Start Date: Has the meaning set forth in Section 2.3.7.

Delivered Energy: Energy delivered to the Delivery Points as measured by the Solar Meter and Battery Storage Meter(s).

Delivery Points: The interconnection locations of the Project on the high-side of the step-up transformer that interconnects to the SMUD Transmission System, where SMUD accepts title to the Product and associated attributes as described herein. The Delivery Points are identified in Exhibit A and are the same location as the Point(s) of Interconnection.

Delivery Term: Has the meaning set forth in Section 2.3.1.

Delivery Term Security: Has the meaning set forth in Section 9.2.

Development Security: Has the meaning set forth in Section 9.1.

Discharging Energy: All Energy delivered to the Delivery Points from the Battery Storage Project, net of the transformation and transmission losses, if any, as measured by the Battery Storage Meter. For the

avoidance of doubt, all Discharging Energy will have originally been delivered to the Battery Storage Project as Charging Energy.

Discharging Notice: The operating instruction, and any subsequent updates, given by SMUD to Seller, directing the Battery Storage Project to discharge Discharging Energy at a specific MW rate to a specified Stored Energy Level; provided that (a) any such operating instruction or update shall be in accordance with Section 5.4 and the Battery Storage Operating Restrictions, and (b) if, during a period when the Battery Storage Project is instructed by SMUD to be discharging, the sum of PV Energy and Discharging Energy would exceed the Interconnection Capacity Limit, such “Discharging Notice” shall (for purposes of this Agreement) be deemed to be automatically adjusted to reduce the amount of Discharging Energy so that the sum of Discharging Energy and PV Energy does not exceed the Interconnection Capacity Limit, until such time as SMUD issues a further modified Discharging Notice. For the avoidance of doubt, the Plant Controller shall automatically determine the amount of Discharging Energy based on the SMUD Setpoint.

Dispatch; Dispatchability: The ability of a generating unit to increase or decrease generation or to be brought online or shut down at the request of a utility’s system operator, or the ability of a storage facility to be charged or discharged or to be brought online or shut down at the request of a utility’s system operator.

Dispatch Instruction: Any direction, instruction, or order by SMUD to increase, maintain, or decrease the generation or delivery of Energy consistent with the applicable SMUD Setpoint.

Dispatch Interval: Each of the twelve (12) five (5) minute time intervals beginning on any hour and ending on the next hour.

Distribution System: The relatively low voltage wires, transformers and related equipment generally used by an electric utility to deliver electric power to retail customers (as opposed to using it to move bulk quantities of power between different electric utilities or from large electric generators to a Distribution System).

Early Termination Date: Has the meaning set forth in Section 8.4.

Effective Date: Has the meaning set forth in the Preamble.

EIM: Shall mean the Western Energy Imbalance Market.

EIM Participating Resource: Has the meaning set forth in the CAISO Tariff.

Electric System: The integrated electric generation, transmission, and distribution facilities owned or controlled by an electric utility.

Electrical Losses: All transmission or transformation losses between the Project and the Delivery Points, including losses associated with (i) delivery of Energy to the Delivery Points, (ii) delivery of Charging Energy to the Battery Storage Project and (iii) delivery of Discharging Energy to the Delivery Points.

Eligible Renewable Energy Resource (ERR): An Eligible Renewable Energy Resource as defined in California Public Utilities Code Section 399.12 and California Public Resources Code Section 25471, as either code may be amended or supplemented from time to time, as defined in the CEC Renewables Portfolio Standard Eligibility Guidebook, as may be amended or supplemented from time to time.

Emergency Condition: A condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, Transmission Provider’s Transmission System, Transmission Provider’s Interconnection Facilities or the electric systems of others to which the Transmission Provider’s Transmission System is directly connected (including the conditions of System Operating Limit (SOL) (as

defined in the LGIA) exceedance where the pre-contingency or post-contingency mitigation actions are required by NERC or WECC Reliability Standards); or (3) that, in the case of Seller, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Facility or Seller's Interconnection Facilities (as defined in the LGIA).

EMS or "Energy Management System": Has the meaning set forth in Section 5.5.

Energy: Electrical energy delivered with the voltage and quality required by SMUD in accordance with the LGIA, and measured in megawatt-hours (MWh) or kilowatt-hours (kWh).

Environmental Attributes: All Environmental Attributes, as that term is defined in D.08-08-028 of the California Public Utilities Commission, as may be amended, and all renewable energy credits as that term is defined under section 399.12 of the California Public Utilities Code, as may be amended, all Renewable and Environmental Attributes as defined by WREGIS, as well as any credits, carbon benefits, carbon emission reductions, carbon offsets or allowances, howsoever entitled, attributed to the Energy produced at the Solar Project and delivered to the Delivery Points recognized under Assembly Bill 32 Global Warming Solutions Act of 2006, as may be amended.

ETR: Has the meaning set forth in Section 7.6.

Event of Default: Has the meaning set forth in Section 8.2.1.

Excusable Delay: Any delay that is caused by one or more of the following: (i) an event of Force Majeure, (ii) breach of this Agreement or any other agreement between SMUD and Seller (or Seller's affiliates) by SMUD or any negligent act by SMUD that prevents the Seller from fulfilling its obligations, in whole or in part, under this Agreement, (iii) a delay in the receipt of a Permit or Approval listed in Appendix A Table 1 of the Country Acres Clean Power – Development Services Agreement beyond 3/15/24 that is not a result of any breach or delay by Seller, (iv) a delay in completion of network upgrades needed to reach COD not caused by the fault or negligence of Seller, or (v) a delay in the completion of the interconnection facilities needed to reach COD, to the extent caused by the negligent or wrongful acts or omissions of SMUD.

Expected Battery Storage Capacity: Has the meaning set forth in Section 2.4.9.

Expected PV Capacity: Has the meaning set forth in Section 2.4.9.

Fair Market Value: Has the meaning set forth in Section 19.6.

FERC: The Federal Energy Regulatory Commission or any successor government agency.

Force Majeure: An event or circumstance occurring after the Effective Date that prevents or delays the ability of one Party from performing obligations under this Agreement, and which is not in the reasonable control of, or the result of negligence of, the Party claiming Force Majeure, and which the claiming Party is unable to overcome or cause to be avoided by the exercise of due diligence. Force Majeure may include the following events, to the extent consistent with the prior sentence: (a) An act of nature, riot, insurrection, epidemic or pandemic (including new governmental restrictions that are first imposed related to COVID-19 after the Effective Date), supply chain disruptions that are not caused by Seller or Seller's contractors or suppliers at any level in the chain of supply, import tariffs, border controls, war, explosion, labor dispute, fire, flood, earthquake, volcanic eruption, storm, lightning, tsunami, backwater caused by flood, act of the public enemy, terrorism, civil disturbances, strike, labor disturbances, labor or material shortage, national emergency, court order or other action by a Governmental Authority that prevents a Party from fulfilling its obligations under this Agreement (excluding, with respect to any claim by SMUD, any action or inaction of the SMUD Board of Directors or any person with the authority to bind SMUD); (b) Interruption of transmission or generation services as a result of a physical Emergency Condition not caused by the fault or negligence of the Party claiming Force Majeure and reasonably relied upon and without a reasonable source of substitution to make or receive deliveries hereunder; (c) any event or circumstance caused by or

associated with Buyer, Buyer's contractors, or any third party acting on behalf of Buyer or at Buyer's request or invitation, in each case in connection with the Agrivoltaics FOP that prevents, hinders, or delays Seller's performance under this Agreement. Under no circumstances shall either Party's financial incapacity, Seller's ability to sell Solar Products or Battery Storage Products at a more favorable price or under more favorable conditions or SMUD's ability to acquire Solar Products or Battery Storage Products at a more favorable price or under more favorable conditions or other economic reasons constitute an event of Force Majeure. The term "Force Majeure" does not include Forced Outages to the extent such are not caused or exacerbated by an event of Force Majeure as described above, nor does it include Seller's inability to obtain financing or other equipment and instruments necessary to plan for, construct, or operate the Project.

Forced Outage: An unplanned outage of one or more of the Project's components that results in a reduction of the ability of the Project to produce Energy, and specifically excludes any planned maintenance or Planned Outage.

Frequency Response: As defined by NERC, currently stated as "the ability of a system or elements of the system to react or respond to a change in system frequency."

Full Access: Has the meaning set forth in Section 19.2.

GHG: Greenhouse gas.

Governmental Authority: The federal government of the United States, and any state, county, municipal or local government or regulatory department, body, political subdivision, commission, agency, instrumentality, ministry, court, judicial or administrative body, taxing authority, or other authority thereof (including any corporation or other entity owned or controlled by any of the foregoing) having jurisdiction over any Party, the Project, the site of the Project, or the rights or obligations of any Party under this Agreement, whether acting under actual or assumed authority, provided, however, that SMUD and Seller shall not be considered a Governmental Authority hereunder. The CAISO and WREGIS shall be considered Governmental Authorities.

Green-e: The national independent certification and verification program for renewable energy. Green-e developed the Green-e Renewable Energy Standard of Canada and the United States, as may be amended from time to time, or replacement verification program.

Green-e Standard: The Green-e Energy Tracking Attestation Form for generators participating in a tracking system, currently available at <https://www.tfaforms.com/4652008> as such form may be updated from time to time, with Seller electing WREGIS on such form.

Guaranteed Availability: Ninety-seven percent (97%).

Guaranteed Commercial Operation Date or Guaranteed COD: The date that is six (6) months after the Scheduled Commercial Operation Date, as specified in Exhibit A and subject to day-for-day extension to the extent the Scheduled Commercial Operation Date is extended for Excusable Delay and/or the payment of Delay Damages as provided in Section 2.3.7.

Guaranteed Round Trip Efficiency: Has the meaning set forth in Exhibit O.

Host Electric Utility: An electric utility that provides, at the general location of the Project, any of the following: electric transmission service, distribution service and/or retail electricity sales.

Hybrid Resource: Has the meaning as defined in the CAISO Tariff.

Initial Expected Battery Storage Capacity: Has the meaning set forth in Exhibit A.

Initial Expected PV Capacity: Has the meaning set forth in Exhibit A.

Interconnection Agreement or LGIA: The Large Generator Interconnection Agreement (LGIA) between SMUD and Seller specific to the interconnection of the Project to the SMUD Transmission System.

Interconnection Capacity Limit: The maximum instantaneous amount of Energy that is permitted to be delivered to the Point(s) of Interconnection under the LGIA, in the amount of 344 MW.

Interest Rate: Shall be the lesser of (a) 2% plus the “prime rate” of interest as published on that date in the Wall Street Journal, and generally defined therein as “the base rate on corporate loans posted by at least 75% of the nation’s 30 largest banks,” or if the Wall Street Journal is not published on a date for which such interest rate must be determined, the “prime rate” published in the Wall Street Journal on the nearest-preceding date on which the Wall Street Journal was published, or if the Wall Street Journal is no longer in publication, such other similar interest rate reasonably agreed to by the Parties, and (b) the highest rate permitted under applicable law.

ITC or Investment Tax Credit: The investment tax credit established pursuant to Section 48 of the United States Internal Revenue Code of 1986, as it may be amended from time to time.

ITC Recapture Amount: The amount payable (determined on an after-tax basis) to the IRS by Seller (or its Affiliate or tax equity investor) under Code §50(a) due to Seller’s ineligibility for all or a portion of ITC after such time as Seller or its Affiliate or tax equity investor has claimed the ITC.

J. Aron: Has the meaning set forth in Section 17.1.3.

Law: Any statute, law, treaty, rule, regulation, ordinance, code, enactment, injunction, order, writ, decision, authorization, judgment, decree or other written legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction.

Letter of Credit: One or more irrevocable, standby letters of credit issued by a Qualified Issuer in substantially the form set forth in Exhibit Q.

Loss: Has the meaning set forth in Section 8.5.1(a).

Maximum Hourly Energy Delivery: The Interconnection Service (as defined in the CAISO Tariff) provided under the LGIA.

Major Equipment Failure: A failure of the step-up transformer, high side switch, and high side breaker(s) that interconnects to the SMUD Transmission System.

Maximum power (Pmax): The maximum power in MW delivered to the Delivery Points.

Measurement Period: Any two consecutive Contract Year periods during the Delivery Term.

Monthly Operating Report: Has the meaning set forth in Section 2.4.10 and is similar to the form of report in Exhibit V.

Monthly Settlement Amount: Has the meaning set forth in Section 2.4.7(a).

Moody’s: Moody’s Investors Service, Inc., or any successor organization thereto.

MW: Megawatt(s) of alternating current.

MWh (Megawatt-hours): A unit of energy measurement corresponding to 1,000 kilowatt-hours.

NERC: The North American Electric Reliability Corporation, or any successor organization.

NERC Holidays: Days that NERC establishes as holidays for electric energy trading.

Non-Defaulting Party: Has the meaning set forth in Section 8.2.2(a).

NP-15: The zone within the CAISO Balancing Authority area designated as North of Path 15 by the CAISO for congestion settlement purposes.

NP-15 EZ Gen Hub Price: The day-ahead hourly locational marginal price as published by the CAISO for generator transactions in the NP-15 zone of the CAISO.

Outage Coordination Process: Has the meaning set forth in Section 7.4.

Option Notice: Has the meaning set forth in Section 19.1.

Party/Parties: SMUD and Seller are referred to individually as a "Party" and collectively as "Parties."

PCC1 REC Price: Has the meaning set forth in Section 2.4.2(b).

Performance Metrics: The PV Reliability Percentage, Battery Storage Reliability Percentage, and Availability Percentage for each of the Solar Project and the Battery Storage Project, as applicable.

Permits: Permits, licenses, certificates, concessions, consents, waivers, exemptions, variances, franchises, orders, decrees, rights, registrations, submissions, determinations, authorizations, approvals, registrations, orders, and filings, in each case, as required by a Governmental Authority.

Permitted Transfer:

- a) Foreclosure by any lender on the direct or indirect ownership interests in Seller (including a transfer in lieu of foreclosure or any transfer to a Qualified Transferee);
- b) Any direct or indirect transfer of equity interests in Seller in connection with a financing (for purposes of clarity, this does not prohibit or otherwise restrict any transfer of interests in the Solar Project or the Battery Storage Project);
- c) Any direct or indirect transfer of this Agreement or equity interests in Seller to an Affiliate of Seller (including any investment fund or partnership for which an Affiliate of Seller is the managing member), provided that in the case of a transfer of this Agreement only, such Affiliate's creditworthiness is equal to or better than that of Seller;
- d) Any direct or indirect transfer of this Agreement or any equity interests in Seller to a person succeeding to all or substantially all of the assets of Seller; or
- e) Any direct or indirect transfer of this Agreement or any equity interests in Seller to a Qualified Transferee.

Planned Outage: An outage that has been scheduled in advance pursuant to the Outage Coordination Process, of one or more of the Project's components that results in a reduction of 1 MWdc or more in the ability of the Project to produce Energy.

Plant Controller: A device or compilation of devices used to take inputs either directly or indirectly from the Transmission Provider, power system operator, or other affiliated group and provide outputs or feedback in the implementation of controls of the Solar Project and/or Battery Storage Project, and that has the ability to interface with the Supervisory Control and Data Acquisition (SCADA) System using industry standard protocol such as DNP3.0.

Point(s) of Interconnection or "POI": The specific locations at the 230kV side of the disconnect switch inside the Country Acres Switching Station at which the Project interconnects with SMUD, as set forth in the LGIA.

Portfolio Content Category 1 (PCC1): Renewable energy comprised of Energy and Environmental Attributes meeting the criteria defined by the CEC Renewables Portfolio Standard Eligibility Guidebook, for Portfolio Content Category 1, as may be amended or supplemented from time to time, and meeting any applicable regulations promulgated by the CEC.

Pre-COD Index Price: The applicable hourly Locational Marginal Price "LMP" for the Project, or if the LMP has not been established for the Project, the applicable hourly NP-15 EZ Gen Hub Price.

Product: Solar Product and Battery Storage Product, inclusive of all energy and energy-related products and energy-related attributes currently defined as PV Energy, Discharging Energy, Capacity, Capacity Attributes, flexibility, Frequency Response, Ancillary Services, and Environmental Attributes. Any Solar Product or Battery Storage Product, or any similar product or feature that can be valued intrinsically or extrinsically is included in Product, with the exception of tax and other financial incentives associated with the Project.

Project: Has the meaning set forth in the Preamble and shall include the Solar Project and the Battery Storage Project.

Proposed Battery Storage Products Purchase Notice: Has the meaning provided in Section 2.3.2.1.

Proposed Battery Storage Products Sale Notice: Has the meaning provided in Section 2.3.2.1.

Proposed Solar Products Purchase Notice: Has the meaning provided in Section 2.3.2.2.

Proposed Solar Products Sale Notice: Has the meaning provided in Section 2.3.2.2.

Prudent Utility Practice: Those practices, methods and acts that would be implemented and followed by prudent operators of solar photovoltaic electric energy generating facilities and battery storage facilities in the Western United States, similar to the Project, during the relevant time period, which practices, methods and acts, in the exercise of prudent and responsible professional judgment in the light of the facts known at the time the decision was made, could reasonably have been expected to accomplish the desired result consistent with prudent business practices, reliability, and safety. Seller acknowledges that the use of Prudent Utility Practice by Seller does not exempt Seller from any obligations set forth in this Agreement.

Prudent Utility Practice includes, at a minimum, those professionally responsible practices, methods and acts described in the preceding paragraph that comply with manufacturers' warranties, restrictions in this Agreement, the LGIA, the requirements of Governmental Authorities, and WECC and NERC standards. Prudent Utility Practice is not required to be the optimum practice, method or act to the exclusion of all others.

Prudent Utility Practice also includes taking reasonable steps in accordance with the first sentence of this definition to ensure that:

- a) Equipment, materials, resources, and supplies, including reasonable spare parts inventories, are available to meet the Project's needs;
- b) Sufficient operating personnel are available at all times and are adequately experienced and trained and licensed as necessary to operate the Project properly and efficiently, and are capable of responding to reasonably foreseeable emergency conditions at the Project and emergencies whether caused by events on or off the Project site;

- c) Preventive, routine, and non-routine maintenance and repairs are performed on a basis that is designed to ensure reliable, long-term and safe operation of the Project, and are performed by knowledgeable, trained, and experienced personnel utilizing proper equipment and tools;
- d) Appropriate monitoring and testing are performed for the purpose of ensuring equipment is functioning as designed;
- e) Equipment is not operated in a reckless manner, in violation of manufacturer's guidelines, warranty requirements, or in a manner unsafe to workers, the general public, or the connecting utility's Electric System or contrary to environmental laws, permits or regulations or without regard to defined limitations such as, flood conditions, safety inspection requirements, operating voltage, current, volt ampere reactive (VAR) loading, frequency, rotational speed, polarity, synchronization, and control system limits; and
- f) Equipment and components are designed and manufactured to meet or exceed the standard of durability that is generally used for hybrid solar photovoltaic electric energy generating plus battery storage facilities operating in the Western United States and to function properly over the full range of ambient temperature and weather conditions reasonably expected to occur at the Project site and under both normal and emergency conditions.

Purchase Option: Has the meaning set forth in Section 19.1.

Purchase Option Due Diligence Period: Has the meaning set forth in Section 19.2.

Purchase Price: Has the meaning set forth in Section 19.1.

PV: "Photovoltaic".

PV Availability Requirement: Eighty-Five percent (85%).

PV Capacity Shortfall: The Initial Expected PV Capacity less the Expected PV Capacity that has been commissioned and is capable of reliably delivering Energy and meeting minimum functionality requirements under Section 2.3.7.

PV Capacity Test: Any test or retest of the Expected PV Capacity conducted in accordance with the testing procedures, requirements and protocols set forth in Exhibit L.

PV Commercial Operation Test: Has the meaning set forth in Section 2.3.10.

PV Deficit Damages: Has the meaning set forth in Section 2.3.8(a).

PV Energy: That portion of Energy that is delivered directly from the Solar Project to the Delivery Points, as measured at the Solar Meter, and is not Discharging Energy.

PV Reliability Percentage: Has the meaning set forth in Exhibit S.

PV Price: Has the meaning set forth in Exhibit B.

Qualified Issuer: Has the meaning set forth in Section 9.2.

Qualified Transferee: A person that (a) for the three (3) preceding years, has owned or operated (or had access to the expertise required to operate through committed management agreements with its Affiliates

or through a committed operations and maintenance agreement with any person) at least 500 MWs of renewable energy generation facilities and (b) either itself or its direct or indirect parent, has (i) a tangible net worth of at least \$50,000,000 or (ii) a credit rating of “BBB-” or higher by S&P or “Baa3” or higher by Moody’s.

Real-Time Market: Has the meaning as defined in the CAISO Tariff.

Renewable Energy Credit (REC): A certificate of proof issued by WREGIS that an Eligible Renewable Energy Resource (ERR) has generated one megawatt hour (MWh or 1,000 kWh) of electricity. A REC shall also have the same meaning as in California Public Utilities Code Section 399.12(h). Currently RECs are used to convey Environmental Attributes associated with electricity production by a renewable energy resource. For purposes of this Agreement, the term REC shall be synonymous with bundled or unbundled renewable energy credit, tradable renewable energy certificates, WREGIS certificate, or any other term used to describe the documentation that evidences the renewable and Environmental Attributes associated with electricity production by an Eligible Renewable Energy Resource.

Required Percentage: Ninety five percent (95%).

Resource Adequacy: A requirement by a Governmental Authority or in accordance with its FERC-approved tariff, or a policy approved by a local regulatory authority, that is binding upon either Party and that requires such Party procure a certain amount of electric generating Capacity.

Resource ID: Has the meaning set forth in the CAISO Tariff.

Round Trip Efficiency: Has the meaning set forth in Exhibit O.

Round Trip Efficiency Liquidated Damages: Has the meaning set forth in Exhibit O.

RPS Certification: A certification by the CEC that the Project is eligible for the purposes of the California Renewable Portfolio Standard, and that all Energy produced by the Project, qualifies as generation from an Eligible Renewable Energy Resource.

RPS Pre-Certification: A pre-certification by the CEC obtained by Seller that the Project is eligible for purposes of the California Renewables Portfolio Standard.

RTU: Has the meaning set forth in Section 6.5.1.

S&P: Standard & Poor’s Ratings Group, or any successor organization thereto.

Scheduled Commercial Operation Date: The planned Commercial Operation Date of the Project set forth in Exhibit A, as such date may be extended as provided in Section 2.3.7.

Scheduled Energy: The applicable SMUD Setpoint for the Dispatch of Energy from the Solar Project for each Dispatch Interval, not to exceed the Available PV Capacity.

Scheduling: The act of producing, or relating to the production of, a schedule for the delivery, production or use of Energy, Capacity, and/or transmission that is in compliance with NERC Scheduling (NERC tagging) requirements.

Scheduling Coordinator: Has the meaning set forth in the CAISO Tariff.

Scheduled Battery Storage: The applicable SMUD Setpoint for Charging Energy and/or Discharging Energy for each Dispatch Interval, not to exceed the Available Battery Storage Capacity.

Seller: The Party so identified in the preamble of this Agreement, and its successors and permitted assigns.

Settlement Period: Has the meaning set forth in Section 2.4.7(a).

SMUD: Sacramento Municipal Utility District.

SMUD Point(s) of Interconnection Meter (SMUD POI Meter): The bi-directional revenue quality meter(s) operated by SMUD, along with a compatible data processing gateway or remote intelligence gateway, telemetering equipment and data acquisition services sufficient for monitoring, recording and reporting, in real time, the amount of Energy measured at the Point(s) of Interconnection.

SMUD Service Territory: The geographical area in which SMUD is the provider of distribution service. This includes virtually all of Sacramento County and a small part of neighboring Placer and Yolo Counties.

SMUD Setpoint: SMUD's Dispatch Instruction to Seller communicated through the SMUD MW control signal to the Seller Plant Controller, or if SMUD's communication system is not operating properly, SMUD's Dispatch Instruction to Seller communicated through SMUD system operator's verbal instruction on a recorded phone line, followed up with a written log, clearly identifying the start time, end time, and MW value.

Solar Irradiance Data: Data used for measuring solar insolation comprising global horizontal irradiance (GHI, W/m²) and plane of array (PoA), and as otherwise agreed upon by the Parties.

Solar Meter: The bi-directional revenue quality meter or meters, along with a compatible data processing gateway or remote intelligence gateway, telemetering equipment and data acquisition services sufficient for monitoring, recording and reporting, in real time, the amount of Energy produced by the Solar Project. For clarity, (i) the Project will contain multiple measurement devices that will make up the Solar Meter, and, unless otherwise indicated, references to the Solar Meter shall mean all such measurement devices and the aggregated data of all such measurement devices, taken together, and (ii) the Solar Meter will be located, and the Energy will be measured, at the low voltage side of the main step up transformer and will be subject to adjustment in accordance with any meter requirements of SMUD and Prudent Utility Practices to account for the applicable Electrical Losses to the Delivery Point.

Solar Product: All Energy, Environmental Attributes (including but not limited to Renewable Energy Certificates (RECs)), Expected PV Capacity, and Capacity Attributes of the Solar Project, in each case which are or can be produced by or associated with generation from the Solar Project. Solar Product must count in SMUD's Renewables Portfolio Standard (RPS) portfolio as a Portfolio Content Category One (PCC 1) resource, as defined by the CEC RPS Eligibility Guidebook, as may be amended or supplemented from time to time or otherwise consistent with applicable regulations promulgated by the CEC as generated by the Project and delivered to the Delivery Points under this Agreement; provided that Solar Product shall include (and Seller's payments shall not be reduced for) charging energy produced by the Solar Project and lost in the Battery Storage Project as efficiency losses, whether or not such charging energy counts in SMUD's RPS as PCC-1 energy and RECs.

Solar Project: The solar panels, buildings, collection lines, substation, and other improvements related thereto owned by Seller for the generation of Energy by Seller for delivery to SMUD hereunder and more particularly described on Exhibit A attached hereto.

State of Charge (SOC): The portion of Energy stored by the Battery Storage Project relative to the Available Battery Storage Capacity.

Station Service Load: The electric energy used by the Project to power the lights, motors, control systems and other auxiliary electrical loads that are necessary for operation of the Project. Station Service Load includes all power consumed on-site at the Solar Project, Battery Storage Project, and Project substation. Station Service Load does not include transformer losses, line losses, gen-tie losses, and does not include power consumed at a SMUD switching station. Examples of Station Service Load include: All inverter conversion systems for the Solar Project and the Battery Storage Project, control systems, power supplies,

lighting, control building HVAC, SCADA, telecommunication equipment, enclosure cooling for the Battery Storage Project, and 120v outlets.

Station Service Load Letter of Agreement: That certain Station Service Load Letter of Agreement by and between Seller and SMUD, entered into after the Effective Date of this Agreement.

Stored Energy Level: At a particular time, the amount of electric energy stored in the Battery Storage Project, expressed in MWh.

Surety Bond: A surety bond issued for the benefit of the SMUD that (i) is provided by an issuer duly licensed or authorized in the State of California to issue bonds for the limits required and (ii) is substantially in the form of Exhibit T or in a form reasonably acceptable to Seller and Buyer.

Suspension Date: Has the meaning set forth in Section 8.2.2(b)(ii).

Term: Has the meaning set forth in Section 8.1.

Termination Event: Has the meaning set forth in Section 8.3.

Termination Payment: Has the meaning set forth in Section 8.5.

Test Energy: The Solar Product produced by the Solar Project, delivered to SMUD at the Delivery Points, and purchased by SMUD pursuant to Section 2.4.1 of this Agreement, prior to the Commercial Operation Date.

Third-Party SC: Has the meaning set forth in Section 7.2

Transfer: Has the meaning set forth in Section 17.1.

Transmission Provider: An entity that directs the operation of a Transmission System and provides transmission service.

Transmission System: The relatively high voltage wires, transformers and related equipment owned or controlled by a particular electric utility or grid operator, and generally used to move bulk quantities of power between different electric utilities or from large electric generators to a utility's Distribution System; as opposed to being used to make final delivery of electric power to retail customers.

Ultimate Parent: Enlight Renewable Energy Ltd.

WECC: The Western Electricity Coordinating Council, which is the regional entity responsible for coordinating and promoting bulk electric system reliability in the western United States and western Canada, or any successor organization.

WREGIS: Has the meaning set forth in Exhibit H.

WREGIS Certificate: Has the meaning set forth in Exhibit H.

WREGIS Operating Rules: Has the meaning set forth in Exhibit H.

WREGIS Shortfall: Has the meaning set forth in Section 2.4.2(b).

[NTD: All Section references need to be checked.]

1.2 RULES OF INTERPRETATION

In this Agreement, except as expressly stated otherwise or unless the context otherwise requires:

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

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

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

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

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

1.2.6 a reference to a person or entity includes that person’s or entity’s successors and permitted assigns;

1.2.7 the term “including” means “including without limitation” and any list of examples following such term shall in no way restrict or limit the generality of the word or provision in respect of which such examples are provided;

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

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

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

1.2.11 a reference to a “day” is to a calendar day unless the context indicates otherwise;

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

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

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

2. PROJECT; PURCHASE AND SALE OF PRODUCTS

2.1 Project and Expected PV Capacity

This Agreement governs SMUD's purchase of the Product from the Project as described in Exhibit A.

2.1.1 The Initial Expected PV Capacity and the Initial Expected Battery Storage Capacity are shown in Exhibit A. Seller shall be permitted to modify, augment and/or replace the Project and its equipment and components with other equipment and components, at any time prior to or following Commercial Operation, so long as the Initial Expected PV Capacity and the Initial Expected Battery Storage Capacity, in each case as measured at the Delivery Points, are not reduced. Notwithstanding the foregoing, at least ninety (90) days prior to the date on which Seller reasonably anticipates that Commercial Operation will occur, Seller will provide SMUD with a final version of Exhibit A, which shall identify any updates or changes to certain of the equipment and components set forth in Exhibit A as attached to this Agreement. During the Delivery Term, Seller may modify the Project and its equipment and components from time to time so long as Seller provides SMUD with reasonably prompt written notice setting forth any modifications to Exhibit A. Once provided by Seller, this Agreement shall be deemed amended to include such final or modified version of Exhibit A.

2.1.2 The Parties agree that the Project configuration will be initially Co-located Resources, consisting of separate CAISO Resource IDs for PV Generation and the Battery Energy Storage System. If requested by SMUD in writing not later than twelve (12) months prior to the Scheduled Commercial Operation Date, or during the Delivery Term following reasonable notice by SMUD to Seller, which notice shall be a minimum of three (3) months, and commensurate with the CAISO process for implementing the conversion from Co-located Resource to Hybrid Resource, or implement future conversions in accordance terms as specified herein. Seller shall exercise commercially reasonable efforts to convert the Project from a storage facility co-located with solar to a Hybrid Resource with a single CAISO Resource ID in accordance with the CAISO Tariff, provided that such efforts and conversion (a) do not require Seller to incur any additional actual or potential obligations, liabilities or expenses (other than de minimus internal administrative expenses, including staff time and overhead) above a cap of \$10,000, unless SMUD agrees to compensate Seller for costs above \$10,000, (b) do not reduce Seller's actual or expected compensation under this Agreement, unless SMUD agrees to compensate Seller for such reduction in actual or expected compensation, and (c) are subject to the Parties' mutual agreement on amendments to this Agreement that may be required to effectuate such conversion. Notwithstanding any of the above conversion conditions, Seller shall use commercially reasonable efforts to minimize costs and schedule duration associated with such conversion.

2.2 Products Purchased

During the Delivery Term, Seller shall sell and deliver, or cause to be delivered, and SMUD shall purchase and receive, or cause to be received, (i) Solar Products, and (ii) Battery Storage Products in accordance with the terms of this Agreement. During the Delivery Term, all Products shall be supplied only from the Project and shall be supplied from the Project only to SMUD. Subject to Section 2.3.2 below, SMUD acknowledges that Seller shall have the right to supply Products from the Project to third parties upon the expiration or earlier termination of the Delivery Term.

As of the Effective Date and during the Delivery Term and except as otherwise provided in Section 3.4, Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that the Solar Project's output delivered to SMUD qualified under the requirements of California Public Utilities Code 399.16(b)(1) of the Public Utilities Code for a Portfolio Content Category 1 transaction.

2.3 Delivery Term, Delivery Points, and Commercial Operation

2.3.1 Delivery Term

The "**Delivery Term**" shall commence at the start of the hour ending 01:00 PST on the COD and shall expire at the completion of the hour ending 24:00 PST on the last day of the (i) thirtieth (30th) Contract Year for the Solar Project, and the (ii) twentieth (20th) Contract Year for the Battery Storage Project, unless either is terminated earlier as set forth herein, including for exercise of the Project Purchase Option. Notwithstanding anything herein to the contrary, all provisions of this Agreement related to the Battery Storage Project, including those set forth in Sections 2.3 and 5.4, shall expire and be of no force and effect after the twentieth (20th) Contract Year, except to the extent that such provisions relate to performance rendered prior to the end of the twentieth (20th) Contract Year. Upon expiration of the Delivery Term for the Battery Storage Project, the Parties will, upon request by either Party, amend this Agreement as necessary to remove the terms that are no longer applicable and take such other actions required to effectuate the expiration of the Delivery Term for the Battery Storage Project, including reducing or returning a portion of the Delivery Term Security. Prior to the expiration of the Delivery Term for the Battery Storage Project, and in accordance with applicable CAISO requirements, SMUD will provide notice that SMUD will no longer be the Scheduling Coordinator for the Battery Storage Project effective as of the expiration of the Delivery Term for the Battery Storage Project.

2.3.2 Right of First Refusal

2.3.2.1. Battery Storage Project. No later than twelve (12) months prior to the end of the twentieth (20th) Contract Year, if Seller chooses to sell Battery Storage Products from the Battery Storage Project to any third party, including but not limited to a market, after the expiration of the Delivery Term of the Battery Storage Project, Seller shall provide notice of such intended sale to SMUD ("**Proposed Battery Storage Products Sale Notice**"). Upon receipt of such Proposed Battery Products Storage Sale Notice, SMUD will have thirty (30) days in which to provide notice to Seller indicating SMUD's interest in negotiating with Seller to purchase Battery Storage Products from the Battery Storage Project, which notice shall include SMUD's proposed contract price for such continued purchase ("**Proposed Battery Storage Products Purchase Notice**"). If SMUD provides such Proposed Battery Storage Products Purchase Notice to Seller, then the Parties shall negotiate in good faith for a period of sixty (60) days from the date of SMUD's Proposed Battery Storage Products Purchase Notice to determine if they are able to reach mutual agreement on the terms and conditions of a sale to SMUD under a separate agreement after the end of the twentieth (20th) Contract Year for the sale of Battery Storage Products. If SMUD does not timely provide a Proposed Battery Storage Products Purchase Notice to Seller or if the Parties are unable to agree upon the terms and conditions of any sale of such Battery Storage Products to SMUD within such 60-day negotiation period set forth above (subject to extension by mutual agreement), then, subject to SMUD's option to purchase the Battery Storage Project as provided in Section 19, Seller shall be free to negotiate for the sale of such Battery

Storage Products from the Battery Storage Project to any third party thereunder. For the avoidance of doubt, Seller is not obligated to provide such Proposed Battery Products Storage Sale Notice if Seller determines in its reasonable discretion that sales to SMUD after the twentieth (20th) Contract Year for Battery Storage Products would negatively impact its ability to qualify for the Investment Tax Credit, due to extension of the Delivery Term for the Battery Storage Project for more than eighty percent (80%) of the estimated useful life of the Battery Storage Project, or the estimated remaining residual value of the Battery Storage Project at the conclusion of the extended Delivery Term for the Battery Storage Project would be less than twenty percent (20%) of the original cost of the Battery Storage Project; and neither Party is obligated to enter into any agreement as a result of any negotiations after the Proposed Battery Storage Products Purchase Notice is provided; and this Section 2.3.2.1 shall be of no force and effect upon expiration of the applicable Delivery Term of the Battery Storage Project.

2.3.2.2. Solar Project. No later than twelve (12) months prior to the end of the thirtieth (30th) Contract Year, if Seller chooses to sell Solar Products from the Solar Project to any third party, including but not limited to a market, after the expiration of the Delivery Term of the Solar Project, Seller shall first provide notice of such intended sale to SMUD (“**Proposed Solar Products Sale Notice**”). Upon receipt of such Proposed Solar Products Sale Notice, SMUD will have thirty (30) days in which to provide notice to Seller indicating SMUD’s interest in negotiating with Seller to purchase Solar Products from the Solar Project, which notice shall include SMUD’s proposed contract price for such continued purchase (“**Proposed Solar Products Purchase Notice**”). If SMUD provides such Proposed Solar Products Purchase Notice to Seller, then the Parties shall undertake for a period of sixty (60) days from the date of SMUD’s Proposed Solar Products Purchase Notice to determine if they are able to reach mutual agreement on the terms and conditions of a sale to SMUD under a separate agreement after the end of the thirtieth (30th) Contract Year for the sale of Solar Products. If SMUD does not timely provide a Proposed Solar Products Purchase Notice to Seller or if the Parties are unable to agree upon the terms and conditions of any sale of such Solar Products to SMUD within such 60-day negotiation period set forth above (subject to extension by mutual agreement), then Seller shall be free to negotiate for the sale of such Solar Products from the Solar Project to any third party thereafter. For the avoidance of doubt, Seller is not obligated to provide such Proposed Solar Products Sale Notice if it does not intend to make third party sales after the end of the Delivery Term or if Seller determines in its reasonable discretion that sales to SMUD after the thirtieth (30th) Contract Year for Solar Products would negatively impact its ability to qualify for the Investment Tax Credit, due to extension of the Delivery Term for the Solar Project for more than eighty percent (80%) of the estimated useful life of the Solar Project, or the estimated remaining residual value of the Solar Project at the conclusion of the extended Delivery Term for the Solar Project would be less than twenty percent (20%) of the original cost of the Solar Project; and neither Party is obligated to enter into any agreement as a result of any negotiations after the Proposed Solar Products Purchase Notice is provided; and this Section 2.3.2.2 shall be of no force and effect upon expiration of the applicable Delivery Term of the Solar Project.

2.3.3 Scheduled Commercial Operation Date

The Scheduled Commercial Operation Date of the Project is shown in Exhibit A.

2.3.4 Requirements for Commercial Operation

Commercial Operation shall have been achieved when each of the following conditions have been satisfied or waived by the Parties (“**COD Conditions**”):

- a) The Required Percentage of (i) the Initial Expected PV Capacity of the Solar Project and (ii) the Initial Expected Battery Storage Capacity of the Battery Storage Project has each been installed, fully commissioned, and satisfactorily completed all startup testing;

- b) An independent, professional engineer that is actively registered in California, has provided a certificate with a PE stamp, certifying that (i) testing pursuant to ASTM E2848-13 (2018) (Standard Test Method for Reporting Photovoltaic Non-Concentrator System Performance), as further detailed in Exhibit L, has reported that the Solar Project is capable of delivering the Required Percentage of the Initial Expected PV Capacity at the Delivery Points, on a continuous basis, without operator intervention and with Availability no less than the Guaranteed Availability, with the exception of normal daily shut-down during hours of insufficient solar irradiation, as demonstrated through a 120 hour continuous operation test of the Solar Project, taking into account the photovoltaic nature of the Solar Project, (ii) the Required Percentage of the Initial Expected Battery Storage Capacity of the Battery Storage Project is installed and capable of charging and discharging Energy, and (iii) Seller has completed the Battery Storage Commercial Operation Test in accordance with Exhibit M;
- c) Seller has provided for and SMUD has successfully completed Pre-Commercial Operation Date Testing and Modifications as specified in Section 6, Appendix G and Appendix H of the LGIA;
- d) Meteorological and any other site data as specified in Appendix H of the LGIA are capable of being delivered to SMUD and/or a third party reasonably designated by SMUD for the purposes of creating a generation forecast;
- e) The Plant Controller (as defined in the LGIA) required pursuant to the LGIA is operational;
- f) Seller has provided documentation demonstrating a NERC Generator Owner (GO) registration and a NERC Generator Operator (GOP) registration are in progress or have completed for the Project, such as a screenshot of the registration request demonstrating that the pertinent NERC registration is in progress;
- g) Seller has provided official contact information, including direct telephone numbers and email addresses for the Project GOP's Control Center personnel and the corresponding Supervisor/Manager/Director responsible for the Control Center operations;
- h) A Permission To Operate (PTO) letter has been signed and executed by SMUD's Director of Grid Operations (consistent with Prudent Utility Practice and LGIA requirements), not to be unreasonably withheld, conditioned or delayed (it being understood and agreed that this condition shall be deemed to be achieved upon issuance of the permission to operate notice in accordance with Section 6 of the LGIA); and
- i) Seller has issued the COD Notice.

Seller shall issue a notice of Commercial Operation to SMUD when Seller believes that the Project has satisfied all COD Conditions (a "**COD Notice**"). Solar Project and Battery Storage Project shall have the same COD. A COD Notice shall include all necessary supporting documentation of the satisfaction or occurrence of all COD Conditions. SMUD shall have ten (10) days to review the COD Notice and raise any reasonable objections to Seller's satisfaction of any COD Conditions; provided, however, that Seller's COD Notice shall be deemed accepted by SMUD if SMUD fails to object within such time period. The Commercial Operation Date will be the date upon which Seller submits its COD Notice to SMUD, unless SMUD timely objects to

Seller's evidence of the COD Conditions, then the Commercial Operation Date will be either (i) the date upon which such evidence is provided to SMUD's reasonable satisfaction or is deemed to have been accepted by SMUD, or (ii) the date determined pursuant to Section 21 Dispute Resolution, as applicable.

2.3.5 Provision for Separate COD of Battery Storage

Buyer and Seller may mutually agree to a separate COD for the Battery Storage Project, for any reason, including if Solar Project is delayed, and appropriate Amendments to the agreement.

2.3.6 Commercial Operation Date Confirmation Letter

Upon satisfaction of the COD Conditions, SMUD shall execute and then provide to Seller for execution, the "Commercial Operation Date Confirmation Letter." The fully executed version shall be attached as Exhibit E to this Agreement.

2.3.7 Payment for Delay of Commercial Operation; Extension of Scheduled COD

If (a) the Solar Project fails to achieve Commercial Operation or (b) the Battery Storage Project fails to achieve Commercial Operation, in each case, on or before the Scheduled Commercial Operation Date (as such date may be extended as provided herein) (the "**Delay LD Start Date**"), then Seller shall pay SMUD Delay Damages of \$100/MW/day for each day following the Delay LD Start Date for each MW or portion thereof by which (i) the Capacity of the Solar Project that has been commissioned and is capable of reliably delivering Energy and minimum functionality for such capacity consistent with Appendices G and H of the Interconnection Agreement (provided that SMUD's inability to receive data shall not be deemed the Project's inability to satisfy the minimum functionality requirement) to the Delivery Points is less than the Required Percentage of the Initial Expected PV Capacity of the Solar Project, to be adjusted daily as additional parts of the Solar Project are commissioned and become capable of reliably delivering Energy to the Delivery Points pursuant to Section 2.1.1, and (ii) the Capacity of the Battery Storage Project that has been commissioned and capable of charging and discharging Energy is less than the Required Percentage of the Initial Expected Battery Storage Capacity, until the earlier of (A) Commercial Operation, or (B) the Guaranteed Commercial Operation Date. The Parties agree that SMUD's receipt of Delay Damages shall be SMUD's sole and exclusive remedy for any default prior to the Commercial Operation Date, but shall not be construed as SMUD's notification that an Event of Default or Termination Event has occurred under any provision of Article 8.

The Scheduled Commercial Operation Date shall be extended on a day-for day basis and Seller shall not owe SMUD Delay Damages for any Excusable Delay, provided that the Parties shall exercise due diligence to overcome or mitigate the effects of any Excusable Delay.

2.3.8 Payment for PV Deficit Damages or Battery Storage Deficit Damages

- a) If Seller achieves Commercial Operation with less than the Initial Expected PV Capacity, then Seller shall use commercially reasonable efforts following the Commercial Operation Date to cause the remaining portion of the Initial Expected PV Capacity to achieve Commercial Operation. If Seller has not caused the PV Capacity Shortfall to achieve Commercial Operation on or before one hundred eighty (180) days after the COD, then Seller shall pay SMUD damages equal to the PV Capacity Shortfall multiplied by \$150,000/MW ("**PV Deficit Damages**"). However, if the reason for the PV Capacity Shortfall is the result of (i) delays with or restrictions to Permit(s) (unless and to the extent due to the fault or negligence of Seller), (ii) delays with or restrictions to transmission interconnection (unless and to the extent due to the fault or negligence of Seller), (iii) local fire jurisdiction delays or restrictions (e.g. reduced

site size) (unless and to the extent due to the fault or negligence of Seller, (iv) the failure of SMUD to perform its performance obligations hereunder or under the Lease (unless and to the extent due to the fault or negligence of Seller), or (v) an event or circumstance described in Subsection (c) of the Force Majeure definition, then Seller shall not be obligated to pay any PV Deficit Damages associated directly with the portion of PV Capacity Shortfall not built because of such delays or restrictions. For the avoidance of doubt, the conditions above are the sole and exclusive reasons that Seller is not obligated to pay PV Deficit Damages in the event of a PV Capacity Shortfall, and any other reasons including, but not limited to Force Majeure events (except for Subsection (c) of the Force Majeure definition), do not excuse Seller from its obligation to pay PV Deficit Damages. Thereafter, the Expected PV Capacity will be equal to such final amount for all purposes under this Agreement and all requirements and deliverables hereunder that are determined based upon the Expected PV Capacity (including the Expected Energy Production set forth in Exhibit C and the required Delivery Term Security as set forth in Section 9.1) shall be reduced on a pro rata basis.

- b) If Seller achieves Commercial Operation with less than the Expected Battery Storage Capacity, then Seller shall use commercially reasonable efforts following the Commercial Operation Date to cause the remaining portion of the Expected Battery Storage Capacity to achieve Commercial Operation. If Seller has not caused the delayed Capacity to achieve Commercial Operation on or before three hundred sixty five (365) days after the COD, then Seller shall pay SMUD damages equal to the Battery Storage Capacity Shortfall multiplied by \$150,000/MW (“**Battery Storage Deficit Damages**” and together with the PV Deficit Damages, the “**Deficit Damages**”). However, if the reason for the Battery Storage Capacity Shortfall is the result of (i) delays with or restrictions to Permit(s) (unless and to the extent due to the fault or negligence of Seller), (ii) delays with or restrictions to transmission interconnection (unless and to the extent due to the fault or negligence of Seller), (iii) local fire jurisdiction delays or restrictions (e.g. reduced site size) (unless and to the extent due to the fault or negligence of Seller), or (iv) the failure of SMUD to perform its performance obligations hereunder or under the Lease (unless and to the extent due to the fault or negligence of Seller), then Seller shall not be obligated to pay any Battery Storage Deficit Damages associated directly with the portion of Battery Storage Capacity Shortfall not built because of such delays or restrictions. For the avoidance of doubt, the conditions above are the sole and exclusive reasons that Seller is not obligated to pay Battery Storage Deficit Damages, and any other reasons including, but not limited to Force Majeure events, do not excuse Seller from its obligation to pay Battery Storage Deficit Damages. Thereafter, the Expected Battery Storage Capacity will be reduced proportionately to account for the final Expected Battery Storage Capacity at the end of such three hundred sixty five (365)-day period for all purposes under this Agreement. Thereafter, the Expected Battery Storage Capacity will be equal to such final amount for all purposes under this Agreement and all requirements and deliverables hereunder that are determined based upon the Expected Battery Storage Capacity (including the required Delivery Term Security as set forth in Section 9.1) shall be reduced on a pro rata basis.
- c) Parties agree that SMUD’s receipt of Deficit Damages shall be SMUD’s sole and exclusive remedy for failure to achieve Commercial Operation with less than the Initial Expected PV Capacity or Initial Expected Battery Storage Capacity, as applicable. Parties further agree that (i) payment of any PV Deficit Damages and any corresponding decrease in the Capacity of the Solar Project shall not in any way affect the Expected Battery Storage Capacity and (ii) payment of any Battery Storage Deficit Damages and any corresponding decrease in the Expected Battery Storage Capacity shall not in any way affect the Expected PV Capacity.

2.3.9 Cap on Damages.

Notwithstanding anything in this Agreement to the contrary, Delay Damages owed by Seller to SMUD hereunder together with any Deficit Damages shall not exceed the Development Security provided by Seller pursuant to Section 9.1.

2.3.10 Project Testing.

Prior to the Commercial Operation Date, Seller shall schedule with SMUD and complete 1) a commercial operation test that establishes the Expected PV Capacity of the Solar Project, in accordance with Exhibit L ("**PV Commercial Operation Test**"), and 2) a commercial operation test that establishes the Expected Battery Storage Capacity of the Battery Storage Project, in accordance with Exhibit M ("**Battery Storage Commercial Operation Test**").

2.4 Payment for Products Purchased

2.4.1 Pre-Commercial Energy Price

Seller will sell Pre-COD energy and associated Environmental Attributes to SMUD. If the Pre-COD Index Price is greater than zero dollars (\$0) prior to the Commercial Operation Date, SMUD will pay (a) for Test Energy produced by the Solar Project, by multiplying (i) fifty (50)% of the Pre-COD Index Price by (ii) the applicable hourly Energy quantity (in MWh) as measured by the Solar Meter and (b) ten dollars (\$10) for each REC associated with the Test Energy that is confirmed to be a valid PCC-1 REC and is transferred into Buyer's WREGIS subaccount. If the Pre-COD Index Price is less than zero dollars (\$0) prior to the Commercial Operation Date, SMUD will pay (A) for Test Energy produced by the Solar Project by multiplying (1) one hundred percent (100%) of the Pre-COD Index Price, but not less than negative ten dollars (-\$10), by (2) the applicable hourly Energy quantity (in MWh) as measured by the Solar Meter, and (B) ten dollars (\$10) for each REC associated with the Test Energy that is confirmed to be a valid PCC-1 REC and is transferred into Buyer's WREGIS subaccount. SMUD will have the right to schedule the Solar Project and Battery Storage Project prior to the Commercial Operation Date, and may curtail Energy therefrom, so long as such curtailment does not unreasonably interfere with Seller's testing and installation activities.

2.4.2 PV Price after Commercial Operation Date

- a) Subject to Sections 2.4.2(b), once the Project has achieved Commercial Operation, SMUD shall pay Seller the Monthly Settlement Amount.
- b) In the event that SMUD fails to receive WREGIS Certificates associated with the amount of PV Energy delivered to the Delivery Points within one hundred ten (110) days after the end of the month that the Energy was generated and delivered to SMUD at the Delivery Points and the cause of such failure is due to Seller's actions or inactions inconsistent with its obligations under this Agreement ("**WREGIS Shortfall**"), then the Monthly Settlement Amount will be discounted by an amount equal to the PCC1 REC Price for such Energy previously delivered at the Delivery Points. The "**PCC1 REC Price**" means the market value as reasonably determined by SMUD using commercially reasonable efforts for PCC1 RECs, based on the average of 3 broker quotes for NP-15 Solar PV CEC RPS PCC-1 RECs, if available, in the month following the month in which the WREGIS Shortfall occurs. SMUD will provide notice to Seller of any WREGIS Shortfall, including SMUD's calculation and supporting evidence for the PCC1 REC Price and volume of Energy for which Seller owes SMUD a refund. Any disputes with respect to the cause of a WREGIS Shortfall

or the calculation of the PCC1 REC Price will be resolved pursuant to the provisions of Section 21. Seller shall provide a true-up payment to SMUD or SMUD may offset its payment to Seller in the next regular settlement for any amounts owed by Seller to SMUD pursuant to this Section 2.4.2(b). If Seller cures a WREGIS Shortfall after Seller has refunded the PCC 1 REC Price to SMUD, then SMUD shall refund all or part of the true-up amounts associated with such cure to Seller in the next invoice after such WREGIS shortfall is cured.

2.4.3 [Reserved]

2.4.4 Energy in Excess of LGIA Limitation

Seller may not deliver Energy in excess of any limitation set forth in the Large Generator Interconnection Agreement.

2.4.5 SMUD Meters

Energy produced by the Project, which is interconnected to the SMUD Transmission System, shall be measured at, or as of, the Point(s) of Interconnection as defined in the LGIA. Metering shall occur at the Solar Meter and Battery Storage Meter, which shall account for Electrical Losses between the meter location and the Point of Interconnection. SMUD shall have the right, but not the obligation, to read the Project's meters on a daily basis.

2.4.6 Title and Risk of Loss

Title to and risk of loss related to the Products produced from the Solar Project shall transfer from Seller to SMUD at the Delivery Points. Except as provided hereunder, Seller warrants that it will deliver to SMUD all Products from the Solar Project 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 Points.

2.4.7 Settlement Payments

- a) Following the end of each calendar month ("**Settlement Period**"), Seller shall deliver to SMUD Seller's settlement calculations with respect to the Settlement Period within 25 days after the end of such Settlement Period. By the later of the 15th day of the second month after the Settlement Period, or 20 days after receipt of Seller's settlement calculation, SMUD shall deliver to Seller a settlement checkout statement which shall include a calculation of the Capacity Subtotal Payment (as defined below) as adjusted by the Performance Metrics for such Settlement Period. The sum total results of such calculation shall be referred to herein as the "**Monthly Settlement Amount**". The Capacity Subtotal Payment for the Solar Project and the Battery Storage Project, respectively, shall be equal to PV Price or Battery Storage Price multiplied by Expected PV Capacity or Expected Battery Storage Capacity (the "**Capacity Subtotal Payment**"); and such payment shall cover payment for the respective Solar Products and/or Battery Storage Product. The Monthly Settlement Amount shall be equal to the sum of 1) the Capacity Subtotal Payment for the Solar Project multiplied by PV Reliability Percentage multiplied by the Availability Percentage for the Solar Project, and 2) the Capacity Subtotal Payment for the Battery Storage Project multiplied by the Battery Storage Reliability Percentage

multiplied by Availability Percentage for the Battery Storage Project, as demonstrated in the form below and with example calculations in Exhibit W.

Resource	Contract Price	X	Expected PV Capacity or Expected Battery Storage Capacity	=	Capacity Subtotal Payment	X	Availability Percentage	X	PV Reliability Percentage or Battery Storage Reliability Percentage	=	Total
Solar Project	\$				\$						\$
Battery Storage Project	\$				\$						\$
Monthly Settlement Amount											

- b) For purposes of the calculation of the Capacity Subtotal Payment, the Expected PV Capacity shall reflect the most recent PV Capacity Test results. Further, for purposes of the calculation of the Capacity Subtotal Payment, the Expected Battery Storage Contract Capacity shall reflect the most recent Battery Storage Capacity Test results. SMUD shall pay the Monthly Settlement Amount with respect to such month on the 15th day of the second month following the relevant Settlement Period (or the next succeeding Business Day), subject to the provisions of Section 2.4.7. Changes to Expected PV Capacity or the Expected Battery Storage Capacity shall become effective at the beginning of the next Settlement Period following such PV Capacity Test or Battery Storage Capacity Test.
- c) A Party may in good faith, dispute the correctness or absence of any settlement or adjustment to a settlement rendered under this Agreement or adjust any settlement for any arithmetic or computational error within twenty-four (24) months after the settlement is rendered or any specific adjustment to the settlement is made. In the event a settlement or portion thereof, or any other claim or adjustment arising hereunder is disputed, payment of the undisputed portion of the settlement shall be required to be made when due in accordance with this Section 2.4.7, with notice of the objection given to the Party issuing such settlement. Any billing dispute or billing adjustment shall be in writing and shall state the basis for such dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved, however the Party in receipt of the dispute notice is required to respond to such dispute notice with reasonable supporting documentation no later than ten (10) Business Days following delivery of such notice. If it is determined that an adjustment to the settlement is appropriate or an underpayment was made, then such payment shall be required to be made within ten (10) Business Days of such determination along with interest accrued at the Interest Rate from and including the due date to but excluding the date paid. Overpayments by a Party shall, at the option of the Party making such overpayment, be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment to but excluding the date repaid or deducted by the Party receiving such overpayment. Any dispute with respect to a settlement is waived unless the other Party is notified in accordance with this Section 2.4.7(c) within twenty-four (24) months after the settlement is rendered or any specific adjustment to the settlement is made.

- d) The final monthly settlement checkout statement shall set forth, as applicable, (1) the Monthly Settlement Amount; and (2) any other fees, charges or other amounts due and owing to Buyer pursuant to this Agreement.
- e) Either Party may offset the payment due to the other Party under this Agreement against the amounts owing from such other Party to the offsetting Party pursuant to this Agreement.

2.4.8 Reserved

2.4.9 Capacity Testing

The Expected PV Capacity is the result of the most recent PV Capacity Test, which shall be performed as described in Exhibit L ("**Expected PV Capacity**"). The Expected Battery Storage Capacity is the result of the most recent Battery Storage Capacity Test, which shall be performed as described in Exhibit M ("**Expected Battery Storage Capacity**"). The PV Capacity Test and/or Battery Storage Capacity Test will be performed upon request by either Party, when SMUD system conditions can allow for such testing, as reasonably determined by SMUD, not less than one (1) test every Contract Year, and (i) with respect to the PV Capacity Test, not more than one (1) test per month to be conducted only during the months of February, May and August, and one test between October 14th – November 14th, or (ii) with respect to the Battery Storage Capacity Test, not more than one (1) test per calendar quarter, except for (a) a single retest of each original test within approximately seven (7) days of original test, or (b) not more than one (1) test per calendar month at the request of either Party if such Party reasonably determines that the Capacity of the Solar Project or the Battery Storage Project has failed to conform to at least 90% of the Expected PV Capacity or Expected Battery Storage Capacity, respectively, for more than five (5) days and continues to fail to conform, in each case when SMUD system conditions can allow for such testing. Upon the request of either Party, on or after the second (2nd) anniversary of the Commercial Operation Date, the Parties shall use good faith efforts to negotiate a replacement for the capacity testing methodology based on a continuous performance metric.

2.4.10 Availability Determination & Reporting

Seller shall generate a comprehensive operating report for each month, containing Seller's record of Availability for the Solar Project and the Battery Storage Project at the POI (measured separately), utilizing data originating from the Availability System of Record, and the monthly report generated by the operations & maintenance provider of the facility, unless Buyer agrees to utilize data from an alternate system ("**Monthly Operating Report**"). The Monthly Operating Report shall be substantially in the form attached herein as Exhibit V. The timing of the Monthly Operating Report shall be synchronized with the monthly settlement process, and due to Buyer by the 25th day following the end of the Settlement Period, in support of Section 2.4.7 Settlement Period payment. Buyer and Seller shall discuss and resolve any disputes involving the Monthly Operating Report by the 5th day of the second month following the end of the Settlement Period, in accordance with Section 2.4.b. The final Monthly Operating Report shall be used as part of the monthly settlement amount determination in Section 2.4.7.

a) PV Availability

Within forty-five (45) days after the end of each Contract Year, Seller shall submit its determination of the Annual Average PV Availability from the Availability System of Record.

b) Battery Storage Availability

Within forty-five (45) days after the end of each Contract Year, Seller shall submit its determination of the Annual Average Battery Storage Availability from the Availability System of Record.

2.4.11 Round Trip Efficiency

Within forty-five (45) days after the end of each Contract Year, Seller shall submit its calculation of the Round Trip Efficiency in accordance with Exhibit O. During the Delivery Term, the Battery Storage Project shall maintain a Round Trip Efficiency of no less than the Guaranteed Round Trip Efficiency. If the Round Trip Efficiency following the Annual Battery Storage Capacity Test is less than the Guaranteed Round Trip Efficiency, then Seller shall pay Round Trip Efficiency Liquidated Damages, as defined and determined in accordance with Exhibit O. Such Round Trip Efficiency Liquidated Damages shall be SMUD's sole and exclusive remedy for Seller's failure to satisfy the Guaranteed Round Trip Efficiency. For the avoidance of doubt, Round Trip Efficiency Liquidated Damages shall only be calculated from data obtained during an Annual Battery Storage Capacity Test conducted within thirty (30) days after the end of each Contract Year.

3. CERTIFICATION AS AN ELIGIBLE RENEWABLE ENERGY RESOURCE

3.1 CEC RPS and Green-e Certifications

Subject to Section 3.4, SMUD requires that all renewable energy sold under this Agreement will meet the RPS requirements. At its own expense but subject to Section 3.4, Seller shall comply with the following:

- a) Commensurate with the Commercial Operation Date or as soon as reasonably practicable thereafter, Seller shall also provide a completed Green-e generator registration and attestation form (under the Green-e Standard) to SMUD and the Center for Resource Solutions, and Seller shall provide evidence of Green-e eligibility.
- b) Seller shall file an application with the CEC for RPS Pre-Certification within thirty (30) days after the Effective Date, and shall use commercially reasonable efforts to obtain the CEC Pre-Certification no later than the date on which the milestone regarding permission to energize for transmission and generation is achieved.
- c) In no event later than thirty (30) Business Days after the Commercial Operation Date (COD), Seller shall file for full RPS Certification of the Project with the CEC.
- d) Seller shall use commercially reasonable efforts to ensure that Seller's RPS Certification applies, starting with the Commercial Operation Date as set forth in the Commercial Operation Date Confirmation Letter (see Exhibit E).
- e) Seller shall respond to inquiries from the CEC related to its applications for CEC Pre-Certification and RPS Certification within five (5) Business Days of receipt of such inquiry.
- f) Except as otherwise provided in Section 3.4, Seller shall maintain such RPS Certification throughout the Delivery Term at its own expense.
- g) Subject to Section 3.4, Seller shall ensure that throughout the Delivery Term, Energy and Environmental Attributes from the Project delivered to the Delivery Points (not including Energy and Environmental Attributes associated with any Energy that is not PV Energy delivered to the Delivery Points) meet the criteria of California Public Utilities Code 399.16(b)(1); and ensure that the electricity and RECs from the Project are bundled according to the applicable CEC RPS Eligibility Guidebook.

3.2 Environmental Attribute Delivery Obligation

Seller shall sell and deliver, and SMUD shall receive and purchase from Seller, all rights, title, and interest in all Environmental Attributes associated with Energy produced by the Project and delivered to SMUD at the Delivery Points whether now existing or that hereafter come into existence prior to and including the Delivery Term. Seller agrees to sell to SMUD all such Environmental Attributes to the fullest extent allowable by applicable Law, and convey the same to SMUD in accordance with the procedures in Exhibit H. Seller warrants that all Environmental Attributes provided to SMUD shall be free and clear of all liens, security interests, claims and encumbrances.

3.3 WREGIS Registration

Documentation of Environmental Attributes associated with the Energy produced under this Agreement shall be tracked through WREGIS. Seller shall assign rights to register the Project in WREGIS to SMUD, such that RECs are deposited directly into SMUD's WREGIS account. In accordance with Exhibit H and Section 3.4, SMUD shall be responsible for all WREGIS costs and fees associated with the issuance/creation of WREGIS RECs for the Project, and SMUD shall be responsible for any fees associated with the transfer and/or retirement of such WREGIS RECs to SMUD. WREGIS REC identification information shall support both CEC RPS and Green-e Standard REC retirements. At least forty-five (45) days before the end of the Term, or as soon as practicable before the date of any early termination of this Agreement before the end of the Term, SMUD shall take all actions necessary to terminate the assignment of registration rights in WREGIS associated with the Project as of the last day of the Term.

3.4 Change in Law

3.4.1 The Parties agree that expenditures to comply with the requirements of this Article 3 (“**Environmental Attribute Compliance Expenditures**”) that Seller shall be required to bear during the Term of this Agreement shall be capped at a total of \$150,000 per Contract Year and \$2,000,000 in the aggregate over the Term (“**Environmental Attribute Compliance Expenditure Cap**”). Environmental Attribute Compliance Expenditures do not include costs up to the \$10,000 cap associated with switching from a Co-located Resource to a Hybrid Resource under Section 2.1.2. The Environmental Attribute Compliance Expenditures and the Capacity Attribute Compliance Expenditures shall not, when summed together, exceed the cap of \$150,000 per Contract Year or \$2,000,000 in the aggregate. For the avoidance of doubt, there is combined dollar cap (\$150,000 and \$2,000,00, respectively) that applies to both Environmental Attribute Compliance Expenditures and Capacity Attribute Compliance Expenditures.

3.4.2 If a change in Law occurs after the Effective Date that affects Seller's compliance with its obligations under this Section 3, Seller shall not be in breach of such obligations if Seller has used commercially reasonable efforts to comply with such change in Law as it pertains to such obligations. For purposes of this Section 3.4.2, the term “commercially reasonable efforts” shall not require additional out-of-pocket expenditures in the aggregate in excess of the Environmental Attribute Compliance Expenditure Cap in complying with the changes in Law described in this Section 3.4 unless SMUD and Seller have agreed in writing for SMUD to reimburse Seller for or to pay directly such excess expenditures.

3.4.3 Within thirty (30) days after the end of each calendar quarter during the Term, Seller shall provide SMUD with a report describing the Environmental Attribute Compliance Expenditures that Seller incurred during that calendar quarter and the total Environmental Attribute Compliance Expenditures incurred during the Contract Year that includes such calendar quarter. Prior to incurring Environmental Attribute Compliance Expenditures that are

anticipated to exceed \$25,000, Seller shall notify SMUD of the expected Environmental Attribute Compliance Expenditures. Following such notice, the Parties shall attempt to agree to limit such Environmental Attribute Compliance Expenditures to the extent practicable; provided, however, that nothing herein limits Seller's right to incur Environmental Attribute Compliance Expenditures that Seller believes in good faith must be incurred for Seller to comply with its obligations under this Agreement, as long as the above notification provisions are met. If Seller determines that costs in excess of the Environmental Attribute Compliance Expenditure Cap will have to be incurred, then Seller shall notify SMUD and provide documentation and calculations to support the expected excess costs. SMUD may then: (1) approve the expected excess costs and notify Seller of such approval, and Seller shall comply upon receipt of notice of SMUD's approval and SMUD's payment for the expected excess costs (such costs, "**Accepted Compliance Expenditures**"); or (2) elect not to pay Seller for the expected excess costs and notify Seller of such decision, in which case this Agreement shall continue in full force and effect and Seller shall continue to be excused from performing any obligation that causes, or would cause, the incurrence of such Environmental Attribute Compliance Expenditures in excess of the Environmental Attribute Compliance Expenditure Cap. SMUD is not required to reimburse Seller for any Environmental Attribute Compliance Expenditures unless and until SMUD agrees to the expected Compliance Expenditures in excess of the Environmental Attribute Compliance Expenditure Cap. To the extent that SMUD has not agreed to reimburse, or has not reimbursed, Seller for any Accepted Compliance Expenditures, then SMUD is deemed to have waived Seller's obligation that causes, or would cause, the incurrence of such Environmental Attribute Compliance Expenditures in excess of the Environmental Attribute Compliance Expenditure Cap and (x) Seller will not be in default under this Agreement for failure to satisfy any such obligation and (y) payments to Seller under this Agreement during the entirety of the Delivery Term will not decrease as a result of such change in Law and will be maintained as if all such obligations were taken.

3.5 Additional Evidence of Environmental Attribute Conveyance

At SMUD's reasonable request, Seller shall provide additional reasonable evidence to SMUD or to third parties of SMUD's right, title, and interest in Environmental Attributes and information with respect to Environmental Attributes; provided that no such request may impose any material additional costs on the Seller.

3.6 Modification of Environmental Attribute Reporting and Conveyance Procedure

The Parties shall revise Exhibit H as appropriate and issue a new Exhibit H which shall then become part of this Agreement, subject to Seller acceptance of any changes impacting costs or revenues, in order to reflect changes necessary in the Environmental Attribute conveyance procedure for SMUD to be able to receive and report the Environmental Attributes purchased under this Agreement as belonging to SMUD, in the event that:

- a) WREGIS changes the WREGIS Operating Rules after the Effective Date or applies the WREGIS Operating Rules in a manner inconsistent with Exhibit H after the Effective Date; or,
- b) WREGIS is replaced as the primary method that SMUD uses for conveyance of Environmental Attributes, or additional methods to convey all Environmental Attributes are required.

In no event will such revised Exhibit H cause Seller to incur any category of cost for which it is not already otherwise responsible under this Agreement, without prior notice by SMUD and agreement of the Parties as to the appropriateness of such cost belonging with the Seller and subject to Section 3.4.

3.7 Reporting of Ownership of Environmental Attributes

Seller shall not report to any person or entity that the Environmental Attributes sold and conveyed hereunder to SMUD belong to anyone other than SMUD, and SMUD may report under any such program that such Environmental Attributes purchased hereunder belong to SMUD.

3.8 Greenhouse Gas (GHG) Emissions

Seller shall bear all liability for reporting any and all GHG emissions from the Project, and for any compliance obligations under federal, state (including AB 32) and local laws for such emissions.

4. CONVEYANCE OF CAPACITY ATTRIBUTES

4.1 Conveyance of Capacity Attributes

Seller shall provide to SMUD any attestation SMUD reasonably requires in order for SMUD to show evidence that it has procured the Capacity Attributes associated with the Project in accordance with the procedure in Exhibit F. At SMUD's reasonable request, provided that no such request may impose any material additional costs on the Seller, Seller shall execute such documents and instruments as may be reasonably required to affect recognition and transfer of the Capacity Attributes.

4.2 Reporting of Ownership of Capacity Attributes

Seller shall not report to any person or entity that the Capacity Attributes sold and conveyed hereunder to SMUD belong to anyone other than SMUD, and SMUD may report under any such program that such Capacity Attributes purchased hereunder belong to it.

4.3 Modification of Capacity Attribute Conveyance Procedure

SMUD may revise Exhibit F as appropriate, give written notice to Seller regarding the revision, and issue a new Exhibit F which shall then become part of this Agreement, provided that no such modification may impose any material additional costs or obligations on the Seller, or reduce Seller's compensation hereunder, in order to reflect changes necessary in the Capacity Attribute conveyance procedure for SMUD to be able to receive and report the Capacity Attributes purchased under this Agreement as belonging to SMUD.

In no event will such revised Exhibit F cause Seller to incur any category of cost for which it is not already otherwise responsible under this Agreement without prior notice by SMUD and agreement of the Parties as to the appropriateness of such cost belonging with the Seller.

4.4 Energy Market Participation

The Parties acknowledge and agree that as of the date hereof, SMUD is participating in the EIM and/or other energy markets. The Parties have agreed to a structure in this Agreement to facilitate SMUD's use of the Project to participate in such markets. Notwithstanding anything herein to the contrary, SMUD's joining or continued participation in such markets shall not require Seller to perform any additional measures or incur any additional or increased cost, liability or obligation, in each case other than what Seller is already otherwise expressly obligated under this Agreement, unless compensated by SMUD. If in the future, market rules or policies change, then without limiting Seller's and SMUD's rights under Section 3.4, the Parties shall meet and confer to discuss the new market rules and whether updates to the scheduling, settlements, or other procedures are required and to preserve the economic "benefit of the bargain" to both Parties to this Agreement.

4.5 Change in Law

4.5.1 The Parties agree that expenditures to comply with the obligations set forth in this Article 4 that Seller shall bear with respect to the conveyance of Capacity Attributes to SMUD (“**Capacity Attribute Compliance Expenditures**”) shall be capped at a total of \$150,000 per Contract Year and \$2,000,000 in the aggregate over the Delivery Term of the Battery Storage Project (“**Capacity Attribute Compliance Expenditure Cap**”). The Capacity Attribute Compliance Expenditures and the Environmental Attribute Compliance Expenditures shall not, when summed together, exceed the cap of \$150,000 per Contract Year or \$2,000,000 in the aggregate. For the avoidance of doubt, there is combined dollar cap (\$150,000 and \$2,000,00, respectively) that applies to both Capacity Attribute Compliance Expenditures and Environmental Attribute Compliance Expenditures.

4.5.2 If a change in Law occurs after the Effective Date that affects Seller’s compliance with its obligations under this Article 4, Seller shall not be in breach of such obligations if Seller has used commercially reasonable efforts to comply with such change in Law as it pertains to such obligations. For purposes of this Section 4.5.2, the term “commercially reasonable efforts” shall not require additional out-of-pocket expenditures in the aggregate in excess of the Capacity Attribute Compliance Expenditure Cap in complying with the changes in Law described in this Section 4.5 unless SMUD and Seller have agreed in writing for SMUD to reimburse Seller for or to pay directly such excess expenditures.

4.5.3 Within thirty (30) days after the end of each calendar quarter during the Delivery Term for the Battery Storage Project, Seller shall provide SMUD with a report describing the Capacity Attribute Compliance Expenditures that Seller incurred during that calendar quarter and the total Capacity Attribute Compliance Expenditures incurred during the Contract Year that includes such calendar quarter. Prior to incurring Capacity Attribute Compliance Expenditures that are anticipated to exceed \$25,000, Seller shall notify SMUD of such expected Compliance Attribute Compliance Expenditures. Following such notice, the Parties shall attempt to agree to limit such Capacity Attribute Compliance Expenditures to the extent practicable; provided, however, that nothing herein limits Seller’s right to incur Capacity Attribute Compliance Expenditures that Seller believes in good faith must be incurred for Seller to comply with its obligations under this Agreement, as long as the above notification provisions are met. If Seller determines that costs in excess of the Capacity Attribute Compliance Expenditure Cap will have to be incurred, then Seller shall notify SMUD and provide documentation and calculations to support the expected excess costs. SMUD may then: (1) approve the expected excess costs and notify Seller of such approval, and Seller shall comply upon receipt of notice of SMUD’s approval and SMUD’s payment for the expected excess costs (such costs, “**Accepted Capacity Attribute Compliance Expenditures**”); or (2) elect not to pay Seller for the expected excess costs and notify Seller of such decision, in which case this Agreement shall continue in full force and effect and Seller shall continue to be excused from performing any obligation that causes, or would cause, the incurrence of such Capacity Attribute Compliance Expenditures in excess of the Capacity Attribute Compliance Expenditure Cap. SMUD is not required to reimburse Seller for any Capacity Attribute Compliance Expenditures unless and until SMUD agrees to the expected Capacity Attribute Compliance Expenditures in excess of the Capacity Attribute Compliance Expenditure Cap. To the extent that SMUD has not agreed to reimburse, or has not reimbursed, Seller for any Accepted Capacity Attribute Compliance Expenditures, then SMUD is deemed to have waived Seller’s obligation that causes, or would cause, the incurrence of such Capacity Attribute Compliance Expenditures in excess of the Capacity Attribute Compliance Expenditure Cap and (x) Seller will not be in default under this Agreement for failure to satisfy any such obligation and (y) payments to Seller under this

Agreement during the entirety of the Delivery Term will not decrease as a result of such change in Law and will be maintained as if all such obligations were taken.

5. INTERCONNECTION; TELEMETERING; STORAGE DISPATCH

5.1 Interconnection Agreement

Seller shall execute a LGIA with SMUD at the same time as execution of this Agreement. The LGIA specifies the obligations of the parties thereto with respect to the construction, operation and maintenance of certain interconnection facilities.

5.2 Station Service Load

Station Service Load for the Project shall be governed by the Country Acres Clean Power, LLC – 230kV Retail Station Service Load, Letter of Agreement; provided, that Seller may service Station Service Load of the Battery Storage Project with output of the Solar Project. The use of Battery Storage Energy for Station Service Load is prohibited. The amount of metered Charging Energy delivered by SMUD and measured at the Battery Storage Meter and the amount of Discharging Energy delivered to SMUD and measured at the Battery Storage Meter shall not be separately adjusted to reflect Station Service Load.

5.3 No Additional Loads

Seller shall not connect any loads not associated with Station Service Loads at the location of the Project in a manner that would reduce the Energy provided from the Project to SMUD hereunder. Seller shall obtain separate retail electric service under existing tariffs for the service of any such additional loads. Retail electric service may be obtained from SMUD or other retail electric service provider for the project site, as applicable.

5.4 Charging Energy Management

5.4.1 Upon receipt of a valid Charging Notice, Seller shall take all actions necessary to allow Charging Energy to be delivered to the Battery Storage Project in accordance with the SMUD Setpoint. SMUD shall be responsible for arranging, managing, purchasing, scheduling and paying all costs and charges, including any CAISO market costs and charges, associated with all of the Charging Energy for the Battery Storage Project in accordance with the terms of this Section 5.4 and the Operating Restrictions. SMUD shall be responsible for delivery of, and shall be deemed in control of, Charging Energy to and at the Delivery Points, and Seller shall be responsible for accepting and transferring, and shall be deemed in control of, Charging Energy from the Delivery Points to the Battery Storage Project. Seller shall be responsible for delivering all Discharging Energy to the Delivery Points in accordance with the SMUD Setpoint. SMUD shall be responsible for accepting and transferring all Discharging Energy at and from the Delivery Points.

5.4.2 SMUD will have the right to charge the Battery Storage Project seven (7) days per week and twenty-four (24) hours per day (including holidays), by providing Charging Notices to Seller electronically, subject to the availability of the Battery Storage Project and the requirements and limitations set forth in this Agreement, including the Battery Storage Operating Restrictions and the provisions of Section 5.4.1. Each Charging Notice issued in accordance with this Agreement will be effective unless and until SMUD modifies such Charging Notice by providing Seller with an updated Charging Notice.

5.4.3 Seller shall not charge the Battery Storage Project during the Delivery Term other than (a) pursuant to a valid Charging Notice, (b) in connection with a Battery Storage Capacity

Test or other test required in accordance with Prudent Utility Practices, or (c) pursuant to a notice from SMUD under the LGIA, or any Governmental Authority. If, during the Delivery Term, Seller (i) charges the Battery Storage Project to a Stored Energy Level greater than the Stored Energy Level provided for in the Charging Notice or (ii) charges the Battery Storage Project in violation of the first sentence of this Section 5.4.3, then (A) Seller shall be responsible for all energy costs associated with such charging of the Battery Storage Project, and (B) SMUD shall be entitled to discharge such energy and entitled to all of the benefits (including Battery Storage Product) associated with such discharge.

5.4.4 SMUD will have the right to discharge the Battery Storage Project seven (7) days per week and twenty-four (24) hours per day (including holidays), by providing Discharging Notices to Seller electronically, subject to the availability of the Battery Storage Project and the requirements and limitations set forth in this Agreement, including the Battery Storage Operating Restrictions. Each Discharging Notice issued in accordance with this Agreement will be effective unless and until SMUD modifies such Discharging Notice by providing Seller with an updated Discharging Notice.

5.4.5 The Plant Controller shall automatically determine the amount of Charging Energy or Discharging Energy based on the SMUD Setpoint.

Notwithstanding any other provision of this Agreement, **at any and all times** the Battery Storage Project may not be, and SMUD shall not issue any instruction, order, Charging Notice, Discharging Notice or other communication requesting or requiring the Battery Storage Project to be, charged, discharged or operated in any manner which results in, or gives rise to any inconsistency with the Battery Storage Operating Restrictions, or any inconsistency with or breach of the Interconnection Agreement; and in the event of any conflict or inconsistency between the Battery Storage Operating Restrictions or the other terms of this Agreement, the Battery Storage Operating Restrictions will prevail.

5.4.6 If requested by SMUD, Seller and SMUD shall enter into good faith discussions to amend this Agreement to modify the Battery Storage Operating Restrictions in Exhibit J and to make any related amendments. Each Party acknowledges and agrees that this Section 5.4.6 does not create any legally binding obligation on either Party to enter into such amendment.

5.5 Telemetry

The Project will require telemetry equipment connected to SMUD's energy management system ("**EMS**") including the CAISO automated Dispatch system (ADS) as provided in the Data Points List in Appendix H of the LGIA.

6. PERMITTING; STANDARD OF CARE; OPERATIONS; CURTAILMENT

6.1 Permitting

The Parties' respective obligations to secure Permits for the Project are specified in the Country Acres Lease and Development Services Agreement.

6.2 Standard of Care

Seller shall pay and be responsible for designing, installing, operating, and maintaining the Project in accordance with all applicable Laws and Prudent Utility Practice.

Seller shall: (a) operate and maintain the Project in a safe manner in accordance with Prudent Utility Practice and (b) maintain any governmental authorizations and Permits required for the construction and operation thereof.

SMUD shall: (a) operate and maintain its Transmission System in a safe manner in accordance with Prudent Utility Practice and all applicable Laws, as such Laws may be amended from time to time; and (b) maintain any governmental authorizations and Permits required for the construction and operation thereof.

6.3 Project Cleaning

SMUD may request at any time that Seller clean the panels of the Solar Project, and Seller shall do so within a reasonable amount of time of receiving SMUD's request, at SMUD's cost, without Seller mark-up; provided that SMUD may only request panel cleaning up to twice in any Contract Year, with additional cleanings by mutual agreement. Seller shall provide to SMUD a good faith estimate of the cost of panel cleaning prior to each cleaning event.

6.4 Operational Modes

Upon request by SMUD from time to time during the Term, Seller will negotiate in good faith with SMUD to establish one or more commercially reasonable operational modes associated with the operation of the Project that would coordinate the automated Dispatch of the Battery Storage Project with the operations of the Solar Project and/or implement other desired functionality of the Battery Storage Project ("Operational Modes"). All agreed-upon Operational Modes will be documented in writing, executed by authorized representatives of each Party and govern the operations of the Project by the Parties, but will not be considered a modification of this Agreement and will be subject at all times to the terms of this Agreement, including the Operating Restrictions, except to the extent expressly indicated in such writing. Seller shall not be required to agree upon an Operational Mode that would require a modification to the Project, this Agreement, including the Operating Restrictions, the LGIA or any other agreement between Seller and SMUD, or that will expose Seller, in its reasonable judgment, to financial or operational risk. Any disagreements regarding the adoption or implementation of an Operational Mode will be resolved in accordance with the dispute resolution provisions in Section 21 hereof.

6.5 Dispatchability

Subject to the terms of this Agreement, the available insolation, the Availability of the Solar Project and the Battery Storage Project as specified in accordance with the Outage Coordination Process, Seller shall at all times follow the SMUD Setpoint and respond to Dispatch Instructions from SMUD, as provided for in Section 5.4 and this Section 6.5.

6.5.1 Subject to the foregoing, Seller grants SMUD the authority to Dispatch the output of the Solar Project and to curtail the Solar Project in full or in part from 0% to 100% of nominal capability up to the Expected PV Capacity and, subject to the Battery Storage Operating Restrictions, the ability to Dispatch the charging or discharging of the Battery Storage Project from 0% to 100% of nominal capability up to the Expected Battery Storage Capacity, by sending a control signal to the Project's Plant Controller for a specific level of power generation (MW), at any time as reflected in the SMUD Setpoint. The MW control signal can be separate outputs for the Solar Project and the Battery Storage Project. Seller shall install

a Plant Controller with the ability to accept a control signal from SMUD's Energy Management System (EMS) through a local SMUD remote terminal unit (RTU) to curtail the Project. The Plant Controller must be able to control both the solar generation and battery storage as one integrated system with requisite metering and controls necessary to bifurcate energy delivered from each subsystem (panels and battery storage). The Plant Controller shall run in mutually exclusive local or remote control modes. In local control mode, controller modes and setpoints can be selected by an operator from the plant SCADA. In remote control mode, controller modes and setpoints are selected via the SMUD remote terminal unit. Transition between local and remote modes shall be initiated by the SMUD operator via SMUD's EMS. In remote control mode the controller shall track remote setpoints and provide seamless transitioning from remote to local control mode.

6.5.2 The Plant Controller shall have a "No Grid Charging" control flag.

- c) When this "No Grid Charging" flag is turned "On", the Plant Controller shall take automatic action to immediately stop charging the Battery Storage Project upon detecting that the Charging Energy of the Battery Storage Project is from the Transmission Provider's transmission grid, not from the Solar Project.
- d) When this "No Grid Charging" flag is turned "Off", the Plant Controller shall take no action regarding grid charging.

6.5.3 The Plant Controller shall have the capability to limit the total combined instantaneous energy delivered to the Point(s) of Interconnection by the Solar Project and Battery Storage Project to not higher than the Interconnection Capacity Limit. When the Plant Controller detects that the instantaneous total combined energy delivered to the Point(s) of Interconnection is higher than the Interconnection Capacity Limit, the Plant Controller shall take automatic action to either immediately reduce the Discharging Energy from the Battery Storage Project such that the total combined instantaneous energy delivered to the Point(s) of Interconnection is no more than the Interconnection Capacity Limit, or charge the Battery Storage Project, as the case may be.

6.5.4 Active power ramp rate control shall provide for the transition between generation levels at a controlled ramp rate. The controller shall support a power generation ramp rate in compliance with LGIA requirements.

6.5.5 PV Dispatchability control accuracy shall be better than a +/- 2 MW average over a five (5) minute interval. Battery Dispatchability control accuracy shall be better than a +/- 2 MW average over a five (5) minute interval. Seller shall provide SMUD evidence of this accuracy upon SMUD's request.

6.5.6 Notwithstanding any other provision of this Agreement, the Battery Storage Project shall not be required to comply with any instructions, requests or directions for the Battery Storage Project to perform or operate in a manner inconsistent with the Battery Storage Operating Restrictions.

7. SCHEDULING AND FORECASTING; OUTAGES; ACCESS RIGHTS

7.1 Scheduling and Forecasting

The Project is interconnected to the SMUD Service Territory, and SMUD will make its own forecast, or contract with a third party for forecasting, of Project Energy production for use in its Scheduling process. SMUD shall (1) be responsible for all costs, charges and penalties associated with SMUD's bidding and scheduling rights under this Agreement for scheduling of the Project's Products, and all imbalance energy costs, charges and penalties and (2) be entitled to all revenues assessed or provided associated with SMUD's bidding and scheduling of the Project's Products.

Seller shall comply with SMUD's Outage Coordination Process.

7.2 Scheduling Coordinator; CAISO Settlements

SMUD shall be the Scheduling Coordinator for scheduling services for the Project, and for both the delivery and receipt of the Product at the Delivery Points, or contract with a third party for Scheduling Coordinator responsibilities (any such third party, a "**Third-Party SC**"). The Scheduling Coordinator requirements include, but are not limited to SMUD's participation in the CASIO's EIM and day-ahead market or other energy markets. As between Seller and SMUD, SMUD is responsible for all acts and omissions of any Third-Party SC and for all cost, charges and liabilities incurred by Third-Party SC to the same extent that SMUD would be responsible under this Agreement for such acts, omissions, costs, charges and liabilities if taken, omitted or incurred by SMUD directly. Seller shall have no liability to a Third-Party SC for any reason under this Agreement. SMUD (as the Scheduling Coordinator) shall be responsible for all settlement functions with the CAISO related to the Project, and shall submit bids to the CAISO in accordance with this Agreement, the applicable CAISO Tariff, protocols and scheduling practices for Product on a day-ahead, hour-ahead, fifteen-minute market, real-time or other market basis that may develop after the Effective Date, as determined by Buyer consistent with the CAISO Tariff.

7.2.1 Scheduling Coordinator Fee

As consideration for Buyer's services as Scheduling Coordinator, Seller shall pay Buyer a fee for Scheduling Coordination equal to One Hundred Thousand Dollars (\$100,000) per Contract Year ("**Scheduling Coordination Fee**"). This fee shall escalate at an annual rate of two percent (2.0%), as shown in Exhibit G, commencing on the first day of the second Contract Year and continuing throughout the Delivery Term or until the earlier termination of this Agreement. The pro rata share of the Scheduling Coordination Fee will be included with each monthly settlement statement. The amount owed by Seller to Buyer under this section for services rendered may be set-off from amounts owed by Buyer to Seller as provided in Section 16 of this Agreement. For the time period beginning with the first day that the Seller is producing pre-COD Energy as detailed in Section 2.4.1 through the day before the official COD as provided in Section 2.3.4, the Seller shall pay Buyer a pro-rated Scheduling Coordination Fee of \$273.97 per day for each day during this time period.

7.3 Energy Imbalance Market – EIM or other

SMUD participates in the EIM, and the Parties acknowledge that the Project will be an EIM Participating Resource and such participation will incur imbalance deviation charges. Extensions of the EIM into the Day-Ahead Market may result in additional imbalance deviations, the responsibility for which shall be governed by Section 7.1.

7.4 Outage Coordination

All electrical or mechanical testing of the Solar Project and Battery Storage Project, or related facilities that may have an impact on generation or could result in a change to the normal state of the facility shall be coordinated with SMUD in accordance with current, as of the Effective Date (subject to Section 7.7), version of "SMUD Transmission Generation Outage Coordination Process" or ("**Outage Coordination Process**") posted to the smud.org website, under Interconnection Information, to ensure Bulk Electrical System reliability in accordance with Federal standards.

7.5 Planned Outages

Planned Outages may only be taken upon thirty (30) days written notice to SMUD and SMUD approval. Seller shall use commercially reasonable efforts to not schedule or take any Planned Outages from 6:00 a.m. through 10:00 p.m. Pacific Prevailing Time during the months of May through September unless required by Prudent Utility Practice or applicable Law. Seller shall use commercially reasonable efforts in accordance with Prudent Utility Practice to minimize the frequency and actual duration of Planned Outages and optimize the availability of Energy from the Project. Seller shall provide Planned Outage notifications in accordance with the Outage Coordination Process.

7.6 Forced Outages

Seller shall provide Forced Outage notifications in accordance with the Outage Coordination Process. When Seller desires to return the Project to service, Seller shall notify SMUD of the same. SMUD shall use commercially reasonable efforts to accommodate the return to service as soon as practicable after such request; provided that SMUD shall permit the Project to return to service no later than the estimated time of return. SMUD may require Seller to interrupt or reduce deliveries of Energy pursuant to a Dispatch Instruction due to an event or circumstance at or following the estimated time of return. When Seller provides notice to SMUD that Seller desires to return the Project to service and the Project is actually capable of returning to service, the Project shall be deemed to be available for all purposes under this Agreement, notwithstanding any delay caused by SMUD.

7.7 Modification of Outage Coordination Process

SMUD may, from time to time, revise the Outage Coordination Process by providing reasonable notice to Seller, in accordance with Prudent Utility Practice, prior to the effectuation of such change, provided that no change to the Outage Coordination Process shall require Seller to incur costs or suffer liabilities other than de minimis administrative internal costs.

7.8 Access Rights

SMUD, its authorized agents, employees and inspectors, upon advance notice to Seller and at their own cost and expense and subject to Section 12.2, shall have the right to reasonably, periodically visit the Project site and inspect the Project in accordance with the Definitive Agreements.

8. TERM, TERMINATION EVENT AND TERMINATION

8.1 Term

The term of this Agreement (the “**Term**”) shall commence upon the last execution by the duly authorized representatives of each of SMUD and Seller, and shall remain in effect until the conclusion of the Delivery Term, unless terminated sooner pursuant to the terms of this Agreement. All indemnity rights shall survive the termination of this Agreement for twelve (12) months.

8.2 Events of Default; Remedies

8.2.1 An “**Event of Default**” shall mean, with respect to a Party (a “**Defaulting Party**”), the occurrence of any of the following:

- a) the Defaulting Party fails to make, when due, any payment required under this Agreement if such failure is not remedied within ten (10) days after receipt of notice from the Non-Defaulting Party;
- b) any representation or warranty made by such Defaulting Party herein is false or misleading in any material respect when made, and such failure is not cured within thirty (30) days after receipt of notice from the Non-Defaulting Party, or such longer period not to exceed sixty (60) days if the failure is not capable of being cured within such thirty (30) days with the exercise of reasonable diligence, so long as the Defaulting Party has commenced and is diligently pursuing a cure during such initial thirty (30)-day period;
- c) the Defaulting Party fails to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate default under this Section 8.2.1 or otherwise has a specific remedy provided in this Agreement), if such failure is not remedied within thirty (30) days of receipt of notice from the Non-Defaulting Party, or such longer period not to exceed ninety (90) days if the failure is not capable of being cured within such thirty (30) days with the exercise of reasonable diligence, so long as the Defaulting Party has commenced and is diligently pursuing a cure during such initial thirty (30)-day period; and/or
- d) the Defaulting Party becomes Bankrupt.

8.2.2 Remedies

- a) Termination for Default. Except as otherwise expressly provided in this Agreement, an Event of Default by a Defaulting Party, the other Party (the “**Non-Defaulting Party**”) shall have the right to (a) terminate this Agreement by providing notice of such termination to the Defaulting Party, which termination shall be effective on a day no earlier than five (5) days after such notice is deemed to be received (as provided in Section 15) and no later than twenty (20) days after such notice is deemed to be received (as provided in Section 15) and, except as provided in Section 8.3 to the contrary, the Defaulting Party shall pay the Non-Defaulting Party a Termination Payment calculated in accordance with Section 8.5, or (b) pursue any other remedies available at law or in equity, including where appropriate, specific performance or injunctive relief, except to the extent such remedies are expressly limited under this Agreement. If the Non-Defaulting Party fails to terminate this Agreement under clause (a) of this paragraph by notice to the Defaulting Party within six (6) months

following the Non-Defaulting Party's notice of an Event of Default, then the Non-Defaulting Party shall be deemed to have waived its rights to terminate this Agreement pursuant to clause (a) of this paragraph with respect to such Event of Default. If the Non-Defaulting Party elects to terminate this Agreement under clause (a) of this paragraph, then the sole and exclusive remedy available to the Non-Defaulting Party shall be the Termination Payment calculated in accordance with Section 8.5. Notwithstanding any provision herein to the contrary, if Seller commits an Event of Default under this Agreement prior to the Commercial Operation Date, SMUD's sole and exclusive remedy in respect of such Event of Default shall be to terminate this Agreement and retain the Development Security then-held by SMUD pursuant to Section 9.1 of this Agreement (less any Delay Damages already paid by Seller).

For the avoidance of doubt, the Non-Defaulting Party shall not be entitled to multiple monetary remedies for the same damages caused by an event of default under the Definitive Agreements.

b) Suspension.

i) **Duty to Mitigate Damages.** In addition to (and without limiting) the remedies for an Event of Default otherwise available at law or in equity, during the existence of an Event of Default, the Non-Defaulting Party shall use commercially reasonable efforts to mitigate the damages incurred as a result of such Event of Default.

ii) **Right to Suspend.** In addition, during the existence of an Event of Default, the Non-Defaulting Party may, by notice to the Defaulting Party, suspend (the date of such notice, the "**Suspension Date**") in whole or in part its payment (excluding accrued payment obligations prior to such Suspension Date) or performance under this Agreement, in either case, not to exceed thirty (30) days.

iii) **Responsibility for damages during Suspension.** Such suspension shall not relieve the Defaulting Party of its obligations to pay damages arising out of such Event of Default.

iv) **Resumption of Performance Following Suspension.** After the Defaulting Party's cure of such Event of Default, and provided there is no other Event of Default by such Defaulting Party then occurring and this Agreement has not been terminated, the Non-Defaulting Party will resume performance of its obligations under this Agreement.

c) **Termination or Suspension without Cause.** Except for the rights to terminate and suspend expressly set forth in this Agreement, neither Party shall have any right to terminate this Agreement or suspend its performance for any reason.

8.3 Termination Rights

SMUD shall have the right but not the obligation to terminate this Agreement, in whole or in part, if any of the following occur, each of which is a "**Termination Event**":

8.3.1 Failure to achieve Commercial Operation

If the Project does not achieve Commercial Operation by the Guaranteed COD for a reason other than an Excusable Delay, Buyer has the right but not the obligation to terminate this Agreement and Seller liability is capped at the sum of the Project Development Security minus the amount of any Delay Damages that have been paid.

If the Project does not achieve Commercial Operation by the Guaranteed COD as a result of an Excusable Delay and the delay in Commercial Operation exceeds two (2) years, either Party may terminate this Agreement, SMUD and Seller shall have no further liability under this Agreement, and SMUD shall return any security provided by Seller; provided that the foregoing does not excuse SMUD from any liability under this Agreement associated with an Excusable Delay that is a default under this Agreement or that is caused by the negligence of SMUD.

If an Excusable Delay results in Seller' failure to meet the commercial operation date milestone under the Interconnection Agreement, and as a result the Interconnection Agreement is terminated, either Party may terminate this Agreement, SMUD and Seller shall have no further liability under this Agreement and SMUD shall return any security provided by Seller; provided that the foregoing does not excuse SMUD from any liability under this Agreement associated with an Excusable Delay that is a SMUD default under this Agreement or that is caused by the negligence of SMUD.

To exercise the right to terminate, the terminating Party shall provide the other Party with a ten (10) day advance written notice. If Seller achieves the Commercial Operation Date prior to the end of the ten (10) day notice period, SMUD shall not exercise its right to terminate the Agreement.

8.3.2 Failure to sell or deliver Energy

If, after the Commercial Operation Date, Seller has not sold or delivered Products from the Project to SMUD for a period of twelve (12) consecutive months, except due to Force Majeure events and/or SMUD breaches that prevent or excuse Seller from delivering Products, then SMUD shall have the right to terminate this Agreement. If the reason for such failure in deliveries is due to any Major Equipment Failure and Seller is working diligently to overcome the effect of such failure, Seller shall have an additional twelve (12) month period to cure any such failure.

8.3.3 Availability below Requirements

Beginning on the first day of the second full Contract Year of this Agreement, and annually thereafter, if the Annual Average Battery Storage Availability or the Annual Average PV Availability during any Measurement Period is less than the respective Battery Storage Availability Requirement or the PV Availability Requirement, then SMUD shall have the right to terminate this Agreement.

Notice of such termination for this Event of Default shall be given in writing a minimum of sixty (60) days prior to the effectiveness of such termination and within one hundred twenty (120) days following the end of the second of the applicable two (2) Contract Years.

SMUD's ability to exercise such termination right in respect of any Measurement Period shall be deferred for up to one year (or deferred up to two years if caused by a Major Equipment Failure) if Seller has reasonably demonstrated to SMUD, and is actively implementing in good faith, a cure plan for any such failure as described below.

A cure plan may include, but is not limited to, the addition of solar modules or batteries to the system at Seller's sole expense. A cure plan that reasonably shows the Project's ability to achieve the applicable PV or Battery

Storage Availability Requirement in that current Measurement Period must be submitted to SMUD within 60 days of Seller's receipt of SMUD's notice of termination. SMUD shall then have 30 days after receipt of the cure plan to inform Seller in writing of any reasonable objections to the cure plan. SMUD's non-objection to, or requested modifications to, Seller's cure plan does not waive SMUD's termination rights in the event that Seller does not remedy the Annual Average Battery Storage Availability or Annual Average PV Availability, respectively, by either 1) the end of the following Contract Year for non-Major Equipment Failures, or 2) the end of the following second Contract Year for Major Equipment Failures. Any disagreements regarding the cure plan will be resolved in accordance with the dispute resolution provisions in Section 21 hereof.

To the extent that a Major Equipment Failure causes the Annual Average PV Availability to be less than the Solar Availability Requirement, or the Annual Average Battery Storage Availability to be less than the Battery Storage Availability Requirement, such failure can be excluded from the Annual Availability determination only as it relates to this Section 8, but cannot be excluded by Seller from the monthly payment and commercial settlements process described in Section 2.4.9. For the avoidance of doubt, loss of availability due to a Major Equipment Failure would impact the monthly Availability Percentage but could be excluded from the determination of the Annual Average PV Availability.

8.3.4 Failure to Comply with RPS Requirements

Except as otherwise provided in Section 3.4, in which case, for the avoidance of doubt there will be no termination right if the cause of such non-compliance is SMUD's choice to not pay costs in excess of the Compliance Expenditure Cap:

- a) Seller fails to obtain RPS Certification for the Solar Project within six (6) months after COD, except if failure to obtain RPS Certification within this six (6) month period is not due to Seller's action or inaction, then Seller shall be provided a day-for-day delay right to obtain RPS Certification up to an additional of six (6) months for a total of no more that twelve (12) months after COD as long as such day-for-day delay is not due to Seller's action or inaction. Seller shall present to SMUD a reasonable plan of action laying out those steps that Seller shall take in order to obtain such certification as quickly as possible, for acceptance by SMUD, which acceptance shall not be unreasonably withheld; or
- b) Subject to Section 3.4, Seller's failure to maintain RPS Certification for the Solar Project, if such failure is not cured within thirty (30) days after written notice; provided that during any period where Seller has not maintained RPS Certification for the Solar Project, whether before or after written notice, SMUD shall not be obligated to purchase any Energy or other Products from Seller hereunder, but Seller may sell such Energy and other Products to third parties.

8.3.5 Termination of Land Lease or LGIA

If the Lease is terminated for a Tenant default pursuant to the terms of such agreement, or if Seller elects to terminate the LGIA and/or Lease under the terms of those agreements, this Agreement shall terminate automatically without any further action of the Parties, effective upon the date of the subject agreement termination.

8.4 Notice of Termination Event

If a Termination Event has occurred, SMUD shall have the right to: (a) send notice, designating a day, no earlier than five (5) days after such notice is deemed to be received (as provided in Section 15) and no later than twenty (20) days after such notice is deemed to be received (as provided in Section 15) (unless, in each

case, a longer notice period is set forth in Section 8.3), as an early termination date of this Agreement (“**Early Termination Date**”) unless the Parties have agreed to resolve the circumstances giving rise to the Termination Event; (b) except for a termination pursuant to Section 8.3.1 or as elsewhere provided in this Agreement to the contrary, calculate the Termination Payment in accordance with Section 8.5 owed in connection with such Termination Event; and (c) terminate this Agreement and end the Delivery Term effective as of the Early Termination Date. With respect to any Termination Event prior to the Commercial Operation Date, including pursuant to Section 8.3.1, Seller’s sole and exclusive liability and SMUD’s sole and exclusive remedy aside from terminating this Agreement shall be the forfeiture of Seller’s Development Security to SMUD less any Delay Damages already paid by Seller.

8.5 Termination Payment Calculation

If a Termination Event occurs or if this Agreement is terminated following a breach or default as provided in Section 8.2 of this Agreement, in each case ultimately resulting in termination of this Agreement, a “**Termination Payment**” shall be determined in accordance with this Section 8.5. Notwithstanding any provision herein to the contrary, prior to the Commercial Operation Date, the Termination Payment associated with a Termination Event or breach or default caused by Seller shall be zero dollars (\$0.00).

8.5.1 The Termination Payment payable by the Defaulting Party to the Non-Defaulting Party shall equal: (i) Non-Defaulting Party’s Loss as calculated under Section 8.5.1(a) below and discounted to present value as set forth under Section 8.5.1(b) below; plus (ii) Non-Defaulting Party’s Cost as calculated under Section 8.5.1(c) below; which will then be aggregated with any amounts owed to the Non-Defaulting Party as of the Early Termination Date. If the Termination Payment as so calculated would be less than zero, it shall be deemed to be zero, provided that notwithstanding anything herein to the contrary, each Party shall compensate the other Party for amounts due in respect of prior performance rendered under this Agreement.

- a) The Parties intend that Non-Defaulting Party’s “**Loss**” shall be the net economic loss (exclusive of Costs), if any, resulting from the termination of this Agreement, determined in a commercially reasonable manner as calculated in accordance with this Section 8.5. The Loss, if any, suffered by Non-Defaulting Party shall be determined by:
 - i) Comparing the value of the remaining Term, applying the Expected PV Capacity or Expected Battery Storage Capacity, as the case may be, multiplied by twelve (12), minus capacity reduction for degradation in future years (assumed to be 0.5% per year for both the Solar Project and the Battery Storage Project), and the PV Price or Battery Storage Price (loss is computed separately for the Solar Project and the Battery Storage Project) for each year of the remaining Term under this Agreement had it not been terminated to the equivalent quantity with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of CA RPS PCC 1 RECs for the affected period of a similar quality and quantity in the geographical location closest in proximity to the Delivery Points and averaging the four quotes.
 - b) REC volume will be a prorated amount based on Exhibit C Expected Energy Production. If either Party fails to provide two quotes, then the average of the other Party’s two quotes shall determine the replacement price. For clarity, if SMUD is the Non-Defaulting Party, the Non-Defaulting Party’s Loss equals the amount by which the market price of replacement Products exceeds the Contract Price therefor, and if

the Seller is the Non-Defaulting Party, the Non-Defaulting Party's Loss equals the amount by which the Contract Price hereunder exceeds the market price of such replacement Products, less the expenses saved by Seller due to SMUD's default (if any), which includes, but is not limited to, the cost of production of the Products. To ascertain the market price of a replacement contract, Non-Defaulting Party may consider, among other valuations, quotations from leading dealers in ERR capacity contracts, and other bona fide third party offers, all adjusted for the length of the remaining Term and differences in transmission. It is expressly agreed that Non-Defaulting Party shall not be required to enter into replacement transactions in order to determine the Termination Payment. For the avoidance of doubt, if this Agreement is terminated as a result of a SMUD Event of Default and the Interconnection Agreement is also terminated, then the Parties agree it shall be reasonable for Seller to assume no replacement sales will occur in calculating the Termination Payment and therefore, in calculating Seller's Loss, the "market price of replacement Products" shall be deemed to be zero.

- c) The Loss calculated under paragraph (a) shall be discounted to present value using a discount rate of four and one-half percent (4.5%) or appropriate for the Non-Defaulting Party as of the time of termination (to take into account the period between the time notice of termination was effective and when such amount would have otherwise been due pursuant to this Agreement).
- d) Non-Defaulting Party's "**Costs**" shall be calculated as the sum of the brokerage fees, commissions and other similar transaction costs and expenses reasonably incurred in terminating and replacing this Agreement, including, reasonable transmission costs associated with any replacement contract, if any, incurred in connection with Non-Defaulting Party enforcing its rights with regard to this Agreement. Non-Defaulting shall use reasonable efforts to mitigate or eliminate Costs. Consistent with Section 21.2, each Party shall pay and be responsible for their own attorney fees.
- e) The Non-Defaulting Party shall add any amounts owed by the Defaulting Party to the Non-Defaulting Party as of the Early Termination Date as part of the Termination Payment calculation. The Non-Defaulting Party may set-off any amounts owing by the Non-Defaulting Party to the Defaulting Party as of the Early Termination Date against the Termination Payment so that all such amounts are aggregated and/or netted to a single amount. The net amount due to or from the Non-Defaulting Party shall be paid within thirty (30) Business Days following the effective date of termination, or, if the Parties disagree regarding the calculation of the Termination Payment, the date that the calculation of the Termination Payment is resolved pursuant to Section 8.5.2 below.
- f) In no event, however, shall the calculation of Loss or Costs include any penalties or similar charges imposed by the Non-Defaulting Party.

8.5.2 If the Defaulting Party reasonably disagrees with the calculation of the Termination Payment and the Parties cannot otherwise resolve their differences, the calculation issue shall be resolved in accordance with Section 21 of this Agreement.

9. CREDITWORTHINESS

9.1 Project Development and Delivery Term Security

Within thirty (30) days of the Effective Date, Seller shall provide project development security in the amount equal to the product of (i) \$40/kW_{AC} multiplied by (ii) the sum of the Initial Expected PV Capacity and the Initial Expected Battery Storage Capacity (for example, 516 MW_{AC} which is equal to the sum of 344 MW_{AC} PV plus 172 MW_{AC} Battery Storage), to be maintained until the start of the Delivery Term (“**Development Security**”).

Prior to commencement of the Delivery Term, Seller shall provide Delivery Term Security in the amount equal to the product of (a) \$75/kW_{AC} multiplied by (b) the sum of the Expected PV Capacity plus the Expected Battery Storage Capacity at COD, in the form of cash or Letter of Credit from a Qualified Issuer for the initial 3 years of operations, and SMUD shall return the Development Security provided pursuant to this Section 9.1 to Seller. If after Contract Year 3 the project meets all material contract requirements, the Seller may replace cash or Letter of Credit with a Exhibit T Surety Bond or guaranty in a form and from a provider reasonably acceptable to SMUD, including provisions for prompt payment of amounts owed for the duration of the Delivery Term (“**Delivery Term Security**”). Seller shall maintain the Delivery Term Security from a Qualified Issuer for the duration of the Delivery Term.

No lien or other security will be required and SMUD’s recourse against Seller shall be limited to the security provided.

“**Qualified Issuer**” is (A) with respect to a Letter of Credit, a major U.S. commercial bank or a U.S. branch of a foreign bank (“**Bank**”) that, at the time of delivery of a letter of credit, (i) has a combined capital surplus of \$10,000,000,000 and (ii) has a senior unsecured long-term credit rating of at least “A-” by S&P or “A3” by Moody’s. If Qualified Issuer fails to meet the foregoing capital surplus and unsecured long-term credit rating requirements, Seller must replace credit support with another Bank, and (B) with respect to a Surety Bond, an insurance company or companies rated not lower than A-/IX by the A.M. Best Company.

10. WAIVER OF SOVEREIGN IMMUNITY

SMUD will solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. SMUD warrants and covenants, to the extent of its legal authority, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to the enforcement of its obligations under this Agreement.

11. FORCE MAJEURE

11.1 Effect of Force Majeure

Buyer or Seller, as the case may be, shall be excused from performance under this Agreement to the extent, but only to the extent, that performance hereunder is prevented or delayed by an act or event of Force Majeure. The Party invoking Force Majeure shall exercise due diligence to overcome or mitigate the effects of such an act or event of Force Majeure; *provided*, however, that nothing in this Agreement shall be deemed to obligate the Party invoking Force Majeure (a) to forestall or settle any strike, lock-out or other labor dispute against its will; or (b) for Force Majeure affecting Seller only, to purchase electric power to cure the event of Force Majeure.

11.2 Notice of Force Majeure

In the event of any delay or nonperformance resulting from an event of Force Majeure, the Party invoking Force Majeure shall, as soon as practicable under the circumstances, notify the other Party in writing of the nature, cause, date of commencement thereof and the anticipated extent of any delay or interruption in performance.

11.3 Termination Due to Force Majeure Event

If a Party is prevented from performing its material obligations under this Agreement for a period of twelve (12) consecutive months or longer due to Force Majeure, the unaffected Party may terminate this Agreement, without liability of either Party to the other, upon thirty (30) days written notice at any time during the Force Majeure event.

12. INDEMNITY

12.1 Indemnity by Seller

Seller shall defend, release, indemnify and hold harmless SMUD, its directors, officers, employees, agents, and representatives against and from any and all losses, claims, demands, liabilities and expenses, actions or suits, including reasonable costs and attorney's fees, resulting from, or arising out of or in any way connected with claims by third parties associated with the acts or omissions of Seller, its directors, officers, employees, contractors, agents and representatives relating to: (i) the Energy delivered at the Delivery Points; (ii) Seller's operation and/or maintenance of the Project; or (iii) this Agreement; excepting only such loss, claim, action or suit to the extent caused by the willful misconduct or gross negligence of SMUD, its agents, employees, directors or officers.

12.2 Indemnity by SMUD

SMUD shall defend, release, indemnify and hold harmless Seller, its directors, officers, employees, agents, and representatives against and from any and all losses, claims, demands, liabilities and expenses, actions or suits, including reasonable costs and attorney's fees resulting from, or arising out of or in any way connected with claims by third parties associated with acts or omissions of SMUD, its directors, officers, employees, contractors, agents, invitees and representatives, relating to: (i) the Energy delivered by Seller under this Agreement after the Delivery Points, (ii) SMUD's operation and/or maintenance of its Electric System; (iii) the Agrivoltaics FOP; or (iv) this Agreement; excepting only such loss, claim, action or suit to the extent caused by the willful misconduct or gross negligence of Seller, its agents, employees, directors or officers.

13. LIMITATION OF DAMAGES

EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY; SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS EXPRESSLY HEREIN PROVIDED. EXCEPT WITH REGARD TO INDEMNIFICATION OF THIRD PARTY CLAIMS IN ACCORDANCE WITH SECTION 12, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, OR OTHERWISE. UNLESS EXPRESSLY HEREIN PROVIDED, AND SUBJECT TO THE PROVISIONS OF SECTION 12, 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 THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. THE TERMINATION PAYMENT UNDER SECTION 8.5.1 IS NOT SUBJECT TO THE LIMITATION OF DAMAGES PROVISION SET FORTH IN THIS SECTION 13. THE PARTIES EXPRESSLY ACKNOWLEDGE AND AGREE THAT THE LIMITATION OF DAMAGES PROVISIONS CONTAINED IN THIS SECTION 13 WILL NOT LIMIT THE RECOVERY BY SELLER OF DAMAGES BASED ON THE VALUE OF ANY ITC (AS DEFINED IN DEFINITIONS) OR OTHER TAX BENEFITS THAT ARE LOST, UNAVAILABLE, DISALLOWED, REDUCED OR RECAPTURED AND ITC RECAPTURE AMOUNTS (AS DEFINED IN DEFINITIONS) THAT ARE REQUIRED TO BE REPAID, DETERMINED ON AN AFTER-TAX BASIS, BY SELLER, SELLER'S DIRECT OR INDIRECT OWNERS, A LENDER, A TAX EQUITY INVESTOR OR ANY OF THEIR AFFILIATES DUE TO AN EVENT OF DEFAULT BY SMUD THAT SELLER HAS NOT BEEN ABLE TO MITIGATE AFTER USE OF COMMERCIALY REASONABLE EFFORTS (WHICH SUCH AMOUNTS WILL BE DEEMED TO BE DIRECT DAMAGES RECOVERABLE BY SELLER).

14. REPRESENTATION AND WARRANTIES; COVENANTS

14.1 Representations and Warranties

On the Effective Date, each Party represents and warrants to the other Party that:

14.1.1 It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

14.1.2 The execution, delivery and performance of this Agreement is within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;

14.1.3 This Agreement and each other document executed and delivered in accordance with this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

14.1.4 It is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its actual knowledge, threatened against it which would result in it being or becoming Bankrupt;

14.1.5 There are not pending or to its actual knowledge threatened legal proceedings against it or any of its affiliates that could materially adversely affect its ability to perform its obligations under this Agreement; and

14.1.6 It is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of, and understands and accepts, the terms, conditions and risks of this Agreement.

14.2 General Covenants

Each Party covenants that throughout the Term of this Agreement:

14.2.1 It shall continue to be duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

14.2.2 It shall maintain (or obtain from time to time as required, including through renewal, as applicable) all regulatory authorizations necessary for it to legally perform its obligations under this Agreement; and

14.2.3 It shall perform its obligations under this Agreement in a manner that does not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it.

14.3 SMUD Representations and Warranties

14.3.1 As of the Effective Date and throughout the Delivery Term, SMUD represents and warrants to Seller that:

14.3.2 SMUD is subject to claims and to suit for damages in connection with its obligations under this Agreement pursuant to and in accordance with the laws of the State of California applicable to municipal utility districts;

14.3.3 SMUD is a "local public entity" as defined in Section 900.4 of the Government Code of the State of California.

15. NOTICES

Notices shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier service, facsimile or electronic messaging (e-mail). Whenever this Agreement requires or permits delivery of a "notice" (or requires a Party to "notify"), the Party with such right or obligation shall provide a written communication in the manner specified below. A notice sent by facsimile transmission or email will be recognized and shall be deemed received on the Business Day on which such notice was transmitted if received before 5 p.m. Pacific prevailing time (and if received after 5 p.m., on the next Business Day) and a notice by overnight mail or courier shall be deemed to have been received two (2) Business Days after it was sent or such earlier time as is confirmed by the receiving Party unless it confirms a prior oral communication, in which case any such notice shall be deemed received on the day sent. A Party may change its addresses by providing notice of same in accordance with this provision. All written notices shall be directed as shown in Exhibit I. Either Party may request a change to Exhibit I as necessary to keep the Exhibit I information current without amendment to this Agreement.

16. SET OFF

Each Party shall be entitled to offset amounts owed by the other Party under this Agreement from the amounts owed to it under this Agreement.

17. ASSIGNMENT

17.1 There shall be no Change of Control of any interest in the Project or sale, transfer or assignment of this Agreement (collectively, a "**Transfer**") without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided, however;

17.1.1 A Transfer of (i) this Agreement or (ii) any direct or indirect ownership interests in Seller, in each case to any lender or its designee as collateral for any financing or refinancing of the Project, shall not constitute an assignment, Change of Control or Transfer requiring the consent of SMUD under this Agreement. Any such Transfer shall not relieve Seller of its obligations under this Agreement arising prior to the effective date of such Transfer. To facilitate Seller's obtaining of financing in connection with the Project, SMUD shall provide

such consents to assignments, certifications, estoppels, opinions, representations, information or other documents as may be reasonably requested by Seller or the lenders in connection with the debt or tax equity financing of the Project, as applicable; provided that in responding to any such request, SMUD shall have no obligation to (a) provide any consent, certification, representation, information or other document, or enter into any agreement, that materially and adversely affects, or that could reasonably be expected to have or result in a material adverse effect on, any of SMUD's rights, benefits, risks and/or obligations under this Agreement (other than terms customary in connection with the applicable financing) or (b) incur any unreimbursed third-party expense. Seller shall reimburse, or shall cause the lender(s) to reimburse, SMUD for the incremental direct third party expenses (including the reasonably documented fees and expenses of SMUD's counsel) incurred by SMUD in the preparation, negotiation, execution and/or delivery of any documents requested by Seller or the lenders, and provided by SMUD, pursuant to this Section 17.1.1. Upon written request of Seller, SMUD will negotiate a Consent and Agreement between Seller and Seller's lender and/or tax equity investor substantially in the form attached herein as Exhibit K, as such form may be modified to reflect reasonable changes requested by Seller, Seller's lender and/or tax equity investor.

17.1.2 Without limitation as to other reasonable grounds for withholding consent, the Parties hereby agree that it shall be reasonable under this Agreement and under any applicable Law for SMUD to withhold consent to any proposed Transfer, where at the time of the Assignment, the assignee is not concurrently assuming all of the future obligations under the LGIA as well as the future obligations under this Agreement; provided that if the Seller is not in default under the this Agreement and notwithstanding the foregoing, no consent shall be required for any Permitted Transfer. Any such Transfer shall not relieve Seller of its obligations under this Agreement arising prior to the effective date of such Transfer. Notwithstanding the foregoing, to the extent not prohibited by applicable Law, Seller shall, within thirty (30) days prior to such Transfer, provide SMUD with written notice of any Transfer permitted under this Section, which notice shall identify the transferee and contain evidence that the transferee has assumed or will assume all of the obligations under this Agreement arising after the date of the Transfer, and reasonable proof that the Transfer qualifies as an exempt transfer under this Section. The term "Affiliate" as used herein means, with respect to Seller, any corporation or limited liability company that directly or indirectly controls, is controlled by, or is under common control with, Seller.

17.1.3 SMUD may request that Seller enter negotiations to permit SMUD's limited assignment of a portion of SMUD's rights and obligations under this Agreement to J. Aron and Company, LLC ("**J. Aron**") or other third party at any time upon not less than 30 days' notice by delivering a written request for such assignment. Following any such request by SMUD, (a) Seller, SMUD and J. Aron (or other third party) shall negotiate in good faith the execution of a limited assignment agreement based on the form attached hereto as Exhibit R, and (b) if requested by Seller, Seller and SMUD shall negotiate in good faith an indemnity and/or a legal opinion, to be provided by SMUD for the benefit of Seller, in form and substance satisfactory to Seller. SMUD shall reimburse, or shall cause J. Aron (or other third party) to reimburse, Seller for the reasonable, documented, incremental and direct third-party expenses (including the fees and expenses of Seller's counsel) incurred by Seller in the preparation, negotiation, execution and/or delivery of any documents requested by SMUD or the lenders, and provided by Seller, pursuant to this Section 17.1.

18. [Reserved]

19. PROJECT PURCHASE OPTION

Seller hereby grants to SMUD the right and option to purchase all of Seller's right, title and interest in and to the Project and Products pursuant to the terms set forth herein.

19.1 SMUD shall have the option (the "**Purchase Option**") to terminate this Agreement and purchase from Seller: (A) upon the twelfth (12th) anniversary of the Commercial Operation Date, the Solar Project and the Battery Storage Project, together, for a price equal to the greater of (i) the Fair Market Value of the Solar Project plus the Fair Market Value of the Battery Storage Project, and (ii) \$ [REDACTED]; (B) upon the fifteenth (15th) anniversary of the Commercial Operation Date, the Solar Project and the Battery Storage Project, together, for a price equal to the greater of (i) the Fair Market Value of the Solar Project plus the Fair Market Value of the Battery Storage Project, and (ii) \$ [REDACTED]; (C) at the end of the twentieth (20th) Contract Year, the Battery Storage Project, on a stand-alone basis, for a price equal to the greater of (i) the Fair Market Value of the Battery Storage Project, and (ii) \$ [REDACTED]. For the avoidance of doubt, in the event that SMUD exercises the Purchase Option pursuant to the terms of this Section 19.1, then the price associated with the option that SMUD has selected in the foregoing sentence shall be the "**Purchase Price**".

SMUD may exercise the Purchase Option upon (i) the twelfth (12th), fifteenth (15th), or twentieth (20th) anniversary of the Commercial Operation Date, respectively. In the event that SMUD desires to exercise the Purchase Option, SMUD shall deliver to Seller a notice indicating SMUD's intent to exercise the Purchase Option (an "**Option Notice**") on or before the date which is no less than six (6) months prior to the twelfth (12th), fifteenth (15th) or twentieth (20th) anniversary of the Commercial Operation Date (the "**12, 15 and 20-year Purchase Options**"), respectively.

19.2 For a period of six (6) months following delivery of the Option Notice with respect to the 12, 15 and 20-year Purchase Options (the "**Purchase Option Due Diligence Period**"), SMUD and its representatives shall have the right to conduct any and all due diligence which SMUD may reasonably deem necessary with respect to the Project and Products. Seller shall, during the Purchase Option Due Diligence Period, make available to SMUD and its representatives full access to the Project, related title work, surveys, contracts, data and records and operating personnel ("**Full Access**"). The Purchase Option Due Diligence Period will be extended day-for-day to the extent that, due to Seller's default, Force Majeure or any other reason not attributable to Seller, Full Access cannot be provided.

19.3 SMUD and Seller shall execute a SMUD Purchase and Sale Agreement under which Seller will sell and SMUD, or its assignee, will purchase the Solar Project and/or Battery Storage Project at a closing for the purchase and sale of the Solar Project and/or Battery Storage Project (the "**Closing**") to be held on a date which is within six (6) months following the 12, 15 or 20-year Purchase Option, as applicable, (the "**Closing Date**") at a location selected by SMUD.

19.4 Between the date of the Option Notice and the Closing Date, Seller may not take any actions that would materially adversely affect the Project site, the Project and Products or SMUD's interest in purchasing the Project and Products. Under this Agreement, among other standard provisions, effective as of the Closing:

19.4.1 Seller shall transfer the purchased Solar Project and/or Battery Storage Project and any related Products to SMUD on an as-is, where-is basis, and Seller shall not be required to make any representations or warranties with regard to such Solar Project and/or Battery Storage Project and Products; *provided, however*, that Seller shall remove any encumbrances placed on the purchased Solar Project and/or Battery Storage Project and Products by Seller at Seller's expense. No such transfer shall relieve Seller of any liability whatsoever arising from the violation, breach or default by Seller of this Agreement, any

transferred contract, transferred permit, transferred intellectual property or other transferred asset, or resulting from any act or omission by Seller that occurred prior to the Closing Date.

19.4.2 Seller shall transfer the purchased Solar Project and/or Battery Storage Project and any related Products to SMUD, free and clear of all liens and encumbrances. Seller shall assign and transfer to SMUD all of its right, title and interest in the following: (a) all raw materials, consumables and spare parts, in each case, to the extent relating to the purchased Solar Project and/or Battery Storage Project and related Products; (b) all tangible personal property to the extent relating to the purchased Solar Project and/or Battery Storage Project and related Products; (c) all intangible personal property, including permits, patents, patent licenses, patent applications, trade names, trademarks, trademark registrations and applications therefore, trade secrets, copyrights, know-how, secret formulae and any other intellectual property rights, in each case, to the extent exclusively used by Seller in the operation of the purchased Solar Project and/or Battery Storage Project and related Products; (d) all buildings and fixtures to the extent relating to the purchased Solar Project and/or Battery Storage Project and related Products; (e) computerized and non-computerized records, reports, data, files, and information, in each case, to the extent exclusively used by Seller in the operation of the purchased Solar Project and/or Battery Storage Project and related Products; (f) all design, construction and equipment warranties and guarantees related to the purchased Solar Project and/or Battery Storage Project and related Products in which Seller has any remaining rights against engineers, contractors, suppliers, equipment manufacturers or other persons; and (g) all permits and entitlements; (h) any and all interests in real property associated with the purchased Solar Project and/or Battery Storage Project. Notwithstanding this Section 19.4.2, Seller shall have the right to retain copies of, and shall have the right to use, any and all records, reports, data, files and information assigned and transferred by Seller to SMUD pursuant to Section 19.4.2(e) for its internal business use, which may include by way of illustration and not be way of limitation: (i) use in accordance with Seller's standard document retention policies; (ii) responding to or otherwise complying with regulatory audits or requests; (iii) responding to third party due diligence requests; (iv) complying with applicable Laws; (v) responding to or defending third party claims or allegations; or (vi) enforcing, defending or interpreting Seller's rights, claims or remedies under this Agreement. SMUD is specifically prohibited from purchasing the LLC, necessitating the descriptions in Section 19.

19.4.3 All items relating to the ownership and operation of the purchased Solar Project and/or Battery Storage Project and related Products, which are customarily prorated, shall be prorated as of the Closing Date. Seller shall be liable with respect to items or obligations that relate to any time period prior to the Closing Date and SMUD shall be liable with respect to items or obligations relating to time periods after the Closing Date, and to the extent practicable, shall be credited to Seller's settlement account.

19.5 This Agreement shall terminate upon the Closing Date, other than the Closing Date in connection with SMUD's exercise of the Purchase Option available at the end of the twentieth (20th) Contract Year, and (a) the payment in full to Seller of the Purchase Price and (b) the satisfaction or payment of all other obligations due to either Party under this Agreement. Note that the LGIA and Lease have specified agreement terms that extend past the term of the PPA.

19.6 The "Fair Market Value" of the Solar Project and/or Battery Storage Project and related Products shall be the value determined by the mutual agreement of SMUD and Seller after receipt by Seller of SMUD's Option Notice requesting a determination of the Fair Market Value by obtaining an appraisal (the "Appraisal") from a mutually acceptable qualified licensed appraiser (the "Initial Appraiser"). In the event that Seller does not approve the value provided by the Appraisal, Seller shall select a second third-party appraiser (the "Second Appraiser") to provide a second appraisal

to determine the fair market value of the Solar Project and/or Battery Storage Project sought to be purchased and any related Products (the “**Alternative Appraisal**”). In the event that Seller selects the Second Appraiser, the fair market value of the Solar Project and/or Battery Storage Project and related Products shall be the average of the Appraisal and the Alternative Appraisal. Notwithstanding the foregoing, if two appraisals have been provided and one of the appraisals so rendered reflects fair market value of the Solar Project and/or Battery Storage Project and related Products that is more than 10% greater or more than 10% less than the fair market value of the Solar Project and/or Battery Storage Project and related Products reflected in the other appraisal, the Initial Appraiser and Second Appraiser shall promptly select a third appraiser (or, if such appraisers cannot agree on the selection of a third appraiser, the third appraiser shall be selected by the American Arbitration Association or any successor organization upon application by either Member), which appraiser shall make its own determination and then establish the fair market value of the Solar Project and/or Battery Storage Project and related Products for purposes of this Agreement by taking the arithmetic average of the three appraisals; provided that if any one appraisal is more or less than 15% of the average, such appraisal shall be discarded and the average shall be calculated on the remaining two appraisals. Or if there is no such agreement, the value determined by an independent appraiser as provided under this Section 19.6. Within ten (10) days of Seller’s receipt of an Option Notice, SMUD and Seller shall jointly select three recognized independent appraisers, with experience and expertise in the solar photovoltaic and energy storage industry to value such Solar Project and/or Battery Storage Project and related Products with whom the Parties will discuss methods and assumptions. Such appraisers shall act reasonably and in good faith to determine the Fair Market Value and shall set forth such determination in a written opinion delivered to the Parties within a timeframe established upon appointment of the appraiser, aspirationally no later than thirty (30) days after the date of appointment. The valuation made by the appraiser shall be the Fair Market Value in the absence of fraud or manifest error. The costs of the appraisals shall be borne equally by both Parties. The appraiser shall determine the Fair Market Value as the amount a willing buyer would pay for the Project and Products and all rights and interests associated therewith, in an arm’s-length transaction, to a willing seller under no compulsion to sell, assuming that this Agreement remains in full force and effect, and that the Solar Project and/or Battery Storage Project is able to generate revenue for the then-remaining Term at the prices set forth in this Agreement, assuming that thereafter the Solar Project and/or Battery Storage Project is able to generate revenue at a rate equal to the then fair market rates for the associated Products and any other products and services associated with and/or produced by the Solar Project and/or Battery Storage Project, and assuming that the Solar Project and/or Battery Storage Project will remain in place on the site for the remaining useful life of the Solar Project and/or Battery Storage Project.

20. APPLICABLE 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.

21. DISPUTE RESOLUTION

21.1 Trial; Venue

The Parties agree that any suit, action or other legal proceeding by or against any party (or its affiliates or designees) with respect to or arising out of this Agreement shall be brought in the federal courts of the United States sitting in the County of Sacramento, California.

21.2 Dispute Resolution

If the Parties are unable to resolve a dispute with respect to this Agreement, either Party shall send a notice to the other requesting a meeting at which senior officers or officials of the Parties shall attempt to resolve the dispute. If the Parties are unable to resolve the dispute within ten (10) days after the meeting notice is received by the Party to whom it is directed, or such longer period as the Parties may agree, then either Party may elect to resolve such dispute in the federal courts of the United States sitting in the County of Sacramento, California. Each Party shall pay and be responsible for their own attorney fees.

22. SEVERABILITY

If any provision in this Agreement is determined to be invalid, void or unenforceable by any court or arbitration panel having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Agreement and the Parties shall use commercially reasonable efforts to modify this Agreement to give effect to the original intention of the Parties.

23. COUNTERPARTS

This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. Delivery of an executed counterpart of this Agreement by facsimile, PDF, or electronic transmission will be deemed as effective as delivery of an originally executed counterpart. Each Party delivering an executed counterpart of this Agreement by facsimile, PDF, or electronic transmission will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this Agreement will not affect the validity or effectiveness of this Agreement. The preceding does not apply in the case of electronically signed documents.

24. GENERAL

No amendment to, modification of, or waiver under this Agreement shall be enforceable unless reduced to writing and executed by both Parties. This Agreement shall not impart any rights enforceable by any third party other than a permitted successor or assignee bound to this Agreement. Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default. The term "including" when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation. The headings used herein are for convenience and reference purposes only.

25. MOBILE SIERRA

Notwithstanding any provision of this Agreement, neither Party shall seek, nor shall they support any third party in seeking, to prospectively or retroactively revise the rates, terms or conditions of service of this Agreement through application or complaint to FERC pursuant to the provisions of Section 205, 206 or 306 of the Federal Power Act, or any other provisions of the Federal Power Act, absent prior written agreement of the Parties. Further, absent the prior agreement in writing by both Parties, the standard of review for changes to the rates, terms or conditions of service of this Agreement proposed by a Party, a non-Party or the FERC acting *sua sponte* shall 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 US 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 US 348 (1956) and clarified by *Morgan Stanley Capital Group, Inc. v. Pub. Util. Dist. No. 1 of Snohomish*, 554 U.S. 527, 128 S. Ct. 2733 (2008) and *NRG Power Mktg., LLC v. Maine Pub. Util. Comm'n*, 130 S. Ct. 503 (2010).

26. SERVICE CONTRACT; FORWARD AGREEMENT

The Parties intend that this Agreement will be treated as a service contract pursuant to Section 7701(e)(3) of the Internal Revenue Code for the sale to SMUD of energy produced at an alternative energy Project, and the Parties shall not file any tax returns inconsistent with such treatment. The Parties agree that this Agreement constitutes a 'forward contract' as defined in the United States Bankruptcy Code and that each Party is a "Forward Contract Merchant" within the meaning of the United States Bankruptcy Code.

27. ENTIRE AGREEMENT

This Agreement, together with the LGIA, the Development Services Agreement, the Lease, and the Station Service Load Letter of Agreement constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter hereof and thereof. Other than the LGIA, the Development Services Agreement, the Lease, and the Station Service Load Letter of Agreement, there are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

Draft - Not for Execution

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative as of the date of last signature provided below.

SACRAMENTO MUNICIPAL UTILITY COUNTRY ACRES CLEAN POWER, LLC
DISTRICT

By: _____

By: _____

Name:
Title:

Name:
Title:

Date: _____

Date: _____

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EXHIBITS

Exhibit A – Description and Location of Project

Exhibit B – Contract Price

Exhibit C – Expected Energy Production

Exhibit D - Reserved

Exhibit E – Commercial Operation Date Confirmation Letter

Exhibit F – Capacity Attribute Reporting and Conveyance Procedure

Exhibit G – Scheduling Coordination Fee

Exhibit H – Environmental Attribute Reporting and Conveyance Procedure

Exhibit I – Notices

Exhibit J – Battery Storage Operating Restrictions

Exhibit K – Form of Consent and Agreement to Collateral Assignment

Exhibit L – PV Capacity Testing

Exhibit M – Battery Storage Capacity Testing

Exhibit N – Project Milestone Schedule

Exhibit O – Battery Storage Guarantees

Exhibit P – Metering Diagram

Exhibit Q – Form of Letter of Credit

Exhibit R – Form of Limited Assignment Agreement

Exhibit S – PV Reliability Percentage and Battery Storage Reliability Percentage

Exhibit T – Form of Surety

Exhibit U – PV Availability and Battery Storage Availability Calculations

Exhibit V – Monthly Operating Report

Exhibit A

DESCRIPTION AND LOCATION OF PROJECT

- A.1 The Project is described as a fully integrated PV system plus battery storage facility, comprised of PV arrays, inverters, battery cells, and associated facilities and equipment. Final inverter count to be provided after commissioning testing.
- A.2 The Project is in Placer County approximately near the following coordinates 38°46'11.96"N, 121°24'58.42"W.
- A.3 The Project's primary fuel is solar.
- A.4 The Initial Expected PV Capacity is 344 MW_{AC} at the Delivery Points.
The Initial Expected Battery Storage Capacity is 172 MW_{AC} at the Delivery Points. The duration of the battery shall be four (4) hours of continuous discharge at 172 MW_{AC}.
- A.5 The Project will be designed and constructed to accommodate the Agrivoltaics FOP.
- A.6 Reserved.
- A.7 The Delivery Points are the locations of the interconnection of the Project on the high-side of the step-up transformers that interconnect to the SMUD Transmission System, as shown in Exhibit C to the LGIA.
- A.8 The Scheduled Commercial Operation Date is December 15, 2026, as may be extended for Excusable Delays.
- A.9 The Guaranteed COD for Commercial Operation is six (6) months after the Scheduled COD; i.e., June 13, 2027, subject to day-for-day extension to the extent the Scheduled COD is extended.
- A.10 The Operating Characteristics and Operating Restrictions of Battery Storage Project are as described in Exhibit J Battery Storage Operating Restrictions.
- A.11 Meters are as described in Exhibit P Meter Diagram.
- A.12 Design Standards
Electrical subsystems, including but not limited to the solar array equipment, medium voltage collection system, and solar 230kV substation, shall comply with relevant IEEE, NESC, NEC, ANSI, NFPA, ASCE, IBC, ASTM, CPUC General Orders, and SMUD specific design standards set forth in **the Country Acres Large Generator Interconnect Agreement (LGIA) and Country Acres Lease, including Lease Section 2.5 and Lease Appendix J "Design Guidelines"**. Operator shall operate the Project as required by its registration as NERC Generator Owner and Generator Operator under the NERC Functional Model or successor models.

Exhibit B

Contract Price

The “PV Price” with respect to each Contract Year is set forth in the table immediately below:

Contract Year	PV Price
1 – 30	\$█/kW-mo. (flat) with no escalation

The “Battery Storage Price” with respect to each Contract Year is set forth in the table immediately below:

Contract Year	Battery Storage Price
1 – 20	\$█/kW-mo. (flat) with no escalation

Exhibit C

EXPECTED ENERGY PRODUCTION

No later than (a) three (3) months prior to the Commercial Operation Date, and (b) on or before July 1 for each calendar year thereafter for every subsequent Contract Year during the Delivery Term, Seller shall provide to SMUD a non-binding, illustrative schedule of the hourly expected energy production for each day in each month of the following calendar year in a form reasonably acceptable to SMUD.

This Exhibit C is non-binding and illustrative, except it is binding with respect to Sections 2.3.8 and 8.5.

Year of Term	Expected Energy Production (MWh)
1	657,754
2	654,465
3	651,177
4	647,888
5	644,599
6	641,310
7	638,021
8	634,733
9	631,444
10	628,155
11	624,866
12	621,578
13	618,289
14	615,000
15	611,711
16	608,423
17	605,134
18	601,845
19	598,556
20	595,267
21	591,979
22	588,690
23	585,401
24	582,112
25	578,824
26	575,535
27	572,246
28	568,957
29	565,668
30	562,380

The Expected Monthly Energy Production (EMEP) assumes an annual degradation rate of 0.5%.

The Expected Monthly Energy Production will be updated by Seller to account for the final equipment selection of the Project and the Parties will revise this Exhibit to update such values and issue a new Exhibit which shall

then become part of the Agreement. No formal amendment of the Agreement is required to update this Exhibit.

Upon mutual agreement of both Parties, a new Exhibit C may be issued. When updated, the Parties will insert a new effective date for this Exhibit C, which will replace the prior Exhibit C.

Effective Date: Month, Day, Year

Signature of Seller

Signature of SMUD

Draft - Not for Execution

Exhibit E

COMMERCIAL OPERATION DATE CONFIRMATION LETTER

In accordance with the terms of that certain Power Purchase Agreement dated _____ (“Agreement”) by and between the Sacramento Municipal Utility District (“SMUD”) and Country Acres Clean Power, LLC (“Seller”), this letter serves to document the parties further agreement that (i) the COD Conditions for the occurrence of the Commercial Operation Date have been satisfied, and (ii) the Commercial Operation Date occurred on ____.

This letter shall confirm the Commercial Operation Date, as defined in the Agreement, as the date referenced in the preceding sentence.

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative as of the date of last signature provided below:

Country Acres Clean Power, LLC

Sacramento Municipal Utility
District

By: _____

By: _____

Name:

Name:

Title:

Title: Director, Energy Trading &
Contracts

Date: _____

Date: _____

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Exhibit F

CAPACITY ATTRIBUTE REPORTING AND CONVEYANCE PROCEDURE

F.1 Additional Definitions for the Conveyance of Capacity:

None.

F.2 Reporting of Capacity Attributes. SMUD will report the Capacity Attributes acquired herein in any regulatory filing that SMUD is required to make in order to declare or determine the Capacity of the Solar Project (or any portion thereof) and the Capacity of the Battery Storage Project (or any portion thereof) as meeting SMUD's Capacity planning requirement (also known as Resource Adequacy).

F.3 Changes in Capacity Attribute Conveyance Procedure. Subject to Section 4.3, SMUD may revise this Exhibit F as appropriate, give written notice to Seller regarding the revision, and issue a new Exhibit F, which shall then become part of the Agreement in the event that the method for reporting and conveying Capacity Attributes changes from the process described herein provided that no update to this Exhibit F shall be permitted to impose any material additional costs on Seller.

Upon mutual agreement of both Parties, a new Exhibit F may be issued. When updated, the Parties will insert a new effective date for this Exhibit F, which will replace the prior Exhibit F.

Effective Date: [Month, Day, Year]

Signature of Seller

Signature of SMUD

Exhibit G

SCHEDULING COORDINATION FEE

Year of Term	Coordination Fee (\$)
1	100,000
2	102,000
3	104,040
4	106,121
5	108,243
6	110,408
7	112,616
8	114,869
9	117,166
10	119,509
11	121,899
12	124,337
13	126,824
14	129,361
15	131,948
16	134,587
17	137,279
18	140,024
19	142,825
20	145,681
21	148,595
22	151,567
23	154,598
24	157,690
25	160,844
26	164,061
27	167,342
28	170,689
29	174,102
30	177,584

Exhibit H

ENVIRONMENTAL ATTRIBUTE REPORTING AND CONVEYANCE PROCEDURE

H.1 Additional Definitions for the Conveyance of Environmental Attributes:

“Certificate Transfers” means the process, as described in the WREGIS Operating Rules whereby a WREGIS account holder may request that WREGIS Certificates from a specific generating unit be directly deposited into another WREGIS account.

“WREGIS” means the Western Renewable Energy Generation Information System, sponsored by the WECC and utilized by the CEC and Green-e for tracking the generation and transfer of RECs. The URL for WREGIS is www.WREGIS.org.

“WREGIS Certificates” means a certificate created within the WREGIS system that represents all Renewable and Environmental Attributes from one MWh of electricity generation from an Eligible Renewable Energy Resource that is registered with WREGIS.

“WREGIS Operating Rules” means the document published by WREGIS that govern the operation of the WREGIS system for registering, tracking, conveying, etc. Renewable Energy Credits produced from Eligible Renewable Energy Resources that are registered with WREGIS.

H.2 Renewable Energy Credits. Environmental Attributes shall be conveyed by Seller to SMUD through Renewable Energy Credits (“RECs”) which shall be registered, tracked, and conveyed to SMUD using WREGIS.

H.3 WREGIS Registration. Prior to the Commercial Operation Date, SMUD will initiate registration of the Project in SMUD’s WREGIS account on behalf of Seller. Final acceptance by WREGIS requires submittal by SMUD of Exhibit E, “Commercial Operation Date Confirmation Letter.”

H.4 SMUD’s WREGIS Account. SMUD shall, at its sole expense, establish and maintain SMUD’s WREGIS account sufficient to accommodate the WREGIS Certificates produced by the output of the Project. SMUD shall be responsible for all expenses associated with (A) establishing and maintaining SMUD’s WREGIS Account, and (B) subsequently transferring or retiring WREGIS Certificates.

H.5 Qualified Reporting Entity. SMUD shall be the Qualified Reporting Entity for Project, and shall be responsible for providing metered Project output data to WREGIS in accordance with WREGIS reporting guidelines.

H.6 Reporting of Environmental Attributes. In lieu of Seller transferring the WREGIS Certificates using Certificate Transfers from Seller’s WREGIS account to the WREGIS account of SMUD, SMUD shall report the Project as being directly in its WREGIS account, which will preclude Seller from reporting the Project in its own WREGIS account.

H.6.1 By avoiding the use of Certificate Transfers, there will be no transaction costs to Seller or SMUD for the Certificate Transfers that would otherwise be used.

H.6.2 WREGIS Certificates for the Project will be created on a calendar month basis in accordance with the certification procedure established by the WREGIS Operating Rules in an amount equal to the Energy generated by the Project and delivered to SMUD in the same calendar

month.

H.6.3 WREGIS Certificates will only be created for whole MWh amounts of energy generated. Any fractional MWh amounts (*i.e.*, kWh) will be carried forward until sufficient generation is accumulated for the creation of a WREGIS Certificate and all such accumulated MWh of Environmental Attributes will then be available to SMUD.

H.6.4 Should a WREGIS Certificate Modification be required to reflect any errors or omissions regarding the Environmental Attributes from the Project SMUD will manage the submission of the WREGIS Certificate Modification.

H.6.5 Due to the expected delay in the creation of WREGIS Certificates relative to the timing of settlement payments under Section 2.4, SMUD shall make a settlement payment for a given month in accordance with Section 2.4 before the WREGIS Certificates for such month may be created in SMUD's WREGIS account. Notwithstanding this delay, SMUD shall have all right and title to all such WREGIS Certificates upon payment to Seller in accordance with Section 2.4.

H.7 Changes in Environmental Attributes Reporting and Conveyance Procedure. Subject to Sections 3.4 and 3.6, **SMUD may revise this Exhibit H as appropriate, give written notice to Seller regarding the revision, and issue a new Exhibit H which shall then become part of the Agreement, in order to reflect changes necessary in the Environmental Attribute conveyance procedure for SMUD to be able to receive and report the Environmental Attributes purchased under this Agreement as belonging to SMUD provided that no such updated Exhibit H may impose new material (non-administrative) additional costs on Seller.**

Exhibit I

NOTICES

All notices shall be directed as follows:

I.1 For Contract Administration

To SMUD:

Sacramento Municipal Utility District
Power Contracts Administration

6301 S Street
Sacramento, CA 95817-1899

Or,

P.O. Box 15830
Sacramento, CA 95852-1830

Phone: (916) 732-6244

Email: PowerContractsAdministration@smud.org

To Seller:

Country Acres Clean Power LLC

c/o Clenera, LLC

Attn: Admin. Dept.

P.O. Box 2576

Boise, ID 83701

Phone: (208) 639-3232

Email: clenera.notices@clenera.com

With a copy to:

General Counsel,

Clenera, LLC

P.O. Box 2576

Boise, ID 83701

Phone: (208) 639-3232

I.2 For Billing and Settlements

To SMUD:

Energy Settlements

Phone: (916) 732-6751

Email: EnergySettlements@smud.org

To Seller:

Country Acres Clean Power LLC

c/o Clenera, LLC

Attn: Jeff Kohler
P.O. Box 2576
Boise, ID 83701
Phone: (208) 639-3232
Email: jeff.kohler@clenera.com

I.3 For Scheduling

To SMUD:

Day Ahead Trading Desk

Phone: (916) 732-5669
Email: dayaheadtrading@smud.org

To Seller:

Country Acres Clean Power LLC
c/o Clenera, LLC
Attn: Asset Management Dept.
P.O. Box 2576
Boise, ID 83701
Phone: (208) 639-3232
Email: clenera.notices@clenera.com

I.4 For Planned Outages

To SMUD:

Day Ahead Trading Desk

Phone: (916) 732-5669

Real Time Trading Desk

(916)732-5177

Email: psoc@smud.org, rtt1@smud.org, rtt2@smud.org, dayaheadtrading@smud.org

Power System Operations Outage Coordination

Phone: (916) 732-5242

To Seller:

Country Acres Clean Power LLC
c/o Clenera, LLC
Attn: Asset Management Dept.
P.O. Box 2576
Boise, ID 83701
Phone: (208) 639-3232
Email: clenera.notices@clenera.com

I.5 For Forced Outages

To SMUD:

Real Time Scheduling Desks
Phone: (916) 732-5177

And

Power System Grid Operations
916-732-6225 (Generation Desk), or 916-732-6730 (Shift Senior Power System Operator)

Email: psooc@smud.org, rtt1@smud.org, rtt2@smud.org, dayaheadtrading@smud.org

To Seller:

Country Acres Clean Power LLC
c/o Clenera, LLC
Attn: Asset Management Dept.
P.O. Box 2576
Boise, ID 83701
Phone: (208) 639-3232
Email: clenera.notices@clenera.com

I.6 Same-day Phone Notification of Outages

To SMUD:

Power System Grid Operations
916-732-6225 (Generation Desk), or 916-732-6730 (Shift Senior Power System Operator)

To Seller:

Country Acres Clean Power LLC
c/o Clenera, LLC
Attn: Asset Management Dept.
P.O. Box 2576
Boise, ID 83701
Phone: (208) 639-3232
Email: clenera.notices@clenera.com

I.7 Notification Requirements for Start/Completion of Planned Outages & Normal Start-up/Shutdown

Prior to starting, and at the completion of, a Planned Outage, contact the Power System Operator to report and coordinate the start or completion time of the Planned Outage.

Prior to paralleling or after disconnection from the SMUD transmission system, always contact the Power System Operator with the following as applicable:

- Intent to parallel before any start-up,
- After the unit has paralleled, report the parallel time and intended unit output,
- After any separation, report the separation time as well as the date and time estimated for return to service.

Power System Operations

916-732-6225 (Generation Desk) or 916-732-6730 (Shift Senior Power System Operator)

I.8 Changes to Exhibit I

Either Party may request a change to Exhibit I as necessary to keep the information current. The Parties shall update Exhibit I prior to COD to ensure consistency with other notice provisions in this Agreement, subject to mutual agreement of the Parties.

Upon mutual agreement of both Parties, a new Exhibit I may be issued. When updated, the Parties will insert a new effective date for this Exhibit I, which will replace the prior Exhibit I.

Effective Date: Month, Day, Year

Signature of Seller

Signature of SMUD

Exhibit J
Battery Storage Operating Restrictions

The Battery Storage Operating Restrictions include the limitations, conditions and restrictions set forth in this Exhibit J. Prior to the Commercial Operation Date and from time to time during the Delivery Term, by mutual written agreement the Parties may amend these Battery Storage Operating Restrictions.

The operation of the Battery Storage Project shall be subject to the following limitations:

- a. If the year-to-date average State of Charge exceeds 50% at any time during the second half of a Contract Year, then the maximum allowed State of Charge shall be limited to the State of Charge that, if held for the rest of the Contract Year, would equal an annual average State of Charge of 50%. If the allowable State of Charge has been limited, the State of Charge limitation will be released once the year-to-date State of Charge is less than 49%. Seller shall be permitted to reject or deviate from any Dispatch Instruction and may operate the Battery Storage Project as reasonably necessary, to ensure that the annual average State of Charge in any Contract Year does not exceed 50%.
- b. The limitations set forth in the table below.

#	OPERATING PARAMETER	VALUES	OPERATING RESTRICTIONS
1	Charging method	Constant Power (CP), Constant Voltage (CV)	
2	Discharging method	Constant Power (CP)	
3	Maximum CP-rate for Charging and Discharging the Battery Storage Facility	172 MWac discharge, with 172 MWac maximum for grid-charging only, which can be adjusted accordingly, as reasonably agreed upon by the Parties, based up on the final design of the Battery Storage Project	Battery shall charge and discharge at the maximum capacity available for the Battery Storage Project while not exceeding the maximum project electrical facility rating for the Battery Storage Project.
4	Operational State of Charge limits	0%-100%	As reflected in the Energy Management System. The 100% State of Charge represents the amount of Expected Battery Storage Capacity available to SMUD.
5	Maximum State of Charge during Charging	100%	In the event State of Charge during charging exceeds the Maximum State of Charge, then the battery system is out of compliance.
6	Minimum State of Charge during Discharging	0%	Minimum State of Charge to obtain contractual energy capacity. In the event State of Charge during charging is less than the Minimum State of Charge, then the battery system is out of compliance. Value of State of Charge shall not violate operating parameters established by the manufacturer for the Battery Storage Project.
7	Maximum number of Cycles per Contract Year	365	Notwithstanding any other provision of this Agreement, SMUD will not be

			permitted to utilize more than 365 Cycles per Contract Year. Seller will make commercially reasonable efforts to provide the maximum cycle limit flexibility available from the OEM.
8	Daily Dispatch Limits	Maximum of Two Cycles per operating day	This limit applies to each Battery Storage Project container, individually and collectively.
9	Charge/Discharge Hold Period	To be determined (TBD) by Battery Original Equipment Manufacturer (OEM)	TBD by Battery OEM
10	Maximum charging capacity (MW)	172 MWac	Battery Storage Project shall charge at the maximum capacity available for the Battery Storage Project while not exceeding the maximum project electrical facility rating for the Battery Storage Project.
11	Minimum Charging Capacity	0 MW	
12	Maximum discharging capacity (MW)	172 MWac	Battery Storage Project shall discharge at the maximum capacity available for the Battery Storage Project while not exceeding the maximum project electrical facility rating for the Battery Storage Project.
13	Maximum Discharge Energy per Cycle (MWh)	688 MWhac / Cycle	As measured at the Delivery Points and equal to the Expected Battery Storage Capacity.
14	Minimum Discharging Capacity	0 MW	
15	Minimum Stored Energy Level	0 MWh	
16	Ramp Rate Limitation	5-20% of rated capacity/min	Default to be 10%/min.
17	Maximum ambient operating temperature with de-rate	Battery Storage Project de-rate ambient temperature is 45° C and shut-down ambient temperature is 55° C	The rated power of the Battery Storage Project will be reduced linearly from the derate to the shutdown ambient temperature; the Battery Storage Project may shut down in Seller's discretion.

18	Minimum ambient operating temperature with de-rate	De-rate below -30° C	Below – 0 C°, the Battery Storage Project may shut down in Seller’s discretion.
19	Maximum Annual Average State of Charge	50%	The Battery Storage Project shall be operated to maintain an annual average State of Charge equal to 50%.
20	Maximum Throughput	Maximum Daily Throughput: 1,376 MWh-ac Maximum Annual Throughput: 251,120 MWh-ac	Throughput is based on battery discharge energy (MWh) only and not charge energy (MWh) and therefore equivalent to the cycles in item #7 above.

As used in this Exhibit J, “Cycle” means a change or changes in State of Charge that total(s) to 200%, irrespective of the initial State of Charge and the number of discrete charging or discharging increments.

Upon mutual agreement of both Parties, a new Exhibit J may be issued. When updated, the Parties will insert a new effective date for this Exhibit J, which will replace the prior Exhibit J.

Effective Date: [Month, Day, Year]

Signature of Seller

Signature of SMUD

Exhibit K

FORM OF CONSENT AND AGREEMENT TO COLLATERAL ASSIGNMENT

This CONSENT AND AGREEMENT (this "Consent"), dated as of [___], is entered into by and among the Sacramento Municipal Utility District, a California Municipal Utility District formed and existing under the laws of the State of California (together with its successors and permitted assigns, "SMUD" or "Purchaser"), [Financial Institution] (together with its successors, designees and assigns in its capacity as [Collateral Agent], (the "Collateral Agent") for the Secured Parties, as defined in the hereinafter defined Financing Agreement, and Country Acres Clean Power LLC, a limited liability company formed and existing under the laws of the State of [___] (together with its successors and permitted assigns, "Seller"). Purchaser, Seller and the Collateral Agent shall be referred to hereunder as the "Parties" and, individually, as a "Party". Unless otherwise defined, all capitalized terms have the meaning given in the Power Purchase Agreement (as hereinafter defined).

RECITALS

Purchaser and Seller have entered into that certain Power Purchase Agreement, dated as of [___] (as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof, the "PPA" or the "Assigned Agreement").

[Seller]/[___, an Affiliate of Seller ("Borrower")]) has entered into that certain [Financing Agreement] (as the same may be amended, modified or supplemented from time to time, the "Financing Agreement") relating to the financing for the construction, [operation and maintenance] of the fully integrated solar photovoltaic generation plus battery storage facility located in Placer County, California (the "Project"), dated as of [___] involving [Seller]/[Borrower], the financial institutions from time to time party thereto (collectively, the "Lenders"). [Provide further description of Financing Agreement].

AGREEMENT

1. Definitions.

Capitalized terms used but not defined in this Consent shall have the meanings given to them in the PPA, or if not defined therein, in the Financing Agreement. In addition, the following terms shall have the meanings set forth below with respect to each term:

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

"Qualified Operator" shall mean any entity that at the time it becomes a Transferee (i) has the financial means to operate and maintain the Project and perform its obligations under the Assigned Agreement, (ii) either itself or its direct or indirect parent, has a tangible net worth of at least

\$50,000,000 or a credit rating of “BBB-” or higher by S&P or “Baa3” or higher by Moody’s, (iii) has, or has entered into contracts for operation of the Project with a Person or Persons that has or have, for the three (3) preceding years, has owned or operated (or had access to the expertise required to operate through committed management agreement with affiliates or through a committed operations and maintenance agreement with any Person) fully integrated solar photovoltaic generation plus battery storage facilities in the California region, and (iv) has met all applicable requirements for operating the Project in accordance with Good Utility Practices, including, without limitation, the requirements of the Transmission Provider.

“Security Agreement” shall mean that certain [Security Agreement], dated as of [], between the Collateral Agent and [Seller]/[Borrower], granting to the Collateral Agent a security interest in the Assigned Agreement.

“Secured Obligations” shall mean, collectively: all obligations and liabilities of Seller in respect of: (a) the principal of and interest on all loans made under the Financing Agreement; (b) all other amounts due and to become due to the Collateral Agent, the Lenders or any other financing parties under the Financing Agreement or any other document contemplated thereby, including, without limitation, the expenses, indemnities and interest which would accrue on any of the foregoing but for the commencement of a case by or against [Seller]/[Borrower] under any applicable bankruptcy laws; and (c) the performance and observance of all of the covenants and agreements made by [Seller]/[Borrower] under and in connection with the Financing Agreement.

“Transferee” is defined in Section 5(e) herein.

2. Scope of Obligations.

Nothing in this Consent shall make Purchaser liable for any obligations, damages or other amounts under the Financing Agreement or for any other damages for which it would not otherwise be liable to Seller under the Assigned Agreement.

3. Consent to Assignment. Purchaser hereby:

(a) acknowledges and irrevocably consents to the assignment pursuant to the Security Agreement¹ by Seller to the Collateral Agent for the benefit of the Secured Parties of the Assigned Agreement as security for the performance of the Secured Obligations;

(b) acknowledges and irrevocably agrees that the Collateral Agent (and the other Secured Parties) shall not be or become liable for the performance or observance of any of the obligations or duties of Seller under the Assigned Agreement, nor shall the Collateral Agent (nor the other Secured Parties) be or become liable to perform or observe any obligations or duties owing to Purchaser, in either case solely by reason of the assignment of the Assigned Agreement to the Collateral Agent hereunder, except as otherwise expressly provided in this Consent;

¹ Subject to SMUD’s review of the Security Agreement.

(c) acknowledges that, upon Purchaser's receipt of a notice from the Collateral Agent of an Event of Default, the Collateral Agent has the right to make all demands, give all notices, take all actions and exercise all rights of, Seller under the Assigned Agreement; and

(d) acknowledges and agrees, subject in all respects to the conditions and limitations contained in this Consent, that none of the following shall constitute, as between Purchaser and the Secured Parties, an Event of Default by Seller under the Assigned Agreement or shall result in a suspension or termination thereof: (i) the assignment by Seller to the Collateral Agent for the benefit of the Secured Parties of a first-priority lien on and security interest in the Project (including, without limitation, the Assigned Agreement); (ii) the operation of the Project by any Transferee that is a Qualified Operator upon the exercise of the Collateral Agent's and the Secured Parties' rights with respect to an [Event of Default]² under, as defined in and in accordance with, the Financing Agreement³; (iii) the commencement of a foreclosure or similar proceeding to enforce the lien of the Secured Parties against the Project (including, without limitation, the Assigned Agreement); (iv) the acquisition of the rights of Seller in the Project (including, without limitation, the Assigned Agreement) in foreclosure by the Collateral Agent or any Secured Party in connection with such party's exercise of its rights and remedies, at law, in equity or otherwise (or acceptance of an absolute assignment of the Project in lieu of foreclosure); or (v) the subsequent sale, assignment, and/or conveyance of the Project (including, without limitation, the Assigned Agreement) by the Collateral Agent or any other Secured Party after acquisition of the rights of Seller in the Project following any foreclosure or assignment in lieu of foreclosure.

4. Representations and Warranties. As of the date of this Consent,

(a) Purchaser hereby represents and warrants to the Collateral Agent, for the benefit of the Secured Parties, that: (i) Purchaser has the full power and authority to execute, deliver and perform this Consent and to carry out the transactions contemplated hereby; (ii) the execution and delivery of this Consent by Purchaser and the carrying out by Purchaser of the transactions contemplated hereby have been duly authorized by all requisite corporate action, and this Consent has been duly executed and delivered by Purchaser and constitutes the legal, valid and binding obligation of Purchaser, enforceable against it in accordance with the terms hereof and thereof, subject, as to enforceability, to bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the enforcement of creditors' rights generally and to general principles of equity; (iii) all authorizations, consents, approvals or orders of, notices to, or registrations, qualifications, declarations or filings with, any Governmental Authority, required for the execution, delivery and performance by Purchaser of this Consent or the carrying out by Purchaser of the transactions contemplated hereby, have been obtained and are in full force and effect; and (iv) none of the execution, delivery, and performance by Purchaser of this Consent, the compliance with the terms and provisions hereof, and the carrying out of the transactions contemplated hereby, conflicts or will conflict with or result in a breach or violation of any of the terms, conditions, or provisions of any law, governmental rule or regulation or the charter documents, as amended, or by-laws, as amended, of Purchaser or any applicable order, writ, injunction, judgment or decree of any court or Governmental Authority against Purchaser or by which it or any of its properties is bound, or any material loan agreement, indenture, mortgage, bond, note, resolution, contract or other agreement or instrument to which Purchaser is a party or by which it or any of its properties is bound.

² Applicable defined term in Financing Agreement to be confirmed.

³ Subject to SMUD's review of the Financing Agreement.

(b) Purchaser further represents and warrants to the Collateral Agent, for the benefit of the Secured Parties that: (i) neither an Event of Default by Purchaser, nor any event or circumstance that with the passage of time or giving of notice or both would result in an Event of Default by Purchaser, nor, to its actual knowledge after due inquiry, an Event of Default by Seller nor any event or circumstance that with the passage of time or giving of notice or both would result in an Event of Default by Seller exists and is continuing under the Assigned Agreement; (ii) to its actual knowledge Purchaser has no existing counterclaims, offsets or defenses against Seller in respect of the Assigned Agreement; (iii) to its actual knowledge after giving effect to Purchaser's consent to the assignment consented to by Purchaser under Section 3(a) herein, and recognizing that Seller has continuing and additional obligations to perform after the date of this Consent, there exists no present event or condition, except those expressly contained in the Assigned Agreement, which enable either Purchaser or Seller to terminate or suspend its obligations under the Assigned Agreement; (iv) except for the assignment to the Collateral Agent for the benefit of the Secured Parties, Purchaser has no notice of any assignment relative to any right, title and interest of Seller in, to and under the Assigned Agreement; (v) the Assigned Agreement and the instruments and documents referred to therein constitute the only agreements between Purchaser and Seller with respect to the matters and interests described therein; and (vi) there are no proceedings pending or, to its actual knowledge without inquiry, threatened against or affecting Purchaser in any court or by or before any Governmental Authority or arbitration board or tribunal which could reasonably be expected to have a material adverse effect on the ability of Purchaser to perform its obligations under the Assigned Agreement or this Consent.

5. Rights of the Secured Parties. Purchaser agrees that the Secured Parties, so long as any Secured Obligations shall remain outstanding, shall have the following rights with respect to the Assigned Agreement:

(a) Assignment, Amendments, Etc.

(i) No assignment by Purchaser of its obligations under the Assigned Agreement shall be effective unless (A) such assignment complies with the Assigned Agreement, and (B) Purchaser contemporaneously delivers to the Collateral Agent a copy of all notices due to Seller with respect to such assignment.

(ii) no waiver, amendment, or other modification of the Assigned Agreement by Seller shall be effective without the prior written consent (such consent not to be unreasonably withheld) of the Collateral Agent (except for any waiver, amendment, and/or modification which is of a routine, ministerial or administrative nature or which is required by law or by any Governmental Authority).

(b) Performance of Seller's Obligations. If the Collateral Agent shall provide Purchaser with notice of an [Event of Default] by [Seller]/[Borrower] under the Financing Agreement, then following Purchaser's receipt of such notice the Collateral Agent or any of the other Secured Parties may, but shall have no obligation to, perform one or more of the obligations of Seller under the Assigned Agreement and Purchaser will accept such performance, if otherwise in accordance with the terms of the Assigned Agreement and this Consent, in lieu of performance by Seller and in satisfaction of the obligations of Seller under the Assigned Agreement. In the event that the Secured Parties or the Collateral Agent exercise any right under the Financing Agreement to assume possession and control of the Project, the Secured Parties or the Collateral Agent shall obtain the appointment of a Qualified Operator to assume possession and control of the Project prior to or pending a foreclosure, and the Secured Parties or the Collateral Agent shall cause the Project to be

operated by such Qualified Operator.

(c) Copies of Notices. Purchaser acknowledges that it is obligated to send the Collateral Agent copies of any notice furnished to Seller of the existence of an Event of Default under the Assigned Agreement or the termination of the Assigned Agreement, and certain other notices as expressly set forth in the Assigned Agreement concurrently with or within one (1) Business Day following delivery of such notices to Seller; provided that any failure of Purchaser to send such notice shall not give rise to any liability to any Person on the part of Purchaser hereunder.

(d) Cure Rights.

(i) Subject to the terms of this Consent, each of the Collateral Agent, the Secured Parties and a Transferee shall have the right, but not the obligation, to cure any Event of Default under the Assigned Agreement which is capable of being cured; provided that during the applicable cure period the Collateral Agent, the Secured Parties, and/or a Transferee continue to perform each of Seller's other obligations under the Assigned Agreement.

(ii) The Assigned Agreement shall not be suspended or terminated automatically or terminated by Purchaser if the Collateral Agent, the Secured Parties or a Transferee cures, within the applicable cure period, each Event of Default thereunder that is capable of being cured as set forth in clause (iii), below.

(iii) Each of the Collateral Agent, the Secured Parties and a Transferee shall be entitled to cure an Event of Default of Seller under the Assigned Agreement within the following cure periods: (A) if such Event of Default is a monetary Event of Default or an Event of Default arising due to a failure to comply with obligations under Section 11.1 of the Assigned Agreement, fifteen (15) Days after the receipt by the Collateral Agent of such notice to cure a monetary Event of Default or Event of Default arising due to a failure to comply with obligations under Section 11.1 of the Assigned Agreement; and (B) if such Event of Default is a non-monetary Event of Default, thirty (30) Days after the receipt by the Collateral Agent of such notice to cure a non-monetary Event of Default; Solely with respect to any Events of Default by Seller under the Assigned Agreement that cannot be cured by any Person other than Seller or its designated operator, as the owner or designated operator of the Project, if the Secured Parties or an agent representing the Secured Parties declare an [Event of Default] under and in accordance with the Financing Agreement and promptly commence foreclosure proceedings, and subsequently notify Purchaser, then, so long as the Secured Parties or the Collateral Agent are diligently pursuing such foreclosure proceedings, the Secured Parties, the Collateral Agent and a Transferee will be allowed such additional period, not to exceed one hundred eighty (180) Days from the date of commencement of such proceedings, as is necessary to complete such proceedings in which to cure the existing Event(s) of Default under the Assigned Agreement. For the avoidance of doubt, the Collateral Agent and the other Secured Parties shall have cured all Events of Default which are capable of being cured on or prior to the completion of such proceedings (not to exceed one hundred eighty (180) Days).

(iv) Once an Event of Default under the Assigned Agreement is timely cured by the Collateral Agent or the Secured Parties, such event or condition shall no longer be

deemed to be an Event of Default under the Assigned Agreement.

(e) Consent to Transfer; Continuation of Agreement. Purchaser consents to the transfer of Seller's interest in the Project to the Collateral Agent or any other Secured Party, or their designee or to any other Person provided that (i) the Collateral Agent or the other Secured Parties or has retained a Qualified Operator to act as operator of the Project in lieu of Seller (collectively, a "Transferee"), (ii) the Collateral Agent or the other Secured Parties shall have caused the Assigned Agreement to be conveyed and transferred to the Transferee at the time of the transfer of the Project and shall have caused the Transferee to assume and to agree to be bound by all the terms and provisions of the Assigned Agreement, which has and continues to remain in full force and effect in accordance with its terms and (iii) the Collateral Agent or the other Secured Parties shall identify the Transferee in a written notice to Purchaser on or before the effective date of the transfer and shall furnish Purchaser with Transferee's written agreement to assume and to agree to be bound by all the terms and provisions of the Assigned Agreement, and Purchaser shall recognize such a Transferee as the "Seller" under the Assigned Agreement, if the Transferee shall or shall have:

(i) cure or cured within the relevant cure period established in the Assigned Agreement, as modified by subsection 6(d)(iii) above, all Events of Default of Seller which are then existing under the Assigned Agreement and which are capable of being cured at the time of such transfer; and

(ii) assume or assumed and perform all other obligations of Seller under the Assigned Agreement arising on or after the date of such transfer to the Transferee.

6. Replacement Agreements. If the Assigned Agreement is rejected or terminated as a result of any bankruptcy or insolvency proceeding involving Seller, and Purchaser has been reimbursed by any Person for all amounts which would be due and payable by Seller to Purchaser under the Assigned Agreement but for such bankruptcy or insolvency proceeding, the Collateral Agent may, within thirty (30) Days after such rejection or termination, certify in writing to Purchaser that the Transferee intends to perform and is capable of performing the obligations of Seller arising after the date of such certification as and to the extent required under the Assigned Agreement. In such case, Purchaser, [subject to approval by SMUD's Board of Directors,] shall execute and deliver to the Transferee a new agreement (a "Replacement Agreement") which shall be for the balance of the remaining term under such rejected Assigned Agreement and, in such case, for purposes of Section 19.3 of the Assigned Agreement, the Delivery Period under the Assigned Agreement shall not be deemed to have expired. The Replacement Agreement shall contain the same conditions, agreements, terms, provisions and limitations as the original Assigned Agreement, except that the Transferee will be substituted where the Seller appears in Assigned Agreement.

7. Purchaser's Reliance on Written Notices by Agent. Seller agrees that Purchaser is entitled to rely on the written instructions of an employee, authorized representative or other agent of the Collateral Agent as permitted herein, including without limitation, any such notice concerning the existence and continuation of an [Event of Default] under the Financing Agreement, the destination of payments to be made under the Assigned Agreement or whether the Secured Obligations have been fully paid or not, and that Purchaser may make payments that are due to Seller as directed by any such Person upon the written instructions of any such Person to do so. Seller waives any claims that it has or may have against Purchaser based upon the good faith reliance by it on such written instructions.

8. Notices. Any communications between the Parties hereto or notices provided herein to be given may be given to the addresses set forth in the table below. All notices to be given under this Consent shall be in writing and shall be

(i) delivered personally, (ii) sent by certified or registered first-class mail, postage prepaid, return receipt requested, or (iii) sent by a recognized courier service, with delivery receipt requested, , unless the recipient has given notice of another address for receipt of notices; provided that in the case of notices to the Collateral Agent and Seller, a copy each notice shall be sent by email to the email address set forth in the table below. All notices sent hereunder shall be deemed to have been given when transmitted by email (with the receipt confirmation) or personally delivered or in the case of a notice mailed or sent by courier, upon receipt, at the address provided for herein; provided, however, if such notice is given after the close of business on a Business Day of the receiving party, or on a Day on which the receiving party is not open for business, such notice shall be deemed to have been given on the next following Business Day.

If to Purchaser:

Attention: _____
Telephone: _____
Email: _____

With a copy to:

Attention: _____
Telephone: _____
Email: _____

If to Collateral _____ Agent:

Attn: _____
Telephone: _____
Email: _____

If to Seller:

Attention: _____
Telephone: _____

Email: _____

With a copy to:

Attention: _____
Telephone: _____
Email: _____

9. Arrangements Regarding Payments. Commencing on the date of this Consent and so long as the Financing Agreement remains in effect, Purchaser hereby agrees to make all payments required to be made by it under the Assigned Agreements in U.S. dollars, directly to the Collateral Agent, acting for the benefit of the Secured Parties for deposit into the account described immediately below, or, if Purchaser has been notified that an [Event of Default] under the Financing Agreement has occurred and is continuing, to such other Person and/or at such other address or account as the Collateral Agent may from time to time specify in writing to Purchaser. Seller hereby instructs Purchaser, and Purchaser accepts such instructions, to make all payments due and payable to the Collateral Assignor under the Assigned Agreement as set forth in the immediately preceding sentence.

Account # []

[wiring instructions to be added]

10. ACKNOWLEDGMENTS BY SELLER. Seller, by its execution hereof, acknowledges and agrees that neither the execution of this Consent, the performance by Purchaser of any of the obligations of Purchaser hereunder, the exercise of any of the rights of Purchaser hereunder, or the acceptance by Purchaser of performance of the Assigned Agreement by any party other than Seller shall (1) release Seller from any obligation of Seller under the Assigned Agreement, (2) constitute a consent by Purchaser to, or impute knowledge to Purchaser of, any specific terms or conditions of the Financing Agreement or Security Agreement, or (3) except as expressly set forth in this Consent, constitute a waiver by Purchaser of any of its rights under the Assigned Agreement. Seller and Lender

acknowledge hereby for the benefit of Purchaser that this Consent does not alter, amend, modify or impair (or purport to alter, amend, modify or impair) any provisions of the Assigned Agreement except as provided herein.

11. Miscellaneous.

(a) Separate Counterparts; Amendments; Waiver. This Consent may be executed in separate counterparts, each of which when so executed and delivered shall be an original but all such counterparts shall constitute one and the same instrument. Until termination as to the respective party, neither this Consent nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by each of Purchaser, Seller and the Collateral Agent.

(b) Severability of Provisions. Any provision of this Consent which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

(c) Successors and Assigns. This Consent shall be binding upon and shall inure to the benefit of Purchaser and its successors and permitted assigns, Seller and its successors and permitted assigns, the Collateral Agent and the other Secured Parties and its or their successors and permitted assigns.

(d) Governing Law; Venue.

(i) This Consent shall be governed by, and construed in accordance with, the laws of the State of California applicable to contracts made and to be performed in such state.

(ii) Each of Purchaser, Seller and the Collateral Agent irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

(e) Each of the Parties hereto agrees to execute and deliver all such instruments and take all such action as may be reasonably necessary to effectuate the purposes of this Consent.

(f) No failure on the part of any Party to exercise and no delay in exercising, any right under this Consent shall operate as a waiver of such right nor shall any single or partial exercise of any right under this Consent preclude any further exercise of such right or the exercise of any other right.

(g) Upon the reasonable request of Seller and the Collateral Agent, including immediately prior to permanent equity financing of the Project, Purchaser agrees to provide Seller with a certificate stating that as of the date of such certificate, the representations and warranties of Purchaser set forth in Sections 4(a) and 4(b) of this Consent are true and correct (and to the extent any such representation or warranty is not true and correct, providing appropriate modifications describing the events or circumstances rendering such representation or warranty

untrue or incorrect). Nothing in any such certificate shall make Purchaser liable for any damages or other amounts under the Financing Agreement or for any other damages for which it would not otherwise be liable to Seller under the Assigned Agreement.

[Signature Pages Follow]

Draft - Not for Execution

IN WITNESS WHEREOF, the parties hereto by their officers thereunto duly authorized, have duly executed this Consent as of the date first set forth above.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

By: _____

Name: _____

Title: _____

a _____

[COLLATERAL AGENT]

By: _____

Name: _____

Title: _____, as Collateral Agent

Country Acres Clean Power, LLC

By: _____

Name: _____

Title: _____

Draft - Not for Execution

Exhibit L

PV Capacity Testing

1 PURPOSE

The objective of the PV Capacity Test is to establish the Expected PV Capacity for the Solar Project. The guidance for this PV Capacity Test is based on ASTM 2848-13 and ASTM 2939-13.

Seller shall provide to SMUD a proposed test procedure for the PV Capacity Test compliant with this Exhibit L for SMUD's approval. The proposed test procedure shall be provided six (6) months prior to testing, and in accordance with LGIA Exhibit G requirements. SMUD shall review and comment within 30 days and SMUD's approval shall not be unreasonably withheld or delayed. The approved test procedure shall be referred to herein as the "Test Procedure."

The Test Procedure shall apply to both the PV Commercial Operation Test, as well as to subsequent PV Capacity Tests conducted pursuant to the Agreement. For the subsequent PV Capacity Tests, the previously approved Test Procedure shall be utilized unless Seller or SMUD requests a revised Test Procedure 60 days prior to the beginning of such test, or such timeframe mutually agreed between the Parties.

2 ADDITIONAL DEFINITIONS

PVsyst Model shall mean the PVsyst base energy model agreed upon by the Seller and SMUD. The initial PVsyst Model assumptions will be submitted as Appendix 1 to this Exhibit L. The PAN file, OND file, and MET file used for the PVsyst model (v 7.x) will also be provided.

PV Capacity Test Period shall mean the period comprising a minimum of five (5) consecutive days and a maximum of twenty-eight (28) days of consecutive or (with SMUD's approval) non-consecutive testing. A minimum of 150 valid data points must be collected over a minimum of three (3) separate days during this period. The PV Capacity Test Period shall utilize 5-minute averaged data derived from \leq 1-minute SCADA data samples.

3 CONDITIONS

1. The PV Commercial Operation Test report shall be certified by an independent, professional engineer.
2. PV Capacity Tests, other than the PV Commercial Operation Test, will not need to be certified by an independent, professional engineer. Any dispute regarding test results that cannot be resolved between SMUD and Seller are to be resolved by an agreed upon independent, professional engineer in accordance with Section 8 of this Exhibit L.
3. Plane-of-array (POA) irradiance sensors (pyranometers and albedometers) must be clean, calibrated, and operational. Greater than 60% of pyranometers must be available.
4. Solar Meter must be operational.
5. SCADA system must be operational.
6. The PVsyst Model's assumed metering location and gen-tie losses shall match the actual metering location and any gen-tie losses.

4 PROCEDURE

Seller shall inform SMUD of intent to begin PV Capacity Test in accordance with requirements of the Outage Coordination Process. SMUD shall confirm the dates in writing prior to the first date of the test.

The ASTM 2848-13 test employs a multiple linear regression of AC power (P) to total irradiance (E_{Tot}), ambient temperature (T_a), and wind speed (v) through the following equation (“Equation 1”):

$$P = E_{Tot}(a_1 + a_2 * E_{Tot} + a_3 * T_a + a_4 * v)$$

$$E_{Tot} = E_{POA} + E_{Rear} * \Psi$$

Where:

E_{POA} = Front side POA irradiance (W/m²)

E_{Rear} = Rear side POA irradiance (W/m²)

Ψ = Module bifaciality factor

Module bifaciality factor shall be based on module PAN file.

Modeled PV Capacity shall utilize the Pvsyst Model 8760 dataset centered around thirty (30) days relative to the PV Capacity Test Period, filtered based on the Test Procedure. For example, if the Test Period is June 20 – June 28, the 30 day window for the Pvsyst Model 8760 dataset will utilize the data from June 9 through July 9. The Pvsyst Model power readings shall be fitted against the Pvsyst Model total irradiance (E_{Tot}), ambient temperature (T_a), and wind speed (v) to obtain regression coefficients as per Equation (1).

Measured PV Capacity shall utilize the data collected during the PV Capacity Test period, filtered according to the Test Procedure. The measured power readings shall be fitted against the measured total irradiance (E_{Tot}), ambient temperature (T_a), and wind speed (v) to obtain regression coefficients as per Equation (1). The resulting regression analysis shall demonstrate $R^2 \geq 0.95$ unless otherwise agreed by Seller and SMUD.

Reporting Conditions (RC) for total irradiance (E_{Tot}), ambient temperature (T_a), and wind speed (v) will be determined in accordance with the Test Procedure and will follow the general guidance established in ASTM 2848-13 and ASTM 2939-13.

$$\text{PV Capacity Test Percentage} = P_{\text{measured}} / (P_{\text{modeled}} * \text{Adj}_{\text{Soil}} * \text{Adj}_{\text{Avail}})$$

Where:

P_{measured} is evaluated at RC in Equation 1 with the measured regression coefficients.

P_{modeled} is evaluated at RC in Equation 1 with the modeled regression coefficients.

Adj_{Soil} is calculated using the method described in Section 7 of this Exhibit L, and only to be used during the PV Commercial Operation Test and not the subsequent PV Capacity Tests.

$\text{Adj}_{\text{Avail}}$ is calculated utilizing the availability calculation as established in Appendix U, inclusive of the Agrivoltaics FOP. Data points used in this availability calculation will match the time periods used for the Measured PV Capacity calculation.

Expected PV Capacity = PV Capacity Test Percentage * Initial Expected PV Capacity

The table below demonstrates example RC and model regression coefficients if the 30-day dataset were discrete months. Final RC, model regression coefficients, and P_{modeled} will be determined based on the actual 30-day window selected for filtering the PVsyst Model 8760 and any final filtering guidance agreed upon in the Test Procedure.

	Example RC			Example model regression coefficients				Example P_{modeled}
	E_{Tot} (W/m ²)	Ta (degC)	v (m/s)	a1	a2	a3	a4	P (MW)
Jan	661.99	8.15	2.39	384,745.30	-27.56	-1,249.54	-12.37	235.86
Feb	727.03	16.44	2.10	387,478.09	-31.72	-1,271.79	-63.46	249.65
Mar	711.01	15.43	2.45	384,490.55	-27.76	-1,314.71	20.12	244.95
Apr	779.74	20.63	2.12	385,911.11	-30.88	-1,288.87	46.31	261.48
May	759.89	23.75	2.26	383,302.41	-30.20	-1,309.89	-45.98	250.11
Jun	809.17	28.15	2.70	374,739.63	-29.87	-1,274.02	17.34	254.68
Jul	805.32	29.56	2.31	364,430.37	-27.09	-1,243.01	-0.50	246.33
Aug	793.66	28.46	2.00	351,814.91	-23.51	-1,205.11	-29.39	237.15
Sep	780.90	28.31	1.75	347,745.55	-23.59	-1,204.91	-36.19	230.48
Oct	715.57	21.90	2.73	352,534.68	-21.39	-1,219.25	-32.60	222.14
Nov	693.31	16.47	1.87	380,484.15	-27.74	-1,269.30	-6.93	235.96
Dec	631.08	10.24	2.06	280,676.50	105.90	-1,299.30	-441.55	210.34
Annual	768.35	24.27	2.27	394,909.53	-34.18	-2,122.52	110.96	243.86

5 DATA QUALITY

- Inverter clipping shall be excluded from the dataset (clipping undermines linearity between POA irradiance and power).
- Irradiance (E_{Tot}) not within ± 25 percent of RC irradiance shall be excluded. A minimum irradiance threshold of 400 W/m² will also be applied.
- Rear side POA (RPOA) sensors will be used for the measured data.
- Any deviations from expected performance shall be noted in the PV Capacity Test report.
- The 5-minute interval data shall be averaged together from duplicate sensors and analyzed such that any nuisance data points and bad data that exhibit a high degree of error (such as errors caused by faulty instrumentation) shall be removed from the data set and noted in the PV Capacity Test report.
- The Seller shall document all data removed and provide a justification describing why it was removed for SMUD review.
- The PV Capacity Test may be performed on non-consecutive days on SMUD's approval if weather delays or schedule does not permit consecutive day testing.
- Data points collected while the whole plant or greater than 20% of inverters are off-line shall be eliminated and noted in the PV Capacity Test Report.

- Obstructions or external shading that is believed to impact the results of the PV Capacity Test, and data collected for periods during which the array experiences shading from objects unrelated to the Solar Project, such as trees, buildings, etc., may be eliminated for purposes of the regression analysis. The Seller shall document all data eliminated and identify the source(s) of shading.

6 REPORTING

The Seller shall submit to SMUD a detailed PV Capacity Test report and supporting calculations within ten (10) Business Days of completion of a PV Capacity Test. The report shall include raw primary and secondary (if applicable) test instrument data, PVsyst Model 8760, and full Excel-based formulas and calculations. Raw testing data shall be submitted to SMUD with the test report.

7 SOILING ADJUSTMENTS

Soiling degradation shall be calculated immediately before the PV Commercial Operation Test and not the subsequent PV Capacity Tests, by the following procedure and conditions:

Conditions

- No more than one week before beginning the Capacity Test
- Measurements shall be taken during cloudless periods, between 10 am and 2 pm.
- Procedure shall be completed for at least half of the met station locations.
- For the avoidance of doubt, monthly soiling values in the PVSyst Model, as provided by the independent engineer, Luminate, shall be used for subsequent PV Capacity Tests.

Procedure

1. Record the first I-V curve for two modules, including plane-of-array irradiance and module temperature data. Record calculated P_{mp1} (corrected to STC) from the I-V curve measurement provided by the I-V curve trace device. Measurements for the two modules should be taken at approximately the same time.
2. Clean front and back of one of the two modules with water.
3. Let the cleaned module stabilize to the module temperature observed before cleaning – use the unwashed module as another point of temperature stabilization comparison. It is important that the modules reach a stable temperature, and not continue to increase through the second measurement.
4. Record the second I-V curve for the two modules, including plane-of-array irradiance and module temperature. Record calculated P_{mp2} (corrected to STC) from I-V curve measurement provided by I-V curve trace device. Measurements for the two modules should be taken at approximately the same time.
5. Calculate measured soiling loss for the cleaned module: $Soil_{Measured_n} = 1 - P_{mp1} / P_{mp2}$, where n represents the met station location for the measurement.
6. Calculate the ratio of P_{mp1}/P_{mp2} for the unwashed module. If this ratio is not near 1, it is an indication that the conditions between the two measurement periods were not sufficiently close and the Soiling Loss value calculated for the washed module at that particular met station location is subject to error and may be excluded.
7. $Soil_{Measured}$ equals the average of viable $Soil_{Measured_n}$ measurements.
8. $Adj_{Soil} = 1 - Soil_{Measured}$

Documentation

- I-V curve trace reports for P_{mp1} and P_{mp2}

8 DISPUTE RESOLUTION

At the request of either Party, an independent, professional engineer shall be retained by the Parties to resolve any dispute under this Exhibit L. The requesting Party may select an expert from the following pre-approved independent, professional engineers: Leidos, Luminate, DNV, and Black & Veatch. An expert not on this this pre-approved list will need to be agreed to by both Parties. Each Party shall cooperate reasonably with the other and with the selected expert to resolve the dispute expeditiously and efficiently. Each Party shall, within 30 days of the selection of the expert, provide to the expert in writing its position on the dispute and any back-up material supporting its position. The expert must agree with the position of one Party and may not implement a resolution to the dispute that differs from the proposal of a Party. The expert shall, within 30 days of the submission of Parties' positions, choose the Party position that, in the expert's determination, best reflects the appropriate resolution of the dispute. The Party whose position is not accepted by the expert shall pay all of the costs for the expert.

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Appendix 1 to Exhibit L

Included in following file:to_SMUD_20230809.zip

- **PV-Syst pdf output file**
 - country_acres_tilt_Project.VDG-Report.pdf
- **PV-Syst raw output file**
 - Country_acres_tilt_Project.VDG_HourlyRes_0.csv
- **8760 Energy model inclusive of losses to point of interconnection**
 - Energy_model_forward_facing.xlsx
- **Equipment and site modeling files including**
 - Solar Anywhere 3.6 TMY met file
 - CA_SMUD_SA6_TMY3_SA_TMY.MET
 - Site shading scene
 - Clenera Country Acres – Analysis.SHD
 - Hyperion HY-DH144P8 545W module .PAN file
 - HY-DH144P8-545.PAN
 - Sungrow SG350HX .OND file
 - Sungrow_SG350HX-US_16MPPT_V1_PVsyst686.OND



Version 7.3.4

PVsyst - Simulation report

Grid-Connected System

Project: country_acres_tilt_Project

Variant: ppa_reference_392MWdc_344MWac_1198inverters_no_wash

Sheds, single array

System power: 392.0 MWp

CA_SMUD_SA6 - United States

Author

Clenera, LLC (United States)



Project: country_acres_tilt_Project

Variant: ppa_reference_392MWdc_344MWac_1198inverters_no_wash

PVsyst V7.3.4

VDG, Simulation date:
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with v7.3.4

Clenera, LLC (United States)

Project summary

Geographical Site		Situation		Meteo data								
CA_SMUD_SA6		Latitude 38.75 °N		CA_SMUD_SA6								
United States		Longitude -121.45 °W		Solar Anywhere, satellite data, SUNY model - TMY								
		Altitude 18 m										
		Time zone UTC-8										
Monthly albedo values												
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Albedo	0.17	0.16	0.17	0.19	0.20	0.21	0.23	0.24	0.24	0.23	0.19	0.17

System summary

Grid-Connected System		Sheds, single array		User's needs	
PV Field Orientation		Near Shadings		Unlimited load (grid)	
Fixed plane		According to strings			
Tilt/Azimuth 15 / 0 °		Electrical effect 100 %			
System information					
PV Array					
Nb. of modules	719287 units		Inverters		Nb. of units 1198 units
Pnom total	392.0 MWp		Pnom total		383.4 MWac
			Pnom ratio		1.023

Results summary

Produced Energy	678645122 kWh/year	Specific production	1731 kWh/kWp/year	Perf. Ratio PR	83.40 %
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Project and results summary	2
General parameters, PV Array Characteristics, System losses	3
Near shading definition - Iso-shadings diagram	5
Main results	6
Loss diagram	7
Predef. graphs	8
Single-line diagram	9



Project: country_acres_tilt_Project

Variant: ppa_reference_392MWdc_344MWac_1198inverters_no_wash

PVsyst V7.3.4

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General parameters

Grid-Connected System		Sheds, single array										
PV Field Orientation		Sheds configuration										
Orientation		Nb. of sheds	320 units									
Fixed plane		Single array										
Tilt/Azimuth	15 / 0 °	Sizes										
		Sheds spacing	6.52 m									
		Collector width	4.56 m									
		Ground Cov. Ratio (GCR)	70.0 %									
		Top inactive band	0.02 m									
		Bottom inactive band	0.02 m									
		Shading limit angle										
		Limit profile angle	29.6 °									
Horizon		Near Shadings										
Free Horizon		According to strings										
		Electrical effect	100 %									
		User's needs										
		Unlimited load (grid)										
Bifacial system												
Model	2D Calculation											
	unlimited sheds											
Bifacial model geometry		Bifacial model definitions										
Sheds spacing	6.52 m	Ground albedo average	0.20									
Sheds width	4.60 m	Bifaciality factor	70 %									
Limit profile angle	29.6 °	Rear shading factor	10.0 %									
GCR	70.6 %	Rear mismatch loss	10.0 %									
Height above ground	0.46 m	Shed transparent fraction	0.0 %									
Monthly ground albedo values												
Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Year
0.17	0.16	0.17	0.19	0.20	0.21	0.23	0.24	0.24	0.23	0.19	0.17	0.20

PV Array Characteristics

PV module		Inverter	
Manufacturer	Runergy	Manufacturer	Sungrow
Model	HY-DH144P8-545	Model	SG350HX-US
(Custom parameters definition)		(Custom parameters definition)	
Unit Nom. Power	545 Wp	Unit Nom. Power	320 kWac
Number of PV modules	719287 units	Number of inverters	1198 units
Nominal (STC)	392.0 MWp	Total power	383360 kWac
Modules	24803 Strings x 29 In series	Operating voltage	500-1500 V
At operating cond. (50°C)		Max. power (=>30°C)	352 kWac
Pmpp	357.6 MWp	Pnom ratio (DC:AC)	1.02
U mpp	1080 V	Power sharing within this inverter	
I mpp	330959 A		
Total PV power		Total inverter power	
Nominal (STC)	392011 kWp	Total power	383360 kWac
Total	719287 modules	Max. power	421696 kWac
Module area	1858100 m ²	Number of inverters	1198 units
		Pnom ratio	1.02



Project: country_acres_tilt_Project

Variant: ppa_reference_392MWdc_344MWac_1198inverters_no_wash

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Array losses

Array Soiling Losses											
Average loss Fraction											4.8 %
Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
1.5%	1.5%	1.5%	1.5%	2.5%	5.0%	7.5%	10.5%	12.0%	10.0%	3.0%	1.5%
Thermal Loss factor				DC wiring losses				LID - Light Induced Degradation			
Module temperature according to irradiance				Global array res.				Loss Fraction			
Uc (const)		29.0 W/m²K		Loss Fraction		0.031 mΩ		0.9 % at STC		1.5 %	
Uv (wind)		0.0 W/m²K/m/s		Module mismatch losses				IAM loss factor			
Loss Fraction		-0.1 %		Loss Fraction		1.0 % at MPP		ASHRAE Param.: IAM = 1 - bo (1/cosi -1)			
								bo Param.		0.04	

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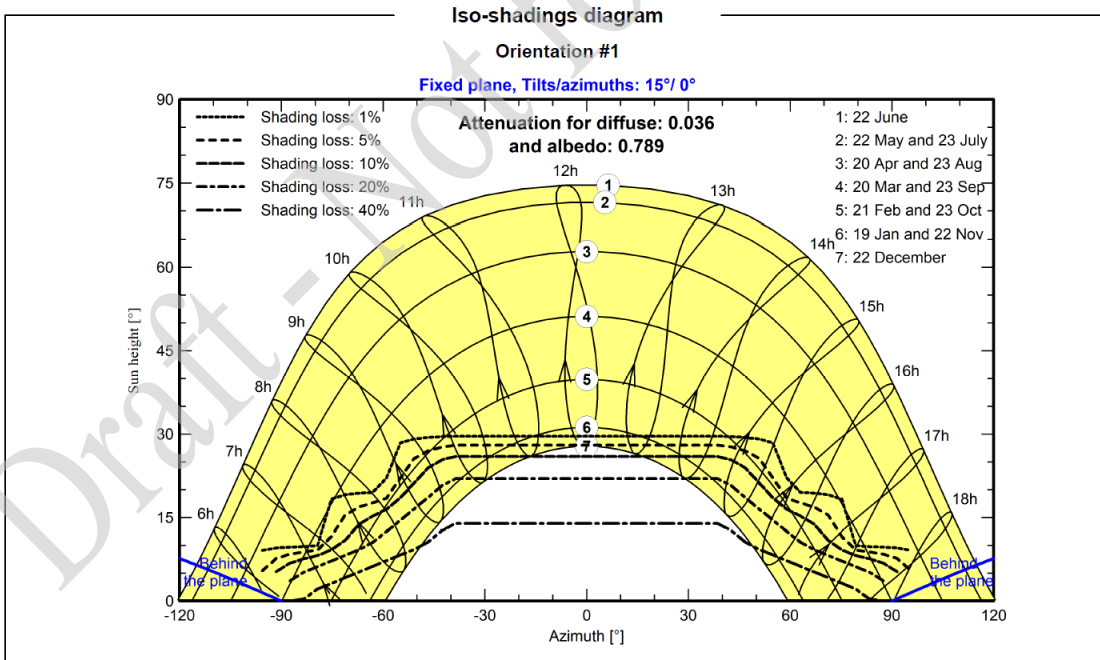
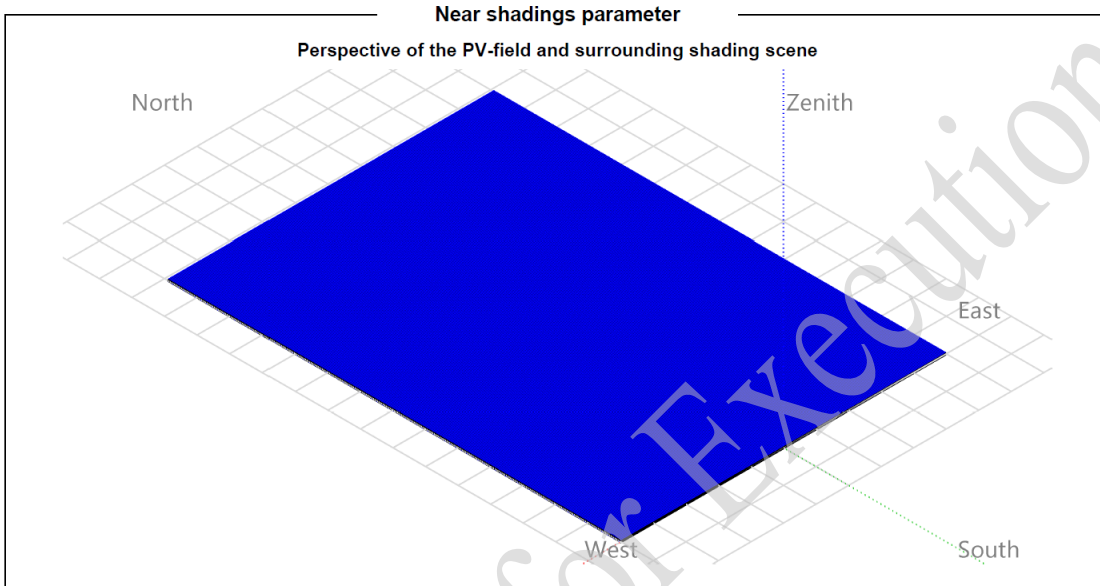


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Variant: ppa_reference_392MWdc_344MWac_1198inverters_no_wash

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Clenera, LLC (United States)

Main results

System Production

Produced Energy 678645122 kWh/year

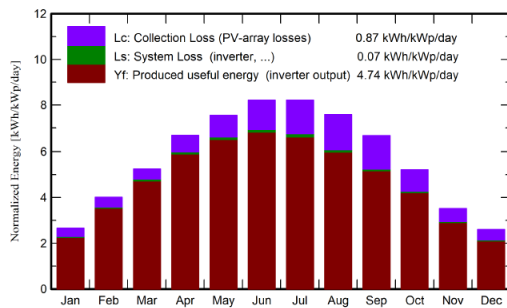
Specific production

1731 kWh/kWp/year

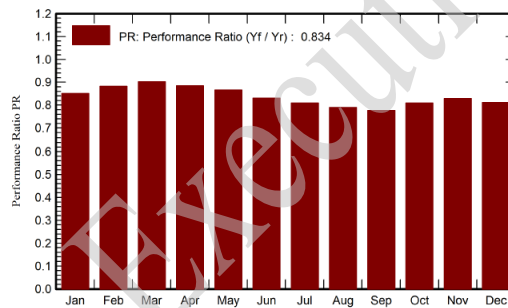
Perf. Ratio PR

83.40 %

Normalized productions (per installed kWp)



Performance Ratio PR



Balances and main results

	GlobHor kWh/m ²	DiffHor kWh/m ²	T_Amb °C	GlobInc kWh/m ²	GlobEff kWh/m ²	EArray kWh	E_Grid kWh	PR ratio
January	62.7	27.75	8.05	82.2	74.5	27897043	27413598	0.851
February	89.9	31.42	12.94	112.3	105.5	39435261	38834702	0.882
March	142.0	56.03	12.49	162.5	154.9	58354494	57490290	0.902
April	186.2	58.38	16.35	200.4	192.0	70584126	69481945	0.884
May	229.3	62.87	19.47	234.1	222.2	80742897	79504577	0.866
June	246.7	53.53	24.53	246.5	228.2	81565310	80283148	0.831
July	252.2	50.48	25.28	254.8	229.8	82087546	80812407	0.809
August	221.8	50.20	24.62	235.2	205.2	73925533	72803440	0.790
September	175.6	36.93	24.40	200.0	171.2	61766226	60864285	0.776
October	130.4	32.97	18.23	161.7	140.3	51992506	51239783	0.809
November	78.7	25.83	13.31	105.5	95.2	34807666	34278147	0.829
December	58.8	23.46	8.33	80.6	71.2	26089605	25638799	0.811
Year	1874.3	509.85	17.34	2075.8	1890.4	689248216	678645122	0.834

Legends

GlobHor	Global horizontal irradiation	EArray	Effective energy at the output of the array
DiffHor	Horizontal diffuse irradiation	E_Grid	Energy injected into grid
T_Amb	Ambient Temperature	PR	Performance Ratio
GlobInc	Global incident in coll. plane		
GlobEff	Effective Global, corr. for IAM and shadings		



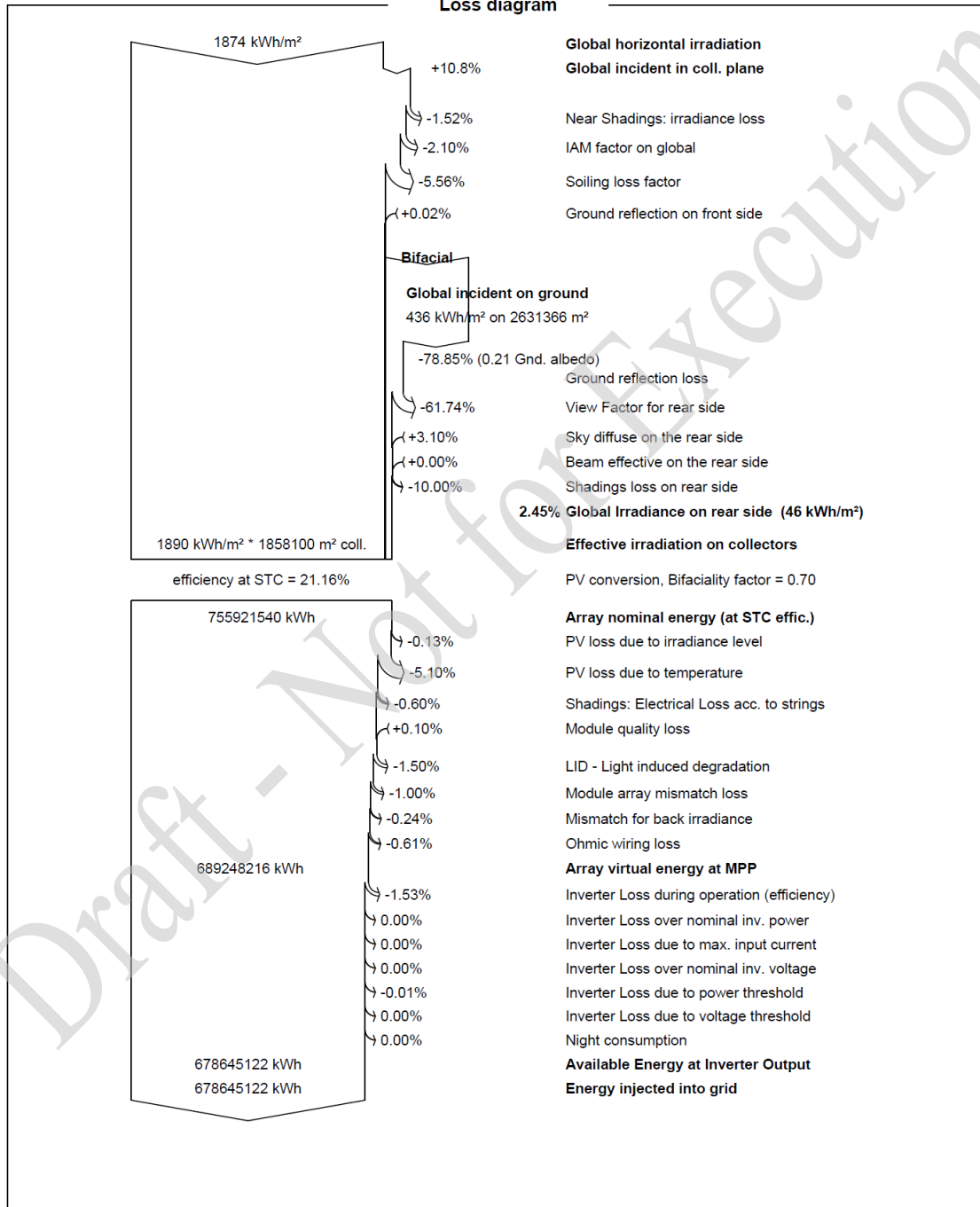
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Loss diagram





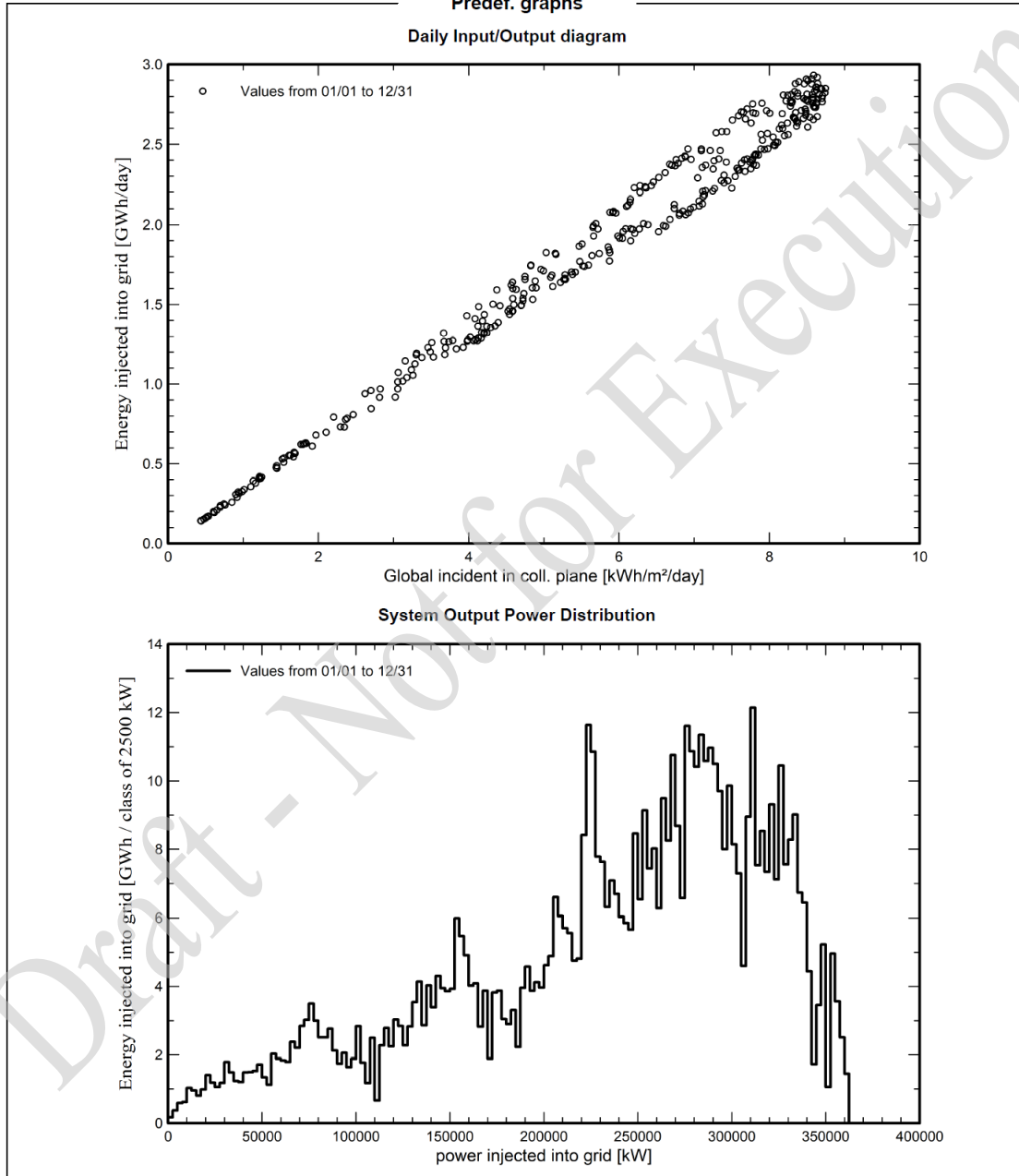
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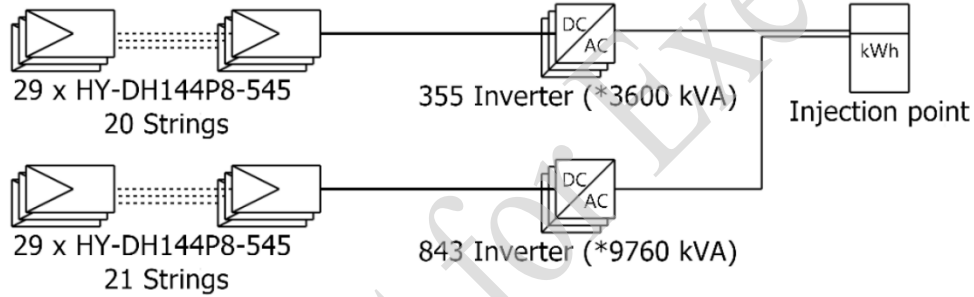
Predef. graphs





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Single-line diagram



PV module	HY-DH144P8-545
Inverter	SG350HX-US
String	29 x HY-DH144P8-545

		country_acres_tilt_Project	Clenera, LLC (United States)
		VDG : ppa_reference_392MWdc_344M Wac_1198inverters_no_wash	08/08/23

Exhibit M Battery Storage Testing

I. GENERAL

a. Overview

The purpose of this Exhibit M is to describe the requirements for each of the following tests, collectively the “Battery Storage Tests”:

- Battery Storage Commercial Operation Test
- Annual Battery Storage Capacity Test
- Battery Storage Capacity Test
- Battery Storage Operational Mode Test
- Battery Storage AGC Discharge Test
- Battery Storage AGC Charge Test
- Battery Storage Response Time and Ramp Rate Test
- Battery Storage Reactive Power Capability Test

All Battery Storage Tests described in this Exhibit M shall conform to the requirements herein as may be superseded by the approved Test Procedure (as defined below) for each test. All Battery Storage Tests shall be performed using Prudent Utility Practice.

b. Test Procedures

Seller shall submit a Test Procedure for each Battery Storage Test. As used in this Exhibit M, a “Test Procedure” is a detailed test procedure document and shall at a minimum describe, for each Battery Storage Test, the purpose, starting state, measured variables, step by step test procedure, conditions for pausing or restarting, ending state, calculation of results, and reporting requirements. Seller shall submit Test Procedures to SMUD for approval no later six (6) months prior to initial testing, in accordance with LGIA Exhibit G requirements. than thirty (30) days prior to the beginning of any Battery Storage Test and SMUD’s approval shall not be unreasonably withheld or delayed. For any recurring Battery Storage Test and after the first occurrence of any such test, the previously approved Test Procedure shall be utilized unless Seller or SMUD requests a revised Test Procedure 60 days prior to the beginning of such test, or such timeframe mutually agreed between the Parties.

c. Witnessing of Tests

SMUD or its representative shall be provided the opportunity to be present for any Battery Storage Test and may, for information only, separately utilize its own metering equipment so long as such use does not interfere with the test or Seller’s operation of the Battery Storage Project. SMUD shall be responsible for any incremental costs associated with SMUD’s witnessing of Battery Storage Tests including the use of SMUD’s own metering equipment.

d. Test Reports

Seller shall provide to SMUD a written report (“Test Report”) of the results of any completed Battery Storage Test no later than five (5) Business Days after the completion of the test or such other timeframe as may be defined in the approved Test Procedure. Each Test Report shall include the following, in addition to any additional requirement of a specific test as described in the applicable

Test Procedure:

1. A record of the personnel present during the test that served in an operating, testing, monitoring, or other such participatory role.
2. The measured data for the test as well as each parameter set forth in the relevant Test Procedure.
3. Copies of the raw data taken during the test and plant log sheets verifying the operating conditions shall be provided.
4. Summary of relevant final results of the test, including the results described in the sections below, as applicable.
5. Any anomalous observations made during the test.
6. Test uncertainty.
7. Seller's statement of acceptance or rejection of the test results and reasons therefore.

e. Retests

Retesting is allowable in accordance with Section 2.4.9 of the Agreement.

f. Cessation of Tests

Seller may at its sole discretion immediately cease any Battery Storage Test if Seller determines that continuation of the test would pose risk of damage or adverse effect to equipment or becomes aware of any circumstance for which continuing the test would violate Prudent Utility Practice.

g. Incomplete Tests

If any Battery Storage Test is not completed in accordance with this Exhibit M, SMUD may in its sole discretion: (i) accept the results up to the time the Battery Storage Test was stopped without any modification to the results; (ii) require that the incomplete portion of the Battery Storage Test be completed within a reasonable and specified time period; or (iii) require that the Battery Storage Test be entirely repeated within a reasonable and specified time period. Notwithstanding the above, if Seller is unable to complete a Battery Storage Test due to a Force Majeure event or the actions or inactions of SMUD or the CAISO or the Transmission Provider, Seller shall be permitted to retest in accordance with the requirements of this Exhibit M and on an expedited timeframe as may be agreed by both Seller and SMUD.

h. Data Capture

All measurements necessary to calculate the results for each Battery Storage Test described in this Exhibit M shall be collected at a rate of one (1) minute resolution or less unless higher resolution measurements are specified in the applicable approved Test Procedure.

Battery Storage Test measurements shall be made using instrumentation provided by Seller and, where appropriate, using instruments present at the Battery Storage Project during normal operation. All instruments providing measurements for a Battery Storage Test shall be calibrated according to the instrument manufacturer's recommendations and certificates provided with the applicable Test Report if required by the Test Procedure.

Ambient conditions including temperature and relative humidity shall be recorded during the test.

i. Responsibilities

Seller is responsible for executing all Battery Storage Tests. SMUD shall provide reasonable operational support during any Battery Storage Test. All Energy for Battery Storage Tests shall be provided by SMUD.

j. Test Uncertainty

Uncertainties shall be addressed by a test tolerance of 0.5% applied to the results of any Battery Storage Test with respect to any guarantee in this Agreement.

k. Dispute Resolution

At the request of either Party, an independent, professional engineer shall be retained by the Parties to resolve any dispute under this Exhibit M. The requesting Party may select an expert from the following pre-approved independent, professional engineers: Leidos, Luminare, DNV, and Black & Veatch. An expert not on this pre-approved list will need to be agreed to by both Parties. Each Party shall cooperate reasonably with the other and with the selected expert to resolve the dispute expeditiously and efficiently. Each Party shall, within 30 days of the selection of the expert, provide to the expert in writing its position on the dispute and any back-up material supporting its position. The expert must agree with the position of one Party and may not implement a resolution to the dispute that differs from the proposal of a Party. The expert shall, within 30 days of the submission of Parties' positions, choose the Party position that, in the expert's determination, best reflects the appropriate resolution of the dispute. The Party whose position is not accepted by the expert shall pay all of the costs for the expert.

II. BATTERY STORAGE CAPACITY TEST

a. Purpose

The Battery Storage Capacity Test is designed to establish the Expected Battery Storage Capacity and Round Trip Efficiency prior to COD and to provide annual updates and supplemental updates to the Expected Battery Storage Capacity and Round Trip Efficiency. The Battery Storage Capacity Test conducted prior to COD is referred to as the "Battery Storage Commercial Operation Test".

b. Scheduling

Battery Storage Capacity Tests shall be scheduled at the following times:

- i. As required to meet the conditions for Commercial Operation of Section 2.3.4 of the Agreement.
- ii. Within thirty (30) days of the end of each Contract Year unless waived or delayed by mutual agreement between Seller and SMUD. The Battery Storage Capacity Test conducted per this Section II.2.B shall be the "Annual Battery Storage Capacity Test".
- iii. Within ten (10) Business Days of either Party's request for additional Battery Storage Capacity Test, but not more than one (1) such additional test per calendar quarter, except as described in Section 2.4.9 of the Agreement.
- iv. As otherwise provided in the Agreement.

Seller shall provide Notice to SMUD of intent to conduct a Battery Storage Capacity Test no less

than ten (10) Business Days prior to the planned test date, and in accordance with requirements of the Outage Coordination Process. SMUD shall confirm the dates in writing prior to commencement of the test. All Battery Storage Capacity Tests shall be conducted when SMUD system conditions can allow for such testing, as reasonably determined by SMUD.

c. Procedure

i. Starting state:

Any scheduled Battery Storage Capacity Test shall be rescheduled and any in-progress Battery Storage Capacity Test restarted, if ambient temperature is expected to be below 10°C or above 50°C during any portion of the test.

The Battery Storage Project SOC shall be 0% and shall have rested for at least 10 minutes since the last instruction to charge or discharge prior to the start of any Battery Storage Capacity Test.

ii. Charging: Instruct the Battery Storage Project to charge from 0% SOC to 100% SOC at the Expected Battery Storage Capacity. The energy in MWh metered at the Battery Storage Meter during this step is the “Capacity Test Charging Energy”. Record the time required to complete this charging step. The “Capacity Test Average Charging Power” is the Capacity Test Charging Energy divided by the number of hours required to complete this charging step, expressed as a decimal”. Record the time required to complete this charging step.

iii. Resting: Allow the Battery Storage Project

to remain at 100% SOC for a duration of time specified by battery manufacturer and confirm the Battery Storage Project remains grid-connected during the rest period.

iv. Discharging: Instruct the Battery Storage Project to discharge from 100% SOC to 0% SOC at the Expected Battery Storage Capacity for a maximum of four (4) hours. The energy in MWh metered at the Battery Storage Meter during this step is the “Capacity Test Discharging Energy”. The “Capacity Test Average Discharging Power” is the Capacity Test Discharging Energy divided by the number of hours required to complete this discharging step, expressed as a decimal.

v. Resting: Allow the Battery Storage Project to remain at 0% SOC for a duration of time specified by the battery manufacturer and confirm the Battery Storage Project remains grid-connected during the rest period.

vi. Ending state: The Battery Storage Project is reconfigured to normal operation.

d. Results

Seller shall include the following key results among the other information in the Test Report.

i. Expected Battery Storage Capacity equals:

Total amount of discharged energy from the Battery Storage Meter divided by four (4) hours

ii. Round Trip Efficiency

The Round Trip Efficiency shall be calculated as follows:

$$100\% \times \frac{\text{Capacity Test Discharging Energy}}{\text{Capacity Test Charging Energy}}$$

e. Additional Requirements

- i. Both real and reactive power shall be measured and reported as measured by the Battery Storage Meter for any Battery Storage Capacity Test.

III. BATTERY STORAGE AGC DISCHARGE TEST

a. Purpose

This test will demonstrate the ability of the facility to receive, acknowledge, and begin responding to AGC commands in less than 4 seconds.

b. Scheduling

- i. As required to meet the conditions for Commercial Operation of Section 2.3.4 of the Agreement.
- ii. As otherwise provided in the Agreement.

c. Procedure

System starting state: The facility will be in the on-line state at 50% SOC and at an initial active power level of 0 MW and reactive power level of 0 MVAR. The EMS will be configured to follow a predefined agreed-upon active power profile.

- i. Record the facility active power level at the Battery Storage Meter.
- ii. Command the facility to follow a simulated control signal of PMAX at .95 power factor for ten (10) minutes.
- iii. Record and store the facility active power response (in seconds).

System end state: The facility will be in the on-line state and at a commanded active power level of 0 MW.

IV. BATTERY STORAGE AGC CHARGE TEST

a. Purpose

This test will demonstrate the ability of the facility to receive, acknowledge, and begin responding to AGC commands in less than 4 seconds.

b. Scheduling

- i. As required to meet the conditions for Commercial Operation of Section 2.3.4 of the Agreement.
- ii. As otherwise provided in the Agreement.

c. Procedure

System starting state: The facility will be in the on-line state at 50% SOC and at an initial active power level of 0 MW and reactive power level of 0 MVAR. The facility control system will be configured to follow a predefined agreed-upon active power profile.

- i. Record the facility active power level at the Battery Storage Meter.
- ii. Command the facility to follow a simulated control signal of P_{MAX} at .95 power factor for ten (10) minutes.
- iii. Record and store the facility active power response (in seconds).

System end state: The facility will be in the on-line state and at a commanded active power level of 0 MW.

V. BATTERY STORAGE RESPONSE TIME AND RAMP RATE TEST

a. Purpose

This test measures time for the Battery Storage Project to respond to dispatch setpoints.

b. Scheduling

- i. As required to meet the conditions for Commercial Operation of Section 2.3.4 of the Agreement.
- ii. As otherwise provided in the Agreement.

c. Procedure

- i. The Battery Storage Project will be placed into Idle Mode.
- ii. The Battery Storage Project shall be placed into Manual Mode and dispatched at full power rating.
- iii. Overall Response Time consists of two parts, as follows:
 - d. The time from when the command is written to the Seller's controller, according to the Seller's EMS, until the Battery Storage Project starts to move power setpoint as witnessed on the Battery Storage Meter; and
 - e. The Ramp Rate from when the Battery Storage Project starts to move power setpoint as witnessed on Battery Storage Meter to the time when the dispatch power point is reached.
- i. The communication latency time period is considered ended as soon as the meter registers a power value that is 100% +/-2.0% (of nameplate) different from the value it was at the start of the Response Time test.
- ii. The ramping time period is considered ended as soon as the meter registers a power value that is within 100% +/- 2.0% (of nameplate) of the dispatch power value.

f. Results

- i. Trend from EMS showing dispatch signal and power throughout the testing period.
- ii. Results matrix (data download from EMS).

g. Pass Criteria

The Battery Storage Project must satisfy the Response Time as well as the Ramp Rate, expressed in MW/min, and according to Prudent Electrical Practices.

VI. BATTERY STORAGE REACTIVE POWER CAPABILITY TEST

a. Purpose

This test will demonstrate the reactive power production capability of the facility.

b. Scheduling

- i. As required to meet the conditions for Commercial Operation of Section 2.3.4 of the Agreement.
- ii. As otherwise provided in the Agreement.

c. Procedure

System starting state: The facility will be in the on-line state at 50% SOC and at an initial active power level of 0 MW and reactive power level of 0 MVAR. The EMS will be configured to follow an agreed-upon predefined reactive power profile.

- i. Record the facility reactive power level at the Battery Storage Meter.
- ii. Command the facility to follow 15 MW for ten (10) minutes.
- iii. Record and store the facility reactive power response.

System end state: The facility will be in the on-line state and at a commanded reactive power level of 0 MVAR.

VII. BATTERY STORAGE REACTIVE POWER CONSUMPTION TEST

a. Purpose

This test will demonstrate the reactive power consumption capability of the facility.

b. Scheduling

- i. As required to meet the conditions for Commercial Operation of Section 2.3.4 of the Agreement.
- ii. As otherwise provided in the Agreement.

c. Procedure

System starting state: The facility will be in the on-line state at 50% SOC and at an initial active power level of 0 MW and reactive power level of 0 MVAR. The facility control system will be configured to follow an agreed-upon predefined reactive power profile.

- i. Record the facility reactive power level at the Battery Storage Meter.

- ii. Command the facility to follow 15 MW for ten (10) minutes.
- iii. Record and store the facility reactive power response.

System end state: The facility will be in the on-line state and at a commanded reactive power level of 0 MVAR.

In addition to the Battery Storage Tests described in this Exhibit M, Seller shall update the Test Procedure to include Operational Mode tests after each such Operational Mode is defined. Operational Mode testing shall be completed after the development of any new Operational Mode and also upon request where requests are limited to two per Contract Year. Testing shall demonstrate that the Operational Mode performs as intended.

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Exhibit N

PROJECT MILESTONE SCHEDULE

Below is a list of key project milestones and the targeted completion date for each.

In the case that a milestone is not achieved by the listed completion date the following actions will be required:

1. An updated project schedule which shows the recovery needed to make COD and GCOD
2. Report provided to Buyer detailing the cause for delay, its impact to the project overall and the plan moving forward
3. An updated Exhibit N submitted and signed by Seller

Upon mutual agreement of both Parties, a new Exhibit N may be issued. When updated, the Parties will insert a new effective date for this Exhibit N, which will replace the prior Exhibit N.

Effective Date: [Month, Day, Year] _____

Signature of Seller

Signature of SMUD

Milestone	Responsible Party	Date	Contract
Pre-Energization Testing—indoor/outdoor Equipment Testing (energy source is station service)	SMUD/Seller	3/1/2026	LGIA Section 6.1
Permission to energize for transmission and generation (energy source is 230kV to allow for back feed)	SMUD	3/9//2026	LGIA Section 6.1
Start Pre-commercial Energy & Operation Testing	SMUD/Seller	6/1/2026	LGIA Section 6.2
Development Security Submittal	Seller	Within 30 days of Effective Date	PPA Section 9.1
Delivery Term Security Submittal	Seller	12/15/2026	PPA Section 9.1
Scheduled COD	Seller	12/15/2026	PPA Exhibit A
Guaranteed COD	Seller	6/13/2027	PPA Exhibit A

Exhibit O
BATTERY STORAGE PROJECT ROUND TRIP EFFICIENCY GUARANTY

For purposes of the Agreement and this Exhibit O, the term “Guaranteed Round Trip Efficiency” means, for each Contract Year, the corresponding value set forth in the Round Trip Efficiency Guaranty Table set forth below.

Round Trip Efficiency Guaranty Table

Contract Year	Guaranteed Round Trip Efficiency (%)
1	84.500%
2	84.375%
3	84.250%
4	84.125%
5	84.000%
6	83.875%
7	83.750%
8	83.625%
9	83.500%
10	83.375%
11	83.250%
12	83.125%
13	83.000%
14	82.875%
15	82.750%
16	82.625%
17	82.500%
18	82.375%
19	82.250%
20	82.000%

For purposes of the Agreement and this Exhibit O, the term “Round Trip Efficiency” is the amount set forth in the following formula, as determined in the Battery Storage Capacity Test performed under Exhibit M.

$$\text{Round Trip Efficiency} = \frac{\text{Discharging Energy}}{\text{Charging Enregy}}$$

Round Trip Efficiency Liquidated Damages

If, for any Contract Year, the Round Trip Efficiency determined by the Annual Battery Storage Capacity Test (or any retest conducted within seven days of the initial Battery Storage Capacity Test) conducted for such Contract Year is less than the corresponding Guaranteed Round Trip Efficiency for such Contract Year, the following Round Trip Efficiency Liquidated Damages will apply on an annual basis:

RTELD = LMP x RTES x CE

Where:

RTELD = Round Trip Efficiency Liquidated Damages

LMP = the simple average of the Locational Marginal Price (as defined in the CAISO Tariff) at the Battery Storage Project pNode (as defined in the CAISO Tariff) in the Day-Ahead Market for the hours that the Battery Storage Project is either charging or discharging in response to a Dispatch Instruction during the Contract Year

RTES = Guaranteed Round-Trip Efficiency minus the Round Trip Efficiency determined by the relevant annual Battery Storage Capacity Test (or, if a retest is taken within seven days of the initial Battery Storage Capacity Test conducted for such Contract Year, then such retest)

CE = the amount of Charging Energy used to charge the Battery Storage Project during the Contract Year

Upon mutual agreement of both Parties, a new Exhibit O may be issued. When updated, the Parties will insert a new effective date for this Exhibit O, which will replace the prior Exhibit O.

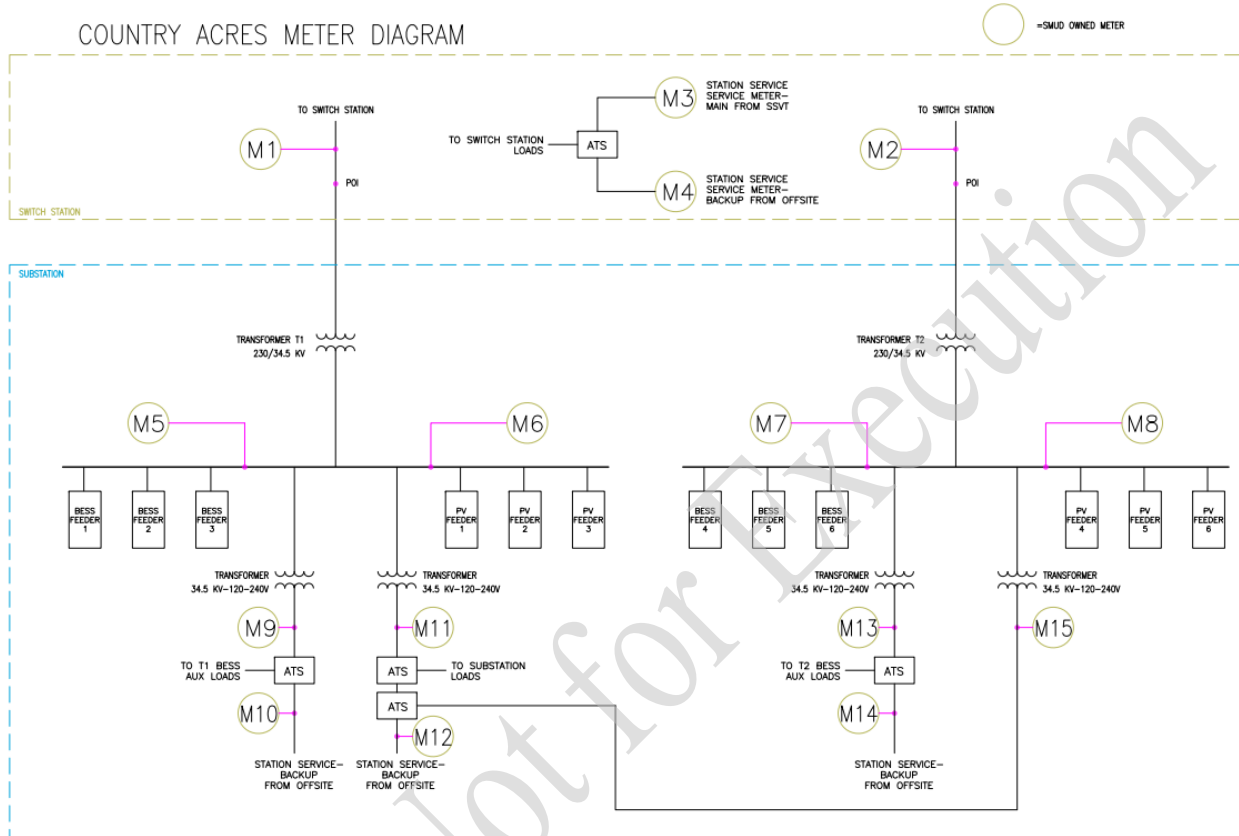
Effective Date: [Month, Day, Year] _____

Signature of Seller

Signature of SMUD

Draft - Not for Execution

EXHIBIT P METERING DIAGRAM



Upon mutual agreement of both Parties, a new Exhibit P may be issued. When updated, the Parties will insert a new effective date for this Exhibit P, which will replace the prior Exhibit P.

Effective Date: [Month, Day, Year] _____

Signature of Seller

Signature of SMUD

**EXHIBIT Q
FORM OF LETTER OF CREDIT**

LETTER OF CREDIT

To: Sacramento Municipal Utility District
Energy Contracts Administration
6301 S Street, MS A404
Sacramento, CA 95817-1899

Re: Our Irrevocable Standby Letter of Credit No. []
In the Amount of US\$ [] ([]) and []/100 U.S. Dollars) for [Development/Delivery
Term] Security

Gentlemen:

We hereby open our irrevocable standby Letter of Credit Number No.[] in favor of the Sacramento Municipal Utility District ("Beneficiary"), by order and for account of Country Acres Clean Power, LLC ("Account Party"), available at sight upon demand at our counters, at [], for an amount of US\$ [] ([]) and []/100 U.S. Dollars) and against presentation one of the following documents:

1- Statement signed by a person purported to be an authorized representative of Beneficiary stating that: Country Acres Clean Power, LLC (the "Seller") is in default under the Agreement between Beneficiary and Seller, dated [], or under any transaction contemplated thereby (whether by failure to perform or pay any obligation thereunder or by occurrence of a "default", "event of default" or similar term as defined in such agreement, any other agreement between Beneficiary and Seller, or otherwise). The amount due to Beneficiary is US \$[]."

Or

2. Statement signed by a person purported to be an authorized representative of Beneficiary stating that: "Country Acres Clean Power, LLC ("Seller") has terminated the Agreement between Beneficiary and Seller dated [] pursuant to such agreement. The amount due to Beneficiary is US \$[]."

Or

3. Statement signed by a person purported to be an authorized representative of Beneficiary stating that: "as of the close of business on [] [insert date, which is less than forty-five (45) days prior to the expiration date of the Letter of Credit] you have provided written notice to us indicating your election not to permit extension of this Letter of Credit beyond its current expiry date. The amount due to Beneficiary, whether or not a default has occurred, is U.S. \$[]."

Special Conditions:

- All costs and banking charges pertaining to this Letter of Credit are for the account of Account Party.
- Partial and multiple drawings are permitted.
- Presentation of the Letter of Credit and Documents 1, 2 or 3 above may be made (i) in person, (ii) by first class certified and registered U.S. mail, or by (iii) overnight mail on or before the expiration date.

This Letter of Credit expires on [one year anniversary of date of issuance] at our counters.

We hereby engage with Beneficiary that upon presentation or facsimile transmission of a document as specified under and in compliance with the terms of this Letter of Credit, this Letter of Credit will be duly honored in the amount stated in Document 1, 2 or 3 above. If a document is so presented by 1:00 pm New York time on any banking day, we will honor the same in full in immediately available funds on the next banking day and, if so presented after 1:00 pm New York time on a banking day, we will honor the same in full in immediately available funds by noon on the second succeeding banking day.

It is a condition of this Letter of Credit that it shall be deemed automatically extended without an amendment for a one year period beginning on the present expiry date hereof and upon each anniversary of such date, unless at least ninety (90) days prior to any such expiry date we have sent you written notice by registered mail or overnight courier service that we elect not to permit this Letter of Credit to be so extended beyond the then current expiry date, and it will expire on its then current expiry date. No presentation made under this Letter of Credit after such expiry date will be honored.

Except as stated herein, this letter of credit is not subject to any condition or qualification and is our individual obligation which is in no way contingent upon reimbursement or any right of subrogation. We irrevocably waive any and all rights of subrogation, whether as provided by statute or otherwise, now or hereafter that might, but for such waiver exist, in respect to this letter of credit or any payment we make under it, as to the Applicant, Beneficiary, or the transaction between Beneficiary and Country Acres Clean Power, LLC. We further give irrevocable notice that we are not now and will not be the secondary obligor or co-obligor of Country Acres Clean Power, LLC's obligation and liabilities to Beneficiary for any purpose. Our obligations to Beneficiary under this letter of credit are our primary obligations and are strictly as stated herein

We agree that if this Letter of Credit would otherwise expire during, or within 30 days after, an interruption of our business caused by an act of god, riot, civil commotion, insurrection, act of terrorism, war or any other cause beyond our control or by any strike or lockout, then this Letter of Credit shall expire on the 30th day following the day on which we resume our business after the cause of such interruption has been removed or eliminated and any drawing on this Letter of Credit which could properly have been made but for such interruption shall be permitted during such extended period.

This Letter of Credit shall be governed by the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 ("ISP98"), except to the extent that the terms hereof are inconsistent with the provisions of the ISP98, in which case the terms of this Letter of Credit shall govern.

[____], a [_____]

Authorized Signature(s)

EXHIBIT R
FORM OF LIMITED ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this “**Assignment Agreement**” or “**Agreement**”) is entered into as of [____], 20__ by and among [____], a [____] (“**PPA Seller**”), [Participant], a [____] (“**PPA Buyer**”), and [Assignee], 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 [Assignee] (the “**Parties**” hereto; each is a “**Party**”) agree as follows:

1. Limited Assignment and Delegation.

- (a) PPA Buyer hereby assigns, transfers and conveys to [Assignee] all right, title and interest in and to the rights of the delivered Products under the PPA 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 [Assignee] the obligation to pay for all Assigned Products that are actually delivered to [Assignee] 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**”). All other obligations of PPA Buyer under the PPA are expressly retained by PPA Buyer. To the extent [Assignee] fails to pay for any Assigned Products by the due date for payment set forth in the PPA, PPA Buyer agrees that it will remain jointly and severally responsible as a primary obligor (and not as a surety) for such payment within five (5) Business Days (as defined in the PPA) of receiving notice of such non-payment from PPA Seller and that, regardless of receiving notice, it will indemnify and hold PPA Seller harmless from and against all losses, costs, damages, liabilities and expenses of any kind as a result of or arising from assignment, transfer, conveyance and delegation described in clauses (a) and (b) of paragraph 1 above, the failure of [Assignee] to make any such payment in respect of Delivered Product Payment Obligation as and when due under the PPA (and disregarding the effects of any stay or other suspension rights, including without limitation under sections 362 or 365 of the Bankruptcy Code or similar laws), whether due to bankruptcy, insolvency or any other cause.
- (c) [Assignee] hereby accepts and PPA Seller hereby consents and agrees to the assignment, transfer, conveyance and delegation described in clauses (a) and (b) above.
- (d) All scheduling of Assigned Products and other communications related to the PPA shall take place between PPA Buyer and PPA Seller pursuant to the terms of the PPA; provided that (i) title to Assigned Product will pass from PPA Seller to [Assignee] upon delivery by PPA Seller of Assigned Product in accordance with the PPA; (ii) PPA Buyer is hereby authorized by [Assignee] and shall act as [Assignee]’s agent with regard to scheduling Assigned Product; (iii) PPA Buyer will provide copies to [Assignee] of any Notice (as defined in the PPA) of a Force Majeure Event or Event of Default or default, breach or other occurrence that, if not cured within the applicable grace period, could result in an Event of Default contemporaneously upon delivery thereof to PPA Seller and promptly after receipt thereof from PPA Seller; (iv) PPA Buyer will provide copies to [Assignee] of annual and monthly forecasts received from PPA Seller as contemplated under Sections [____] of the PPA; (v) PPA Buyer will provide copies to [Assignee] of all invoices and supporting data received from PPA Seller pursuant to Section [____] of the PPA, 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 will be resolved solely between PPA Buyer and PPA Seller

and therefore PPA Buyer will not be obligated to deliver copies of any communications relating thereto to [Assignee]; and (vi) PPA Buyer will provide copies to [Assignee] of any other information reasonably requested by [Assignee] relating to Assigned Products.

- (e) PPA Seller acknowledges that (i) [Assignee] 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) [Assignee] owns or has the right to purchase receivables due from PPA Buyer for any such Assigned Products. To the extent [Assignee] owns or purchases any valid, lien-free receivables due from PPA Buyer for Assigned Product, [Assignee] may transfer good, marketable and lien-free title to such receivables to PPA Seller and PPA Buyer waives all rights to dispute or claim any defense in respect of such receivables other than a defense that would have arisen under the PPA if this Assignment Agreement were not in effect. Upon such transfer, [Assignee] may apply the face amount thereof as a reduction to any Delivered Product Payment Obligation owed by [Assignee] to PPA Seller; provided that no such transfer or application shall reduce or limit PPA Buyer's obligations under Section 1(b) above.
- (f) In the event the PPA described on Appendix 1 or the Assigned Product Rights are either or both rejected or terminated in or as a result of any bankruptcy, insolvency, reorganization or similar proceeding affecting [Assignee], PPA Buyer shall, at the option of PPA Seller exercised within 30 days after such rejection or termination, enter into a new agreement with PPA Seller having identical terms as the PPA described on Appendix 1 (subject to any conforming changes necessitated by the substitution of parties and other changes as the parties may mutually agree), provided that the term under such new agreement shall be no longer than the remaining balance of the term specified in the PPA described on Appendix 1.

2. Assignment Early Termination.

- (a) The Assignment Period may be terminated early upon the occurrence of any of the following:
 - (1) delivery of a written notice of termination by either [Assignee] or PPA Buyer to each of the other Parties hereto;
 - (2) delivery of a written notice of termination by PPA Seller to each of [Assignee] and PPA Buyer following [Assignee]'s failure to pay when due any amounts owed to PPA Seller in respect of any Delivered Product Payment Obligation and such failure continues for one business day following receipt by [Assignee] of written notice thereof;
 - (3) delivery of a written notice by PPA Seller to the other Parties hereto if any of the events described in Section [Bankruptcy] of the PPA occurs with respect to [Assignee]; or
 - (4) delivery of a written notice by [Assignee] if any of the events described in Section [Bankruptcy] of the PPA occurs with respect to PPA Seller.
- (b) The Assignment Period will end at the end of last delivery hour on the date specified in the termination notice provided pursuant to Section 2(a), which date shall not be earlier than the end of the last day of the calendar month in which such notice is delivered if termination is pursuant to clause (a)(1) or (a)(2) above. All Assigned Rights and Obligations shall revert from [Assignee] to PPA Buyer upon the early termination of the Assignment Period, provided that (i) [Assignee] shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to [Assignee] 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 in respect of the Parties not subject inter se to such restrictions, provided that [Assignee] will not have any further obligations hereunder following an early termination of the Assignment Period regardless of any such legal restrictions on the effectiveness of such reversion.

(c) The Assignment Period will automatically terminate upon the expiration or early termination of the PPA. All Assigned Rights and Obligations shall revert from [Assignee] to PPA Buyer upon the expiration of or early termination of the PPA, provided that (i) [Assignee] shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to [Assignee] 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 in respect of the Parties not subject in whole or in part to such restrictions, provided that [Assignee] will not have any further obligations hereunder following an early termination of the Assignment Period regardless of any such legal restrictions on the effectiveness of such reversion.

3. Representations and Warranties. The PPA Seller and the PPA Buyer represent and warrant to [Assignee], each with respect to itself only, that as of the date hereof (a) the PPA is in full force and effect; (b) to the best of its knowledge, 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 date hereof 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 Section [] and the Cover Sheet of the PPA and to the addresses of each of PPA Seller and PPA Buyer specified in the PPA. PPA Buyer agrees to notify [Assignee] of any updates to such notice information, including any updates provided by PPA Seller to PPA Buyer. Notices to [Assignee] shall be provided to the following address, as such address may be updated by [Assignee] from time to time by notice to the other Parties:

[

_____]

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

6. U.S. Resolution Stay Provisions.

(a) In the event that [Assignee] becomes subject to a proceeding under (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder or (ii) 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 [Assignee] 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.

(b) In the event that [Assignee] 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 [Assignee] 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.

- (1) Limitation on Exercise of Certain Default Rights Related to an Affiliate's Entry Into Insolvency Proceedings. Notwithstanding anything to the contrary in this Agreement, the Parties expressly acknowledge and agree that:
- i. PPA Buyer and 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 [Assignee] 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
 - ii. 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 [Assignee] becoming subject to an Insolvency Proceeding, unless the transfer would result in PPA Buyer or PPA Seller being the beneficiary of such Affiliate Credit Enhancement in violation of any law applicable to PPA Buyer or PPA Seller, as applicable.
- (2) U.S. Protocol. To the extent that PPA Buyer and PPA Seller each adhere to the ISDA 2018 U.S. Resolution Stay Protocol, as published by the International Swaps and Derivatives Association, Inc. as of July 31, 2018 (the "ISDA U.S. Protocol"), after the date of this Agreement, the terms of the ISDA U.S. Protocol will supersede and replace the terms of this Section 6.
- (3) For purposes of this Section 6:

"Affiliate" is defined in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

"Credit Enhancement" means any credit enhancement or credit support arrangement in support of the obligations of [Assignee] 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.

(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 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 THE PPA BUYER TO ENTER INTO AND PERFORM ITS OBLIGATIONS UNDER THIS ASSIGNMENT AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

(b) [Reserved].⁴

[Remainder of Page Intentionally Blank]

⁴ NOTE: Parties to negotiate and agree upon jurisdiction provision, if any, at the time of execution.

Appendix 1

Assigned Rights and Obligations

“PPA” means [_____].

“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 period 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 Products: include [_____].

Further Information:

Subject to all of PPA Seller’s rights under the PPA and the Assignment Agreement, PPA Seller shall continue to comply with its obligations associated with all Renewable Energy Credits corresponding to all Delivered Energy under the PPA pursuant to Section [__] of the PPA. All Assigned Product delivered by PPA Seller to [Assignee] shall be a sale made at wholesale, with [Assignee] reselling all such Assigned Product.

1. In connection with the assignment of the Assigned Products, PPA Buyer hereby assigns, transfers and conveys to [Assignee] its right to any amounts payable by PPA Seller to PPA Buyer pursuant to [Section __ (Guaranteed Energy Production)] of the PPA, and any such amount will be set forth in the consolidated invoice described in Section 1(b) of this Agreement.
2. The Assigned Prepay Quantity is set forth in Appendix 2; provided that (i) all Assigned Products shall be delivered pursuant to this Agreement during the Assignment Period and (ii) the Assigned Prepay Quantity is defined for the convenience of PPA Buyer and [Assignee] and shall have no impact on the obligations of the Parties under this Agreement or the PPA.

Appendix 2

Assigned Prepay Quantity

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

Draft - Not for Execution

EXHIBIT S
PV RELIABILITY PERCENTAGE AND BATTERY STORAGE RELIABILITY PERCENTAGE

1. General

a. Introduction and Purpose

The purpose of the PV Reliability Percentage and Battery Storage Reliability Percentage calculations are to quantify the extent to which each project is shown to reliably follow the SMUD setpoint during a given Settlement Period.

It is the intent of the PV Reliability Percentage and Battery Storage Reliability Percentage calculations of this Exhibit S to avoid double counting the same event as contributing both to a reduced Availability Percentage and a reduced PV Reliability Percentage or Battery Storage Reliability Percentage. The Availability Percentage calculations of Exhibit U must be calculated prior to beginning the PV Reliability Percentage or Battery Storage Reliability Percentage calculations of this Exhibit S. The PV Reliability Percentage or Battery Storage Reliability Percentage calculations of this Exhibit S shall be adjusted to avoid counting as a reduction to the PV Reliability Percentage or Battery Storage Reliability Percentage, any interval for which a reduced PV Availability Percentage or Battery Storage Availability Percentage has already been calculated. For the avoidance of doubt, a time interval may be assessed both to reduce the Availability Percentage and the PV Reliability Percentage or Battery Storage Reliability Percentage, respectively, if it can be reasonably shown that each type of underperformance has been adjusted to avoid double counting.

b. Technical Disputes

At the request of either Party, an independent, professional engineer shall be retained by the Parties to resolve any dispute under this Exhibit S. The requesting Party may select an expert from the following pre-approved independent, professional engineers: Leidos, Luminare, DNV, and Black & Veatch. An expert not on this pre-approved list will need to be agreed to by both Parties. Each Party shall cooperate reasonably with the other and with the selected expert to resolve the dispute expeditiously and efficiently. Each Party shall, within 30 days of the selection of the expert, provide to the expert in writing its position on the dispute and any back-up material supporting its position. The expert must agree with the position of one Party and may not implement a resolution to the dispute that differs from the proposal of a Party. The expert shall, within 30 days of the submission of Parties' positions, choose the Party position that, in the expert's determination, best reflects the appropriate resolution of the dispute. The Party whose position is not accepted by the expert shall pay all of the costs for the expert. For avoidance of doubt, the resolution of the dispute shall not apply to aspects of settlement that are included in other sections or exhibits of this PPA beyond this Exhibit S.

2. PV Reliability Percentage

a. Prerequisite Conditions for Reliability Percentage Intervals

The following conditions are required for any time interval to be included in the PV Reliability Percentage calculation:

- (i) Solar Meter is operational and properly calibrated
- (ii) SCADA system for Solar Project is operational and providing valid data

(iii) Scheduled Energy is valid and in accordance with this Agreement

b. Calculation

PV Reliability Percentage is calculated using the following equation, averaged over all valid 5-minute intervals within a given Settlement Period.

$$PVRP = 100\% \times \left(1 - \frac{SE - MTR}{X}\right)$$

When SE >25% of CP, X = SE, otherwise X = 25% of CP

Where:

- PVRP = PV Reliability Percentage
- SE = Scheduled Energy
- MTR = Solar Project output measured at Solar Meter
- CP = Available PV Capacity

Any interval where MTR is greater than SE and the difference is less than 500 kW shall be adjusted to set MTR equal to the SE.

Any interval where MTR is less than SE shall be adjusted to set MTR equal to SE, except for any such deviation between MTR and SE where (x) the cause is attributable to mis-operation of Solar Project's power plant controller and (y) to the extent such deviation exceeds 1 MW. Such mis-operation of the power plant controller shall be prorated based on the extent to which the deviation was caused by controller mis-operation and adjusted to not include any deviation caused by lack of solar irradiance. Mis-operation of the power plant controller shall be evidenced by SCADA data showing that inverters are curtailed to a value below their maximum output in time intervals where they would otherwise be able to produce more power. In such intervals, the SE shall be replaced by an estimate of the expected power generation of the Solar Project for the ambient conditions for any intervals where the SE exceeds this estimate.

3. Battery Storage Reliability Percentage

a. Prerequisite Conditions for Reliability Percentage Intervals

The following conditions are required for any time interval to be included in the Battery Storage Reliability Percentage calculation:

- (iv) Battery Storage Meter is operational and properly calibrated
- (v) SCADA system for Battery Storage Project is operational and providing valid data
- (vi) Scheduled Battery Storage is valid and in accordance with this Agreement

b. Calculation

Battery Storage Reliability Percentage is calculated using the following equation, averaged over all valid 5-minute intervals within a given Settlement Period.

$$BSRP = 100\% \times \left(1 - \frac{SBS - MTR}{X}\right)$$

When SBS >25% of CP, X = SBS, otherwise X = 25% of CP

Where:

BSRP = Battery Storage Reliability Percentage

SBS = Scheduled Battery Storage

MTR = Charging Energy or Discharging Energy, as applicable, recorded at the Battery Storage Meter

CP = Available Storage Capacity

Any interval where MTR deviates from SBS by less than 500 kW shall be adjusted to set MTR equal to SBS.

The Battery Storage Reliability Percentage calculation shall account for deviations from SBS caused by failure to control ramp rate in accordance with Exhibit J.

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**Exhibit T
Form of Surety**

EXHIBIT __

FORM OF SURETY BOND

BOND NUMBER: _____

FINANCIAL AND PERFORMANCE GUARANTEE BOND

KNOW ALL MEN BY THESE PRESENTS: That we, _____, a _____ limited liability company (hereinafter called the Principal), and _____ with its principal office at _____ located in the Continental United States, a corporation duly organized under the laws of the State of _____ (hereinafter called the Surety) as Surety, are held and firmly bound unto _____, a _____ (hereinafter called the Obligee), as Obligee, in the sum of _____ Dollars (\$_____) for the payment of which sum well and truly to be made, we the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

This Financial and Performance Guarantee Bond (the "Bond") is being issued in connection with an Power Purchase and Sale Agreement between Principal and Obligee dated _____ (referred to as the "Agreement").

Now therefore, the condition of this obligation is such that if the Principal shall well and truly keep all the terms and conditions as outlined in the Agreement, then this obligation shall be null and void; otherwise to remain in full force and effect, until terminated or expired as set forth below.

Provided, however, this Bond is executed by the Surety and accepted by the Obligee subject to the following conditions:

1. No assignment of this Bond shall be effective without the written consent of the Surety.
2. This Bond shall be effective for a period of one (1) year with an effective date of _____ and shall have an expiration date of _____, except that if the Surety has not provided written notice to the Obligee at least sixty (60) days prior to such expiration date that this Bond will terminate on such expiration date, this Bond shall automatically renew for an additional one-year period. Any notice by the Surety to the Obligor shall be sent by registered mail to the address below.

[insert address]

3. Such expiration shall not affect any liability incurred or accrued under this Bond prior to the effective date of such expiration. It is understood and agreed that the Obligee may recover the full amount of the Bond (less any previous amounts paid to the Obligee under the Bond) if Surety notifies Obligee that the Surety will not renew the Bond and, within thirty (30) days prior to the effective date of nonrenewal, the Obligee has not received replacement Performance Security (as defined in the Agreement).

4. Provided, however, it shall be a condition precedent to any right of recovery herein that, in the event of any breach of any payment or performance obligation of Principal under the Agreement, a written notice of such breach shall be given by the Obligee to the Surety and the Surety will pay the amount set forth in the Obligee's notice within ten (10) Business Days (as defined below) after the Surety's receipt of such notice, subject to Section 7 below. "Business Days" means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday in California.

5. This Bond is a primary obligation of the Surety, and such obligation shall not be affected by:

a. any modification, amplification, amendment, supplement, renewal or waiver of the Agreement or any of the terms or conditions of the Agreement;

b. any postponement or extension of the date on which any payment must be made by the Obligee pursuant to the Agreement and mutually agreed to by the Obligee and the Principal or postponement or extension of the date on which any payment must be made, or act must be performed, by the Principal thereunder;

c. any failure, omission, delay, waiver or refusal by the Obligee to exercise, in whole or in part, any right or remedy held by the Obligee with respect to the Agreement, except as to applicable statutes of limitation;

d. any legal disability of the Principal or the Surety;

e. any rights of subrogation, reimbursement, indemnity or contribution that the Surety or the Obligee may have against the Principal;

f. any lack of knowledge by the Surety as to the condition (including financial) of the Principal, since the Surety shall be responsible for obtaining its own knowledge of such condition;

g. any rights or defenses that are or may become available to the Surety by reason of Sections 2819 or 2845 of the California Civil Code; or

h. any termination of or change in corporate existence, structure or ownership of the Principal or the Surety, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Principal or its assets.

6. No action, suit or proceeding shall be had or maintained against the Surety on this unless the same be brought or instituted within six (6) months after the termination or expiration of this Bond.

7. Regardless of the number of years this Bond is in force, the aggregate liability of the Surety shall not be cumulative in amounts from period to period and shall in no event exceed the amount set forth above, or as amended by rider.

In witness whereof, said Principal and said Surety have caused this Bond to be duly signed and their seals affixed this ____ day of _____, ____.

Principal

BY: _____

Surety

BY: _____

Attorney-in-Fact

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EXHIBIT U
AVAILABILITY PERCENTAGE CALCULATIONS

1. General

a. Introduction and Purpose

The purpose of the Availability Percentage calculation is to measure the Availability of the equipment associated with the Solar Project and Battery Storage Project, respectively, and to allow the Availability for each facility to be compared with the Guaranteed Availability. Such Availability Percentage calculations are carried out with respect to a "Reporting Period" which is equal to the Settlement Period according to the requirements of the Agreement.

The Solar Project Availability Percentage calculation and the Battery Storage Project Availability Percentage calculation generally follows the International Electrotechnical Commission (IEC) Technical Specification 63019 (Edition 1.0 2019-05) titled "Photovoltaic power systems (PVPS) – Information model for availability".

Notwithstanding anything herein to the contrary, in the event that the calculated Availability Percentage is equal to or greater than the Guaranteed Availability, the Availability Percentage shall be deemed to be one hundred percent (100%) for all purposes hereunder.

b. Methods and Updates

For PV only, if inverters with capacity of 500 kW or less are utilized, the associated Solar Project Availability Percentage or Battery Storage Project Availability Percentage calculation, as applicable, shall assess the component Availability based upon the measured AC power for each inverter. If inverters with capacity greater than 500 kW are utilized, the associated Solar Project Availability Percentage calculation, shall assess the component Availability based upon the DC internal parallel bussed distribution (e.g. combiners by way of current measurement).

2. Solar Project Availability Percentage Calculation

a. Prerequisite Conditions for Availability Intervals

The following conditions are required for any time interval to be included in the Solar Project Availability Percentage Calculation:

- (a) The average plane-of-array pyranometer readings report irradiance above 70 W/m²
- (b) SMUD Setpoint is above 5 MW_{ac}, unless Solar Project is derated at or below 5 MW_{ac} not due to an Excused Event, in which case this condition is not required

b. Valid Availability Data Conditions

The following conditions are required for any time interval to be valid with respect to the Solar Project Availability Percentage calculation. Any time interval lacking any one of these

requirements shall be considered an “Solar Invalid Data Time Interval”:

- (a) Plane-of-array irradiance sensors (pyranometers and albedometers) are clean, calibrated, and operational per manufacturer recommendations
- (b) Solar Meter is operational and properly calibrated
- (c) SCADA system is operational and providing valid data

Solar Invalid Data Time Intervals shall be excluded from the Solar Project Availability Percentage calculation, provided that if more than 15% of potential time intervals meeting the requirements of Section 2(a) of this Exhibit U fail to meet the requirements of this Section 2(b) and if Seller is unable to provide an estimate of Availability from the available data, Buyer may, at its reasonable discretion, require Seller to include all Solar Invalid Data Time Intervals and assume 90% Availability or no change to the prior Availability determined in all such intervals. For non-communicating inverters, or inverters providing invalid data, such inverters shall be treated on a pro-rated basis for the purpose of determining the percent of time intervals qualifying as Solar Invalid Data Time Intervals.

c. Calculation

For each Reporting Period the Solar Project Availability Percentage is expressed as the average “Inverter Availability” of all inverters, where the Inverter Availability for each inverter is calculated as:

$$SAP = 100\% \times \left(1 - \frac{TOH - EEH}{PH}\right)$$

Where:

SAP = Availability Percentage for the Solar Project.

PH = total period hours in the relevant Reporting Period meeting the conditions of Sections 2(a) and 2(b) of this Exhibit U.

EEH = hours that the relevant inverter was unavailable due to an Excused PV Event

TOH = hours that the relevant inverter was unavailable due to any cause (inclusive of EEH)

All calculations shall utilize up to 60-minute averaged data derived from raw data collected at one-minute or smaller time increments where the conditions of Section 2(a) of this Exhibit U are satisfied.

For purposes of this Solar Project Availability Percentage calculation, “Excused PV Event” shall mean the total number of hours or partial hours that the relevant inverter was unavailable due to a Planned Outage, a Force Majeure event not already reflected in the Expected PV Capacity calculation, any test scheduled in accordance with the requirements of the Agreement, any circumstances at the high voltage-side of the Delivery Point or beyond that may limit Seller’s delivery of Product, any failure by Buyer to perform its obligations under this Agreement, any event or circumstance affecting the availability of the Solar Project associated with the Agrivoltaics FOP, except to the extent resulting from the fault or negligence of Seller.

For the purpose of identifying unavailable hours among EEH and TOH an inverter is unavailable when it is generating below 0.2% of its nameplate and when the Solar Meter reports generation that is more than 150kW below the Scheduled Energy.

3. Battery Storage Project Availability Percentage Calculation

a. Prerequisite Conditions for Availability Intervals

The following condition is required for any time interval to be included in the Battery Storage Project Availability Percentage calculation:

(a) Notwithstanding Excused Battery Events, the Battery Storage Project is able, in whole or in part, to provide Battery Storage Product as a result of the Battery Storage Operating Restrictions.

b. Valid Availability Data Conditions

The following conditions are required for any time interval to be valid with respect to the Battery Storage Project Availability Percentage calculation and therefore included in the resulting calculations to determine the Battery Project Availability Percentage. Any time interval lacking any one of these requirements shall be considered a "Storage Invalid Data Time Interval" and therefore not included in the calculation to determine the Battery Storage Project Availability:

- (a) The Battery Storage Meter is operational and properly calibrated
- (b) SCADA system is operational and providing valid data

Storage Invalid Data Time Intervals shall be excluded from the Battery Storage Project Availability Percentage calculation provided, however, that if more than 10% of potential time intervals meeting the requirements of Section 3(a) of this Exhibit U fail to meet the requirements of this Section 3(b), and if Seller is unable to provide an estimate of Availability from the available data, Buyer may at its reasonable discretion require Seller to include all Storage Invalid Data Time Intervals and assume 90% Availability in all such intervals. For non-communicating inverters and batteries, or inverters and batteries providing invalid data, such inverters and batteries shall be treated on a pro-rated basis for the purpose of determining the percent of time intervals qualifying as Storage Invalid Data Time Intervals.

c. Calculation

For each Reporting Period the Battery Storage Project Availability Percentage is calculated as:

$$BSAP = 100\% \times \left(1 - \frac{TOH - EBH}{PH}\right)$$

Where:

BSAP = Availability Percentage for the Battery Storage Project

PH = total period hours in the relevant Reporting Period meeting the conditions of Sections 3(a) and 3(b) of this Exhibit U.

EBH = equivalent hours of battery unavailability due to an Excused Battery Event

TOH = equivalent hours of battery unavailability due to any cause (inclusive of EBH)

All calculations shall utilize up to 60-minute averaged data derived from raw data collected at one-minute or smaller time increments where the conditions of Section 3(a) of this Exhibit U are satisfied.

For the purposes of this Battery Storage Project Availability Percentage calculation, "Excused Battery Event (EBH)" shall mean the total number of hours or partial hours in the Reporting Period (PH) that are not included as available hours due to a Planned Outage, a Force Majeure event, any Buyer dispatched tests scheduled in accordance with the Agreement, any circumstances at the high voltage-side of the Delivery Point or beyond that may limit Seller's delivery of Battery Storage Product, or any failure of Buyer to perform its obligations under this Agreement, any approved maintenance hours, Operating Restrictions in Exhibit J, Buyer breach or default.

For the purpose of identifying equivalent unavailable hours among EBH and TOH, the fractional Availability shall be calculated for each time interval as the average of the ratio of available Capacity in MW to Expected Battery Storage Capacity.

Example calculation:

Duration: a full hour consisting of 1-minute time intervals

Derated power and energy:

- 0.6 MW power derate due to offline PCS inverters in all intervals (not excused)
- 8.0 MWh energy derate due to Planned Outage in 30 1-minute intervals (excused)

$$TOH = \frac{1}{2} \left[\left(\frac{60}{60} \text{ minutes} \wedge \overset{0.6}{0.6} \text{ MW} \right) + \left(\frac{30}{60} \text{ minutes} \wedge \overset{8.0}{8.0} \text{ MWh} \right) \right] = 0.004651 \text{ hours}$$

$$EBH = \frac{1}{2} \left[\left(\frac{60}{60} \text{ minutes} \wedge \overset{0.6}{0.6} \text{ MW} \right) + \left(\frac{30}{60} \text{ minutes} \wedge \overset{8.0}{8.0} \text{ MWh} \right) \right] = 0.002907 \text{ hours}$$

PH = 1 hours

The Battery Storage Availability for this hour is:

$$100\% \times \left(1 - \frac{0.004651 + 0.002907}{1} \right) = 99.83\%$$

EXHIBIT V
MONTHLY OPERATING REPORT

The monthly operating report shall include the following content, to the extent applicable and as may be revised by the Parties by mutual agreement.

1. Summary
 - a. Safety & Environmental Summary
 - b. Maintenance Summary
 - c. Performance Summary
2. Plant Performance
 - a. Energy and Insolation (Insolation is PV Only)
 - b. Performance Metrics
 - c. Performance Summary
 - d. Equivalent full cycles per day, per month (BESS only)
 - e. Average Battery SOC (BESS only)
 - f. Total Energy throughput (all energy in and out) for Battery (BESS only)
 - g. Capacity for Period
 - i. Last Capacity test date
 - ii. Actual Capacity v Budget Capacity
3. Lost Energy and Outage Events
 - a. Forced Outage Events
 - i. Summary and Planned Resolution
 - b. Planned Outage Events
 - c. Planned Outage(s) Next Month
 - d. Top 10 Historic Outage & Downtime Events
4. Inverter & Battery PCS Availability
 - a. Actual v Budget for reporting period
 - b. Total hours for reporting period
 - c. Excused Event Hours for reporting period
5. Health, Safety, & Environmental
 - a. Safety Statistics
 - b. Health, Safety, & Environmental Notes
 - c. Environmental Incidents
6. Maintenance
 - a. Reactive Maintenance Log
 - b. Preventative Maintenance Log
 - c. Preventative Maintenance Inspection Schedule
 - d. Work Orders
 - e. BESS thermal management downtime including HVAC system, air flow obstruction(s), etc. (BESS only)
7. Inventory
 - a. Owners Inventory, Consumed & On-Order
8. Warranties
 - a. PV Module Supply Agreement Warranty Claims (PV Only)
 - b. Battery Supply Agreement Warranty Claims (BESS Only)
 - c. Inverter & PCS Warranty Claims
 - d. EPC Warranty Claims
 - e. Warranty Work Orders
9. Visitors Log
10. Alarms & Maintenance Updates
 - a. Top Five Inverter & Battery Alarms

- b. Top Ten SCADA Alarms
- c. Annual Maintenance Plan Updates

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EXHIBIT W
MONTHLY SETTLEMENT AMOUNT EXAMPLE CALCULATIONS

The following are provided as example calculations for the purposes of determining the Monthly Settlement Amount:

Example Month A

Resource	Contract Price	X	Expected PV Capacity or Expected Battery Storage Capacity	=	Capacity Subtotal Payment	x	Availability Percentage	x	PV Reliability Percentage or Battery Storage Reliability Percentage	=	Total
Solar Project	\$ [REDACTED]		343,000		\$ [REDACTED]		96.0%		100%		\$ [REDACTED]
Battery Storage Project	\$ [REDACTED]		172,000		\$ [REDACTED]		99.0% (100%)		99.0%		\$ [REDACTED]
Monthly Settlement Amount											\$ [REDACTED]

Example Month B

Resource	Contract Price	X	Expected PV Capacity or Expected Battery Storage Capacity	=	Capacity Subtotal Payment	x	Availability Percentage	x	PV Reliability Percentage or Battery Storage Reliability Percentage	=	Total
Solar Project	\$ [REDACTED]		345,000		\$ [REDACTED]		96.0%		100%		\$ [REDACTED]
Battery Storage Project	\$ [REDACTED]		172,000		\$ [REDACTED]		99.0% (100%)		98.5%		\$ [REDACTED]
Monthly Settlement Amount											\$ [REDACTED]

SSS No. ET&C 23-029

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – 09/19/23
Board Meeting Date September 21, 2023

TO		TO	
1.	Jon Olson	6.	Scott Martin
2.	Russell Mills	7.	Jose Bodipo-Memba
3.	Steve Lins	8.	
4.	Lora Anguay	9.	Legal
5.	Jennifer Davidson	10.	CEO & General Manager

Consent Calendar	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No <i>If no, schedule a dry run presentation.</i>	Budgeted	<input checked="" type="checkbox"/>	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
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FROM (IPR) Chad Adair	DEPARTMENT Energy Trading & Contracts	MAIL STOP A404	EXT. 6151	DATE SENT 08/31/23
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NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager to execute Appendix Firm Storage Service (FSS) documents with **Wild Goose Storage LLC** for:

- a. Five-year Firm Storage Agreement for 2 Bcf of natural gas storage service for the period April 1, 2024, through March 31, 2029; and
- b. Natural gas injection service for the period December 1, 2023, through March 31, 2024.

Summary: SMUD has a contract for 1 Bcf of storage inventory with a storage provider in Northern California that expires on March 31, 2024. A Request for Proposals (RFP) was issued to replace this agreement upon expiration, and SMUD received only three offers from two storage providers. Wild Goose Storage LLC (Wild Goose) provided “traditional” and “ratchet” bids and was the successful bidder for a 5-year term. This new transaction will increase SMUD’s storage capacity from 1 Bcf to 2 Bcf of inventory with ratcheted injection rate of 12,500 – 14,000 Dth per day and a withdrawal rate of 10,000 – 24,000 Dth per day. Reservation charge will be \$5M per year. Variable charges are expected to average \$90,000 per year. The contract term will run from April 1, 2024, through March 31, 2029. The increased cost is due to unprecedented high energy prices and low storage events from last winter across the entire state of California. This transaction will represent two thirds of our total natural gas storage services and ensure the ability to provide reliability and flexibility during summer peaks and winter weather events and potential arbitrage opportunities.

SMUD has also contracted for early injection service as a part of the 5-year storage deal that will allow SMUD to begin injecting gas into the Wild Goose facility as early as December 1, 2023, and will expire March 31, 2024. This will give Gas Trading the flexibility to move gas from our existing expiring contract into the new agreement.

Board Policy: Strategic Direction SD-4, Reliability – natural gas storage supports peak load deliverability and provides protection against a failure of a transport path.; Strategic Direction SD-2, Competitive Rates – natural gas storage provides opportunities to reduce the overall cost of gas to SMUD through price arbitrage.
(Number & Title)

Benefits: SMUD benefits by providing reliability, operational flexibility and helps maintain stable commodity costs.

Cost/Budgeted: Purchase of gas storage under the new agreement beginning April 1, 2024, has been included in the Commodity Budget forecast.

Alternatives: Pursue more expensive gas storage; do not obtain storage.

Affected Parties: Energy Trading & Contracts, Energy Settlements, Commodity Risk Management

Coordination: Energy Trading & Contracts

Presenter: Russell Mills, Director, Treasury & Treasurer

Additional Links:

Empty box for additional links.

SUBJECT

Contract for Natural Gas Storage & Injection Services

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

Wild Goose Storage LLC ("Wild Goose") and Sacramento Municipal Utility District ("Customer") hereby adopt Service Schedule FSS and MyHUBAccount Customer Access Procedures, along with their previously executed Storage Services Agreement dated April 01, 1999, and agree to the additional provisions contained in this Appendix FSS:

- 1. Term: December 1, 2023 to March 31, 2024, subject to the provisions of Service Schedule FSS.
 Inventory Account: 0940HUB009
 Inventory Capacity: 2,000,000 Dth
 Monthly Storage Demand Charge: \$0.00

- 2. INVENTORY PROFILE:
 Maximum Customer Inventory: 2,000,000 DTH
 Maximum Daily Injection Quantity:

From Inventory (Dth)	To Inventory (Dth)	Inventory Percent Range	WILD GOOSE POOL WG	Total Maximum Daily Injection (Dth)
0	2,000,000	0.0% to 100.0%	20,000	20,000

Maximum Daily Withdrawal Quantity:

From Inventory (Dth)	To Inventory (Dth)	Inventory Percent Range	WILD GOOSE POOL WG	Total Maximum Daily Withdrawal (Dth)
2,000,000	0	100.0% to 0.0%	0	0

Monthly Storage Demand Charge: \$0.00 USD
 Total Storage Demand Charge: \$0.00 USD

- 3. Service Commencement Point: WGSF Connecting Pipeline at WGSF: PGE
 Service Commencement Point Price Index: CITYGATE Designated Transportation Account at WGSF: WG0940N
- 4. Service Termination Point: WGSF Connecting Pipeline at WGSF: PGE
 Service Termination Point Price Index: CITYGATE Designated Transportation Account at WGSF: WG0940N

- 5. Injection Commodity Rate: \$0.02 /Dth
Withdrawal Commodity Rate: \$0.00 /Dth
- 6. Customer Injection Fuel Charge Election is fixed % of 0.50%
Customer Withdrawal Fuel Charge Election is fixed % of 0.00%
- 7. Wild Goose has agreed to waive section 5.3 of Schedule FSS - Firm Storage Service.

This contract was created for EARLY INJECTION rights only. NO Withdrawal. On April 1, 2024 any inventory injected into this transaction #0940FSS014 shall be transferred to transferred into transaction #0940FSS015.

Commodity and fuel will be charged on injection.

The parties have entered into this Appendix FSS effective August 31, 2023.

Important Note:

This Appendix FSS will be final and binding in accordance with Article 2 of Service Schedule FSS unless Customer objects by notice in writing by 07:00 hours Pacific Clock Time on the next Business Day following the day of the fax transmission or electronic submission of this Appendix. Signatures are not required to effect the binding nature of the Transaction set forth in this Appendix FSS. The agreement of the Parties, as evidenced by this Appendix FSS, shall at all times be subject to such changes or modifications by the Public Utilities Commission of the State of California as said Commission may from time to time direct in the exercise of its jurisdiction.

Sacramento Municipal Utility District

PER: _____
 NAME: _____
 TITLE: _____

Wild Goose Storage LLC

PER:  _____
 NAME: Sheri Doell
 TITLE: VP, Origination & Renewable
 FAX: (403) 266-0636

FIRM STORAGE SERVICE

APPENDIX FSS

Wild Goose Storage LLC ("Wild Goose") and Sacramento Municipal Utility District ("Customer") hereby adopt Service Schedule FSS and MyHUBAccount Customer Access Procedures, along with their previously executed Storage Services Agreement dated April 01, 1999, and agree to the additional provisions contained in this Appendix FSS:

- 1. Term: April 1, 2024 to March 31, 2029, subject to the provisions of Service Schedule FSS.
 Inventory Account: 0940HUB009
 Inventory Capacity: 2,000,000 Dth
 Monthly Storage Demand Charge: \$416,666.67

- 2. INVENTORY PROFILE:
 Maximum Customer Inventory: 2,000,000 DTH
 Maximum Daily Injection Quantity:

From Inventory (Dth)	To Inventory (Dth)	Inventory Percent Range	WILD GOOSE POOL WG	Total Maximum Daily Injection (Dth)
0	840,000	0.0% to 42.0%	14,000	14,000
840,001	2,000,000	42.0% to 100.0%	12,500	12,500

Maximum Daily Withdrawal Quantity:

From Inventory (Dth)	To Inventory (Dth)	Inventory Percent Range	WILD GOOSE POOL WG	Total Maximum Daily Withdrawal (Dth)
2,000,000	1,280,000	100.0% to 64.0%	24,000	24,000
1,279,999	620,000	64.0% to 31.0%	22,000	22,000
619,999	0	31.0% to 0.0%	10,000	10,000

Monthly Storage Demand Charge: \$416,666.67 USD
 Total Storage Demand Charge: \$25,000,000.00 USD

- 3. Service Commencement Point: WGSF Connecting Pipeline at WGSF: PGE
 Service Commencement Point Price Index: CITYGATE Designated Transportation Account at WGSF: WG0940N
- 4. Service Termination Point: WGSF Connecting Pipeline at WGSF: PGE
 Service Termination Point Price Index: CITYGATE Designated Transportation Account at WGSF: WG0940N

- 5. Injection Commodity Rate: \$0.02 /Dth
Withdrawal Commodity Rate: \$0.02 /Dth
- 6. Customer Injection Fuel Charge Election is fixed % of 0.50%
Customer Withdrawal Fuel Charge Election is fixed % of 0.50%
- 7. Wild Goose has agreed to waive section 5.3 of Schedule FSS - Firm Storage Service.

This storage transaction is pending approval of SMUD's Board of Directors on or before September 22, 2023. If the transaction is not approved on or before September 22, 2023 both parties agree that either party may cancel this transaction via written notice to the other. The parties agree to work in good faith to approve this transaction as stated.

The parties have entered into this Appendix FSS effective August 31, 2023.

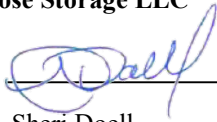
Important Note:

This Appendix FSS will be final and binding in accordance with Article 2 of Service Schedule FSS unless Customer objects by notice in writing by 07:00 hours Pacific Clock Time on the next Business Day following the day of the fax transmission or electronic submission of this Appendix. Signatures are not required to effect the binding nature of the Transaction set forth in this Appendix FSS. The agreement of the Parties, as evidenced by this Appendix FSS, shall at all times be subject to such changes or modifications by the Public Utilities Commission of the State of California as said Commission may from time to time direct in the exercise of its jurisdiction.

Sacramento Municipal Utility District

PER: _____
 NAME: _____
 TITLE: _____

Wild Goose Storage LLC

PER:  _____
 NAME: Sheri Doell
 TITLE: VP, Origination & Renewable
 FAX: (403) 266-0636

SSS No. SCS
PSS 23-006

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit – 09/19/23
Board Meeting Date
September 21, 2023

TO		TO	
1.	Casey Fallon	6.	Scott Martin
2.	Laurie Rodriguez	7.	
3.	Jose Bodipo-Memba	8.	
4.	Jennifer Davidson	9.	Legal
5.	Lora Anguay	10.	CEO & General Manager

Consent Calendar	<input checked="" type="checkbox"/>	Yes	No <i>If no, schedule a dry run presentation.</i>	Budgeted	<input checked="" type="checkbox"/>	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR)	DEPARTMENT			MAIL STOP	EXT.	DATE SENT	
Jaclyn Ketchum	People Services & Strategies			B251	5761	08/24/2023	

NARRATIVE:

Requested Action:

- a. Approve contract change to Contract No. 4500110473 with **United Health Care Insurance Company** approving 2024 medical insurance premium rates and extending the contract by one year for the period January 1, 2024, through December 31, 2024. The total estimated cost for 2024, based on the current enrollment population, is \$39.1 million; and
- b. Approve contract change to Contract No. 4500043215 with **Kaiser Permanente** approving 2024 medical insurance premium rates and extending the contract by one year for the period January 1, 2024, through December 31, 2024. The total estimated cost for 2024, based on the current enrollment population, is \$30.7 million.

Summary: United Health Care Insurance Company (“United HealthCare”) presented SMUD with a renewal increase for the 2024 plan year of 3.37% for our active employee, pre-65 retiree and Medicare Advantage medical plans. This percentage is based on the difference in the aggregated total cost of premiums for active employees and retirees enrolled in the United HealthCare plans from 2023 to 2024. Based on these rates and current enrollment, the total cost for 2024 medical benefit plans is projected at \$39.1 million.

Kaiser Permanente presented SMUD with renewal increases for the 2024 plan year of 5.78% for our active employee, pre-65 retiree and Medicare Advantage medical plans. This percentage is based on the difference in the aggregated total cost of premiums for active employees and retirees enrolled in the Kaiser Permanente plans from 2023 to 2024. Based on these rates and current enrollment, the total cost for 2024 medical benefit plans is projected at \$30.7 million.

These actions will allow SMUD to provide medical benefit plans for the year 2024 to approximately 9,500 employees, retirees, and eligible dependents enrolled in United HealthCare and Kaiser Permanente medical plans in the most cost-effective manner.

Note: The estimated costs above will vary based on 2024 employee/retiree Open Enrollment selections and SMUD population.

Board Policy: *(Number & Title)* Strategic Direction SD-3, Access to Credit Markets - SMUD staff negotiated best price and terms with medical providers in consideration of the long-term revenue requirements, debt, and financial risk to SMUD.

Strategic Direction SD-8, Employee Relations - Providing medical benefits to employees supports SMUD’s goal of an inclusive workplace that engages and inspires employees to commit to SMUD’s purpose, vision, and values.

Benefits: Provide quality medical benefits to eligible SMUD employees, retirees, and eligible dependents.

Cost/Budgeted: Assuming current enrollment, SMUD’s share of cost is projected at \$58.4 million (after employee/retiree contributions).

Alternatives: Not accept the proposed rate increases; consider other alternatives to meet SMUD obligations.

Affected Parties: All eligible SMUD employees, retirees and eligible dependents participating in SMUD's medical benefit plans.

Coordination: People Services & Strategies, Procurement, United HealthCare and Kaiser Permanente.

Presenter: Laurie Rodriguez, Director, People Services & Strategies

Additional Links:

SUBJECT

Contract Change with UHC & Kaiser

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

2024 Active Employees Medical Rates

Active Employees Carrier	Basic		
	Employee Only	Employee + 1	Employee + Family
Kaiser HMO – High Plan	\$745.70	\$1,491.40	\$2,237.10
Kaiser HMO – Low Plan	\$706.58	\$1,413.16	\$2,119.74
United Healthcare Signature Value HMO – High Plan	\$1,256.07	\$2,650.30	\$3,793.32
United Healthcare Signature Value HMO – Low Plan	\$1,129.11	\$2,382.41	\$3,409.95
United Healthcare Signature Alliance HMO – High Plan	\$1,111.76	\$2,345.81	\$3,357.51
United Healthcare Signature Alliance HMO – Low Plan	\$999.39	\$2,108.70	\$3,018.19
United Healthcare High Deductible Health Plan	\$982.76	\$2,073.63	\$2,967.93
United Healthcare PPO Plan	\$1,899.89	\$4,008.77	\$5,737.67

2024 Retiree Medical Rates

Retiree Carrier	Basic			Medicare	
	Retiree Only	Retiree + 1	Retiree + Family	Retiree	Retiree + 1
Kaiser HMO	\$745.70	\$1,491.40	\$2,237.10	\$283.87	\$567.74
Kaiser Medicare Unassigned*	N/A	N/A	N/A	\$1,834.82	\$3,669.64
Kaiser Medicare Part A only**	N/A	N/A	N/A	\$1,424.17	\$2,848.34
United Healthcare Signature Value HMO	\$1,256.07	\$2,650.30	\$3,793.32	N/A	N/A
United Healthcare Signature Alliance HMO	\$1,111.76	\$2,345.81	\$3,357.51	N/A	N/A
United Healthcare PPO – In CA	\$1,899.89	\$4,008.77	\$5,737.67	N/A	N/A
United Healthcare PPO – Out Of CA	\$1,899.89	\$4,008.77	\$5,737.67	N/A	N/A
United Healthcare Medicare Advantage	N/A	N/A	N/A	\$428.88	\$857.76

* Age 65+ retiree – not enrolled in Medicare – transitional plan

** Have Medicare Part A due to disability but not enrolled in Medicare Part B due to age (under 65)

SSS No.
CFO 22-021

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit, 2023
Board Meeting Date N/A

TO				TO								
1.	Jennifer Davidson	6.										
2.	Lora Anguay	7.										
3.	Scott Martin	8.										
4.	Jose Bodipo-Memba	9.	Legal									
5.		10.	CEO & General Manager									
Consent Calendar		Yes		No <i>If no, schedule a dry run presentation.</i>		Budgeted		Yes		No <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Lisa Limcaco				DEPARTMENT Accounting				MAIL STOP B352	EXT. 7045	DATE SENT 12/27/2022		

NARRATIVE:

Requested Action: Provide the Board with SMUD’s financial results for the year-to-date period and a summary of SMUD’s current Power Supply Costs.

Summary: Staff will present SMUD’s financial results for the year-to-date period and a summary of SMUD’s current Power Supply Costs to the Board of Directors.

Board Policy: GP-3, Board Job Description
(Number & Title)

Benefits: Provide Board members with information regarding SMUD’s financial position and SMUD’s current power supply costs.

Cost/Budgeted: N/A

Alternatives: N/A

Affected Parties: Accounting and SMUD

Coordination: Accounting

Presenter: Lisa Limcaco

Additional Links:

SUBJECT	SMUD’s Financial Results & Power Supply Costs	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

**SACRAMENTO MUNICIPAL UTILITY DISTRICT
OFFICE MEMORANDUM**

TO: Distribution

DATE: August 31, 2023
ACC 23-024

FROM: Kathy Ketchum / Lisa Limcaco

SUBJECT: JULY 2023 FINANCIAL RESULTS AND OPERATIONS DATA

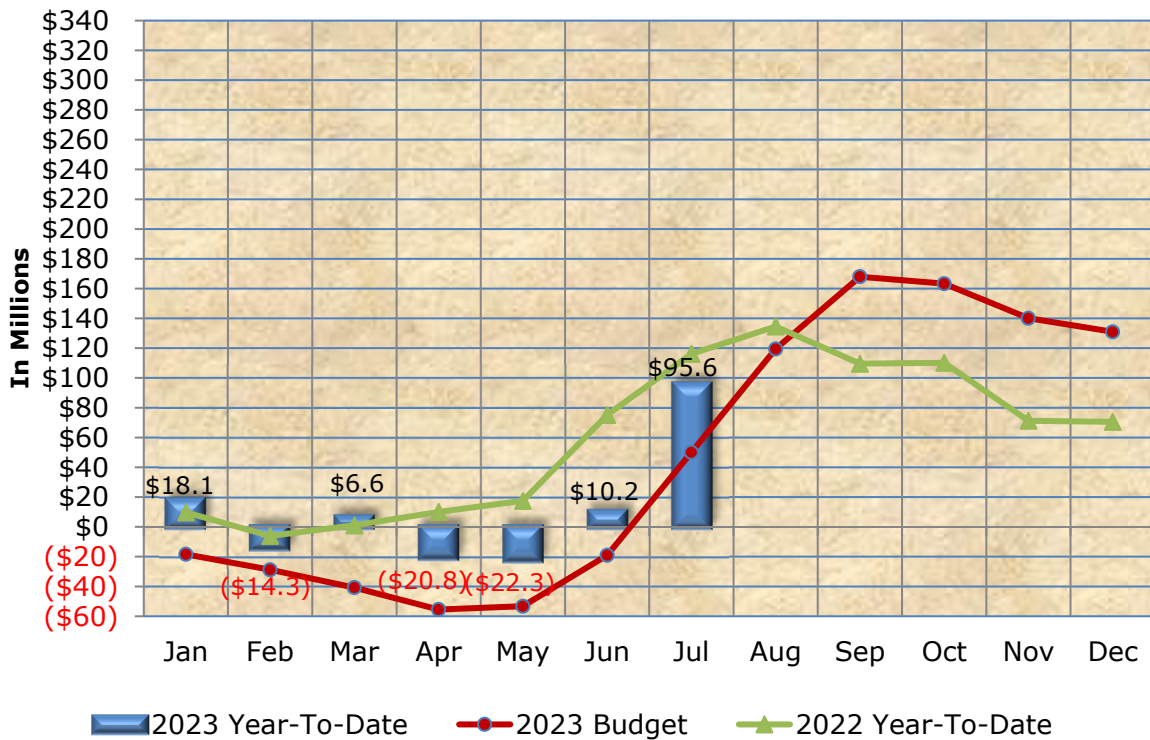
We are attaching the financial and operating reports for the seven months of 2023. They include sales and generation statistics and other selected data.

The change in net position is a increase of \$95.6 million compared to a budgeted increase of \$50.0 million, resulting in a favorable variance of \$45.6 million.

We prepared these statements on the accrual basis of accounting, and they conform to generally accepted accounting principles. The bases for the budget amounts are:

- 1) Budgeted electric revenues are based on the Forecast of Revenues by the Pricing Department, adjusted for unbilled revenues; and
- 2) Budgeted operating expenses reflect the 2023 Budget approved by the Board of Directors on December 8, 2022.

Change in Net Position Year To Date



**SACRAMENTO MUNICIPAL UTILITY DISTRICT
EXECUTIVE SUMMARY
For the Seven Months Ended July 31, 2023**

Net Position

- The change in net position is an increase of \$95.6 million compared to a budgeted decrease of \$50.0 million, resulting in a favorable variance of \$45.6 million.

Revenues

- Revenues from sales to customers were \$910.4 million, which was \$9.4 million lower than planned. The decrease is primarily due to:
 - Lower commercial customer revenue of \$22.0 million primarily due to lower customer usage.
 - Higher residential revenue of \$7.0 million primarily due to higher customer usage.
 - Lower provision for uncollectible accounts of \$5.9 million.
- Revenues under the California Global Warming Solutions Act (Assembly Bill [AB] – 32) were \$11.6 million. This is due to carbon allowances sold through the state sanctioned quarterly auctions.
- Low Carbon Fuel Standard (LCFS) revenues were higher by \$5.0 million due to higher credit sales than budgeted.
- Non-cash revenues transferred to the rate stabilization fund were \$82.9 million, of which \$65.4 million was for the annual Hydro Generation Adjustment, \$12.4 million was for AB-32 and \$5.1 million was for LCFS. AB-32 and LCFS funds are deferred until SMUD has qualified program expenses (projects that reduce carbon emissions or electric vehicle programs) to recognize revenue.
- Non-cash revenues transferred from the rate stabilization fund were \$36.5 million, which is \$20.7 million higher than plan. The increase is primarily due to \$27.7 million of revenue recognized for AB-32, offset by lower revenue recognized from LCFS electric vehicle programs expenses of \$2.2 million and lower revenue recognized for the Community Impact Plan of \$4.8 million.
- Other electric revenues were higher by \$8.4 million primarily due to higher Procter & Gamble Power Plant steam sales than planned.

Commodities, Purchased Power and Production

- SMUD's generation was higher by 604 GWh (16.1 percent); JPA and other generation was lower by 125 GWh (4.9 percent); and Hydro generation was higher by 729 GWh (61.0 percent).
- Purchased power expense of \$257.1 million, less surplus power sales of \$117.9 million, was \$139.2 million, which was \$50.4 million lower than planned. Overall, load has been lower than planned and hydro generation was higher than planned due to higher precipitation levels and inflows from snow melt resulting in lower commodity costs. In addition, surplus power is being sold at a lower price than plan due to below average temperatures in June and abundant hydro generation driving market prices down.
- Production operations cost of \$197.2 million, less surplus gas sales of \$72.7 million, was \$124.5 million, which was \$4.5 million higher than planned.
 - Fuel costs of \$125.5 million less surplus gas sales of \$72.7 million, was \$52.8 million, which was \$4.3 million higher than planned. This is primarily due to higher fuel prices due to Calpine Sutter gas hedge activity recorded under purchased power.
- The "power margin", or sales to customers less cost of purchased power, production operations costs and gas hedges included in investment revenue was \$645.6 million, which was \$35.4 million higher than planned. The power margin as a percentage of sales to customers was 71.0 percent, which was 4.6 percent higher than planned. This is due to higher precipitation levels leading to higher hydro generation and lower purchased power.

Other Operating Expenses

- All other operating expenses were \$556.8 million, which was \$2.2 million lower than planned.
 - Customer Service and Information expenses were down \$6.0 million primarily due to supply chain issues causing equipment delivery delays and, in turn, switch installation delays in the NextGen ACLM program and charger installation delays in transportation electrification. Additionally, the delay in the launch of the Partner+ program in Storage Virtual Power Plant and lower rebate activity in the transportation electrification programs are driving costs down.
 - Administrative & General expenses were down \$9.7 million primarily due to a difference in accounting and budgeting for the other postemployment benefits (OPEB) normal cost.

- Public Good expenses were down \$9.4 million primarily due to project delays in Complete Energy Solutions, Low Income Energy Efficiency, and building electrification programs. Additionally, research and development, Electric Transportation Storage, Power Generation, and Charge Ready Community Grant program spending is down.
- Production – maintenance expenses were \$3.8 million lower than planned primarily due to supply chain issues for planned major maintenance at the Procter & Gamble Power Plant and shifting of maintenance timelines for Cosumnes Power Plant.
- Transmission and distribution maintenance expenses were \$17.3 million higher than planned. This is primarily due to higher costs related to storm response.
- Non-cash depreciation and amortization is higher by \$10.3 million primarily due to unplanned amortization of lease assets.

Non-operating Revenues and Expenses

- Other revenue, net, was \$41.3 million higher than planned primarily due to gain on sale of the Solano property of \$27.3 million and higher interest income.
- Interest charges were \$2.3 million lower than planned primarily due to budgeted interest expense continuing for bonds refunded in June and a new swap agreement that reduces interest expense.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Month Ended July 31, 2023
(thousands of dollars)

	Actual	Budget	Over (Under)	Percent of Increase (Decrease)
OPERATING REVENUES				
Sales to customers	\$ 206,533	\$ 196,229	\$ 10,304	5.3 %
Sales of surplus power	23,191	35,099	(11,908)	(33.9)
Sales of surplus gas	7,745	-	7,745	*
SB-1 revenue (deferral)/recognition, net	165	-	165	*
LCFS revenue	3,964	-	3,964	*
Other electric revenue	2,929	2,520	409	16.2
Revenue to rate stabilization fund	(3,964)	-	(3,964)	*
Revenue from rate stabilization fund	2,704	1,979	725	36.6
Total operating revenues	243,267	235,827	7,440	3.2
OPERATING EXPENSES				
Operations				
Purchased power	53,736	59,070	(5,334)	(9.0)
Production	28,152	27,426	726	2.6
Transmission and distribution	7,307	6,784	523	7.7
Customer accounts	4,434	4,387	47	1.1
Customer service and information	6,078	6,935	(857)	(12.4)
Administrative and general	15,827	16,241	(414)	(2.5)
Public good	4,262	6,169	(1,907)	(30.9)
Total operations	119,796	127,012	(7,216)	(5.7)
Maintenance				
Production	1,899	2,688	(789)	(29.4)
Transmission and distribution	10,034	10,856	(822)	(7.6)
Total maintenance	11,933	13,544	(1,611)	(11.9)
Depreciation and amortization				
Depreciation and amortization	21,603	20,564	1,039	5.1
Amortization of regulatory asset	2,810	3,445	(635)	(18.4)
Total depreciation and amortization	24,413	24,009	404	1.7
Total operating expenses	156,142	164,565	(8,423)	(5.1)
OPERATING INCOME	87,125	71,262	15,863	22.3
NON-OPERATING REVENUES AND EXPENSES				
Other revenues/(expenses)				
Interest income	4,696	1,047	3,649	348.5
Investment revenue (expense)	(1,669)	(52)	(1,617)	*
Other income (expense) - net	1,418	5,667	(4,249)	(75.0)
Unrealized holding gains (losses)	233	-	233	*
Revenue - CIAC	1,601	1,251	350	28.0
Total other revenues	6,279	7,913	(1,634)	(20.6)
Interest charges				
Interest on long-term debt	7,925	9,975	(2,050)	(20.6)
Interest on commercial paper	52	86	(34)	(39.5)
Total interest charges	7,977	10,061	(2,084)	(20.7)
CHANGE IN NET POSITION	\$ 85,427	\$ 69,114	\$ 16,313	23.6 %

* Equals 1000% or greater.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Seven Months Ended July 31, 2023
(thousands of dollars)

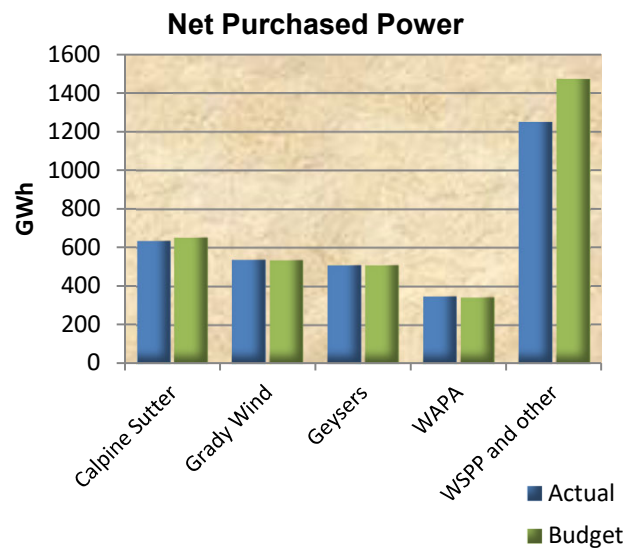
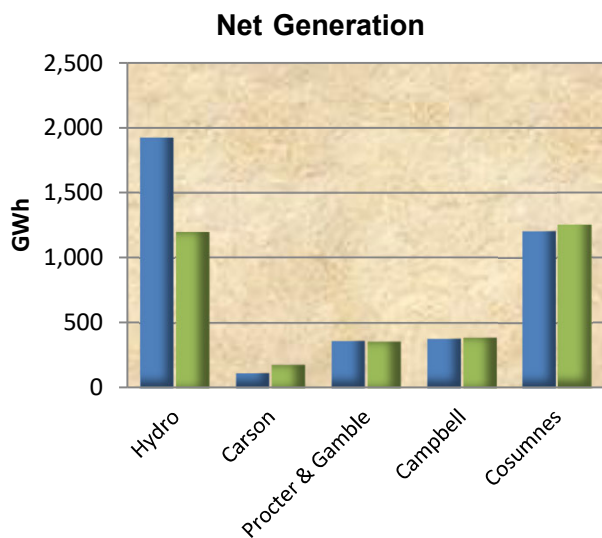
	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>	<u>Percent of Increase (Decrease)</u>
OPERATING REVENUES				
Sales to customers	\$ 910,415	\$ 919,766	\$ (9,351)	(1.0) %
Sales of surplus power	117,953	146,020	(28,067)	(19.2)
Sales of surplus gas	72,699	-	72,699	*
SB-1 revenue (deferral)/recognition, net	355	-	355	*
AB32 revenue	11,636	-	11,636	*
LCFS revenue	5,018	-	5,018	*
Other electric revenue	27,522	19,155	8,367	43.7
Revenue to rate stabilization fund	(82,878)	-	(82,878)	*
Revenue from rate stabilization fund	36,461	15,769	20,692	131.2
Total operating revenues	1,099,181	1,100,710	(1,529)	(0.1)
OPERATING EXPENSES				
Operations				
Purchased power	257,123	335,606	(78,483)	(23.4)
Production	197,206	120,001	77,205	64.3
Transmission and distribution	50,328	50,101	227	0.5
Customer accounts	33,379	32,042	1,337	4.2
Customer service and information	42,606	48,641	(6,035)	(12.4)
Administrative and general	115,902	125,591	(9,689)	(7.7)
Public good	30,941	40,365	(9,424)	(23.3)
Total operations	727,485	752,347	(24,862)	(3.3)
Maintenance				
Production	23,042	26,823	(3,781)	(14.1)
Transmission and distribution	87,351	70,055	17,296	24.7
Total maintenance	110,393	96,878	13,515	14.0
Depreciation and amortization				
Depreciation and amortization	151,623	141,276	10,347	7.3
Amortization of regulatory asset	21,646	24,113	(2,467)	(10.2)
Total depreciation and amortization	173,269	165,389	7,880	4.8
Total operating expenses	1,011,147	1,014,614	(3,467)	(0.3)
OPERATING INCOME	88,034	86,096	1,938	2.3
NON-OPERATING REVENUES AND EXPENSES				
Other revenues/(expenses)				
Interest income	21,242	7,498	13,744	183.3
Investment revenue (expense)	(1,247)	(368)	(879)	(238.9)
Other income (expense) - net	35,878	9,504	26,374	277.5
Unrealized holding gains (losses)	(282)	-	(282)	*
Revenue - CIAC	11,110	8,744	2,366	27.1
Total other revenues	66,701	25,378	41,323	162.8
Interest charges				
Interest on long-term debt	55,874	58,659	(2,785)	(4.7)
Interest on commercial paper	3,211	2,772	439	15.8
Total interest charges	59,085	61,431	(2,346)	(3.8)
CHANGE IN NET POSITION	\$ 95,650	\$ 50,043	\$ 45,607	91.1 %

* Equals 100% or greater.

**SACRAMENTO MUNICIPAL UTILITY DISTRICT
SOURCES AND USES OF ENERGY - COMPARED TO BUDGET
For the Period Ended July 31, 2023**

Sources of Energy (GWh)	Month		Increase	Year to Date		Increase
	Actual	Budget	(Decrease) Percentage	Actual	Budget	(Decrease) Percentage
Net Generated						
Hydro	223	176	26.7	1,925	1,196	61.0
Carson Power Plant	20	47	(57.4)	115	179	(35.8)
Procter & Gamble Power Plant	63	76	(17.1)	362	357	1.4
Campbell Power Plant	74	95	(22.1)	378	386	(2.1)
Cosumnes Power Plant	372	396	(6.1)	1,206	1,252	(3.7)
Other	70	82	(14.6)	358	370	(3.2)
Total net generation	822	872	(5.7)	4,344	3,740	16.1
Purchased Power less transmission losses:						
CalEnergy	15	19	(21.1)	125	130	(3.8)
Calpine Sutter	156	156	0.0	636	652	(2.5)
Drew Solar	29	31	(6.5)	183	188	(2.7)
Feed in Tariff	26	25	4.0	130	135	(3.7)
Geysers	75	74	1.4	509	509	0.0
Grady Wind	71	69	2.9	537	535	0.4
Rancho Seco PV II	23	32	(28.1)	117	174	(32.8)
WAPA	86	70	22.9	349	343	1.7
WSPP and other	226	68	232.4	1,251	1,474	(15.1)
Other long term power	58	66	(12.1)	331	386	(14.2)
Total net purchases	765	610	25.4	4,168	4,526	(7.9)
Total sources of energy	1,587	1,482	7.1	8,512	8,266	3.0
Uses of energy:						
SMUD electric sales and usage	1,097	1,043	5.2	5,775	5,937	(2.7)
Surplus power sales	444	352	26.1	2,540	2,002	26.9
System losses	46	87	(47.1)	197	327	(39.8)
Total uses of energy	1,587	1,482	7.1 %	8,512	8,266	3.0 %

* Change equals 1000% or more.



Net generation is higher than planned for the seven-month period.

- Hydro generation is higher than planned (61 percent).
- JPA generation is lower than planned (5.2 percent).

Purchased power, less surplus power sales, is lower than plan (35.5 percent).

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
July 31, 2023 and 2022
(thousands of dollars)
A S S E T S

							<u>Total</u>	
	SMUD	SFA	NCEA	NCGA #1	Intercompany Eliminations	2023	2022	
ELECTRIC UTILITY PLANT								
Plant in service, original cost	\$ 6,177,277	\$ 963,816	\$ -	\$ -	\$ (4,578)	\$ 7,136,515	\$ 6,872,679	
Less accumulated depreciation	2,944,844	697,695	-	-	(695)	3,641,844	3,456,591	
Plant in service -net	3,232,433	266,121	-	-	(3,883)	3,494,671	3,416,088	
Construction work in progress	466,445	31,538	-	-	-	497,983	519,342	
Investment in Joint Power Agencies	315,462	-	-	-	(282,844)	32,618	26,985	
Total electric utility plant -net	4,014,340	297,659	-	-	(286,727)	4,025,272	3,962,415	
RESTRICTED ASSETS								
Revenue bond reserves	2,004	-	-	-	-	2,004	2,931	
Restricted for payment of debt service	130,470	-	-	-	-	130,470	128,660	
JPA funds	-	3,236	5,222	2,387	-	10,845	8,971	
Nuclear decommissioning trust fund	9,218	-	-	-	-	9,218	8,888	
Rate stabilization fund	202,433	-	-	-	-	202,433	176,713	
Net pension asset	-	-	-	-	-	-	61,942	
Net OPEB asset	-	-	-	-	-	-	34,223	
Other funds	27,225	-	3,061	1	-	30,287	23,854	
Due (to) from unrestricted funds (decommissioning)	(6,684)	-	-	-	-	(6,684)	(6,684)	
Due (to) from restricted funds (decommissioning)	6,684	-	-	-	-	6,684	6,684	
Less current portion	(142,195)	(3,236)	(8,284)	(2,388)	-	(156,103)	(151,425)	
Total restricted assets	229,155	-	(1)	-	-	229,154	294,757	
CURRENT ASSETS								
Cash, cash equivalents and investments								
Unrestricted	459,431	18,080	-	-	-	477,511	521,920	
Restricted	142,195	3,236	8,284	2,388	-	156,103	151,425	
Accounts receivable -net	356,750	39,918	2,611	2,508	(65,323)	336,463	329,895	
Lease receivable	828	-	-	-	(209)	619	360	
Energy efficiency loans due within one year	139	-	-	-	-	139	201	
Energy interest receivable	8,237	49	-	2	-	8,288	1,771	
Lease interest receivable	55	-	-	-	(29)	26	66	
Regulatory costs to be recovered within one year	60,765	104	-	105	-	60,974	12,339	
Derivative financial instruments maturing within in one year	34,248	-	-	-	-	34,248	116,397	
Inventories	110,058	17,484	-	-	-	127,542	104,265	
Prepaid gas to be delivered within one year	-	-	6,230	27,106	-	33,336	27,860	
Prepayments and other	38,744	11,034	10	16	-	49,804	35,272	
Total current assets	1,211,450	89,905	17,135	32,125	(65,561)	1,285,053	1,301,771	
NONCURRENT ASSETS								
Regulatory costs for future recovery								
Decommissioning	73,329	-	-	-	-	73,329	72,947	
Pension	461,919	-	-	-	-	461,919	330,612	
OPEB	294,157	-	-	-	-	294,157	273,559	
Bond Issues	-	618	-	306	-	924	1,133	
Derivative financial instruments	1,185	-	-	-	-	1,185	2,392	
Derivative financial instruments	51,794	-	-	-	-	51,794	110,373	
Prepaid gas	-	-	520,788	96,211	-	616,999	650,315	
Prepaid power and capacity	52	-	-	-	-	52	259	
Lease receivable	21,317	-	-	-	(3,742)	17,575	17,162	
Energy efficiency loans -net	501	-	-	-	-	501	790	
Other	78,885	13	-	46	-	78,944	70,521	
Total noncurrent assets	983,139	631	520,788	96,563	(3,742)	1,597,379	1,530,063	
TOTAL ASSETS	\$ 6,438,084	\$ 388,195	\$ 537,922	\$ 128,688	\$ (356,030)	\$ 7,136,858	\$ 7,089,006	
DEFERRED OUTFLOWS OF RESOURCES								
Accumulated decrease in fair value of hedging derivatives	42,279	-	-	-	-	42,279	16,777	
Deferred pension outflows	136,536	-	-	-	-	136,536	77,512	
Deferred OPEB outflows	43,356	-	-	-	-	43,356	22,655	
Deferred ARO outflows	-	1,665	-	-	-	1,665	1,516	
Unamortized bond losses - other	6,078	1,026	-	-	-	7,104	9,314	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	228,249	2,691	-	-	-	230,940	127,774	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 6,666,333	\$ 390,886	\$ 537,922	\$ 128,688	\$ (356,030)	\$ 7,367,798	\$ 7,216,780	

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
July 31, 2023 and 2022
(thousands of dollars)

LIABILITIES AND NET ASSETS

	<u>Total</u>						
	SMUD	SFA	NCEA	NCGA #1	Intercompany Eliminations	2023	2022
LONG-TERM DEBT -NET	\$ 2,298,380	\$ 81,344	\$ 527,205	\$ 94,540	\$ -	\$ 3,001,469	2,997,947
CURRENT LIABILITIES							
Accounts payable	113,455	5,390	-	16	-	118,861	141,874
Purchased power payable	91,581	24,032	-	-	(65,325)	50,288	90,664
Credit support collateral obligation	8,796	-	-	1	-	8,797	7,967
Long-term debt due within one year	112,140	13,115	14,505	25,530	-	165,290	125,785
Accrued decommissioning	7,549	-	-	-	-	7,549	6,889
Interest payable	37,203	366	1,863	447	-	39,879	44,095
Accrued interest liability	-	41	-	-	(29)	24	30
Accrued salaries and compensated absences	52,974	-	-	-	-	52,974	50,513
Derivative financial instruments maturing within one year	28,533	-	-	-	-	28,533	14,340
Customer deposits	1,876	-	-	-	-	1,876	1,645
Lease liability	11,186	289	-	-	(209)	11,266	26,061
Other	49,970	-	-	-	-	49,970	44,479
Total current liabilities	515,275	43,233	16,368	25,994	(65,563)	535,307	554,342
NONCURRENT LIABILITIES							
Accrued decommissioning -net	75,863	9,756	-	-	-	85,619	84,172
Derivative financial instruments	16,744	-	-	-	-	16,744	6,743
Net pension liability	191,014	-	-	-	-	191,014	-
Net OPEB liability	31,190	-	-	-	-	31,190	-
Lease liability	4,646	5,170	-	-	(3,742)	6,074	30,530
Other	83,643	-	208	-	-	83,851	79,479
Total noncurrent liabilities	403,100	14,926	208	-	(3,742)	414,492	200,924
TOTAL LIABILITIES	3,216,755	139,503	543,781	120,534	(69,305)	3,951,268	3,753,213
DEFERRED INFLOWS OF RESOURCES							
Accumulated increase in fair value of hedging derivatives	84,660	-	-	-	-	84,660	200,296
Deferred pension inflows	17,536	-	-	-	-	17,536	195,906
Deferred OPEB inflows	33,732	-	-	-	-	33,732	76,431
Deferred lease inflows	21,588	-	-	-	(3,882)	17,706	17,373
Regulatory credits ¹²	750,834	-	-	-	-	750,834	535,762
Unamortized bond gains - other	41,405	-	-	-	-	41,405	21,992
Unearned revenue	8,178	26	-	-	-	8,204	3,356
TOTAL DEFERRED INFLOWS OF RESOURCES	957,933	26	-	-	(3,882)	954,077	1,051,116
NET POSITION							
Balance at beginning of year	2,377,719	267,457	(4,610)	8,989	(282,752)	2,366,803	2,296,261
Net increase (decrease) for the year	113,926	8,900	(189)	(225)	(26,762)	95,650	116,190
Member contributions (distributions) -net	-	(25,000)	(1,060)	(610)	26,671	-	-
TOTAL NET POSITION	2,491,645	251,357	(5,859)	8,154	(282,843)	2,462,453	2,412,451
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 6,666,333	\$ 390,886	\$ 537,922	\$ 128,688	\$ (356,030)	\$ 7,367,798	\$ 7,216,780

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF CASH FLOWS
For the Period Ended July 31, 2023
(thousands of dollars)

	<u>Month</u>	<u>Year to Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 133,470	\$ 845,921
Receipts from surplus power and gas sales	34,265	222,570
Other receipts	7,691	100,574
Payments to employees - payroll and other	(27,050)	(247,838)
Payments for wholesale power and gas purchases	(53,996)	(421,336)
Payments to vendors/others	(38,647)	(381,333)
Net cash provided by operating activities	55,733	118,558
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Repayment of debt	(25,185)	(25,185)
Interest on debt	(12,415)	(26,367)
Net cash used in noncapital financing activities	(37,600)	(51,552)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Construction expenditures	(25,616)	(199,659)
Proceeds from land sales	-	45,000
Contributions in aid of construction	2,412	12,416
Net proceeds from bond issues	-	537,606
Repayments and refundings of debt	(20,441)	(328,141)
Issuance of commercial paper	-	50,000
Repayments of commercial paper	-	(200,000)
Other receipts	-	11,875
Interest on debt	(3,454)	(71,640)
Lease and other payments	(2,201)	(15,938)
Cash received from leases	28	629
Net cash used in capital and related financing activities	(49,272)	(157,852)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales and maturities of securities	214,681	513,380
Purchases of securities	(79,399)	(389,973)
Interest and dividends received	3,537	17,711
Investment revenue/expenses - net	(1,891)	(1,483)
Net cash provided by investing activities	136,928	139,635
Net increase in cash and cash equivalents	105,789	48,789
Cash and cash equivalents at the beginning of the month and year	332,838	389,838
Cash and cash equivalents at July 31, 2023	\$ 438,627	\$ 438,627
Cash and cash equivalents included in:		
Unrestricted cash and cash equivalents	\$ 411,010	\$ 411,010
Restricted and designated cash and cash equivalents	16,695	16,695
Restricted and designated assets (a component of the total of \$229,154 at July 31, 2023)	10,922	10,922
Cash and cash equivalents at July 31, 2023	\$ 438,627	\$ 438,627

SSS No.

IAS 2023-7

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit
September 19, 2023
Board Meeting Date
N/A

TO	TO
1. Jennifer Davidson	6.
2. Jose Bodipo-Memba	7.
3. Lora Anguay	8.
4. Scott Martin	9. Legal
5.	10. CEO & General Manager

Consent Calendar	Yes	No <i>If no, schedule a dry run presentation.</i>	Budgeted	x	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Claire Rogers		DEPARTMENT Internal Audit Services				MAIL STOP B409 EXT. 7122 DATE SENT 9/5/23

NARRATIVE:

Requested Action: Informational agenda item to provide Board Members with the opportunity to ask questions and/or discuss recent reports issued by Internal Audit Services.

Summary: Reports issued by Internal Audit Services:

<u>Title</u>	<u>Report Number</u>
• Power Source Disclosure Program.....	28007626

Board Policy: Board-Staff Linkage BL-3, Board-Internal Auditor Relationship
(Number & Title)

Benefits: N/A

Cost/Budgeted: N/A

Alternatives: N/A

Affected Parties: SMUD Board and Internal Auditor

Coordination: Internal Audit Services

Presenter: Claire Rogers, Director, Internal Audit Services

Additional Links:

SUBJECT Internal Audit Services Report	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

Office Memorandum

TO: Board of Directors

DATE: August 31, 2023
Audit Report #28007626

FROM: Claire Rogers

SUBJECT: California Energy Commission's (CEC's) Power Source Disclosure Program (PSD) and Power Content Label (PCL)

Audit and Quality Services (AQS) has performed the CEC's Agreed-Upon Procedures required by California Code of Regulations, Title 20, Section 1394, as amended.

California law requires retail suppliers of electricity to disclose to consumers accurate, reliable, and simple-to-understand information on the sources of energy used to generate the electricity being used. This is done annually via the Power Source Disclosure (PSD) annual reports, which are detailed listings of power purchases and resales, and the Power Content Label (PCL). The PCL in Attachment 1 shows the sources of power SMUD discloses to its customers.

AQS reviewed the 2022 Annual PSD and PCL reports for the calendar year ending December 31, 2022, and verified, on a sample basis, the actual MWh procured by generating facilities. The source documentation reviewed included internal generation reports from SMUD's Energy Management System (EMS), Western Renewable Energy Generation Information System (WREGIS) database, internally prepared supporting spreadsheets, and external invoices.

The engagement to apply the agreed-upon procedures was performed in accordance with the standards established by the American Institute of Certified Public Accountants. AQS was not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the annual reporting related to the 2022 PSD and PCL reports. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Attachments:

Attachment 1, SMUD 2022 Power Content Label

Attachment 1 SMUD 2022 Power Content Label

2022 POWER CONTENT LABEL

Sacramento Municipal Utility District

smud.org/SMUDPCL

Greenhouse Gas Emissions Intensity (lbs CO ₂ e/MWh)							Energy Resources							
SMUD General Mix	Greenery PartnerPlus	Greenery CA Renewable	Greenery Local Renewable	SolarShares Commercial	SolarShares Neighborhood	2022 CA Utility Average	SMUD General Mix	Greenery PartnerPlus	Greenery CA Renewable	Greenery Local Renewable	SolarShares Commercial	SolarShares Neighborhood	2022 CA Power Mix	
446	0	0	0	0	0	422	23.7%	85.0%	100.0%	100.0%	100.0%	100.0%	35.8%	
<p>Percentage of Retail Sales Covered by Retired Unbundled RECs³:</p>							Eligible Renewable ¹	23.7%	85.0%	100.0%	100.0%	100.0%	100.0%	35.8%
							Biomass & Biowaste	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%
							Geothermal	3.8%	0.0%	0.0%	0.0%	0.0%	0.0%	4.7%
							Eligible Hydroelectric	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%
							Solar	2.8%	52.6%	95.0%	95.0%	100.0%	100.0%	17.0%
							Wind	14.7%	32.4%	5.0%	5.0%	0.0%	0.0%	10.8%
							Coal	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%
							Large Hydroelectric	25.4%	15.0%	0.0%	0.0%	0.0%	0.0%	9.2%
							Natural Gas	45.6%	0.0%	0.0%	0.0%	0.0%	0.0%	36.4%
							Nuclear	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	9.2%
							Other	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
							Unspecified Power ²	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%	7.1%
							TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Percentage of Retail Sales Covered by Retired Unbundled RECs ³ :							6%	0%	0%	0%	0%	0%		
<p>¹The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology.</p> <p>²Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source.</p> <p>³Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credits (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above.</p> <p>Some customers may be served by more than one electricity portfolio.</p>														
For specific information about this electricity portfolio, contact:							Sacramento Municipal Utility District (SMUD) 888-742-7683							
For general information about the Power Content Label, visit:							https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program							

SSS No. BOD 2022-020

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date 2023
Board Meeting Date N/A

TO	TO
1. Jennifer Davidson	6.
2. Jose Bodipo-Memba	7.
3. Scott Martin	8.
4. Lora Anguay	9. Legal
5.	10. CEO & General Manager

Consent Calendar		Yes	<input checked="" type="checkbox"/>	No <i>If no, schedule a dry run presentation.</i>	Budgeted		Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Rob Kerth / Special Assistant to the Board	DEPARTMENT Board Office				MAIL STOP B307	EXT. 5079	DATE SENT 12/27/22	

NARRATIVE:

Requested Action: A summary of directives provided to staff during the committee meeting.

Summary: The Board requested an on-going opportunity to do a wrap up period at the end of each committee meeting to summarize various Board member suggestions and requests that were made at the meeting in an effort to make clear the will of the Board. The Committee Chair will summarize Board member requests that come out of the committee presentations for this meeting.

Board Policy: GP-4 Agenda Planning states the Board will focus on the results the Board wants the organization to achieve.
(Number & Title)

Benefits: Having an agendized opportunity to summarize the Board’s requests and suggestions that arise during the committee meeting will help clarify what the will of the Board.

Cost/Budgeted: Included in budget

Alternatives: Not summarize the Board’s requests at this meeting.

Affected Parties: Board of Directors and Executive Staff

Coordination: Special Assistant to the Board

Presenter: Rob Kerth, Finance and Audit Chair

Additional Links:

SUBJECT Summary Of Committee Direction – Finance and Audit	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.