

## AGENDA

### ORANGE COUNTY POWER AUTHORITY REGULAR MEETING OF THE BOARD OF DIRECTORS

**Monday, January 12, 2026  
4:30 p.m.**

This meeting will proceed as an in-person meeting at **15310 Barranca Parkway, Suite 250, Irvine, CA 92618**. In addition, as a convenience to the public, the Orange County Power Authority is also providing an option for members of the public to remotely view and participate in the meeting. Further details are below. Please note that, in the event of a technical issue causing a disruption in the remote participation option, the meeting may continue unless otherwise required by law.

**Public Comments:** Any member of the public may provide comments to the Orange County Power Authority Board of Directors on any agenda items by requesting to speak during Item 4, or on any matter not appearing on the agenda but within the jurisdiction of the Board by requesting to speak during Item 5. When providing comments to the Board, it is requested that you provide your name and city of residence for the record. Commenters are requested to address their comments to the Board as a whole through the Chair. Comments may be provided in the following manner:

To provide comments during the meeting, in-person attendees, please fill out the public speaker slip and provide it to the clerk at the beginning of the meeting. Before Items 4 and 5, the Chair or Clerk will ask members of the public to join the queue to provide public comment. The queue will remain open for a reasonable amount of time to allow members of the public sufficient time to request to speak and inform the Board of the number of speakers. After such time, the queue will be closed and the members of the public who have joined the queue to speak will be recognized at the appropriate time may speak. To join the queue on Zoom video conference by computer or mobile phone, use the “Raise Hand” feature. If joining the meeting using the Zoom dial-in number, you can raise your hand and join the queue by pressing \*9. Members of the public will not be shown on video but will be able to speak when called upon.

Comments shall generally be limited to three minutes when speaking, provided that the Chair may equally reduce each speaker’s time to accommodate a large number of speakers or a large number of agenda items.

**Written Communications:** If you have a written communication that you wish to be distributed to the Board, please provide it via e-mail to [comments@ocpower.org](mailto:comments@ocpower.org). Written communications are public records and, if received by 5:00 p.m. on the day prior to the meeting, will be distributed to the Board prior to the meeting by either e-mail or hard-copy, posted on the Authority’s website and noted, but not read, at the meeting. Communications received after the 5:00 p.m. deadline will be retained in the Authority’s records.

The public may participate using the following remote options:

#### ZOOM WEBINAR

Please click the link below to join the webinar:

[Launch Meeting - Zoom](#)

Dial-in: 1-669-900-6833

Webinar ID: 858 1954 8141

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **PUBLIC COMMENTS ON AGENDA ITEMS**  
*Opportunity for members of the public to address the Board on any items on the agenda.*
5. **PUBLIC COMMENTS ON NON-AGENDA ITEMS**  
*Opportunity for members of the public to address the Board on any items not on the agenda but within the jurisdiction of the Board.*
6. **DIRECTOR ANNOUNCEMENTS & REPORTS ON CONFERENCES/EVENTS ATTENDED**  
*Board Members may briefly provide information to other members of the Board and the public, ask questions of staff, or report on conferences, events, or activities related to Authority business. There is to be no discussion or action taken on comments made by Board Members unless authorized by law.*
7. **CONSENT CALENDAR**  
*All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Board of Directors, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Board of Directors request specific items be removed from the Consent Calendar.*
  1. **MINUTES FOR THE REGULAR BOARD MEETING OF DECEMBER 8, 2025**  
**Recommended Action:**  
Approve as submitted.
  2. **COMMUNITY ADVISORY COMMITTEE REPORT**  
**Recommended Action:**  
Receive and file.
  3. **LEGISLATIVE AND REGULATORY UPDATE**  
**Recommended Action:**  
Receive and file.
  4. **STRATEGIC PLAN MONTHLY STATUS REPORT**  
**Recommended Action:**  
Receive and file.
  5. **RISK OVERSIGHT COMMITTEE UPDATE**  
**Recommended Action:**  
Receive and file.

## **6. 2026 OCPA LEGISLATIVE AND REGULATORY POLICY PLATFORM**

### **Recommended Action:**

Approve 2026 OCPA Legislative and Regulatory Policy Platform.

## **7. PUBLIC OUTREACH UPDATE FOR NOVEMBER - DECEMBER 2025**

### **Recommended Action:**

Receive and file the Public Outreach update for November - December 2025.

## **8. REGULAR CALENDAR**

*The following items call for discussion or action by the Board of Directors. The Board may discuss and/or take action on any item listed below if the Board is so inclined.*

### **1. ADOPT RESOLUTION NO. 2026-XX AUTHORIZING EXECUTION OF AN ENERGY PREPAYMENT TRANSACTION AND RELATED DOCUMENTS**

#### **Recommended Action:**

1. Adopt Resolution No. 2026-XX approving parameters under which an energy prepayment transaction may be completed with Morgan Stanley & Co. LLC as OCPA's underwriter and prepaid energy supplier; authorizing and/or approving transaction documents, including documents in substantially final or "form of" form, supporting the prepayment transaction; and directing the California Community Choice Financing Authority (CCFA) to make payments to service providers for issuance-related costs from prepayment bond proceeds.
2. Authorize the Chief Executive Officer (CEO) to negotiate, approve, and execute agreements, directly or through CCFA, with the firms listed below and any additional or miscellaneous service providers that may be required to complete OCPA's first energy prepayment transaction, provided that total costs of issuance payable from bond proceeds do not exceed 1.00% of bond proceeds, and to execute any other documents or take any other actions as are necessary to complete the prepayment transaction. In the event of a successful bond issuance, compensation to these providers for bond issuance services will be paid from bond proceeds (not from OCPA).
  - a. Morgan Stanley & Co. LLC (Bond underwriting and prepay energy supply services)
  - b. Orrick, Herrington & Sutcliffe LLP (Bond and tax counsel retained by CCFA)
  - c. Kestrel (Green bond second-party opinion)
  - d. PFM Financial Advisors LLC (Guaranteed Investment Contract bidding agent)
  - e. Moody's Investors Service (Bond rating agency retained by CCFA)
  - f. U.S. Bank (Trustee and custodial services)

## **2. COMMUNITY POWER PLAN RESULTS PREVIEW**

### **Recommended Action:**

Receive and file the high-level overview of the Community Power Plan (CPP) results and provide any feedback on recommended program priorities.

## **3. APPROVAL OF 2026 OCPA GENERATION RATE STABILIZATION APPROACH AND GREEN DISCOUNT PROGRAM PARAMETERS**

### **Recommended Action:**

1. Approve a temporary 2026 OCPA generation rate stabilization approach that maintains the existing 2025 OCPA generation rates and product differentials for Basic Choice, Smart Choice, and 100% Renewable Choice for calendar year 2026, unless modified by future Board action in response to unanticipated changes in OCPA's financial results or material changes in SCE's 2026 generation rates or Power Charge Indifference Adjustment (PCIA) charges.

This action is intended to provide rate continuity, reduce exposure to Southern California Edison's (SCE) rate volatility and PCIA-related distortions, and ensure that OCPA meets its 2026 revenue requirement. Staff will monitor SCE's rate changes during 2026 and may return to the Board with an amended rate design proposal if SCE's generation rates or PCIA are materially adjusted or if other statewide or market changes materially improve or worsen long-term cost comparability. Staff also expects to return later in 2026 with an updated outlook and recommended refinements for 2027, consistent with OCPA's Board-approved Rate Development Policy.

2. Approve Green Discount Program parameters and authorize implementation beginning in calendar year 2026 as a voluntary non-net energy metering (NEM) residential discount option, subject to ongoing financial sustainability, with core parameters as described in this report.

Staff is authorized to administer the program and finalize operational details consistent with these parameters, and will report back to the Board on program performance and any recommended continuation or changes to core parameters through a future Board item.

## **4. 2026 ENERGY PRODUCT OFFERINGS**

### **Recommended Action:**

Approve the proposed renewable energy content for OCPA's 2026 retail service offering options, in conjunction with the proposed 2026 OCPA interim generation rate stabilization approach (Item 8.3 on the Board of Directors Meeting Agenda for January 12, 2026). This will reflect the increased carbon-free or Greenhouse Gas (GHG)-free resources allocated to OCPA customers, as per the California Public Utilities Commission's (Commission) decisions. It will also align OCPA's renewable energy resource mix with the service offering selections of OCPA members (Members) and meet the compliance requirements of California's upward trajectory in the Renewables Portfolio Standard (RPS) procurement mandate.

## 5. ADOPT THE 2026 BOARD OF DIRECTORS MEETING SCHEDULE

### **Recommended Action:**

Adopt Resolution No. 2026-XX A Resolution of the Board of Directors of Orange County Power Authority Establishing Regular Meetings of the Board of Directors for February through December 2026.

## 9. ELECTION OF CHAIR AND VICE CHAIR, AND COMMITTEE APPOINTMENTS

*Board Members shall select from among themselves a Chair and a Vice-Chair in accordance with the Joint Powers Agreement. Following the selection of the Chair and Vice-Chair, appointments will be determined for the Legislative & Regulatory and Marketing & Communications Committees.*

## 10. STAFF REPORT

*Staff may briefly provide information to the Board and the public. The Board may engage in discussion if the specific subject matter of the report is identified, but the Board may not take any action. There is to be no other discussion or action taken unless authorized by law.*

## 11. ADJOURNMENT

### ***Compliance with the Americans with Disabilities Act***

Board of Directors meetings comply with the protections and prohibitions of the Americans with Disabilities Act. Individuals with a disability who require a modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may contact 949-263-2612. Requests for disability-related modifications or accommodations require different lead times and should be provided at least 72-hours in advance of the public meeting.

### ***Availability of Board Documents***

Copies of the agenda and agenda packet are available at [www.ocpower.org](http://www.ocpower.org). Late-arriving documents related to a Board meeting item which are distributed to a majority of the Board prior to or during the Board meeting are available for public review as required by law. Public records, including agenda-related documents, can be requested electronically at [clerk@ocpower.org](mailto:clerk@ocpower.org) or by mail to 15642 Sand Canyon Avenue, P.O. Box 54283, Irvine, CA 92619-4283. The documents may also be posted at the above website. Such public records are also available for inspection, by appointment, at 15310 Barranca Parkway, Suite 250, Irvine, CA 92618. Please contact [clerk@ocpower.org](mailto:clerk@ocpower.org) to arrange an appointment.



**MINUTES  
REGULAR MEETING  
BOARD OF DIRECTORS  
ORANGE COUNTY POWER AUTHORITY**

Monday, December 8, 2025

**1. CALL TO ORDER**

Chair Sonne called to order the Regular Meeting of the Orange County Authority Board of Directors at 4:30 p.m. on Monday, December 8, 2025.

**2. PLEDGE OF ALLEGIANCE**

Director Go led the Pledge of Allegiance.

**3. ROLL CALL**

Present:	Director William Go	City of Irvine
	Director Glenn Grandis	City of Fountain Valley
	Director Fred Jung	City of Fullerton
	Vice Chair James Mai	City of Irvine
	Chair Susan Sonne	City of Buena Park

**4. PUBLIC COMMENTS ON AGENDA ITEMS**

Vicki Johnson City of Laguna Woods resident, commented on Consent item 7.5, and Regular Calendar items 8.1 and 8.2.

**5. PUBLIC COMMENTS ON NON-AGENDA ITEMS**

Vicki Johnson City of Laguna Woods resident, spoke on a matter not on the Agenda.

**6. DIRECTOR ANNOUNCEMENTS**

None.

**7. CONSENT CALENDAR**

Moved by Director Jung, seconded by Vice Chair Mai to:  
Approve consent calendar 7.1 – 7.7.

The motion carried unanimously by the following 5-0-0 vote:

Ayes:	Director Go, Director Grandis, Director Jung, Vice Chair Mai, Chair Sonne
Noes:	None
Absent:	None

**1. MINUTES FOR THE REGULAR BOARD MEETING OF NOVEMBER 10, 2025**

**Action Taken:**

Approved as submitted.

**2. COMMUNITY ADVISORY COMMITTEE REPORT**

**Action Taken:**

Received and filed.

**3. LEGISLATIVE AND REGULATORY UPDATE**

**Action Taken:**

Received and filed.

**4. STRATEGIC PLAN MONTHLY STATUS REPORT**

**Action Taken:**

Received and filed.

**5. RISK OVERSIGHT COMMITTEE UPDATE**

**Action Taken:**

Received and filed.

**6. PUBLIC RECORDS ACT REPORT**

**Action Taken:**

Received and filed.

**7. TREASURER'S REPORT – FISCAL YEAR ENDED SEPTEMBER 30, 2025, AND Q3 2025 CHECK REGISTER**

**Action Taken:**

Received and filed.

**8. REGULAR CALENDAR**

**1. UPDATE ON THE SELECTION OF ORANGE COUNTY POWER AUTHORITY'S (OCPA) PREPAY COUNTERPARTY; AUTHORIZATION FOR OCPA TO JOIN THE CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY (CCFA) AS AN ASSOCIATE MEMBER; AND APPROVAL OF CCFA AS THE BOND ISSUER FOR AN ENERGY**

## **PREPAYMENT TRANSACTION**

Chief Financial Officer Tiffany Law and PFM's Managing Director Mike Berwanger presented the item approving the selection of Morgan Stanley & Co. LLC as OCPA's prepay counterparty. They discussed the reasons for the selection, California Community Choice Financing Authority (CCCFA) membership, prepay structure benefits, and timeline highlights.

Moved by Chair Sonne, seconded by Director Grandis, to:

1. Receive and file the update on the selection of Morgan Stanley & Co. LLC as OCPA's prepay counterparty to provide energy supplier services in structuring a new transaction.
2. Adopt Resolution No. 2025-05, authorizing OCPA to join the California Community Choice Financing Authority (CCCFA) as an Associate Member and approving the selection of CCCFA, a joint powers authority and public entity of the State of California formed under the Joint Exercise of Powers Act, as the bond issuer for potential OCPA energy prepayment financing transactions, as Attachment 1.

The motion carried unanimously by the following 5-0-0 vote:

Ayes: Director Go, Director Grandis, Director Jung, Vice Chair Mai, Chair Sonne

Noes: None

Absent: None

## **2. APPROVE PROFESSIONAL SERVICES AGREEMENT WITH PACIFIC ENERGY ADVISORS**

Director of Power Resources Louis Ting presented the item, and Energy Contracts & Compliance Analyst Lena Garvey presented the RFP process. Vice President at Pacific Energy Advisors Kirby Dusel was present virtually. They presented a PowerPoint presentation and discussed the background, the RFP process which received four submitted proposals, fiscal impacts, and program highlights.

Moved by Director Grandis, seconded by Chair Sonne, to:

1. Authorize the CEO to finalize and execute a one-year Agreement with Pacific Energy Advisors for Power Supply, Portfolio Management, Risk Management, Regulatory Compliance, and Power Procurement Services for an amount not to exceed \$588,000.00, from January 1, 2026, through December 31, 2026, including the option to extend the agreement for four additional one-year terms, subject to satisfactory performance, with a three percent (3%) cost-of-living increase should the extensions be mutually agreed and exercised.

2. Authorize the CEO to negotiate and approve changes in the compensation and annual not-to-exceed amounts based on mutually agreed extensions and Scope of Services for potential option periods, from January 1, 2027, through December 31, 2030. Scope of Services may be negotiated to be transitioned to OCPA based on business needs during the mutually agreed extension periods.

The motion carried unanimously by the following 5-0-0 vote:

Ayes: Director Go, Director Grandis, Director Jung, Vice Chair Mai,  
Chair Sonne,

Noes: None

Absent: None

### **3. ADOPT THE 2026 BOARD OF DIRECTORS MEETING SCHEDULE**

Interim Board Clerk Lisette Chel Walker presented the proposed meeting schedules, continuing Board meetings on the second Monday of each month with the exception of two meetings.

Director Jung said the Boards and Councils reorganize annually in January. He suggested OCPA look into this, approve the January date and continue the remainder of the calendar year to the January or February Board meeting.

Moved by Director Jung, seconded by Director Go, to:

Adopt Resolution No. 2025-06 A Resolution of the Board of Directors of Orange County Power Authority establishing the first Regular Meeting of the Board of Directors for January 12, 2026; and present a Resolution containing the 2026 Board of Directors meeting schedule dates for February through December, to be considered at the January 12, 2026, Board of Directors meeting.

The motion carried unanimously by the following 5-0-0 vote:

Ayes: Director Go, Director Grandis, Director Jung, Vice Chair Mai,  
Chair Sonne,

Noes: None

Absent: None

### **4. PRESENTATION OF THE 2026 COMMUNITY ADVISORY COMMITTEE DRAFT WORKPLAN**

Community Engagement Manager Linda Kraemer presented the item and said the Community Advisory Committee (CAC) had developed a workplan for the upcoming year which will help focus the CAC's priorities. She presented the highlights of 2025, and a draft of OCPA's CAC workplan for 2026.

Moved by Director Go, seconded by Director Grandis, to:

Approve the Community Advisory Committee (CAC) 2026 Workplan.

The motion carried unanimously by the following 5-0-0 vote:

Ayes: Director Go, Director Grandis, Director Jung, Vice Chair Mai,  
Chair Sonne,

Noes: None

Absent: None

## **9. STAFF REPORT**

CEO Joe Mosca referred the Board to his full staff report in the agenda packet. He said he would like to highlight a few items. Mosca said he is excited to welcome new team member Power Portfolio Manager Bernard Nainggolan who has over 15 years of experience in procurement portfolio management. Mosca said he would like to take a moment on behalf of staff to express gratitude for an incredibly successful year. He said collaboration between the Board and staff has led to significant achievements in 2025, and OCPA looks forward to many more accomplishments in the new year.

## **10. ADJOURNMENT**

There being no further business to come before the Board, Chair Sonne adjourned the December 8, 2025, Orange County Power Authority Board Regular meeting at 5:21 p.m.

Chair Sonne noted that the next Orange County Power Authority Board Regular meeting will be held on Monday, January 12, 2025, at 4:30 p.m.

Submitted by:

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Lisette Chel Walker, Interim Board Clerk

**ORANGE COUNTY POWER AUTHORITY**  
**Staff Report – Item 7.2**

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To: Orange County Power Authority Board of Directors

From: Jacquie Henderson, Director of Communications & External Affairs  
Linda Kraemer, Community Engagement Manager

Approved By: Joe Mosca, Chief Executive Officer

Subject: COMMUNITY ADVISORY COMMITTEE REPORT

Date: January 12, 2026

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**STRATEGIC GOALS**

- Enrich & Grow the OCPA Community: \_\_\_\_\_
- Prioritize Fiscal Sustainability & Affordability: \_\_\_\_\_
- Design & Deploy Community-Aligned Customer Programs: \_\_\_\_\_
- Energize Our Community with Renewable Energy: \_\_\_\_\_
- Raise Awareness of Community Energy & Advocate for Our Customers: \_\_\_\_\_
- Not Applicable: \_\_\_\_\_

**RECOMMENDED ACTION(S)**

Receive and file.

**BACKGROUND**

On Monday, January 5, 2026, at 6:00 p.m., the Community Advisory Committee (CAC) held its first regularly scheduled meeting of the year. The agenda featured five informational items: a presentation from the Power Procurement team on renewable energy on the California grid, a discussion of CAC roles and responsibilities and membership criteria, a refresh of OCPA communications and messaging, consideration and approval of the 2026 CAC meeting dates, and upcoming public engagement opportunities.

**DISCUSSION/ANALYSIS**

The CAC regular meeting on January 5, 2026, included the following presentations and updates:

Energy Insights: Renewable Energy on the California Grid

The OCPA Power Team of Louis Ting, Lena Garvey, and Bernard Nainggolan provided the committee with an overview of how the California electric grid functions, how energy procurement is regulated, and how OCPA's renewable and carbon-free portfolio is shaped by customer choice. They reviewed OCPA's 2025 product options and explained how long-term procurement supports cost stability and compliance with state targets. The presentation clarified the difference between renewable and carbon-free resources and outlined current procurement considerations including a brief update on planning for 2026. Committee members asked for more information regarding small eligible hydro, the impacts of energy plan selection, OCPA current long-term contracts, and the possible impacts of the new energy trading markets for Western states.

#### Discussion of Roles and Responsibilities of CAC Members

Members of the committee were briefed on the CAC roles and responsibilities reflected in the current Community Advisory Committee Purpose and Scope. This document is available on the OCPA website and includes how to advise the OCPA Board on their communities and provide staff with feedback.

#### Communications and Messaging Refresh

Jacquie Henderson, Director of Communications and External Affairs, shared insight on how OCPA communicates its value proposition as a locally controlled utility focused on customer affordability, financial prudence, and clean energy progress. This includes focusing on the previously determined customer-focused goals to:

- Continue generating interest from prospective member cities,
- Sustain strong supportive relationships with member cities, and
- Increase understanding among community members on OCPA's value proposition

Committee members also received an update on OCPA's multiple approaches for outreach. Other highlights included information on OCPA as choice for customers, transparent, and an organization with a small twenty-three member staff that provides local customer service and a personal touch. Additional information was shared on customer bill education, especially the point that 70% of a typical residential bill is transmission and delivery charges, while generation charges account for roughly 30% of the total bill. The CAC provided positive feedback regarding the presentation, and asked questions about plans for expanding renewable energy education through curriculum being developed in partnership with the Orange County Department of Education.

#### Consideration of CAC 2026 Calendar of Meeting Dates

OCPA staff presented the proposed CAC 2026 meeting schedule where meetings take place on the first Monday of each month at 6:00 p.m., except for August. The CAC voted unanimously to approve a motion put forth by Vice Chair Ziemer and seconded by Committee Member Elliot to hold approval of the meeting dates until the Board approves their meeting date schedule to ensure that the CAC meetings take place a week prior to each Board meeting.

### Public Engagement for January and February 2026

Staff presented a summary of upcoming public engagement activities that focus on business and community networking events, and Lunar New Year celebrations. Members of the Committee were invited to join and share their preferences with staff as soon as possible.

### Updates from Staff

OCPA staff provided an update highlighting recent customer news, community outreach events, communications enhancements, and program highlights. The CAC was invited to visit the Newsroom on the OCPA website for a blog that provides insight into energy bill increases, and the “Picturing a Better Tomorrow” art contest for TK–6 students. Staff also shared OCPA’s recent award, the Community Impact & Mobility Leadership Award from The Orange County Iranian Chamber of Commerce.

The CAC also learned that OCPA’s Community Power Plan was open for public comment at the end of December, and the final plan will be previewed to the Board in January. A new program is in development with the goal of launching in March 2026. Additionally, Energy Efficiency Kits are nearly gone with under 50 remaining for OCPA customers, and the Residential Battery Storage Rebate program remains active.

Finally, staff shared a review of holiday events and outreach activities in December including a visit to the Orange County Board of Supervisors Holiday Open House, and the Metro Holiday Express Event at the Irvine Metro Station.

### **FISCAL IMPACT**

None

### **ATTACHMENT(S)**

None

**ORANGE COUNTY POWER AUTHORITY**  
**Staff Report – Item 7.3**

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To: Orange County Power Authority Board of Directors

From: Steven Halligan, Regulatory and Legislative Manager  
Matt Chill, Regulatory Analyst

Approved By: Joe Mosca, Chief Executive Officer

Subject: LEGISLATIVE AND REGULATORY UPDATE

Date: January 12, 2026

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### **STRATEGIC GOALS**

- Enrich & Grow the OCPA Community: \_\_\_\_\_
- Prioritize Fiscal Sustainability & Affordability: \_\_\_\_\_
- Design & Deploy Community-Aligned Customer Programs: \_\_\_\_\_
- Energize Our Community with Renewable Energy: \_\_\_\_\_
- Raise Awareness of Community Energy & Advocate for Our Customers: \_\_\_\_\_
- Not Applicable: \_\_\_\_\_

### **RECOMMENDED ACTION**

Receive and file.

### **BACKGROUND**

Orange County Power Authority (OCPA) staff actively participate in several regulatory proceedings at the California Public Utilities Commission (CPUC), California Independent System Operator (CAISO), and the California Energy Commission (CEC). A summary of high priority, active proceedings is provided below.

### **ANALYSIS AND DISCUSSION**

#### **California Legislative Update**

The California Legislature reconvened on January 5, 2026. Key early-session deadlines include:

- January 16, 2026 – Last day for policy committees to hear and report fiscal bills introduced in their house to fiscal committees.
- January 31, 2026 – Deadline for all bills to be introduced.
- February – April 2026 – Policy committee hearings and amendments period for two-year bills.

- May 2026 – Governor’s May Revision will inform budget-related clean energy and affordability proposals with direct impacts on customers and load-serving entities.

On Tuesday December 23, Senate President Pro Tempore Limon released leadership and committee membership appointments. Senator Allen has been appointed as chair of the Energy, Utilities, and Communication Committee.

## **Regulatory Update**

### **California Public Utilities Commission Updates**

#### *Power Charge Indifference Adjustment (PCIA) Proceeding – R.25-02-005*

**Background:** On February 11, 2025, the CPUC issued an Order Instituting Rulemaking (OIR) to initiate a new proceeding related to the Power Charge Indifference Adjustment (PCIA). The proceeding consists of two tracks. The first track was an expedited track focused on potential modifications to the Market Price Benchmark (MPB). Track two considered several issues including a review of the revisions to the MPB, consideration of ERRA-specific implementation guidance for RA program changes, changes to Bundled Procurement Plan directions, and consideration of improved PCIA and ERRA mechanisms to reduce rate volatility.

The Track 1 PD was approved at the June 26, 2025, CPUC Voting Meeting. The Track 1 PD states:

- The current RA MPB methodology examines a three-year dataset to determine the local RA MPB forecast, adding a fourth year to the dataset for the final local RA MPB. Adjusting the methodology to a single RA MPB calculation, utilizing system, flexible, and local RA procurement data from the three- and four- year datasets, allows for the consideration of more transaction data.
- Combining the three MPBs into a single MPB with three years of data for forecast MPBs and an additional year of data for final MPBs appropriately balances data sufficiency with the Commission’s currently established method of valuing RA portfolios based upon short-run market prices.
- The RA MPB should be based upon competitive market pricing that reflects supply and demand dynamics.
- Affiliate and swap transactions reflect considerations other than market-based supply and demand pricing of the resources involved in the transaction.
- Inclusion of affiliate and swap transactions in the RA MPB calculation introduces the potential for manipulation of the RA MPB.
- Transactions between the PG&E CPE and PG&E LSE, as well as transactions between the SCE CPE and SCE LSE are subject to independent verification that ensures transaction values reflect competitive pricing.
- Sleeve transactions involve multiple transactions based involving the same resource and single market-based price. Considering each transaction within a sleeve as a separate transaction in the RA MPB calculation results in the overweighting of a single price determination within the transaction dataset and distorts the RA MPB.
- The changes adopted should be applied to the calculation of the 2025 Final and 2026 Forecast RA MPB and all succeeding forecast and final MPB calculations.

On July 28<sup>th</sup>, 2025, CalCCA filed an Application for Rehearing (AfR) on Track 1 of the proceeding. This AfR addressed CCA opposition for the CPUC's engagement with retroactive ratemaking in the MPB calculation methodology for the 2025 ERRA True Up, which is prohibited under Section 728 of the Public Utilities Code. On October 31, 2025, the Commission issued an Order Denying CalCCA's Application for Rehearing of the Track 1 decision regarding RA MPB calculations.

Update: On December 1, 2025, CalCCA requested that the Court grant the Petition for Review of D.25-06-049 and reverse the Decision on the grounds that (1) the Decision violated the prohibition against retroactive ratemaking; and (2) the Decision's retroactive application to 2025 rates was not supported by adequate findings or substantial evidence in the record.

The CPUC's response to the appeal is due on January 5, 2026, but there are expectations that this will be delayed given the holidays. Without this delay, CalCCA's reply to the CPUC's response is due on January 30, 2026. Amicus Briefs on the appeal are due on February 13, 2026.

A Pre-Hearing Conference is scheduled for January 23, 2026. Topics to be discussed include pre-2019 banked REC valuations and the schedule and topics for Track 2. A preliminary schedule for Track 2 has been released. The schedule includes a Scoping Memo issued in early February 2026, testimony and briefs in March through May 2026, a proposed decision on July 31, 2026, and the final decision being voted on at the September 3 CPUC voting meeting.

#### *Resource Adequacy (RA) - R.25-10-003*

Background: This rulemaking continues the CPUC's oversight of the Resource Adequacy (RA) program, establishes forward RA procurement obligations applicable to load-serving entities (LSEs) beginning with the 2027 compliance year, and considers structural reforms to the program. This proceeding is the successor to Rulemaking 23-10-011, which addressed these topics over the past two years.

This rulemaking will address the 2027 and 2028 RA compliance years, local RA obligations for the 2027-2029 and 2028-2030 compliance years, and further refinements to the Slice of Day (SOD) program.

Update: On December 12, 2025, the CPUC released a Track 1 Scoping Ruling that details the scope of the first track of the proceeding, which is expected to conclude by the beginning of July 2026. The following topics were included in the Preliminary Scoping Memo and were carried forward in the Track 1 Scoping Ruling:

1. Adoption of Local Capacity Requirements for 2027-29 compliance years
2. Adoption of Flexible Capacity Requirements for 2027
3. Accreditation for Long-Duration Energy Storage (LDES)
4. Unforced Capacity (UCAP)<sup>1</sup>
5. Accreditation for Solar and Wind Resources

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<sup>1</sup> This is a new metric being developed that considers outage potential for different resources that could be used for Slice of Day (SOD) accreditation and potentially other aspects of the RA program and more broadly throughout CPUC operations.

6. Transactability Issues within the Slice of Day Framework
7. Residual Unit Commitment (RUC) for RA Resources

In addition to Items 1 and 2 which set compliance requirements for OCPA, Item 6 above is particularly important given it can allow for more efficient RA contracting and coordination with other LSEs that could potentially yield reductions in RA compliance costs. It was a priority of CalCCA, and many parties expressed support for including this within the Track 1 Scoping Ruling.

After reviewing opening comments and reply comments about the Preliminary Scoping Memo, the CPUC added the consideration of Energy Only (EO) resources to the scope of the proceeding. This commission originally considered CalCCA's proposal to count co-located EO resources as RA resources in D.25-06-048 but did not act at the time, believing the proposal was not yet fully developed. The CPUC is now raising this issue again within the scope of this proceeding.

The Preliminary Scoping Memo considered coordination with the IRP proceeding as in scope within Track 1, but the CPUC has removed this from the Track 1 Scoping Ruling. The CPUC will wait until the RCPPP proposal has reached a decision before coordinating with the IRP proceeding.

Track 2 of the proceeding will consider:

1. Adoption of Local Capacity Requirements for 2028-30 compliance years
2. Adoption of System and Flexible Capacity Requirements for 2028
3. The Loss of Load Expected (LOLE) Study
4. Other refinements to the RA program that will be defined at a later date

The LOLE Study, which the CPUC must complete by July 2026, will consider modifications to the planning reserve margin for 2028 and 2029.

Track 2 of the proceeding is expected to conclude by June 2027.

#### *Climate Credit – R.25-07-013*

Background: This OIR was opened on July 24, 2025, to improve the California Climate Credit (Climate Credit). The Climate Credit has historically provided residential and small business customers with semi-annual bill credits using a portion of revenues from the California Cap-and-Trade Program. Residential customers receive on average \$120 per year from the credit, dispersed once in the winter and once in the summer. The CPUC opened the proceeding to further address affordability, and to support the California Industry Assistance which is intended to minimize businesses relocating to other states without emissions compliance programs.

CalCCA filed Opening Comments on the Climate Credit OIR on September 26, 2025 and reply comments on October 13, 2025, recommending the CPUC support the OIR preliminary scope, including the consideration of changes to customer eligibility criteria, timing and method of Climate Credit distribution, and messaging to customers. OCPA aims to support modifications to the Climate Credit that are competitively neutral, including eligibility criteria and customer messaging, and to ensure existing customers continue receiving the Climate Credit.

Update: Staff attended the Pre-hearing Conference (PHC) on November 21. CalCCA filed post-PHC comments on December 8, 2025, opposing any changes to the timing of the Climate Credit

until a full record is developed throughout the proceeding, as impacts of adjustments to the timing of the credit are unknown and may impact customers in certain climate zones adversely. In addition, CalCCA's post-PHC comments support the ALJ's addition to scope of reconsidering Climate Credit principles, and incorporating changes to the Climate Credit established in AB 1207.

A Scoping Memo and Ruling is expected in early 2026.

*Integrated Resource Planning (IRP) – R.25-06-019*

Background: This OIR, issued on July 2, 2025, supersedes R.20-05-003 as the primary venue for CPUC oversight of the IRP process, which requires the Commission to identify a resource portfolio to ensure a reliable electric supply that can also achieve clean energy and environmental goals of SB 350 and SB 100.

R.20-05-003 remains open for purposes of considering a staff proposal on the Reliable and Clean Power Procurement Program (RCPPP) framework, as proposed in the April 25, 2025 Administrative Law Judge's Ruling. Future work or further development and implementation of RCPPP, if adopted, will occur in this new IRP rulemaking.

Update: OCPA filed its December 2025 IRP Compliance Filing and Data Response on December 2, 2025 in accordance with California Public Utilities Code sections 454.51 and 454.52, California Public Utilities Commission Decisions 20-12-044, 21-06-035, and 23-02-040, and CPUC Staff guidance.

*Demand Response – R.25-09-004*

Background: The OIR was issued on September 29, 2025. The preliminary scope of the proceeding includes (1) determining guiding principles for demand response policies; (2) policy on dual participation, valuation methodologies and evaluation metrics, CAISO market integration topics, and resource adequacy valuation and slice-of-day implementation; and (3) standards for data systems, communication protocols, and data transfer processes to support relevant initiatives such as dynamic rates. This OIR seeks to evaluate and enhance the consistency, predictability, reliability, and cost-effectiveness of demand response resources. The Commission will accomplish this enhancement by updating the demand response guiding principles, policies, and data system and process requirements.

In this rulemaking, CPUC intends to re-evaluate several key Commission demand response policies, including its dual participation policy (D.09-08-027), valuation methodologies and evaluation metrics, and others. The dual participation policy enables customers to participate in up to two DR programs, assuming one provides an energy payment, and one provides a capacity payment.

Update: Reply Comments to Opening comments were submitted on December 1, 2025. CalCCA's reply comments recommend the CPUC:

- Reject SCE's proposal to only consider IOU dynamic rate data systems and processes in dynamic rate applications and just consider statewide dynamic pricing systems and processes in this proceeding;

- Consider how deployment of DR resources can be incorporated into the Integrated Energy Policy Report (IEPR), IRP, transmission planning, and other planning processes to ensure outcomes from this proceeding are actionable;
- Consider customer experience with DR programs and resources to address barriers to adoption;
- Address rules to enhance and target load flexibility to harmonize load flexibility, DR resources, and dynamic rates;
- Develop a flexible policy framework that enables virtual power plants (VPPs) to provide more grid services;
- Coordinate with CAISO's DDEMI initiative and the CPUC's RA proceeding; and
- Hold workshops to clarify CPUC's Proposed DR Guiding Principles.

Notably, SCE's proposal to just consider statewide dynamic pricing systems and processes within this proceeding could risk delaying the broader implementation of dynamic rates and creating mismatches between new and existing data systems.

SCE filed a Joint Prehearing Conference Statement on December 11, 2025 on behalf of all parties to the proceeding, capturing all party sentiment through an online form. The form captured Parties' positions on (1) Dual participation, (2) Valuation methodologies and evaluation metrics, (3) CAISO market integration topics, (4) Resource adequacy valuation and slice-of-day implementation, (5) DR Guiding Principles, (6) Data systems and processes, (7) Environmental issues, (8) Social justice issues, (9) Other issues, (10) Proceeding Schedule, (11) Need for Evidentiary Hearing, and (12) Anticipated Motions. The Pre-Hearing Conference (PHC) occurred on December 16, 2025.

#### *Affordability – R.18-07-006*

**Background:** This proceeding was opened in 2018 to establish processes for assessing and increasing the affordability of utility service. The CPUC has addressed metrics and methodologies for assessing affordability. The proceeding has been in Phase 3, considering strategies to limit/mitigate future energy rate increases.

**Update:** On November 13, 2025, the CPUC released a proposed decision (PD) to change the IOU requirements for providing affordability metrics. Previously, the IOUs were required to provide affordability metrics for any application where revenue increase was expected to exceed more than 1% of currently authorized revenue. This change would narrow the requirement, so the IOU only needs to submit these affordability metrics in General Rate Case (GRC) applications.

On December 3, 2025, CalCCA posted comments on the proposed decision. CalCCA opposed the narrower requirement for IOUs to submit affordability metrics because it reduces the usefulness and comprehensiveness of the metrics. If the CPUC were to adopt narrower criteria for affordability metric submission, CalCCA asserted that it should create a process for parties to request submission of the affordability metrics and require the CPUC to grant the request or explain why the affordability metrics would not be helpful in that proceeding. CalCCA also suggested expanding the criteria for submission of affordability metrics to any CPUC proceeding, not just IOU applications.

On December 18, 2025, the CPUC released Decision 25-12-044. This decision, among other smaller or less relevant changes:

- Requires IOUs to only provide updated affordability metrics for GRC applications;<sup>2</sup>
- Affirms IOU requirement to continue to publicly release the Cost and Rate Trackers, while eliminating the option to alternatively submit Quarterly Revenue Reports;
- Grants SCE motions for confidential treatment of certain revenue data (e.g., sales-forecast data for bundled customers); and
- Provides recommended next steps for considering affordability.

This decision also officially closes Proceeding 18-07-006.

#### *Disconnections – R.18-07-005*

**Background:** This proceeding was opened in 2018 to address rising disconnection rates from customer nonpayment of electric bills. Within this proceeding, the CPUC has issued several decisions instituting various rules and programs, CalCCA has been successful in ensuring CCA customers can participate in the various programs, including the Arrearage Management Plan (AMP) and the Percentage of Income Pilot Plan (PIPP), with CCA recovery of costs identical to the IOUs' recovery of costs.

**Update:** On October 13, 2025, the CPUC requested the Large IOUs and any other parties provide recommendations on what to do with existing programs and pilots that seek to provide financial support to customers to prevent disconnections. In their November 14, 2025 comments, all three Large IOUs recommended discontinuing the Percentage of Income Pilot Plan (PIPP) Pilot and SCE and PG&E recommend discontinuing the Arrearage Management Plan (AMP) Program after their original sunset dates. The IOUs cited program underperformance as the driving factor for this recommendation, and, for PIPP specifically, that the programs' costs outweigh their benefits.

CalCCA submitted Reply Comments on December 5, 2025 to push back against these arguments given that the PIPP and AMP help low-income customers deal with increased economic hardship, and these Californians still need these disconnection protections. CalCCA further asserted the IOU claims that the PIPP costs outweigh its benefits is not a finding of the third-party evaluation, and there is not sufficient quantitative evidence to make this claim. Lastly, CalCCA argues the efforts should be improved, not eliminated, to address any underperformance. The CPUC will next issue a proposed decision about the future of these programs at an unspecified date.

#### *Provider of Last Resort (POLR) R.21-03-011*

**Background:** The September 16, 2021 Scoping Ruling set forth the scope in the Provider of Last Resort (POLR) proceeding. This proceeding implements the POLR requirements and framework directed by SB 520. The POLR proceeding is being considered in three phases. Phase 1, which culminated with D.24-04-009 in April 2024, focused on issues necessary to establish a

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<sup>2</sup> As such, the CPUC did not take CalCCA's recommendation to create a process for parties to request submission of affordability metrics.

comprehensive framework for existing IOU POLRs. Phase 2, currently under consideration, will set rules that allow a non-IOU LSE to be designated as the POLR. Phase 3 may be opened to consider any additional issues not covered in Phase 1 or Phase 2.

Update: A proposed decision was issued on December 12, 2026, in phase 2 of the POLR proceeding. The PD found that no non-IOU LSE was currently interested in taking on the role of POLR. If a non IOU LSE files an application with the CPUC serve as POLR, the PD provided an appendix of questions for the non-IOU LSE to address in its application which aimed to cover the criteria of SB 520, including questions on the services that will be provided, the capabilities of the entity, and the regulatory authority the CPUC will have over the applicant. CalCCA will file comments on January 2, 2025, recommending that the CPUC: 1) Adopt the Proposed Decision as it logically defers the case specific inquiry required by Public Utilities Code Section 387 to an application by a non-IOU entity for POLR status; and 2) Guarantee the pathway for an applicant to seek guidance on threshold questions.

Reply comments are due January 7, 2025

#### *Self-Generation Incentive Program (SGIP) R.20-05-012*

Background: The CPUC's Self-Generation Incentive Program (SGIP) offers incentives. Notably, it offers incentives for installing paired solar and energy storage technology or standalone energy storage at low-income residential properties. Prior to the December 4, 2025, CPUC Voting meeting, customers could only receive the SGIP incentives if they enrolled in an eligible demand response program. This prevented SGIP participation for SCE's bundled and unbundled residential customers because they could not directly enroll in the "Capacity Bidding Program – Electric" demand response program, and there are currently no aggregators accepting residential customers.

Update: On December 4, 2025, the CPUC approved Decision 25-12-003, which, at a high level:

- Adopted modifications to SGIP to allow residential low-income customers applying to the Residential Solar and Storage Equity (RSSE) budget to be exempted from the requirement to participate in a qualifying DR program.
- Closed ratepayer-funded portions of SGIP, with a deadline for new ratepayer-funded applications as December 30, 2025.
- Closed Greenhouse Gas Reduction Fund (GGRF) SGIP funding to new applicants on June 30, 2028. Program Administrators (PAs) with unallocated incentive funds will transfer these to other PAs with waitlists after final application review.
- Required PAs to use a Tier 1 budget advice letter to designate funds that will be returned to ratepayers by February 28, 2026, using a \$1M threshold for annual return of ratepayer funds.

SCE has submitted Advice Letter (AL) 5675-E, which seeks to provide SCE customers, both bundled and unbundled, with a Direct Participation Option for its Capacity Bidding Program – Electric (CBP-E), a qualifying DR program for SGIP. Decision 25-12-003 enabled residential customers to access SGIP incentives through the RSSE budget without participating in a qualifying

DR program. If this AL is approved, residential customers could receive SGIP incentives through other program budgets besides RSSE if they directly participate in CBP-E.

### California Energy Commission (CEC) Updates

#### *Integrated Energy Policy Report*

Background: The CEC adopts an Integrated Energy Policy Report (IEPR) every two years and an update every other year. A cornerstone of California's energy planning is the California Energy Demand Forecast, developed by the CEC. This forecast provides critical information that informs energy planning proceedings across the state and serves as an important input into the state's comprehensive energy planning. The CEC, CPUC, and California ISO agreed that specific elements of this forecast set will be used for planning and procurement in the California ISO's transmission planning and the CPUC's integrated resource plan, resource adequacy, distribution system planning, and other planning processes.

Update: OCPA attended the IEPR Commissioner Workshop on Energy Demand Forecast Results on December 17, 2025. The purpose of this workshop was for CEC staff to update the CEC commissioners, CPUC Commissioners, and the general public about the results and current state of the IEPR Results.

There are two new additions to the IEPR this year: (1) the Known Loads; and (2) Data Center load modifiers. The incorporation of these factors will drive up electricity demand projections in the IEPR.

The CEC is grappling with balancing priorities of reliability and affordability within the 2025 IEPR. The 2025 IEPR results are not yet finalized, and the results depend on the assumptions that the CEC chooses for the Planning Scenario and the Local Reliability Scenario. OCPA is most directly impacted by the results of the Planning scenario as this scenario has historically been used to inform RA and IRP requirements. A higher electricity forecast within the Planning Scenario will likely increase OCPA's RA and IRP obligations. Greater electricity demand within the Local Reliability Scenario has historically informed transmission and distribution infrastructure investment.

The CEC is currently wrestling with the level of conservativeness vs. ambitiousness to assume for data centers, transportation electrification, and "Known Loads." At the November 13, 2025 IEPR Commissioner Workshop on Load Modifier Electricity Demand Forecast Results, CEC staff had stated, "since this is our first time looking at the known loads dataset, we are recommending that the impacts from known loads only be included in the Local Reliability Scenario to limit downstream impacts to other proceedings that rely on the IPER demand forecast as an input." The CEC has since backtracked on that statement. At the December 17, 2025 workshop, CEC staff has stated that it has not decided whether to include "Known Loads" impacts within the Planning Scenario.

OCPA believes slightly more conservative assumptions should be made for the Planning Scenario given the significant uncertainty of data center load materialization, federal actions negatively

impacting Transportation Electrification and EV adoption, and nascency and lack of transparency with the "Known Loads" methodology.

OCPA supported CalCCA in submitting comments on December 23, 2025 that highlight these arguments. CalCCA's comments recommend the CEC:

- Continue including both the Planning and Local Reliability scenarios;
- Exclude "Known Loads" from the planning forecast;
- Refine the estimate of "Known Loads" prior to incorporating within the Local Reliability Forecast;
- Continue to refine assumptions on data center load, including through collaboration with CCAs to verify load materialization expectations;
- Adopt the CEC's proposal to moderate the EV and electrification forecasts in light of recent federal policy shifts; and
- Solicit information on loads to be included in the Demand Forecast from all informed stakeholders, including CCAs.

The CEC will be holding another Demand Analysis Working Group meeting in January 2026 to discuss IEPR methodology updates. The final 2025 IEPR is expected to be released in mid-January 2026.

### California Independent System Operator (CAISO) Updates

#### *Interconnection Process Enhancements (IPE) 5.0*

Background: [The 2023 Interconnection Process Enhancements \(IPE\) initiative](#) focused on enhancing coordination of resource procurement and interconnection, resource planning and transmission planning to achieve state reliability and policy needs. In the 2023 IPE initiative, the CAISO considered fundamental changes to the Generator Interconnection and Deliverability Allocation Procedures.

With IPE 2023, intake scoring and ranking processes are leveraged to determine which projects are included in cluster studies for determining Transmission Plan Deliverability (TPD) allocation. The scoring and ranking processes led to an overall 73% reduction in the number of submissions for cluster 15 projects, since only projects up to 150% of deliverability at an area of the transmission system are studied. IPE 2023 was approved by FERC.

The CAISO released a Draft Final Proposal for [IPE 5.0](#) on October 13, 2025. IPE 5.0 intends to address commitments the ISO made during IPE 2023. IPE 5.0 seeks to further enhance the interconnection process, but not nearly as substantially as IPE 2023. The CAISO held a Stakeholder Meeting on the Draft Final Proposal for IPE 5.0 on October 20, 2025.

Update: The CAISO released the IPE 5.0 Final Proposal on December 22, 2025. Assuming FERC approves the adjustments, IPE 5.0 will:

- Make minor updates to the intake scoring and ranking rubric that seek to institute a project size cap for “full allocation” projects<sup>3</sup> LSEs allocate points to within the Commercial Interest section of the rubric (min. of 500 MW or 50% of LSE RA obligation);
- Require distribution-level interconnection requests that seek to provide wholesale energy to also go through this same intake scoring and ranking process; and
- Allow Operational Energy Only projects in cluster 15 and beyond to seek deliverability through this process as part of the Commercial Allocation Group.

The allowance of operational energy only projects to seek deliverability originated from a CalCCA proposal. However, the language in the Draft Final Proposal differed from CalCCA’s proposal in that any Energy Only project that was found to be behind a transmission constraint would be ineligible for TPD. The project would not be able to fund network upgrades to enable the project to receive TPD either. CalCCA filed comments requesting the CAISO modify this clause; however, the Final Proposal did not incorporate these updates.

The Draft Final Proposal for IPE 5.0 considered introducing protocols for removing stagnant projects from the interconnection queue if extensions go beyond 7 years of commercial operation date (plus up to 3 years of customer requested extensions). The CAISO currently has tariff and Business Practice Manual language that allows it to limit a project’s time in queue, but enforcing these provisions is often quite laborious. This provision in the Draft Final Proposal intended to alleviate this challenge. There was significant stakeholder pushback against the 3-year maximum cumulative customer-requested extensions, and the CAISO also has determined challenges with implementing this policy. As such, this policy has been removed from the IPE 5.0 Final Proposal.

Instead, the CAISO now proposes requiring that any project that requests to extend the COD beyond 7 years from the date the original interconnection must meet commercial viability criteria (CVC). The CVC requires a signed PPA to be submitted that matches the interconnection request details. A 1-year grace period is given to the project to provide this PPA. A modification request is not required where interconnection study results or PTO construction delays require longer timelines.

### *Storage Design and Modeling*

**Background:** This initiative explores enhancements to energy storage market design, modeling, and processes. Efforts are organized into four topic groups: Outage Management, Uplift & Default Energy Bids (DEBs), State-of-Charge (SOC) Management Topics, and Mixed-Fuel & Distribution-Level Resources. Uplift & DEBs are being considered to limit the ability of storage operators to exhibit market power to uneconomically bid to maximize their bid cost recovery (BCR) payments. SOC Management is being considered to ensure that energy storage foldback is being appropriately considered within grid operations.

**Update:** The CAISO released a Discussion and Issue Paper about the Uplift and DEB topic on December 12, 2025. In early 2025, the CAISO and FERC had already implemented real-time BCR

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<sup>3</sup> If an LSE has not been awarded sufficient capacity through the commercial interest rubric system, it may choose one project to which it will allocate the full 100 points. These projects are “full allocation” projects in this context.

calculations to reduce instances where uplift payments exceed actual costs. This paper builds upon this to consider other optimizations. Key takeaways from the paper explain:

- Most bid cost recovery (BCR) payments to storage operators occur in the real-time market, but the rare day-ahead BCR payments are susceptible to exploitation and market manipulation.
- Current rules enable batteries to remain eligible for BCR payments even when their SOC cannot support their schedules, thus enabling schedules that are not possible to achieve on the day-ahead market and inflating BCR payments.
- Stakeholders support a distinct storage uplift mechanism that differs from BCR payments for other resources and promotes delivery of BCR payments while eliminating incentives for uplift-seeking behavior. This mechanism would exclude bidder-driven losses but include ISO-driven actions and market factors.
- Stakeholders recommend the storage DEB methodology be enhanced since this would reduce reliance on BCR payments and improve dispatch efficiency. DEB methodology updates should address the fact that not all storage assets participate in the day-ahead market, which currently provides input data for DEB calculations.
- There was mixed support for fully eliminating day-ahead BCR payments for storage. Opposition primarily suggested caution against doing so before new products related to the Day-Ahead Market Enhancements (DAME) are integrated into the market.
- The CAISO has provided initial risk and feasibility reactions on concepts proposed by stakeholders without endorsing a preferred pathway at this time.

Comments on this paper are due on January 8, 2026.

### Extended Day-Ahead Market (EDAM)

Background: This initiative is developing an approach to extend participation in the day-ahead market to the Western Energy Imbalance Market (WEIM) entities in a framework similar to the existing WEIM approach for the real-time market, rather than requiring full integration into the California ISO balancing area. The extended day-ahead market (EDAM) will improve market efficiency by integrating renewable resources using day-ahead unit commitment and scheduling across a larger area.

Update: OCPA attended the December 15, 2025 Intertie Scheduling EDAM Implementation Workshop. This Workshop focused on determining requirements for non-resource specific imports.

There was previously a CAISO proposal which would have required a day ahead specification of the source of non-resource specific imports. However, due to stakeholder pushback, the CAISO has incorporated a transition mechanism which would keep the status quo for the time being. So, for 2026, both non-specific imports in an EDAM Balancing Authority Area (BAA) and outside an EDAM BAA, these resources can participate in the market as they do today.

### Events, Workshops, and Meetings

During the past month, staff attended several events, workshops, and meetings. These included:

- Meeting with Assemblymembers and Senators
- OCPA Regulatory and Legislative Committee Meeting
- CalCCA Regulatory Policy meetings – including several tiger team meetings covering PCIA, POLR, IRP, Large Load, Distribution, DAC-GT, and RA proceedings
- Weekly CalCCA Legislative Policy meetings - including several Tiger teams such as Infrastructure, Building Decarbonization, Zero-Emission Vehicles, Autonomy, and Affordability
- CalCCA Federal Policy meetings
- CalCCA Legislative Committee Meeting
- CalCCA 2025 Regulatory Policy Meeting
- CalCCA Monthly CAISO meeting
- Stakeholder Policy meetings
- CalCCA Regulatory Directors meeting
- CalCCA Compliance meetings
- CalCCA Webinar on Advanced Compressed Air Energy Storage Facility
- SCE 2024 ERRA Compliance Meeting
- SCE PSPS Working Group
- CEC Business meeting
- CEC IEPR Workshop – Commissioner Workshop on Energy Demand Forecast Results
- CPUC Voting Meeting
- CPUC Multifamily Energy Efficiency Workshop
- CAISO Intertie Scheduling Extended Day-Ahead Market (EDAM) Implementation Workshop
- SoCalREN Advisory Committee Meeting
- Landfill Waste to Energy Tour
- Little Hoover Committee Study to Review Data Centers and California Energy Policy

## **FISCAL IMPACT**

None

## **ATTACHMENTS**

None

**ORANGE COUNTY POWER AUTHORITY**  
**Staff Report – Item 7.4**

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To: Orange County Power Authority Board of Directors

From: Saul Viramontes, Administrative Services Manager

Approved By: Joe Mosca, Chief Executive Officer

Subject: STRATEGIC PLAN MONTHLY STATUS REPORT

Date: January 12, 2026

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### **STRATEGIC GOALS**

- Enrich & Grow the OCPA Community: \_\_\_\_\_
- Prioritize Fiscal Sustainability & Affordability: \_\_\_\_\_
- Design & Deploy Community-Aligned Customer Programs: \_\_\_\_\_
- Energize Our Community with Renewable Energy: \_\_\_\_\_
- Raise Awareness of Community Energy & Advocate for Our Customers: \_\_\_\_\_
- Not Applicable: Project management for Strategic Plan; promote transparency

### **RECOMMENDED ACTION**

Receive and file.

### **BACKGROUND**

On May 12, 2025, the Orange County Power Authority (OCPA) Board of Directors (Board) approved the 2025-26 Strategic Plan. This strategic plan marks the third iteration of the OCPA strategic planning process. This year's strategic plan includes five (5) strategic goals and 27 objectives. Specific details on the status of each objective, the expected completion date, and the responsible parties are included in Attachment A.

The strategic plan is available online at – <https://www.ocpower.org/strategic-plan>

### 2025-26 Strategic Goals

1. Enrich and Grow the OCPA Community
2. Prioritize Fiscal Sustainability and Affordability
3. Design and Deploy Community-Aligned Customer Programs
4. Energize Our Community with Renewable Energy Sources
5. Raise Awareness of Community Energy & Advocating for Our Customers

	Not Started	In Progress	Completed
Objectives	1	18	8

Summary of changes since the last Board meeting:

*2.1 Ensure affordable rates for OCPA customers while covering all expenses and advancing equitable renewable energy initiatives.*

Progress: Completed

Status Update: OCPA is actively advancing this strategic goal and remains generally on track, while managing a structurally challenging 2026 environment driven by statewide PCIA and RA MPB changes rather than OCPA-specific decisions. For 2026, OCPA is not increasing its generation rates; the existing 2025 Basic, Smart, and 100% Renewable rates and differentials are being maintained, so any bill increases vs 2025 are primarily due to higher SCE delivery charges outside OCPA's control. Over 2023-2025, SCE's average equivalent residential generation rate has been about 13.7¢/kWh, which is very close to OCPA's proposed 2026 Basic Choice residential rate of about 13.9¢/kWh, demonstrating that the interim 2026 proposal is broadly aligned with recent historical SCE levels even though SCE's 2026 bundled generation rates are temporarily lower on paper. The 2026 interim approach is designed to cover the full projected revenue requirement (approximately \$266 million) when combined with expected green prepayment savings, while stabilizing (but not yet fully restoring) operating reserves at about \$44 million (roughly 22% of expenses), keeping OCPA on a path toward the Board's long-term reserve policy targets and credit-analyst expectations. On the equity and clean energy side, OCPA will continue to provide higher renewable content than SCE (about 49% renewable for Basic, 60% renewable plus 40% carbon-free for Smart, and 100% renewable for the 100% product) and will launch a targeted Green Saver program offering a 10% generation discount on a limited 15 GWh of residential load, prioritized for CARE/FERA and income-qualified customers where feasible. Looking ahead, 2026 will also serve as a bridge and study year, during which staff will develop a cost-based, locally controlled, and competitively informed rate framework for potential 2027 implementation, evaluating cost-based, benchmarking, and hybrid options to ensure that future rates recover costs, remain competitive with SCE on a long-term average basis, support reserve-building in stronger years, and maintain affordability and stability for OCPA customers.

*2.2 Strengthen Financial Resilience and Credit Rating Preparation.*

Status Update: Staff recommends postponing completion of this strategic goal to December 2026 because 2026 is an unusually distortive rate-comparison year, driven by atypical SCE bundled generation rate mechanics and PCIA conditions. In this environment, the interaction of SCE's bundled rate movements and PCIA impacts reinforces that OCPA's near-term financial decisions should prioritize liquidity preservation and rebuilding reserves, rather than initiating a credit rating process. Given these conditions, staff's

prudent focus is to stabilize customer rates while protecting the agency's balance sheet, which requires directing available margin toward strengthening operating reserves. OCPA's policy objective is to restore operating reserves to at least 30%; under current projections, the unusual 2026 environment could temporarily cloud comparability and constrain reserve accumulation. Deferring the strategic goal to December 2026 aligns with an expected normalization period and ensures OCPA enters any credit rating process from a position of demonstrated financial resilience, with reserves at or above the 30% threshold.

*2.4 Initiate planning for a 0.5MW local renewable energy project in a Disadvantaged Community (DAC) to serve income-qualified residential customers without rooftop solar access. The project will provide 100% renewable energy and a 20% bill discount.*

Status Update: On September 2, Southern California Edison (SCE) filed its formal response to Advice Letter 13-E, expressing support for OCPA's capacity transfer request. Shortly thereafter, OCPA made additional refinements in accordance with Energy Division guidance and submitted a supplemental Advice Letter on September 17. The supplemental filing further revised the PY2026–2027 budget forecast downward to \$395,051. OCPA anticipates timely CPUC approval of supplemental Advice Letter 13-E by the first quarter of 2026. Upon approval, the agency plans to begin providing interim service using existing renewable resources in the third quarter of 2026. OCPA also anticipates that the Energy Division will prepare a draft decision on its DAC-GT program request for Commission consideration by the first quarter of 2026. In addition, SCE incorporated formal language in its latest 2026 ERRA Forecast filing update to account for OCPA's DAC-GT budget request in future ERRA forecast updates. On December 31, 2025, the CPUC Energy Division issued Resolution E-5435 proposing approval of OCPA's DAC-GT program application, or Advice Letter 13-E/E-A filing. It is expected that the Commission will vote on the final approval in early February 2026.

*4.1 Implement the first OCPA local generation programs, establishing contracts for developing small-scale distributed storage facilities with a 1-5 megawatt capacity each.*

Status Update: OCPA, potential member cities, and stakeholders have assessed the risk and benefits of partnering to develop small-scale distributed storage facilities in conjunction with renewable energy resources, and due to the current uncertainty and the repeal of the federal tax credits for solar plants, including distributed solar, OCPA will continue to seek opportunities including energy-storage systems developers.

*4.2 Establish precise metrics and effective tools to proficiently identify, avoid, and mitigate market and credit risks for OCPA.*

Status Update: OCPA onboarded Contracts and Compliance Analyst and Power Portfolio Manager who has extensive experience with energy market and the associated risks to develop metrics while identifying market and credit risks. The Power Resources Team will work with FinTech Risk Manager to further develop the OCPA Credit Guidelines for energy procurement.

*4.3 Create local partnerships with clean technology companies to advance emerging long-term energy storage and technologies.*

Status Update: Power Resources team has been in discussions with local developers and clean-tech companies to discuss potential proposals of projects and programs. The ongoing dialogues and new introductions of companies will bring onramps of potential projects.

*4.4 Forge partnerships with other CCAs to acquire shared resources, mitigate development risks, and capitalize on economies of scale.*

Status Update: OCPA has consummated energy resources with other CCAs within California through bilateral agreements and solicitations. OCPA continues to work with other CCAs to consummate agreements to realize mutual benefits. OCPA continues in discussions with other CCAs to jointly participate in solicitations including optimizing resources collaboratively while mitigating market risks.

*4.5 Create a more sustainable electric grid with measurable milestones above California's renewable energy goals.*

Status Update: OCPA has and will continue to achieve more sustainable electric grid with measurable milestones with procurements of renewable energy products above California's RPS requirements. OCPA is on target to continue achieving this goal in FY2025/26.

*4.6 Create partnerships with member agencies to identify local development opportunities.*

Status Update: OCPA has introduced and supported efforts with member agencies with regards to local renewable energy and battery energy storage opportunities including potential California's grant opportunities. OCPA will continue to seek opportunities to enable local development opportunities.

*4.7 Release at least two (2) long-term solicitations for renewable energy resources.*

Status Update: Based on the current solicitation efforts conducted in 2025, negotiations continue to develop with the shortlisted projects and much efforts were made by both OCPA staff and the developers who continues to navigate through the uncertainties based on the Federal actions in 2025. OCPA will continue to evaluate the market conditions and determine the feasibility of issuing another solicitation in the first or second quarter of 2026.

## **FISCAL IMPACT**

None

## **ATTACHMENTS**

Attachment A – 2025-26 OCPA Strategic Plan Monthly Status Report – January 2026 Update

Strategic Goal	Objective	Progress	Due Date	Assigned To	Status Date	Status Update
#1 Enrich & Grow the OCPA Community	1.1 Present an overview of CCAs and OCPA to two (2) organizations per quarter that cover the wider Orange County region or those that are focused on non-member cities.	In progress	06/08/2026	Director of Communications & External Affairs	11/3/2025	Presented to the Santa Ana Chamber of Commerce on May 13. Linda presented for League of Women Voters... Climate/Environmental Committee - July 2 In October, we presented at the Fountain Valley Mayor's Breakfast and at the Fullerton Senior Center.
#1 Enrich & Grow the OCPA Community	1.2 Present OCPA to key stakeholders in at least two (2) prospective member cities to promote OCPA's mission and benefits.	Completed	06/01/2026	Director of Communications & External Affairs	11/3/2025	This work continues.
#1 Enrich & Grow the OCPA Community	1.3 Develop educational tools and programs that promote renewable energy for students of all ages, including school partnerships, curriculum support, internship program, youth ambassador program, and community academy.	In progress	06/01/2026	Director of Communications & External Affairs	11/3/2025	OCPA staff have begun engaging local students through the OC Leadership Academy, which visited OCPA headquarters and learned about community energy and clean tech careers on June 24, as well as, provided a presentation to the Irvine high school students at the Irvine Youth Action Team Summer Camp Cleantech Workshop on June 10.
#1 Enrich & Grow the OCPA Community	1.4 Partner with new local CBOs, including food assistance organizations, to promote state-funded low-income programs widely in member cities, including CARE, FERA, and Medical Baseline.	Completed	12/08/2025	Director of Communications & External Affairs	11/3/2025	OCPA is working with the OC Department of Education on co-branded curriculum to live on the OCPA website for download by educators. OCPA now has a point of contact at Families Forward (Irvine) and has shared program materials, partnered with Pathways of Hope (Fullerton) to promote the community power plan survey, hosted tables at Buena Park food distribution center and Fullerton food distribution center.
#2 Prioritize Fiscal Sustainability & Affordability	2.1 Ensure affordable rates for OCPA customers while covering all expenses and advancing equitable renewable energy initiatives.	Completed	01/12/2026	Chief Financial Officer	1/12/2026	OCPA is actively advancing this strategic goal and remains generally on track, while managing a structurally challenging 2026 environment driven by statewide PCIA and RA MPB changes rather than OCPA-specific decisions. For 2026, OCPA is not increasing its generation rates; the existing 2025 Basic, Smart, and 100% Renewable rates and differentials are being maintained, so any bill increases vs 2025 are primarily due to higher SCE delivery charges outside OCPA's control. Over 2023-2025, SCE's average equivalent residential generation rate has been about 13.7¢/kWh, which is very close to OCPA's proposed 2026 Basic Choice residential rate of about 13.9¢/kWh, demonstrating that the interim 2026 proposal is broadly aligned with recent historical SCE levels even though SCE's 2026 bundled generation rates are temporarily lower on paper. The 2026 interim approach is designed to cover the full projected revenue requirement (approximately \$266 million) when combined with expected green prepayment savings, while stabilizing (but not yet fully restoring) operating reserves at about \$44 million (roughly 22% of expenses), keeping OCPA on a path toward the Board's long-term reserve policy targets and credit-analyst expectations. On the equity and clean energy side, OCPA will continue to provide higher renewable content than SCE (about 49% renewable for Basic, 60% renewable plus 40% carbon-free for Smart, and 100% renewable for the 100% product) and will launch a targeted Green Saver program offering a 10% generation discount on a limited 15 GWh of residential load, prioritized for CARE/ERA and income-qualified customers where feasible. Looking ahead, 2026 will also serve as a bridge and study year, during which staff will develop a cost-based, locally controlled, and competitively informed rate framework for potential 2027 implementation, evaluating cost-based, benchmarking, and hybrid options to ensure that future rates recover costs, remain competitive with SCE on a long-term average basis, support reserve-building in stronger years, and maintain affordability and stability for OCPA customers.
#2 Prioritize Fiscal Sustainability & Affordability	2.2 Strengthen Financial Resilience and Credit Rating Preparation.	In progress	12/8/2026	Chief Financial Officer	1/12/2026	Staff recommends postponing completion of this strategic goal to December 2026 because 2026 is an unusually distortive rate-comparison year, driven by atypical SCE bundled generation rate mechanics and PCIA conditions. In this environment, the interaction of SCE's bundled rate movements and PCIA impacts reinforces that OCPA's near-term financial decisions should prioritize liquidity preservation and rebuilding reserves, rather than initiating a credit rating process. Given these conditions, staff's prudent focus is to stabilize customer rates while protecting the agency's balance sheet, which requires directing available margin toward strengthening operating reserves. OCPA's policy objective is to restore operating reserves to at least 30%; under current projections, the unusual 2026 environment could temporarily cloud comparability and constrain reserve accumulation. Deferring the strategic goal to December 2026 aligns with an expected normalization period and ensures OCPA enters any credit rating process from a position of demonstrated financial resilience, with reserves at or above the 30% threshold.

#2 Prioritize Fiscal Sustainability & Affordability	2.3 Explore innovative financing to optimize long-term power procurement costs and educate the board on options.	Completed	12/08/2025	Chief Financial Officer	12/8/2025	12-08-2025 - Green Prepayment Bonds - On October 13, 2025, the Board authorized staff to continue evaluating and preparing for a potential Green Prepayment Bond transaction, including the engagement of PFM as municipal advisor and Chapman and Cutler as prepay counsel. Staff issued an RFP on October 23, 2025 to identify a prepay counterparty bank, and five proposals were received by the November 7 deadline. A panel evaluation was conducted on November 18, during which Morgan Stanley emerged as the strongest candidate based on experience, pricing, market reach, and its existing working relationship with OCPA. Morgan Stanley has completed 33 CCA-related prepay transactions since 2018 totaling roughly \$27 billion, including 16 focused on electric power. They have consistently led inaugural prepay deals and remain the sole manager and energy supplier on all follow-on transactions for their CCA clients. Their familiarity with OCPA is also an advantage, having transacted more than 2.5 million MWh of energy and 500,000 MWh of RECs with OCPA valued at about \$170 million. Their strong California presence and active role in the CAISO market give them practical insight into OCPA's portfolio and operational needs. In addition, Morgan Stanley has demonstrated strong structuring capability through its well-tested SPV and third-party funding model, which has delivered additional savings for clients and incorporates partial PPA assignments, annual remediation provisions, and mechanisms that avoid regulatory capital drag. They also provide short-term bridge energy products when needed and consistently include full REC value in prepay pricing. Their fees were the most competitive among all bidders, with the lowest underwriting spread, lowest ongoing energy supplier margin, and lowest remarketing fee, while upfront expenses were also the smallest. Morgan Stanley also brings a broad distribution network with access to more than 9,000 investors, enabling strong placement potential and effective pre-marketing. Their approach includes targeted outreach, investor roadshows, and internal salesforce briefings to highlight OCPA's credit strengths and secure early anchor orders. They also offer long-term support and flexibility, backed by a pipeline of more than 20 potential commodity counterparties. Based on these strengths, the evaluation panel selected Morgan Stanley as the prepay counterparty bank, with work expected to begin on November 28, 2025. PFM, Morgan Stanley, and staff will collaborate to develop the prepay transaction structure. Staff will return to the Board on December 8 to provide an update on the selection and seek approval to adopt the Resolution required for OCPA to join CCCFA as an associate member. Final transaction documents will be brought to the Board on January 12, 2026, with a target to complete and execute all agreements by the end of the first quarter of 2026. This phased approach ensures sufficient time for Board engagement, market preparation, and thorough structuring to maximize customer savings while minimizing financial and operational risks.
#2 Prioritize Fiscal Sustainability & Affordability	2.4 Initiate planning for a 0.5MW local renewable energy project in a Disadvantaged Community (DAC) to serve income-qualified residential customers without rooftop solar access. The project will provide 100% renewable energy and a 20% bill discount.	In progress	01/01/2026	Chief Financial Officer	1/12/2025	On September 2, Southern California Edison (SCE) filed its formal response to Advice Letter 13-E, expressing support for OCPA's capacity transfer request. Shortly thereafter, OCPA made additional refinements in accordance with Energy Division guidance and submitted a supplemental Advice Letter on September 17. The supplemental filing further revised the PY2026–2027 budget forecast downward to \$395,051. OCPA anticipates timely CPUC approval of supplemental Advice Letter 13-E by the first quarter of 2026. Upon approval, the agency plans to begin providing interim service using existing renewable resources in the third quarter of 2026. OCPA also anticipates that the Energy Division will prepare a draft decision on its DAC-GT program request for Commission consideration by the first quarter of 2026. In addition, SCE incorporated formal language in its latest 2026 ERRA Forecast filing update to account for OCPA's DAC-GT budget request in future ERRA forecast updates. On December 31, 2025, the CPUC Energy Division issued Resolution E-5435 proposing approval of OCPA's DAC-GT program application, or Advice Letter 13-E/A filing. It is expected that the Commission will vote out the final approval in early February 2026.
#3 Design & Deploy Community-Aligned Customer Programs	3.1 Finalize the Community Needs Assessment for the Community Power Plan and present the findings and next steps.	In progress	02/09/2026	Director of Communications & External Affairs	12/8/2025	12.1.2025 - The draft Community Power Plan was shared with the Community Advisory Committee on 12/1 and will be open to public comment in December. The final product will be presented to the Board of Directors at their February meeting. 11.3.2025 - The Executive Summary is complete and a draft will be shared with the Community Advisory Committee at their December meeting for feedback. 9.2025 - We are in the final week of gathering community input. The Existing Program Assessment has been drafted and will be completed in September, along with the Funding Opportunity and Internal Needs assessments. The Programs team will share draft program ideas with the CAC in November, followed by broader public feedback in December and a final presentation to the Board in February/March.
#3 Design & Deploy Community-Aligned Customer Programs	3.2 Develop three (3) new customer programs consistent with the needs identified in the Community Needs Assessment of the OCPA Community Power Plan.	In progress	04/01/2026	Director of Communications & External Affairs	12/8/2025	OCPA has begun developing a program based on CPP feedback that staff plan to launch immediately following its publication.
#3 Design & Deploy Community-Aligned Customer Programs	3.3 Continue to expand grant and program offerings with a year-over-year growth goal of 25%, respective to total funds allocated, number of applications received, and number of new recipients.	In progress	06/01/2026	Director of Communications & External Affairs	6/3/2025	The summer 2025 Bright Futures Grant will award 60% more than the previous year
#3 Design & Deploy Community-Aligned Customer Programs	3.4 Develop a landing page specifically for low-income residents to connect with programs, including EBD-DI and DAC-GT programs, once launched; and market resource to community partners and networks.	In progress	02/09/2026	Director of Communications & External Affairs	11/3/2025	Preliminary research into programs for this page has begun and will pick up in 1Q26.
#4 Energize Our Community with Renewable Energy Sources	4.1 Implement the first OCPA local generation programs, establishing contracts for developing small-scale distributed storage facilities with a 1-5 megawatt capacity each.	In progress	6/8/2026	Director of Power Resources	1/12/2026	OCPA, potential member cities, and stakeholders have assessed the risk and benefits of partnering to develop small-scale distributed storage facilities in conjunction with renewable energy resources, and due to the current uncertainty and the repeal of the federal tax credits for solar plants, including distributed solar, OCPA will continue to seek opportunities including energy-storage systems developers.
#4 Energize Our Community with Renewable Energy Sources	4.2 Establish precise metrics and effective tools to proficiently identify, avoid, and mitigate market and credit risks for OCPA.	In progress	6/8/2026	Director of Power Resources	1/12/2026	OCPA onboarded Contracts and Compliance Analyst and Power Portfolio Manager who has extensive experience with energy market and the associated risks to develop metrics while identifying market and credit risks. The Power Resources Team will work with FinTech Risk Manager to further develop the OCPA Credit Guidelines for energy procurement.
#4 Energize Our Community with Renewable Energy Sources	4.3 Create local partnerships with clean technology companies to advance emerging long-term energy storage and technologies.	In progress	6/8/2026	Director of Power Resources	1/12/2026	Power Resources team has been in discussions with local developers and clean-tech companies to discuss potential proposals of projects and programs. The ongoing dialogues and new introductions of companies will bring onramps of potential projects.

#4 Energize Our Community with Renewable Energy Sources	4.4 Forge partnerships with other CCAs to acquire shared resources, mitigate development risks, and capitalize on economies of scale.	In progress	6/8/2026	Director of Power Resources	1/12/2026	OCPA has consummated energy resources with other CCAs within California through bilateral agreements and solicitations. OCPA continues to work with other CCAs to consummate agreements to realize mutual benefits. OCPA continues in discussions with other CCAs to jointly participate in solicitations including optimizing resources collaboratively while mitigating market risks.
#4 Energize Our Community with Renewable Energy Sources	4.5 Create a more sustainable electric grid with measurable milestones above California's renewable energy goals.	In progress	6/8/2026	Director of Power Resources	1/12/2026	OCPA has and will continue to achieve more sustainable electric grid with measurable milestones with procurements of renewable energy products above California's RPS requirements. OCPA is on target to continue achieving this goal in FY25/26.
#4 Energize Our Community with Renewable Energy Sources	4.6 Create partnerships with member agencies to identify local development opportunities.	In progress	6/8/2026	Director of Power Resources	1/12/2026	OCPA has introduced and supported efforts with member agencies with regards to local renewable energy and battery energy storage opportunities including potential California's grant opportunities. OCPA will continue to seek opportunities to enable local development opportunities.
#4 Energize Our Community with Renewable Energy Sources	4.7 Release at least two (2) long-term solicitations for renewable energy resources.	In progress	6/8/2026	Director of Power Resources	1/12/2026	Based on the current solicitation efforts conducted in 2025, negotiations continue to develop with the shortlisted projects and much efforts were made by both OCPA staff and the developers who continues to navigate through the uncertainties based on the Federal actions in 2025. OCPA will continue to evaluate the market conditions and determine the feasibility of issuing another solicitation in the first of second quarter of 2026.
#5 Raise Awareness of Community Energy & Advocate for Our Customers	5.1 Develop a toolkit of materials for Board member use in engaging with prospective cities about OCPA.	Completed	12/08/2025	Director of Communications & External Affairs	12/8/2025	A trifold brochure has been created based on Board input, printed and distributed.
#5 Raise Awareness of Community Energy & Advocate for Our Customers	5.2 Host at least two (2) independent pop-up events in member cities per quarter.	In progress	06/01/2026	Director of Communications & External Affairs	11/3/2025	The Communications & External Affairs team has hosted three (3) pop-ups, including: Diamond Jamboree, Irvine: 4/12/25; Fullerton City Hall: 4/15/25; Buena Park City Hall: 5/27/25;
#5 Raise Awareness of Community Energy & Advocate for Our Customers	5.3 Sponsor and help facilitate a small business mixer to build community and opportunities for education about OCPA and renewable energy solutions.	Not started	02/01/2026	Director of Communications & External Affairs		
#5 Raise Awareness of Community Energy & Advocate for Our Customers	5.4 Develop education curricula for elected officials and their staff; provide this training opportunity annually.	In progress	03/01/2026	Director of Communications & External Affairs		OCPA has begun Community Power Plan outreach work with the Asian Business Association Collective, which will hopefully turn into a long term relationship OCPA's
#5 Raise Awareness of Community Energy & Advocate for Our Customers	5.5 Develop working relationships with culturally representative organizations to ensure representative and equitable outreach in the top threshold languages.	Completed	12/08/2025	Director of Communications & External Affairs	12/8/2025	Administrative Service Manager is working with PACE LA to host a procurement series geared towards introducing OCPA and community energy to diverse businesses to help increase local business engagement and economic growth. The first webinar was hosted on July 1, with the next three following on a weekly basis.
#5 Raise Awareness of Community Energy & Advocate for Our Customers	5.6 Enhance OCPA's legislative and regulatory advocacy efforts by developing an advocacy roadmap to engage with key stakeholders and legislators to ensure outcomes consistent with OCPA's strategic goals.	Completed	07/14/2025	Regulatory & Legislative Manager	7/3/2025	Strategic Goal 5.6 in Orange County Power Authority's ("OCPA") 2025-2026 Strategic Plan ("Strategic Plan") is to enhance OCPA's legislative and regulatory advocacy efforts by developing an advocacy roadmap to engage with key stakeholders and legislators to ensure outcomes consistent with OCPA's strategic goals. To create the advocacy roadmap, staff identified over 100 key stakeholder organizations and individuals (75+ organizations, 30+ individuals), researched the legislative and regulatory spaces they are active in and key topics they support and oppose, determined where OCPA and key stakeholders align, prioritized stakeholders, and determined current relationship strength. Staff then created engagement plans based on the type of organization, current relationship, and key issues, and overlayed the roadmap with legislative calendars and regulatory timelines. By enhancing its advocacy capacity, OCPA aims to shape a policy and regulatory landscape that enables greater renewable energy adoption, grid resilience, community empowerment, and competitive rates. Lastly, as part of the Strategic Goal, staff have created an implementation plan and feedback loop to ensure the roadmap stays up to date. Staff will track shifts in stakeholder policies, update relationship status as advocacy is conducted, and make changes to the roadmap as internal policy priorities shift.
#5 Raise Awareness of Community Energy & Advocate for Our Customers	5.7 Develop and implement a regulatory monitoring framework to ensure all departments are consistently informed about regulatory changes and their implications.	Completed	12/08/2025	Regulatory & Legislative Manager		
#5 Raise Awareness of Community Energy & Advocate for Our Customers	5.8 Create a Policy Risk Assessment Guide to help OCPA determine the risk involved with different policy decisions at the state and federal level in both the regulatory and legislative arena.	In progress	06/09/2026	Regulatory & Legislative Manager		

**ORANGE COUNTY POWER AUTHORITY**  
**Staff Report – Item 7.5**

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To: Orange County Power Authority Board of Directors

From: Joe Mosca, Chief Executive Officer

Subject: RISK OVERSIGHT COMMITTEE UPDATE

Date: January 12, 2026

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### **STRATEGIC GOALS**

- Enrich & Grow the OCPA Community: \_\_\_\_\_
- Prioritize Fiscal Sustainability & Affordability: \_\_\_\_\_
- Design & Deploy Community-Aligned Customer Programs: \_\_\_\_\_
- Energize Our Community with Renewable Energy: \_\_\_\_\_
- Raise Awareness of Community Energy & Advocate for Our Customers: \_\_\_\_\_
- Not Applicable: Promote transparency \_\_\_\_\_

### **RECOMMENDED ACTION**

Receive and file.

### **BACKGROUND**

The Risk Oversight Committee (ROC) was established via the Board-adopted Energy Risk Management Policy (Policy No. 11). Per the policy, members of the ROC will be selected by the Chief Executive Officer (CEO), who will serve as the Chair of the ROC. The ROC comprises the CEO, CFO, Director of Power Resources, Pacific Energy Advisors (PEA) representatives, and transactional counsel from the Authority's contracted law firm.

The ROC has the authority to:

- Meet at least once per quarter or as otherwise called to order by the ROC's Chair.
- No less than once per quarter, report to the Board regarding its meetings, deliberations, and other areas of concern.
- From time to time, adopt and/or adapt risk management guidelines defining internal controls, strategies, and processes for managing market risks incurred through our attendant upon wholesale trading, retail marketing, long-term contracting, CRR trading, and load and generation scheduling.

- Specify the permitted transaction categories and set risk limits for wholesale trading. The ROC will receive and review information and reports regarding risk management, wholesale trading transactions, and the administration of supply contracts.
- Have direct responsibility for enforcing compliance with this Policy. Any material violations of this Policy, as determined by the ROC, shall be reported to the Board for appropriate action.

The State Auditor recommended that the Board consider amending the Energy Risk Management Policy (Policy No. 11) to alter the membership of the ROC to include a limited subset of Board members in a manner that does not violate open meeting requirements of the Brown Act. Following review and discussion with the General Counsel, it was determined that formally adding Board members to the ROC through an amendment to the Energy Risk Management Policy would make the ROC meetings subject to the Brown Act, which is incompatible with the ROC's responsibilities for reviewing and analyzing market-sensitive information and prospective transactions, substantial aspects of which are confidential under CPUC rules and best practices for CCAs. As an alternative, the CEO has initiated a practice of inviting the Board Chair and Vice Chair to ROC meetings to observe. This is intended to provide additional Board oversight of the ROC without making Board members official members of the ROC under the Energy Risk Management Policy. This practice was initiated with the April 3, 2023, meeting and will continue for future meetings.

## **ANALYSIS AND DISCUSSION**

The Risk Oversight Committee (ROC) met on Thursday, December 18, 2025, at 2:30 PM. Attendees included Joe Mosca, CEO; Tiffany Law, CFO; Louis Ting, Director of Power Resources; PEA consultants John Dalessi and Kirby Dusel; and Glen Price of Best, Best & Krieger. Susan Sonne, Chair of the Board of Directors, and James Mai, Vice Chair of the Board of Directors, attended the ROC meeting but only observed it.

The ROC discussed the following:

- Q4 2025 Market Update
  - Energy Position Reports
  - Market Exposure and Risk
  - Long-term Contracting Update
  - Portfolio Market Valuation
  - Counterparty Credit Exposure

There are no Policy violations to report.

The current ROC quarterly meeting schedule for 2026 is:

- March 26, 2026
- June 17, 2026
- September 24, 2026
- December 15, 2026

**FISCAL IMPACT**

None

**ATTACHMENTS**

None

**ORANGE COUNTY POWER AUTHORITY**  
**Staff Report – Item 7.6**

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To: Orange County Power Authority Board of Directors

From: Steven Halligan, Regulatory and Legislative Manager  
Matt Chill, Regulatory Analyst

Approved by: Joe Mosca, Chief Executive Officer

Subject: 2026 OCPA LEGISLATIVE AND REGULATORY POLICY PLATFORM

Date: January 12, 2026

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**STRATEGIC GOALS**

- Enrich & Grow the OCPA Community:
- Prioritize Fiscal Sustainability & Affordability:
- Design & Deploy Community-Aligned Customer Programs:
- Energize Our Community with Renewable Energy:
- Raise Awareness of Community Energy & Advocate for Our Customers:
- Not Applicable:

**RECOMMENDED ACTION**

Approve 2026 OCPA Legislative and Regulatory Policy Platform.

**BACKGROUND**

In December 2023, the Orange County Power Authority (OCPA) Board adopted the first OCPA Legislative and Regulatory Policy Platform (Platform) with the intention to review and update the policy annually. The Platform serves as a guide to the OCPA Board of Directors and staff in their advocacy efforts and engagement on policy matters of interest to OCPA. The Platform allows both members of the OCPA Board of Directors and OCPA staff to pursue actions at the regional, state, and federal legislative and regulatory levels in a consistent manner and with the understanding that they are pursuing actions in the best interest of the organization and its mission, its customers, and its member agencies.

The Platform enables the organization to move swiftly to respond to issues brought before Legislature and Executive Branch agencies including the California Public Utilities Commission (CPUC), the California Energy Commission (CEC), the California Independent System Operator (CAISO), and the California Air Resources Board (CARB) so that OCPA's views can be heard on important matters in a timely fashion.

The Platform provides direction to OCPA staff on positions that should be taken on regulatory matters and legislative bill proposals. The Platform also provides guidance to the Chief Executive

Officer on positions that should be taken on legislative and regulatory matters that come before the California Community Choice Association (CalCCA) Board of Directors.

The 2025 Policy Platform contained one main addition compared to the 2024 Policy Platform, a new priority focus area – Regionalization. This is the ninth priority focus area in addition to: 1) Affordability and Rates, 2) Clean and Reliable Grid, 3) Climate Change Mitigation, 4) Customer Programs, 5) Data Access, 6) Diversity, Equity and Inclusion, 7) Local Control and Development, and 8) Power Resources Planning and Procurement.

## **DISCUSSION AND ANALYSIS**

Changes to the 2026 Draft Policy Platform include formatting changes, clarifications about purpose, and function of the platform. Staff have proposed including additional information about policies related to Power Charge Indifference Adjustment (PCIA), demand response, dynamic rates, workforce development, and the California Climate Credit. These changes are included due to anticipated priorities in the legislature and at the regulatory agencies. The CPUC has already opened proceedings to discuss changes to PCIA, demand response, and climate credit.

Staff solicited feedback from the Legislative and Regulatory Committee on December 4 and the Community Advisory Committee on December 1.

## **FISCAL IMPACT**

None.

## **ATTACHMENTS**

Attachment A – 2026 OCPA Legislative and Regulatory Policy Platform



2026

# Legislative and Regulatory Policy Platform

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# Overview and Purpose

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The Orange County Power Authority (OCPA) Legislative and Regulatory Policy Platform (Platform) serves as a guide to the OCPA Board of Directors and staff in their advocacy efforts and engagement on policy matters of interest to OCPA. The Platform allows both members of the OCPA Board of Directors and OCPA staff to pursue actions at the regional, state, and federal legislative and regulatory levels in a consistent manner and with the understanding that they are pursuing actions in the best interest of the organization and its mission, its customers, and its member agencies.

The Platform enables the organization to move swiftly to respond to issues brought before Legislature and Executive Branch agencies including the California Public Utilities Commission (CPUC), the California Energy Commission (CEC), California Independent System Operator (CAISO), and the California Air Resources Board (CARB) so that OCPA's views can be heard on important matters in a timely fashion.

The Platform provides direction to OCPA staff on positions that should be taken on regulatory matters and legislative bill proposals. The Platform also provides guidance to the Chief Executive Officer on positions that should be taken on legislative and regulatory matters that come before the California Community Choice Association (CalCCA) Board of Directors.

OCPA's legislative and regulatory advocacy is grounded in a commitment to five core principles: affordability, reliability, decarbonization, local control, and equity. These guiding principles reflect OCPA's mission to provide clean, competitively priced energy while maintaining flexibility to meet the unique needs of its member agencies and customers. OCPA will pursue policies and partnerships that advance

these principles in a balanced and pragmatic manner, ensuring long-term benefits for both customers and the region's energy future.

OCPA collaborates closely with its member agencies to strengthen and align advocacy efforts across the region. Through regular communication and coordinated policy engagement, OCPA ensures that legislative and regulatory positions reflect shared local priorities and maximize benefits for all communities in its service area.

# Mission, Vision, and Engaged Purpose Statement

## **Mission:**

To provide the option of renewable energy at competitive rates and equitably reinvest to support sustainable communities.

## **Vision:**

Think globally and act locally by empowering our communities with choice, transforming the energy landscape, driving a sustainable future, and ensuring that no community is left behind in the transition to renewable energy.

## **Engaged Purpose Statement:**

The OCPA team is dedicated to making a positive impact by empowering one another and the communities we serve. We emphasize sustainability and resilience, fostering strong relationships through collaboration, transparency, and trust.

Together, we strive to lead by example and nurture a culture of accountability and shared success, paving the way for a brighter and healthier future powered by clean energy.

# Policy Platform

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## 1. Affordability and Rates

OCPA supports rates that are competitively priced, enable high-value services to OCPA customers, and support cost-of-service that includes funds needed to cover operations, meet reserve targets, and fund decarbonization programs.

OCPA will:

- 1.1 Support policies that promote affordable rates for all Californians while ensuring ratepayer equity and maintaining ratemaking autonomy for Community Choice Aggregators (CCA).
- 1.2 Support policies that minimize the cost of service and eliminate unnecessary costs so OCPA can provide more affordable electricity to customers.
- 1.3 Pursue administrative and legislative initiatives that will ensure that non-bypassable charges, including PCIA, assessed for OCPA customers are fair, and that OCPA's customers are not unnecessarily burdened by non-bypassable charges.
- 1.4 Support reforms to the PCIA that ensure customers pay only their fair share of costs for resources procured before they joined a CCA and ensure that the PCIA reflects true market value.
- 1.5 Pursue administrative and legislative initiatives to ensure that OCPA is eligible to apply and receive funding made available to the electricity sector for decarbonization, reliability, and affordability purposes, and that OCPA's financial health is not disparately impacted by new regulations.
- 1.6 Advocate for Provider of Last Resort fees that appropriately factor in the risk of LSE failure.
- 1.7 Support rate structures that encourage electrification. Support maintaining local autonomy in the development of electric rate structures to ensure they are tailored to meet the needs and interests of our customers. Oppose mandates that would require implementation of rate designs that do not provide clear benefits to our communities.

- 1.8 Advocate for rate reform so programs like wildfire mitigation and public purpose programs are funded outside of rates.
- 1.9 Support continuation of the California Climate Credit as a customer benefit that offsets energy costs and demonstrates the value of state climate investments. Ensure the California Climate Credit is distributed equitably and maximizes community benefit.
- 1.10 Advocate for the development of optional real-time-rates that can empower customers to maximize bill savings if they are willing to adjust their behavior in alignment with wholesale electricity pricing.

## 2. Clean and Reliable Grid

OCPA supports investments and removal of barriers in building transmission and renewable projects to enable the transition to a cleaner grid. OCPA supports a reliable electric system, including the smart buildout of the distribution grid to prepare for increased electrification.

OCPA will:

- 2.1 Advocate for policies and investments that accelerate the transition to a clean energy system while maintaining grid reliability, ensuring fair cost allocation, and maximizing local benefits for customers and member communities.
- 2.2 Support investments in transmission upgrades and efforts to reduce interconnection barriers and distribution grid failures, including addressing permitting challenges and increased transparency.
- 2.3 Support efforts to ease supply chain challenges and get renewable projects online faster.
- 2.4 Advocate for investments that increase the reliability of the electric system and recognize the role of fossil plants as the system transitions to renewables.
- 2.5 Ensure that penalties increase the production of renewables instead of simply raising the floor price of energy in the market.

### 3. Climate Change Mitigation

OCPA supports funding, projects, and programs to decarbonize the economy, especially in the electric, building, and transportation sectors. OCPA seeks opportunities to amplify our programs through regional, state, and federal levels both through policy and funding. OCPA supports efforts to remove barriers to fuel switching/decarbonization.

OCPA will:

- 3.1 Understand and advocate for funding opportunities to support clean energy and climate change mitigation, including the Federal Inflation Reduction Act.
- 3.2 Support efforts to transition buildings to electric, including removing the obligation to serve gas requirement and efforts to modernize permitting.
- 3.3 Support EV infrastructure and ensure EV policies are technology neutral.
- 3.4 Advocate for the fair valuation of resources, including capturing the value of demand-side resources better in the CAISO.
- 3.5 Advocate for increased funding for clean energy workforce training and investments to reduce fossil damage in low-income communities.
- 3.6 Advocate for pathways that enable optional contributions to clean and renewable electricity procurement above and beyond required levels by the RPS, such as the Voluntary Renewable Energy (VRE) Program through the Cap and Invest Program.
- 3.7 Support efforts to decarbonize industrial uses and processes, including reducing the use of baseload fuel cells that use natural gas.

### 4. Customer Programs

OCPA supports funding to provide energy support services, education, and other opportunities for reducing energy costs, abating emissions, and enhancing resiliency to all customers including those who are low-income, seniors, veterans,

and/or people with disabilities. OCPA supports policies and efforts to ensure that services and education are offered in languages other than English.

OCPA will:

- 4.1 Support legislation and initiatives that increase funding for energy efficiency, demand response, solar plus storage, building and transportation electrification programs, workforce development, and energy literacy services.
- 4.2 Pursue administrative and legislative initiatives that will enable OCPA to pursue demand response programs and opportunities for its customers.
- 4.3 Support legislation and regulation that enhances the value of distributed energy resources (DERs) for OCPA customers by enabling them to provide beneficial grid services in harmony with non-OCPA customer DERs, participate in the wholesale market, and access other potential DER value streams.
- 4.4 Pursue administrative and legislative initiatives to promote electrification of the transportation sector in response to state and federal goals aimed at increasing the usage of zero emission vehicles.
- 4.5 Pursue administrative and legislative initiatives that support the ability of OCPA to promote electrification and the reduction of natural gas usage in the building sector.
- 4.6 Pursue administrative and legislative initiatives that support the ability of OCPA and its member agencies to offer local grid management and resiliency solutions to increase local reliability and adaptability that could protect against power outages and extreme heat.
- 4.7 Pursue administrative and legislative initiatives that support the ability of OCPA to offer and utilize distributed energy resources as part of its reliability, resiliency and community engagement strategies.
- 4.8 Pursue administrative and legislative initiatives that support the ability of OCPA to explore new opportunities related to behind the meter clean energy resources.

## 5. Data Access

OCPA recognizes the importance of having accurate and timely data. This data is vital to improve billing accuracy and to inform the development and implementation of customer programs. It is important that OCPA is not charged exorbitant fees to obtain this data.

OCPA will:

- 5.1 Support a PCIA structure that is transparent, accurate, and aligned with actual procurement costs. Advocate for consistent and fair PCIA calculations to ensure customers are not overcharged for legacy utility resources and that local programs can continue delivering affordable, clean energy.
- 5.2 Pursue administrative and legislative initiatives that will enable OCPA to obtain timely and accurate access to its customers' data to improve billing accuracy and inform the development and implementation of customer programs.
- 5.3 Support policies that enhance timely access by CCAs to quality billing data to enable demand flexibility initiatives and innovative rate design.
- 5.4 Pursue administrative and legislative initiatives to ensure that the fees due to Southern California Edison for data access and management are fairly assessed based on data needs and potential technological improvements.

## 6. Diversity, Equity and Inclusion

OCPA supports policies that consider equitable treatment of low-income and historically underserved communities through affordable electricity rates, priority access to decarbonization and climate mitigation programs.

OCPA will:

- 6.1 Support programs that invest in low-income and historically disadvantaged communities (communities of concern)<sup>1</sup> either through separate tracks that dedicate funding to or that give deeper levels of subsidies for these groups.
- 6.2 Support tenant access to the benefits of decarbonization programs and tenant protections.
- 6.3 Support efforts to repeal Proposition 209, which limits public agencies' ability to engage in equity efforts.
- 6.4 Support legislation and regulation that supports the ability of communities of concern in the OCPA service area to have affordable, reliable and clean energy.

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<sup>1</sup> OCPA's definition of communities of concern aligns with the definition of "underserved," as is described in California Public Utilities Code Sections 1600-1640, enacted by AB 841.

- 6.5 Support legislation and regulation that strengthens the resilience of vulnerable communities to the impacts of climate change.
- 6.6 Support legislation and regulation that enables all communities, including emerging and historically marginalized communities in California, to participate in decarbonization efforts.
- 6.7 Support legislation, regulation and policies that internalize the externalities of carbon, through true cost pricing and social cost accounting.
- 6.8 Support legislation and initiatives that would reduce local air pollution, reduce other negative local impacts associated with energy production, and boost adoption of distributed energy resources within communities of concern.
- 6.9 Oppose legislation and initiatives that have the potential to disproportionately and negatively impact communities of concern.

## 7. Local Control and Development

OCPA supports the CCA model of local government governance, while acknowledging system-wide needs. Any system needs should give maximum flexibility to allow local authority and discretion to meet goals. OCPA will support any legislation, policies, funding, referenda, and budgets that maintain or improve the stability of CCAs by ensuring regulatory structure is equitable and enables CCAs to meet their mission and goals. Maintaining local decision-making authority, including rate-setting authority and procurement of energy, is a key pillar for this stability.

OCPA will:

- 7.1 Advocate for fair and equitable exit fees that prevent cost-shifting among customers.
- 7.2 Oppose policy mandates that violate CCA ratemaking autonomy.
- 7.3 Engage in conversations about the role of a “Central Procurement Entity” that preserves CCA’s responsibility to procure energy while finding a system that maximizes cost efficiency and reliability.

- 7.4 Advocate for flexible Brown Act requirements that allow remote access for both the public and board members.
- 7.5 Advocate for goal-based procurement instead of prescriptive, technology-specific mandates.
- 7.6 Advocate for increased visibility into the distribution grid and an open access platform to provide clear information and signals about where Distribute Energy Resource buildout is optimal.
- 7.7 Oppose any legislation, policies, funding, referenda, and budgets that undermine or circumvent CCAs and impede the ability of OCPA to achieve its mission and goals or its value proposition.
- 7.8 Support any legislation, policy, funding, referenda, and budgets that enhance OCPA's ability to invest in local clean energy, including infill solar and battery storage, as well as other distributed energy resources, grid resiliency, zero-emission transportation, all while promoting equity in the communities that it serves.
- 7.9 Oppose any legislation, policy, funding, referenda, and budgets that limit or undermine OCPA's ability to invest in local clean energy, distributed energy resources, zero-emission transportation, all while promoting equity in the communities that it serves.
- 7.10 Pursue administrative and legislative initiatives that support supplier diversity in OCPA's contracting activities and through women-owned, minority-owned, disabled-veteran-owned, and lesbian, gay, bisexual, and/or transgender owned business enterprises.
- 7.11 Pursue administrative and legislative initiatives to protect OCPA's ability to expand its service to new member agencies.
- 7.12 Pursue administrative and legislative initiatives to protect OCPA Board's authority over OCPA's procurement, rate-setting, and customer program development activities.

## 8. Power Resources Planning and Procurement

The ability for OCPA to fairly and independently plan and procure power resources is vital to the goals of the agency. OCPA acknowledges the many challenges facing California and the transition to renewable energy and seeks to

help address Resource Adequacy market issues. OCPA must ensure stable and fair market access and remove barriers for demand response and microgrid resources.

OCPA will:

- 8.1 Support legislation and regulation to address shortfalls in the Resource Adequacy market including transmission constraints, interconnection or project delays, and minimizing market power.
- 8.2 Oppose legislation and regulation that would supplant CCAs' procurement authority for Resource Adequacy or impose compliance penalties not grounded in market realities.
- 8.3 Support reform of the CPUC Resource Adequacy program to allow for stability in the resource adequacy value of existing resources and allow for departing load to access existing resources at fair market value.
- 8.4 Advocate for and support efforts to remove barriers to demand response microgrids and behind the meter resources to provide Resource Adequacy.
- 8.5 Oppose legislation and regulation that restricts or limits OCPA's ability to procure its own energy products to meet state policy goals, such as the use of a central procurement entity (CPE) to procure energy products on behalf of many regional LSEs. Support legislation that promotes a level playing field between CCAs and other market participants.
- 8.6 Support legislation that enhances the flexibility of CCA programs to support statewide procurement policy and develop and expand programs, local options, and rate design to support OCPA's community and customers. Support legislation and regulation that promotes a high confidence in the load forecasting activities that inform OCPA energy product obligations such that additional capacity buildout is prudent and OCPA's customers are not unnecessarily burdened financially, especially as it pertains to large loads such as data centers whose deployment comes with a level of uncertainty.
- 8.7 Pursue administrative and legislative initiatives that will enable OCPA to secure capacity resources to meet its reliability obligations, such as initiatives that evaluate the supply of capacity resources available to load serving entities (LSEs), determine the appropriate market mechanisms for LSEs to procure capacity resources, and develop a durable policy framework that encourages all LSEs to construct their fair share of new capacity resources to maintain grid reliability while pursuing decarbonization efforts.

- 8.8 Pursue administrative and legislative initiatives that will maximize OCPA's ability to procure carbon-free resources to meet or exceed the needs of OCPA's three product offerings and its long-term carbon-free procurement goal as required by SB 100 and other statutory or regulatory obligations.
- 8.9 Pursue administrative and legislative initiatives that will maximize OCPA's ability to procure eligible Renewable Portfolio Standard (RPS) resources to meet the needs of OCPA's three product offerings and its long-term RPS procurement goal as required by SB 100 and other statutory or regulatory obligations.
- 8.10 Pursue administrative and legislative initiatives that will maximize OCPA's ability to plan and procure resources to meet various environmental and reliability goals set by state laws and by its Board of Directors, while offering affordable products and programs to serve its customers, including disadvantaged communities.
- 8.11 Pursue administrative and legislative initiatives that will provide OCPA adequate access to transmission capacity to maximize its procurement of RPS-eligible or carbon-free resources that meet various statutory and regulatory requirements.
- 8.12 Pursue administrative and legislative initiatives that support the research and development of new energy resources that can be procured to meet the reliability and decarbonization goals set by the State and its Board of Directors.

## 9. Regionalization

A unified, west-wide market can deliver substantial customer benefits including improving grid reliability, maintaining affordability, and help connect clean energy throughout the West.

- 9.1 Support legislation and regulations to allow for the creation of a regional organization in the West.
- 9.2 Support the creation of a regional organization that does not interfere with any other OCPA policy goals.
- 9.3 Ensure that any regional organization that is created supports and strives for the same goals as OCPA.

## Additional Information

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The Chief Executive Officer (CEO), or their designee, is authorized to take positions on legislative and regulatory matters consistent with the goals and priorities outlined in this Policy Platform. This ensures that OCPA can act swiftly and effectively in dynamic policy environments. Any proposed positions that fall outside the scope of the Platform, or that may present significant new policy implications, will be brought to the Board of Directors for consideration and direction.

Any questions regarding this Platform can be directed to Steven Halligan, Regulatory and Legislative Manager, at [SHalligan@ocpower.org](mailto:SHalligan@ocpower.org).

**ORANGE COUNTY POWER AUTHORITY**  
**Staff Report – Item No. 7.7**

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To: Orange County Power Authority Board of Directors

From: Jacquie Henderson, Director of Communications & External Affairs

Approved by: Joe Mosca, Chief Executive Officer

Subject: PUBLIC OUTREACH UPDATE FOR NOVEMBER - DECEMBER 2025

Date: January 12, 2026

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### **STRATEGIC GOALS**

- Enrich & Grow the OCPA Community: \_\_\_\_\_
- Prioritize Fiscal Sustainability & Affordability: \_\_\_\_\_
- Design & Deploy Community-Aligned Customer Programs: \_\_\_\_\_
- Energize Our Community with Renewable Energy: \_\_\_\_\_
- Raise Awareness of Community Energy & Advocate for Our Customers: \_\_\_\_\_
- Not Applicable: \_\_\_\_\_

### **RECOMMENDED ACTION**

Receive and file the Public Outreach update for November - December 2025.

### **BACKGROUND**

Following is a summary of the Public Outreach efforts for the months of November - December 2025.

Highlights include:

#### Public Outreach

- Produced new campaign video “Powering the Communities We Call Home” to promote to member city YouTube viewers
- Launched the new “Powering the Communities We Call Home” social media ads across Facebook, Instagram and LinkedIn
- Debuted bus shelter ads for the “Powering the Communities We Call Home” campaign
- Placed “Powering the Communities We Call Home” campaign ads in Korea Times, Korea Daily, Nguoi Viet Daily News, World Journal and US News Express
- Developed updated Facts and Figures resource
- Designed a handout for low-income customers who may need help paying their electricity bills

- Created the Year in Review infographic, email and social media carousel

#### Media Relations

- Developed the Fiscal Audit news release to publish on the website
- Drafted and placed an advertorial in *Fountain Valley Living*

#### Community Outreach

- Launched the second “Picturing a Better Tomorrow” TK-6 art contest through a flyer, blog post, social media, news release, and direct outreach to schools and after school programs
- Sponsored and tabled at the Irvine Metrolink Holiday Express Train event
- Sponsored tree lighting celebrations in each member city
- Toured Buena Park Middle School Future Farmers of America's Agricultural Center, which was a Bright Futures Grant recipient

#### Awards and Recognition

- OCPA was recognized as the Collaborator of the Year at the Filipino American Chamber of Commerce of Orange County's annual gala

#### Digital Communications

- Drafted and designed a “SCE Rates Explained” blog post
- Distributed the December newsletter, highlighting current and upcoming OCPA news
- Designed and distributed the "Happy Holidays" email

#### Website

Designed and published various webpages, including:

- Home page carousel to promote rebates and energy programs
- Community Power Plan public comment period
- Opt-out landing page

Please review the attached public outreach update for additional details on these highlights and the various communications, marketing, and community outreach events. If you would like more information on these events or would like to invite us to your future events, please contact our team at [info@ocpower.org](mailto:info@ocpower.org). Your community input is important; we look forward to collaborating with you.

#### **FISCAL IMPACT**

None

#### **ATTACHMENT**

Attachment A – Public Outreach November - December 2025

# Public Outreach Update

November – December 2025





## HIGHLIGHTS

### Public Outreach

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## HIGHLIGHTS

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## PUBLIC OUTREACH

- Produced new campaign video “Powering the Communities We Call Home” to promote to member city YouTube viewers



[LINK](#)



## PUBLIC OUTREACH

- Launched the “Powering the Communities We Call Home” social media ads across Facebook, Instagram and LinkedIn



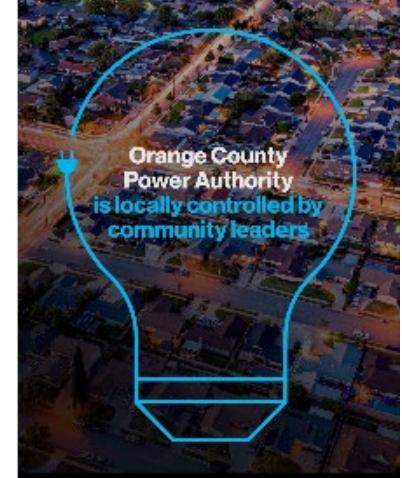
[LINK TO VIEW](#)



[LINK TO VIEW](#)



[LINK TO VIEW](#)



[LINK TO VIEW](#)



## PUBLIC OUTREACH

- Debuted bus shelter ads for the “Powering the Communities We Call Home” campaign in Buena Park, Irvine, Fullerton, and Fountain Valley





## MULTICULTURAL MEDIA

- Placed “Powering the Communities We Call Home” ads in Korea Times, Korea Daily, Nguoi Viet Daily News, World Journal and US News Express



橙縣電力局(OCPA)的成立宗旨是為居民與企業提供真正能的選擇—通過採用風能、太陽能與水力等潔淨能源，OCPA以具競爭力的價格供應再生能源，並將收益回饋社區，推動永續與環保發展。

作為一個由地方政府—非營利的能源供應機構，OCPA致力推行各項節能方案與服務，協助民眾降低能源支出，同時打造更健康、更潔淨的生活環境。



ORANGE COUNTY  
POWER AUTHORITY  
YOUR CLEAN ENERGY CHOICE

潔淨能源  
價格實惠  
收益回饋  
社區  
全民參與  
社區主導  
多元方案  
節能省電



探索更多管道  
ocpanow.org



Orange County Power Authority(OCPA)는 오렌지카운티가 가정집에 페너지 공급원에 대한 성실적인 선언이며 그동안 기 위해 노력해온 것입니다. 지역발전, 태양광, 수력발전과 같은 경쟁력이나 품질을 통하여 있는 요금으로 재생에너지에 공급하고 그 수익을 지역사회에 재투자합니다.

지역 주도 비전리 선도 공공 기관인 OCPA는 페너지 절약, 배출 감소, 강화한 커뮤니티의 미래를 만드는 다양한 프로그램과 서비스를 제공하기 위해 노력합니다.



ORANGE COUNTY  
POWER AUTHORITY  
YOUR CLEAN ENERGY CHOICE

경쟁력 있는 요금의  
환경 친화적  
지역 사회로의  
제휴자  
지역 사회 커뮤니티  
지역 주도 관리  
에너지와 비용을  
줄여줄 수 있는 다양한  
프로그램 제공



경쟁력 있는 페너지  
공급자



Or Quan Tri Lực Quản Caren (OCPA) Được thành lập nhằm mang lại cho người dân và doanh nghiệp quyền lực và thuận tiện để tiếp cận năng lượng tái tạo. Bằng cách mua điện từ các nhà cung cấp năng lượng tái tạo, OCPA cung cấp giá điện thấp hơn 8% và giá cạnh tranh—và trả tiền doanh nghiệp cho việc các cộng đồng của chúng ta.

Là một nhà cung cấp không vi lợi nhuận, OCPA cam kết các chương trình và dịch vụ giúp đỡ cho các cộng đồng với tiềm năng năng lượng, giàn chí và xây dựng một tương lai an toàn cho cộng đồng chúng ta.



ORANGE COUNTY  
POWER AUTHORITY  
YOUR CLEAN ENERGY CHOICE

Năng lượng sạch hơn  
với mức giá cạnh tranh  
Tài trợ từ/to/for  
các cộng đồng của chúng ta  
Được quản lý tại chỗ phong bởi  
các nhà lãnh đạo cộng đồng  
Cung cấp các chương trình hỗ trợ  
tết kiệm tiền và năng lượng

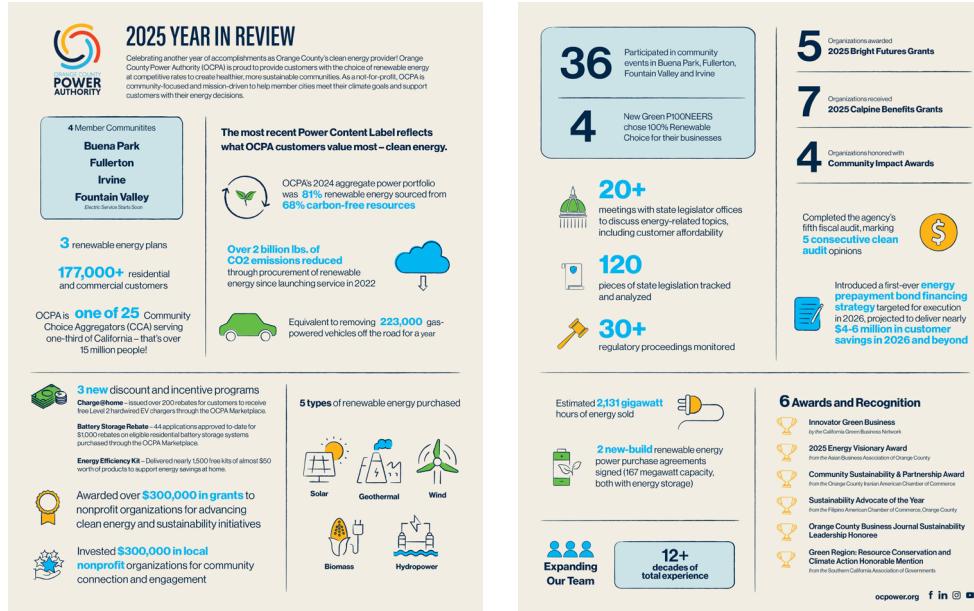


Truy cập trang web để tìm hiểu thêm  
ocpanow.org



## PUBLIC OUTREACH

- Developed the Year in Review infographic, email and social carousel





## PUBLIC OUTREACH

- Developed updated Facts and Figures resource

**FACTS AND FIGURES**

**Orange County's Not-For-Profit Clean Energy Provider**



OCPA exists to provide renewable energy at competitive rates. OCPA's mission as a not-for-profit community energy provider is to offer renewable energy at competitive rates. This ensures California and our member cities meet their energy needs while having a comparable option to participate in the renewable energy movement.

OCPA is not an extra charge on electricity bills. Each month, customers receive a single bill from SCE, with both SCE transmission/ distribution fees and OCPA's energy charges. OCPA's energy charges are not extra or duplicate charges. OCPA simply replaces SCE as your electricity generator - or power purchaser. Visit [ocpower.org](http://ocpower.org) understand your bill to learn more.

California electricity bills are broken into two buckets. Generation is roughly 50% of the bill and transmission/delivery is roughly 40%. OCPA operates on the generation side of the bill, and generation rates are going down year-over-year. As a Community Choice Aggregation (CCA), OCPA operates on the transmission and delivery side of the bill, which is generation and distribution, which are entirely the responsibility of investor-owned utilities like SCE.

All electricity customers have energy added to the electric grid on their behalf based on their specific usage. OCPA customers get the unique chance to determine how much of that energy comes from renewable sources. OCPA has the unique ability to put only the grid-based energy reaching its homes as it chooses with its partners.

OCPA is all about choice! As a result of California state law, if a city adopts community choice energy, it becomes the default energy provider and customers are automatically opted in. Customers can choose to have renewable energy plans, or return to the investor-owned utility at any time. OCPA always offers a choice of the best mix of clean energy that aligns with their needs and clean energy commitment.

**POWER AUTHORITY**  
Your Clean Energy Choice

Facts & Figures | 1

**FACTS AND FIGURES**

**Orange County's Not-For-Profit Clean Energy Provider**



OCPA purchases renewable energy on behalf of its customers. OCPA purchases renewable and carbon-free energy on behalf of its customers from a diverse portfolio of sources, including solar, wind, geothermal, hydro power, and biomass. OCPA's most recent Power Content Label report has OCPA purchased 100% renewable energy from renewable resources.

Energy affordability is a top priority for OCPA. OCPA is working with CCAs throughout California to advocate for energy affordability at the state and national level. Our Basic Choice plan is a cost-effective option for customers, allowing everyone the opportunity to contribute to a clean energy future and fulfilling OCPA's mission of energy, safety and affordability.

Low-income programs remain available for OCPA customers. This includes medical baseline, the California Alternative Rates for Energy (CARE) program, and the Family Electric Rate Assistance (FERA) program.

OCPA is committed to community investment. OCPA has dedicated over \$1.0M to programs that save customers money and energy, and help them transition to cleaner energy sources. Over \$300,000 has been invested in local schools, parks, and other community energy and sustainability initiatives, and over \$300,000 has been reinvested in communities to support local events and showcase OCPA as a community partner.

**POWER AUTHORITY**  
Your Clean Energy Choice

Facts & Figures | 2

**FACTS AND FIGURES**

**Orange County's Not-For-Profit Clean Energy Provider**



All technologies have some environmental impact, and renewable energy sources have been found to have much lower impacts on the environment and environmental impacts compared to fossil fuels.

Many renewable energy materials and systems are also designed with recycling and end-of-life plans in place.

While some renewable energy sources like solar and wind fluctuate based on nature, other sources are predictable and stable!

Energy at scale uses renewable energy and deploys it where needed. And hydro power, where energy comes from the controlled release of water, and geothermal power, where energy is harvested from the heat beneath our feet, are also reliable sources of energy.

Community choice energy agencies like OCPA have a diversified portfolio of renewable sources to ensure reliability and efficiency.

While SCE has a Green Tariff Shared Renewables program (Green Rate program), it is closed because capacity is met.

Out of approximately 5 million accounts in the full SCE service area, approximately 3,000 accounts (0.06%) are enrolled in the Green Rate program. OCPA has the ability to provide much more renewable energy as customers desire based on their selected OCPA renewable energy plan.

For more information, visit [ocpower.org](http://ocpower.org)

**POWER AUTHORITY**  
Your Clean Energy Choice

Facts & Figures | 3



## PUBLIC OUTREACH

- Designed a handout for low-income customers who may need help paying their electricity bills



**Need Help Paying Your Bill? Orange County Power Authority is here to help.**

Take advantage of the financial aid resources available to you.

**California Alternate Rates for Energy (CARE)**  
Reduces energy bills by about 30%. Qualification is based on participation in public assistance programs, or on household income.

**Arrearage Management Plan (AMP)**  
Debt-forgiveness program for customers with at least \$500 in past due electricity bills with some portion of the debt at least 90 days past due.

**Low Income Home Energy Assistance Program (LIHEAP)**  
Federally funded program to assist low-income households that pay a high portion of their income to meet their energy needs.

**Family Electric Rate Assistance (FERA)**  
Reduces electric bills by 10%. Qualification is based on participation in public assistance programs, or on household income.

**Medical Baseline Plan**  
If someone in your household needs powered medical equipment, this program provides additional energy to your normal baseline allocation, saving you money.

**Payment Arrangement**  
Flexible payment plans through SCE to spread out the balance of energy bills up to 12 months.

Program details are available at [www.ocpower.org/programs.html](http://www.ocpower.org/programs.html) and [paymentarrangement.html](http://www.ocpower.org/paymentarrangement.html) or call our Customer Support Team at 866-262-7600 to learn more.

[ocpower.org](http://ocpower.org) [f](https://www.facebook.com/OCPOWER) [in](https://www.linkedin.com/company/orange-county-power-authority/) [@](https://www.instagram.com/ocpower/) [e](https://www.youtube.com/ocpower/)



## MEDIA RELATIONS

- Published the Fiscal Audit news release on OCPA's website and drafted and designed an advertorial to be placed in *Fountain Valley Living*

# Annual Independent Audit Highlights Orange County Local Clean Energy Provider's Continued Financial Strength and Fiscal Stability

Orange County Power Authority demonstrates an increased net position while protecting customers from rate volatility through FY2024/25

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**IRVINE, Calif. (November 14, 2025)** – Orange County Power Authority (OCPA) – a local, not-for-profit community clean energy provider – reports financial highlights for the fiscal year ending June 30, 2025. An independent audit has recognized OCPA's "continued financial strength and stability," reaffirming its position to effectively prioritize its customers while navigating the complex and ever-changing clean energy landscape.

The audit was conducted by Sorren (formerly Pisenti and Brinker LLP) in accordance with Generally Accepted Auditing Standards (GAAS). Sorren issued a clean audit opinion, confirming OCPA's financial stability and reporting accuracy. This report follows suit with OCPA's four previous clean audit results.

Commissioners on October 1, 2025, audit results identified that OCPA's FY2024/25 net position increased in line with expectations set. At year-end, the organization maintained additional liquidity, demonstrating its ability to balance customer affordability with prudent financial management while sustaining long-term fiscal health.

Since its launch in 2023, OCPA has continued to exceed the state's mandatory energy requirements for renewable energy purchases, while remaining steadfast in its mission to offer renewable energy at competitive rates. The not-for-profit community clean energy strives to help member cities meet their climate action goals, while giving everyone the opportunity to participate in the renewable energy transition.



## COMMUNITY OUTREACH

- Launched the second “Picturing a Better Tomorrow” TK-6 art contest
- Produced a flyer, blog post, social media content and news release
- Outreach to schools and after school programs in member cities

The OC Power Authority logo is in the top right corner. The graphic features a stylized sun, a blue feather-like shape, a rainbow, a red flower, a green shamrock, a palm tree, a globe, and a hand holding a paintbrush, all arranged around the central text.

The logo for Orange County Power Authority, featuring a stylized sun-like icon with rays and the text "ORANGE COUNTY POWER AUTHORITY" with "OUR CLEAN ENERGY CHOICE" underneath.

## MEDIA CONTACT

Janelle Kruly

janellekruly@revelinenergy.com

### GRAB YOUR CRAYONS, BRUSHES & BIG IDEAS BECAUSE

**ORANGE COUNTY POWER AUTHORITY'S YOUTH ART CONTEST IS BACK!**  
Students in grades TK-6 from the cities of Buena Park, Fountain Valley, Fullerton and Irvine are eligible to enter to win a prize of four tickets to Knott's Berry Farm.

**INVITE** Call (714) 717-1229 — Orange County Power Authority (OCPA) is looking for young, creative individuals to provide their artwork on canvas across its member cities to showcase their creativity and passion for a greener future. OCPA has opened submissions for its second "Picturing a Better Tomorrow" art contest, inviting students in grades TK-6 to illustrate their vision of a cleaner, more sustainable planet powered by renewable energy.

"This contest is one of our favorite opportunities to hear directly from the next generation," said Janelle Kruly, OCPA Director of Communications and External Affairs. "Young students brought innocent imagination, heart and optimism to their artwork, and we can't wait to see what they come up with this year. Their ideas remind us why Orange County Power Authority's work to advance clean energy and protect the environment truly matters."

Students are encouraged to explore what they hope to see for the future of our planet— from a cleaner environment to renewable energy to healthy ecosystems and vibrant communities. Artwork should reflect ideas for how to care for the environment today and embrace a greener tomorrow.

The contest is open to students in grades TK-6 who live in or attend school/after-school programs in:

- Buena Park
- Fountain Valley
- Fullerton
- Irvine

One winner will be chosen from three age groups (TK-K, Grades 1-2, Grades 3-4 and Grades 5-6). Each winner will receive four single-day admission tickets to Knott's Berry Farm, and selected artwork may be displayed at the OCPA office in Irvine.

To enter, students must submit original artwork in any form including paint, crayons, markers, or digital formats provided the piece is entirely their own original creation.

A young girl with long dark hair, wearing a maroon long-sleeved shirt, stands in a classroom setting. She is holding up a white piece of paper with a colorful drawing on it. The drawing depicts a landscape with three large green trees on the left, a winding path or stream in the foreground, and a range of mountains with a bright sun or moon rising behind them. The background is a light-colored wall decorated with various colorful drawings of animals and shapes. A large orange circle on the left side of the image contains the text "Enter by February 18th".

# "Picturing A Better Tomorrow" Art Contest for TK-6 Students



## COMMUNITY OUTREACH

- Sponsored and tabled at the Irvine Metrolink Holiday Express Train event
- Sponsored tree lighting celebrations in each member city





## AWARDS & RECOGNITIONS

- OCPA was recognized as the Collaborator of the Year at the Filipino American Chamber of Commerce of Orange County's annual gala





## BRIGHT FUTURES GRANT RECIPIENT TOUR & PHOTO SHOOT

- Visited the Buena Park Middle School Future Farmers of America program, which was a recipient of the Bright Futures Grant. With the funding, the school has built a community agricultural center with solar irrigation and a solar-powered chicken coop. The students are learning about sustainable farming practices, growing nutritious food and developing workforce and leadership skills.





## BRIGHT FUTURES GRANT RECIPIENT TOUR & PHOTO SHOOT CONT.





## DIGITAL COMMUNICATIONS

- Developed and distributed the December newsletter and "Happy Holidays" email

**SUCCESS WORTH CELEBRATING**

**OCPA Earns Three Awards for Community Support**

We're proud to announce that [OCPA has been recognized with three awards](#) for leadership in sustainability and clean energy. Each honor reflects our ongoing commitment to expanding access to clean energy at competitive rates, and our dedication to creating a cleaner future for the communities we serve.

- **2025 Energy Visionary Award** from the Asian Business Association of Orange County
- **Innovator Green Business** by the California Green Business Network

**Wishing You a Bright Holiday Season!**

As the holiday lights go up and the year winds down, we're reflecting with gratitude on the leadership, collaboration, and community support that powered our work this year. Thanks to you — our customers, Board members, Community Advisory Committee members, and valued partners — 2025 was a year that truly shined and moved clean energy forward for Orange County.

Here are a few highlights YOU helped make possible:

- More than **\$1.2 million** dedicated to our member communities through programs and engagement efforts, with over **\$300,000** in grants awarded to advance clean energy and sustainability initiatives and **\$300,000** given to support local nonprofits.
- We also expanded customer programs that help residents save energy and money, including:
  - **200+** Charge@Home EV charger rebates redeemed
  - **1,400+** Energy Efficiency Kits distributed



## DIGITAL COMMUNICATIONS

- Drafted and designed a “SCE Rates Explained” blog post

### SCE Rate Changes Explained

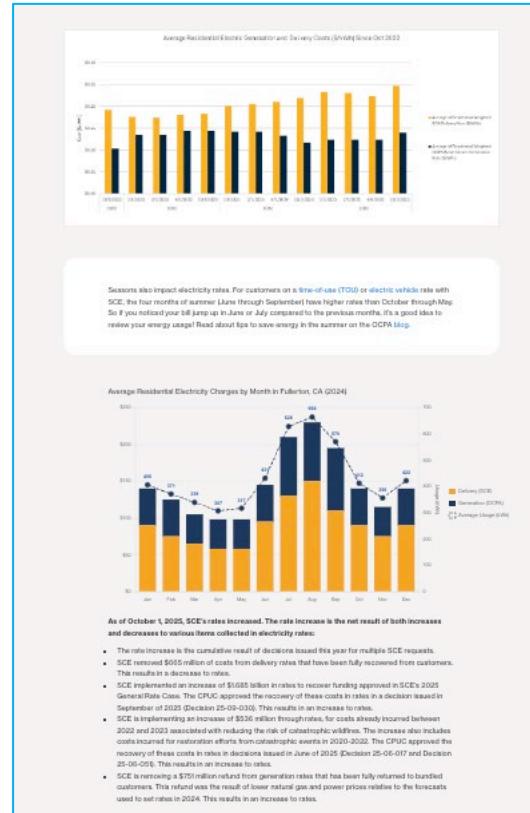


You're not imagining it – energy bills have been climbing. California currently has among the highest electricity rates in the U.S., not only growing faster than inflation but also outpacing increases in other states. Across our region, residents and businesses are noticing higher energy costs and looking for clear answers about what's driving these changes.

We've gathered the key information you need to understand the recent Southern California Edison (SCE) rate changes, how they affect Orange County Power Authority (OCPA) customers, and what options you have to manage your energy costs. This guide breaks down the complex factors behind rising rates and provides practical steps to help lower your monthly bills.

**Electricity service has two components:**

- Generation (power creation)**  
This is what OCPA provides. We procure clean electricity and pass it along at stable, competitive rates.
- Delivery (getting power to you)**  
SCE owns and maintains the transmission lines, distribution systems, and meters. They deliver the electricity that OCPA generates, and also handle billing.





## WEBSITE

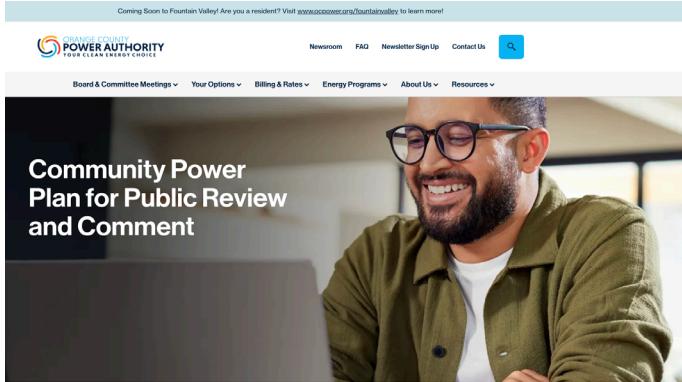
- Designed home page carousel to promote rebates and energy programs





## WEBSITE

- Designed and published the Community Power Plan public comment landing page and social post.





## WEBSITE

- Refreshed opt-out landing page

The screenshot shows the 'Your power. Your choice.' landing page. At the top, there is a small 'English' dropdown and the Orange County Power Authority logo. The main heading 'Your power. Your choice.' is displayed in a large, bold, sans-serif font. Below the heading is a brief text block about customer opt-out options. A central box titled 'Opt Out Instructions' contains two buttons: 'If you started service within the last 60 days' and 'If you started service over 60 days ago'. Below these buttons is a paragraph of text about service returns. A blue cloud icon is positioned to the left of the 'Opt Out Instructions' box. To the right of the box, there is a section titled 'Frequently asked questions about opting-out' with several expandable questions. A blue cloud icon is also positioned to the right of this section. The footer of the page includes the Orange County Power Authority logo and the text 'PUBLIC OUTREACH UPDATE NOV. – DEC. 2025'.

Your power. Your choice.

We care about our customers and are always interested in learning why customers want to opt-out of our service, and better understand questions they might have. Orange County Power Authority (OCPA) makes opting out free and easy. However, if you have been an OCPA customer for more than 60 days, Southern California Edison (SCE) places certain restrictions on returning to their service.

Opt Out Instructions

If you started service within the last 60 days      If you started service over 60 days ago

Customers who opt out of Orange County Power Authority (OCPA) within their first 60 days of service may return to Southern California Edison (SCE) on their next meter read date following five business days from their request. Customers who opt out of OCPA within 60 days of starting service will not be eligible to return to OCPA for twelve months per SCE requirements.

Frequently asked questions about opting-out

Is there a fee to opt-out?

Is OCPA a double charge? I already get charged by SCE.

Why was I automatically enrolled?

Can I return to OCPA if I opt-out?

I'm concerned about cost, doesn't it make more sense to go with SCE for bundled service?

PUBLIC OUTREACH UPDATE NOV. – DEC. 2025

# THANK YOU!

**ORANGE COUNTY POWER AUTHORITY**  
**Staff Report – Item 8.1**

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To: Orange County Power Authority Board of Directors

From: Tiffany Law, Chief Financial Officer

Approved: Joe Mosca, Chief Executive Officer

Subject: ADOPT RESOLUTION NO. 2026-XX AUTHORIZING EXECUTION OF AN ENERGY PREPAYMENT TRANSACTION AND RELATED DOCUMENTS

Date: January 12, 2026

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### **STRATEGIC GOALS**

- Enrich & Grow the OCPA Community: \_\_\_\_\_
- Prioritize Fiscal Sustainability & Affordability: \_\_\_\_\_
- Design & Deploy Community-Aligned Customer Programs: \_\_\_\_\_
- Energize Our Community with Renewable Energy: \_\_\_\_\_
- Raise Awareness of Community Energy & Advocate for Our Customers: \_\_\_\_\_
- Not Applicable: \_\_\_\_\_

### **RECOMMENDED ACTION**

1. Adopt Resolution No. 2026-XX approving parameters under which an energy prepayment transaction may be completed with Morgan Stanley & Co. LLC as OCPA's underwriter and prepaid energy supplier; authorizing and/or approving transaction documents, including documents in substantially final or "form of" form, supporting the prepayment transaction; and directing the California Community Choice Financing Authority (CCFA) to make payments to service providers for issuance-related costs from prepayment bond proceeds.
2. Authorize the Chief Executive Officer (CEO) to negotiate, approve, and execute agreements, directly or through CCFA, with the firms listed below and any additional or miscellaneous service providers that may be required to complete OCPA's first energy prepayment transaction, provided that total costs of issuance payable from bond proceeds do not exceed 1.00% of bond proceeds, and to execute any other documents or take any other actions as are necessary to complete the prepayment transaction. In the event of a successful bond issuance, compensation to these providers for bond issuance services will be paid from bond proceeds (not from OCPA).
  - a. Morgan Stanley & Co. LLC (Bond underwriting and prepay energy supply services)
  - b. Orrick, Herrington & Sutcliffe LLP (Bond and tax counsel retained by CCFA)
  - c. Kestrel (Green bond second-party opinion)
  - d. PFM Financial Advisors LLC (Guaranteed Investment Contract bidding agent)
  - e. Moody's Investors Service (Bond rating agency retained by CCFA)
  - f. U.S. Bank (Trustee and custodial services)

- g. Ballard Spahr LLP (Trustee counsel retained by U.S. Bank) (Note: OCPA would have no influence over the selection of trustee counsel.)
- h. Maher Accountancy (Audit and accounting services retained by CCCFA)
- i. BLX Group (Arbitrage rebate services and continuing disclosure support retained by CCCFA)
- j. CCCFA (One-time Joint Powers Agreement (JPA) administration fee to reimburse CCCFA for expenses associated with the issuance of the prepay bonds, and ongoing annual administrative fee)
- k. ImageMaster (Printing and distribution of the preliminary and final official statements)

Most professional service provider fees are contingent upon a successful transaction closing and are expected to be paid from bond proceeds. OCPA's out-of-pocket costs are limited to the one-time CCCFA membership entry fee of \$50,000, Kestrel's green bond second-party opinion fee of \$23,226, and Moody's rating fees associated with transaction review, currently estimated at approximately \$322,000 (subject to change based on final par amount and scope). In the event that OCPA determined not to move forward with the bond transaction for convenience and not due to any issues with the viability of the transaction prior to the closing, then OCPA would be obligated to pay certain legal and consulting fees accrued by the foregoing parties in preparation for the transaction. To manage cost exposure and avoid the risk of stranded rating fees, OCPA will initiate Moody's engagement later in the process, when there is greater certainty that the transaction will proceed to closing.

## **BACKGROUND**

On October 13, 2025, the OCPA Board authorized staff to continue evaluating and preparing for a potential green energy prepayment bond transaction.

To advance implementation of the prepayment structure consistent with prior Board direction, staff issued a Request for Proposals on October 23, 2025 to identify qualified energy prepayment counterparties. Five competitive proposals were received by the November 7, 2025 deadline, and a structured evaluation panel review was conducted on November 18, 2025. Based on demonstrated experience in the Community Choice Aggregator (CCA) prepayment market, competitive pricing, strong market reach, and familiarity with OCPA's operations, Morgan Stanley & Co. LLC (Morgan Stanley) was selected as OCPA's preferred prepayment counterparty. Transaction structuring and documentation efforts commenced in early December 2025.

A core element of an energy prepayment financing structure is the use of a public bond issuer to issue tax-exempt bonds. Bond proceeds are used to fund an upfront prepayment to the selected counterparty in exchange for a long-term, non-recourse energy supply arrangement. The bond issuer delivers energy to OCPA at a discounted price over the term of the transaction, and OCPA's payments are used by the issuer to service debt owed to bond investors. This structure is intended to achieve long-term power cost savings for OCPA customers while maintaining appropriate balance sheet and credit protections.

The CCCFA is a joint powers authority and public bond issuer established to support energy prepayment financings for CCAs. Under the CCCFA Joint Powers Agreement and Government Code Section 6508.1, no debt, liability, or obligation of CCCFA is attributable to its members. CCCFA functions as a conduit issuer, and its energy prepayment transactions are authorized under

the National Energy Policy Act of 2005. These financings are designed to support clean energy procurement, advance climate policy objectives, and meet customer demand for sustainable energy resources.

On December 8, 2025, the Board adopted Resolution No. 2025-05 authorizing OCPA to join CCCFA as an Associate Member and to execute CCCFA's Joint Powers Agreement. CCCFA is expected to seek its Board's approval in January 2026 to add OCPA as an Associate Member. Upon approval, OCPA will pay a one-time \$50,000 membership entry fee and complete CCCFA's onboarding requirements. At the same meeting, the Board also approved CCCFA as the bond issuer authorized to issue tax-exempt bonds on OCPA's behalf and to enter into 30-year, non-recourse energy prepayment transaction with Morgan Stanley, a taxable prepayment counterparty.

During the prepayment transaction kickoff meeting on December 5, 2025, staff was informed of updated timing considerations indicating that CCCFA needed to enter into a legal services agreement with Orrick, Herrington & Sutcliffe LLP (Orrick) as tax and bond counsel earlier than previously anticipated. Early engagement enables preparation of substantially final or "form of" transaction documents for Board consideration and approval at the January 12, 2026 meeting, rather than engaging counsel on January 12, 2026 as described in the December 8, 2025 staff report. PFM communicated this timing update to the Board during its presentation at the December 8, 2025 Board meeting, and Orrick's fees are expected to be contingent upon a successful bond closing and paid from bond proceeds.

## **DISCUSSION**

### **Prepay Overview**

An energy prepayment, or prepay, is a long-term financing structure available to tax-exempt entities such as CCAs, including OCPA. Prepays are designed to reduce power procurement costs by leveraging lower borrowing rates in the municipal tax-exempt bond market. In this structure, a public conduit issuer sells tax-exempt bonds and uses the proceeds to fund an upfront prepayment to a taxable financial institution in exchange for a long-term, non-recourse energy supply arrangement.

Under a prepay, OCPA assigns certain long-term power purchase agreements on a limited basis while continuing to receive all energy and renewable energy credit attributes under the original contracts, with all other terms unchanged. OCPA then purchases energy from the prepay counterparty at a discounted price, with expected savings generally in excess of 10%, subject to market conditions. Bonds are typically repriced every 6 to 10 years to preserve the discount over the 30-year term, and the notional value of contracts included in a prepay structure commonly ranges from \$600 million to \$1.25 billion.

Prepay bonds are non-recourse and issued by a third-party conduit issuer, meaning they are not guaranteed by OCPA and are treated as an off-balance sheet financing. If a prepay arrangement terminates early, OCPA resumes full performance under the original PPAs and forfeits only the remaining prepay-related savings. Energy prepays have been used nationally for decades, and in California, CCCFA has issued approximately \$24 billion in prepayment bonds to date, generating significant long-term savings for CCA customers.

### **Requested Action**

The proposed Board Resolution provides the approvals and authorizations needed to advance and, when appropriate, execute the prepay transaction. Specifically, it (1) defines the parameters under

which the prepay transaction may be completed, (2) authorizes staff to execute, approve, and/or release for distribution the transaction documents, including documents in substantially final or “form of” form, and (3) directs CCCFA to pay issuance-related costs to service providers from bond proceeds.

Collectively, these actions establish a clear governance framework while allowing staff to act nimbly and efficiently to move forward when market conditions are favorable for issuing the prepay bonds and when the required savings and cost controls are satisfied.

### **Prepay Transaction Parameters**

The proposed Board Resolution establishes clear parameters that must be met before the prepay transaction may be executed. These parameters are intended to protect OCPA while ensuring the transaction delivers measurable customer value:

- Limited obligation of CCCFA: The prepay bonds will be limited obligations of CCCFA and will not constitute obligations of OCPA.
- Maximum transaction size: Aggregate bond principal will not exceed \$1.1 billion. The final transaction size will be determined on the initial bond pricing date based on then-current market conditions.
- Minimum savings threshold: The minimum Prepaid Discount for the initial period will be at least 8% of projected prepaid energy costs, establishing a minimum level of cost savings.
- Cost of issuance cap: CCCFA’s total cost of issuance for the project, including underwriting, legal, and consultant fees, will not exceed 1.00% of the bond proceeds issued by CCCFA for the project.

### **Proposed Prepay Service Providers and Estimated Cost Breakdown**

The proposed Resolution authorizes CCCFA to make payments to service providers for both (i) costs required to issue the prepay bonds and (ii) ongoing transaction expenses that are payable under the prepay structure. In the event of a successful bond issuance, total compensation for bond issuance services (the total cost of issuance, or TCOI) will be paid from bond proceeds, not from OCPA, and will not exceed 1.00% of bond proceeds. Ongoing transaction expenses will be paid from transaction cash flows in accordance with the financing documents. OCPA would be responsible only for expenses, if any, that exceed the approved or budgeted amounts under the financing documents. The service providers and their roles are summarized below.

- Morgan Stanley: Bond underwriting and prepaid energy supply services (estimated \$3.50 takedown per bond, \$1.00 management fee per bond, and \$1.10 energy supply revenue fee per MWh).
- Orrick, Herrington & Sutcliffe LLP: Tax and bond counsel retained by CCCFA on OCPA’s behalf (estimated \$300,000).
- PFM Financial Advisors / PFM Swap Advisors [1]: Municipal financial advisory and swap advisory services (estimated \$325,000).
- Moody’s Investors Service [2]: Bond rating services (currently estimated at \$322,000).
- Chapman & Cutler LLP: Prepayment and disclosure counsel services (estimated \$300,000).
- CCCFA [3]: Joint Power Agreement administrative fee (one-time \$20,000).
- Ballard Spahr LLP: Trustee counsel retained by U.S. Bank (estimated \$35,000).
- Kestrel: Independent Second Party Opinion supporting Green Bond designation (estimated \$23,226). This fee is not contingent on closing.
- U.S. Bank: Trustee and custodial services (estimated \$16,500).

- Maher Accountancy, ImageMaster, and other parties (TBD) [4]: Accounting, printing, and miscellaneous services (estimated \$38,000).

Additional notes:

[1]: PFM GIC bidding service fee: PFM will support the competitive procurement of the investment agreement for the debt service account, including conducting the Guaranteed Investment Contract (GIC) bidding process. The estimated fee for this specific service is \$51,000, which is expected to be paid by the winning bidder and is therefore excluded from the above TCOI breakdown.

[2]: Rating agency fee: Moody's fees may increase or decrease depending on the final par amount of the bonds. Moody's fees are expected to be incurred for transaction review and are not contingent on closing.

[3]: CCCFA fees: CCCFA's ongoing annual administrative fee is currently estimated at approximately \$30,000 (separate from the one-time JPA administrative fee of \$20,000). The one-time associate membership entry fee of \$50,000 is not included in the cost of issuance and is not contingent on closing. The \$30,000 annual administrative fee will be charged only if the transaction closes and will be paid from transaction cash flows, not by OCPA directly.

[4]: Other fees: The ImageMaster printing fee will be paid from the costs of issuance. Maher Accountancy fees are ongoing annual fees paid from transaction cash flows, except that the first Maher Accountancy fee payment will be paid in advance from the costs of issuance.

Estimated ongoing fees include annual trustee fees; BLX continuing disclosure and arbitrage rebate services fees; Maher Accountancy audit and accounting fees (paid annually in advance); the CCCFA administrative fee; and a contingency allowance, as summarized below:

Ongoing Expenses	Unit Price	Quantity	Ongoing Fee
<b>U.S. Bank</b>			
Annual Trustee Fee (first series or subseries)	\$ 7,500	1	\$ 7,500
Annual Trustee Fee (per additional series or subseries)	2,500	-	-
Annual Trustee Fee - Variable Bonds (per series or subseries)	5,000	-	-
Annual Tender Agent Fee	-	-	-
Annual Collateral Agent Fee	-	-	-
Custodian Front End Annual Fee	750	1	750
Custodian Back End Annual Fee	750	1	750
PPA Custodian Annual Fee	1,500	1	1,500
Investment Agreement Annual Admin. (per account to be reconciled)	2,000	1	2,000
<b>Total U.S. Bank Fees</b>			<b>\$12,500</b>
<b>Rating Surveillance Fee (Moody's)</b>			
Fixed Rate Transaction	\$12,500	1	\$12,500
<b>Continuing Disclosure Services (BLX)</b>			
	4,000	1	4,000
<b>Arbitrage Rebate (BLX)</b>			
Fixed Rate Series	1,450	1	1,450
Extra Charge for Mandatory Tender (Put Bond)	350	1	350
One Or More Variable Rate Series	700	-	-
<b>Audit/Accounting (Maher Accountancy)</b>			
	24,000	1	24,000
<b>CCCFA Ongoing Admin Charge (Apply only to 1st Transaction)</b>			
	30,000	1	30,000
<b>Contingency</b>			5,000
<b>Total Ongoing Expenses</b>			<b>\$89,800</b>

## **Prepay Documents**

The proposed Board Resolution authorizes staff to execute, and/or approve for release and distribution, the following documents and “form of” documents supporting the prepay transaction with Morgan Stanley:

- Power Supply Contract: A 30-year agreement between OCPA and CCCFA under which OCPA purchases discounted energy (and associated attributes, as applicable) delivered through the prepay structure.
- Custodial Agreement: An agreement among OCPA, CCCFA, Morgan Stanley Capital Group (MSCG), Prepay LLC, and the custodian establishing custody arrangements to receive and disburse payments from MSCG and OCPA to settle monthly PPA seller invoices.
- Form of Limited Assignment Agreement (OCPA/MSCG/Prepay LLC/CCCFA): A “form of” agreement among OCPA, MSCG, Prepay LLC, and CCCFA governing the limited assignment of eligible existing and future PPAs into the prepay project.
- Form of Limited Assignment Agreement (OCPA/PPA Seller(s)/MSCG): A “form of” agreement among OCPA, the third-party PPA seller(s), and MSCG governing the limited assignment mechanics and acknowledgements required for eligible PPAs to participate in the prepay structure.
- Letter Agreement: An agreement among OCPA, CCCFA, MSCG, and Prepay LLC establishing the operational rules and obligations for the initial assignment, replacement, and substitution of PPAs to support delivery of EPS-compliant energy under the prepay structure.
- Prepaid Energy Project Administration Agreement: An agreement between OCPA and CCCFA that authorizes OCPA to administer and direct specified CCCFA actions related to prepay project operations.
- Memorandum of Understanding: An agreement among OCPA, CCCFA, and MSCG under which OCPA agrees to indemnify CCCFA for certain rating agency and green bond certification costs payable by CCCFA if the prepay financing is not successfully completed.
- Appendix A to the Preliminary Official Statement: Provides descriptive, operational, and financial information about OCPA for inclusion in the offering documents used to market the bonds to investors.

## **OCPA First Prepay Tentative Timeline and Next Steps**

The timeline below is preliminary and subject to change based on transaction readiness and market conditions:

- September 2025: Staff presented an overview of energy prepayment financing to the Board.
- October 13, 2025: The Board authorized staff to continue preparing for a potential green energy prepayment bond transaction and to engage PFM Financial Advisors, PFM Swap Advisors, and Chapman.
- October 23, 2025: Staff issued a Request for Proposals for a prepay counterparty. Five proposals were received by the November 7, 2025 deadline.
- November 18, 2025: A structured evaluation panel selected Morgan Stanley as the preferred prepay counterparty.
- December 5, 2025: Staff, PFM, Morgan Stanley, and Chapman conducted a prepay kickoff meeting to align on the transaction timeline, Board approvals, transaction structure, PPA assignment strategy, deliverables, roles, and ongoing work cadence. Based on this discussion,

the team determined that CCCFA needed to engage Orrick as tax and bond counsel earlier than previously anticipated in order to prepare substantially final or “form of” transaction documents for Board consideration at the January 12, 2026 meeting.

- December 8, 2025: Staff presented the selection of Morgan Stanley to the Board, and the Board authorized OCPA to join CCCFA as an Associate Member and approved CCCFA as the bond issuer.
- December 9, 2025: Orrick entered into a tax and bond counsel services agreement directly with CCCFA, the bond issuer.
- December 2025: Staff, PFM, Morgan Stanley, Chapman, and Orrick defined transaction parameters, established minimum savings thresholds, and prepared draft transaction documents.
- January 12, 2026: The Board will consider authorization of final prepay transaction parameters and related documents, and authorization for the CEO to negotiate and approve and/or execute agreements (directly or through CCCFA) with key service providers, including Orrick, Kestrel, PFM, Moody’s, U.S. Bank, and Ballard Spahr, to support completion of OCPA’s first energy prepayment transaction.
- On or about January 22, 2026: The CCCFA Board will consider approval of OCPA as an Associate Member.
- February 2026: The OCPA Board will consider approval of a VAMO swap with Clean Energy Alliance, and the CCCFA Board will consider approval of the bond transaction.
- January-March 2026: Following adoption of the Board Resolution, staff will continue working with PFM, CCCFA, Morgan Stanley, Chapman, and other service providers to finalize PPA assignments, execute prepayment agreements, engage Moody’s, obtain a bond rating for the prepay structure (OCPA will not be rated), establish bond pricing, and close the transaction. Final timing will depend on market conditions.
- Ongoing: Staff will provide periodic updates to the Board through the CEO Report.

## **FISCAL IMPACT**

The purpose of pursuing an energy prepayment structure is to achieve long-term reductions in OCPA’s power procurement costs by securing a discounted energy price. The size of the discount will depend on market conditions at the time of bond pricing. Staff will work with Morgan Stanley, as underwriter and prepaid energy supplier, and PFM, as financial advisor, to determine an appropriate market window. OCPA is targeting savings in the range of 8% to 10% of the projected cost of energy being prepaid, which is currently estimated at approximately \$4 million to \$6 million in annual savings. Actual savings will depend on the specific PPAs included in the prepay structure and prevailing market conditions, and any discount achieved will directly benefit OCPA’s financial results and customers and will be subject to the minimum 8% Prepaid Discount threshold approved by the Board.

The prepayment bond obligation is non-recourse to OCPA. OCPA’s obligation is limited to paying for energy delivered under the applicable power supply arrangements, and OCPA has no responsibility for repayment of the bonds or other debt obligations in the event of default by the prepaid supplier or intermediary bank. Rating agencies do not treat prepayment structures as debt or fixed-cost obligations of the participating CCA.

Upon successful closing of a prepay bond transaction, CCCFA will pay issuance-related costs from bond proceeds, subject to the approved cap that total costs of issuance will not exceed 1.00% of

bond proceeds. OCPA will not pay these issuance costs. Accordingly, OCPA's operating expense budget is not expected to be impacted by issuance costs associated with the transaction.

## **ATTACHMENTS**

1. Resolution No. 2026-XX of the Board of Directors of OCPA Authorizing the Execution and Delivery of a Power Supply Contract and Certain Other Documents in Connection with the Issuance of California Community Choice Financing Authority (CCCFA) Clean Energy Project Revenue Bonds; and Certain Other Actions Required to Ensure the Reduction in the Costs of Renewable Energy Therewith.
2. Power Supply Contract between OCPA and CCCFA.
3. Custodial Agreement by and among OCPA, CCCFA, MSCG, Prepay LLC, and a Custodial Bank to be Named Therein.
4. Form of Limited Assignment Agreement, by and among OCPA, MSCG, Prepay LLC, and CCCFA.
5. Form of Limited Assignment Agreement, by and among OCPA, PPA Seller(s) described therein, and MSCG.
6. Letter Agreement by and among OCPA, CCCFA, MSCG, and Prepay LLC regarding matters relating to Assignment Agreements.
7. Prepaid Energy Project Administration Agreement relating to the Project, by and between OCPA and CCCFA.
8. Memorandum of Understanding (MOU) by and among OCPA, CCCFA, and MSCG indemnifying the Issuer against specific rating agency and second party opinion fees.
9. Appendix A to the Preliminary Official Statement (POS).

**RESOLUTION NO. 2026 -**

**RESOLUTION OF THE ORANGE COUNTY POWER AUTHORITY  
BOARD OF DIRECTORS AUTHORIZING THE EXECUTION AND  
DELIVERY OF A POWER SUPPLY CONTRACT AND CERTAIN  
OTHER DOCUMENTS IN CONNECTION WITH THE ISSUANCE  
OF CALIFORNIA COMMUNITY CHOICE FINANCING  
AUTHORITY (CCFA) CLEAN ENERGY PROJECT REVENUE  
BONDS; AND CERTAIN OTHER ACTIONS REQUIRED TO  
ENSURE THE REDUCTION IN THE COST OF RENEWABLE  
ENERGY THEREWITH**

**THE ORANGE COUNTY POWER AUTHORITY BOARD OF DIRECTORS DOES  
HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:**

**WHEREAS**, Orange County Power Authority (“**Orange County Power Authority**” or “**OCPA**”) was formed on November 20, 2020, under the provisions of the Joint Exercise Powers Act of the State of California, Government Code section 6500 *et seq.* (the “**JPA Law**”);

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

**WHEREAS**, Orange County Power Authority is a community choice aggregator (as defined in Section 331.1 of the Public Utilities Code of the State of California (the “**Public Utilities Code**”), and is a public agency (as defined in the JPA Law) that has implemented a CCA program pursuant to Section 366.2 of the Public Utilities Code, and possesses the power to purchase and sell electric energy and enter into related contracts for such purposes;

**WHEREAS**, Orange County Power Authority, acting pursuant to the JPA Law, may enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them and, pursuant to Government Code Section 6588, to exercise certain additional powers;

**WHEREAS**, pursuant to the provisions of the JPA Law, Orange County Power Authority joined certain other California community choice aggregators by entering into the joint powers agreement (the “**Joint Powers Agreement**”) pursuant to which the CCFA (the “**Issuer**”) was organized for the purpose, among other things, of entering into contracts and issuing bonds to assist community choice aggregators, including Orange County Power Authority, in financing the acquisition of supplies of clean energy;

**WHEREAS**, the Issuer is authorized by its Joint Powers Agreement to acquire supplies of clean energy and to issue revenue bonds to finance the cost of acquisition of such supplies, and is vested with all powers necessary to accomplish the purposes for which it was created;

**WHEREAS**, Orange County Power Authority has determined that it is desirable to acquire a long-term supply of clean energy from the Issuer pursuant to a clean energy prepayment transaction (the “**Prepayment Transaction**”);

**WHEREAS**, Orange County Power Authority has determined to authorize pursuant to this Resolution the undertaking of the Prepayment Transaction with the Prepaid Supplier (defined below);

**WHEREAS**, in connection with the foregoing, Orange County Power Authority is requesting the Issuer to agree to purchase on a prepaid basis certain quantities of clean energy from a Delaware limited liability company (the “**Prepaid Supplier**”) the sole member of which is Morgan Stanley Capital Group Inc., a Delaware corporation (“**MSCG**”) and to sell such clean energy to Orange County Power Authority, as contemplated herein (the “**Project**”);

**WHEREAS**, Orange County Power Authority is requesting that the Issuer finance the costs of the Project with the proceeds of its clean energy project revenue bonds, with a Series designation determined by the Issuer based on the timing and sequence of issuance (the “**Bonds**”);

**WHEREAS**, Orange County Power Authority has determined to authorize the representatives of Orange County Power Authority to take all necessary action to accomplish the purchase of clean energy from the Issuer and to assist the Issuer in the issuance, sale and delivery of the Bonds; and

**WHEREAS**, there have been submitted to this meeting for approval forms of the following agreements to which Orange County Power Authority is a party (collectively, the “**OCPA Documents**”):

1. Power Supply Contract between Orange County Power Authority and the Issuer;
2. Custodial Agreement by and among Orange County Power Authority, the Issuer, MSCG, the Prepaid Supplier and a custodial bank to be named therein;
3. Forms of Limited Assignment Agreement, by and among Orange County Power Authority, the counterparty to the power purchase agreement described therein, and MSCG (or in the event MSCG is the counterparty to the aforementioned power purchase agreement, Prepaid Seller);
4. Letter Agreement by and among Orange County Power Authority, the Issuer, the Prepaid Supplier and MSCG regarding matters relating to the Limited Assignment Agreements;
5. Prepaid Energy Project Administration Agreement relating to the Project, by and between Orange County Power Authority and the Issuer; and
6. Memorandum of Understanding between Orange County Power Authority and the Issuer indemnifying Issuer against certain ratings fees.

**WHEREAS**, there have also been submitted to this meeting forms of the following additional documents relating to the Project:

1. Appendix A to the Preliminary Official Statement to be used in connection with the offering and sale of the Bonds (together with the OCPA Documents, the “**Project Documents**”);

**NOW, THEREFORE, IT IS HEREBY DETERMINED, AFFIRMED, AND ORDERED BY THE BOARD OF DIRECTORS OF THE ORANGE COUNTY POWER AUTHORITY** as follows:

**Section 1. AUTHORIZED REPRESENTATIVES.** The following named individuals are the authorized representatives of Orange County Power Authority with the respective titles specified below (collectively referred to as “**Authorized Representatives**” and individually referred to as an “**Authorized Representative**”):

<b>NAMES</b>	<b>TITLES</b>
Susan Sonne	Chair of the Board
Joseph M. Mosca	Chief Executive Officer
Tiffany Law	Chief Financial Officer
Nicholaus Norvell	General Counsel

**Section 2. OCPA Documents.** The proposed forms of the OCPA Documents, attached hereto as Exhibit A, are hereby approved. The forms of Limited Assignment Agreement may be used, in a substantially similar form, for assignments of the initial or any additional OCPA power purchase agreements, as needed to maintain the transactions approved hereby, and any such Limited Assignment Agreements shall be included in the OCPA Documents and are hereby approved. Subject to the parameters set forth in Section 5 of this Resolution, any Authorized Representative is hereby authorized and directed, for and on behalf of Orange County Power Authority, to execute and deliver the OCPA Documents in substantially similar form, with such changes and insertions therein as the Authorized Representatives executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 3. Appendix A to the Preliminary Official Statement.** Appendix A to the Preliminary Official Statement in the form attached hereto as Exhibit B is hereby approved. Any Authorized Representative is hereby authorized and directed, for and on behalf of Orange County Power Authority, to execute and deliver a certificate as to the information regarding Orange County Power Authority contained in such Appendix A, with such changes and insertions therein as the Authorized Representative approving the same may deem necessary or appropriate. Orange County Power Authority hereby authorizes the inclusion of such Appendix A in the Preliminary Official Statement and the final Official Statement, in each case with such changes as may be approved as aforesaid.

**Section 4. Actions Authorized.** The Authorized Representatives, each acting alone, are hereby authorized and directed, for and in the name and on behalf of Orange County Power Authority, to execute and deliver any and all documents, including, without limitation, any tax certificate relating to its expected use of the energy to be purchased by it from the Project, any continuing disclosure certificate or similar agreement required for the offering or sale of the Bonds, and any and all closing certificates to be executed in connection with the issuance of the Bonds and to take any and all actions which may be necessary or advisable, in their discretion, to

effectuate the actions which Orange County Power Authority has approved in this Resolution, for the issuance, sale and delivery of the Bonds, and to consummate by Orange County Power Authority the transactions contemplated by the Orange County Power Authority for the Project, the OCPA Documents approved hereby and the other Project Documents presented to the Board herewith, including any subsequent amendments, waivers or consents entered into or given under or in accordance with such documents.

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

- (a) the Bonds will not be obligations of Orange County Power Authority, but will be limited obligations of the Issuer payable solely from the revenues and other amounts pledged thereto, including amounts payable by Orange County Power Authority under the Power Supply Contract;
- (b) the aggregate principal amount of the related Series of Bonds shall not exceed \$1,100,000,000;
- (c) the “Monthly Discount” and “Minimum Discount” as provided for in the Power Supply Contract for the Project shall be at least 8.00% of the fixed cash flows or equivalent \$ per MWh; and
- (d) CCCFA total cost of issuance including all underwriting, legal and consultant fees for the Project will not exceed 1.00% of the amount of the proceeds of the Bonds issued by CCCFA with respect to such Project.

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

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

**IT IS HEREBY FURTHER DETERMINED AND ORDERED** that the Authorized Representatives are duly elected, appointed, or employed by or for Orange County Power Authority, as the case may be. This Resolution now stands of record on the books of Orange County Power Authority, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

**IT IS HEREBY FURTHER DETERMINED AND ORDERED** that any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved.

**IT IS HEREBY FURTHER DETERMINED AND ORDERED** that this Resolution shall take effect upon its passage, shall be continuing and shall remain in full force and effect unless and until expressly revoked by further resolution of the Board of Directors.

**ADOPTED AND APPROVED this 12<sup>th</sup> day of January 2026.**

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Susan Sonne  
Chair of the OCPA Board of Directors

**ATTEST:**

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Lisette Chel Walker  
Interim Board Secretary OCPA Board of Directors

**EXHIBIT A**

**OCPA Documents**

(see attached)

**EXHIBIT B**

**Form of Appendix A to POS**

(see attached)

POWER SUPPLY CONTRACT

between

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

and

ORANGE COUNTY POWER AUTHORITY

Dated as of [\_\_\_\_], 2026

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## POWER SUPPLY CONTRACT

This Power Supply Contract (hereinafter, this “Agreement”) is made and entered into as of [\_\_\_\_], 2026 (the “Execution Date”), by and between California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 *et seq.* of the California Government Code, as amended) (“Issuer”) and Orange County Power Authority, a joint powers authority organized pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code and a community choice aggregator pursuant to the provisions of Section 366.2 of the California Public Utilities (“Purchaser”).

### W I T N E S S E T H:

WHEREAS, Issuer has planned and developed a project to acquire long-term Energy supplies from Energy Prepay XI, LLC (“Prepay LLC”) pursuant to a Prepaid Energy Sales Agreement (as amended, restated, supplemented or otherwise modified from time to time, the “Prepaid Agreement”) to meet a portion of the Energy supply requirements of Purchaser through an energy prepayment project (the “Clean Energy Project”);

WHEREAS, Issuer will finance the prepayment under the Prepaid Agreement, and the other costs of, the Clean Energy Project by issuing the Bonds;

WHEREAS, Purchaser is a joint powers authority organized pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code and a community choice aggregator pursuant to the provisions of Section 366.2 of the California Public Utilities Code with authority to sell electricity to retail electric consumers within its service area;

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

WHEREAS, concurrently with the execution of this Agreement, Purchaser has assigned to Prepay LLC certain Assigned Rights and Obligations, including the right to receive Assigned Product, which Assigned Product will be delivered to Issuer under the Prepaid Agreement and then resold by Issuer hereunder; and

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

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Issuer and Purchaser (the “Parties” hereto; each is a “Party”) agree as follows:

## ARTICLE I DEFINITIONS

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

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

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

“Annual Quantity” means, with respect to each Contract Year of the Delivery Period, the quantity (in MWh) of Assigned Product for such Contract Year as set forth on Exhibit A-3; provided that the Annual Quantity for any Contract Year shall be reduced by the aggregate amount of any quantities of Base Energy required to be remarketed under this Agreement for any given Contract Year.

“Annual Refund” means the annual refund, if any, provided to Purchaser and calculated pursuant to the procedures specified in Section 3.2(c).

“Applicable Rating Agencies” means, at any given time, each Rating Agency then rating the Bonds.

“Assigned Delivery Point” has the meaning specified in the applicable Assignment Agreement.

“Assigned Energy” has the meaning specified in the applicable Assignment Agreement; provided that any Assigned Energy shall be EPS Compliant Energy as set forth in the Assignment Letter Agreement.

“Assigned Paygo Quantity” means any Assigned Products delivered under this Agreement in excess of the Annual Quantity for any Contract Year.

“Assigned PPA” has the meaning specified in the Participant Custodial Agreement.

“Assigned PPA Index Adder” means the amount (in \$/MWh) specified in Exhibit A-2 for each Month of the Delivery Period.

“Assigned Product” means, as applicable, PCC1 Product, Long-Term PCC1 Product, PCC2 Product, Assigned Energy, Assigned RECs and any other product included in an Assignment Agreement.

“Assigned RECs” means any RECs to be delivered to MSCG or Prepay LLC pursuant to any Assigned Rights and Obligations.

“Assigned Rights and Obligations” means a portion of Purchaser’s rights and obligations under a power purchase agreement assigned pursuant to an Assignment Agreement.

“Assignment Agreement” means the Initial Assignment Agreement and any subsequent assignment agreement entered into consistent with the Assignment Letter Agreement.

“Assignment Letter Agreement” means that certain Letter Agreement, dated as of the date hereof by and among MSCG, Prepay LLC, Issuer and Purchaser.

“Assignment Period” has the meaning specified in the applicable Assignment Agreement.

“Available Discount” means, for each Reset Period, the amount, expressed in cents per MWh (rounded down to the nearest one-half cent), determined by the Calculation Agent pursuant to the Re-Pricing Agreement for such Reset Period. The Available Discount shall equal the sum of the Monthly Discount and any anticipated Annual Refunds for the applicable Reset Period.

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

“Base Energy” means Firm (LD) Energy.

“Billing Date” has the meaning specified in Section 14.1(b).

“Billing Statement” has the meaning specified in Section 14.1(b).

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

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

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

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

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

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

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

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

“CCA Revenues” means all charges received for, and all other income and receipts derived by Purchaser from, the operation of its CCA System, including income derived from the sale of electric energy by its CCA System.

“CCA System” means Purchaser’s community choice aggregation program that provides electric energy supply service to retail customers located within its service area.

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

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

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

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

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

“Contract Price” means (i) with respect to Monthly Projected Quantities, (A) the [Day-Ahead Average Price], minus (B) the Monthly Discount; and (ii) with respect to Monthly Excess Quantities and Assigned Paygo Quantities, the Day-Ahead Average Price. For the

avoidance of doubt, the Contract Price for Assigned Energy is inclusive of any amounts due in respect of other Assigned Products.

“Contract Quantity” means (i) with respect to Assigned Energy, the Annual Quantity of Assigned Energy for each Contract Year of the Delivery Period; and (ii) with respect to Base Energy, the Hourly Quantity of Base Energy set forth in Exhibit A-1 for any Month, as such Exhibit A-1 shall be updated from time to time in accordance with Section 6.2.

“Contract Year” means each period of 12 Months from January until December during the Delivery Period[; provided that (x) the initial Contract Year shall be a pro-rated [#] Month period from [\_\_\_\_\_] until [\_\_\_\_\_] and (y) the Annual Quantity for 2026 set forth in Exhibit A-3 reflects the pro-rated Annual Quantity for such [#] Month period in 2026.]

“Day-Ahead Average Price” means, for any Assigned Energy in any EPS Energy Period, the result of (i) (x) the sum of the Day-Ahead Market Prices for each Pricing Interval in a Month divided by (y) the number of Pricing Intervals in such Month plus (ii) the Assigned PPA Index Adder for the relevant Month. As used in this definition, “Pricing Interval” means each unit of time for which CAISO establishes a separate price.

“Day-Ahead Market Price” means The Day Ahead Market or Locational Marginal Price for the Energy Delivery Point for each applicable hour as published by CAISO, or as such price may be corrected or revised from time to time by such independent system operator or other entity in accordance with its rules.

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

“Delivery Hours” means each Hour commencing at 00:00 (PPT) on the first day of the Delivery Period, and each Hour thereafter during the Delivery Period.

“Delivery Period” means the period beginning on [\_\_\_\_\_] and ending on [\_\_\_\_\_]; provided that the Delivery Period shall end immediately upon the effective termination date of the Prepaid Agreement or early termination of this Agreement pursuant to Article XVII hereof.

“Delivery Point” means (i) the applicable Assigned Delivery Point(s) for Assigned Energy and (ii) the applicable Energy Delivery Point for Base Energy (as set forth in Exhibits A-2 and A-1, respectively).

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

“Energy Delivery Point” has the meaning specified in Exhibit A-1.

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

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

“EPS Energy Period” means the Initial EPS Energy Period and any subsequent EPS Energy Period established by a future assignment of a power purchase agreement consistent with the Assignment Letter Agreement.

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

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

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

“Firm (LD)” means, with respect to the obligation to deliver Energy, that either Party shall be relieved of its obligations to sell and deliver or purchase and receive without liability only to the extent that, and for the period during which, such performance is prevented by Force Majeure.

“Force Majeure” means an event or circumstance which prevents one Party from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the Execution Date, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (i) the loss of Purchaser’s markets; (ii) Purchaser’s inability economically to use or resell the Energy purchased hereunder; (iii) the loss or failure of Issuer’s supply except if such loss or failure results from curtailment by a Transmission Provider; or (iv) Issuer’s ability to sell the Energy at a higher price. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (a) such Party has contracted for firm transmission with such Transmission Provider for the Energy to be delivered to or received at the Delivery Point and (b) such curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the Transmission Provider’s tariff; *provided*, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that Force Majeure as defined in the first sentence hereof has occurred. Notwithstanding the foregoing or anything to the contrary herein, (I) any invocation of Force Majeure by Prepay LLC under the Prepaid Agreement shall constitute Force Majeure in respect of Issuer hereunder; (II) to the extent that (x) a PPA Supplier fails to deliver any Assigned Energy and claims force majeure with respect to such failure to deliver or (y) a PPA Supplier otherwise is unable to deliver any portion of the Annual Quantity due to an event that would be considered Force Majeure under this Agreement if it affected Issuer directly, then such event shall be deemed to constitute Force Majeure in respect of Issuer hereunder; and (III) to the extent that an Assignment Agreement is

terminated early, such termination shall constitute Force Majeure with respect to Issuer until the earlier of (A) the commencement of an “Assignment Period” under a replacement Assignment Agreement, (B) the commencement of the delivery of EPS Compliant Energy procured by MSCG consistent with the Assignment Letter Agreement or (C) the end of the second Month following the Month in which such early termination occurs.

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

“Hour” means each 60-minute period commencing at 00:00 PPT during the Delivery Period. The term “Hourly” shall be construed accordingly.

“Hourly Quantity” means, with respect to each Delivery Hour during the Delivery Period, the quantity (in MWh) of Base Energy set forth on Exhibit A-1 for the Month in which such Delivery Hour occurs (as such Exhibit A-1 may be updated from time to time in accordance with Section 6.2).

“Initial Assignment Agreement” means that certain Limited Assignment Agreement, dated as of [\_\_\_\_], by and among the Project Participant, Initial PPA Supplier and [MSCG/Prepay LLC], as from time to time amended, restated, supplemented or otherwise modified.

“Initial EPS Energy Period” means the “Assignment Period” as defined in the Initial Assignment Agreement.

“Initial PPA Supplier” means [\_\_\_\_], a [\_\_\_\_].

“Initial Reset Period” means the period beginning on [\_\_\_\_] and ending on [\_\_\_\_].

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

“Issuer” has the meaning specified in the preamble.

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

“Law” means any statute, law, rule or regulation or any judicial or administrative interpretation thereof having the effect of the foregoing enacted, promulgated, or issued by a Government Agency whether in effect as of the Execution Date or at any time in the future.

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

“Minimum Discount” means no less than \$[\_\_\_\_] per MWh for each Reset Period after the Initial Reset Period. Such amount is inclusive of any projected Annual Refund.

“Month” means, during the Delivery Period, a calendar month. The term “Monthly” shall be construed accordingly.

“Monthly Discount” means (i) for the Initial Reset Period, an amount (when taken together with any Annual Refund) that is not less than the Minimum Discount and is specified in Exhibit F, which Exhibit F shall be provided by Issuer to Purchaser on the Bond Closing Date, and (ii) for each subsequent Reset Period, a portion of the Available Discount for such Reset Period determined by the Calculation Agent pursuant to the Re-Pricing Agreement and set forth in an updated Exhibit F provided by Issuer after such determination.

“Monthly Excess Quantity” means, for any Month, the amount, if any, by which the total quantity (in MWh) of Assigned Product delivered under an Assigned PPA in such Month exceeds the Monthly Projected Quantity for such Assigned PPA for such Month.

“Monthly Projected Quantity” means, with respect to each Assigned PPA and each Month of the Assignment Period for each Assigned PPA, the quantity (in MWh) of Assigned Product for such Month as set forth on Exhibit A-2 for such Assigned PPA (as such Exhibit A-2 may be updated from time to time in accordance with Section 6.2).

“MSCG” means Morgan Stanley Capital Group Inc., a Delaware corporation.

“MWh” means megawatt-hour.

“Non-Priority Energy” means Energy that is not Priority Energy.

“Participant Custodial Agreement” means that certain Custodial Agreement, dated as of the Bond Closing Date, by and among Purchaser, Issuer, MSCG and the Participant Custodian, as from time to time amended, restated, supplemented or otherwise modified.

“Participant Custodian” means U.S. Bank Trust Company, National Association, a national banking association or any successor thereto.

“Party” has the meaning specified in the recitals.

“PCC1 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1 to be delivered to MSCG, Prepay LLC or any successors thereto pursuant to any Assigned Rights and Obligations.

“PCC2 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 2 to be delivered to MSCG, Prepay LLC or any successors thereto pursuant to any Assigned Rights and Obligations.

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

“Portfolio Content Category 1” means any Renewable Energy Credit associated with the generation of electricity from an “Eligible Renewable Energy Resource” consisting of the

portfolio content set forth in California Public Utilities Code Section 399.16(b)(1), as may be amended from time to time or as further defined or supplemented by Law.

“Portfolio Content Category 2” means any Renewable Energy Credit associated with the generation of electricity from an Eligible Renewable Energy Resource consisting of the portfolio content set forth in California Public Utilities Code Section 399.16(b)(2), as may be amended from time to time or as further defined or supplemented by Law.

“Potential Remarketing Event” has the meaning specified in Section 3.4(b).

“PPA Supplier” means the Initial PPA Supplier and any subsequent supplier who enters into an Assignment Agreement consistent with the terms of the Assignment Letter Agreement.

“PPT” means Pacific Prevailing Time.

“Prepaid Agreement” has the meaning specified in the recitals.

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

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

“Project Participant” has the meaning specified in the Bond Indenture.

“Purchaser” has the meaning specified in the preamble.

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

“Purchaser’s Statement” has the meaning specified in Section 14.1(a).

“Qualifying Use Requirements” means, with respect to any Energy delivered under this Agreement, such Energy is used (i) for a “qualifying use” as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii), (ii) in a manner that will not result in any “private business use” within the meaning of Section 141 of the Code, and (iii) in a manner that is consistent with the Federal Tax Certificate attached as Exhibit D.

**“Rating Agency”** has the meaning specified in the Bond Indenture.

**“Re-Pricing Agreement”** means the Re-Pricing Agreement, dated as of the Bond Closing Date, by and between Issuer and Prepay LLC.

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

**“Remarketing Termination Notice”** has the meaning specified in Section 3.4(b).

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

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

**“Reset Period Notice”** has the meaning specified in Section 3.4(a).

**“RPS”** means the renewable energy program and policies established by California State Senate Bills 1038 (2002), 1078 (2002), 107 (2008), X-1 2 (2011), 350 (2015), and 100 (2018) as codified in, *inter alia*, California Public Utilities Code Sections 399.11 through 399.31 and California Public Resources Code Sections 25740 through 25751, as such provisions are amended or supplemented from time to time.

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

**“Transmission Provider(s)”** means any entity or entities transmitting or transporting Energy on behalf of Issuer or Purchaser to or from the Delivery Point.

**“Trustee”** means U.S. Bank Trust Company, National Association, a national banking association, and its successors as Trustee under the Bond Indenture.

**“Voided Remarketing Termination Notice”** has the meaning specified in Section 3.4(b).

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

Section 1.2 Definitions; Interpretation. References to “Articles,” “Sections,” “Schedules” and “Exhibits” shall be to Articles, Sections, Schedules and Exhibits, as the case may be, of this Agreement unless otherwise specifically provided. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part

of this Agreement for any other purpose or be given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word “include” or “including”, when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the scope of such general statement, term or matter. Any reference herein to any agreement or document includes all amendments, supplements or restatements to and of such agreement or document as may occur from time to time, and any reference to a party to any such agreement includes all successors and assigns of such party thereunder permitted by the terms hereof and thereof.

## **ARTICLE II** **EXECUTION DATE AND DELIVERY PERIOD; NATURE OF CLEAN ENERGY** **PROJECT**

Section 2.1 Execution Date; Delivery Period. Unless this Agreement is terminated pursuant to Article XVII, delivery of Energy under this Agreement shall commence and continue for the Delivery Period.

Section 2.2 Termination Due to Failure to Issue Bonds. Each Party shall have a right to terminate this Agreement with the effect that this Agreement shall be of no further force or effect and the Parties shall have no rights or obligations hereunder if the Bonds are not issued on or before the [Prepayment Outside Date] (as defined in the Prepaid Agreement).

Section 2.3 Nature of Clean Energy Project. Purchaser acknowledges and agrees that Issuer will meet its obligations to provide Energy to Purchaser under this Agreement exclusively through its purchase of long-term supplies of Energy from Prepay LLC pursuant to the Clean Energy Project and that Issuer is financing its purchase of such long-term supplies through the issuance of the Bonds.

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

## **ARTICLE III** **SALE AND PURCHASE**

Section 3.1 Sale and Purchase of Energy. Issuer agrees to sell and deliver or cause to be delivered to Purchaser, and Purchaser agrees to purchase and take or cause to be taken from Issuer, in each case, on a Firm (LD) basis, the Contract Quantity of Energy pursuant to the terms and conditions set forth in this Agreement. The Parties acknowledge and agree that Issuer’s delivery obligation for (i) Assigned Products will be measured on an annual basis and (ii) Base Energy will be measured on an Hourly basis, as reflected in the definition of Contract Quantity and further set forth in the terms of this Agreement.

Section 3.2 Payments.

(a) For each MWh of Assigned Product delivered to Purchaser, Purchaser shall pay Issuer the applicable Contract Price, provided that (x) Issuer shall owe a payment to Purchaser to the extent that the Contract Price for Energy delivered is negative and (y) Purchaser's payment of the [Retained Payment Amount] (as defined in the Participant Custodial Agreement) to the Participant Custodian consistent with the terms of the Participant Custodial Agreement shall satisfy Purchaser's obligations hereunder with respect to Monthly Excess Quantities and Assigned Paygo Quantities, as applicable.

(b) [Reserved]

(c) During the term of this Agreement, promptly following completion of the annual audit of Issuer's financial statements at the end of each fiscal year (currently the twelve-month period ending December 31), Issuer shall compare its revenues (as determined in accordance with the Bond Indenture) and expenses under the Clean Energy Project for that fiscal year. If this annual comparison demonstrates that such revenues exceeded such expenses during the applicable fiscal year and there are amounts on deposit in the fund established by the Bond Indenture available for such purpose, then Issuer shall make refunds to Purchaser in the amount available; provided that Issuer may reserve such funds (i) as may be required under the terms of the Trust Indenture or (ii) with the prior written consent of Purchaser (a) to fund or maintain the Minimum Discount for any future Reset Period, (b) to fund or maintain any rate stabilization or working capital reserve, (c) to reserve or account for unfunded liabilities and expenses or (d) for other costs of the Clean Energy Project. As of the Execution Date, the projected Annual Refund for the Initial Reset Period is \$[\_\_\_\_] per MWh.

Section 3.3 No Obligation to Take Base Energy. Notwithstanding anything to the contrary in this Agreement, Purchaser shall not be required to purchase and receive any Base Energy hereunder, and Issuer shall cause Prepay LLC to remarket any portion of the Contract Quantity that is Base Energy pursuant to the provisions of Exhibit C to the Prepaid Agreement.

#### Section 3.4 Reset Period Remarketing.

(a) Reset Period Notice. For each Reset Period, Issuer shall provide to Purchaser, at least ten (10) days prior to the Remarketing Termination Deadline, formal written notice (a "Reset Period Notice") setting forth (i) the duration of such Reset Period, (ii) the [Estimated Available Discount] (as defined in the Re-Pricing Agreement) for such Reset Period, and (iii) the applicable Remarketing Termination Deadline. Issuer may thereafter update such notice at any time prior to the Remarketing Termination Deadline and may extend the Remarketing Termination Deadline only to the extent consented to in writing by Prepay LLC.

(b) Remarketing Termination. If the Reset Period Notice (or any update thereto) indicates that the Available Discount in such notice is not at least equal to the Minimum Discount for that Reset Period, then: (i) a "Potential Remarketing Termination Event" shall be deemed to exist, and (ii) Purchaser may, not later than the Remarketing Termination Deadline, issue a written notice in the form attached hereto as Exhibit C (a "Remarketing Termination Notice") to Issuer, Prepay LLC and the Trustee electing for this Agreement and the Assignment Agreements to be terminated; *provided*, however, if the Issuer and Prepay LLC are able to achieve an actual Available Discount, as finally determined under the Re-Pricing Agreement, that is equal

to or greater than the Minimum Discount, then Purchaser's Remarketing Termination Notice shall be void (any such notice, a "Voided Remarketing Termination Notice"), and this Agreement and the Assignment Agreements shall remain in full force and effect for such Reset Period. For the avoidance of doubt, in the event that Purchaser issues a Remarketing Termination Notice (other than a Voided Remarketing Termination Notice), any rights and obligations assigned to Prepay LLC or MSCG, as applicable under the Initial Assignment Agreement or a subsequent Assignment Agreement including, without limitation, the right to receive Assigned Energy, shall revert to Purchaser as of the end of the Initial Reset Period or the then-current Reset Period, as applicable.

(c) Final Determination of Available Discount. The Parties acknowledge and agree that the final Available Discount for any Reset Period following the Initial Reset Period will be determined on the applicable Re-Pricing Date (as defined in the Re-Pricing Agreement), and that such Available Discount may differ from the estimate or estimates of such Available Discount provided to Purchaser prior to the applicable Remarketing Termination Deadline. Accordingly, the Parties agree that:

(i) the Available Discount for any Reset Period will not be less than the Minimum Discount applicable to such Reset Period, unless Issuer has provided notice of a Potential Remarketing Event to Purchaser in accordance with Section 3.4(b); and

(ii) if Purchaser receives notice of a Potential Remarketing Event and has not provided a Remarketing Termination Notice prior to the applicable Remarketing Termination Deadline, Purchaser shall be deemed to have elected to continue to purchase and receive its Contract Quantity at a Contract Price that reflects the Monthly Discount portion of the Available Discount as finally determined on the applicable Re-Pricing Date, plus Purchaser's right to its share of Annual Refunds, if any, and all delivery and purchase obligations under this Agreement shall continue in full force and effect for the applicable Reset Period.

(d) Reduction of Contract Quantity. The Parties recognize and agree that the Contract Quantity may be reduced in a Reset Period pursuant to the re-pricing methodology described in the Re-Pricing Agreement if necessary to achieve a successful remarketing of the Bonds. The Parties agree further that if, pursuant to the Re-Pricing Agreement, Issuer and the Calculation Agent determine in connection with the establishment of any new Reset Period that: (i) such Reset Period will be the final Reset Period and (ii) such Reset Period will end prior to the end of the original Delivery Period, then (A) Issuer will notify Purchaser, (B) the Delivery Period will be deemed to be modified so that it ends at the end of such Reset Period, and (C) the Contract Quantity for the last Month in such Reset Period may be reduced as provided in the Re-Pricing Agreement.

## **ARTICLE IV** **FAILURE TO DELIVER OR TAKE ENERGY**

Notwithstanding anything herein to the contrary, neither Purchaser nor Issuer shall have any liability or other obligation to one another for any failure to Schedule, take, or deliver Assigned Product.

## **ARTICLE V** **TRANSMISSION AND DELIVERY; COMMUNICATIONS**

Section 5.1 Delivery of Energy. All Assigned Energy delivered under this Agreement shall be Scheduled at the applicable Assigned Delivery Point and in accordance with the terms of the applicable Assignment Agreement. All other Assigned Product shall be delivered consistent with the terms of the applicable Assignment Agreement. Except as set forth in the two foregoing sentences, Purchaser and Issuer shall have no liability or obligations under this Article V with respect to Assigned Product.

Section 5.2 Scheduling. Scheduling of Assigned Energy shall be in accordance with the applicable Assignment Agreement.

Section 5.3 Title and Risk of Loss. Title to the Energy delivered under this Agreement and risk of loss shall pass from Issuer to Purchaser at the Assigned Delivery Point. The transfer of title and risk of loss for all Assigned Product other than Assigned Energy shall be in accordance with the applicable Assignment Agreement; provided that all Assignment Agreements shall provide for the transfer of Renewable Energy Credits in accordance with WREGIS.

Section 5.4 PCC1 Product, Long-Term PCC1 Product, and PCC2 Product. To the extent that any Assigned Product is PCC1 Product, Long-Term PCC1 Product, or PCC2 Product the following provisions apply:

(a) Eligibility. Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Clean Energy Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Clean Energy Project's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. **[STC 6, Non-Modifiable. (Source: D.07-11-025, Attachment A.) D.08-04-009]**. As used above, "Seller" means "Issuer", Buyer means "Purchaser", and any other capitalized terms not otherwise defined herein shall have the meaning specified in the Assignment Agreement.

(b) Transfer of Renewable Energy Credits. Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially

reasonable efforts to comply with such change in law. **[STC REC-1, Non-modifiable. D.11-01-025]**. As used above, “Seller” means “Issuer”, Buyer means “Purchaser”, and any other capitalized terms not otherwise defined herein shall have the meaning specified in the Assignment Agreement.

(c) Tracking of RECs in WREGIS. Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract. **[STC REC-2, Non-modifiable. D.11-01-025]**. As used above, “Seller” means “Issuer”, Buyer means “Purchaser”, and any other capitalized terms not otherwise defined herein shall have the meaning specified in the Assignment Agreement.

(d) Governing Law. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. **[STC 17, Non-Modifiable. (Source: D.07-11-025, Attachment A) D.08-04-009]**.

(e) Issuer Representations and Warranties.

Issuer represents and warrants:

- (i) Issuer has the right to sell the Assigned Product from the Applicable Project;
- (ii) Issuer has not sold the Assigned Product or any REC or other attributes of the Assigned Product to be transferred to Purchaser to any other person or entity;
- (iii) the Energy component of the Assigned Product produced by the Applicable Project and purchased by Issuer for resale to Purchaser hereunder is not being sold by Issuer back to the Applicable Project or PPA Supplier;
- (iv) Assigned Energy and Assigned RECs to be purchased and sold pursuant to this Agreement are not committed to another party;
- (v) the Assigned Product is free and clear of all liens or other encumbrances;
- (vi) Issuer will deliver to Purchaser all Assigned Energy and associated RECs generated by the Applicable Project for PCC1 Product in compliance with the requirements set forth in California Public Utilities Code 399.16(b)(1) and the California RPS compliance requirements for Portfolio Content Category 1 as set forth in CPUC Decision 11-12-052, if applicable;
- (vii) Issuer will deliver to Purchaser all Assigned Energy and associated RECs generated by the Applicable Project for PCC2 Product in compliance with the requirements set forth in California Public Utilities Code 399.16(b)(2) and the California RPS compliance

requirements for Portfolio Content Category 2 as set forth in CPUC Decision 11-12-052, if applicable;

- (viii) Issuer will deliver to Purchaser all Assigned Energy and associated RECs generated by the Applicable Project for Long-Term PCC1 Product in compliance with the California Long-Term Contracting Requirements, if applicable;
- (ix) the Assigned Product supplied to Purchaser under this Agreement that is Long-Term PCC1 Product will be sourced solely from Applicable Projects that have an Assignment Period of ten (10) years or more in length, or otherwise in compliance with the California Long Term Contracting Requirements; and
- (x) Issuer will cooperate and work with Purchaser, the CEC, and/or the CPUC to provide any documentation required by the CPUC or CEC to support the Product's classification as Portfolio Content Category 1 or Portfolio Content Category 2, as applicable, as set forth in California Public Utilities Code Section 399.16(b)(1) or 399.16(b)(2), as applicable, and compliance with the California Long-Term Contracting Requirements, if applicable.

Issuer further represents and warrants to Purchaser that, to the extent that the PCC1 Product sold by Issuer is a resale of part or all of a contract between Issuer and one or more third parties, Issuer represents, warrants and covenants that the resale complies with the following conditions in (i) through (iv) below during the Assignment Period and throughout the generation period:

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

Issuer further represents and warrants to Purchaser that, to the extent that the PCC2 Product sold by Issuer is a resale of part or all of a contract between Issuer and one or more third parties, Issuer represents, warrants and covenants that the resale complies with the following conditions in (i) through (v) below during the Assignment Period and throughout the generation period:

- (i) the original upstream third-party contract(s) meets the criteria of California Public Utilities Code Section 399.16(b)(2);
- (ii) this Agreement transfers only electricity and RECs that have not yet been generated prior to the Assignment Period;
- (iii) this Agreement transfers the original arrangement for substitute electricity (e.g., source and quantity);
- (iv) this Agreement retains the scheduling of the substitute electricity into a California balancing authority as set out in the original firming and shaping transaction; and
- (v) this Agreement continues to provide incremental electricity scheduled into a California balancing authority.

(f) Subsequent Changes in Law. In the event that the qualifications or requirements of the RPS program, PCC1 Product, PCC2 Product or the California Long-Term Contracting Requirements change, Issuer shall take commercially reasonable actions to meet the amended qualifications or requirements of the RPS Law, PCC1 Product, PCC2 Product or the California Long-Term Contracting Requirements but will not be required to incur any unreimbursed costs to comply with the RPS Law, PCC1, PCC2 or the California Long-Term Contracting Requirements, collectively.

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

- (i) Issuer has relied exclusively upon the representations and warranties of each respective seller set forth in the Assignment Agreements in making the representations and warranties set forth in this Section 5.4 and has not performed any independent investigation with respect thereto;
- (ii) Prepay LLC has agreed under the Prepaid Agreement to terminate or cause MSCG to terminate the applicable Assignment Period in the event that any representation or warranty in this Section 5.4 proves to be incorrect in any respect; and
- (iii) Purchaser agrees that its sole recourse for any breach of the provisions of this Section 5.4 shall be the termination of the applicable Assignment Period and Purchaser shall have no other recourse against Issuer or remedies under this Agreement.

Section 5.5 Deliveries within CAISO or Another Balancing Authority. The Parties acknowledge that Energy delivered by Issuer at a Delivery Point within CAISO or another Balancing Authority will be delivered in accordance with the CAISO Tariff and rules of the Balancing Authority as applicable. Scheduling such Energy in accordance with the requirements of the applicable Energy into the applicable Balancing Authority shall constitute delivery of such Energy to Purchaser hereunder.

Section 5.6 Assigned Products. Notwithstanding anything to the contrary herein, the Parties shall have no liability under this Article V with respect to any Assigned Products.

## **ARTICLE VI** **PARTIAL ASSIGNMENTS OF PPAS**

Section 6.1 Future PPA Assignments. In connection with the expiration or termination of an EPS Energy Period, each of the Parties agrees to satisfy its obligations under the Assignment Letter Agreement, including but not limited to (a) Purchaser's obligation to exercise Commercially Reasonable Efforts to assign a portion of Purchaser's rights and obligations under a power purchase agreement under which Project Participant is purchasing EPS Compliant Energy to MSCG or Prepay LLC pursuant to an Assignment Agreement and (b) the Parties' obligations to cooperate in good faith with MSCG and Prepay LLC with respect to any proposed assignments.

### Section 6.2 Updates to Exhibits A-1 and A-2.

(a) To the extent that an EPS Energy Period terminates or expires and Assigned Energy is not available for delivery immediately following (i) the end of the period for which Force Majeure is deemed to occur in the event of an early termination of an EPS Energy Period or (ii) the expiration of an EPS Energy Period, the Parties shall update (A) Exhibit A-1 to reflect an increase in the Hourly Quantities of Base Energy and (B) Exhibit A-2 to reflect a decrease in the Monthly Projected Quantities associated with the relevant Assigned PPA, in each case, in an amount equal to the Assigned Energy associated with the EPS Energy Period that terminated or expired. For the avoidance of doubt, any updates to Exhibits A-1 and A-2 due to an early termination of an EPS Energy Period shall be effective as of the earlier of (1) the commencement of an Assignment Period under a replacement Assignment Agreement or (2) the start of the third Month following the Month in which such early termination occurs.

(b) In connection with the execution of any subsequent Assignment Agreement, the Parties shall update Exhibits A-1 and A-2 to reflect any changes in the Hourly Quantities of Base Energy and Monthly Projected Quantities of Assigned Energy and any other changes in connection therewith.

## **ARTICLE VII** **USE OF ENERGY**

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

Section 7.2 Priority Energy. Subject to Section 7.5(a), Purchaser agrees to take the Contract Quantities to be delivered under this Agreement (a) in priority over and in preference to

all Non-Priority Energy; and (b) on at least a pari passu and non-discriminatory basis with other Priority Energy.

Section 7.3 Remarketing Sales.

(a) Remarketing of Assigned Product. If notwithstanding Purchaser's compliance with Section 7.2, a quantity of Assigned Product less than the Annual Quantity is delivered hereunder in any Contract Year for any reason other than Force Majeure, then MSCG shall be deemed to remarket such undelivered quantity of Assigned Product consistent with [Section 5(a) of Exhibit C] to the Prepaid Agreement. For the avoidance of doubt, Purchaser will not have any payment obligation with respect to Assigned Energy that is remarketed pursuant to the foregoing sentence.

(b) Remarketing of Base Energy. Consistent with Section 3.3, to the extent any portion of the Contract Quantity is Base Energy, Issuer shall cause Prepay LLC to remarket or purchase such Energy for the account of Prepay LLC under the remarketing provisions of the Prepaid Agreement, and Issuer shall credit against the amount owed by Purchaser for such Contract Quantities the amounts received from Prepay LLC for such remarketing services, less all directly incurred costs or expenses, including but not limited to remarketing administrative charges paid to Prepay LLC under the Prepaid Agreement, but in no event shall the amount of such credit be more than the Contract Price. For the avoidance of doubt, Purchaser will not have any payment obligation with respect to Base Energy that is remarketed pursuant to the foregoing sentence.

(c) Prepay LLC Remarketing Fees. Purchaser shall not in any case have an obligation to make a payment to Issuer with respect to any Remarketing Fee (as defined in the Prepaid Agreement) charged by Prepay LLC under the Prepaid Agreement.

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

Section 7.5 Remediation. To the extent that (a) all or a portion of the Contract Quantity is remarketed under Section 7.3(a) or Section 7.3(b) and (b) Purchaser is not otherwise in default under this Agreement, then:

(a) Prepay LLC shall be obligated under the remarketing provisions of the Prepaid Agreement to purchase the remarketed Energy for its own account at the applicable price specified in Exhibit C to the Prepaid Agreement (the proceeds of any such purchases, "Disqualified Remarketing Proceeds"), which Disqualified Remarketing Proceeds are for the benefit of Purchaser in that such proceeds reduce its payment obligations hereunder;

(b) Purchaser shall (i) exercise Commercially Reasonable Efforts to use an amount equivalent to such Disqualified Remarketing Proceeds to purchase Non-Priority Energy and use such Non-Priority Energy in compliance with the Qualifying Use Requirements in order to remediate such Disqualified Remarketing Proceeds and (ii) apply its purchases of Non-Priority Energy to remediate Disqualified Remarketing Proceeds under this Agreement prior to

remediating such proceeds under any other contract that provides for the purchase of Priority Energy;

(c) in order to track compliance with Purchaser's obligations under Section 7.5(b) above, Purchaser shall deliver a Remediation Certificate in the form of Exhibit H hereto to Issuer and Prepay LLC by the tenth day of the Month subsequent to any relevant Non-Priority Energy purchases (which may include purchases of Energy from CAISO to the extent such Energy is used in compliance with the Qualifying Use Requirements);

(d) for Disqualified Remarketing Proceeds remediated under this Section 7.5, Issuer shall pay Purchaser any portion of Monthly Discount associated with such Disqualified Remarketing Proceeds and available for distribution under the Bond Indenture on the last Business Day of the Month following the Month in which Purchaser provides a certificate under clause (c) evidencing such remediation; and

(e) to the extent any Disqualified Remarketing Proceeds are not remediated within twelve Months of the date on which such proceeds were received by Issuer, then Prepay LLC shall be obligated under the Prepaid Agreement to exercise Commercially Reasonable Efforts to remediate such Disqualified Remarketing Proceeds under the Prepaid Agreement and Purchaser's ability to remediate such remarketing proceeds shall be subject to Prepay LLC's successful remediation of such proceeds through sales to other purchaser(s);

provided that, for the avoidance of doubt, to the extent [Special Tax Counsel] (as defined in the Bond Indenture) determines at any time that Purchaser has failed to exercise Commercially Reasonable Efforts to obtain EPS Compliant Energy for delivery hereunder consistent with the Assignment Letter Agreement, then Purchaser shall not be entitled to remediate any Disqualified Remarketing Proceeds related to the resulting remarketing of Base Energy by Prepay LLC.

## **ARTICLE VIII REPRESENTATIONS AND WARRANTIES; ADDITIONAL COVENANTS**

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

(a) for Issuer as the representing Party, Issuer is a joint powers authority organized pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code;

(b) for Purchaser as the representing Party, Purchaser is a joint powers authority organized pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code and a community choice aggregator pursuant to the provisions of Section 366.2 of the California Public Utilities Code, duly organized and validly existing under the Laws of the State of California;

(c) it has all requisite power and authority to conduct its business, to own its properties and to execute, deliver and perform its obligations under this Agreement;

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

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

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

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

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

(i) to the best of the knowledge and belief of such Party, no consent, approval, order or authorization of, or registration, declaration or filing with, or giving of notice to, obtaining of any license or permit from, or taking of any other action with respect to, any Government Agency is required in connection with the valid authorization, execution, delivery and performance by such Party of this Agreement or the consummation of any of the transactions contemplated hereby other than those that have been obtained; and

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

Section 8.2 Warranty of Title. Issuer warrants that it will have the right to convey and will transfer good and merchantable title to all Energy sold under this Agreement and delivered by it to Purchaser, free and clear of all liens, encumbrances, and claims.

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

Section 8.4 Continuing Disclosure. Purchaser agrees to provide to Issuer: (a) such financial and operating information as may be requested by Issuer including its most recent audited financial statements for use in Issuer's offering documents for the Bonds; and (b) annual updates to such information and statements to enable Issuer to comply with its continuing disclosure undertakings under Rule 15(c)2-12 of the United States Securities and Exchange Commission. Failure by Purchaser to comply with its agreement to provide such annual updates shall not be a default under this Agreement, but any such failure shall entitle Issuer or an owner of the Bonds to take such actions and to initiate such proceedings as may be necessary and appropriate to cause Purchaser to comply with such agreement, including without limitation the remedies of mandamus and specific performance.

## **ARTICLE IX TAXES**

Issuer shall (i) be responsible for all ad valorem, excise and other taxes assessed with respect to Energy delivered pursuant to this Agreement upstream of the Delivery Point, and (ii) indemnify Purchaser and its Affiliates for any such taxes paid by Purchaser or its Affiliates. Purchaser shall (i) be responsible for all such taxes assessed at or downstream of the Delivery Point, and (ii) indemnify Issuer and its Affiliates for any such taxes paid by Issuer or its Affiliates.

## **ARTICLE X DISPUTE RESOLUTION**

Section 10.1 Arbitration. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope of this agreement to arbitrate, shall be determined by final, non-appealable binding arbitration in San Francisco, California before three arbitrators. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures. Within 15 days after the commencement of arbitration, each of the Parties shall select one person to act as arbitrator, and the two so-selected arbitrators shall select a third arbitrator (the "chairperson") within 30 days of the commencement of the arbitration. If either Party is unable or fails to select one person to act as arbitrator, such arbitrator shall be appointed by JAMS. If the Party-selected arbitrators are unable or fail to agree upon a chairperson, the chairperson shall be appointed by JAMS. The chairperson shall be a person who has experience in renewable energy-related transactions, and none of the arbitrators shall have been previously employed by either Party or have any direct pecuniary interest in either Party or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by each of the Parties. The Parties shall maintain the confidential nature of the arbitration proceeding and any award, including any hearing(s), except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision.

Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator(s) shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. In any arbitration arising out of or related to this Agreement, the arbitrators shall award to the prevailing Party, if any, the costs and attorneys' fees reasonably incurred in seeking to enforce the application of this Section 10.1 and by the prevailing party in connection with the arbitration. Notwithstanding the foregoing provisions of this Section 10.1, any costs incurred by a Party in seeking judicial enforcement of any written decision of the arbitrators shall be chargeable to and borne exclusively by the Party against whom such court order is obtained. The award shall be final and binding on the Parties and judgment upon any award may be entered in any court of competent jurisdiction.

## Section 10.2 Judicial Reference.

(a) Judicial Reference. Without limiting the provisions in Section 10.1, if Section 10.1 is ineffective or unenforceable, any dispute between the Parties arising out of or in connection with this Agreement or its performance, breach, or termination (including the existence, validity and interpretation of this Agreement and the applicability of any statute of limitation period) (each, a "Dispute") shall be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure ("CCP"), or their successor sections (a "Reference Proceeding"), which shall constitute the exclusive remedy for the resolution of any Dispute. As a condition precedent to initiating a Reference Proceeding with respect to any Dispute, the Parties shall comply with the provisions of Section 10.2(b).

(b) Notice of Dispute. Prior to initiating the Reference Proceeding, a Party (the "Disputing Party") shall provide the other Party (the "Responding Party") with a written notice of each issue in dispute, a proposed means for resolving each such issue, and support for such position (the "Notice of Dispute"). Within 10 days after receiving the Notice of Dispute, the Responding Party shall provide the Disputing Party with a written notice of each additional issue (if any) with respect to the dispute raised by the Notice of Dispute, a proposed means for resolving every issue in dispute, and support for such position (the "Dispute Response"). Thereafter, the Parties shall meet to discuss the matter and attempt in good faith to reach a negotiated resolution of the dispute. If the Parties do not resolve the dispute by mutual agreement within 60 days after receipt of the Dispute Response, then either Party may provide to the other Party written notice of intent for judicial reference (the "Impasse Notice") in accordance with the further provisions of this Section 10.2.

### (c) Applicability; Selection of Referees.

(i) The Party that provides the Impasse Notice shall nominate one (1) referee at the same time it provides the Impasse Notice. The other Party shall nominate one referee within 10 days of receiving the Impasse Notice. The two (2) referees (the "Party-Appointed Referees") shall appoint a third referee (the "Third Referee", together with the Party-Appointed Referees, the "Referees"). The Party-Appointed Referees shall

be competent and experienced in matters involving the electric energy business in the United States, with at least 10 years of electric industry experience as a practicing attorney. The Third Referee shall be an active or retired California state or federal judge. Each of the Party-Appointed Referees and the Third Referee shall be impartial and independent of either Party and of the other referees and not employed by any of the Parties in any prior matter.

(ii) If the Party-Appointed Referees are unable to agree on the Third Referee within 45 days from delivery of the Impasse Notice, then the Third Referee shall be appointed pursuant to CCP Section 640(b) in an action filed in the Superior Court of California, County of San Francisco (the “Court”), and with due regard given to the selection criteria above. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the Parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP Section 170.6, each Party shall have one (1) peremptory challenge to the referee selected by the Court.

(d) Discovery; Proceedings.

(i) The Parties agree that time is of the essence in conducting the Reference Proceeding. Accordingly, the referees shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within 20 days after the date of selection of the Third Referee, (ii) if practicable, try all issues of law or fact within 180 days after the date of the conference, and (iii) report a statement of decision within 20 days after the matter has been submitted for decision.

(ii) Discovery and other pre-hearing procedures shall be conducted as agreed to by the Parties, or if they cannot agree, as determined by the Third Referee after discussion with the Parties regarding the need for discovery and other pre-hearing procedures.

(iii) Any matter before the Referees shall be governed by the substantive law of California, its Code of Civil Procedure, Rules of Court, and Evidence Code, except as otherwise specifically agreed by the Parties and approved by the Referees. Except as expressly set forth herein, the Third Referee shall determine the manner in which the Reference Proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the Reference Proceeding. The Reference Proceeding, including the trial, shall be conducted at a neutral location selected by the Parties, or if not agreed by the Parties, by the Third Referee, in San Francisco, California.

(iv) All proceedings and hearings conducted before the referees, except for trial, shall be conducted without a court reporter, except that when any Party so requests, a court reporter will be used at any hearing conducted before the referees, and the referees will be provided a courtesy copy of the transcript. The Party making such a request shall have the obligation to arrange for and pay the court reporter.

(e) Decision. The referees shall render a written statement of decision setting forth findings of fact and conclusions of law. The decision shall be entered as a judgment in the court in accordance with the provisions of CCP Sections 644 and 645. The decision shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the Court. The Parties intend this general reference agreement to be specifically enforceable in accordance with the CCP.

(f) Expenses. Each Party shall bear the compensation and expenses of its respective Party-Appointed Referee, own counsel, witnesses, consultants and employees. All other expenses of judicial reference shall be split equally between the Parties.

## **ARTICLE XI FORCE MAJEURE**

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

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

## **ARTICLE XII GOVERNMENTAL RULES AND REGULATIONS**

Section 12.1 Compliance with Laws. This Agreement shall be subject to all present and future Laws of any Government Agency having jurisdiction over this Agreement or the transactions to be undertaken hereunder, and neither Party has knowingly undertaken or will knowingly undertake or knowingly cause to be undertaken any activity that would conflict with such Laws; *provided*, however, that nothing herein shall be construed to restrict or limit either Party’s right to object to or contest any such Law, or its application to this Agreement or the transactions undertaken hereunder, and neither acquiescence therein or compliance therewith for any period of time shall be construed as a waiver of such right.

Section 12.2 Contests. Excluding all matters involving a contractual dispute between the Parties, no Party shall contest, cause to be contested or in any way actively support the contest of the equity, fairness, reasonableness or lawfulness of any terms or conditions set forth or established pursuant to this Agreement, as those terms or conditions may be at issue before any

Government Agency in any proceeding, if the successful result of such contest would be to preclude or excuse the performance by either Party of this Agreement or any provision hereunder.

Section 12.3 Defense of Agreement. Excluding all matters involving a contractual dispute between the Parties, each Party shall hereafter defend and support this Agreement before any Government Agency in any proceeding, if the substance, validity or enforceability of all or any part of this Agreement is hereafter directly challenged or if any proposed changes in regulatory practices or procedures would have the effect of making this Agreement invalid or unenforceable or would otherwise materially affect the rights or obligations of the Parties under this Agreement.

## **ARTICLE XIII ASSIGNMENT**

The terms and provisions of this Agreement shall extend to and be binding upon the Parties and their respective successors, assigns, and legal representatives; *provided*, however, that, subject to Section 18.14, neither Party may assign this Agreement or its rights and interests, in whole or in part, under this Agreement without the prior written consent of the other Party. Prior to assigning this Agreement, Purchaser shall deliver to Issuer (i) written confirmation from each of the Applicable Rating Agencies, *provided* that such agency has rated and continues to rate the Bonds, that the assignment will not result in a reduction, qualification, or withdrawal of the then-current ratings assigned by the Applicable Rating Agencies to the Bonds; or (ii) written confirmation from each of the Applicable Rating Agencies, that the assignee has an outstanding long-term senior, unsecured, unenhanced debt rating equivalent to or higher than the ratings assigned by the Applicable Rating Agencies to the Bonds. Whenever an assignment or a transfer of a Party's interest in this Agreement is requested to be made with the written consent of the other Party, the assigning or transferring Party's assignee or transferee shall expressly agree to assume, in writing, the duties and obligations under this Agreement of the assigning or transferring Party. Upon the agreement of a Party to any such assignment or transfer, the assigning or transferring Party shall furnish or cause to be furnished to the other Party a true and correct copy of such assignment or transfer and assumption of duties and obligations.

## **ARTICLE XIV PAYMENTS**

### **Section 14.1 Monthly Statements.**

(a) No later than the fifth (5<sup>th</sup>) day of each Month during the Delivery Period (excluding the first (1<sup>st</sup>) Month of the Delivery Period) and the first (1<sup>st</sup>) Month following the end of the Delivery Period, Purchaser shall deliver to Issuer a statement (a "Purchaser's Statement") listing any amounts due to Purchaser in connection with this Agreement with respect to the prior Month(s).

(b) No later than the tenth (10<sup>th</sup>) day of each Month during the Delivery Period (excluding the first (1<sup>st</sup>) Month of the Delivery Period) and the first (1<sup>st</sup>) Month following the end of the Delivery Period (the "Billing Date"), Issuer shall deliver a statement (a "Billing Statement") to Purchaser indicating (i) the total amount due to Issuer for Energy delivered in the prior Month,

(ii) any other amounts due to Issuer or Purchaser in connection with this Agreement with respect to the prior Month(s), and (iii) the net amount due to Issuer or Purchaser; provided that invoicing for Monthly Excess Quantities and Assigned Paygo Quantities shall occur under the Participant Custodial Agreement. Additionally, if a [Participant Monthly Statement] (as defined in the Participant Custodial Agreement) for an Assigned PPA has not been delivered by the tenth (10<sup>th</sup>) day of the Month following deliveries, Issuer shall provisionally prepare or cause to be prepared a Billing Statement for this Agreement that assumes all of the Monthly Projected Quantities were delivered under the applicable Assigned PPA for such Month, and any subsequent resettlements required with respect thereto shall occur under the Participant Custodial Agreement.

(c) Upon request by either Party, the other Party shall deliver such supporting documentation of the foregoing as such requesting Party may reasonably request.

#### Section 14.2 Payment.

(a) If the Billing Statement indicates an amount due from Purchaser, then Purchaser shall remit such amount to the Trustee for the benefit of the Issuer by wire transfer (pursuant to the Trustee's instructions for amounts due under this Agreement, provided that amounts due from Purchaser with respect to Monthly Excess Quantities and Assigned Paygo Quantities, as applicable, shall be paid pursuant to the terms of the Participant Custodial Agreement), in immediately available funds, on or before the twentieth (20<sup>th</sup>) day of the Month following the most recent Month to which such Billing Statement relates, or if such day is not a Business Day, the preceding Business Day. If the Billing Statement indicates an amount due from Issuer, then Issuer shall remit such amount to Purchaser by wire transfer (pursuant to Purchaser's instructions), in immediately available funds, on or before the twenty-eighth (28<sup>th</sup>) day of the Month following the most recent Month to which such Billing Statement relates, or if such day is not a Business Day, the following Business Day.

(b) If Purchaser fails to issue a Purchaser's Statement with respect to any Month, Issuer shall not be required to estimate any amounts due to Purchaser for such Month, provided that Purchaser may include any such amount on subsequent Purchaser's Statements issued within the next sixty (60) days. The sixty (60) day deadline in this subsection (b) replaces the two (2) year deadline in Section 14.5(b) with respect to any claim by any non-delivering Party of inaccuracy in any estimated invoice issued or payment made pursuant to this subsection (b).

#### Section 14.3 Payment of Disputed Amounts; Correction of Index Price.

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

(b) If a value published for any rate or index used or to be used in this Agreement is subsequently corrected and the correction is published or announced by the Person responsible for that publication or announcement within thirty (30) days after the original publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than thirty (30) days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount shall, not later than three (3) Business Days after the effectiveness of that notice, pay, subject to any other applicable provisions of this Agreement, to the other Party that amount, together with interest on that amount at the Default Rate for the period from and including the day on which a payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.

Section 14.4 Late Payment. If Purchaser fails to remit the full amount payable within one (1) Business Day of when due, interest on the unpaid portion shall accrue from the date due until the date of payment at the Default Rate.

Section 14.5 Audit; Adjustments.

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

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

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

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

**Section 14.7 Source of Purchaser's Payments.** Purchaser covenants and agrees to make payments due hereunder from CCA Revenues, and only from such CCA Revenues, as an operating expense of its CCA System; *provided*, however, that Purchaser may apply any legally available monies to the payment of amounts due hereunder.

**Section 14.8 Rate Covenant.** Purchaser hereby covenants and agrees that it will establish, fix, prescribe, maintain, and collect rates, fees, and charges from the customers of its CCA System so as to provide CCA Revenues sufficient to enable Purchaser to pay any other amounts legally payable from CCA Revenues, and to maintain any required reserves for Purchaser's CCA System. Purchaser further covenants and agrees that it shall not furnish or supply Energy services free of charge to any Person, except any such service free of charge that Purchaser is supplying on the date hereof as has been specifically identified by Purchaser to Issuer in writing, and it shall promptly enforce the payment of any and all accounts owing to Purchaser for the sale of Energy to its customers. Notwithstanding anything herein to the contrary, Purchaser shall not be obligated to make any payments hereunder except from CCA Revenues.

**Section 14.9 Pledge of CCA Revenues.** Purchaser shall not grant any lien on or security interest in, or otherwise pledge or encumber, the CCA Revenues if the terms or effect of such lien, pledge or other encumbrance results in such lien, pledge or other encumbrance having priority over the obligations of Purchaser to pay the Contract Price, which obligations constitute operating expenses of Purchaser.

**Section 14.10 Financial Responsibility.** In the event the Issuer receives notice from Prepay LLC pursuant to [Section 2.12] of the [Receivables Purchase Provisions] (as defined in the Bond Indenture) that it requires adequate assurance of performance from the Issuer, Issuer shall provide notice thereof to Purchaser and Purchaser shall (a) notify the Issuer of its agreement to provide such adequate assurance within forty-eight (48) Hours but at least one (1) Business Day of Purchaser's receipt of such notice and (b) provide such adequate assurance to Issuer within seventy-two (72) Hours but at least two (2) Business Days of Purchaser's receipt of such notice. Adequate assurance shall mean sufficient security in the form and for a term reasonably specified by Prepay LLC pursuant to [Section 2.12] of the Receivables Purchase Provisions, including but not limited to a standby irrevocable letter of credit, a prepayment, a deposit to an escrow account, or a performance bond or guaranty by a creditworthy entity. In the event Issuer is entitled to demand adequate assurance of performance under this Section 14.10, Issuer may demand at a minimum a prepayment by Purchaser of an amount equal to (i) the amount owed by Purchaser with respect to all Energy delivered by Issuer to Purchaser as of the date of the demand for adequate assurance of performance, plus (ii) the amount, as determined and adjusted from time to time by Issuer (with the input of Prepay LLC pursuant to the [Receivables Purchase Provisions] (as defined in the Bond Indenture)) in a Commercially Reasonable manner, expected to be owed by Purchaser with respect to the Energy to be delivered by Issuer to Purchaser during the remainder of the then-current Month and the following Month. The Parties agree that in the event Purchaser fails to provide such adequate assurance as demanded, Issuer shall have the right to suspend its performance under this Agreement, including the making of deliveries of Energy to Purchaser, immediately upon written notice and shall not be obligated to restore such performance until the later of (A) the first day of the Month after such demand has been satisfied, and (B) the completion of the term of deliveries to any replacement sales customer to which Prepay LLC has remarketed the Energy on behalf of Issuer.

## **ARTICLE XV [RESERVED]**

## **ARTICLE XVI NOTICES**

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

## **ARTICLE XVII DEFAULT; REMEDIES; TERMINATION**

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

- (a) any representation or warranty made by Issuer in this Agreement proves to have been incorrect in any material respect when made; or
- (b) Issuer fails to perform, observe or comply with any covenant, agreement or term contained in this Agreement, and such failure continues for more than thirty (30) days following the earlier of (i) receipt by Issuer of notice thereof or (ii) an officer of Issuer obtaining actual knowledge of such default.

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

- (a) Purchaser fails to pay when due any amounts owed to Issuer pursuant to this Agreement and such failure continues for one (1) Business Day following the earlier of (i) receipt by Purchaser of notice thereof or (ii) an officer of Purchaser becoming aware of such default;
- (b) Purchaser (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency Law or other similar Law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition

instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days thereafter; (viii) causes or is subject to any event with respect to it which, under the applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (vii); or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

(c) any representation or warranty made by Purchaser in this Agreement proves to have been incorrect in any material respect when made; or

(d) Purchaser fails to perform, observe or comply with any covenant, agreement or term contained in this Agreement, and such failure continues for more than fifteen (15) days following the earlier of (i) receipt by Purchaser of notice thereof or (ii) an officer of Purchaser becoming aware of such default.

Section 17.3 Automatic Non-Default Termination Event. Purchaser's issuance of a valid Remarketing Termination Notice (other than a Voided Remarketing Termination Notice) in accordance with Section 3.4(b) shall constitute an "Automatic Non-Default Termination Event" under this Agreement.

#### Section 17.4 Remedies Upon Default.

(a) Termination.

- (i) If an Automatic Non-Default Termination Event occurs, then (A) the Delivery Period shall end as of the end of then-current Reset Period (i.e., as of the end of the Reset Period preceding the Reset Period for which Purchaser issues a valid Remarketing Termination Notice other than a Voided Remarketing Termination Notice), (B) this Agreement shall terminate upon payment by the Parties' of any outstanding amounts due under this Agreement and (C) Purchaser shall exercise its right to terminate any Assignment Agreements in effect.
- (ii) If at any time an Issuer Default or a Purchaser Default has occurred and is continuing, then the non-defaulting Party may do any or all of the following (i) by notice to the defaulting Party specifying the relevant Issuer Default or Purchaser Default, as applicable,

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

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

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

Section 17.5 Termination of Prepaid Agreement. Purchaser acknowledges and agrees that (i) in the event an [Energy Delivery Termination Event] occurs under and as defined in the Prepaid Agreement for any reason prior to the end of the Delivery Period, this Agreement shall terminate on the [Energy Delivery Termination Date] (which date shall be the last date upon which deliveries are required under the Prepaid Agreement, subject to all winding up arrangements) and (ii) Issuer's obligation to deliver Energy under this Agreement shall terminate upon the termination of deliveries of Energy to Issuer under the Prepaid Agreement. Issuer shall provide notice to Purchaser of any early termination date of the Prepaid Agreement. The Parties recognize and agree that, in the event that the Prepaid Agreement terminates because of a [Failed Remarketing] (as defined in the Bond Indenture) of the Bonds that occurs in the first Month of a Reset Period, Issuer shall deliver Energy under this Agreement for the remainder of such first Month, and, notwithstanding anything in this Agreement to the contrary, no Monthly Discount or Annual Refunds shall be associated with such deliveries and the Contract Price shall be adjusted accordingly.

Section 17.6 Limitation on Damages. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS HEREIN PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION, OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING WITHOUT LIMITATION THE NEGLIGENCE OF EITHER PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THIS AGREEMENT ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT, AND THE LIQUIDATED DAMAGES CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS. IN DETERMINING THE APPROPRIATE MEASURE OF DAMAGES THAT WOULD MAKE THE PARTIES WHOLE, THE PARTIES HAVE THOROUGHLY CONSIDERED, INTER ALIA, THE UNCERTAINTY OF FLUCTUATIONS IN COMMODITY PRICES, THE ABILITY AND INTENTION OF THE PARTIES TO HEDGE SUCH FLUCTUATIONS, THE BARGAINED-FOR ALLOCATION OF RISK, THE KNOWLEDGE, SOPHISTICATION AND EQUAL BARGAINING POWER OF THE PARTIES, THE ARMS-LENGTH NATURE OF THE NEGOTIATIONS, THE SPECIAL CIRCUMSTANCES OF THIS TRANSACTION, THE ACCOUNTING AND TAX TREATMENT OF THE TRANSACTION BY THE PARTIES, AND THE ENTERING INTO OF OTHER TRANSACTIONS IN RELIANCE ON THE ENFORCEABILITY OF THE LIQUIDATED DAMAGES PROVISIONS CONTAINED HEREIN.

## ARTICLE XVIII MISCELLANEOUS

Section 18.1 Indemnification Procedure. With respect to each indemnification included in this Agreement, the indemnity is given to the fullest extent permitted by applicable Law and the following provisions shall be applicable. The indemnified Party shall promptly notify the indemnifying Party in writing of any Claim and the indemnifying Party shall have the right to assume its investigation and defense, including employment of counsel, and shall be obligated to pay related court costs, attorneys' fees and experts' fees and to post any appeals bonds; *provided*, however, that the indemnified Party shall have the right to employ at its expense separate counsel and participate in the defense of any Claim. The indemnifying Party shall not be liable for any settlement of a Claim without its express written consent thereto. In order to prevent double recovery, the indemnified Party shall reimburse the indemnifying Party for payments or costs incurred in respect of an indemnity with the proceeds of any judgment, insurance, bond, surety or other recovery made by the indemnified Party with respect to a covered event.

Section 18.2 Deliveries. Contemporaneously with this Agreement (unless otherwise specified): Each Party shall deliver to the other Party evidence reasonably satisfactory to it of (i) such Party's authority to execute, deliver and perform its obligations under this Agreement and (ii) the appropriate individuals who are authorized to sign this Agreement on behalf of such Party;

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

(b) on the Bond Closing Date, Purchaser shall deliver to Issuer opinions of counsel to Purchaser in the forms attached hereto as Exhibit E;

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

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

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

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

Section 18.6 Severability. If any provision of this Agreement, or the application thereof, shall for any reason be invalid or unenforceable, then to the extent of such invalidity or unenforceability, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, but rather shall be enforced to the maximum extent permissible under applicable Law, so long as the economic and legal substance of the transactions contemplated hereby is not affected in any materially adverse manner as to either Party.

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

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

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

Section 18.10 Immunity. Each Party represents and covenants to and agrees with the other Party that it is not entitled to and shall not assert the defense of sovereign immunity or governmental immunity with respect to its obligations or any Claims under this Agreement, and each hereby waives any such defense of sovereign or governmental immunity to the full extent permitted by Law.

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

Section 18.12 Limitation of Liability. Notwithstanding anything to the contrary herein, all obligations of Issuer under this Agreement, including without limitation all obligations to

make payments of any kind whatsoever, are special, limited obligations of Issuer, payable solely from the [Trust Estate] (as such term is defined in the Bond Indenture) as and to the extent provided in the Bond Indenture, including with respect to [Operating Expenses] (as such term is defined in the Bond Indenture). Issuer shall not be required to advance any moneys derived from any source other than the [Revenues] (as such term is defined in the Bond Indenture) and other assets pledged under the Bond Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent [Revenues] (as such term is defined in the Bond Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Bond Indenture.

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

**Section 18.14 Third Party Beneficiaries; Rights of Trustee.** Purchaser acknowledges and agrees that (a) Issuer will pledge and assign its rights, title and interest in this Agreement and the amounts payable by Purchaser under this Agreement to secure Issuer's obligations under the Bond Indenture, (b) the Trustee shall be a third-party beneficiary of this Agreement with the right to enforce Purchaser's obligations under this Agreement, (c) the Trustee or any receiver appointed under the Bond Indenture shall have the right to perform all obligations of Issuer under this Agreement, and (d) in the event of any Purchaser Defaults under Section 17.2(a), (i) Prepay LLC may, to the extent provided for in, and in accordance with, the [Receivables Purchase Provisions] (as defined in the Bond Indenture), take assignment from Issuer of receivables owed by Purchaser to Issuer under this Agreement, and Prepay LLC or any third party who takes transfer of such receivables shall thereafter have all rights of collection with respect to such receivables, and (ii) if such receivables are not so assigned, the Commodity Swap Counterparty (as defined in the Bond Indenture) shall have the right to pursue collection of such receivables to the extent of any non-payment by Issuer to the Commodity Swap Counterparty that was caused by Purchaser's payment default. Pursuant to the terms of the Bond Indenture, Issuer has irrevocably appointed the Trustee as its agent to issue notices and as directed under the Bond Indenture, to take any other actions that Issuer is required or permitted to take under this Agreement. Purchaser may rely on notices or other actions taken by Issuer or the Trustee and Purchaser has the right to exclusively rely on any notices delivered by the Trustee, regardless of any conflicting notices that it may receive from Issuer.

**Section 18.15 Waiver of Defenses.** Purchaser waives all rights to set-off, counterclaim, recoupment and any other defenses that might otherwise be available to Purchaser with regard to Purchaser's obligations pursuant to the terms of this Agreement.

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

*[Separate Signature Page(s) Attached]*

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ORANGE COUNTY POWER AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A-1**  
**BASE ENERGY HOURLY QUANTITIES**

[To be attached.]

**EXHIBIT A-2**  
**EPS ENERGY PERIOD MONTHLY PROJECTED QUANTITIES**

[To be attached.]

**EXHIBIT A-3**  
**ANNUAL QUANTITY**

[To be attached.]

**EXHIBIT B**  
**NOTICES**

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

Invoicing/Payments: invoices@ccdfa.org

**IF TO PURCHASER:** Orange County Power Authority<sup>1</sup>  
[\_\_\_\_]  
[\_\_\_\_]  
Email: [\_\_\_\_]

Energy Related: [\_\_\_\_]

Invoicing/Payments: [\_\_\_\_]; [\_\_\_\_]

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<sup>1</sup> NTD: Orange County to populate notice information.

**EXHIBIT C**  
**FORM OF REMARKETING TERMINATION NOTICE**

[\_\_\_\_], 20[\_\_\_\_]  
Energy Prepay XI, LLC  
c/o Morgan Stanley & Co. LLC  
[1585 Broadway  
New York, NY 10036-8293]  
Email: CCCFA\_2026[X]\_ms\_notices@morganstanley.com  
With a mandatory copy to:  
Email: msdoc-misc-notices@morganstanley.com

U.S. Bank Trust Company, National Association  
2 Concourse Parkway, Suite 800  
Atlanta, GA 30328  
Attention: Mark Hallam  
Email: Mark.Hallam@usbank.com

To the Addressees:

The undersigned, duly authorized representative of Orange County Power Authority (the “Purchaser”), is providing this notice (the “Remarketing Termination Notice”) pursuant to the Power Supply Contract, dated as of [\_\_\_\_] (the “Supply Contract”), between California Community Choice Financing Authority and Purchaser, as from time to time amended, restated, supplemented or otherwise modified. Capitalized terms used herein shall have the meanings set forth in the Supply Contract.

Pursuant to Section 3.4(b) of the Supply Contract, the Purchaser has elected to terminate this Agreement unless Issuer and Prepay LLC are able to achieve an Available Discount equal to or greater than the Minimum Discount.

Given this [\_\_\_\_] day of [\_\_\_\_], 20[\_\_\_\_].

ORANGE COUNTY POWER  
AUTHORITY

By: \_\_\_\_\_  
Printed Name:  
Title:

**EXHIBIT D**  
**FORM OF FEDERAL TAX CERTIFICATE**

This Federal Tax Certificate is executed in connection with the Power Supply Contract dated as of [\_\_\_\_] (the “Supply Contract”), by and between California Community Choice Financing Authority (“Issuer”) and Orange County Power Authority (“Purchaser”). Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Supply Contract or in the Bond Indenture.

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

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

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

**NOW, THEREFORE, PURCHASER HEREBY CERTIFIES AS FOLLOWS:**

1. Purchaser is a community choice aggregator organized as a joint powers authority under the laws of the State of California. As a community choice aggregator, the Purchaser is a load-serving entity providing electricity to customers within the boundaries of cities and/or counties that have elected to participate in Purchaser’s community choice aggregation program. For purposes of this Certificate, the term “service area” of the Purchaser means the boundaries of the cities and/or counties that have elected to participate in the Purchaser’s community choice aggregation program, as well as any other area recognized as the service area of the Purchaser under state or federal law.
2. Purchaser will resell all of the Energy acquired pursuant to the Supply Contract to its retail Energy customers within its service area, with retail sales in all cases being made pursuant to regularly established and generally applicable tariffs or under authorized requirements contracts.
3. From [\_\_\_\_, \_\_\_\_] to [\_\_\_\_, \_\_\_\_] the annual average amount of Energy purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser is [\_\_\_\_\_] MWh. Over the term of the Supply Contract, the Purchaser expects the annual average amount of Energy purchased (other than for resale) by customers of the Purchaser who are located within the service area of the Purchaser to be at least [\_\_\_\_\_] MWh. The maximum annual amount of Energy in any year being acquired pursuant to the Supply Contract is [\_\_\_\_\_] MWh. The annual average amount of Energy which Purchaser otherwise has a right to acquire as of the Bond Closing Date (including rights to capacity to generate electricity, whether owned, leased or otherwise contracted for) is [\_\_\_\_\_] MWh. The sum of (a) the maximum amount of Energy in any year being acquired pursuant to the Supply Contract, and (b) the amount of Energy that Purchaser otherwise has a right to acquire (including rights to capacity to generate electricity, whether owned, leased or otherwise contracted for) in the year described in the foregoing clause

(a), is [\_\_\_\_\_] MWh. Accordingly, the amount of Energy to be acquired under the Supply Contract by Purchaser, supplemented by the amount of Energy otherwise available to Purchaser as of the Bond Closing Date, during any year does not exceed [\_\_] % of the expected annual average amount of Energy to be purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser.

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

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

\_\_\_\_\_, 2026

By: \_\_\_\_\_  
[Name]  
[Title]

**EXHIBIT E**  
**FORMS OF OPINIONS OF COUNSEL TO PURCHASER**

[INSERT OCPA LETTERHEAD]

[\_\_\_\_\_] , 2026

California Community Choice Financing Authority  
San Rafael, California

Morgan Stanley & Co. LLC  
New York, NY

U.S. Bank Trust Company, National Association, as trustee  
Atlanta, GA

Natixis  
New York, NY

Re: California Community Choice Financing Authority Clean Energy Project Revenue  
Bonds, 2026 Series [\_\_]

Ladies and Gentlemen:

I am general counsel to Orange County Power Authority, a California joint powers authority (“OCPA”). This opinion is being provided in connection with the issuance by the California Community Choice Financing Authority (the “Issuer”) of its Clean Energy Project Revenue Bonds, 2026 Series [\_\_]. This opinion is rendered in connection with the Bond Purchase Contract, dated [\_\_], 2026 (the “Bond Purchase Contract”), by and between Morgan Stanley & Co. LLC, as underwriter, and the Issuer. Capitalized terms used herein shall have the meanings given to them in the Bond Purchase Contract.

In rendering this opinion, I have examined or reviewed copies of such records and other documents as I have deemed necessary and relevant for purposes of this opinion. In my examination, I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as originals, and the conformity of all original documents submitted to me as copies. In basing the opinion set forth in this letter on “my knowledge”, the words “my knowledge” signify that no facts have come to my attention that would give me actual knowledge or actual notice that such opinion is not accurate. Except as otherwise stated in this opinion, I have undertaken no investigation or verification of such matters.

The opinion or conclusions herein may be affected by actions taken or omitted or events occurring after the date hereof. I have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to my

attention after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. In reviewing the documents and matters referred to above, I have assumed the due and legal execution and delivery thereof by, and the validity against, any parties other than OCPA. I have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in such documents. I have further assumed compliance with all covenants and agreements contained in such documents.

Based upon and subject to the foregoing and in reliance thereon, as of the date hereof, to my knowledge, after due inquiry, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to my knowledge, threatened against OCPA, affecting the existence of OCPA or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the execution and delivery of the Power Supply Contract, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of OCPA or any authority for the execution and delivery of the Power Supply Contract, nor, to my knowledge, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Power Supply Contract.

I express no opinion as to any matter other than as expressly set forth above, and I express no opinion on the laws of any jurisdiction other than the State of California and the United States of America. I disclaim any obligation to update this letter.

Very truly yours,

[  
General Counsel

[CHAPMAN AND CUTLER LETTERHEAD]

[\_\_\_\_\_], 2026

To the Addressees on  
Schedule I attached hereto

We have acted as counsel to Orange County Power Authority, a California joint powers authority (the “Project Participant”) in connection with the issuance by the California Community Choice Financing Authority (the “Issuer”) of its [Clean Energy Project Revenue Bonds, 2026 Series [X]] (the “Bonds”). This opinion is rendered pursuant to the Bond Purchase Contract, dated [\_\_], 2026 (the “Bond Purchase Contract”), by and between [Morgan Stanley & Co. LLC, as underwriter (the “Underwriter”)] and the Issuer.

In rendering this opinion, we have examined executed copies of the following documents or, with respect to the forms of Limited Assignment Agreements referenced in paragraph (d) below, unexecuted copies, in the forms approved by the Board of Directors of the Project Participant pursuant to Project Participant Resolution (collectively, the “Project Participant Documents”):

- (a) Resolution No. [\_\_] adopted by the Board of Directors of the Project Participant on January [\_\_], 2026 (the “Project Participant Resolution”);
- (b) Power Supply Contract between the Project Participant and the Issuer (the “Power Supply Contract”);
- (c) PPA Custodial Agreement by and among the Project Participant, Energy Prepay XI, LLC (the “Energy Supplier”), Morgan Stanley Capital Group Inc. (“MSCG”) and U.S. Bank Trust Company, National Association, as custodian;
- (d) forms of Limited Assignment Agreements by and among the Project Participant, the Energy Supplier and either MSCG, as seller, or a third party, as seller, under the power purchase agreement to which such assignment relates;
- (e) Letter Agreement by and among the Project Participant, the Issuer, the Energy Supplier and MSCG regarding matters relating to Limited Assignment Agreements; and
- (f) Clean Energy Project Operational Services Agreement relating to the Project, by and between the Project Participant and the Issuer;

We have also reviewed copies of such records and other documents as we have deemed necessary and relevant for purposes of this opinion. In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity of all original documents submitted to us as copies.

As to factual matters, we have relied solely upon our review of the foregoing, the representations and warranties of the Project Participant contained in the Project Participant Documents, the Preliminary Official Statement, the Official Statement, the joint powers agreement of the Project Participant, and various certificates and other documents furnished to us by authorized officers of the Project Participant. In basing the opinions set forth in this letter on “our knowledge”, the words “our knowledge” signify that, in the course of our representation, no facts have come to our attention that would

give us actual knowledge or actual notice that any such opinions or other matters are not accurate. Except as otherwise stated in this opinion, we have undertaken no investigation or verification of such matters.

We are of the opinion that:

1. The Project Participant is a joint powers authority created and existing under the laws of the State of California (the "State"), specifically the Joint Exercise of Powers Act, constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended and supplemented from time to time (the "Act"), and has full legal right, power and authority under the Act to (a) enter into, execute and deliver the Project Participant Documents, and (b) carry out and consummate the transactions contemplated by the Project Participant Documents.

2. By all necessary official action, the Project Participant has duly authorized all necessary action to be taken by it for (a) the adoption of the Project Participant Resolution, (b) the approval, execution and delivery of, and the performance by the Project Participant of the obligations on its part, contained in the Project Participant Documents, and (c) the consummation by it of all other transactions contemplated by the Preliminary Official Statement, the Official Statement and the Project Participant Documents.

3. The Project Participant Resolution was duly and validly adopted by the Project Participant in compliance with all applicable procedural requirements of the Project Participant and in compliance with the Act, and the Project Participant Resolution is in full force and effect and has not been amended.

4. The Project Participant Documents have been duly authorized, executed and delivered by the Project Participant, and constitute legal, valid and binding obligations of the Project Participant enforceable against the Project Participant in accordance with their respective terms, except to the extent limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws and equitable principles of general application relating to or affecting the enforcement of creditors' rights.

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

6. The execution and delivery of the Project Participant Documents and compliance by the Project Participant with the provisions thereof, under the circumstances contemplated therein, will not conflict with or constitute on the part of the Project Participant a material breach of or a default under any agreement or instrument to which the Project Participant is a party, or violate any existing law, administrative regulation, court order, or consent decree to which the Project Participant is subject.

7. To our knowledge, the statements contained in the Preliminary Official Statement as of its date and in the Official Statement under the captions "INTRODUCTION – ORANGE COUNTY POWER AUTHORITY," "COMMUNITY CHOICE AGGREGATORS," in the second paragraph under the caption "LITIGATION," and in Appendix A – "THE PROJECT PARTICIPANT" are true and correct in all material respects and the statements under the caption "THE POWER SUPPLY CONTRACT" fairly summarize the matters described therein in all material respects.

Notwithstanding anything to the contrary contained above, the foregoing opinion is expressly made subject to the following exceptions, qualifications, and assumptions:

- (i) We express no opinion with respect to the validity or enforceability of any provisions of the Project Participant Documents or any other documents that may be read to require the Project Participant to indemnify any party.
- (ii) We express no opinion with respect to regulatory compliance by the Project Participant under any applicable law, including the California Public Utilities Code, as amended or supplemented from time to time, as determined by any governmental authority, including the California Public Utilities Commission, regarding the purchase of Energy (as defined in the Official Statement) by the Project Participant under the Power Supply Contract.
- (iii) We express no opinion as to the enforceability of provisions waiving, directly or indirectly, expressly or impliedly, defenses to obligations or rights granted by law, where such waivers are prohibited by law or are against public policy.
- (iv) Our opinion as to enforceability is limited by standards of good faith, fair dealing, materiality, and reasonableness that may be applied by a court to the exercise of certain rights and remedies; limitations based on statutes or on public policy limiting a person's right to waive the benefit of statutory provisions or of a common law right; and limitations releasing a party from or indemnifying a party against liability for its own wrongful or negligent act when such release or indemnification is contrary to public policy.
- (v) Our opinion is limited to the matters stated herein and no opinion may be inferred or implied beyond the matters expressly stated herein. The opinions expressed in this letter are given solely for your use and benefit in connection with the transactions referred to herein and no other person may use or rely on this opinion letter, nor may it be used or relied upon in any other transaction which is not related to transactions referred to herein, without our prior express written consent. This opinion is provided to you as a legal opinion only and not as a warranty or guarantee with respect to the matter described herein or in the documents referred to herein.
- (vi) The scope of this opinion is limited to those issues and parties specifically considered herein and no further or more expansive opinion is implied or should be inferred from any opinion expressed herein. On such basis, any variation or difference in the facts upon which this opinion is based might affect our conclusions in an adverse manner and make them inaccurate.

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

Respectfully submitted,

CHAPMAN AND CUTLER LLP

DAB:JC

**EXHIBIT F**

**MONTHLY DISCOUNT**

Monthly Discount:	\$[____]/MWh
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**EXHIBIT G**  
**FORM OF CLOSING CERTIFICATE**

**CLOSING CERTIFICATE OF PURCHASER**

\_\_\_\_\_, 2026

Re: California Community Choice Financing Authority  
[Clean Energy Project Revenue Bonds, Series 2026[X]]

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

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

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

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

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

5 The Purchaser is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Purchaser is a party or to which the Purchaser or any of its property or

assets are subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Purchaser under any of the foregoing.

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

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

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

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

10. The statements and information with respect to the Purchaser contained in the Official Statement dated \_\_\_\_\_, 2026 with respect to the Bonds, including Appendix B thereto (the "*Official Statement*"), fairly and accurately describe and summarize the financial and operating position of the Purchaser for the periods shown therein, and such statements and information did not as of the date of the Official Statement and do not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements and information, in the light of the circumstances under which they were made, not misleading.

11. No event affecting the Purchaser has occurred since the date of the Official Statement which should be disclosed therein in order to make the statements and information with respect to the Purchaser contained therein, in light of the circumstances under which they were made, not misleading in any material respect.

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

ORANGE COUNTY POWER AUTHORITY

By \_\_\_\_\_

Name:

Title:

## EXHIBIT H

### FORM OF REMEDIATION CERTIFICATE

[\_\_\_\_], 20\_\_\_\_

[\_\_\_\_]

Energy Prepay XI, LLC  
c/o Morgan Stanley & Co. LLC  
[1585 Broadway  
New York, NY 10036-8293]  
Attn: Miscellaneous Notices  
Email: CCCFA\_2026[X]\_ms\_notices@morganstanley.com

Re: Power Supply Contract with California Community Choice Financing Authority: Section 7.5 Remediation

To the addressees:

The undersigned, duly authorized representative of Orange County Power Authority (“Purchaser”), hereby certifies as follows in connection with the Power Supply Contract, dated as of [\_\_\_\_] (the “Contract”), between Purchaser and California Community Choice Financing Authority and remediation of Disqualified Remarketing Proceeds pursuant to Section 7.5 of the Contract. Capitalized terms used herein shall have the meanings set forth in the Contract.

Set forth as Attachment 1 hereto is a copy of Purchaser’s invoice for the Month of [\_\_\_\_] for purchases of Energy from [\_\_\_\_] ***[NOTE: Insert reference to supplier.]*** pursuant to that certain [\_\_\_\_] ***[NOTE: Insert reference full requirements supply agreement in effect at the time.]*** Purchaser hereby certifies that (x) all of such Energy was used in compliance with the Qualifying Use Requirements and (y) none of such Energy is (i) Priority Energy or (ii) has been or will be utilized to remediate any remarketing proceeds for Priority Energy other than the Disqualified Remarketing Proceeds referenced in the first paragraph above.

In witness whereof the undersigned has executed this Certificate on and as of the date first written above.

ORANGE COUNTY POWER AUTHORITY

By \_\_\_\_\_  
[Name]  
[Title]

## CUSTODIAL AGREEMENT

This Custodial Agreement (this “Agreement”) is made and entered into as of [\_\_\_\_], by and among California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (defined below) (“Issuer”), Orange County Power Authority, a joint powers authority organized pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code and a community choice aggregator pursuant to the provisions of Section 366.2 of the California Public Utilities Code (“Participant”), Morgan Stanley Capital Group Inc., a Delaware corporation (“MSCG”), Energy Prepay XI, LLC, a Delaware limited liability company (“Prepay LLC”), and U.S. Bank Trust Company, National Association, a national banking association, (the “Custodian” and together with Issuer, Participant, Prepay LLC and MSCG, the “Parties”, and each individually, a “Party”).

### RECITALS:

WHEREAS, in connection with the issuance of one or more series of bonds by Issuer, MSCG (or Prepay LLC with respect to power purchase agreements with MSCG as seller), Issuer and Participant will enter into a series of Assignment Agreements (the “Assignment Agreements”, which definition shall include any new Assignment Agreement identified by MSCG’s delivery of an updated Exhibit A consistent with Section 3(c)) with the sellers under certain power purchase agreements (each, individually, a “PPA Seller” and collectively the “PPA Sellers”, which definitions shall include any new PPA Seller identified by MSCG’s delivery of an updated Exhibit A consistent with Section 3(c)), pursuant to which Participant will partially assign its rights and obligations under its Power Supply Contracts (“Assigned PPAs”) to MSCG or a Prepay Seller (as defined below), as applicable, for redelivery under the Prepay Contract Chains.

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

#### Section 1. Defined Terms.

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

“Annual Quantity” has, with respect to any Prepay Contract Chain, the meaning specified in the relevant Prepay Contract Chain.

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

“Assignment Period” has, with respect to any Assigned PPA, the meaning specified in Exhibit A, as may be updated from time to time consistent with the terms hereof.

**“Custodial Agreement Payment Date”** means, with respect to any Assigned PPA, the last Business Day preceding the PPA Monthly Statement Payment Date.

**“Delivered Product Payment Amount”** means, in respect of each PPA Monthly Statement, an amount equal to the lesser of (a) (i) the Monthly Projected Quantity under the relevant Assigned PPA for such Month with respect to an Undivided Assigned PPA or (ii) the sum of the Monthly Projected Quantities for the relevant Assigned PPA with respect to a Divided Assigned PPA, as applicable, multiplied by the Assigned Product Price for such Assigned PPA, and (b) the actual quantity of Assigned Product reflected in such PPA Monthly Statement multiplied by the Assigned Product Price then in effect under the relevant Assigned PPA, minus in all cases the face amount of any Receivables (as defined in the relevant Prepaid Agreement(s)) that is delivered by PPA Assignee to the Custodian in respect of such Assigned PPA pursuant to Section 4(e). Notwithstanding the foregoing or anything to the contrary herein, there shall be no Delivered Product Payment Amount with respect to any Assigned PAYGO Quantities or Monthly Excess Quantities.

**“Divided Assigned PPA”** means an Assigned PPA that has been allocated to more than one Prepay Contract Chain pursuant to Section 3(d).

**“Energy Management Agreements”** mean each of the Energy Management Agreements by and between a Prepay Seller and MSCG as set forth in Exhibit B to this Agreement, which Exhibit B may be updated from time to time in accordance with Section 3(c).

**“Issuer Negative Pricing Payment Amount”** means the positive difference, if any, for any Month between (a) amounts due from Issuer to Participant under [Section 3.2(a)] of a Power Supply Contract with respect to negatively priced Energy and (b) amounts due from Participant to Issuer under [Section 3.2(a)] of a Power Supply Contract with respect to positively priced Energy.

**“Monthly Gross Amount”** means, in respect of each PPA Monthly Statement, an amount equal to the total net amount due to the applicable PPA Seller in respect of such PPA Monthly Statement and shall consist of the following components: (a) the Delivered Product Payment Amount and (b) the Retained Payment Amount (if such amount is a positive number for such Month).

**“Monthly Projected Quantity”** has, with respect to each Assigned PPA and each Prepay Contract Chain, the meaning specified in the Power Supply Contract for such Prepay Contract Chain.

**“Participant Monthly Statement”** has the meaning set forth in Section 3(a).

**“Power Supply Contracts”** means each of the Power Supply Contracts by and between Participant and Issuer as set forth in Exhibit B to this Agreement, which Exhibit B may be updated from time to time in accordance with Section 3(c).

**“PPA Assignee”** means MSCG or, to the extent that MSCG is a PPA Seller under the applicable Assigned PPA, a Prepay Seller, in each case, in its capacity as the limited assignee under the applicable Assignment Agreement.

**“PPA Assignee Resettlement Amount”** means, in respect of any PPA Monthly Statement that (a) is delivered after the delivery of the Billing Statement under the relevant Power Supply Contract(s) for such Month and (b) reflects that a quantity of Assigned Product less than the total Monthly Projected Quantity was delivered in such Month under the relevant Assigned PPA, an amount equal to the product of (i) the total Monthly Projected Quantity for such Month minus the quantity of Assigned Products actually delivered under the Assigned PPA in such Month, multiplied by (ii) [the Day-Ahead Market Price during the Initial EPS Energy Period and the Day-Ahead Average Price during any EPS Energy Period subsequent to the Initial EPS Energy Period]<sup>1</sup>. Notwithstanding the foregoing or anything to the contrary herein, there shall be no PPA Assignee Resettlement Amount or any other obligations of PPA Assignee with respect to any Assigned PAYGO Quantities or Monthly Excess Quantities.

**“PPA Monthly Statement”** means, for each Assigned PPA, the monthly consolidated invoice delivered to PPA Assignee and Participant consistent with the terms of the applicable Assignment Agreement.

**“PPA Monthly Statement Payment Date”** means the last Business Day on which payment with respect to a PPA Monthly Statement may be made before any incremental interest arises thereon or any default or breach arises under the Assigned PPA.

**“Prepaid Agreements”** mean each of the Prepaid Energy Sales Agreements by and between a Prepay Seller and Issuer as set forth in Exhibit B to this Agreement, which Exhibit B may be updated from time to time in accordance with Section 3(c).

**“Prepay Contract Chain”** means, with respect to each bond issuance by Issuer detailed in Exhibit B, the Energy Management Agreement, Prepaid Agreement and Power Supply Contract relating thereto.

**“Prepay Seller”** means the “Seller” as defined in a Prepaid Agreement and specified in Exhibit B hereto for the relevant Prepay Contract Chain.

**“Provisional Payment”** has the meaning specified in the Prepaid Agreements.

**“Responsible Officer”** means any vice president, assistant secretary or any other officer or other Person within the corporate office of the Custodian having direct responsibility for the administration of this Agreement or to whom any matter is referred because of his or her knowledge of and familiarity with the particular situation, who is authorized to act for the Custodian in matters relating to, and binding upon, the Custodian and who has direct responsibility for the administration of this Agreement.

**“Retained Payment Amount”** means, in respect of each PPA Monthly Statement, an amount equal to (a) all amounts owed to the applicable PPA Seller for such Month, less (b) the sum of the Delivered Product Payment Amount and the PPA Assignee Resettlement Amount, if any; provided that, to the extent the Retained Payment Amount is negative in any Month, then the absolute value of such amount shall represent an amount to be paid by the Custodian to Participant pursuant to Section 4(c)(ii) hereof; provided furthermore that all amounts due with respect to any

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<sup>1</sup> NTD: Subject to review of underlying PPA.

Assigned PAYGO Quantities and Monthly Excess Quantities for the relevant Prepay Contract Chain(s) shall be Participant's sole responsibility as a portion of the Retained Payment Amount.

“Undivided Assigned PPA” means any Assigned PPA other than a Divided Assigned PPA.

(b) Except where expressly provided otherwise, any reference herein to any agreement or document includes all amendments, supplements or restatements to and of such agreement or document as may occur from time to time in accordance with its terms and the terms hereof, and any reference to a party to any such agreement includes all successors and assigns of such party thereunder permitted by the terms hereof and thereof.

Section 2. Appointment of Custodian. Participant, Prepay LLC and MSCG hereby appoint U.S. Bank Trust Company, National Association, a national banking association as Custodian under this Agreement, with such rights and obligations as are specifically set forth herein. The Custodian hereby accepts such appointment under the terms and conditions set forth herein.

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

(a) Participant Monthly Statements. No later than seven days following Participant's receipt of a PPA Monthly Statement from a PPA Seller, Participant shall deliver a statement to the other Parties hereto listing the following: the Delivered Product Payment Amount, the Retained Payment Amount, the Monthly Gross Amount, the PPA Monthly Statement Payment Date, the Custodial Agreement Payment Date, the PPA Assignee Resettlement Amount, if any, the Monthly Excess Quantities, if any (including the allocation of Monthly Excess Quantities for a Divided Assigned PPA), the Assigned PAYGO Quantities, if any (including the allocation of Assigned PAYGO Quantities for any Divided Assigned PPA), reflected in such PPA Monthly Statement and any Issuer Negative Pricing Payment Amount for such Month under the relevant Power Supply Contract(s) (such notice from the Participant, the “Participant Monthly Statement”), as determined, in each case, based on the relevant PPA Monthly Statement for such Month. The Parties agree to exercise commercially reasonable efforts to implement a test billing period for a period of at least two Months prior to the effectiveness of any Assignment Agreement after the Initial Assignment Agreement.

(b) Verification. PPA Assignee shall notify Participant and each other Party promptly following Participant's delivery of a Participant Monthly Statement if PPA Assignee believes any information included on such PPA Monthly Statement is incorrect. Following receipt and verification of the information included in any such notice from PPA Assignee, Participant shall, to the extent appropriate and in consultation with PPA Assignee, issue a corrected PPA Monthly Statement to all Parties.

(c) Assigned PPA and Prepay Contract Chain Details.

(i) Exhibit A to this Agreement sets forth certain information regarding the Assigned PPAs as of the date hereof, including the Assignment Periods, Assigned Product Prices, the relevant Prepay Contract Chain for each Assigned PPA (including any

percentage allocation of any such Assigned PPA to more than one Prepay Contract Chain), the PPA Sellers thereunder and the payment instructions for payments to the PPA Sellers. MSCG shall deliver an updated Exhibit A to each of the other Parties hereto to reflect any changes to the information set forth therein, including due to the expiration, extension or termination of an Assignment Period, the commencement of a new Assignment Period or a reallocation of Assigned Products under an Assigned PPA pursuant to Section 3(d).

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

(d) Assigned PPA Allocations. MSCG and Participant may mutually agree in writing to establish multiple Monthly Projected Quantities for a single Assigned PPA with the effect that the Assigned Products delivered thereunder during the Assignment Period are allocated on a percentage basis (as specified in the written agreement of MSCG and Participant) to more than one Prepay Contract Chain, which percentage allocations (x) shall be subject to the requirements of tax counsel, howsoever defined in the Bond Indenture for the relevant Prepay Contract Chain, and (y) in all cases shall provide for an aggregate percentage allocation equal to 100% of the maximum Monthly Projected Quantities permitted by tax counsel for such Assigned PPA for an assignment to a single Prepay Contract Chain. In such case, the quantity of Assigned Products actually delivered under any such Assigned PPA shall be allocated to the applicable Prepay Contract Chain consistent with the percentage allocation specified in MSCG and Participant's written agreement regarding the allocation of the Assigned Product under such Assigned PPA. Furthermore, MSCG and Participant may modify the allocation of the Assigned Products for an Assigned PPA by written agreement from time to time but not more than twice per calendar year, which modifications (i) must take effect on the first day of a Month specified in such written agreement of MSCG and Participant and may not in case have retroactive effect and (ii) may include without limitation (A) an allocation of an Assigned PPA to multiple Prepay Contract Chains for an Assigned PPA previously allocated to one Prepay Contract Chain and (B) an allocation of an Assigned PPA to a single Prepay Contract Chain for an Assigned PPA previously allocated to multiple Prepay Contract Chains. The Parties acknowledge and agree that, notwithstanding anything to the contrary in the Prepay Contract Chains, the terms thereof relating to the Monthly Projected Quantities, Monthly Excess Quantities and Assigned PAYGO Quantities shall be construed in accordance with this Section 3(d) to the extent that an Assigned PPA is allocated to more than one Prepay Contract Chain.

(e) Execution of New Prepay Contract Chains. MSCG and Participant shall promptly notify the Custodian in writing upon the subsequent execution of new Prepay Contract Chains for which Assigned PPA payments will be administered under this Agreement.

#### Section 4. Assigned PPA Payments Account.

(a) Custodial Account. With respect to payments required to be made by PPA Assignee and Participant to the PPA Sellers under the Assigned PPAs, there is hereby established with the Custodian at its office located at 777 E. Wisconsin Av., Milwaukee, WI 53202-5300, the

custodial account detailed below (the “Assigned PPA Payments Account”) and all payments made by PPA Assignee and Participant hereunder shall be wired to such Assigned PPA Payments Account:

ABA: 091000022

FBO: U.S. Bank Trust Company, National Association

Acct: [ ]

FFC: [ ] - [ ][Assigned PPA Payments Account]

Address: 777 E. Wisconsin Av.  
Milwaukee, WI 53202-5300

(b) PPA Assignee and Participant Monthly Payments.

(i) PPA Assignee shall make payment of the Delivered Product Payment Amount and any PPA Assignee Resettlement Amount into the Assigned PPA Payments Account on the Custodial Agreement Payment Date for each Month of any Assignment Period; provided that, to the extent that (i) the Delivered Product Payment Amount and any PPA Assignee Resettlement Amount are due and (ii) PPA Assignee pays some portion of such amounts but less than the total amount due, PPA Assignee’s partial payment shall be applied first to the Delivered Product Payment Amount.

(ii) For each Month of any Assignment Period for which the Retained Payment Amount is a positive number, Participant shall make payment of such amount into the Assigned PPA Payments Account on the Custodial Agreement Payment Date. For each Month of any Assignment Period for which the Retained Payment Amount is a negative number, Participant shall have no payment obligation for such Month with respect to the Retained Payment Amount and the Custodian will pay the absolute value of such amount to Participant consistent with Section 4(c)(ii).

(iii) For each Month, if any, of an Assignment Period for which there is an Issuer Negative Pricing Payment Amount under the relevant Power Supply Contract(s), Participant shall make payment of such amount(s) into the Assigned PPA Payments Account on the Custodial Agreement Payment Date; provided that, notwithstanding the foregoing, Participant shall have no payment obligation hereunder with respect to an Issuer Negative Pricing Payment Amount to the extent that PPA Assignee receives such amount from the PPA Seller pursuant to the terms of the applicable Assignment Agreement.

(c) Transfers by Custodian.

(i) For any Month in an Assignment Period for which the Retained Payment Amount is equal to or greater than zero (0), the Custodian shall withdraw the amounts on deposit in the Assigned PPA Payments Account to make payment of the Monthly Gross Amount on the PPA Monthly Statement Payment Date by a single wire transfer to the applicable PPA Seller of the amounts received from each of PPA Assignee and Participant.

(ii) For any Month in an Assignment Period for which the Retained Payment Amount is a negative number, the Custodian shall withdraw amounts on deposit in the

Assigned PPA Payments Account (A) first to make payment of the Monthly Gross Amount to the applicable PPA Seller in respect of each PPA Monthly Statement on the relevant PPA Monthly Statement Payment Date pursuant to the payment instructions set forth on Exhibit A; and (B) immediately thereafter to make payment of the absolute value of such Retained Payment Amount to Participant pursuant to the payment instructions set forth on Exhibit B. If the amounts on deposit in the Assigned PPA Payments Account are insufficient to pay the entirety of either such amount, the Custodian shall apply the amounts available in the order specified in the preceding sentence.

(iii) For any Month in an Assignment Period for which an Issuer Negative Pricing Payment Amount is due from Participant with respect to the relevant Power Supply Contract(s), the Custodian shall, after application of amounts on deposit in the Assigned PPA Payments Account pursuant to clause (i) or (ii) above, as applicable, withdraw amounts on deposit in the Assigned PPA Payments Account to make payment of Issuer Negative Pricing Payment Amount(s) to PPA Assignee.

(d) Amounts deposited in the Assigned PPA Payments Account shall be held in trust for the benefit of Participant until applied as set forth in Section 4(c) and Section 14, as applicable, and there is hereby granted to Participant a lien on and security interest in the Assigned PPA Payments Account pending such application. Except for any amounts due and payable to Participant pursuant to Section 4(c)(ii), the Custodian shall not be required to comply with any orders, demands, or other instructions from Participant with respect to the Assigned PPA Payments Account, including, without limitation, items presented for payment, or any order or instruction directing the disposition of funds or other assets held in or credited to the Assigned PPA Payments Account, and Participant agrees that, except as set forth in Section 4(c)(ii), prior to the termination of this Agreement in accordance with the terms hereof, it shall have no right to direct the disposition of funds or other assets held in or credited to the Assigned PPA Payments Account, or to withdraw or otherwise obtain funds or other assets held in or credited to the Assigned PPA Payments Account, whether by order or instruction to the Custodian or otherwise.

(e) With respect to each PPA Monthly Statement, to the extent PPA Assignee has purchased Receivables (as defined in the Prepaid Agreements) for amounts owed by Participant for the Month to which such PPA Monthly Statement relates, PPA Assignee may, at its option, (i) notify the Custodian that it intends to transfer all or any portion of such Receivables to the PPA Seller, and (ii) reduce the Delivered Product Payment Amount by the face amount of such Receivables to be transferred. To the extent PPA Assignee has notified the Custodian of its intent to transfer any such Receivables, PPA Assignee shall cause such Receivables to be transferred to the PPA Seller not later than the relevant PPA Monthly Statement Payment Date.

## Section 5. Provisional Payments Account.

(a) Custodial Account. With respect to Provisional Payments required to be made by a Prepay Seller to Issuer under a Prepaid Agreement, as reflected in the [Billing Statement] (as defined in the Prepaid Agreements) which shall be delivered by each Prepay Seller to each of the parties hereto consistent with [Section 14.1(b)] of the Prepaid Agreements, there is hereby established with the Custodian at its office located at 777 E. Wisconsin Av., Milwaukee, WI 53202-5300, the custodial account listed below (the “Provisional Payments Account”) and all

Provisional Payments made by a Prepay Seller hereunder shall be wired to such Provisional Payments Account:

ABA: 091000022

FBO: U.S. Bank Trust Company, National Association

Acct: [ ]

FFC: [ ] - [ ] [Provisional Payments Account]

Address: 777 E. Wisconsin Av.

Milwaukee, WI 53202-5300

(b) Prepay Seller Monthly Payments. For each Month of the Delivery Period under a Prepaid Agreement, the relevant Prepay Seller shall make payment of the Provisional Payment, if any, due under such Prepaid Agreement for such Month into the Provisional Payments Account on or before the payment due date set forth in such Prepaid Agreement for each Month of the Delivery Period. The Parties acknowledge and agree that any Provisional Payment due shall be reflected in the [Billing Statement] (as defined in the Prepaid Agreements) delivered by the relevant Prepay Seller under [Section 14.1(b)] of the relevant Prepaid Agreement, which each Prepay Seller has agreed to deliver to each of the Parties hereunder.

(c) Transfers by Custodian; Segregation and Application of Discount Dollars.

(i) Upon receipt of any Provisional Payment under Section 5(b), the Custodian shall promptly (x) withdraw the portion of such Provisional Payment that represents the Net Participant Price (as defined in the relevant Prepaid Agreement) that would otherwise be payable by Participant to Issuer with respect thereto under the relevant Power Supply Contract, as reflected in the Billing Statement delivered by the relevant Prepay Seller pursuant to [Section 14.1(b)] of the relevant Prepaid Agreement, and (y) transfer such amount to Issuer's [Revenue Fund] under and as defined in the relevant Bond Indenture.

(ii) The portion of any Provisional Payment in excess of the Net Participant Price (such portion, the "Discount Dollars") shall be segregated by the Custodian and applied as set forth below:

(A) the Custodian shall create separate subaccounts for each Prepay Contract Chain and deposit the Discount Dollars associated with a particular Prepay Contract Chain in the relevant subaccount;

(B) to the extent that (i) there is a positive balance of Discount Dollars being held by the Custodian in the subaccount relating to a Prepay Contract Chain and (ii) any Participant Monthly Statement reflects that Monthly Excess Quantities were delivered under an Assigned PPA relating to such Prepay Contract Chain for any given Month, the Custodian shall withdraw an amount equal to the Monthly Discount under the relevant Power Supply Contract(s) per MWh of Monthly Excess Quantities on the relevant PPA Monthly Statement Payment Date and transfer such amount(s) to Participant pursuant to the payment instructions set forth for payments to Participant on Exhibit A; and

(C) The relevant Prepay Seller shall notify the Custodian and each of the other Parties hereto if less than the Annual Quantity under a Prepay Contract Chain is delivered for any Contract Year, and, promptly following receipt of any such notice, the Custodian shall transfer any related Discount Dollars to the Trustee for deposit in the [Energy Remarketing Reserve Fund] under and as defined in the relevant Bond Indenture(s).

Section 6. Custodian. The Custodian shall have (a) no liability under any agreement other than this Agreement and (b) no duty to inquire as to the provisions of any agreement other than this Agreement and the Assigned PPAs. The Custodian may rely upon and shall not be liable for acting or refraining from acting upon any written notice, document, instruction or request furnished to it hereunder in accordance with the terms hereof and believed by it to be genuine and to have been signed or presented by the proper Party or Parties. The Custodian shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document, notice, instruction or request. The Custodian shall have no duty to solicit or compel any payments which may be due to it, or to take any action to compel PPA Assignee or Participant to make the deposits required under Section 4. The Custodian shall not be liable for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines that the Custodian's gross negligence or willful misconduct was the primary cause of any loss to any other Party hereto. In connection with the execution of any of its powers or the performance of any of its duties hereunder, the Custodian may consult with counsel, accountants and other skilled persons selected and retained by it. The Custodian shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons, provided the Custodian exercised due care and good faith in the selection of such person. The permissive rights of the Custodian to take actions enumerated under this Agreement shall not be construed as duties. In the event that the Custodian shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any Party hereto which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be directed otherwise in writing by all of the other Parties hereto or by a final order or judgment of a court of competent jurisdiction. The Custodian may interplead all of the assets held hereunder into a court of competent jurisdiction or may seek a declaratory judgment with respect to certain circumstances, and thereafter be fully relieved from any and all liability or obligation with respect to such interpleaded assets or any action or non-action based on such declaratory judgment. Anything in this Agreement to the contrary notwithstanding, in no event shall the Custodian be liable for special, indirect, incidental, consequential or punitive damages, losses or penalties of any kind whatsoever (including but not limited to lost profits), regardless of the form of action. The Custodian may engage and act through agents and attorneys and shall not be liable for the misconduct or negligence of any such agent or attorney appointed with due care. Nothing herein shall obligate or be construed to obligate the Custodian to advance its own funds, or to expend or risk its own funds. The Custodian shall not be liable for any action taken by it in good faith in accordance with instruction received in accordance with this Agreement, or for the application of funds by other actions or omissions of other persons. The Custodian shall be responsible only for funds actually received by it for deposit into the Assigned PPA Payments Account, and the Custodian shall not be obliged to advance or risk its own funds to make any payments required hereunder. The Custodian shall have only those duties expressly set forth in this Agreement and no implied duties shall be read into this Agreement against the

Custodian. The Parties hereto acknowledge and agree that the Custodian is not a fiduciary by virtue of accepting and carrying out its obligations under this Agreement and has not accepted any fiduciary duties, responsibilities or liabilities with respect to its services hereunder. The Custodian shall not be responsible for the perfection of any security interest granted hereunder.

Section 7. Succession. The Custodian may resign and be discharged from its duties or obligations hereunder by giving not less than 30 days' advance notice in writing of such resignation to the other Parties hereto specifying a date when such resignation shall take effect; and such resignation shall take effect upon the day specified in such notice unless a successor shall not have been appointed by the other Parties hereto on such date, in which event such resignation shall not take effect until a successor is appointed. The other Parties hereto shall use their commercially reasonable efforts to make such appointment in a timely fashion, provided that any custodian appointed in succession to the Custodian shall be a bank or trust company organized under the laws of any state or a national banking association and shall have capital stock, surplus and undivided earnings aggregating at least \$50,000,000 and shall be a bank with trust powers or trust company willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Agreement. Any corporation or association into which the Custodian may be merged or converted or with which it may be consolidated, or any corporation or association to which all or substantially all of the Custodian's corporate trust line of business may be transferred, shall be the Custodian under this Agreement without further act. Notwithstanding the foregoing, if no appointment of a successor Custodian shall be made pursuant to the foregoing provisions of this Section 7 within 30 days after the Custodian has given written notice to the other Parties of its resignation as provided in this Section 7, the Custodian may, in its sole discretion, apply to any court of competent jurisdiction to appoint a successor Custodian. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Custodian.

Section 8. Fees. Prepay LLC agrees to (a) pay the Custodian reasonable compensation for the services to be rendered hereunder, which compensation shall be \$[\_\_\_\_].00 for each year that this Agreement is in effect and (b) reimburse the Custodian for its reasonable attorneys' fees incurred in connection with the execution of this Agreement. The parties hereto acknowledge that this provision shall survive the resignation or removal of the Custodian or the termination of this Agreement.

Section 9. Reimbursement. Issuer, MSCG, Prepay LLC and Participant agree, jointly and severally (subject to the second proviso of this Section 9), to reimburse the Custodian and its directors, officers, agents and employees for any and all loss, liability or expense (including the fees and expenses of in-house or outside counsel and experts and their staffs and all expense of document location, duplication and shipment) arising out of or in connection with (a) its acting as the Custodian under this Agreement, except to the extent that such loss, liability or expense is finally adjudicated to have been caused primarily by the gross negligence or willful misconduct of the Custodian or such director, officer, agent or employee seeking reimbursement, or (b) its following any instructions or other directions from MSCG, Prepay LLC or Participant, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof; provided, however, that any amounts due under this Section 9 shall not duplicate any other amounts due under this Agreement, including without limitation amounts due under Section 15 hereof; provided further, however, that, notwithstanding the joint and several nature of the

obligations under this Section 9, any amounts due under clause (b) of this sentence resulting from instructions or directions that are not expressly provided for in this Agreement and are given to the Custodian by only one Party shall be the sole obligation of such Party. The Parties hereto acknowledge that this provision shall survive the resignation or removal of the Custodian or the termination of this Agreement.

Section 10. Taxpayer Identification Numbers; Tax Matters. MSCG, Prepay LLC and Participant represent that their correct taxpayer identification numbers assigned by the Internal Revenue Service or any other taxing authority is set forth on the signature page hereof. Any tax returns or reports required to be prepared and filed in connection with the Assigned PPA Payments Account will be prepared and filed by Participant, and the Custodian shall have no responsibility for the preparation and/or filing of any tax return with respect to any income earned on the Assigned PPA Payments Account. In addition, any tax or other payments required to be made pursuant to such tax return or filing shall be paid by Participant. The Custodian shall have no responsibility for making such payment unless directed to do so in writing by the appropriate authorized Party and fully indemnified to the Custodian's satisfaction.

Section 11. Notices.

(a) Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another Party shall be in writing and shall either be sent by email transmission or other Electronic Means (defined below), courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses specified in Exhibit B for the receiving Party. Any such notice, demand, or request shall be deemed to be given (i) when delivered by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service); provided that, if a Party delivers a notice, demand or request by any means other than email transmission or other Electronic Means (defined below), such notice shall not be effective unless and until the Party also delivers a copy thereof to the other Parties' email address specified in Exhibit B. Each Party shall have the right, upon 10 days' prior written notice to the other Parties, to change its list of notice recipients and addresses in Exhibit B. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods, such as electronic mail. Notwithstanding the foregoing, any Party may at any time notify the others that any notice, demand, statement or request to it must be provided by email transmissions for a specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective. In the event that the Custodian, in its sole discretion, shall determine that an emergency exists, the Custodian may use such other means of communication as the Custodian deems appropriate.

(b) Exhibit A shall include each PPA Seller's notice and payment information as set forth in the Assigned PPAs, and MSCG and Participant promptly shall cause such information to be updated to the extent there are any changes to such information under the Assigned PPAs.

(c) The Custodian shall have the right to accept and act upon instructions or directions given pursuant to this Agreement, or any other document reasonably relating to the matters described herein, delivered using Electronic Means (defined below); provided, however, that each party giving directions to the Custodian hereunder shall provide to a Responsible Officer of the

Custodian an incumbency certificate, substantially in the form attached hereto as Exhibit C, listing persons with the authority to provide such instructions or directions (each an “Authorized Officer”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended, with written notice to a Responsible Officer of the Custodian, whenever a person is to be added or deleted from the listing. If a party elects to give the Custodian directions or instructions using Electronic Means (defined below) and the Custodian in its discretion elects to act upon such directions, the Custodian’s understanding of such directions shall be deemed controlling. The parties understand and agree that the Custodian cannot determine the identity of the actual sender of such directions and that the Custodian shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided by a party to a Responsible Officer of the Custodian have been sent by such Authorized Officer. The party giving such instructions shall be solely responsible for ensuring that only Authorized Officers transmit such directions to the Custodian and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys issued by the Custodian as confidential and with extreme care. The Custodian shall not be liable for any losses, costs or expenses arising directly or indirectly from the Custodian’s reliance upon and compliance with such directions notwithstanding that such directions conflict or are inconsistent with a subsequent written direction. The party giving such directions agrees: (i) to assume all risks arising out of the use of Electronic Means (defined below) to submit directions to the Custodian, including without limitation the risk of the Custodian acting on unauthorized directions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions to the Custodian and that there may be more secure methods of transmitting directions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Custodian immediately upon learning of any compromise or unauthorized use of the security procedures.

(d) As used herein, “Electronic Means” shall mean the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Custodian, or another method or system specified by the Custodian as available for use in connection with its services hereunder.

## Section 12. Miscellaneous.

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

(b) Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by any Party, except as provided in Section 7, without the prior written consent of the other Parties.

(c) THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED, AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLE THAT WOULD DIRECT THE APPLICATION OF THE LAWS ANOTHER JURISDICTION; PROVIDED, HOWEVER,

THAT THE AUTHORITY OF PARTICIPANT TO ENTER INTO AND PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

(d) EACH PARTY HERETO IRREVOCABLY WAIVES ANY OBJECTION ON THE GROUNDS OF VENUE, FORUM NON-CONVENIENS OR ANY SIMILAR GROUNDS AND IRREVOCABLY CONSENTS TO SERVICE OF PROCESS BY MAIL OR IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW AND CONSENTS TO THE EXCLUSIVE JURISDICTION OF (A) THE COURTS OF THE STATE OF NEW YORK LOCATED IN THE BOROUGH OF MANHATTAN, (B) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK OR (C) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA IN ANY OTHER STATE WHERE AN OFFICE OF THE CUSTODIAN IS LOCATED. THE PARTIES FURTHER HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY LAWSUIT OR JUDICIAL PROCEEDING ARISING OR RELATING TO THIS AGREEMENT.

(e) No Party to this Agreement shall be liable to any other Party hereto for losses due to, or if it is unable to perform its obligations under the terms of this Agreement because of, acts of God, fire, war, terrorism, floods, strikes, electrical outages, equipment or transmission failure, or other causes reasonably beyond its control; provided that a Party affected by any such event shall exercise commercially reasonable efforts to resume performance as quickly as possible.

(f) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. All signatures of the Parties to this Agreement may be transmitted by digital pdf transmission, and such pdf will, for all purposes, be deemed to be the original signature of such Party whose signature it reproduces, and will be binding upon such Party. All signatures of the parties to this Agreement may be transmitted by digital pdf transmission under the terms set forth in this Section 12(f). The parties agree that the electronic signature of a party to this Agreement, including all acknowledgements, authorizations, directions, waivers and consents thereto (or any amendment or supplement thereto) shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, "electronic signature" means a manually signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent via the Internet as a pdf (portable document format) or other replicating image attached to an e mail message; and, "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature. Paper copies or "printouts", if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

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

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

(i) Nothing in this Agreement is intended to create any liabilities between Issuer, Prepay LLC, MSCG and Participant. This Agreement is intended solely to allocate payments that are actually made by Prepay LLC, MSCG and Participant in respect of amounts owed for physically settled Energy under the Assigned PPAs and the Prepay Contract Chains.

(j) As a material inducement to entering into this Agreement, Issuer, with respect to itself, hereby represents and warrants to the other Parties as of the date hereof that the amendments set forth herein do not in any manner materially impair or materially adversely affect the collection of [Revenues] or the rights or security of [Bondholders] or the [Interest Rate Swap Counterparty] under the Bond Indentures (as such terms are defined under the Bond Indentures).

Section 13. Compliance with Court Orders. In the event that any amount held by the Custodian hereunder shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court affecting the property deposited under this Agreement, the Custodian is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing are binding upon it, whether with or without jurisdiction, and in the event that the Custodian obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties hereto or to any other person, firm or corporation, by reason of such compliance notwithstanding that such writ, order or decree may be subsequently reversed, modified, annulled, set aside or vacated.

Section 14. Term; Winding Up. This Agreement will expire concurrently with the receipt of written notice from Participant, with a copy to the other Parties, that the Power Supply Contract has terminated in accordance with its terms. Following the Custodian's payment of any Monthly Gross Amount due in respect of the final Month of power deliveries prior to such a termination, any remaining balance in the Assigned PPA Payments Account shall be paid to Participant.

Section 15. Indemnification. Issuer, MSCG, Prepay LLC and Participant, jointly and severally, agree to protect, indemnify, defend and hold harmless, the Custodian, and its affiliates, and each person who controls the Custodian (and each of their respective directors, officers, agents and employees) from and against all claims, damages, losses, liabilities, actions, suits, costs, judgments and expenses (including, without limitation, court costs and reasonable attorneys' fees) arising from its acting as Custodian hereunder (including, for the avoidance of doubt, any costs, expenses and reasonable attorneys' fees incurred in enforcing any payment obligation of an indemnifying Party), except for any claim, damage, loss, liability, action, suit, cost, judgment or expense resulting from the gross negligence or willful misconduct of the Custodian; provided, however, that any amounts due under this Section 15 shall not duplicate any other amounts due under this Agreement, including without limitation amounts due under Section 9 hereof. The

obligations of this Section 15 shall survive any resignation or removal of the Custodian and the termination of this Agreement. In addition, notwithstanding anything herein to the contrary, the Custodian shall have all of the rights (including the indemnification rights), benefits, privileges and immunities under this Agreement as are granted the Trustee under the Bond Indenture, all of which are incorporated, mutatis mutandis, into this Agreement.

Section 16. USA PATRIOT Act. Issuer, MSCG, Prepay LLC and Participant acknowledge that the Custodian is subject to federal laws, including the Customer Identification Program (“CIP”) requirements under the USA PATRIOT Act and its implementing regulations, pursuant to which the Custodian must obtain, verify and record information that allows the Custodian to identify MSCG, Prepay LLC and Participant. Accordingly, prior to opening the Assigned PPA Payments Account described in Section 4 of this Agreement, the Custodian will ask Issuer, MSCG, Prepay LLC and Participant to provide certain information including but not limited to name, physical address, tax identification number and other information that will help the Custodian identify and verify Issuer, MSCG, Prepay LLC and Participant’s identities, such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information. Issuer, MSCG, Prepay LLC and Participant agree that the Custodian cannot open any account hereunder unless and until the Custodian verifies Issuer, MSCG, Prepay LLC and Participant’s identities in accordance with its CIP.

Section 17. Limitation of Liability. Notwithstanding anything to the contrary herein, all obligations of Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of Issuer, payable solely from the Trust Estates (as such term is defined in the Bond Indentures) as and to the extent provided in the Bond Indentures, including with respect to [Operating Expenses] (as such term is defined in the Bond Indentures). The Issuer shall not be required to advance any moneys derived from any source other than the [Revenues] (as such term is defined in the Bond Indentures) and other assets pledged under the Bond Indentures for any of the purposes in this Agreement mentioned. Neither the faith and credit of Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. The Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent [Revenues] (as such term is defined in the Bond Indentures) are received for the payment thereof and may be applied therefor pursuant to the terms of the Bond Indentures.

[Signature Pages Follow]

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

ORANGE COUNTY POWER AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Taxpayer ID Number: \_\_\_\_\_

MORGAN STANLEY CAPITAL GROUP  
INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Taxpayer ID Number: \_\_\_\_\_

ENERGY PREPAY XI, LLC

By: Morgan Stanley Capital Group Inc., its  
Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Taxpayer ID Number: \_\_\_\_\_

U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION, AS  
CUSTODIAN

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CALIFORNIA COMMUNITY CHOICE  
FINANCING AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Exhibit A

## EXHIBIT A

### ASSIGNED PPAs

1. [Power Purchase Agreement] dated as of [\_\_\_\_], by and between Orange County Power Authority, as PPA Buyer, and [MSCG]/[3<sup>rd</sup> Party PPA Seller], as PPA Seller, as amended from time to time.
  - a. **Prepay Contract Chain** (including the percent of Assigned PPA Volumes allocated):
    - i. MS-CCCFA 2026[X] – **[100]%**
  - b. **Assigned Product Price:** [\_\_\_\_]
  - c. **Assignment Period:** [\_\_\_\_] – [\_\_\_\_]
  - d. **Payment Instructions for Payments to PPA Seller:**  
Bank: [\_\_\_\_]  
ABA: [\_\_\_\_]  
Acct #: [\_\_\_\_]  
FBO: [PPA Seller]
  - e. **PPA Seller Notice Information:**  
[\_\_\_\_]  
[\_\_\_\_]  
[\_\_\_\_]

## EXHIBIT B

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

1. **MS-CCCFA 2026[X] Prepay Contract Chain** consisting of:
  - a. that certain Prepaid Energy Sales Agreement by and between Energy Prepay XI, LLC and California Community Choice Financing Authority, dated as of [\_\_\_\_], as amended from time to time.
    - i. Prepay LLC Notice Information  
Energy Prepay XI, LLC  
c/o Morgan Stanley & Co. LLC  
[1585 Broadway]  
New York, NY 10036-8293]  
Email: CCCFA\_2026[X]\_ms\_notices@morganstanley.com  
With a mandatory copy to:  
Email: msdoc-misc-notices@morganstanley.com
    - ii. CCCFA Notice Information  
California Community Choice Financing Authority  
1125 Tamalpais Avenue  
San Rafael, CA 94901  
Invoices@ccdfa.org
  - b. that certain Energy Management Agreement by and between Energy Prepay XI, LLC and Morgan Stanley Capital Group Inc., dated as of [\_\_\_\_], as amended from time to time.
    - i. Prepay LLC Notice Information  
Energy Prepay XI, LLC  
c/o Morgan Stanley & Co. LLC  
[1585 Broadway]  
New York, NY 10036-8293]  
Email: CCCFA\_2026[X]\_ms\_notices@morganstanley.com  
With a mandatory copy to:  
Email: msdoc-misc-notices@morganstanley.com
    - ii. MSCG Notice Information  
Morgan Stanley Capital Group Inc.  
Attention: Commodities Sales & Trading  
1585 Broadway  
New York, NY 10036-8293  
Email: CCCFA\_2026[X]\_ms\_notices@morganstanley.com
  - c. that certain Power Supply Contract by and between Orange County Power Authority and California Community Choice Financing Authority, dated as of [\_\_\_\_], as amended from time to time.
    - i. Orange County Power Authority Notice Information  
Orange County Power Authority  
[\_\_\_\_]  
[\_\_\_\_]  
Email: [\_\_\_\_]
    - ii. CCCFA Notice Information  
California Community Choice Financing Authority  
1125 Tamalpais Avenue  
San Rafael, CA 94901  
Email: Invoices@ccdfa.org

d. **Bank Account for Payments to Participant pursuant to Section 4(c)(ii):**

Bank Name: [ ]

Bank Routing Number: [ ]

Account Number: [ ]

Account Name: [ ]

FBO: [ ]

e. **Custodian:**

[ ]

[ ]

[ ]

[ ]

**EXHIBIT C**  
**FORM OF CERTIFICATE OF INCUMBENCY**

The undersigned, a duly Authorized Officer of [ ], in connection with the Custodial Agreement by and among Orange County Power Authority, a joint powers authority organized pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 et seq.) of the California Government Code and a community choice aggregator pursuant to the provisions of Section 366.2 of the California Public Utilities (“Participant”), Morgan Stanley Capital Group Inc., a Delaware corporation (“MSCG”), Energy Prepay XI, LLC, a Delaware limited liability company (“Prepay LLC”), and U.S. Bank Trust Company, National Association, a national banking association, (the “Custodian”) dated as of [ ], as from time to time amended, restated, supplemented or otherwise modified (the “Custodial Agreement”), HEREBY CERTIFIES that the persons whose names, titles and signatures appear below are duly qualified and acting representatives of [ ] (“Authorized Representatives”) on the date hereof. Each holds the office set forth beside his/her name, and the signature appearing opposite his/her name is the genuine signature of such Authorized Representative. Only those individuals, or such additional individuals as the undersigned may designate prior to written notice to the Custodian in the future, shall execute and deliver any written instructions, confirmations or certificates on behalf of [ ] in connection with the Custodial Agreement. Custodian shall not be obligated to accept any written instructions, confirmations or certificates executed by an individual other than those listed below or so designated in the future.

NAME	TITLE	PHONE NO.	SIGNATURE

Capitalized terms used herein and not otherwise defined shall have the meaning assigned in the Custodial Agreement.

[ ] acknowledges that Custodian will accept notices by Electronic Means only if [ ] acknowledges and assumes all risks relating to the use of such notices. [ ] hereby acknowledges and assumes all risks relating to the sending of notices by Electronic Means.

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed for and on behalf of [ ] this \_\_\_ day of \_\_\_\_\_.

[NAME OF PARTY]

By: \_\_\_\_\_  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

## LIMITED ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this “**Agreement**”) is entered into as of [\_\_\_\_], 20[\_\_\_\_] by and among Morgan Stanley Capital Group Inc., a Delaware corporation (“**PPA Seller**”), Orange County Power Authority, a [\_\_\_\_] (“**PPA Buyer**”), California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (“**Issuer**”), and Energy Prepay XI, LLC, a Delaware limited liability company (“**Prepay LLC**”).

### RECITALS

WHEREAS, PPA Buyer and PPA Seller are parties to that certain [PPA] dated as of [\_\_\_\_], 20[\_\_\_\_] (the “**PPA**”);

WHEREAS, in connection with a prepaid electricity transaction between Issuer and Prepay LLC, and with effect from and including the Assignment Period Start Date (as defined below), PPA Buyer wishes to transfer by limited assignment to Prepay LLC, and Prepay LLC wishes to accept the transfer by limited assignment of, the Assigned Rights and Obligations (as defined below) for the duration of the Assignment Period (as defined below); and

WHEREAS, pursuant to this Agreement, Prepay LLC will receive the Assigned Product and Prepay LLC will deliver the Assigned Product to Prepay LLC, which will redeliver the Assigned Product to Issuer for ultimate redelivery to PPA Buyer; and

WHEREAS, pursuant to this Agreement, Prepay LLC will assume responsibility for the Delivered Product Payment Obligation.

THEREFORE, in consideration of the premises above and the mutual covenants and agreements herein set forth, Issuer, PPA Seller, PPA Buyer and Prepay LLC (the “**Parties**” hereto; each is a “**Party**”) agree as follows:

### AGREEMENT

#### 1. Definitions.

The following terms, when used in this Agreement and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“**Agreement**” has the meaning specified in the first paragraph above.

“**Assigned Delivery Point**” has the meaning specified in Appendix 1.

“**Assigned Products**” means all [Products] under and as defined in the PPA.

**“Assigned Product Price”** means the [Energy Price] (as defined in the PPA and specified in Appendix 1).

**“Assigned Rights and Obligations”** means (i) the rights of PPA Buyer under the PPA to receive the Assigned Products in each Month during the Assignment Period, as such rights may be limited or further described in Appendix 1, and (ii) the Delivered Product Payment Obligation, which right and obligation are transferred and conveyed to Prepay LLC hereunder.

**“Assignment Early Termination Date”** has the meaning specified in Section 5(b).

**“Assignment Period”** has the meaning specified in Section 5(a).

**“Assignment Period End Date”** means 11:59:59 p.m. pacific prevailing time on [\_\_\_\_], 20[\_\_\_\_].

**“Assignment Period Start Date”** means 00:00 pacific prevailing time on [\_\_\_\_], 20[\_\_\_\_].

**“Business Day”** means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day begins at 8:00 a.m. and ends at 5:00 p.m. local time for the Party sending a notice, or payment, or performing a specified action.

**“CAISO Tariff”** means the California Independent System Operator Corporation Agreement and Tariff, Business Practice Manuals (BPMs), and Operating Procedures, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time-to-time and approved by the Federal Energy Regulatory Commission.

**“Claims”** means all claims or actions, threatened or filed, and the resulting losses, damages, expenses, attorneys’ fees, experts’ fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, in each case arising under, in respect of or related in any way to the PPA or any transaction thereunder, except for the Delivered Product Payment Obligation.

**“Delivered Product Payment Obligation”** has the meaning specified in Section 3(a).

**“Electricity”** means three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours (MWh).

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

**“Issuer”** has the meaning specified in the first paragraph of this Agreement.

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

**“Month”** means a calendar month.

**“Prepay LLC”** has the meaning specified in the first paragraph of this Agreement.

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

**“PPA Buyer”** has the meaning specified in the first paragraph of this Agreement.

**“PPA Seller”** has the meaning specified in the first paragraph of this Agreement.

**“Prepaid Agreement”** means that certain Prepaid Energy Sales Agreement dated as [\_\_\_\_] by and between Prepay LLC and Issuer.

**“Prepay Power Supply Contract”** means that certain Power Supply Contract dated as of [\_\_\_\_] by and between PPA Buyer and Issuer.

**“Receivables”** has the meaning given to such term in Section 3(e).

**“Retained Rights and Obligations”** has the meaning specified in Section 3.

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

## **2. Transfer and Undertakings.**

(a) PPA Buyer hereby assigns, transfers and conveys to Prepay LLC all right, title and interest in and to the rights of PPA Buyer under the PPA to receive delivery of the Assigned Product during the Assignment Period. In connection with this assignment, PPA Buyer hereby delegates to Prepay LLC the Assigned Rights and Obligations during the Assignment Period.

(b) PPA Seller hereby consents and agrees to PPA Buyer’s assignment, transfer and conveyance of all right, title and interest in and to the Assigned Product and Assigned Rights and Obligations to Prepay LLC and the exercise and performance by Prepay LLC of the Assigned Rights and Obligations during the Assignment Period.

(c) Prepay LLC hereby accepts such assignment, transfer and conveyance of the Assigned Rights and Obligations during the Assignment Period and agrees to perform any such Assigned Rights and Obligations due from it during the Assignment Period to the extent expressly set forth in this Agreement.

## **3. Limited Assignment.**

The Parties acknowledge and agree that (i) the Assigned Rights and Obligations include only a portion of PPA Buyer’s rights and obligations under the PPA, and that all rights and obligations

arising under the PPA that are not expressly included in the Assigned Rights and Obligations shall be **“Retained Rights and Obligations”**, and (ii) the Retained Rights and Obligations include all rights and obligations of PPA Buyer arising during the Assignment Period except the rights and obligations expressly included in the Assigned Rights and Obligations. In this regard:

(a) **Limited to Delivered Product Payment Obligation; Invoicing.** Prepay LLC’s sole payment obligation hereunder will be to pay the Floating Price Payments into the Custodial Account as such terms are defined in and described on Appendix 1 (the **“Delivered Product Payment Obligation”**). Prepay LLC and PPA Buyer each agree to instruct the Custodian to pay PPA Seller for the Assigned Products delivered during each Month of the Assignment Period on each applicable payment date under the PPA. PPA Buyer shall remain responsible for any payment obligations under the PPA during the Assignment Period, including in the event that either (i) Prepay LLC does not make the payments into the Custodial Account as described above or (ii) the Custodian does not make the payments to the PPA Seller from the Custodial Account as described above.

(b) **Retained Rights and Obligations.** Any Claims (other than the Delivered Product Payment Obligation or a failure to perform the same) arising or existing in connection with or related to the PPA, whether related to performance by PPA Seller, PPA Buyer or Prepay LLC, and whether arising before, during or after the Assignment Period, in each case excluding the Delivered Product Payment Obligation, will be included in the Retained Rights and Obligations and any such Claims will be resolved exclusively between PPA Seller and PPA Buyer in accordance with the PPA.

(c) **Scheduling.** All scheduling of Electricity associated with Assigned Product 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 to Prepay LLC upon delivery by PPA Seller at the Assigned Delivery Point in accordance with the PPA; (ii) immediately thereafter, title to such Assigned Product will pass to Prepay LLC, Issuer and then to PPA Buyer upon delivery by Prepay LLC at the same point where title is passed to Prepay LLC pursuant to clause (i) above; (iii) PPA Buyer will be deemed to be acting as Prepay LLC’s agent with regard to scheduling Assigned Products; provided, however, that PPA Buyer shall be entitled to retain for its own account all CAISO revenues associated with delivery of the Assigned Product to CAISO, including where PPA Buyer is acting as Scheduling Coordinator for the [Facility] (as defined in the PPA) and through scheduling of ISTs; and (iv) (A) PPA Buyer and PPA Seller will provide copies to Prepay LLC of (I) any notice of force majeure delivered under the PPA and (II) any notice of a default or of a breach or other event that, if not cured within an applicable grace period, could result in a default; (B) PPA Seller will provide copies to Prepay LLC of annual forecasts and monthly forecasts and generation reports delivered under the PPA; and (C) PPA Buyer and PPA Seller, as applicable, will provide copies to Prepay LLC of any other information reasonably requested by Prepay LLC relating to Assigned Product.

(d) **Amendments.** PPA Buyer and PPA Seller will provide written notice (including copies thereof) of any amendment, waiver, supplement, modification, or other changes to the PPA to Prepay LLC relating to the Assigned Rights and Obligations, and the Parties hereby acknowledge and agree that an amendment, waiver, supplement, modification or other change will

not have any effect on Prepay LLC's rights or obligations under this Agreement until and unless Prepay LLC receives written notice thereof.

(e) **Setoff of Receivables.** Pursuant to the Prepaid Agreement, Prepay LLC has agreed to purchase the rights to payment of the net amounts owed by PPA Buyer under the Prepay Power Supply Contract ("Receivables") in the case of non-payment by PPA Buyer. To the extent any such Receivables relate to Assigned Product purchased by Prepay LLC pursuant to the Assigned Rights and Obligations, Prepay LLC may transfer such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) to PPA Seller and apply the face amount of such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) as a reduction to any Delivered Product Payment Obligations; provided, however, that at no time shall PPA Seller be required to pay Prepay LLC for any amounts by which such Receivables exceed any Delivered Product Payment Obligations then due and owed to PPA Seller. Any such amounts owed as Receivables shall be considered amounts owed by PPA Buyer under the PPA, and PPA Seller shall be entitled to enforce its claim for such amounts under and subject to the terms of the PPA.

#### **4. Forward Contract.**

The Parties acknowledge and agree that this Agreement constitutes a "forward contract" and that the Parties shall constitute "forward contract merchants" within the meaning of the United States Bankruptcy Code.

#### **5. Assignment Period; Assignment Early Termination.**

(a) **Assignment Period.** The "Assignment Period" shall begin on the Assignment Period Start Date and extend until the Assignment Period End Date; provided that in no event shall the Assignment Period extend past an Assignment Early Termination Date.

(b) **Early Termination.** An "Assignment Early Termination Date" will occur under the following circumstances and as of the dates specified below:

i. the assignment of the Prepay Power Supply Contract by PPA Buyer or Issuer pursuant to [Article XIII] thereof, which Assignment Early Termination Date shall occur immediately as of the time of such assignment;

ii. the suspension, expiration, or termination of performance of the PPA by either PPA Buyer or PPA Seller for any reason other than the occurrence of [Force Majeure] under and as defined in the PPA, which Assignment Early Termination Date shall occur immediately as of the time of PPA Seller's last performance under the PPA following such suspension, expiration, or termination;

iii. the election of Prepay LLC in its sole discretion to declare an Assignment Early Termination Date as a result of (a) any event or circumstance that would give either PPA Buyer or PPA Seller the right to terminate or suspend performance under the PPA (regardless of whether PPA Buyer or PPA Seller exercises such right) or (b) the execution of an amendment, waiver, supplement, modification or other change to the PPA that

adversely affects the Assigned Rights and Obligations or Prepay LLC's rights or obligations under this Agreement (provided that Prepay LLC shall not have a right to terminate under this clause (b) to the extent that Prepay LLC (i) receives prior notice of such change and (ii) provides its written consent thereto), which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by Prepay LLC to PPA Buyer and PPA Seller;

iv. termination or suspension of deliveries for any reason other than force majeure under the Prepaid Agreement or Prepay Power Supply Contract, which Assignment Early Termination Date shall occur immediately as of the time of the last deliveries under the relevant contract following such suspension or termination;

v. the election of PPA Seller or PPA Buyer in its sole discretion to declare an Assignment Early Termination Date if Prepay LLC fails to pay when due any amounts owed to PPA Seller in respect of any Delivered Product Payment Obligation and such failure continues for five Business Days following receipt by Prepay LLC of written notice thereof, which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by PPA Seller or PPA Buyer, as applicable, to Prepay LLC, and with a copy to PPA Buyer or PPA Seller, as applicable;

vi. the election of PPA Seller or PPA Buyer in its sole discretion to declare an Assignment Early Termination Date if either (a) an involuntary case or other proceeding is commenced against Prepay LLC seeking liquidation, reorganization or other relief with respect to it or its debts under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar law now or hereafter in effect or seeking the appointment of a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed, or an order or decree approving or ordering any of the foregoing is entered and continued unstayed and in effect, in any such event, for a period of 60 days, or (b) Prepay LLC commences a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar law or any other case or proceeding to be adjudicated as bankrupt or insolvent, or Prepay LLC consents to the entry of a decree or order for relief in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, files a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or consents to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of Prepay LLC or any substantial part of its property, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due, which Assignment Early Termination Date shall occur upon the earliest date set forth in a written notice of such election delivered by PPA Seller or PPA Buyer, as applicable, to Prepay LLC, and with a copy to PPA Buyer or PPA Seller, as applicable;

vii. either Prepay LLC or PPA Buyer may designate an Assignment Early Termination Date with written notice to the other Parties to the extent that Prepay LLC and

PPA Buyer have mutually agreed upon a replacement [Assignment Agreement] (as defined in the Prepay Power Supply Contract) that will replace the Assigned Rights and Obligations hereunder immediately following the termination hereof, which Assignment Early Termination Date shall occur effective as of the end of the Month preceding the commencement of the “Assignment Period” under the replacement Assignment Agreement as specified in the notice from Prepay LLC or PPA Buyer to the other Parties; and

viii. PPA Buyer may deliver written notice of termination to the other Parties if any change, event or effect occurs, including but not limited a change in applicable laws or regulations, any issues with the PPA Seller or the PPA, a dispute under the PPA or other similar circumstance, that individually or collectively have or are reasonably expected by PPA Buyer to have a material adverse effect upon (A) the PPA Buyer, (B) its rights and obligations under this Agreement, the Prepay Power Supply Contract, or the PPA, or (C) the benefit the PPA Buyer is receiving by assigning the Assigned Rights and Obligations, with such Assignment Early Termination Date to be the date set forth in a written notice delivered by PPA Buyer to the other Parties; provided that (x) PPA Buyer will provide notice to the other Parties as soon as is reasonably possible that PPA Buyer anticipates exercising this termination right, and (y) PPA Buyer shall exercise commercially reasonable efforts to propose and agree with Prepay LLC upon a replacement Assignment Agreement prior to exercising this termination right.

(c) **Reversion of Assigned Rights and Obligations.** The parties acknowledge and agree that upon the occurrence of an Assignment Early Termination Date the Assigned Rights and Obligations will revert from Prepay LLC to PPA Buyer. Any Assigned Rights and Obligations that would become due for payment or performance on or after such Assignment Early Termination Date shall immediately and automatically revert from Prepay LLC to PPA Buyer, provided that (i) Prepay LLC shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to Prepay LLC prior to the Assignment Early Termination Date, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the occurrence of the Assignment Early Termination Date.

## 6. Representations and Warranties.

(a) **Copy of PPA.** PPA Seller and PPA Buyer represent and warrant to Prepay LLC that a true, complete, and correct copy of the PPA is attached hereto as Appendix 3.

(b) **No Default.** PPA Seller and PPA Buyer represent and warrant to Prepay LLC that 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.

(c) **Other.** Each of PPA Buyer and PPA Seller represents and warrants to each other and to Prepay LLC that:

i. it has made no prior transfer (whether by way of security or otherwise) of any interest in the Assigned Rights and Obligations; and

ii. all obligations of PPA Buyer and PPA Seller under the PPA required to be performed on or before the Assignment Period Start Date have been fulfilled.

(d) **Representations.** Each Party represents to each of the other Parties:

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

ii. **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance.

iii. **No Violation or Conflict.** Such execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its obligations under this Agreement, will not result in any violation of, or conflict with: (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination or award of any arbitrator applicable to it; or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any Government Agency, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.

iv. **Consents.** All consents, approvals, orders or authorizations of, registrations, declarations, filings or giving of notice to, obtaining of any licenses or permits from, or taking of any other action with respect to, any Person or Government Agency that are required to have been obtained by such Party with respect to this Agreement and the transactions contemplated hereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

v. **Obligations Binding.** Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

vi. **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such

advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement; it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by all Parties, considers this Agreement a legally enforceable contract. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement.

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

viii. **Status of Parties.** None of the other Parties is acting as a fiduciary for or an adviser to it in respect of this Agreement.

## **7. Counterparts.**

This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile or electronic transmission), each of which will be deemed an original.

## **8. Costs and Expenses.**

The Parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation, and execution of this Agreement.

## **9. Amendments.**

No amendment, modification, or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by an electronic transmission) and executed by each of the Parties or confirmed by emails or electronic messages on an electronic messaging system.

## **10. Notices.**

Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another shall be in writing, except as otherwise expressly provided herein. It shall be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses for each of the other Parties designated in Appendix 2 hereto. Any such notice, demand, or request shall be deemed to be given (i) when sent by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon 10 days' prior written notice to the other Parties, to change its address at any time, and to designate that copies of all such notices be directed to another person at another address. The Parties may mutually agree in writing at any

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

## **11. Miscellaneous.**

(a) **Governing Law.** This Agreement and the rights and duties of the Parties under this 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 PPA Buyer to enter into and perform its obligations under this agreement shall be determined in accordance with the laws of the state of California.

(b) **[U.S. Resolution Stay.]** The Parties hereby confirm that they are adherents to the ISDA 2018 U.S. Resolution Stay Protocol ("ISDA U.S. Stay Protocol"), the terms of the ISDA U.S. Stay Protocol are incorporated into and form a part of this Agreement, and this Agreement shall be deemed a Protocol Covered Agreement for purposes thereof. For purposes of incorporating the ISDA U.S. Stay Protocol, Prepay LLC and PPA Seller shall each be deemed to be a Regulated Entity, and PPA Buyer shall be deemed to be an Adhering Party. In the event of any inconsistencies between this Agreement and the ISDA U.S. Stay Protocol, the ISDA U.S. Stay Protocol will prevail.]

### **(c) Reserved.**

(d) **Arbitration.** Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope of this agreement to arbitrate, shall be determined by final, non-appealable binding arbitration in San Francisco, California before three (3) arbitrators. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures. Within fifteen (15) days after the commencement of arbitration, each of PPA Seller and PPA Buyer shall select one person to act as arbitrator, and the two so-selected arbitrators shall select a third arbitrator (the "chairperson") within thirty (30) days of the commencement of the arbitration. If either PPA Seller or PPA Buyer is unable or fails to select one person to act as arbitrator, such arbitrator shall be appointed by JAMS. If the PPA Seller and PPA Buyer-selected arbitrators are unable or fail to agree upon a chairperson, the chairperson shall be appointed by JAMS. The chairperson shall be a person who has experience in renewable energy-related transactions, and none of the arbitrators shall have been previously employed by any Party or have any direct pecuniary interest in any Party or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by all of the Parties. The Parties shall maintain the confidential nature of the arbitration proceeding and any award, including any hearing(s), except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of

this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator(s) shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. In any arbitration arising out of or related to this Agreement, the arbitrators shall award to the prevailing Party or Parties, if any, the costs and attorney's fees reasonably incurred in seeking to enforce the application of this Section 11(d) and by the prevailing party in connection with the arbitration. Notwithstanding the foregoing provisions of this Section 11(d), any costs incurred by a Party in seeking judicial enforcement of any written decision of the arbitrators shall be chargeable to and borne exclusively by the Party against whom such court order is obtained. The award shall be final and binding on the Parties and judgment upon any award may be entered in any court of competent jurisdiction.

(e) **Judicial Reference.** Without limiting the provisions in Section 11(d), if Section 11(d) is deemed ineffective or unenforceable in any respect, any dispute between the Parties arising out of or in connection with this Agreement or its performance, breach, or termination (including the existence, validity and interpretation of this Agreement and the applicability of any statute of limitation period) (each, a "**Dispute**") shall be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure ("CCP"), or their successor sections (a "**Reference Proceeding**"), which shall constitute the exclusive remedy for the resolution of any Dispute. As a condition precedent to initiating a Reference Proceeding with respect to any Dispute, the Parties shall comply with the provisions of Section 11(e)(i).

i. Notice of Dispute. Prior to initiating the Reference Proceeding, a Party (the "**Disputing Party**") shall provide the other Parties (the "**Responding Parties**") with a written notice of each issue in dispute, a proposed means for resolving each such issue, and support for such position (the "**Notice of Dispute**"). Within 10 days after receiving the Notice of Dispute, the Responding Parties shall provide the Disputing Party with a written Notice of each additional issue (if any) with respect to the dispute raised by the Notice of Dispute, a proposed means for resolving every issue in dispute, and support for such position (the "**Dispute Response**"). Thereafter, the Parties shall meet to discuss the matter and attempt in good faith to reach a negotiated resolution of the dispute. If the Parties do not resolve the dispute by unanimous agreement within sixty 60 days after receipt of the Dispute Response, (the "**Negotiation Period**"), then any Party may provide to the other Parties written notice of intent for judicial reference (the "**Impasse Notice**") in accordance with the further provisions of this Section 11.

ii. Applicability; Selection of Referees.

(A) Within 10 days of the delivery of an Impasse Notice, each of PPA Seller and PPA Buyer shall nominate one (1) referee. The two (2) referees (the "**Party-Appointed Referees**") shall appoint a third referee (the "**Third Referee**", together with the Party-Appointed Referees, the "**Referees**"). The Party-Appointed Referees shall be competent and experienced in matters involving the electric energy business in the United States, with at least ten (10) years of electric industry experience as a practicing attorney. The Third Referee shall be an active or retired

California state or federal judge. Each of the Party-Appointed Referees and the Third Referee shall be impartial and independent of each of the Parties and of the other referees and not employed by any of the Parties in any prior matter.

(B) If the Party-Appointed Referees are unable to agree on the Third Referee within 45 days from delivery of the Impasse Notice, then the Third Referee shall be appointed pursuant to CCP Section 640(b) in an action filed in the Superior Court of California, County of San Francisco (the “**Court**”), and with due regard given to the selection criteria above. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the Parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP Section 170.6, each of PPA Buyer and PPA Seller shall have one (1) peremptory challenge to the referee selected by the Court.

iii. Discovery; Proceedings.

(A) The Parties agree that time is of the essence in conducting the Reference Proceeding. Accordingly, the referees shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within 20 days after the date of selection of the Third Referee, (ii) if practicable, try all issues of law or fact within 180 days after the date of the conference, and (iii) report a statement of decision within 20 days after the matter has been submitted for decision.

(B) Discovery and other pre-hearing procedures shall be conducted as agreed to by the Parties, or if they cannot agree, as determined by the Third Referee after discussion with the Parties regarding the need for discovery and other pre-hearing procedures.

(C) Except as expressly set forth herein, the Third Referee shall determine the manner in which the Reference Proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the Reference Proceeding. The Reference Proceeding, including the trial, shall be conducted at a neutral location selected by the Parties, or if not agreed by the Parties, by the Third Referee, in San Francisco, California.

(D) All proceedings and hearings conducted before the referees, except for trial, shall be conducted without a court reporter, except that when any Party so requests, a court reporter will be used at any hearing conducted before the referees, and the referees will be provided a courtesy copy of the transcript. The Party making such a request shall have the obligation to arrange for and pay the court reporter.

iv. Decision. The referees shall render a written statement of decision setting forth findings of fact and conclusions of law. The decision shall be entered as a judgment in the court in accordance with the provisions of CCP Sections 644 and 645. The decision

shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the Court. The Parties intend this general reference agreement to be specifically enforceable in accordance with the CCP.

v. **Expenses.** Each of PPA Seller and PPA Buyer shall bear the compensation and expenses of its respective Party-Appointed Referee, own counsel, witnesses, consultants and employees. All other expenses of judicial reference shall be split equally between PPA Seller and PPA Buyer.

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

[Signature Pages Follow]

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

MORGAN STANLEY CAPITAL GROUP INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ORANGE COUNTY POWER AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ENERGY PREPAY XI, LLC  
By: Morgan Stanley Capital Group Inc., its Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Appendix 1**  
**Assigned Rights and Obligations**

**PPA:**       

**Assigned Delivery Point:**       

**Assigned Product Price:**

## **Appendix 2** **Notice Information**

**IF TO PPA  
SELLER:** As set forth in the PPA

**IF TO Prepay LLC:** Energy Prepay XI, LLC  
c/o Morgan Stanley & Co. LLC  
[1585 Broadway  
New York, NY 10036-8293]  
Email: CCCFA\_2026[X]\_ms\_notices@morganstanley.com  
With a mandatory copy to:  
msdoc-misc-notices@morganstanley.com

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

**IF TO PPA BUYER:** As set forth in the PPA

**Appendix 3  
Copy of PPA  
[To be attached.]**

**LIMITED ASSIGNMENT AGREEMENT**  
**([Project Name])**

This Limited Assignment Agreement (this “**Agreement**”) is entered into as of [\_\_\_\_], 202[\_\_\_\_] (the “**Assignment Agreement Effective Date**”) by and among [\_\_\_\_], a [\_\_\_\_] (“**PPA Seller**”), Orange County Power Authority, a joint powers authority organized pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code and a community choice aggregator pursuant to the provisions of Section 366.2 of the California Public Utilities Code (“**PPA Buyer**”), and Morgan Stanley Capital Group Inc., a Delaware corporation (“**MSCG**”).

**RECITALS**

**WHEREAS**, PPA Buyer and PPA Seller are parties to that certain PPA identified on Appendix 1 hereto;

**WHEREAS**, in connection with one or more prepaid Energy transactions entered into between the Issuer, and a Prepay Seller, and with effect from and including the Assignment Period Start Date, PPA Buyer wishes to transfer by limited assignment to MSCG, and MSCG wishes to accept the transfer by limited assignment of, the Assigned Rights and Obligations with respect to any and all Assignment Appendices during the Assignment Period;

**WHEREAS**, pursuant to this Agreement, during the Assignment Period, MSCG will receive the Assigned Products specified in any and all Assignment Appendices in effect from time to time and MSCG will deliver such Assigned Products to Prepay Seller(s), which will deliver such Assigned Products to Issuer for ultimate delivery to PPA Buyer; and

**WHEREAS**, pursuant to this Agreement, during the Assignment Period, MSCG will assume responsibility for the Delivered Product Payment Obligation with respect to any and all Assignment Appendices then in effect.

**THEREFORE**, in consideration of the premises above and the mutual covenants and agreements herein set forth, PPA Seller, PPA Buyer and MSCG (the “**Parties**” hereto and each individually a “**Party**”) agree as follows:

**AGREEMENT**

**1. Definitions.**

Unless the context otherwise specifies or requires, or defined below, capitalized terms used but not defined in this Agreement have the meanings set forth in the PPA. The following terms, when used in this Agreement and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“**Agreement**” has the meaning specified in the first paragraph above.

**“Assigned Products”** means [the Product] under and as defined in the PPA.

**“Assigned Rights and Obligations”** means (i) the right of PPA Buyer under the PPA to receive the Assigned Products in each Month as specified in any and all Assignment Appendices then in effect during the Assignment Period, and (ii) the Delivered Product Payment Obligation, which rights and obligations are transferred and conveyed to MSCG hereunder, but which shall not relieve PPA Buyer of its obligations under the PPA in any respects.

**“Assignment Agreement Effective Date”** has the meaning set forth in the first paragraph above.

**“Assignment Appendix”** means each Assignment Appendix in the form attached hereto as Appendix 2 and delivered by MSCG hereunder pursuant to Section 11(f).

**“Assignment Appendix End Date”** has, with respect to each Assignment Appendix, the meaning specified therein.

**“Assignment Appendix Period”** means, with respect to each Assignment Appendix, the period from the Assignment Appendix Start Date to the Assignment Appendix End Date; provided that no Assignment Appendix Period may commence prior to the Assignment Period Start Date and no Assignment Appendix Period may extend beyond the Assignment Period End Date.

**“Assignment Appendix Start Date”** has, with respect to each Assignment Appendix, the meaning specified therein.

**“Assignment Early Termination Date”** has the meaning specified in Section 5(b).

**“Assignment Period”** has the meaning specified in Section 5(a).

**“Assignment Period End Date”** means 11:59:59 p.m. pacific prevailing time on [\_\_\_\_], 20[\_\_\_\_].

**“Assignment Period Start Date”** means [\_\_\_\_] 1, 20[\_\_\_\_].

**“Business Day”** has the meaning specified in the Prepaid Agreement.

**“Claims”** means all claims or actions, threatened or filed, and the resulting losses, damages, expenses, attorneys’ fees, experts’ fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, in each case arising under, in respect of or related in any way to the PPA or any transaction thereunder, except for the Delivered Product Payment Obligation.

**“Custodian”** has, with respect to each Assignment Appendix, the meaning specified therein.

**“Custody Agreement”** has, with respect to each Assignment Appendix, the meaning specified therein.

“**Day-Ahead Average Price**” has the meaning specified in Appendix 1.

“**Delivered Product Payment Obligation**” has the meaning specified in Section 3(a).

“**Delivery Point**” has the meaning specified in Appendix 1.

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

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

“**Issuer**” has, with respect to each Assignment Appendix, the meaning specified therein.

“**Month**” means a calendar month.

“**MSCG**” has the meaning specified in the first paragraph of this Agreement.

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

“**PPA Buyer**” has the meaning specified in the first paragraph of this Agreement.

“**PPA Seller**” has the meaning specified in the first paragraph of this Agreement.

“**Prepaid Agreement**” has, with respect to each Assignment Appendix, the meaning specified therein.

“**Prepay Power Supply Contract**” has, with respect to each Assignment Appendix, the meaning specified therein.

“**Prepay Seller**” has, with respect to each Assignment Appendix, the meaning specified therein.

“**Receivables**” has the meaning given to such term in Section 3(e).

“**Retained Rights and Obligations**” has the meaning specified in Section 3.

## **2. Transfer and Undertakings.**

- (a) PPA Buyer hereby assigns, transfers and conveys to MSCG all right, title and interest in and to the rights of PPA Buyer under the PPA to receive delivery of the Assigned Products specified in any and all Assignment Appendices then in effect during the Assignment Period. In connection with this assignment, PPA Buyer hereby delegates to MSCG the Assigned Rights and Obligations during the Assignment Period.

- (b) PPA Seller hereby consents to PPA Buyer's assignment, transfer and conveyance of all right, title and interest in and to the Assigned Products specified in any and all Assignment Appendices then in effect and, subject to Section 3(a), the delegation of the Assigned Rights and Obligations to MSCG and the exercise and performance by MSCG of the Assigned Rights and Obligations during the Assignment Period.
- (c) MSCG hereby accepts such assignment, transfer and conveyance of PPA Buyer's right, title and interest in and to the Assigned Products specified in any and all Assignment Appendices then in effect during the Assignment Period, PPA Buyer's delegation of the Assigned Rights and Obligations during the Assignment Period and agrees to perform any such Assigned Rights and Obligations due from it during the Assignment Period to the extent expressly set forth in this Agreement.

### **3. Limited Assignment.**

The Parties acknowledge and agree that (i) the Assigned Rights and Obligations include only a portion of PPA Buyer's and PPA Seller's rights and obligations arising under the PPA, and that all rights and obligations arising under the PPA that are not expressly included in the Assigned Rights and Obligations shall be "**Retained Rights and Obligations**", and (ii) the Retained Rights and Obligations include all rights and obligations of PPA Buyer and PPA Seller arising during the Assignment Period except the rights and obligations expressly included in the Assigned Rights and Obligations. In this regard:

(a) **Limited to Delivered Product Payment Obligation.** MSCG's sole payment obligation hereunder will be to pay the Floating Price Payments into the Custodial Account as such terms are defined in and described on Appendix 1 (the "**Delivered Product Payment Obligation**"), which Delivered Product Payment Obligation shall credit against and reduce the amounts otherwise due from PPA Buyer to PPA Seller under the PPA for each Month of the Assignment Period. MSCG and PPA Buyer each agree to instruct the Custodian in accordance with Section 3(c) hereof to pay PPA Seller for the Assigned Products delivered during each Month of the Assignment Period specified in any and all Assignment Appendices then in effect on each applicable payment date under the "Payment" section of the PPA. PPA Buyer shall remain responsible for any payment obligations under the PPA during the Assignment Period specified in any and all Assignment Appendices then in effect, including in the event that either (i) MSCG does not make the payments into the Custodial Account or (ii) the Custodian does not make the payments to the PPA Seller from the Custodial Account as described above.

(b) **Retained Rights and Obligations.** Any Claims (other than the Delivered Product Payment Obligation or a failure to perform the same) arising or existing in connection with or related to the PPA, whether related to performance by PPA Seller, PPA Buyer or MSCG, and whether arising before, during or after the Assignment Period, in each case excluding the Delivered Product Payment Obligation, will be included in the Retained Rights and Obligations and any such Claims will be resolved exclusively between PPA Seller and PPA Buyer in accordance with the PPA. For the avoidance of doubt, the Parties acknowledge and agree that any invoice adjustments or reconciliations occurring after the initial settlement of amounts due under a monthly invoice shall be resolved solely between PPA Seller and PPA Buyer pursuant to the terms of the PPA.

(c) **Invoicing.** During the Assignment Period specified in any and all Assignment Appendices then in effect, PPA Seller shall continue to provide PPA Buyer a monthly invoice of amounts owing under the PPA, which invoice shall show the total amount due to PPA Seller under the PPA for such Month (the “**Monthly Gross Amount**”). Promptly following PPA Buyer’s receipt of each monthly invoice from PPA Seller during the Assignment Period specified in any and all Assignment Appendices then in effect and, in any event, no later than five (5) Business Days thereafter, PPA Buyer shall deliver (i) a copy of such monthly invoice and the related supporting data to MSCG and (ii) a statement to each of MSCG and the Custodian indicating (A) the Monthly Gross Amount; (B) the Delivered Product Payment Obligation; and (C) the “**Retained Payment Obligation**”, which shall be an amount equal to the Monthly Gross Amount minus the Delivered Product Payment Obligation. PPA Buyer and MSCG covenant and agree to instruct the Custodian to pay the Monthly Gross Amount to PPA Seller on or before the applicable payment date in the PPA; provided that (x) the liability of MSCG hereunder to PPA Seller is limited as described on Appendix 1 [and (y) the Monthly Gross Amount payable to PPA Seller shall be reduced to the extent that PPA Buyer disputes any of the invoiced amounts pursuant to Section [ ] of the PPA]<sup>1</sup>. PPA Buyer and MSCG may agree in a separate writing as to the allocation of the Monthly Gross Amount between PPA Buyer and MSCG of amounts paid by the Custodian to PPA Seller hereunder. At all times, PPA Buyer remains liable to PPA Seller for all amounts due and owing under the PPA.

(d) **Scheduling.** All scheduling of Energy included in the 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 during any Assignment Period specified in any and all Assignment Appendices then in effect (i) PPA Buyer will provide copies of all billing statements and generation reports provided by PPA Seller to PPA Buyer in accordance with the PPA delivered during the Assignment Period specified in any and all Assignment Appendices then in effect to MSCG and Issuer promptly upon PPA Buyer’s receipt; (ii) title to Assigned Products specified in any and all Assignment Appendices then in effect will pass to MSCG upon delivery by PPA Seller at the Delivery Point in accordance with the PPA; (iii) immediately thereafter, title to such Assigned Products will pass to one or more Prepay Sellers (as set forth in the applicable Assignment Appendix), Issuer (as set forth in the applicable Assignment Appendix) and then to PPA Buyer upon delivery by MSCG at the same point where title is passed to MSCG pursuant to clause (ii) above; and (iv) PPA Buyer will be deemed to be acting as MSCG’s agent with regard to scheduling Assigned Products.

(e) **Amendments.** PPA Buyer will provide written notice (including copies thereof) of any proposed or actual amendment, waiver, supplement, modification, or other changes to the PPA to MSCG relating to the Assigned Rights and Obligations, and the Parties hereby acknowledge and agree that an amendment, waiver, supplement, modification or other change will not have any effect on MSCG’s rights or obligations under this Agreement unless MSCG receives prior written notice thereof.

(f) **Setoff of Receivables.** Pursuant to the applicable Prepaid Agreement(s), Prepay Seller(s) has agreed to purchase the rights to payment of the net amounts owed by PPA Buyer

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<sup>1</sup> NTD: For inclusion to the extent the PPA includes a provision allowing OCPA to withhold payment for disputed amounts.

under the applicable Prepay Power Supply Contract (“**Receivables**”) in the case of non-payment by PPA Buyer. To the extent any such Receivables relate to Assigned Products purchased by MSCG pursuant to the Assigned Rights and Obligations, the applicable Prepay Seller may sell such Receivables to MSCG and MSCG may transfer such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) to PPA Seller and apply the face amount of such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) as a reduction to any Delivered Product Payment Obligation; provided, however, that (1) at no time shall PPA Seller be required to pay MSCG for any amounts by which such Receivables exceed any Delivered Product Payment Obligation then due and owed to PPA Seller and (2) at all times, PPA Buyer remains liable to PPA Seller for all amounts due and owing under the PPA. To effect such transfer, MSCG shall deliver to PPA Seller a notice of intent to transfer Receivables not later than the payment due date for the Delivered Product Payment Obligation and shall deliver to PPA Seller a bill of sale signed by MSCG not later than five Business Days thereafter.

#### **4. Forward Contract.**

The Parties acknowledge and agree that this Agreement is intended to constitute a “forward contract” and that the Parties are intended to constitute “forward contract merchants” within the meaning of the United States Bankruptcy Code.

#### **5. Assignment Period; Assignment Early Termination.**

(a) **Assignment Period.** The “**Assignment Period**” under an Assignment Appendix shall begin on the Assignment Appendix Start Date and extend until the Assignment Appendix End Date or as otherwise terminated early pursuant to Section 5(b); provided that in no event shall the Assignment Period extend beyond an Assignment Early Termination Date with respect to such Assignment Appendix; provided further that the Assignment Period under an Assignment Appendix will automatically terminate upon the expiration or early termination of either the Delivery Period (as defined in the PPA) or the PPA.

(b) **Early Termination.** An “**Assignment Early Termination Date**” will occur under the following circumstances and as of the dates and for the applicable Assignment Appendices specified below:

- (1) delivery of a written notice of termination by either MSCG or PPA Buyer to each of the other Parties hereto;
- (2) delivery of a written notice of termination by PPA Seller to each of MSCG and PPA Buyer following MSCG’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 five Business Days following receipt by MSCG of written notice thereof;
- (3) delivery of a written notice by PPA Seller if any of the events described in the definition of Bankrupt in the PPA occurs with respect to MSCG; or

(4) delivery of a written notice by MSCG if any of the events described in in the definition of Bankrupt in the PPA occurs with respect to PPA Seller.

(c) The Assignment Period will end at the end of last delivery hour on the date specified in the termination notice provided pursuant to Section 5(b).

(d) **Reversion of Assigned Rights and Obligations.** The Parties acknowledge and agree that upon the occurrence of an Assignment Early Termination Date the Assigned Rights and Obligations under each applicable Assignment Appendix will revert from MSCG to PPA Buyer. Any Assigned Rights and Obligations under an Assignment Appendix that would become due for payment or performance on or after such Assignment Early Termination Date with respect to such Assignment Appendix shall immediately and automatically revert from MSCG to PPA Buyer; provided that (i) MSCG shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Products delivered to MSCG prior to the Assignment Early Termination Date, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the occurrence of the Assignment Early Termination Date.

## 6. Representations and Warranties.

(a) **Copy of the PPA.** As of the Assignment Agreement Effective Date, PPA Seller and PPA Buyer represent and warrant to MSCG that a true, complete, and correct copy of the PPA is attached hereto as Appendix 4.

(b) **No Default.** As of the Assignment Agreement Effective Date, PPA Seller and PPA Buyer represent and warrant to MSCG that 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.

(c) **Other.** As of the Assignment Agreement Effective Date, each of PPA Buyer and PPA Seller represents and warrants to each other and to MSCG that:

- (1) it has made no prior transfer (whether by way of security or otherwise) of any interest in the Assigned Rights and Obligations; and
- (2) all obligations of PPA Buyer and PPA Seller under the PPA required to be performed on or before the Assignment Period Start Date have been fulfilled.

(d) **Representations.** Each Party represents to each of the other Parties as of the Assignment Agreement Effective Date:

- (1) **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing;
- (2) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver

this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;

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

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

- (7) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement. It is also capable of assuming, and assumes, the risks of this Agreement; and
- (8) **Status of Parties.** None of the other Parties is acting as a fiduciary for or an adviser to it in respect of this Agreement.

**7. Incorporation by Reference.** Sections        (Confidential Information),        (Severability),        (No Consequential Damages),        (Counterparts),        (Amendments),        (No Agency, Partnership, Joint Venture or Lease),        (Mobile-Sierra),        (Electronic Delivery),        (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.

## **8. Counterparts.**

This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by email), each of which will be deemed an original.

## **9. Costs and Expenses.**

The Parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation, and execution of this Agreement.

## **10. Amendments.**

No amendment, modification, or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile or electronic transmission) and executed by each of the Parties.

## **11. Notices.**

Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another shall be in writing, except as otherwise expressly provided herein. It shall be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses for each of the other Parties designated in Appendix 3 hereto. Any such notice, demand, or request shall be deemed to be given (i) when sent by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including

overnight delivery service). Each Party shall have the right, upon written 10 days' prior written notice to the other Parties, to change its address at any time, and to designate that copies of all such notices be directed to another Person at another address. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, a Party may at any time notify the other Parties that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during such time shall be ineffective.

## 12. Miscellaneous.

(a) **Governing Law.** This Agreement and the rights and duties of the Parties under this 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 PPA Buyer to enter into and perform its obligations under this Agreement shall be determined in accordance with the laws of the State of California.

(b) **Arbitration.** Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope of this Agreement to arbitrate, shall be determined by final, non-appealable binding arbitration in San Francisco, California before three (3) arbitrators. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures. Within fifteen (15) days after the commencement of arbitration, each of MSCG and PPA Buyer shall select one person to act as arbitrator, and the two so-selected arbitrators shall select a third arbitrator (the "**chairperson**") within thirty (30) days of the commencement of the arbitration. If either MSCG or PPA Buyer is unable or fails to select one person to act as arbitrator, such arbitrator shall be appointed by JAMS. If the MSCG and PPA Buyer-selected arbitrators are unable or fail to agree upon a chairperson, the chairperson shall be appointed by JAMS. The chairperson shall be a person who has experience in renewable energy-related transactions, and none of the arbitrators shall have been previously employed by any Party or have any direct pecuniary interest in any Party or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by all of the Parties. The Parties shall maintain the confidential nature of the arbitration proceeding and any award, including any hearing(s), except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator(s) shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. The responsibility for compensation and expenses of the three arbitrators and all other expenses charged by JAMS shall be equally split in one-third (1/3) shares by each of MSCG, PPA Buyer, and PPA Seller. In any arbitration arising out of or related to this Agreement, the arbitrators shall award to the prevailing Party or Parties, if any, the costs and attorney's fees reasonably incurred in seeking to enforce the application of this Section

11(b) and by the prevailing party in connection with the arbitration. Notwithstanding the foregoing provisions of this Section 11(b), any costs incurred by a Party in seeking judicial enforcement of any written decision of the arbitrators shall be chargeable to and borne exclusively by the Party against whom such court order is obtained. The award shall be final and binding on the Parties and judgment upon any award may be entered in any court of competent jurisdiction.

(c) **Judicial Reference.** Without limiting the provisions in Section 11(b), if Section 11(b) is deemed ineffective or unenforceable in any respect, any dispute between the Parties arising out of or in connection with this Agreement or its performance, breach, or termination (including the existence, validity and interpretation of this Agreement and the applicability of any statute of limitation period) (each, a “**Dispute**”) shall be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 *et seq.* of the California Code of Civil Procedure (“**CCP**”), or their successor sections (a “**Reference Proceeding**”), which shall constitute the exclusive remedy for the resolution of any Dispute. As a condition precedent to initiating a Reference Proceeding with respect to any Dispute, the Parties shall comply with the provisions of Section 11(c)(1).

(1) **Notice of Dispute.** Prior to initiating the Reference Proceeding, a Party (the “**Disputing Party**”) shall provide the other Parties (the “**Responding Parties**”) with a written notice of each issue in dispute, a proposed means for resolving each such issue, and support for such position (the “**Notice of Dispute**”). Within 10 days after receiving the Notice of Dispute, the Responding Parties shall provide the Disputing Party with a written notice of each additional issue (if any) with respect to the dispute raised by the Notice of Dispute, a proposed means for resolving every issue in dispute, and support for such position (the “**Dispute Response**”). Thereafter, the Parties shall meet to discuss the matter and attempt in good faith to reach a negotiated resolution of the dispute. If the Parties do not resolve the dispute by unanimous agreement within fifteen (15) days after receipt of the Dispute Response, (the “**Negotiation Period**”), then any Party may provide to the other Parties written notice of intent for judicial reference (the “**Impasse Notice**”) in accordance with the further provisions of this Section 11.

(2) **Applicability; Selection of Referees.** Within 10 days of the delivery of an Impasse Notice, each of MSCG and PPA Buyer shall nominate one (1) referee. The two (2) referees (the “**Party-Appointed Referees**”) shall appoint a third referee (the “**Third Referee**”, together with the Party-Appointed Referees, the “**Referees**”). The Party-Appointed Referees shall be competent and experienced in matters involving the electric energy business in the United States, with at least ten (10) years of electric industry experience as a practicing attorney. The Third Referee shall be an active or retired California state or federal judge. Each of the Party-Appointed Referees and the Third Referee shall be impartial and independent of each of the Parties and of the other referees and not employed by any of the Parties in any prior matter.

(3) **Inability to Agree upon Third Referee.** If the Party-Appointed Referees are unable to agree on the Third Referee within 45 days from delivery of the Impasse Notice, then the Third Referee shall be appointed pursuant to CCP Section 640(b) in an action filed in the Superior Court of California, County of San Francisco (the “**Court**”), and with due

regard given to the selection criteria above. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the Parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP Section 170.6, each of PPA Buyer and MSCG shall have one (1) peremptory challenge to the referee selected by the Court.

(4) Discovery; Proceedings.

(A) The Parties agree that time is of the essence in conducting the Reference Proceeding. Accordingly, the Referees shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within 20 days after the date of selection of the Third Referee, (ii) if practicable, try all issues of law or fact within 180 days after the date of the conference, and (iii) report a statement of decision within 20 days after the matter has been submitted for decision.

(B) Discovery and other pre-hearing procedures shall be conducted as agreed to by the Parties, or if they cannot agree, as determined by the Third Referee after discussion with the Parties regarding the need for discovery and other pre-hearing procedures.

(C) Except as expressly set forth herein, the Third Referee shall determine the manner in which the Reference Proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the Reference Proceeding. The Reference Proceeding, including the trial, shall be conducted at a neutral location selected by the Parties, or if not agreed by the Parties, by the Third Referee, in San Francisco, California.

(D) All proceedings and hearings conducted before the Referees, except for trial, shall be conducted without a court reporter, except that when any Party so requests, a court reporter will be used at any hearing conducted before the Referees, and the Referees will be provided a courtesy copy of the transcript. The Party making such a request shall have the obligation to arrange for and pay the court reporter.

(5) Decision. The Referees shall render a written statement of decision setting forth findings of fact and conclusions of law. The decision shall be entered as a judgment in the court in accordance with the provisions of CCP Sections 644 and 645. The decision shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the Court. The Parties intend this general reference agreement to be specifically enforceable in accordance with the CCP.

(d) Expenses. Each of MSCG, PPA Seller and PPA Buyer shall bear the compensation and expenses of its respective own counsel, witnesses, consultants and employees. The responsibility for compensation and expenses of the Referees and all other expenses of judicial

reference shall be equally split in one-third (1/3) shares by each of MSCG, PPA Buyer, and PPA Seller.

(e) **U.S. Resolution Stay Protocol.** The Parties hereby confirm that they are adherents to the ISDA 2018 U.S. Resolution Stay Protocol (“ISDA U.S. Stay Protocol”), the terms of the ISDA U.S. Stay Protocol are incorporated into and form a part of this Agreement, and this Agreement shall be deemed a Protocol Covered Agreement for purposes thereof. For purposes of incorporating the ISDA U.S. Stay Protocol, MSCG shall be deemed to be a Regulated Entity, and PPA Buyer and PPA Seller each shall be deemed to be an Adhering Party. In the event of any inconsistencies between this Agreement and the ISDA U.S. Stay Protocol, the ISDA U.S. Stay Protocol will prevail.

(f) **Assignment Appendix Prepaid Transaction Details.** From time to time, MSCG may deliver one or more completed Assignment Appendices to the other Parties hereto completing the terms that are currently bracketed therein, and each such Assignment Appendix shall be binding upon each of the Parties hereto; provided that the aggregate sum of the Assigned Products under all Assignment Appendices then in effect will not exceed the Contract Quantity under and as defined in the PPA. As set forth in Appendix 1 hereto, MSCG’s payment obligations are limited to any Assigned Products delivered pursuant to the Assignment Appendices then in effect. Each Assignment Appendix will set forth certain details relating to the commodity prepayment transaction pursuant to which all or a portion of the Assigned Products shall be delivered; provided that MSCG may, by written notice to PPA Seller and PPA Buyer, at any time and without the consent of PPA Seller or PPA Buyer, (i) rescind any Assignment Appendix or (ii) update or amend any Assignment Appendix to change any or all of the terms specified therein, including: an increase or decrease of the volume of Assigned Products to be delivered into the applicable commodity prepayment transaction (including without limitation a change thereto to reflect that all MWh of Assigned Products delivered in accordance with the PPA by PPA Seller shall be delivered into one commodity prepayment transaction, subject only the aggregate quantity limit specified above); a change in the relevant commodity prepayment transaction (i.e., the “Prepaid Agreement”) pursuant to which the Assigned Products shall be delivered; a change in the identity of the Prepay Seller; or a change to the Assignment Appendix Start Date and / or the Assignment Appendix End Date. For the avoidance of doubt, (I) more than one Assignment Appendix may be in effect at any time, and (II) at any given time, less than one hundred percent (100%) of the Contract Quantity under and as defined in the PPA may be assigned pursuant to the Assignment Appendices then in effect.

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

[PPA SELLER]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ORANGE COUNTY POWER AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

MORGAN STANLEY CAPITAL GROUP INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## Appendix 1

### Assigned Rights and Obligations

“PPA” that certain [\_\_\_\_], together with any and all exhibits, schedules or supplements thereto or incorporated therein by reference, by and between PPA Buyer and PPA Seller, as may be amended from time to time.

“Delivery Point” has the definition set forth in the PPA.

**Floating Price Payments.** MSCG has separately agreed with PPA Buyer and Custodian pursuant to the Custody Agreement to pay the “Day-Ahead Average Price” as defined below into the custodial account specified in the Custody Agreement (the “**Custodial Account**”) for the portion of the Assigned Products delivered to the Delivery Point during each Month of the Assignment Period pursuant to all Assignment Appendices then in effect (the “**Floating Price Payments**”). MSCG agrees to pay the Floating Price Payments into the Custodial Account, and MSCG’s payment obligations under this Agreement are limited to making such payments into the Custodial Account, for application as provided in the Custody Agreement, which also provides for payment by (i) PPA Buyer of any other amounts due under the PPA for each Month of the Assignment Period and (ii) the Custodian of the net amount due to PPA Seller for each Month of the Assignment Period from the amounts received from MSCG and PPA Buyer, as applicable. MSCG’s Floating Price Payments shall credit against and reduce the amounts otherwise due from PPA Buyer to PPA Seller under the PPA for each Month of the Assignment Period for all Assignment Appendices then in effect; provided that PPA Seller and PPA Buyer acknowledge and agree that the making of Floating Price Payments into the Custodial Account by MSCG shall not entitle (A) MSCG to any payments from PPA Seller or (B) PPA Seller to payments in excess of the net amount that would otherwise be due from PPA Buyer to PPA Seller pursuant to the terms of the PPA. At all times, PPA Buyer remains liable to PPA Seller for all amounts due and owing under the PPA. For the avoidance of doubt, MSCG’s obligations hereunder are limited to only the Assignment Appendices then in effect.

“Day-Ahead Average Price” means the result of (i) (x) the sum of the Day-Ahead Market Prices for each Pricing Interval in a Month divided by (y) the number of Pricing Intervals in such Month plus (ii) the Index Adder (as set forth in the table immediately below) for the relevant Month. As used in this definition, “**Pricing Interval**” means the unit of time for which CAISO (or other entity that publishes such prices) establishes a separate price; and “**Day-Ahead Market Price**” means the Day Ahead Market or Locational Marginal Price for [\_\_\_\_] for each applicable hour as published by CAISO, or as such price may be corrected or revised from time to time by CAISO in accordance with its rules. For the avoidance of doubt, the Day-Ahead Average Price can be a negative number.

Month	Index Adder (\$/MWh)
[____]	[____]
[____]	[____]
[____]	[____]
[____]	[____]

<b>Month</b>	<b>Index Adder (\$/MWh)</b>
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]

**Appendix 2**  
**Assignment Appendix - [A][B][C]**

**Date: [ ]**

“Assignment Appendix End Date” means 11:59:59 p.m. pacific prevailing time on [ ], 20[ ].

“Assignment Appendix Start Date” means [ ] 1, 20[ ].

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

“Custody Agreement” means the Custodial Agreement dated as of [ ] among the Issuer, PPA Buyer, MSCG, each applicable Prepay Seller and the Custodian, as from time to time amended, restated, supplemented or otherwise modified.

“Issuer” means California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 *et seq.* of the California Government Code, as amended).

“Prepaid Agreement” means that certain Prepaid Energy Sales Agreement, dated as of [ ] by and between Prepay Seller and Issuer, as from time to time amended, restated, supplemented or otherwise modified.

“Prepay Power Supply Contract” means that certain Power Supply Contract, dated as of [ ] by and between Prepay Seller and Issuer, as from time to time amended, restated, supplemented or otherwise modified.

“Prepay Seller” means [ ], a [ ], or any other Person that is the prepay seller under the terms of the Prepaid Agreement from time to time.

**Assigned Products subject to this Assignment Appendix:** As set forth immediately below, [the percentage of Assigned Products]/[the monthly quantities of Assigned Products] delivered to the Delivery Point: [ ]

## **Appendix 3**

### **Notice Information**

**IF TO MSCG:** Morgan Stanley Capital Group Inc.  
Attention: Commodities Sales & Trading  
1585 Broadway  
New York, NY 10036-8293  
Email: energyprepay@morganstanley.com

**IF TO PPA SELLER:** As set forth in the PPA.

**IF TO PPA BUYER:** As set forth in the PPA.

**Appendix 4**  
**Copy of the PPA**  
**[To be attached.]**

**LETTER AGREEMENT**

[\_\_\_\_], 20[\_\_]

Orange County Power Authority

[\_\_\_\_]

[\_\_\_\_]

Email: [\_\_\_\_]

California Community Choice Financing Authority

1125 Tamalpais Avenue

San Rafael, CA 94901

Email: notices@ccdfa.org and invoices@ccdfa.org

**Re: PPA Assignments for Delivery under Prepay Energy Agreements**

Ladies and Gentlemen:

This Letter Agreement (this “Letter Agreement”) confirms our mutual agreement with respect to the matters set forth below and relates to (i) that certain Power Supply Contract (the “Power Supply Contract”), dated as of the date hereof, by and between California Community Choice Financing Authority (“Issuer”) and Orange County Power Authority (“Project Participant”), (ii) that certain Prepaid Energy Sales Agreement (the “Prepaid Agreement”), dated as of the date hereof, by and between Energy Prepay XI, LLC, a Delaware limited liability company (“Prepay LLC”) and Issuer, and (iii) that certain Energy Management Agreement, dated as of the date hereof, by and between Morgan Stanley Capital Group Inc. (“MSCG”) and Prepay LLC (the “Energy Management Agreement” and together with the Power Supply Contract and the Prepaid Agreement, the “Prepay Energy Agreements”). Any capitalized term used in this Letter Agreement and not otherwise defined herein shall have the meaning assigned to such term in the Power Supply Contract. In consideration of each party’s execution of the respective Prepay Energy Agreements, as well as the premises above and the mutual covenants and agreements set forth herein, Issuer, Project Participant, Prepay LLC and MSCG (collectively, the “Parties”) agree as follows:

**1. PPA Assignments for Delivery under Prepay Energy Agreements.**

(a) Initial Assignment. On or prior to the commencement of the Delivery Period, Project Participant has agreed to assign and Prepay LLC has agreed to assume a portion of Project Participant’s rights and obligations under the Initial Assigned PPA.

(b) Replacement Assignments. Commencing (i) six months prior to the expiration of any EPS Energy Period or the resumption of deliveries in a new Reset Period following Participant’s issuance of a Remarketing Election Notice pursuant to [Section 3.4] of the Power Supply Contract or (ii) otherwise immediately upon the early termination or anticipated early termination of an EPS Energy Period, Project Participant shall exercise Commercially Reasonable Efforts to assign a portion of Project Participant’s rights and obligations (the “Assigned Rights and Obligations”) under one or more power purchase

agreements under which Project Participant is purchasing EPS Compliant Energy pursuant to an Assignment Agreement substantially in the form of (A) the Limited Assignment Agreement set forth as Exhibit A hereto if the PPA Supplier is an unrelated third party or (B) the Limited Assignment Agreement set forth as Exhibit B hereto if the PPA Supplier is MSCG (each, an “Assignment Agreement”), and the Parties shall cooperate in good faith with respect to any proposed assignments; provided that:

- (1) any subsequent Assignment Agreement shall provide (I) for the assignment by Project Participant to either (a) Prepay LLC if MSCG is the PPA Supplier or (b) MSCG if the PPA Supplier is an unrelated third party of its right to receive all of the Energy (and any associated products set forth in the Assignment Agreement) delivered under the applicable power purchase agreement for each Month of the applicable EPS Energy Period and (II) for payment by Prepay LLC or MSCG as applicable to the PPA Supplier under such subsequent power purchase agreement of the Day-Ahead Average Price for each Month of the applicable EPS Energy Period, with such amounts to be credited in the PPA Supplier’s monthly invoice to Project Participant against other amounts owed by Project Participant under the Assigned PPA during the EPS Energy Period;
- (2) any third party PPA Supplier must satisfy MSCG’s internal credit and approval requirements and other requirements applied on a nondiscriminatory basis, including any “know your customer” rules, policies and procedures, anti-money laundering rules and regulations, Dodd-Frank Act, Commodity Exchange Act, Patriot Act and similar rules, regulations, requirements and corresponding policies;
- (3) any such assignment must be agreed and consented to by Project Participant, Prepay LLC and MSCG in their reasonable discretion; and
- (4) the Parties recognize that MSCG will be obligated to sell and deliver Assigned Product it receives from a third-party PPA Supplier to Prepay LLC under the Energy Management Agreement; Prepay LLC will be obligated to deliver Assigned Product that it acquires to Issuer under the terms of the Prepaid Agreement; and Issuer will be obligated to deliver Assigned Product that it acquires to Project Participant under the terms of the Power Supply Contract.

(c) MSCG Procurement of EPS Compliant Energy. To the extent that (i) Project Participant, Prepay LLC and MSCG have not agreed upon a replacement assignment of a power purchase agreement by the date that is seventy-five (75) days prior to the end of any EPS Energy Period, or (ii) an early termination of an EPS Energy Period has occurred and Project Participant, Prepay LLC and MSCG have not agreed upon a replacement assignment of a power purchase agreement, then MSCG shall exercise Commercially Reasonable Efforts to obtain EPS Compliant Energy for ultimate redelivery to Project Participant, provided that:

- (1) Project Participant must consent to MSCG's procurement of any such EPS Compliant Energy for ultimate redelivery to Project Participant, with such consent not to be unreasonably withheld;
- (2) the Parties shall act in good faith and in a Commercially Reasonable manner to negotiate any necessary amendments to the Prepay Energy Agreements to facilitate the delivery of such EPS Compliant Energy; and
- (3) the period of delivery for any such EPS Compliant Energy (any such period, a "MSCG EPS Energy Period") shall not exceed the length, as applicable, of (A) the then-current Reset Period if such EPS Compliant Energy is obtained for delivery for the remainder of a Reset Period and (B) the length of the next succeeding Reset Period if such EPS Compliant Energy is obtained for delivery commencing in a subsequent Reset Period.
  - (d) **Tax Opinion.** The Parties acknowledge and agree that their ability to enter into a new Reset Period will be contingent on obtaining an [Opinion of Bond Counsel] (as defined in the Bond Indenture), which will be dependent on the availability of EPS Compliant Energy for delivery in such Reset Period.

**2. Failure to Obtain EPS Compliant Energy.** To the extent an EPS Energy Period terminates or expires and Project Participant and MSCG have been unable to obtain EPS Compliant Energy for delivery under the Prepay Energy Agreements pursuant to the provisions of Paragraph 1, then Prepay LLC shall remarket the Base Energy pursuant to the provisions of Exhibit C to the Prepaid Agreement, subject to the following:

- (a) the Parties' obligations set forth in Paragraph 1 shall continue to apply;
- (b) Project Participant shall not make any new commitment to purchase Priority Energy during such a remarketing; and
- (c) consistent with [Section 7.5] of the Power Supply Contract, Project Participant shall exercise Commercially Reasonable Efforts to remediate any Disqualified Remarketing Proceeds resulting from Prepay LLC's remarketing.

**3. Representations.** Each Party represents to each of the other Parties:

- (a) **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.
- (b) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance.

(c) **No Violation or Conflict.** Such execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its obligations under this Agreement, will not result in any violation of, or conflict with: (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination or award of any arbitrator applicable to it; or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any Government Agency, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.

(d) **Consents.** All consents, approvals, orders or authorizations of, registrations, declarations, filings or giving of notice to, obtaining of any licenses or permits from, or taking of any other action with respect to, any Person or Government Agency that are required to have been obtained by such Party with respect to this Agreement and the transactions contemplated hereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) **Obligations Binding.** Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(f) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement; it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by all Parties, considers this Agreement a legally enforceable contract. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement.

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

(h) **Status of Parties.** None of the other Parties is acting as a fiduciary for or an adviser to it in respect of this Agreement.

4. **Counterparts.** This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile or electronic transmission), each of which will be deemed an original.

5. **Costs and Expenses.** The Parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation, and execution of this Agreement.

6. **Amendments.** No amendment, modification, or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile or electronic transmission) and executed by each of the Parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.

7. **Notices.** Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another shall be in writing, except as otherwise expressly provided herein. It shall be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses for each of the other Parties designated in Appendix 2 of the applicable Assignment Agreement. Any such notice, demand, or request shall be deemed to be given (i) when delivered by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon written 10 days' prior written notice to the other Parties, to change its address at any time, and to designate that copies of all such notices be directed to another person at another address. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, any Party may at any time notify the other Parties that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during such time shall be ineffective.

## 8. **Dispute Resolution.**

(a) **Governing Law.** This Agreement and the rights and duties of the Parties under this 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 Project Participant and Issuer to enter into and perform their obligations under this Agreement shall be determined in accordance with the laws of the State of California.

(b) **Arbitration.** Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope of this agreement to arbitrate, shall be determined by final, non-appealable binding arbitration in San Francisco, California before three (3) arbitrators. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. ("JAMS")

pursuant to its Comprehensive Arbitration Rules and Procedures. Within fifteen (15) days after the commencement of arbitration, each of MSCG and Project Participant shall select one person to act as arbitrator, and the two so-selected arbitrators shall select a third arbitrator (the “**chairperson**”) within thirty (30) days of the commencement of the arbitration. If either MSCG or Project Participant is unable or fails to select one person to act as arbitrator, such arbitrator shall be appointed by JAMS. If MSCG and Project Participant-selected arbitrators are unable or fail to agree upon a chairperson, the chairperson shall be appointed by JAMS. The chairperson shall be a person who has experience in renewable energy-related transactions, and none of the arbitrators shall have been previously employed by any Party or have any direct pecuniary interest in any Party or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by all of the Parties. The Parties shall maintain the confidential nature of the arbitration proceeding and any award, including any hearing(s), except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator(s) shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. In any arbitration arising out of or related to this Agreement, the arbitrators shall award to the prevailing Party or Parties, if any, the costs and attorneys’ fees reasonably incurred in seeking to enforce the application of this Section 8(b) and by the prevailing party in connection with the arbitration. Notwithstanding the foregoing provisions of this Section 8(b), any costs incurred by a Party in seeking judicial enforcement of any written decision of the arbitrators shall be chargeable to and borne exclusively by the Party against whom such court order is obtained. The award shall be final and binding on the Parties and judgment upon any award may be entered in any court of competent jurisdiction.

(c) **Judicial Reference.** Without limiting the provisions in Section 8(b), if Section 8(b) is deemed ineffective or unenforceable in any respect, any dispute between the Parties arising out of or in connection with this Agreement or its performance, breach, or termination (including the existence, validity and interpretation of this Agreement and the applicability of any statute of limitation period) (each, a “**Dispute**”) shall be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure (“**CCP**”), or their successor sections (a “**Reference Proceeding**”), which shall constitute the exclusive remedy for the resolution of any Dispute. As a condition precedent to initiating a Reference Proceeding with respect to any Dispute, the Parties shall comply with the provisions of Section 8(c)i.

i. **Notice of Dispute.** Prior to initiating the Reference Proceeding, a Party (the “**Disputing Party**”) shall provide the other Parties (the “**Responding Parties**”) with a written notice of each issue in dispute, a proposed means for resolving each such issue, and support for such position (the “**Notice of Dispute**”). Within ten (10) Days after receiving the Notice of Dispute, the Responding Parties shall provide the Disputing Party with a written Notice of each additional issue (if any) with respect to the dispute raised by the Notice of Dispute, a proposed means for resolving every issue in dispute, and support for

such position (the “**Dispute Response**”). Thereafter, the Parties shall meet to discuss the matter and attempt in good faith to reach a negotiated resolution of the dispute. If the Parties do not resolve the dispute by unanimous agreement within sixty (60) Days after receipt of the Dispute Response, (the “**Negotiation Period**”), then any Party may provide to the other Parties written notice of intent for judicial reference (the “**Impasse Notice**”) in accordance with the further provisions of this Section 8(c).

ii. Applicability; Selection of Referees.

(A) Within ten days of the delivery of an Impasse Notice, each of MSCG and Project Participant shall nominate one (1) referee. The two (2) referees (the “**Party-Appointed Referees**”) shall appoint a third referee (the “**Third Referee**”). The Party-Appointed Referees shall be competent and experienced in matters involving the electric energy business in the United States, with at least ten (10) years of electric industry experience as a practicing attorney. The Third Referee shall be an active or retired California state or federal judge. Each of the Party-Appointed Referees and the Third Referee shall be impartial and independent of each of the Parties and of the other referees and not employed by any of the Parties in any prior matter.

(B) If the Party-Appointed Referees are unable to agree on the Third Referee within forty-five (45) Days from delivery of the Impasse Notice, then the Third Referee shall be appointed pursuant to CCP Section 640(b) in an action filed in the Superior Court of California, County of San Francisco (the “**Court**”), and with due regard given to the selection criteria above. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the Parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP Section 170.6, each of Project Participant and MSCG shall have one (1) peremptory challenge to the referee selected by the Court.

iii. Discovery; Proceedings.

(A) The Parties agree that time is of the essence in conducting the Reference Proceeding. Accordingly, the referees shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within twenty (20) days after the date of selection of the Third Referee, (ii) if practicable, try all issues of law or fact within one hundred eighty (180) days after the date of the conference, and (iii) report a statement of decision within twenty (20) days after the matter has been submitted for decision.

(B) Discovery and other pre-hearing procedures shall be conducted as agreed to by the Parties, or if they cannot agree, as determined by the Third Referee after discussion with the Parties regarding the need for discovery and other pre-hearing procedures.

(C) Except as expressly set forth herein, the Third Referee shall determine the manner in which the Reference Proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the Reference Proceeding. The Reference Proceeding, including the trial, shall be conducted at a neutral location selected by the Parties, or if not agreed by the Parties, by the Third Referee, in San Francisco, California.

(D) All proceedings and hearings conducted before the referees, except for trial, shall be conducted without a court reporter, except that when any Party so requests, a court reporter will be used at any hearing conducted before the referees, and the referees will be provided a courtesy copy of the transcript. The Party making such a request shall have the obligation to arrange for and pay the court reporter.

iv. Decision. The referees shall render a written statement of decision setting forth findings of fact and conclusions of law. The decision shall be entered as a judgment in the court in accordance with the provisions of CCP Sections 644 and 645. The decision shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the Court. The Parties intend this general reference agreement to be specifically enforceable in accordance with the CCP.

v. Expenses. Each of MSCG and Project Participant shall bear the compensation and expenses of its respective Party-Appointed Referee, own counsel, witnesses, consultants and employees. All other expenses of judicial reference shall be split equally between MSCG and Project Participant.

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

*[Signature Pages to Follow]*

Very truly yours,

**PREPAY LLC**

ENERGY PREPAY XI, LLC

By: Morgan Stanley Capital Group Inc., its Manager

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**MSCG**

MORGAN STANLEY CAPITAL GROUP INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

**PARTICIPANT**

ORANGE COUNTY POWER AUTHORITY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ISSUER**

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**FORM OF LIMITED ASSIGNMENT AGREEMENT FOR THIRD PARTY AS PPA  
SUPPLIER**

[To be attached.]

**EXHIBIT B**

**FORM OF LIMITED ASSIGNMENT AGREEMENT  
FOR MSCG AS PPA SUPPLIER**

[To be attached.]

## **PREPAID ENERGY PROJECT ADMINISTRATION AGREEMENT**

This Prepaid Energy Project Administration Agreement (this “Agreement”) is made and entered into as of [\_\_\_\_], 2026, by and between California Community Choice Financing Authority (“CCCFA”) and Orange County Power Authority (“OCPA”), with respect to the Prepaid Energy Project (defined below). CCCFA and OCPA may be referred to individually herein as a “Party” and collectively as the “Parties”. Capitalized terms used herein (including in the following Recitals) have the meanings given to such terms in Section 1.

### **W I T N E S S E T H:**

WHEREAS, OCPA is a “community choice aggregator” under the Public Utilities Code; and

WHEREAS, OCPA and certain other community choice aggregators have created CCCFA as a joint exercise of powers authority under and pursuant to the Act and the Joint Powers Agreement; and

WHEREAS, CCCFA’s purpose is to assist its Members (as defined in the Joint Powers Agreement), including OCPA, by undertaking the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds and other obligations on behalf of one or more of the Members by, among other things, issuing or incurring Bonds (as such term is defined in the Joint Powers Agreement) and entering into related contracts with Members; and

WHEREAS, CCCFA and OCPA are entering into a Power Supply Contract pursuant to which CCCFA has agreed to supply Energy to OCPA under the terms set forth therein; and

WHEREAS, in order to provide such Energy to OCPA under the Power Supply Contract, CCCFA is entering into the Prepaid Agreement with Energy Prepay [\_\_], LLC (the “Energy Supplier”), under which it will make a prepayment to the Energy Supplier for the purchase and delivery of such Energy; and

WHEREAS, CCCFA will finance the prepayment under the Prepaid Agreement and related costs by issuing the Bonds pursuant to the Indenture; and

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

Section 1. **Defined Terms.** Capitalized terms used herein shall have the meanings set forth below:

“Act” means Chapter 5 of Division 7 of Title 1 of the California Government Code, being Section 6500 and following, as amended.

“Annual Refund” means the annual refund, if any, to be provided to OCPA pursuant to Section 3.2(c) of the Power Supply Contract.

“Assigned Delivery Point” has the meaning specified in the Assignment Agreement.

“Assigned Energy” has the meaning specified in the Assignment Agreement.

“Assigned Product” means Assigned Energy and associated renewable energy credits, green energy attributes and any other product included in the Assignment Agreement.

“Assignment Agreement” means the Initial Assignment Agreement and any subsequent assignment agreement entered into consistent with the Assignment Letter Agreement.

“Assignment Letter Agreement” has the meaning specified in the Power Supply Contract.

“Base Energy” means Energy to be delivered to an Energy Delivery Point.

“Bonds” means the bonds issued by CCCFA pursuant to the Indenture on or about the date of this Agreement in order to finance the prepayment required to be made to the Energy Supplier under the Prepaid Agreement and related costs of the Prepaid Energy Project, and any bonds issued to refund such bonds.

“CCCFA” means California Community Choice Financing Authority, a joint exercise of powers authority created under and pursuant to the Act and the Joint Powers Agreement.

“CCCFA Commodity Swap” means the ISDA Master Agreement, Schedule and transaction Confirmation entered into by CCCFA and the swap counterparty named therein, and any replacement swap entered into pursuant to the Prepaid Agreement.

“Contract Quantity” means the quantity of Base Energy or Assigned Energy, as applicable, specified in Exhibits A-1 and A-2 of the Power Supply Contract, as such Exhibits A-1 and A-2 may be updated from time to time in accordance with the terms of the Power Supply Contract.

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

“Energy Delivery Point” means the delivery point for delivery of OCPA’s Contract Quantity as specified in the Power Supply Contract, and shall include, if applicable, any Assigned Delivery Point and any alternate Delivery Point for OCPA.

“Energy Supplier” means Energy Prepay [\_\_\_\_], LLC, a Delaware limited liability company.

“Indenture” means the Trust Indenture, dated as of [\_\_\_\_] 1, 2026, between CCCFA and the Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“Initial Assignment Agreement” with respect to OCPA, the initial assignment agreement or agreements specified in the Power Supply Contract.

“Joint Powers Agreement” means the Joint Powers Agreement by and among the Members of CCCFA named therein, including OCPA, providing for the creation, purposes and powers of CCCFA, as the same may be amended or supplemented from time to time in accordance with its terms.

“OCPA” means Orange County Power Authority, a community choice aggregator as defined in Section 331.1 of the Public Utilities Code.

“Power Supply Contract” means the Power Supply Contract, dated [\_\_\_\_], 2026, between CCCFA and OCPA relating to the purchase by OCPA of Energy acquired by CCCFA pursuant to the Prepaid Agreement, as amended, restated, supplemented or otherwise modified from time to time.

“Prepaid Agreement” means the Prepaid Energy Sales Agreement, dated [\_\_\_\_], 2026, between CCCFA, as buyer, and the Energy Supplier, as seller, as amended, restated, supplemented or otherwise modified from time to time.

“Prepaid Energy Project” means the issuance of the Bonds by CCCFA pursuant to the Indenture, the acquisition of Energy and related undertakings of CCCFA under the Prepaid Agreement and the Indenture, and the sale to OCPA of such Energy and related undertakings of CCCFA under the Power Supply Contract.

“Public Utilities Code” means the Public Utilities Code of the State of California, as amended.

“Qualifying Use Requirements” has the meaning set forth in Section 1.1 of the Power Supply Contract.

“Re-Pricing Agreement” means the Re-Pricing Agreement, dated as of the date of issuance of the Bonds, by and between CCCFA and the Energy Supplier.

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

“Tax Certificate and Agreement” means the Tax Certificate and Agreement executed and delivered by CCCFA in connection with the issuance of the Bonds relating to certain federal income tax compliance requirements relating to the Prepaid Energy Project.

“Transmission Provider(s)” means any entity or entities transmitting or transporting Energy on behalf of a Party to or from an Energy Delivery Point.

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

Section 2. Assignment Agreements. With respect to any Assignment Agreement, the Parties acknowledge and agree as follows:

(a) [as of the date] of this Agreement, OCPA has entered into the Initial Assignment Agreement specified in the Power Supply Contract with respect to all or a portion of its Contract Quantity;

(b) subject to the terms of the Assignment Letter Agreement, OCPA may from time to time enter into additional Assignment Agreements with respect to all or a portion of its Contract Quantity; and

(c) OCPA shall determine, independent of CCCFA, when and if any Assignment Agreement is entered into or terminated and the underlying agreement and portion of its Contract Quantity to which such Assignment Agreement relates.

**Section 3. Scheduling and Delivery of Assigned Energy.** Assigned Energy and any other Assigned Product delivered to CCCFA under the Prepaid Agreement that is attributable to an Assignment Agreement(s) entered into by OCPA shall be attributable to OCPA under the Power Supply Contract, and CCCFA shall have no responsibility for (a) any Scheduling or other operational requirements necessary for the delivery of Assigned Energy to OCPA's Assigned Delivery Point and the transfer of other Assigned Product to OCPA, or (b) any accounting for under-deliveries or over-deliveries or other record-keeping requirements with respect to any Assigned Energy and other Assigned Product, all of which shall be the sole responsibility of OCPA pursuant to the related Assignment Agreement(s).

**Section 4. Qualified Use; Remarketing of Base Energy.** As provided in the Power Supply Contract, any portion of OCPA's Contract Quantity that is not delivered as Assigned Energy is required to be delivered as Base Energy and simultaneously remarketed by the Energy Supplier pursuant to the Prepaid Agreement. OCPA shall be responsible for accounting for any portion of OCPA's Contract Quantity deemed delivered as Base Energy and subsequently remarketed, including accounting for any remediation of any such remarketing sales as may be required pursuant to the Qualifying Use Requirements. OCPA agrees to provide to CCCFA any information reasonably requested by it in order to comply with any reporting or record-keeping requirements related to such deemed deliveries and remarketing of Base Energy, including such information relating to compliance with the Qualifying Use Requirements, as may be required pursuant to the Prepaid Agreement, the Indenture or the Tax Certificate and Agreement.

**Section 5. CCCFA Commodity Swap.** CCCFA shall not take any action to terminate or designate the early termination of the CCCFA Commodity Swap except in accordance with written instructions of OCPA or unless otherwise required under the terms of the Prepaid Agreement or the Indenture.

**Section 6. Directions, Consents and Waivers.** CCCFA may be requested or required from time to time to provide certain directions, consents, or waivers under the terms of the Prepaid Agreement, the Indenture and the Re-pricing Agreement. Provided no event of default has occurred and is continuing with respect to OCPA under the Power Supply Contract, such direction, consent or waiver shall only be provided by CCCFA in accordance with written instructions provided by OCPA.

**Section 7. Re-pricing Information.** CCCFA shall provide, or cause the Energy Supplier to provide, to OCPA such information as is required to be provided by the Energy Supplier to CCCFA in accordance the Re-pricing Agreement at such times as are required under the Re-pricing Agreement.

**Section 9. Project Administration Fee; Reimbursement and Refund of Operating Expenses.**

(a) Under the Bond Indenture, Operating Expenses (as defined in the Indenture) relating to the Clean Energy Project are to be paid from amounts deposited monthly into the Administrative Fee Fund for each annual period ending on [\_\_\_\_\_] 1 of each year commencing [\_\_\_\_\_] 1, 202[\_\_\_\_\_]. CCCFA agrees that amounts allocated on behalf of OCPA annually into the Administrative Fee Fund equal to

\$[\_\_\_\_\_] in the aggregate for each such annual period (the “*Project Administrative Fee*”), shall be allocated to pay such Operating Expenses as the same become due and payable. In the event such allocated amounts available in the Operating Fund are not sufficient to pay such Operating Expenses when due, OCPA agrees to pay such additional amounts for deposit into the Administrative Fee Fund as are necessary to pay such Operating Expenses upon receipt of notice of the amount due from the Trustee or CCCFA.

(b) As soon as practicable following the end of each annual period referred to in paragraph (a), CCCFA agrees that the amounts received in respect of the Project Administrative Fee for such annual period shall be reconciled with the Operating Expenses paid or accrued for such period. In the event that, following each such reconciliation, it is determined that the amounts received in respect of the Project Administration Fee during the applicable annual period exceed Operating Expenses paid or accrued for such period, OCPA will be provided written notice thereof and the amount of such excess will be included in its Annual Refund under the Power Supply Contract.

Section 10. Notices. Notices and other information to be provided by a Party to any other Party under this Agreement shall be provided in accordance with Article XVI of the Power Supply Contract.

Section 11. Governing Law. This Agreement and the obligations of the Parties hereunder shall be governed by and determined in accordance with the laws of the State of California.

Section 12. Counterparts. This Agreement may be executed and acknowledged in multiple counterparts and by the Parties in separate counterparts, each of which shall be an original and all of which shall be and constitute one and the same instrument.

[Signature Page Follows]

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

CALIFORNIA COMMUNITY CHOICE FINANCING  
AUTHORITY

By: \_\_\_\_\_  
Name: Garth Salisbury  
Title: Treasurer/Controller

ORANGE COUNTY POWER AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Signature Page to the Prepaid Energy Project Administration Agreement]

# MEMORANDUM OF UNDERSTANDING (“MOU”)

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**Date:** December 24, 2025

**To:** Joe Mosca  
Chief Executive Officer  
Orange County Power Authority  
[jmosca@ocpower.org](mailto:jmosca@ocpower.org)

Garth Salisbury  
Treasurer – Controller  
California Community Choice Financing Authority  
[gsalisbury@ccdfa.org](mailto:gsalisbury@ccdfa.org)

**From:** Morgan Stanley & Co. LLC (“Morgan Stanley”)

**Re:** California Community Choice Financing Authority Energy Prepayment Financing on behalf of Orange County Power Authority

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## ***Overview***

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

## ***Rating Agency Fee and SPO Fee***

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

In the event the Bonds are not issued due to market conditions, and there remains a Rating Agency Fee payable to Moody’s Investors Service (the “Rating Agency”), Morgan Stanley and CCFA agree to split this Rating Agency Fee on an equal basis. If the Bonds are not issued due to the CCFA or the Project Participant’s unwillingness or inability to proceed, other than due to an inability to achieve a minimum established target discount, the Rating Agency Fee will be their sole responsibility. To the extent CCFA incurs any Rating Agency Fee if the bonds are not issued, the Project Participant agrees that it will be liable for such Rating Agency Fee and make direct payment to the Rating Agency therefor.

The Project Participant has or plans to engage Kestrel to provide a green bond second party opinion (the “SPO”). In the event the SPO is obtained and the Bonds are not issued (unless the Bonds are not issued due to the CCFA or the Project Participant’s unwillingness or inability to proceed, other than due to an inability to achieve a minimum established target discount), the fee payable to Kestrel (the “SPO Fee”) shall be the responsibility of Morgan Stanley, and in such event, to the extent the SPO Fee was already paid by the Project Participant or by CCFA, Morgan Stanley agrees to reimburse the Project Participant or CCFA, as appropriate. To the

Memorandum of Understanding

December 24, 2025

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extent CCCFA incurs any SPO Fee if the bonds are not issued as a result of the Project Participant's unwillingness or inability to proceed, other than due to an inability to achieve a minimum established target discount, the Project Participant agrees that it will be liable for such SPO Fee and make direct payment to Kestrel therefor, or to CCCFA if the SPO Fee was already paid by CCCFA.

Morgan Stanley shall have no responsibility for any fees or expenses incurred by CCCFA or the Project Participant, or their agents, employees, advisors or counsel, in connection with the issuance of the Bonds and the purchase of the Prepaid Energy, other than the Rating Agency Fee and SPO Fee as described in this MOU and as further described in the Bond Purchase Agreement (as defined herein).

**Miscellaneous**

CCCFA and Project Participant each acknowledge and agree that: (i) the transaction contemplated by this MOU is, in each case, an arm's length, commercial transaction between the CCCFA and Morgan Stanley (in its role as "Underwriter" and/or the "Energy Supplier", as applicable) in which the Underwriter and the Energy Supplier are each acting solely as a principal and not acting as a municipal advisor, financial advisor or fiduciary to CCCFA or the Project Participant; and (ii) CCCFA and the Project Participant will consult their own legal, accounting, tax, financial and other advisors, as applicable, to the extent each has deemed appropriate.

CCCFA acknowledges and agrees that Morgan Stanley is not making a commitment to extend credit, make a loan or otherwise fund the Bonds beyond the obligations contained in a mutually satisfactory bond purchase agreement (the "Bond Purchase Agreement"). CCCFA acknowledges that the services provided under this MOU involve professional judgment on Morgan Stanley's part and that the results cannot be, and are not, guaranteed.

Nothing contained herein shall preclude the Underwriter from carrying on its customary and usual business activities. The Underwriter specifically reserves the right, but is not obligated, to bid for and maintain secondary markets on any of CCCFA's outstanding bonds subject to appropriate information barriers. Services provided by the Underwriter in connection with this MOU shall not limit the Underwriter from providing services for CCCFA or the Project Participant in conjunction with other services requested by CCCFA or the Project Participant except as limited by rule of law or regulation.

In connection with the services agreed to herein, it is understood that the Underwriter will render professional services as an independent contractor. Neither the Underwriter nor any of its agents or employees shall be deemed an employee of CCCFA or the Project Participant for any purpose.

Except as described in this paragraph, this MOU is intended to be, and shall be construed only as, a non-binding MOU, intent on summarizing and evidencing discussions between CCCFA, the Project Participant, and Morgan Stanley, as of the date hereof. Except as described below, any legally binding obligation of the parties with respect to the transaction described herein shall exist only upon the execution and delivery of definitive agreements related thereto, into which this MOU and all prior discussions shall merge. It is expressly understood that this MOU is not a contract to execute any definitive agreements or to otherwise consummate the transactions described

Memorandum of Understanding

December 24, 2025

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herein. The parties will cooperate in negotiating definitive agreements providing for the transactions contemplated by this MOU, but each party reserves the right of final approval or disapproval, for any reason, of the documentation relating to such agreements. Notwithstanding the foregoing, the provisions above under the headings "Rating Agency Fee and SPO Fee" shall be binding upon the parties.

Sincerely,

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Grant Fraunfelder, Executive Director  
MORGAN STANLEY & CO. LLC

**ACCEPTED AND AGREED:**

ORANGE COUNTY POWER AUTHORITY

By: \_\_\_\_\_

Name: Joe Mosca

Title: Chief Executive Officer

Date: \_\_\_\_\_

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: \_\_\_\_\_

Name: Garth Salisbury

Title: Treasurer – Controller

Date: December 24, 2025

**APPENDIX A**  
**THE PROJECT PARTICIPANT**

**ORANGE COUNTY POWER AUTHORITY**

**Introduction**

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

**Formation, History, and Purpose of OCPA**

*General.* OCPA was created on November 20, 2020, as a CCA in California pursuant to a “joint powers agreement” by and among the cities initially participating in OCPA: the Cities of Buena Park, Fullerton, Huntington Beach, and Irvine. Residents of participating cities receive bundled electric services from Southern California Edison (“SCE”). OCPA was created in order to provide opportunities by which parties can work cooperatively to create economies of scale and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency, provide consumer choice and cost savings, and advance the use of clean, efficient, and renewable resources in the region for the benefit of all parties and their constituents.

Pursuant to OCPA’s implementation plan, it further describes its goal of providing electricity customers the opportunity to join together to procure electricity from competitive suppliers, with such electricity being delivered over SCE’s transmission and distribution system. Its goals include the creation of innovative programs for voluntary purchases of renewable energy, net energy metering to promote customer-owned renewable generation, energy efficiency, demand responsiveness to promote reductions in peak demand, distributed energy generation, customized pricing options for large energy users, and support of local renewable energy projects by offering a standardized power purchasing agreement or Feed-In Tariff.

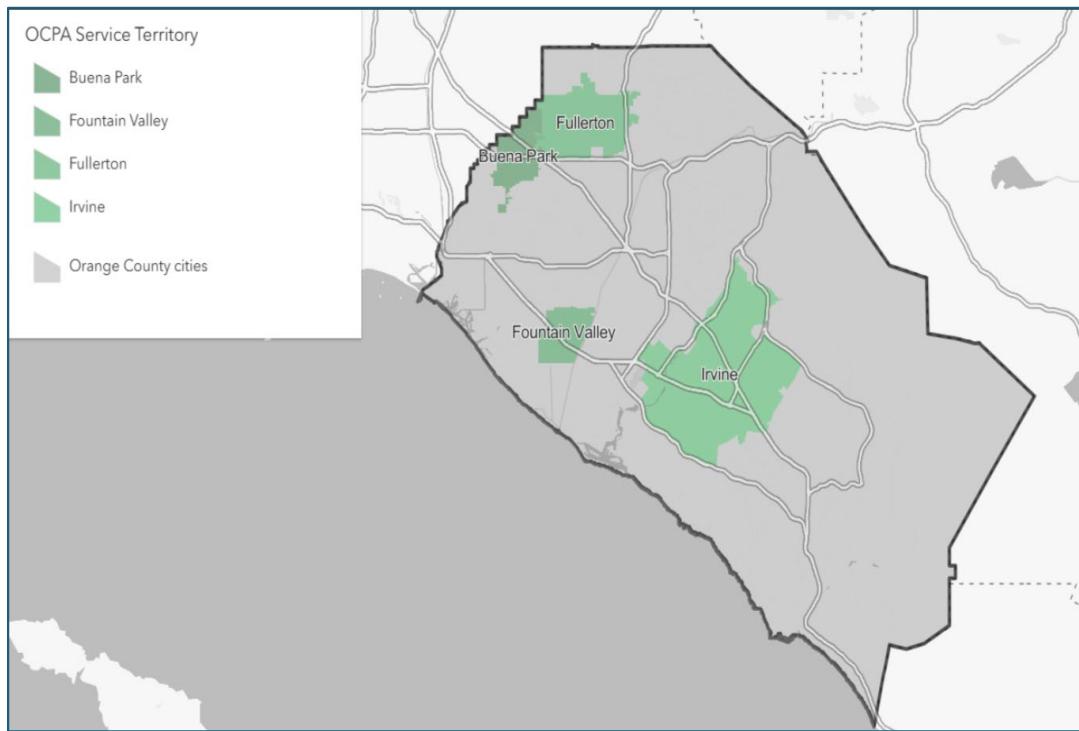
*Commencement of Service and Expansion.* OCPA successfully initiated retail service as a CCA in April 2022, providing electric generation service to approximately 36,000 service accounts located within the Cities of Buena Park, Fullerton, Huntington Beach, and Irvine. In October 2022, OCPA successfully completed phase two of its customer enrollment process, which increased its customer account total to approximately 290,000, with expected annual retail sales for these customers increasing to approximately 3,500 GWh. OCPA ended the 2023 calendar year serving 232,810 residential and 33,361 commercial customers. Following the withdrawal of Huntington

Beach in 2024<sup>1</sup>, OCPA ended the 2024 calendar year serving over 175,000 residential and commercial customers. OCPA's current customer enrollment stands at 156,493 residential and 24,110 commercial customers, with its forecast total retail load consumption for the 2025-2026 fiscal year projected to be 2,150 GWh.

## Service Area

*Communities Served by OCPA.* OCPA currently serves three jurisdictions located in the County of Orange, California: its participating cities are Buena Park, Fullerton, and Irvine (“Members” or “Member Cities”), with the City of Fountain Valley expected to begin service in October 2026.

*Service Area Map.* OCPA is responsible for the acquisition of electric power for customers in its service area, shown in the following map, which includes the expected Fountain Valley service area:



## Governance and Management

*Board of Directors.* OCPA is governed by a board of directors (the “*Board of Directors*” or “*Board*”), with board members consisting of representatives of each Member City and serving

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<sup>1</sup> In June 2023, the City Council of Huntington Beach made the decision to withdraw from OCPA for largely ideological reasons after a significant shift in the membership of the Council. The OCPA Joint Power Agreement provides an orderly process for withdrawal and the withdrawal was successfully completed in 2024 with no disruption to OCPA operations.

two year terms. There are currently five directors serving on the Board of Directors. OCPA's Board of Directors has the rights and powers to conduct all business and carry out all functions of OCPA, which include entering into contracts for the purchase or sale of electrical energy; acquiring property; incurring debts, liabilities, and obligations; issuing revenue bonds and other forms of indebtedness; and receiving revenues from the sale of electricity and other energy-related programs.

Committees of its Board of Directors include a Legislative and Regulatory Committee and a Marketing and Communications Committee. The Board of Directors is also advised by a Community Advisory Committee, consisting of two representatives from the communities of its Member Cities, and two at-large members. OCPA also has a Risk Oversight Committee composed of members appointed by the Chief Executive Officer, who serves as committee chair; while the Board Chair and Vice Chair attend Risk Oversight Committee meetings as observers.

*Management.* Biographical information for key officers, directors, and managers is set forth below.

**Joe Mosca, Chief Executive Officer.** Joe Mosca joined OCPA as the Director of Communications and External Affairs, and later, in June 2023, the Board of Directors appointed him to lead OCPA as its Interim CEO. As of March 2024, Mr. Mosca was appointed to the position of Chief Executive Officer. As the CEO of OCPA, Mr. Mosca is responsible for all aspects of OCPA's operations. He also represents OCPA on the Board of Directors of the California Community Choice Association (CalCCA), advocating for the interests of OCPA and all California-based CCAs at the state and federal levels.

Mr. Mosca deeply understands the California energy sector and local governments. He previously worked for two California utilities: San Diego Gas & Electric and Southern California Gas Company. He also served as mayor of Sierra Madre in Los Angeles County and later as president of San Dieguito Water District while serving as deputy mayor of Encinitas, San Diego County. In addition, he has served on several other regional boards and committees, including the San Diego County Water Authority, the San Diego Association of Governments, the Encina Wastewater Authority, the LOSSAN Rail Corridor Agency, Metrolink, and the League of California Cities.

Mr. Mosca was a founding member and former Chair of the Board of Directors of San Diego Community Power, California's second-largest CCA. He is passionate about clean energy and environmental sustainability and believes that CCAs can help move communities toward a healthy, clean energy future.

Mr. Mosca is a 20-year member of the California Bar Association and holds a Juris Doctorate from Quinnipiac University School of Law and a bachelor's degree in political science from Rhode Island College.

**Tiffany Law, Chief Financial Officer.** Tiffany Law joined OCPA in October 2021 as Chief Financial Officer, providing strategic leadership over OCPA's financial and data technology functions. In this role, she oversees accounting, budgeting, treasury, ratemaking, financial

planning and analysis, green bond prepayment structural finance, big data management, and compensation and benefits. She also supports the Budget and Finance Committee and Board of Directors in their oversight of OCPA's financial performance, risk management, and long-term financial sustainability.

Prior to joining OCPA, Ms. Law served as the Chief Financial and Technology Officer and was the first employee hired by the CEO of Central Coast Community Energy ("3CE"). As a member of the start-up leadership team, she helped build the organization from the ground up and led core accounting, finance, rate design, data, and internal operations, including human resources, information technology, and administration. During her tenure, 3CE achieved revenue growth of more than 140% within three years, grew annual revenues to approximately \$239 million, built a net position of approximately \$185 million, and became the first Community Choice Aggregator to receive an "A" credit rating from S&P Global. She also led the industry's first transition from an IOU-minus rate structure to a cost-of-service rate design, adopted by the 3CE Board in 2021.

Ms. Law brings more than 25 years of experience across the public and private sectors, with deep expertise in accounting and auditing, budgeting, treasury, credit and cash flow management, ratemaking, data management, and information technology. Her prior experience includes finance leadership roles in global organizations, where she managed complex financial operations, large-scale system implementations, internal controls, and strategic financial modeling.

Ms. Law holds a Bachelor of Science in Accounting from Azusa Pacific University and is a Certified Public Accountant in the State of California.

**Owen Lee, Director of Finance & Data Analytics.** As Director of Finance & Data Analytics at OCPA, Mr. Lee supports core finance and data technology functions that shape OCPA's financial planning, rate setting, and power supply analytics, including cost of energy forecasting, load forecasting, and analysis of utility rate schedules. He leads a full range of professional accounting, budgeting, retail rate analysis, and data analytics work, translating hourly and sub-hourly load, customer usage and billing data, and cost-of-energy forecasts into actionable insights, including ongoing forecast reconciliation.

Mr. Lee joined 3CE in December 2019 and joined OCPA in June 2022. He brings 15 years of experience spanning forecasting, budgeting and accounting, and financial and scenario modeling, with a strong track record of applying rigorous analytical approaches to support strategic and operational decision-making.

Mr. Lee holds a Master's degree in Accounting from The University of North Carolina at Chapel Hill and is a Certified Public Accountant in the State of Georgia.

**Louis Ting, Director of Power Resources.** As OCPA's Director of Power Resources, Louis Ting serves as a high-level technical advisor on energy projects and contracts. He manages complex short- and long-term energy resource planning and procurement activities for OCPA, leading to a cleaner, more sustainable and reliable electricity grid for OCPA communities and customers.

The Director of Power Resources plays a crucial role in guiding OCPA's procurement success and the continued diversification of its energy portfolio, securing all energy and capacity in order to ensure that OCPA's customers' energy needs are met.

Mr. Ting brings over three decades of experience managing power and water projects for the Los Angeles Department of Water and Power (LADWP), the nation's largest municipal utility, where he spearheaded projects and studies in power generation, transmission, and distribution systems.

During his tenure with LADWP, Mr. Ting was responsible for the vital transition to a clean energy future. He focused on modernizing the grid to enable clean electrification programs, implementing strategies to strengthen Los Angeles' distribution and transmission grids, and executing major power system programs. Mr. Ting also led a seasoned team in collaboration with diverse stakeholders to transition a coal-to-natural gas project with green hydrogen-powered combined-cycle units.

**Jacquie Henderson, Director of Communications & External Affairs.** As Director of Communications & External Affairs at OCPA, Jacquie Henderson oversees all aspects of brand marketing and communications, public outreach and government relations, and customer program development and deployment. Her work across the agency and with key stakeholders promotes OCPA's mission to provide renewable energy at affordable rates and equitably reinvest in energy-related customer programs to support sustainable communities.

Ms. Henderson's two decades of experience as a communications and marketing professional include working at high-profile brands and not-for-profit organizations, including most recently with Burbank Water and Power (BWP). At BWP, she supported marketing and creative design for customer programs, and as head of marketing and communications at a \$45 million agency, she was responsible for corporate communications strategy, public relations, and industry and stakeholder relations.

Ms. Henderson holds a Bachelor of Arts in mass communications and media from the University of South Florida. She is also actively involved in the community, serving on the Board of Directors for the Santa Ana Chamber of Commerce and volunteering with various dog rescue organizations.

## **Customers**

*General.* OCPA currently provides energy to more than 180,000 residential, commercial, and industrial accounts, serving approximately 79% residents and businesses in its service area. The current mix of OCPA's customer base is approximately 34% residential and 66% commercial/industrial by the percentage of load served and 40% residential and 60% commercial/industrial by the percentage of revenue.

OCPA offers three different energy service choices, called 100% Renewable Choice, Smart Choice, and Basic Choice.

- *100% Renewable Choice*: This energy service offers entirely renewable energy sources for OCPA customers, at a slightly higher rate than its Basic Choice and Smart Choice services. In 2024, customers receiving 100% Renewable Choice service were provided with 100% renewable energy, sourced from a mix of wind, solar, and hydroelectric. This service has continued to offer 100% renewable energy in 2025.
- *Smart Choice*. This energy service offers predominantly renewable and carbon-free energy sources, at a rate below that of the 100% Renewable Choice service, but higher than Basic Choice. In 2024, customers electing to receive Smart Choice service were provided with 72% renewable energy, sourced from a mix of wind, geothermal, solar, biomass, and system energy sources. In 2025, Smart Choice provided 55% renewable and 40% carbon-free energy, which will increase to 60% renewable and 40% carbon-free energy in 2026.
- *Basic Choice*. This is OCPA's most affordable plan, which provides a significant portion of its energy sources from renewable and carbon-free providers. In 2024, customers receiving Basic Choice service were provided with 25% renewable energy, sourced from a mix of wind, geothermal, solar, small hydro, biomass, and system energy sources, plus 19% unbundled Renewable Energy Credits, for a total of 44% total renewable energy. In 2025, Basic Choice rates provide 47% renewable energy.

In addition, OCPA offers its customers access to bill and payment assistance, community grants, offers and rebates, as well as the following optional Energy Programs:

- *OCPA Disadvantaged Community Green Tariff (DAC-GT) Program*: a CPUC-regulated program designed to provide eligible low-income customers in disadvantaged communities with access to 100% solar energy and an additional 20% total bill discount for up to 20 years. OCPA anticipates launching this program in Q3 2026, pending final CPUC approval.
- *Solar/Net Energy Metering (NEM)*: a program whereby OCPA customers who produce solar energy will have their contributions to the energy grid credited to their accounts on an annual basis each April.
- *GreenP100NEER*: provides marketing and publicity support to individuals and businesses who use OCPA's 100% Renewable Choice service.
- *OCPA Incentive Finder*: a program that assists OCPA customers in finding all available state, federal, and local rebates and incentives for which they may be eligible.
- *OCPA Marketplace*: an online store for customers to purchase discounted energy-saving products.

- *Residential Battery Rebate Program:* a program that provides a \$1,000 rebate to eligible residential customers who install a qualifying battery energy storage system.
- *Future Programs:* additional customer programs are expected to launch following Board approval of the Community Power Plan (CPP) in Q1 2026, ensuring that new offerings are responsive to member community needs and deliver meaningful impact.

*Customer Enrollment.* Member Cities select which OCPA energy plan will serve as their default plan, in which their customers will be automatically enrolled. Customers may opt out of their Member City's default plan by selecting a different OCPA plan, or they may opt out of OCPA service entirely and instead receive generation service from SCE. The City of Buena Park has selected the Smart Choice plan as its default energy plan, having switched from the 100% Renewable Choice plan in March 2025, and will switch back to the 100% Renewable Choice plan in January 2027. The City of Irvine has selected the Basic Choice plan as its default energy plan, having switched from the 100% Renewable Choice plan effective February 2025. The City of Fullerton has selected the Smart Choice energy plan as its default energy plan. Overall, approximately 40% of OCPA customers are served on Smart Choice and 100% Renewable Choice combined, while the remaining approximately 60% are served on the Basic Choice plan.

*New Customers.* OCPA is the default generation service provider for residents and businesses in its Member Cities. OCPA anticipates that the City of Fountain Valley will begin service within the OCPA in October 2026.

*Customer Election to Opt-out of OCPA Service.* Customers can opt-out of OCPA service and return to service from their traditional electric service provider, SCE, either initially upon the transition to OCPA or at any time after OCPA becomes the generation service provider. There is no fee associated with opting out of the OCPA, though opt-outs become effective at the end of the monthly billing cycle.

*Cumulative Opt-Out Rate and Customer Retention.* Since program inception, cumulative opt-outs represent approximately 21% of the eligible customer base. The majority of these opt-outs occurred during OCPA's initial implementation phase, driven by early launch dynamics and localized policy considerations. Opt-out activity has declined steadily since that period. In 2025, opt-outs accounted for approximately 0.6% of the eligible customer base, reflecting current customer behavior and demonstrating OCPA's strong and stable customer retention. This trend also indicates sustained customer engagement and continued confidence in OCPA's service over time.

## Service Rates

*General.* Rates for OCPA energy service are determined by its Board of Directors and are not regulated by the CPUC. In addition to OCPA's charges for generation services, customers' rates include amounts for transmission and distribution of electricity established by SCE, as well

as a “power charge indifference adjustment” (“PCIA”) and other non-by-passable load charges imposed by the CPUC in order to compensate investor-owned utilities for investments in power generation and long-term power purchase contracts associated with the loss of customers to CCAs, which in each case are passed through on a customer’s bill in the amounts established or imposed.

*Determination of Rates for Energy.* The rates OCPA charges for 100% Renewable Choice, Smart Choice, and Basic Choice energy services are based on the current generation rate charged by SCE and the current PCIA fee. All value propositions are priced inclusive of the PCIA. Under OCPA’s 2025 rate plan, the Basic Choice service is priced at a 3% discount below the cost of SCE’s equivalent generation rate, while the Smart Choice energy plan is the Basic Choice rate plus 1 cent per kWh, and the 100% Renewable Choice plan is the Basic Choice rate plus 1.5 cents per kWh.

*Current and Historical Rate Information.* An OCPA customer’s total cost of electric service is determined by OCPA’s charges for generation services and includes SCE charges for transmission, distribution, and other non-by-passable charges. Among such non-by-passable charges, OCPA’s customers pay a PCIA which can vary annually based on several market factors including benchmarks for regional energy costs, resource adequacy, the year in which their community joined OCPA, and other considerations. OCPA publishes, jointly with SCE, its current and historical rate information as compared to SCE’s rates. OCPA’s published residential and commercial industrial rates as of October 1, 2025 as compared to SCE’s are as follows:

## RESIDENTIAL

Domestic	SCE	OCPA Basic Choice (47% Renewable)	OCPA Smart Choice (55% Renewable and 40% Carbon-Free)	OCPA 100% Renewable Choice (100% Renewable)
Generation Rate	\$0.13170	\$0.13983	\$0.14983	\$0.15483
SCE Delivery Rate	\$0.27470	\$0.26677	\$0.26677	\$0.26677
Surcharges	\$0.00000	-\$0.00453	-\$0.00453	-\$0.00453
Total Costs	\$0.40640	\$0.40207	\$0.41207	\$0.41707
Average Monthly Bill (\$)	\$219.86	\$217.52	\$222.93	\$225.64

Monthly Usage: 541 kWh

SCE rates are current as of October 1, 2025. OCPA rates are current as of October 20, 2025.

This rate comparison represents similar comparisons for D SDP, D SDP O, DE, DE SDP, DE SDP O, DM, DMS 1, DMS 2, DMS 3

## COMMERCIAL AND INDUSTRIAL

TOU-EV-7-E	SCE	OCPA Basic Choice (47% Renewable)	OCPA Smart Choice (55% Renewable and 40% Carbon-Free)	OCPA 100% Renewable Choice (100% Renewable)
Generation Rate	\$0.12350	\$0.12576	\$0.13576	\$0.14076
SCE Delivery Rate	\$0.19096	\$0.18355	\$0.18355	\$0.18355
Surcharges	\$0.00000	\$0.00125	\$0.00125	\$0.00125
Total Costs	\$0.31446	\$0.31056	\$0.32056	\$0.32556
Average Monthly Bill (\$)	\$291.19	\$287.58	\$296.84	\$301.47

Monthly Usage: 926 kWh

SCE rates are current as of October 1, 2025. OCPA rates are current as of October 20, 2025.

### California Renewable Portfolio Standards and Other Regulations

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

*Renewable Portfolio Standard.* California’s Renewable Portfolio Standard (“RPS”) requires LSEs to supply their retail sales with minimum quantities of eligible renewable energy. Senate Bill 100 directs all LSEs to procure 60% of their portfolios from RPS-eligible resources by 2030 and 100% of their retail sales from zero-carbon resources (or eligible renewable resources) by 2045. Based on OCPA’s approved service offerings for 2025, 57% of retail sales are from zero-carbon resources comprised of RPS-eligible resources, such as solar, wind, geothermal, biomass, and small hydroelectricity with over 74% of total energy served being carbon-free. OCPA intends to meet Board-directed goals and orders by the CPUC under the Mid-term Reliability Procurement decision (D.21-06-035) and the Supplemental Mid-Term Reliability Procurement Order (D-23-02-040). OCPA is on target to meet the Board approved renewable energy goals for 2025, and has already executed two long-term power purchase agreements meeting its share of the CPUC directed procurement orders.

*Resource Adequacy.* Resource Adequacy (“RA”), a California program jointly administered by the CPUC, the California Energy Commission (“CEC”) and the California Independent System Operator (“CAISO”), directs LSEs to secure forward capacity and offer it into the CAISO’s Day-Ahead and Real-Time markets to ensure that there will be enough supply in the right locations and with sufficient ramping capability to meet load. The RA program is comprised of three products: System RA; Local RA; and Flexible RA, although rules and categories are subject to modification by state agencies. Local RA obligations have been assigned to a Central Procurement Entity as of 2023. OCPA has a strong track record of meeting its RA obligations and expects to meet its future RA obligations in compliance with its policies.

*Integrated Resource Planning.* Integrated Resource Planning (“IRP”) requires LSEs to forecast their customer load and develop a plan to serve such load in alignment with their own vision and values and in accordance with regulatory requirements. In October 2015, California codified this LSE responsibility with the passage of SB 350, which requires the CPUC to establish

and oversee an IRP process to assist with meeting the state’s aggressive greenhouse-gas (“*GHG*”) targets (*i.e.*, 40% below 1990 levels by 2030). The IRP process, which is used in many states across the U.S., generally produces 10- to 20-year plans that map out both the supply-side and demand-side resources required for meeting customer load. Given the complexity of the grid and the time required to plan and build generating facilities, IRP plans are critical for ensuring safe, reliable and clean power in a cost-effective manner. In addition to addressing the long-term planning horizon typical of an IRP process, the IRP process has been used in recent years to direct procurement of new capacity to meet near- and mid-term reliability and clean energy needs per CPUC Decision (“*D.*”) 19-11-016, D. 21-06-035 and D. 23-02-040. Pursuant to the procurement orders in these CPUC Decisions, LSEs are required to procure “*Incremental System Capacity*,” which is RA capacity from non-emitting, storage, and/or renewable resources that are in addition to the resources identified on a baseline list of existing, on-line and operating resources. OCPA is working toward full compliance with these requirements, and maintains policies and procedures to ensure continuing compliance therewith.

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

## **Energy Demand**

OCPA utilizes its load forecasting model/methodology for three primary purposes: (1) for portfolio management and procurement; (2) for the development of financial projections; and (3) for Resource Adequacy compliance with the CPUC and CAISO. The adopted load forecasting methodology focuses primarily on the projected customer counts within the OCPA service territory and incorporates historical per capita usage data to derive the load forecast.

The load forecast is developed for each of the twelve major customer classes served by OCPA. These include the following customer classes:

<b>Load Profile Group</b>	<b>Internal Forecasting Classification</b>	<b>2023 IEPR Forecast Classification</b>
DOM-S/M	Domestic	Residential
DOM-MM	Domestic	Residential
GS-1	Small Commercial	Commercial
GS-2	Medium Commercial	Commercial
TOU-GS	Time-of-Use, Medium Commercial	Commercial
TOU8-SEC	Time-of-Use, Large Power (Below 2kv)	Industrial
TOU8-PRI	Time-of-Use, Large Power (2kv-50kv)	Industrial
TOU8-SUB	Time-of-Use, Large Power (Above 50kv)	Industrial
St-Ltng	Street and Area Lighting	Other
TC-1	Traffic Control	Other
TOU-PA-2	Agriculture & Pumping, Time-of-Use	Other
TOU-PA-3	Agriculture & Pumping, Time-of-Use	Other

OCPA's load forecasting process starts with a baseline-forecast of current customers by end-use classification (residential, commercial, industrial, etc.), utilizing historical usage data and customer counts. OCPA also uses historical weather data and linear regression models to estimate relationships between weather variables (heating degree days, cooling degree days, and solar insolation) and customer consumption patterns. The resulting coefficients are then applied to normalized weather conditions, over a 5-year observation period, and current customer counts to derive a forecast for the existing customer base. Potential impacts of climate change are captured by utilizing the most recent 5-years of observed weather data as the benchmark for normal weather conditions. Hourly load profiles for each of the twelve major customer classes, created by analyzing historic recorded meter data for OCPA's customer base, are applied to translate the monthly usage data into hourly values.

For load projections beyond the current year, OCPA assumes a long-term annual growth rate of 0.5%, which reflects the estimated net increase in customer consumption due to economic and demographic variables. The table below shows OCPA's long-term retail and loss-adjusted load forecast for 2026-2056. OCPA does not have a long-term history for its current customer base with which to compare the reasonableness of the projected long-term growth rate. However, OCPA believes that it is generally consistent with the net growth rate in the SCE service area as a whole. OCPA has not included the potential effects of incremental energy efficiency, demand response, distributed energy resources, and other behind-the-meter programs in its current long-term forecast. If and when OCPA administers demand-modifying customer programs, OCPA will update its load forecast accordingly.

For OCPA's peak demand forecast, in April 2024 OCPA coordinated with SCE through a meet and confer process to address load migration and data quality issues with the historical usage data SCE provided to OCPA. Through the meet and confer process, OCPA and SCE exchanged their respective 2024 load forecasts for the OCPA area, and as a result of that process, OCPA has aligned its monthly peak demand forecast methodology with SCE's to ensure appropriate accounting between the two entities. SCE modelled its peak forecast by averaging the top three

peak load days in each month of observed historic data, and compared such peak average to the average historic load, creating a load-to-peak forecast ratio for each month. In order to account for the data quality issues mentioned above, OCPA adopted SCE's load-peak ratios for the 2024 forecast period which were applied to OCPA's internal monthly load forecast to derive its 2024 and beyond peak forecasts.

OCPA utilizes historical consumption data to calibrate and adjust its load forecast. The calibration process is run monthly and compares the most recent monthly kWh and peak kW usage data to the forecast energy and peak demand values, respectively. The forecast is tracked relative to both the initial usage estimates (T+9) reported to the CAISO as well as the final reported usage (T+70). To the extent that the monthly forecast error exceeds a 5% threshold, OCPA evaluates the potential causes of the variance and, if such error is deemed likely to persist, adjusts the forecast going forward.

OCPA's assigned load forecast is as follows:

<b>OCPA Load Forecast (GWh)</b>	
<b>Year</b>	<b>Load Forecast</b>
2026	2,339
2027	2,545
2028	2,570
2029	2,582
2030	2,602
2031	2,622
2032	2,651
2033	2,663
2034	2,683
2035	2,704
2036	3,011
2037	3,078
2038	3,138
2039	3,194
2040	3,244
2041	3,294
2042	3,346
2043	3,398
2044	3,451
2045	3,505
2046	3,560
2047	3,616
2048	3,672
2049	3,730
2050	3,788
2051	3,847
2052	3,907

OCPA Load Forecast (GWh)	
Year	Load Forecast
2053	3,968
2054	4,030
2055	4,093
2056	4,157

## Sources of Energy

*General.* OCPA prioritizes securing sufficient, low-cost, clean sources of electricity that achieve OCPA's priorities while ensuring reliability and meeting regulatory mandates. During the normal course of business, OCPA purchases electrical power from numerous suppliers. Electricity costs include the cost of energy and capacity arising from bilateral contracts with energy suppliers as well as wholesale sales and generation credits, and load and other charges arising from OCPA's participation in the CAISO's centralized market. OCPA purchases capacity commitments from qualifying generators to comply with the RA Program. OCPA is in compliance with external mandates and self-imposed benchmarks.

*Energy Purchases.* In 2024, OCPA procured approximately 2,480,201 MWh of electricity for its customers. OCPA anticipates that roughly 74% of its total 2025 retail sales will be sourced from carbon-free resources including renewables such as wind, solar, small hydroelectric, and biomass. OCPA does not anticipate sourcing energy from large hydroelectric or nuclear providers.

*Energy Load and Supply Risk Management.* Volumetric risk reflects the potential uncertainty in the quantity of different power supply products (e.g., renewable energy, carbon free energy and capacity) required to meet the needs of OCPA customers. This uncertainty can lead to adverse financial outcomes, as well as create potential for OCPA to fail to meet reliability or renewable energy compliance requirements established by the State of California and/or OCPA's own policies. Customer load is subject to fluctuation due to customer opt-outs or departures, temperature deviation from normal, unforeseen changes in the growth of behind-the-meter generation by OCPA customers, unanticipated energy efficiency gains, new or improved technologies, as well as local, state and national economic conditions. OCPA monitors its positions on a regular basis to reduce exposure to CAISO day-ahead market prices.

OCPA manages energy delivery risks by ensuring that contracts include appropriate contractual penalties for non-delivery, acquiring energy from a geographically and technologically diverse portfolio of generating assets (with a range of generation profiles that are generally complementary to the manner in which OCPA's customers use electric power). Due to known production variability and supply uncertainty related to renewable and other carbon-free energy products, OCPA includes planning margins in its procurement of such products to ensure that related targets/mandates are achieved.

OCPA manages load forecasting and related weather risks by contracting with qualified data management and scheduling coordinators, which independently or jointly provide the systems and data necessary to forecast and schedule load using good utility practice. Load variability is

also considered in establishing appropriate planning margins for renewable and other carbon-free energy sources.

OCPA's load scheduling strategy, as executed by its Director of Power Resources, shall be in accordance with the adopted Load Bidding/Scheduling Guidelines. This strategy ensures that price risk in the day-ahead and real-time CAISO markets is managed effectively and is consistent with good utility practice.

*Procurement.* OCPA's procurement strategies focus on diversity among technologies, production profiles, project sizes and locations, counterparties, length of contract, and timing of market purchases. OCPA requires a competitive process whereby OCPA issues requests for proposals ("RFPs") and requests for qualifications ("RFQs") for any purchase of goods or services in excess of \$100,000. Smaller contracts may follow an informal bidding procedure, but should typically include proposals for at least three providers; contracts under \$10,000 in value do not require such processes.

## **Energy Storage**

OCPA currently has 42 MW of wholesale storage in operation. OCPA has around 8 MW of additional battery storage under contract scheduled to come online by 2028.

On September 16, 2025, OCPA announced that it had finalized an agreement with Lock Energy Center, LLC to purchase up to 115 MW of capacity for its customers from a new-build battery energy storage system.

On October 27, 2025, OCPA's Board of Directors approved a 15-year agreement with Athos Storage, LLC to procure 52 MW of resource adequacy capacity from a new-build battery energy storage project in Riverside County, CA. This will provide the necessary Net Qualifying Capacity as directed by the CPUC under the Supplemental Mid-Term Reliability Procurement Order (D-23-02-040).

## **Information Technology, Data Analytics and Cyber Security**

OCPA prioritizes operational resilience, data integrity, and cybersecurity to safeguard market-sensitive information and ensure reliable, uninterrupted service delivery. Information technology and data analytics are critical enterprise assets that support OCPA's core operations, regulatory compliance, financial management, power supply planning, customer service, and strategic decision-making. These systems are managed to ensure information remains accurate, complete, confidential, and available for authorized business use.

OCPA's data analytics platform integrates dynamic and historical datasets, including customer enrollment and billing data, interval load data, weather data, utility rate schedules, and cost-of-energy forecasts. This platform supports short- and long-term load forecasting, rate setting, power supply analytics, customer load profile analysis, opt-out analysis, accounts receivable aging, and customer product performance evaluation. Advanced analytics enable OCPA to translate hourly and sub-hourly data into actionable insights that inform demand response

design, energy storage and incentive programs, retail rate updates, and financial forecasting and reconciliation.

Proper management of information technology and data assets is essential to supporting regulatory compliance, minimizing legal and operational risk, reducing exposure to cyber threats, and maintaining stakeholder and customer confidence. OCPA's cybersecurity framework aligns with industry-leading standards and regulatory requirements and is designed to proactively mitigate risk.

In May 2025, OCPA achieved a BitSight Security Rating of 780 out of 820, placing OCPA among the top-performing public agencies nationwide. This rating reflects strong cybersecurity controls, including advanced firewalls, secure VPN usage, multi-factor authentication, zero-trust architecture principles, endpoint protection, and comprehensive employee cybersecurity training.

OCPA partners with SDI Presence, a professional IT managed services provider specializing in government and utility clients, to deliver proactive cybersecurity protection, infrastructure management, and system monitoring. Together, OCPA and SDI Presence ensure timely updates to devices, firewalls, and network equipment and maintain robust security protocols for both in-office and remote operations.

To reinforce governance and accountability, OCPA maintains and publicly posts policies related to data confidentiality, records management and retention, acceptable use, and computer and email management. These policies, combined with experienced internal staff and external expertise, support continuous improvement of OCPA's technology environment while reducing risk and enhancing operational efficiency.

## **Financial Information**

*Revenues from Energy Sales and Operating Expenses.* OCPA's revenue primarily derives from retail electricity sales, driven by generation rates designed to cover power procurement, operating and non-operating expenses, capital expenditures, and contributions to the operating reserve.

OCPA classifies its operating expenses into seven categories: Data Management & SCE Service Fees; Staffing Costs; Professional Contracts; Legal & Lobbying Support; Marketing and Outreach; General and Administrative Expenses; and Energy Programs. The cost of energy is OCPA's largest operating expense by a considerable margin, constituting approximately 94% of the projected expenditures in OCPA's Approved Budget for the Fiscal Year 2025/2026.

In Fiscal Year 2024/2025, uncollectible accounts were reduced from 1.75% to 1.50% of operating revenue, reflecting a low incidence of long-term aging accounts.

*Results of Operations.* The following is a summary of OCPA's results of operations for fiscal years ending June 30:

	<b>2025</b>	<b>2024</b>
<b>OPERATING REVENUES</b>		
Electricity sales, net	\$ 268,450,943	\$ 382,084,243
Revenue from (deferred to) Rate Stabilization Fund	15,000,000	(45,000,000)
Other income	133,307	-
Total operating revenues	<u>283,584,250</u>	<u>337,084,243</u>
<b>OPERATING EXPENSES</b>		
Cost of electricity	275,724,133	321,916,334
Contract services	6,049,763	7,279,861
Staff compensation	4,388,061	2,563,579
Other operating expenses	1,423,819	1,262,676
Depreciation and amortization	181,515	-
Total operating expenses	<u>287,767,291</u>	<u>333,022,450</u>
Operating income (loss)	<u>(4,183,041)</u>	<u>4,061,793</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment income	4,630,570	2,467,019
Interest expense	(298,757)	(199,735)
Nonoperating revenues (expenses), net	<u>4,331,813</u>	<u>2,267,284</u>
<b>CHANGE IN NET POSITION</b>		
Net position at beginning of year	148,772	6,329,077
Net position at end of year	<u>44,865,670</u>	<u>38,536,593</u>
	<u>\$ 45,014,442</u>	<u>\$ 44,865,670</u>

*Assets, Liabilities, Deferred Inflows or Resources and Net Position.* The following table is a summary of OCPA's assets, liabilities, deferred inflows or resources and net position for fiscal years ending June 30:

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash - unrestricted	\$ 58,486,083	\$ 79,735,416
Cash - restricted	200,000	600,000
Investments	21,948,918	19,975,918
Accounts receivable, net of allowance	14,299,580	26,828,551
Accrued revenue	14,057,594	20,085,848
Other receivables	4,801,083	6,977,630
Prepaid expenses	84,241	193,444
Deposits	<u>16,370,088</u>	<u>3,755,589</u>
Total current assets	130,247,587	158,152,396
Noncurrent assets		
Cash - restricted	6,441,140	5,000,000
Deposits	6,578,659	9,278,857
Capital assets, net of depreciation and amortization	<u>1,087,950</u>	-
Total noncurrent assets	<u>14,107,749</u>	<u>14,278,857</u>
Total assets	<u>144,355,336</u>	<u>172,431,253</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accrued cost of electricity	58,010,025	71,612,632
Accounts payable	735,275	1,005,354
Other accrued liabilities	1,017,276	895,522
User taxes and energy surcharges due to other governments	605,921	1,204,944
Lease liability	<u>114,714</u>	-
Total current liabilities	<u>60,483,211</u>	<u>74,718,452</u>
Noncurrent liabilities		
Loans payable	7,527,841	7,527,841
Accrued interest	563,571	319,290
Lease liability	<u>766,271</u>	-
Total noncurrent liabilities	<u>8,857,683</u>	<u>7,847,131</u>
Total liabilities	<u>69,340,894</u>	<u>82,565,583</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Rate Stabilization Fund	<u>30,000,000</u>	<u>45,000,000</u>
<b>NET POSITION</b>		
Net investment in capital assets	206,965	-
Restricted for security collateral	1,241,140	-
Unrestricted	<u>43,566,337</u>	<u>44,865,670</u>
Total net position	<u>\$ 45,014,442</u>	<u>\$ 44,865,670</u>

*Other Sources of Revenue.* While OCPA derives revenue from investment and other miscellaneous income, this constitutes a very small portion of its annual revenue. Its Approved Budget for the Fiscal Year 2025-2026 projects such income to constitute approximately 1% of its total projected net revenue.

*Financial Reserves.* OCPA prudently manages its operations in a manner that supports its long-term financial independence and stability while providing sufficient financial capacity to meet short term obligations. The Reserve Policy outlines the appropriate types and target levels (minimum and maximum) of unrestricted/undesignated reserves, with a minimum reserve balance equal to 30% of total operating budget expenditures, and a maximum of 75% thereof.

OCPA maintains adequate reserves to satisfy working capital requirements, procure energy at competitive rates, comply with loan covenants, and position itself to obtain and maintain an investment grade credit rating around 2027. These reserves also help cover unanticipated expenditures and ensure cash availability, avoid interest expense, and support rate stability.

Reserves are defined as the Net Position plus funds held in the Rates Stabilization Fund. The Net Position represents the difference between OCPA's assets and liabilities as defined by the Government Accounting Standards Board and consistent with Generally Accepted Accounting Principles. The Reserve Policy allows the reserve balance to be used to: (i) provide revenues to make up for unanticipated revenue shortfall of spikes in power supply expenses; (ii) provide temporary resources in the event of an economic downturn while expenditure reductions and/or rate adjustments are implemented; and (iii) provide resources to meet emergency expenditures.

*Operating Reserve.* OCPA also maintains a Rate Stabilization Reserve Fund (RSF) in accordance with the Board-approved Rate Stabilization Fund Policy. The RSF is designed to defer revenue for future years when financial conditions necessitate draws on reserves. By deferring and subsequently recognizing revenue, OCPA aims to mitigate the need for sudden rate increases resulting from spikes in renewable energy procurement costs, broader market volatility, regulatory shifts, and other unforeseen circumstances. In fiscal year 2024, OCPA set aside \$45,000,000 in the RSF, reflecting significantly higher renewable energy costs and a strategic decision to maintain rate stability for customers. In fiscal year 2025, OCPA recognized \$15,000,000 in revenue from the RSF to help offset rising energy costs, operating expenses, and debt service, while continuing to meet lender-required financial metrics.

*Risk Management.* OCPA maintains risk management policies, procedures and systems that help mitigate credit, liquidity, market, operating, regulatory and other risks that arise from participation in the California energy market. Internal controls and compliance mechanisms are in place to manage operational and regulatory risks, ensuring adherence to legal and market regulations. Risk monitoring and oversight are continuously performed through frequent reporting, with critical risks communicated promptly to stakeholders. This integrated approach enables OCPA to maintain a balanced risk profile while adapting to evolving market conditions.

OCPA employs a Finance & Risk manager who reports to the Director of Finance & Data Analytics and is responsible for identifying, monitoring, and managing OCPA's financial and operational risk. The role is filled by Hongyan Sheng, who joined OCPA on November 18, 2024, and brings 25 years of experience from Southern California Edison, where she led financial

analysis, risk management, budgeting, and demand forecasting, and supported wholesale trading and renewable procurement. Hongyan developed SCE's risk analytics framework and holds a Ph.D. in Economics and a master's degree in Mathematical Behavioral Science, and has been a Chartered Financial Analyst (CFA) since 2004.

*Credit Rating.* OCPA does not currently have a credit rating.

**ORANGE COUNTY POWER AUTHORITY**  
**Staff Report – Item 8.2**

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To: Orange County Power Authority Board of Directors

From: Pranesh Venugopal, Energy Programs Manager  
Jacquie Henderson, Director of Communications and External Affairs

Approved by: Joe Mosca, Chief Executive Officer

Subject: COMMUNITY POWER PLAN RESULTS PREVIEW

Date: January 12, 2026

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### **STRATEGIC GOALS**

- Enrich & Grow the OCPA Community: \_\_\_\_\_
- Prioritize Fiscal Sustainability & Affordability: \_\_\_\_\_
- Design & Deploy Community-Aligned Customer Programs: \_\_\_\_\_
- Energize Our Community with Renewable Energy: \_\_\_\_\_
- Raise Awareness of Community Energy & Advocate for Our Customers: \_\_\_\_\_
- Not Applicable: \_\_\_\_\_

### **RECOMMENDED ACTION(S)**

Receive and file the high-level overview of the Community Power Plan (CPP) results and provide any feedback on recommended program priorities.

### **BACKGROUND**

The CPP is a guiding framework that outlines how Orange County Power Authority (OCPA) will design and implement programs to provide clean, reliable, and equitable energy solutions to its customers. It establishes a foundation for program development based on community input, operational alignment, and existing funding opportunities while maintaining flexibility for future adaptation as market conditions and customer needs evolve.

The plan was developed between November 2024 and January 2026 in partnership with the Board approved third-party contractor, The Energy Coalition (TEC). It represents OCPA's first comprehensive roadmap for community energy programs based on a combination of technical analysis, stakeholder engagement, and fiscal projections. The process drew from several phases of research and input to ensure that each program recommendation is both impactful and achievable within OCPA member cities.

During preliminary discussions in 2025, the OCPA Board of Directors and the Community Advisory Committee (CAC) provided recommendations on community needs as well as outreach priorities to ensure representative input. The draft plan was subsequently presented to the CAC in December 2025 for feedback, which was considered as the final iteration was composed. That final iteration was then released for public comment through an online feedback tool, with the comment period open from December 18, 2025 through December 25, 2025. Public comments received during this period were also considered for incorporation into the final plan.

## **DISCUSSION/ANALYSIS**

The plan was informed by five coordinated efforts:

### **Community Needs Assessment** conducted between February and August 2025.

This process gathered input from OCPA communities and feedback solicitation reached 54,000 residents. OCPA and its partner the Asian Business Association Coalition promoted the Community Needs Assessment at 25 community events and hosted seven (7) listening sessions. In total, 1,244 responses were received from a representative group across OCPA member cities. Feedback identified affordability, air quality, equity, and grid stability as the most important electricity issues.

### **Operational Alignment Assessment** conducted between June and July 2025.

This process gathered input from OCPA staff to identify the program structures that best meet operational goals. Staff prioritized programs that improve community impact, shift energy use to off-peak periods, and promote customer satisfaction.

### **Existing Programs Assessment** conducted between July and August 2025.

This process researched the programs that are already available through other agencies like Southern California Edison (SCE) and the Southern California Regional Energy Network (SoCal REN). The results provided a clear understanding of the existing program landscape and helped identify gaps in the marketplace. A total of 44 programs offered by 16 administrators were reviewed, including 13 programs operated by other community choice aggregators. Evaluation metrics included target market, program type, delivery model, energy savings measures, priority populations served, application processes, and current funding sources.

### **Funding Opportunities Assessment** conducted between July and November 2025.

This process analyzed federal and state funding sources that can reduce OCPA's program administration costs. Nine (9) funding opportunities were identified for further consideration after evaluation of 23 different funding sources. These opportunities represent a mix of grants and programs that can help support program implementation and expand OCPA's ability to deliver meaningful customer benefits.

### **Cost-Benefit Analysis** conducted between September and October 2025.

This final process integrated all data from the previous assessments. A six-member scoring committee of Community Choice Aggregator (CCA) programs experts evaluated each proposed program using their program implementation expertise and gauging its impact, alignment, and feasibility. The results produced a ranked portfolio that distinguishes between near-term, medium-term, and long-term opportunities.

The resulting Community Power Plan established a thoughtful program portfolio that is prioritized and phased for maximum impact. Programs to be implemented have been categorized as high-priority, medium-priority, or long-term based on their readiness for implementation, expected community impact, and feasibility.

The presentation accompanying this report will provide the Board with a high-level overview of the Community Power Plan's purpose, development process, and recommended program direction. A subsequent presentation and report in February 2026 will seek formal consideration and adoption of the Community Power Plan and will include additional details related to cost benefit analysis, program prioritization, and launch sequencing.

### **FISCAL IMPACT**

None.

### **ATTACHMENT(S)**

None.

**ORANGE COUNTY POWER AUTHORITY**  
**Staff Report – Item 8.3**

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To: Orange County Power Authority Board of Directors

From: Tiffany Law, Chief Financial Officer

Approved by: Joe Mosca, Chief Executive Officer

Subject: APPROVAL OF 2026 OCPA GENERATION RATE STABILIZATION  
APPROACH AND GREEN DISCOUNT PROGRAM PARAMETERS

Date: January 12, 2026

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### **STRATEGIC GOALS**

- Enrich & Grow the OCPA Community: \_\_\_\_\_
- Prioritize Fiscal Sustainability & Affordability: \_\_\_\_\_
- Design & Deploy Community-Aligned Customer Programs: \_\_\_\_\_
- Energize Our Community with Renewable Energy: \_\_\_\_\_
- Raise Awareness of Community Energy & Advocate for Our Customers: \_\_\_\_\_
- Not Applicable: \_\_\_\_\_

### **RECOMMENDED ACTIONS**

1. Approve a temporary 2026 OCPA generation rate stabilization approach that maintains the existing 2025 OCPA generation rates and product differentials for Basic Choice, Smart Choice, and 100% Renewable Choice for calendar year 2026, unless modified by future Board action in response to unanticipated changes in OCPA's financial results or material changes in SCE's 2026 generation rates or Power Charge Indifference Adjustment (PCIA) charges.

This action is intended to provide rate continuity, reduce exposure to Southern California Edison's (SCE) rate volatility and PCIA-related distortions, and ensure that OCPA meets its 2026 revenue requirement. Staff will monitor SCE's rate changes during 2026 and may return to the Board with an amended rate design proposal if SCE's generation rates or PCIA are materially adjusted or if other statewide or market changes materially improve or worsen long-term cost comparability. Staff also expects to return later in 2026 with an updated outlook and recommended refinements for 2027, consistent with OCPA's Board-approved Rate Development Policy.

2. Approve Green Discount Program parameters and authorize implementation beginning in calendar year 2026 as a voluntary non-net energy metering (NEM) residential discount option, subject to ongoing financial sustainability, with core parameters as described in this report.

Staff is authorized to administer the program and finalize operational details consistent with these parameters, and will report back to the Board on program performance and any recommended continuation or changes to core parameters through a future Board item.

## **I. BACKGROUND AND BOARD POLICY FRAMEWORK**

Since launch, OCPA has structured its rate design by indexing to SCE's generation rates and has proactively adjusted its financial and procurement strategies to protect customers from wholesale energy market volatility and frequent utility rate changes. OCPA has had to navigate a highly volatile and rapidly changing energy commodity market, and its rate recommendations have consistently sought to manage that volatility in a fiscally responsible way rather than react to every short-term price movement.

Through these actions, OCPA has positioned itself as a locally controlled public agency focused on customer affordability, financial prudence, and clean energy outcomes, while keeping rate products clear and predictable. As a not-for-profit, OCPA reinvests any net revenues back into the communities it serves through customer programs and local clean energy investments. This experience is consistent with the broader Community Choice Aggregation (CCA) sector in California, where more than two dozen operating CCAs now serve roughly one-third of the state's electricity customers and have repeatedly adapted their strategies to manage changing market and regulatory conditions.

On April 19, 2023, and June 18, 2024, the Board adopted three key financial and rate policies that frame this item and guide staff's recommendations:

### Operating Reserve Policy

Establishes a target operating reserve range of 30% to 50% of total operating expenses. Reserves are intended to provide a buffer against economic volatility, market risk, changes in member agency participation, and other uncertainties, while supporting investment-grade credit expectations and avoiding unnecessary short-term borrowing.

### Rate Development Policy

Establishes a transparent, accountable framework for rate setting that emphasizes full cost recovery (including power procurement, operations, debt service, and prudent reserve contributions), while balancing local control, competitiveness with SCE, rate stability, and responsiveness to changing market and regulatory conditions.

### Rate Stabilization Fund (RSF) Policy

Allows OCPA to defer revenue from financially strong years for use in future years experiencing fiscal stress, reducing the need for sudden rate increases. The RSF is intended to mitigate impacts from uncontrollable events such as investor-owned utility (IOU) rate volatility (e.g., rising PCIA or declining bundled generation rates<sup>1</sup>), unexpected energy price spikes, changes in customer participation, increased defaults during economic downturns, regulatory shifts, or falling demand due to affordability concerns.

Taken together, these policies provide the foundation for the recommended 2026 rate approach and Green Discount Program by prioritizing fiscal resilience, stable and predictable rates, and prudent management of volatility over short-term price reactions.

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<sup>1</sup> Bundled generation rate: The generation portion of the total bundled rate paid by customers who receive both generation and delivery from SCE.

## II. RECENT CUSTOMER PROTECTION ACTIONS (2024-2025)

### **2024 Rate Design and Rising Energy Costs**

On January 24, 2024, the Board approved a 2024 rate design that established a 3% discount on Basic Choice rates compared to SCE's equivalent generation rates. Smart Choice was set at +1.0 cent per kWh above Basic, and 100% Renewable Choice at +1.5 cents per kWh above Basic.

During 2024, SCE implemented four major rate changes (January, March, June, and October) driven by Energy Resource Recovery Account (ERRA) balancing adjustments, changes to authorized cost of capital, removal of the 2023 ERRA Trigger surcharge, and reduction of prior overcollections. Collectively, these actions produced bundled generation rate reductions of roughly 7% to nearly 12%. Despite these unexpected changes, OCPA maintained a stable rate design and continued to deliver a 3% Basic discount relative to SCE's equivalent generation rates.

At the same time, OCPA's average cost to procure energy increased by roughly 20% between FY2022/23 and FY2023/24, driven by higher market prices for energy, resource adequacy (RA), and renewable attributes. These higher costs flowed directly into OCPA's FY2024/25 procurement expenses and made it more challenging to maintain affordability. OCPA's ability to hold its rate design steady while continuing to offer a discount reflects deliberate and careful financial and procurement management; OCPA absorbed a meaningful share of market risk rather than passing those cost increases directly through to customers.

### **SCE 2025 Volatility and OCPA's 2025 Rate Design**

SCE's 2025 rate projections highlighted the degree of uncertainty OCPA must plan around when indexing to SCE. In October 2024 alone, SCE issued three separate 2025 projections using different methodologies, while the California Public Utilities Commission (CPUC) released updated Market Price Benchmarks (MPB) that were considerably higher than earlier estimates. Across these iterations, projected bundled generation rates, revenue requirements, and PCIA levels varied significantly.

In December 2024, the CPUC adopted SCE's October 21, 2024 alternate update, with adjustments for actual November 2024 costs. Final 2025 rates, released December 30, 2024, reflected approximately:

- 0.9 cents per kWh (about 8%) decrease in bundled generation rates; and
- 0.8 cents per kWh (about 43%) increase in PCIA for vintage 2021<sup>2</sup>.

Because OCPA's 3% Basic discount was benchmarked to SCE's generation rates, these decreases in SCE's bundled generation put additional downward pressure on OCPA's FY2024/25 revenues, even as underlying energy costs were rising.

To preserve customer affordability, OCPA:

- Maintained the 3% Basic discount and product differentials in its 2025 rate design;
- Deferred \$45 million of FY2023/24 revenue under GASB Statement No. 62 into 2025 to help cover FY2024/25 and FY2025/26 costs and meet lender-mandated financial requirements; and

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<sup>2</sup> OCPA's initial customer enrollment began in April 2022 for commercial customers, who were assigned to vintage 2021. SCE applies the PCIA using the concept of "vintageing" to allocate costs to customers based on the month and year they departed SCE. For example, customers are assigned to vintage 2021 if they transitioned from SCE to join OCPA before July 1, 2022.

- Recommended city default product adjustments (using Smart Choice as a temporary default for Buena Park and, initially, for Irvine) to mitigate bill impacts while preserving the underlying rate structure and customer choice.

Irvine ultimately elected Basic Choice as its default product effective February 2025. Buena Park designated Smart Choice as its default beginning March 2025, with a plan to restore 100% Renewable Choice as the default in January 2027. Throughout, any customer could opt up or down among OCPA products based on their own bill sensitivity and clean energy preferences.

On January 22, 2025, the Board approved the 2025 rate design, maintaining the 2024 structure. This decision demonstrates that OCPA has already used one-time tools (deferred revenue, temporary default adjustments) to maintain competitiveness and avoid rate increases through 2025, leaving limited room to repeat those tools in 2026 without jeopardizing financial stability.

### **III. SCE VOLATILITY, 2026 PCIA CHANGES, AND STRUCTURAL DISTORTION**

#### **Ongoing SCE Volatility**

Throughout 2025, SCE continued to implement frequent and significant rate changes:

- January 1, 2025: New ERRA rates effective, with an ~8% decrease in bundled generation rates and a ~43% PCIA increase.
- March 1, 2025: Further adjustments to remove amortized 2021 expenses and modify time-of-use differentials (affecting delivery charges).
- June 1, 2025: Delivery-side changes, including recovery of 2017 Thomas Fire costs and transmission access charge updates.
- October 1, 2025: System-average bundled generation rates increased by about 18.8% compared to January 2025, ending an off-cycle reduction driven by an approximately \$750 million overcollection of generation revenues, and SCE implemented a ~10% delivery rate increase from its General Rate Case (GRC), affecting all customers, including OCPA's.

In summary, SCE adjusted rates multiple times per year, with bundled generation rate changes of roughly 8% to 19% over only a few months. For customers, the actual impact is better reflected by the average SCE equivalent generation rate over time than by any single point-in-time rate. Using SCE's equivalent generation rate data from 2023-2025, the average SCE equivalent residential generation rate is approximately 13.7¢/kWh, very close to OCPA's proposed 2026 Basic Choice average residential rate of about 13.9¢/kWh.

#### **CPUC RA MPB / PCIA Methodology Change for 2026**

In 2025, the CPUC adopted a new methodology for the RA Market Price Benchmark (RA MPB) within the statewide PCIA framework (Decision 25-06-049). IOUs advocated strongly for this change. RA market prices began to fall in 2025; under the prior method, that would have lowered the RA MPB. The new methodology, however, amplifies the effect of lower RA prices in the PCIA calculation and was applied retroactively to true up 2025 PCIA charges already in effect.

As a result, for 2026:

- SCE's bundled generation rates appear lower than they would under prior methods;
- PCIA charges are significantly higher, particularly for CCA customers across the state; and
- These outcomes are driven by mechanical accounting changes, not a corresponding reduction in IOU underlying power costs.

California Community Choice Association (CalCCA) has formally opposed this decision, filed an application for rehearing at the CPUC followed by an appeal in the Court of Appeal, arguing that the current approach reallocates costs and value in a way that favors IOU bundled customers, shifts costs onto CCA customers, and introduces improper retroactive ratemaking that destabilizes CCA budgeting and long-term planning statewide.

### **SCE's 2026 ERRA Forecast and Final Rates**

SCE's 2026 ERRA forecast went through multiple rounds of updates and corrections in 2025. In an updated 2026 forecast issued in October 2025, SCE projected:

- Lower bundled generation rates (about 1.3¢/kWh, roughly 12% below 2025); and
- Much higher PCIA charges (about 3.0¢/kWh increase for vintage 2021, more than tripling the 2025 level).

After SCE and CalCCA identified modeling and accounting errors, SCE filed an Amended 2026 ERRA Forecast on October 27, 2025, followed by a further update on November 17, 2025. That November update showed that SCE's 2026 system-average bundled generation rate is approximately 11% lower than 2025 (about 1.3¢/kWh), while PCIA for vintage 2021 increases by about 2.3¢/kWh, again more than three times the 2025 amount.

SCE subsequently filed Advice Letter 5725-E on December 30, 2025, establishing its final 2026 rates. The final rates show bundled generation rates decreasing between approximately 9% and 16%, depending on customer class, with the system-average bundled generation rate decreasing by about 11% and the PCIA for vintage 2021 increasing by about 2.3¢/kWh relative to 2025, more than tripling the prior-year charge.

Together, the RA MPB decision, CalCCA's statewide analysis, and SCE's ERRA updates confirm that:

- 2026 is an unusual comparison year characterized by significantly reduced bundled generation rates paired with substantially higher PCIA charges; and
- These dynamics create structural headwinds for CCAs and their customers, rather than reflecting OCPA-specific management decisions.

## **IV. BILL IMPACTS AND DRIVERS OF CUSTOMER COSTS**

Total electric bills are driven by two main components:

- Generation charges, set by OCPA for OCPA customers or by SCE for bundled customers; and
- Delivery charges, set and collected by SCE for all customers in its service territory (including OCPA customers), which fund transmission, distribution, metering, and related infrastructure.

According to the CPUC's Public Advocates Office, average SCE residential electricity rates increased about 83% between January 2015 and April 2025.

## Residential average rates have significantly increased

	Average Rate (\$ per kWh)	3-year Change Jan 2022 to April 2025	10-year Change Jan 2015 to April 2025
<b>PG&amp;E</b>	<b>\$0.386</b>	<b>↑ 41%</b>	<b>↑ 104%</b>
<b>SCE</b>	<b>\$0.314</b>	<b>↑ 25%</b>	<b>↑ 83%</b>
<b>SDG&amp;E</b>	<b>\$0.397</b>	<b>↑ 5%</b>	<b>↑ 71%</b>

Utility rates represent residential average rates excluding the California Climate Credit.  
Source: Investor-Owned Utility Advice Letters

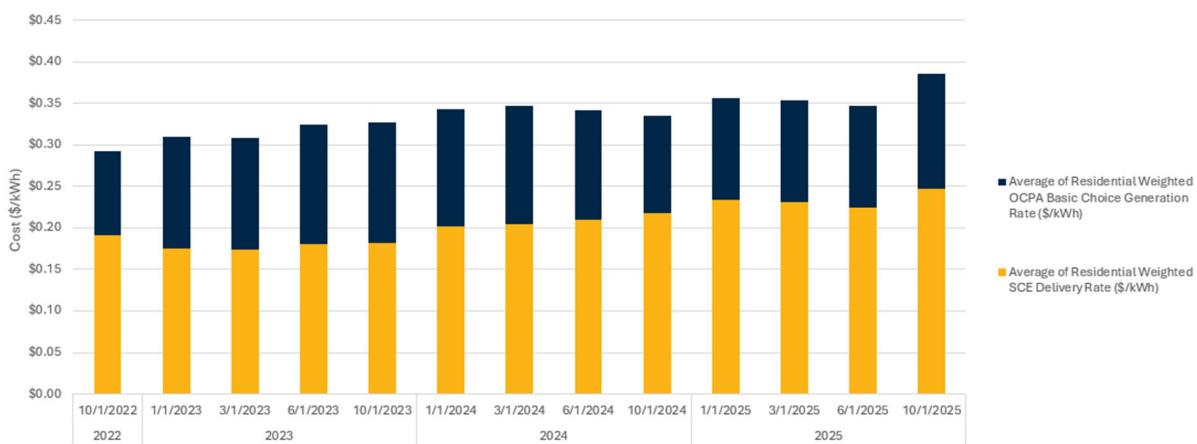


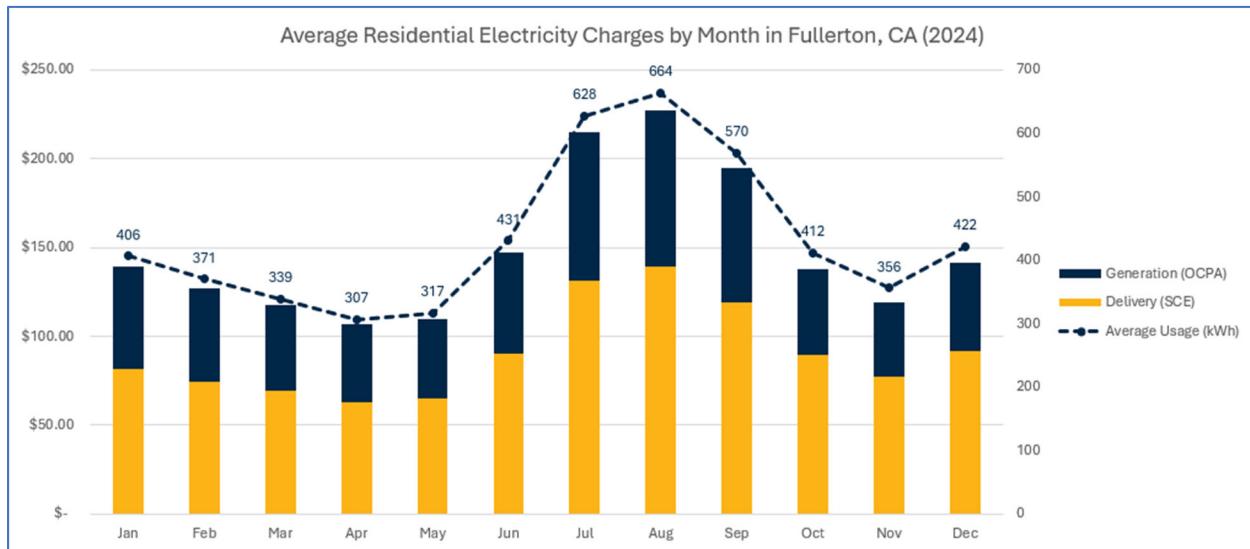
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Delivery charges are projected to account for nearly 70% of a typical SCE residential bill in 2026, with generation charges around 30%. In recent years, most of the total bill increases have occurred on the delivery side, which OCPA does not control. As a result, even as SCE and OCPA generation rates have decreased at times, customers have seen limited overall bill relief because rising delivery charges have offset savings from lower generation rates. Illustrative graphs prepared for this item show:

- The growth of delivery costs (yellow bars) versus generation costs (dark blue bars) from 2022-2025; and
- Seasonal variation in residential bills for a typical Fullerton customer, with kWh usage and total charges roughly doubling in summer compared to winter.

Average Residential Electric Generation and Delivery Costs (\$/kWh) Since Oct 2022





These visuals reinforce that the bill pressure customers experience is largely driven by statewide transmission and distribution costs, not by OCPA's generation rates, and they provide important context for evaluating the proposed 2026 rate stabilization approach.

For a typical residential customer using 425 kWh per month, under the proposed 2026 OCPA rates and SCE's adopted 2026 bundled rates (with SCE's default service at 38% renewable content per its 2024 Power Content Label):

- Basic Choice (49% renewable): total monthly bill about 12% higher than an SCE bundled customer;
- Smart Choice (60% renewable + 40% carbon-free): total monthly bill about 15% higher;
- 100% Renewable Choice (100% renewable): total monthly bill about 16% higher in exchange for substantially higher renewable content than SCE's default.

In all three cases, the total bill difference reflects:

- OCPA's higher clean energy content; and
- The temporary distortion created by SCE's unusually low 2026 bundled generation rates and elevated PCIA.

From a total-bill perspective, the 2026 rate stabilization approach does not introduce a new OCPA-driven increase. It holds OCPA's generation share of the bill at current levels while SCE's mechanically reduced 2026 generation rates temporarily make SCE's total bills lower for many customers.

## V. 2026 REVENUE REQUIREMENT, RESERVES, AND RATE STABILIZATION

### 2026 Revenue Requirement and Projected Gap

Staff projects that OCPA's total revenue requirement to recover projected 2026 costs is approximately \$268 million, as summarized below:

\$ in thousands	CY2026 Projection
Cost of Energy	\$248,106
Other Operating and Non-Operating Expenses	20,056
<b>Total Revenue Requirement</b>	<b>\$268,162</b>

Under the proposed rate stabilization approach (holding 2025 generation rates and product differentials through 2026), staff estimates:

- Projected Revenue – Rate Stabilization: \$264,419,000

This implies a projected revenue shortfall of approximately \$3.7 million for calendar year 2026, which staff expects to offset with estimated energy cost savings from the potential green bond prepayment structure if executed in Q1 2026. If the prepayment is not executed on the expected timeline, or if actual savings differ materially from estimates, staff will return to the Board with options to address the variance while maintaining financial stability.

### **Reserves and Credit Considerations**

A critical component of this recommendation is maintaining and, over time, rebuilding OCPA's operating reserves in line with Board policy and credit-analyst expectations. Under the proposed 2026 rate approach, staff projects:

- Operating reserves of approximately \$42.3 million as of December 31, 2026;
- Equivalent to about 21% of total operating expenses, which is below the Board's 30%-50% target range.

Operating reserves:

- Provide a safeguard against risks such as changes in member agency participation, which can destabilize power contracts and raise concerns among suppliers and rating agencies;
- Help buffer external risks such as PCIA and SCE rate volatility, wholesale energy price swings, economic downturns, and potential shifts in customer usage patterns; and
- Are a key factor in achieving and maintaining an investment-grade credit rating, supporting working capital needs, competitive procurement, and compliance with lender and supplier covenants.

Peer CCAs, such as Clean Power Alliance (CPA), project reserve levels of roughly 50% of total expenditures as of June 30, 2026, illustrating the expectations credit analysts bring to the sector.

Against this backdrop, further lowering OCPA's 2026 generation rates to match SCE's temporarily reduced bundled generation rates would push reserves even further below policy targets and weaken OCPA's financial resilience and credit profile. The rate stabilization proposal is therefore grounded in fiscal responsibility as well as customer protection.

### **Rate Stabilization Proposal**

Under the proposed 2026 approach:

- OCPA will maintain 2025 generation rates in 2026;
- The existing 2025 rate levels for Basic, Smart (+1¢/kWh), and 100% Renewable (+1.5¢/kWh) will be maintained, unless modified by future Board action; and
- Staff will monitor actual financial results, SCE's 2026 rate updates, and statewide proceedings affecting PCIA and RA MPB, and will return to the Board if conditions materially change.

Freezing rates at current levels is a deliberate and conservative response to:

1. OCPA's prior use of one-time tools (deferred revenue, default product adjustments) to preserve a 3% discount and avoid rate increases through 2025;

2. The new statewide RA MPB / PCIA methodology that temporarily lowers SCE's 2026 bundled generation rates while sharply increasing PCIA costs and making comparisons structurally unfavorable to CCAs; and
3. SCE's pattern of four to six rate changes per year, which makes point-in-time benchmarking unreliable.

From a total-bill perspective, OCPA customers will not see a bill increase as a direct result of the 2026 rate freeze. Generation charges remain at 2025 levels; any total bill differences versus 2025 are driven primarily by SCE's adopted 2026 delivery rates and PCIA structure.

## **VI. GREEN DISCOUNT PROGRAM**

To provide targeted bill relief for cost-sensitive customers while maintaining overall revenue stability, staff proposes a Green Discount Program beginning in 2026.

Core parameters:

- Eligibility: Non-NEM residential customers who voluntarily opt down from their existing OCPA product;
- Discount: 1% discount below SCE's equivalent residential generation rates;
- Resource mix: Up to 40% carbon-free energy;
- Program availability: up to net savings from the prepayment transaction (net of the estimated \$3.7 million revenue gap);
- Prioritization: CARE, FERA, and other income-qualified households, as administratively feasible.

Together with the 2026 rate freeze, the Green Discount Program provides a focused safety valve for households facing affordability challenges, while preserving OCPA's overall financial stability and supporting its mission to protect families and communities over the long term.

## **VII. 2027 OUTLOOK AND RATE-SETTING APPROACH UNDER THE RATE DEVELOPMENT POLICY**

Looking ahead, early indicators for 2027 are more favorable than 2026. PCIA rates are expected to moderate as market conditions normalize and the effects of the new RA MPB/PCIA methodology work through the system. This suggests that the 2026 environment is a temporary distortion driven by methodology changes and short-term conditions, not a permanent shift.

At the same time, tying OCPA's rates directly and automatically to SCE's frequently changing bundled rates has contributed to bill volatility and customer confusion. SCE's pattern of four to six rate changes per year and the 2026 comparison year underscore how quickly bundled-rate mechanics and PCIA implementation can move in opposite directions.

OCPA's existing Rate Development Policy already provides a robust, Board-approved framework for rate setting: staff is directed to design rates that recover revenue requirements and support target reserves while balancing competitiveness, stability, and long-term financial viability.

Consistent with that policy, staff will:

- Continue applying this framework in 2026;

- Refine cost-based analytics that reflect OCPA’s own portfolio energy costs, hedging strategy, potential prepayment savings (if executed), and local program priorities, rather than IOU accounting changes; and
- Evaluate practical rate-setting approaches, including cost-based benchmarks, long-term benchmarking to SCE, and hybrid structures that blend cost recovery, competitiveness targets, and reserve-building in stronger years.

In parallel, staff will continue reviewing hedging and contracting practices to ensure PCIA-related risks and other market exposures are explicitly reflected in portfolio planning, consistent with evolving CCA risk-management practices statewide.

Based on updated market information and Board direction, staff expects to return later in 2026 with recommended refinements to OCPA’s 2027 rate-setting approach that:

- Align with the Rate Development Policy;
- Reduce reliance on automatic SCE indexing;
- Keep OCPA competitive with SCE on a long-term, average basis; and
- Provide clearer, more stable pricing signals for customers.

Taken together, the 2026 rate freeze, the Green Discount Program, and a policy-grounded shift away from reactive SCE-driven adjustments support OCPA’s long-term strategy: stabilize customer bills in a volatile market, protect and rebuild operating reserves toward Board targets, and align prices and programs with OCPA’s own costs and community priorities.

## **VIII. SUMMARY OF RECOMMENDED 2026 RATE STRATEGY**

For 2026:

- OCPA is not raising its generation rates.
- Compared with 2025, any increase OCPA customers see on their total bills will be driven primarily by higher SCE delivery charges and PCIA mechanics, which OCPA does not control.
- Compared with SCE’s 2026 bundled customers, higher OCPA total bills are driven mainly by statewide CPUC/PCIA accounting changes and SCE’s unusually low 2026 bundled generation rates, not by any OCPA “markup” to its share of the bill.
- Over 2023-2025, SCE’s average equivalent residential generation rate has been about 13.7¢/kWh, very close to OCPA’s proposed 2026 Basic Choice average residential rate of about 13.9¢/kWh, demonstrating that the 2026 proposal is broadly aligned with recent historical SCE levels even though SCE’s 2026 bundled generation rates are temporarily lower on paper.

The recommended approach:

- Pairs a temporary 2026 rate freeze with a targeted Green Discount Program option;
- Protects and stabilizes operating reserves in a structurally challenging year; and
- Positions OCPA to bring back a policy-grounded, locally controlled, competitively informed rate-setting framework for 2027 that better reflects OCPA’s own costs and long-term community goals.

This strategy is consistent with the Board-adopted Reserve, Rate Development, and Rate Stabilization Fund policies and with credit-analyst guidance for CCAs. It is designed to protect customers and OCPA’s financial strength while the statewide RA MPB/PCIA issues are addressed.

## **FISCAL IMPACT**

Under the proposed 2026 generation rate stabilization approach, OCPA would maintain existing 2025 generation rates and product differentials (see attachments). Based on current projections, 2026 revenues, together with OCPA's estimated green bond prepayment savings (if executed in Q1 2026), are expected to be sufficient to meet OCPA's total 2026 revenue requirement of approximately \$268 million.

Green Discount Program costs are expected to be limited. Staff will actively monitor financial impacts and will return to the Board with any recommendation to expand, extend, or significantly change program parameters.

Staff will continue to monitor wholesale market conditions, SCE's ERRA and PCIA outcomes, and customer load trends. Updated forward projections and any recommended budget or rate-related adjustments will be presented in the OCPA FY2025/26 Mid-Year Budget Update (Spring 2026), and staff expects to return in Q3 2026 with an updated outlook and recommended refinements for 2027, consistent with the Board-approved Rate Development Policy.

## **ATTACHMENTS**

1. Glossary
2. OCPA Existing Rates Schedules Effective October 20, 2025 – Residential and Commercial Customers
3. Policy No. 19 Reserve
4. Policy No. 21 Rate Development
5. Policy No. 24 OCPA Rate Stabilization Fund Policy
6. CalCCA – PCIA Explanation

## Glossary

### **Power Charge Indifference Adjustment (PCIA)**

The PCIA is a fee charged by IOUs to CCA customers to ensure that remaining utility (bundled) customers do not face cost increases due to customers migrating to a CCA. The PCIA calculation methodology is established by the CPUC and is updated annually. Vintages are assigned based on the year of customer departures from the utility.

CCA customers are responsible for paying this fee, which is set by utilities. However, CCAs, including OCPA, typically set their rates lower to help offset the impact of the PCIA on their customers.

### **Community Choice Aggregation (CCA)**

In 2002, the California State Legislature allowed for cities and counties to procure electricity for customers within their respective jurisdictions. CCAs allow local governments to purchase renewable energy on behalf of their communities, while still receiving transmission and distribution service from for-profit utilities.

OCPA launched in 2022 and is part of a growing movement of 25 CCAs serving more than 15 million customers in California across 200 communities.

### **Energy Resource Recovery Account (ERRA) Forecast**

ERRA is a utility account used to track and recover the actual costs of fuel and power provided for customers. Utilities use ERRA proceedings to determine the rates they can charge customers for these costs. Utilities do not make any profit on these costs but are authorized to fully recover the actual expenses incurred on a reasonable basis.

### **Balancing accounts**

A balancing account is an accounting tool utilities use to track the difference between projected and actual expenses or revenues. The California Public Utilities Commission (CPUC) uses balancing accounts to monitor funds authorized for recovery or amortization.

The ERRA is an example of a two-way balancing account that records and recovers power costs. It tracks both overcollections and undercollections, ensuring that any surplus is returned to ratepayers, while deficits are collected from them.

### **2023 ERRA Trigger surcharge**

SCE 2023 ERRA trigger surcharge was a request for a rate adjustment submitted to the CPUC. SCE filed this request on January 31, 2023.

### **California Public Utilities Commission (CPUC)**

CPUC is a state agency that regulates investor-owned utilities (IOUs) in California. Its responsibilities include overseeing utility services, protecting consumers, safeguarding the environment, and ensuring Californians have access to safe and reliable utility infrastructure and services.

While the CPUC does not regulate the pricing of Community Choice Aggregators (CCAs), it enforces various operational requirements mandated by the legislature. These include compliance with the Renewable Portfolio Standard (RPS), Energy Storage mandates, Resource Adequacy (RA) requirements, public goods charge energy efficiency funding, and rate comparison disclosures.

### **Market Price Benchmark (MPB)**

The MPB is an average of utility portfolio costs used in calculating the ERRA Forecast Updates. It is a key component in the PCIA calculations. The MPB is determined using the volume-weighted average of market transactions and is used to calculate the final energy values in the PCIA.

### **Investor-Owned Utility (IOU)**

An IOU is a private, for-profit company that provides essential services like electricity, gas, or water. It operates as a regulated monopoly in a specific area to deliver services to customers while generating returns for its shareholders. Southern California Edison (SCE) is the IOU that serves OCPA's customers.

### **Governmental Accounting Standards Board (GASB)**

The GASB establishes accounting and financial reporting standards for U.S., state, and local governments that follow generally accepted accounting principles (GAAP). GAAP is a set of rules, standards, and procedures for financial reporting in the U.S.

### **General Rate Case (GRC)**

GRCs are proceedings used to address the costs of operating and maintaining the utility system and the allocation of those costs among customer classes. GRCs are parsed into two phases. Phase I determines the total amount the utility is authorized to collect, while Phase II determines the share of the cost each customer class is responsible for and the rate schedules for each class.

### **Public Advocates Office (Cal Advocates)**

The Public Advocates Office was created in 1984 and is a State entity charged with helping ensure Californians are represented at the California Public Utilities Commission and in other forums. Their mission is to advocate for the lowest possible bills for customers of California's regulated utilities consistent with safety, reliability, and the state's climate goals.

### **Resource Adequacy (RA)**

The CPUC adopted a RA policy framework in 2004, as outlined in Public Utilities Code section 380, to ensure the reliability of electric service in California. This framework established RA obligations for all LSEs within the CPUC's jurisdiction, including IOUs, energy service providers (ESPs), and CCAs.

The RA policy framework, implemented through the RA program, guides resource procurement and promotes infrastructure investment by requiring LSEs to procure capacity to ensure that resources are available to the California Independent System Operator (CAISO) when and where they are needed.

To ensure LSEs can meet peak demand, the CPUC requires CCAs to submit annual and monthly filings demonstrating compliance with specified capacity procurement percentages. The RA program includes separate requirements for system, local, and flexible RA.

### **Resource Adequacy Market Price Benchmark (RA MPB)**

The RA MPB determines the value of capacity resources in the IOUs' portfolios that the IOUs retain to serve their bundled customers. It is one of the components that go into calculating the forecast portfolio value, which will be subtracted from portfolio costs to get the PCIA.



### **California Community Choice Association (CalCCA)**

CalCCA represents the interests of California's community choice electricity providers in the legislature and at state regulatory agencies. CalCCA's voting membership is comprised of operating CCA programs in California that are serving load or about to launch. CalCCA's mission is to create a legislative and regulatory environment that supports the development of long-term sustainability of locally run CCAs in California.

### **Renewable Portfolio Standards (RPS)**

RPS are regulations that require energy providers to generate a minimum percentage of their energy from renewable sources.

California's RPS program was established in 2002 by Senate Bill (SB) 1078 (Sher, 2002), which initially mandated that 20% of electricity retail sales be served by renewable resources by 2017. The program was later expanded by SB 100 (de León, 2018), which increased the RPS requirement to 60% by 2030 and mandated that 100% of California's electricity come from carbon-free resources by 2045.

The California Energy Commission (CEC) verifies the eligibility of renewable energy procured by LSEs, including retail sellers, publicly owned utilities (POUs), and other entities serving retail electricity sales in California that are obligated to participate and report to the RPS program.

Eligible renewable resources are defined in California Public Resources Code § 25741 and include facilities using the following technologies: Biomass, Solar Thermal, Photovoltaic, Wind, Geothermal, Fuel cells using renewable fuels, Hydroelectric under 30 MW, Digester gas, Municipal solid waste conversion, Landfill gas, Ocean wave, Ocean thermal, Tidal current.

### **Power Content Label (PCL)**

Under the California Energy Commission Power Source Disclosure Program, retail suppliers, including OCPA and SCE, are required to disclose the mix of sources used to

provide electricity service during the previous calendar year. The information is reported and presented in the PCL, according to high prescriptive regulations, and reviewed by the California Energy Commission.

### **Net Energy Metering (NEM)**

NEM is a billing mechanism that allows customers with renewable energy systems, like solar panels, to receive credit for surplus electricity they send back to the grid.

### **California Alternate Rates for Energy (CARE)**

CARE is a financial assistance program administered by SCE that helps qualifying families lower their monthly energy bills with a 32.5% bill discount. OCPA customers have access to the same rate assistance programs offered by SCE and CARE remains available to eligible OCPA customers.

### **Family Electrical Rate Assistance (FERA)**

FERA is another financial assistance program administered by SCE that helps qualifying families lower their monthly energy bills with an 18% bill discount. OCPA customers have access to the same rate assistance programs offered by SCE and FERA remains available to eligible OCPA customers.

## RESIDENTIAL CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
<b>DOMESTIC</b>					
GENERATION CHARGE (\$/KWH)	YEAR-ROUND	\$ 0.13983	\$ 0.14983	\$ 0.15483	All electric usage
<b>TOU-D-4</b>					Summer - June through September; Winter - October through May
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.27772	\$ 0.28772	\$ 0.29272	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.15845	\$ 0.16845	\$ 0.17345	4pm - 9pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ 0.09541	\$ 0.10541	\$ 0.11041	All other hours
	WINTER MID-PEAK	\$ 0.20482	\$ 0.21482	\$ 0.21982	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.12398	\$ 0.13398	\$ 0.13898	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.10466	\$ 0.11466	\$ 0.11966	8am - 4pm, every day
<b>TOU-D-5</b>					Summer - June through September; Winter - October through May
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.42963	\$ 0.43963	\$ 0.44463	5pm - 8pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.23069	\$ 0.24069	\$ 0.24569	5pm - 8pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ 0.08550	\$ 0.09550	\$ 0.10050	All other hours
	WINTER MID-PEAK	\$ 0.29519	\$ 0.30519	\$ 0.31019	5pm - 8pm, every day
	WINTER OFF-PEAK	\$ 0.12225	\$ 0.13225	\$ 0.13725	8pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.09415	\$ 0.10415	\$ 0.10915	8am - 5pm, every day
<b>TOU-D-A</b>					Summer - June through September; Winter - October through May
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.30576	\$ 0.31576	\$ 0.32076	2pm - 8pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.13544	\$ 0.14544	\$ 0.15044	8am - 2pm & 8pm - 10pm, Monday - Friday 8am - 10pm, Saturday, Sunday & holidays
	SUMMER SUPER OFF-PEAK	\$ 0.09933	\$ 0.10933	\$ 0.11433	10pm - 8am, every day
	WINTER ON-PEAK	\$ 0.18702	\$ 0.19702	\$ 0.20202	2pm - 8pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.10631	\$ 0.11631	\$ 0.12131	8am - 2pm & 8pm - 10pm, Monday - Friday 8am - 10pm, Saturday, Sunday & holidays
	WINTER SUPER OFF-PEAK	\$ 0.10132	\$ 0.11132	\$ 0.11632	10pm - 8am, every day
<b>TOU-D-B</b>					Summer - June through September; Winter - October through May
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.45185	\$ 0.46185	\$ 0.46685	2pm - 8pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.13539	\$ 0.14539	\$ 0.15039	8am - 2pm & 8pm - 10pm, Monday - Friday 8am - 10pm, Saturday, Sunday & holidays
	SUMMER SUPER OFF-PEAK	\$ 0.05525	\$ 0.06525	\$ 0.07025	10pm - 8am, every day
	WINTER ON-PEAK	\$ 0.18080	\$ 0.19080	\$ 0.19580	2pm - 8pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.10631	\$ 0.11631	\$ 0.12131	8am - 2pm & 8pm - 10pm, Monday - Friday 8am - 10pm, Saturday, Sunday & holidays
	WINTER SUPER OFF-PEAK	\$ 0.05622	\$ 0.06622	\$ 0.07122	10pm - 8am, every day
<b>TOU-D-PRIME</b>					Summer - June through September; Winter - October through May
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.33509	\$ 0.34509	\$ 0.35009	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.12780	\$ 0.13780	\$ 0.14280	4pm - 9pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ 0.08974	\$ 0.09974	\$ 0.10474	All other hours
	WINTER MID-PEAK	\$ 0.29466	\$ 0.30466	\$ 0.30966	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.07790	\$ 0.08790	\$ 0.09290	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.07790	\$ 0.08790	\$ 0.09290	8am - 4pm, every day
<b>TOU-D-T</b>					Summer - June through September; Winter - October through May
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.17374	\$ 0.18374	\$ 0.18874	12pm - 6pm, Monday - Friday except holidays*
	SUMMER OFF-PEAK	\$ 0.15916	\$ 0.16916	\$ 0.17416	All other hours
	WINTER ON-PEAK	\$ 0.13239	\$ 0.14239	\$ 0.14739	12pm - 6pm, Monday - Friday except holidays*
	WINTER OFF-PEAK	\$ 0.12156	\$ 0.13156	\$ 0.13656	All other hours

\*Holidays are New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, and Christmas.



## Orange County Power Authority Rate Identification Number (RIN) Key

The tables below show the corresponding Rate Identification Number (RIN) to Orange County Power Authority (OCPA) rate. OCPA rates that are not time-dependent or Time-of-Use (TOU) do not have a corresponding RIN and are therefore excluded from this key. Your RIN can also be found below the "Details of your new charges" section on the generation portion of your utility bill.

Residential Customers			
OCPA Rate	RIN - Basic Choice	RIN - Smart Choice	RIN - 100% Renewable
TOU-D-4	USCA-XXOC-0017-0000	USCA-XXOC-0125-0000	USCA-XXOC-0124-0000
TOU-D-5	USCA-XXOC-0018-0000	USCA-XXOC-0127-0000	USCA-XXOC-0126-0000
TOU-D-A	USCA-XXOC-0019-0000	USCA-XXOC-0129-0000	USCA-XXOC-0128-0000
TOU-D-B	USCA-XXOC-0020-0000	USCA-XXOC-0131-0000	USCA-XXOC-0130-0000
TOU-D-PRIME	USCA-XXOC-0021-0000	USCA-XXOC-0133-0000	USCA-XXOC-0132-0000
TOU-D-T	USCA-XXOC-0022-0000	USCA-XXOC-0135-0000	USCA-XXOC-0134-0000

## COMMERCIAL CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
<b>TOU-GS-1-D</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.12953	\$ 0.13953	\$ 0.14453	Summer - June through September; Winter - October through May 4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.11766	\$ 0.12766	\$ 0.13266	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07956	\$ 0.08956	\$ 0.09456	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.12235	\$ 0.13235	\$ 0.13735	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08847	\$ 0.09847	\$ 0.10347	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.06798	\$ 0.07798	\$ 0.08298	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kV (\$/kWh)	\$ (0.00050)	\$ (0.00050)	\$ (0.00050)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kV (\$/kWh)	\$ (0.00095)	\$ (0.00095)	\$ (0.00095)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00098)	\$ (0.00098)	\$ (0.00098)	All electric usage
<b>DEMAND CHARGE (\$/KW)</b>					
	SUMMER ON-PEAK	\$ 17.25	\$ 17.25	\$ 17.25	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 5.30	\$ 5.30	\$ 5.30	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 2-50kV (\$/kW)	\$ (0.19)	\$ (0.19)	\$ (0.19)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 51-219kV (\$/kW)	\$ (0.45)	\$ (0.45)	\$ (0.45)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.45)	\$ (0.45)	\$ (0.45)	4pm - 9pm, Monday - Friday
<b>TOU-GS-1-E</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.46378	\$ 0.47378	\$ 0.47878	Summer - June through September; Winter - October through May 4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.12867	\$ 0.13867	\$ 0.14367	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.09401	\$ 0.10401	\$ 0.10901	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.19162	\$ 0.20162	\$ 0.20662	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.10960	\$ 0.11960	\$ 0.12460	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.06090	\$ 0.07090	\$ 0.07590	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kV (\$/kWh)	\$ (0.00137)	\$ (0.00137)	\$ (0.00137)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kV (\$/kWh)	\$ (0.00299)	\$ (0.00299)	\$ (0.00299)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00305)	\$ (0.00305)	\$ (0.00305)	All electric usage
<b>TOU-GS-1-ES</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.49370	\$ 0.50370	\$ 0.50870	Summer - June through September; Winter - October through May 4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.14024	\$ 0.15024	\$ 0.15524	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.09926	\$ 0.10926	\$ 0.11426	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.18386	\$ 0.19386	\$ 0.19886	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.10280	\$ 0.11280	\$ 0.11780	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.05772	\$ 0.06772	\$ 0.07272	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kV (\$/kWh)	\$ (0.00138)	\$ (0.00138)	\$ (0.00138)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kV (\$/kWh)	\$ (0.00300)	\$ (0.00300)	\$ (0.00300)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00305)	\$ (0.00305)	\$ (0.00305)	All electric usage
<b>TOU-GS-1-A</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.17096	\$ 0.18096	\$ 0.18596	Summer - June through September; Winter - October through May 12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.16037	\$ 0.17037	\$ 0.17537	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.15457	\$ 0.16457	\$ 0.16957	All other hours
	WINTER MID-PEAK	\$ 0.11585	\$ 0.12585	\$ 0.13085	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.10498	\$ 0.11498	\$ 0.11998	All other hours
<b>TOU-GS-1-B</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.09646	\$ 0.10646	\$ 0.11146	Summer - June through September; Winter - October through May 12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.09068	\$ 0.10068	\$ 0.10568	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.08753	\$ 0.09753	\$ 0.10253	All other hours
	WINTER MID-PEAK	\$ 0.11585	\$ 0.12585	\$ 0.13085	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.10498	\$ 0.11498	\$ 0.11998	All other hours
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 12.67	\$ 12.67	\$ 12.67	12pm - 6pm, Monday - Friday

## COMMERCIAL CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
	SUMMER MID-PEAK	\$ 4.12	\$ 4.12	\$ 4.12	8am - 12pm & 6pm - 11pm, Monday - Friday

## COMMERCIAL CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
<b>TOU-GS-2-D</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.12530	\$ 0.13530	\$ 0.14030	Summer - June through September; Winter - October through May 4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.11491	\$ 0.12491	\$ 0.12991	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07639	\$ 0.08639	\$ 0.09139	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.08700	\$ 0.09700	\$ 0.10200	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08748	\$ 0.09748	\$ 0.10248	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04946	\$ 0.05946	\$ 0.06446	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kV (\$/kWh)	\$ (0.00096)	\$ (0.00096)	\$ (0.00096)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kV (\$/kWh)	\$ (0.00214)	\$ (0.00214)	\$ (0.00214)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00214)	\$ (0.00214)	\$ (0.00214)	All electric usage
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 21.88	\$ 21.88	\$ 21.88	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 5.75	\$ 5.75	\$ 5.75	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 2-50kV (\$/kW)	\$ (0.50)	\$ (0.50)	\$ (0.50)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 51-219kV (\$/kW)	\$ (1.14)	\$ (1.14)	\$ (1.14)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (1.16)	\$ (1.16)	\$ (1.16)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 2-50kV (\$/kW)	\$ (0.13)	\$ (0.13)	\$ (0.13)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 51-219kV (\$/kW)	\$ (0.30)	\$ (0.30)	\$ (0.30)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.30)	\$ (0.30)	\$ (0.30)	4pm - 9pm, Monday - Friday
<b>TOU-GS-2-E</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.40463	\$ 0.41463	\$ 0.41963	Summer - June through September; Winter - October through May 4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.11491	\$ 0.12491	\$ 0.12991	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07639	\$ 0.08639	\$ 0.09139	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.13145	\$ 0.14145	\$ 0.14645	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08748	\$ 0.09748	\$ 0.10248	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04946	\$ 0.05946	\$ 0.06446	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kV (\$/kWh)	\$ (0.00144)	\$ (0.00144)	\$ (0.00144)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kV (\$/kWh)	\$ (0.00323)	\$ (0.00323)	\$ (0.00323)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00325)	\$ (0.00325)	\$ (0.00325)	All electric usage
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 6.08	\$ 6.08	\$ 6.08	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 2.35	\$ 2.35	\$ 2.35	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 2-50kV (\$/kW)	\$ (0.20)	\$ (0.20)	\$ (0.20)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 51-219kV (\$/kW)	\$ (0.47)	\$ (0.47)	\$ (0.47)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.48)	\$ (0.48)	\$ (0.48)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 2-50kV (\$/kW)	\$ (0.04)	\$ (0.04)	\$ (0.04)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 51-219kV (\$/kW)	\$ (0.12)	\$ (0.12)	\$ (0.12)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.12)	\$ (0.12)	\$ (0.12)	4pm - 9pm, Monday - Friday
<b>TOU-GS-2-B</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.09275	\$ 0.10275	\$ 0.10775	Summer - June through September; Winter - October through May 12pm - 6pm, Monday - Friday

## COMMERCIAL CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
	SUMMER MID-PEAK	\$ 0.08724	\$ 0.09724	\$ 0.10224	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.08421	\$ 0.09421	\$ 0.09921	All other hours
	WINTER MID-PEAK	\$ 0.11111	\$ 0.12111	\$ 0.12611	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.06867	\$ 0.07867	\$ 0.08367	All other hours
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 15.17	\$ 15.17	\$ 15.17	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 5.10	\$ 5.10	\$ 5.10	8am - 12pm & 6pm - 11pm, Monday - Friday
TOU-GS-2-R					Summer - June through September; Winter - October through May
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.29310	\$ 0.30310	\$ 0.30810	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.14318	\$ 0.15318	\$ 0.15818	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.08421	\$ 0.09421	\$ 0.09921	All other hours
	WINTER MID-PEAK	\$ 0.11111	\$ 0.12111	\$ 0.12611	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.06867	\$ 0.07867	\$ 0.08367	All other hours
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kV (\$/kWh)	\$ (0.00246)	\$ (0.00246)	\$ (0.00246)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kV (\$/kWh)	\$ (0.00556)	\$ (0.00556)	\$ (0.00556)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00562)	\$ (0.00562)	\$ (0.00562)	All electric usage

## COMMERCIAL CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
<b>TOU-GS-3-D</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.11657	\$ 0.12657	\$ 0.13157	Summer - June through September; Winter - October through May 4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10693	\$ 0.11693	\$ 0.12193	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07455	\$ 0.08455	\$ 0.08955	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.08493	\$ 0.09493	\$ 0.09993	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08540	\$ 0.09540	\$ 0.10040	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04827	\$ 0.05827	\$ 0.06327	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kV (\$/kWh)	\$ (0.00097)	\$ (0.00097)	\$ (0.00097)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kV (\$/kWh)	\$ (0.00213)	\$ (0.00213)	\$ (0.00213)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00216)	\$ (0.00216)	\$ (0.00216)	All electric usage
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 18.78	\$ 18.78	\$ 18.78	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 6.79	\$ 6.79	\$ 6.79	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 2-50kV (\$/kW)	\$ (0.43)	\$ (0.43)	\$ (0.43)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 51-219kV (\$/kW)	\$ (1.00)	\$ (1.00)	\$ (1.00)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (1.01)	\$ (1.01)	\$ (1.01)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 2-50kV (\$/kW)	\$ (0.17)	\$ (0.17)	\$ (0.17)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 51-219kV (\$/kW)	\$ (0.36)	\$ (0.36)	\$ (0.36)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.37)	\$ (0.37)	\$ (0.37)	4pm - 9pm, Monday - Friday
<b>TOU-GS-3-E</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.33108	\$ 0.34108	\$ 0.34608	Summer - June through September; Winter - October through May 4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10693	\$ 0.11693	\$ 0.12193	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07455	\$ 0.08455	\$ 0.08955	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.13266	\$ 0.14266	\$ 0.14766	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08540	\$ 0.09540	\$ 0.10040	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04827	\$ 0.05827	\$ 0.06327	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kV (\$/kWh)	\$ (0.00179)	\$ (0.00179)	\$ (0.00179)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kV (\$/kWh)	\$ (0.00399)	\$ (0.00399)	\$ (0.00399)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00404)	\$ (0.00404)	\$ (0.00404)	All electric usage
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 5.22	\$ 5.22	\$ 5.22	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 2.79	\$ 2.79	\$ 2.79	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 2-50kV (\$/kW)	\$ (0.17)	\$ (0.17)	\$ (0.17)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 51-219kV (\$/kW)	\$ (0.42)	\$ (0.42)	\$ (0.42)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.41)	\$ (0.41)	\$ (0.41)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 2-50kV (\$/kW)	\$ (0.07)	\$ (0.07)	\$ (0.07)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 51-219kV (\$/kW)	\$ (0.16)	\$ (0.16)	\$ (0.16)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.15)	\$ (0.15)	\$ (0.15)	4pm - 9pm, Monday - Friday
<b>TOU-GS-3-B</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.08856	\$ 0.09856	\$ 0.10356	Summer - June through September; Winter - October through May 12pm - 6pm, Monday - Friday

## COMMERCIAL CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
	SUMMER MID-PEAK	\$ 0.08318	\$ 0.09318	\$ 0.09818	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.08043	\$ 0.09043	\$ 0.09543	All other hours
	WINTER MID-PEAK	\$ 0.11047	\$ 0.12047	\$ 0.12547	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.06737	\$ 0.07737	\$ 0.08237	All other hours
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 12.58	\$ 12.58	\$ 12.58	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 4.20	\$ 4.20	\$ 4.20	8am - 12pm & 6pm - 11pm, Monday - Friday
TOU-GS-3-R					Summer - June through September; Winter - October through May
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.24347	\$ 0.25347	\$ 0.25847	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.12371	\$ 0.13371	\$ 0.13871	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.08043	\$ 0.09043	\$ 0.09543	All other hours
	WINTER MID-PEAK	\$ 0.11047	\$ 0.12047	\$ 0.12547	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.06737	\$ 0.07737	\$ 0.08237	All other hours
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kV (\$/kWh)	\$ (0.00209)	\$ (0.00209)	\$ (0.00209)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kV (\$/kWh)	\$ (0.00469)	\$ (0.00469)	\$ (0.00469)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00476)	\$ (0.00476)	\$ (0.00476)	All electric usage

## COMMERCIAL CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
<b>TOU-8-SEC-D</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.11595	\$ 0.12595	\$ 0.13095	Summer - June through September; Winter - October through May 4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10635	\$ 0.11635	\$ 0.12135	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07431	\$ 0.08431	\$ 0.08931	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.08469	\$ 0.09469	\$ 0.09969	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08517	\$ 0.09517	\$ 0.10017	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04804	\$ 0.05804	\$ 0.06304	8am - 4pm, every day
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 19.75	\$ 19.75	\$ 19.75	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 6.05	\$ 6.05	\$ 6.05	4pm - 9pm, Monday - Friday
<b>TOU-8-PRI-D</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.11007	\$ 0.12007	\$ 0.12507	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10118	\$ 0.11118	\$ 0.11618	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07065	\$ 0.08065	\$ 0.08565	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.08062	\$ 0.09062	\$ 0.09562	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08124	\$ 0.09124	\$ 0.09624	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04589	\$ 0.05589	\$ 0.06089	8am - 4pm, every day
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 18.80	\$ 18.80	\$ 18.80	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 7.03	\$ 7.03	\$ 7.03	4pm - 9pm, Monday - Friday
<b>TOU-8-SUB-D</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.10331	\$ 0.11331	\$ 0.11831	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.09522	\$ 0.10522	\$ 0.11022	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.06616	\$ 0.07616	\$ 0.08116	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.07555	\$ 0.08555	\$ 0.09055	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.07637	\$ 0.08637	\$ 0.09137	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04314	\$ 0.05314	\$ 0.05814	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00062)	\$ (0.00062)	\$ (0.00062)	All electric usage
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 20.77	\$ 20.77	\$ 20.77	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 6.71	\$ 6.71	\$ 6.71	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.20)	\$ (0.20)	\$ (0.20)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.06)	\$ (0.06)	\$ (0.06)	4pm - 9pm, Monday - Friday
<b>TOU-8-SEC-E</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.31943	\$ 0.32943	\$ 0.33443	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10635	\$ 0.11635	\$ 0.12135	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07431	\$ 0.08431	\$ 0.08931	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.12420	\$ 0.13420	\$ 0.13920	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08517	\$ 0.09517	\$ 0.10017	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04804	\$ 0.05804	\$ 0.06304	8am - 4pm, every day
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 5.49	\$ 5.49	\$ 5.49	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 2.48	\$ 2.48	\$ 2.48	4pm - 9pm, Monday - Friday
<b>TOU-8-PRI-E</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.29991	\$ 0.30991	\$ 0.31491	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10118	\$ 0.11118	\$ 0.11618	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07065	\$ 0.08065	\$ 0.08565	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.14162	\$ 0.15162	\$ 0.15662	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08124	\$ 0.09124	\$ 0.09624	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04589	\$ 0.05589	\$ 0.06089	8am - 4pm, every day
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 4.61	\$ 4.61	\$ 4.61	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 0.81	\$ 0.81	\$ 0.81	4pm - 9pm, Monday - Friday
<b>TOU-8-SUB-E</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.32885	\$ 0.33885	\$ 0.34385	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.09522	\$ 0.10522	\$ 0.11022	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.06616	\$ 0.07616	\$ 0.08116	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.12476	\$ 0.13476	\$ 0.13976	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.07637	\$ 0.08637	\$ 0.09137	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04314	\$ 0.05314	\$ 0.05814	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00079)	\$ (0.00079)	\$ (0.00079)	All electric usage
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 1.97	\$ 1.97	\$ 1.97	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 0.95	\$ 0.95	\$ 0.95	4pm - 9pm, Monday - Friday

COMMERCIAL CUSTOMERS						
OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions	
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.02)	\$ (0.02)	\$ (0.02)	4pm - 9pm, Monday - Friday	
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.01)	\$ (0.01)	\$ (0.01)	4pm - 9pm, Monday - Friday	

## COMMERCIAL CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
<b>TOU-8-SEC-B</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.08820	\$ 0.09820	\$ 0.10320	Summer - June through September; Winter - October through May 12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.08256	\$ 0.09256	\$ 0.09756	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.08008	\$ 0.09008	\$ 0.09508	All other hours
	WINTER MID-PEAK	\$ 0.10615	\$ 0.11615	\$ 0.12115	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.06815	\$ 0.07815	\$ 0.08315	All other hours
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 13.60	\$ 13.60	\$ 13.60	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 4.46	\$ 4.46	\$ 4.46	8am - 12pm & 6pm - 11pm, Monday - Friday
<b>TOU-8-PRI-B</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.08405	\$ 0.09405	\$ 0.09905	Summer - June through September; Winter - October through May 12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.07836	\$ 0.08836	\$ 0.09336	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.07634	\$ 0.08634	\$ 0.09134	All other hours
	WINTER MID-PEAK	\$ 0.10878	\$ 0.11878	\$ 0.12378	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.06634	\$ 0.07634	\$ 0.08134	All other hours
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 13.23	\$ 13.23	\$ 13.23	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 4.26	\$ 4.26	\$ 4.26	8am - 12pm & 6pm - 11pm, Monday - Friday
<b>TOU-8-SUB-B</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.07876	\$ 0.08876	\$ 0.09376	Summer - June through September; Winter - October through May 12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.07320	\$ 0.08320	\$ 0.08820	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.07153	\$ 0.08153	\$ 0.08653	All other hours
	WINTER MID-PEAK	\$ 0.10058	\$ 0.11058	\$ 0.11558	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.06287	\$ 0.07287	\$ 0.07787	All other hours
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00062)	\$ (0.00062)	\$ (0.00062)	All electric usage
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 15.13	\$ 15.13	\$ 15.13	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 4.90	\$ 4.90	\$ 4.90	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER ON-PEAK AND MID-PEAK VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.30)	\$ (0.30)	\$ (0.30)	8am - 11pm, Monday - Friday
<b>TOU-8-SEC-R</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.24436	\$ 0.25436	\$ 0.25936	Summer - June through September; Winter - October through May 12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.12057	\$ 0.13057	\$ 0.13557	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.08008	\$ 0.09008	\$ 0.09508	All other hours
	WINTER MID-PEAK	\$ 0.10615	\$ 0.11615	\$ 0.12115	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.06815	\$ 0.07815	\$ 0.08315	All other hours
<b>TOU-8-PRI-R</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.23375	\$ 0.24375	\$ 0.24875	Summer - June through September; Winter - October through May 12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.11226	\$ 0.12226	\$ 0.12726	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.07634	\$ 0.08634	\$ 0.09134	All other hours
	WINTER MID-PEAK	\$ 0.10878	\$ 0.11878	\$ 0.12378	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.06634	\$ 0.07634	\$ 0.08134	All other hours
<b>TOU-8-SUB-R</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.23170	\$ 0.24170	\$ 0.24670	Summer - June through September; Winter - October through May 12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10682	\$ 0.11682	\$ 0.12182	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.07153	\$ 0.08153	\$ 0.08653	All other hours
	WINTER MID-PEAK	\$ 0.10058	\$ 0.11058	\$ 0.11558	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.06287	\$ 0.07287	\$ 0.07787	All other hours
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00098)	\$ (0.00098)	\$ (0.00098)	All electric usage
<b>TOU-8-SEC-RBU</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.11595	\$ 0.12595	\$ 0.13095	Summer - June through September; Winter - October through May 4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10635	\$ 0.11635	\$ 0.12135	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07431	\$ 0.08431	\$ 0.08931	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.08469	\$ 0.09469	\$ 0.09969	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08517	\$ 0.09517	\$ 0.10017	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04804	\$ 0.05804	\$ 0.06304	8am - 4pm, every day
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 19.75	\$ 19.75	\$ 19.75	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 6.05	\$ 6.05	\$ 6.05	4pm - 9pm, Monday - Friday

## COMMERCIAL CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
<b>TOU-8-PRI-RBU</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.11007	\$ 0.12007	\$ 0.12507	Summer - June through September; Winter - October through May 4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10118	\$ 0.11118	\$ 0.11618	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07065	\$ 0.08065	\$ 0.08565	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.08062	\$ 0.09062	\$ 0.09562	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08124	\$ 0.09124	\$ 0.09624	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04589	\$ 0.05589	\$ 0.06089	8am - 4pm, every day
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 18.80	\$ 18.80	\$ 18.80	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 7.03	\$ 7.03	\$ 7.03	4pm - 9pm, Monday - Friday
<b>TOU-8-SUB-RBU</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.10331	\$ 0.11331	\$ 0.11831	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.09522	\$ 0.10522	\$ 0.11022	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.06616	\$ 0.07616	\$ 0.08116	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.07555	\$ 0.08555	\$ 0.09055	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.07637	\$ 0.08637	\$ 0.09137	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04314	\$ 0.05314	\$ 0.05814	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00062)	\$ (0.00062)	\$ (0.00062)	All electric usage
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 20.77	\$ 20.77	\$ 20.77	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 6.71	\$ 6.71	\$ 6.71	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.20)	\$ (0.20)	\$ (0.20)	4pm - 9pm, Monday - Friday
	WINTER WEEKDAYS VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.06)	\$ (0.06)	\$ (0.06)	4pm - 9pm, Monday - Friday

## BUSINESS ELECTRIC VEHICLE CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
<b>TOU-EV-7</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.34960	\$ 0.35960	\$ 0.36460	Summer - June through September; Winter - October through May 4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.12867	\$ 0.13867	\$ 0.14367	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.10699	\$ 0.11699	\$ 0.12199	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.19162	\$ 0.20162	\$ 0.20662	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.12464	\$ 0.13464	\$ 0.13964	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.06090	\$ 0.07090	\$ 0.07590	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kV (\$/kWh)	\$ (0.00137)	\$ (0.00137)	\$ (0.00137)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kV (\$/kWh)	\$ (0.00299)	\$ (0.00299)	\$ (0.00299)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00305)	\$ (0.00305)	\$ (0.00305)	All electric usage
<b>TOU-EV-8</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.38599	\$ 0.39599	\$ 0.40099	Summer - June through September; Winter - October through May 4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.11491	\$ 0.12491	\$ 0.12991	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.09057	\$ 0.10057	\$ 0.10557	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.16229	\$ 0.17229	\$ 0.17729	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.10515	\$ 0.11515	\$ 0.12015	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04946	\$ 0.05946	\$ 0.06446	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kV (\$/kWh)	\$ (0.00246)	\$ (0.00246)	\$ (0.00246)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kV (\$/kWh)	\$ (0.00556)	\$ (0.00556)	\$ (0.00556)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00562)	\$ (0.00562)	\$ (0.00562)	All electric usage
<b>TOU-EV-9-SEC</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.30008	\$ 0.31008	\$ 0.31508	Summer - June through September; Winter - October through May 4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10635	\$ 0.11635	\$ 0.12135	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.08415	\$ 0.09415	\$ 0.09915	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.15160	\$ 0.16160	\$ 0.16660	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.09557	\$ 0.10557	\$ 0.11057	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04804	\$ 0.05804	\$ 0.06304	8am - 4pm, every day
<b>TOU-EV-9-PRI</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.27293	\$ 0.28293	\$ 0.28793	Summer - June through September; Winter - October through May 4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10118	\$ 0.11118	\$ 0.11618	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07907	\$ 0.08907	\$ 0.09407	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.14947	\$ 0.15947	\$ 0.16447	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08947	\$ 0.09947	\$ 0.10447	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04589	\$ 0.05589	\$ 0.06089	8am - 4pm, every day
<b>TOU-EV-9-SUB</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.26595	\$ 0.27595	\$ 0.28095	Summer - June through September; Winter - October through May 4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.09522	\$ 0.10522	\$ 0.11022	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07378	\$ 0.08378	\$ 0.08878	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.13291	\$ 0.14291	\$ 0.14791	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08309	\$ 0.09309	\$ 0.09809	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04314	\$ 0.05314	\$ 0.05814	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00098)	\$ (0.00098)	\$ (0.00098)	All electric usage

## AGRICULTURE CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
<b>TOU-PA-2-D</b>		Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.12600	\$ 0.13600	\$ 0.14100	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.11552	\$ 0.12552	\$ 0.13052	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07891	\$ 0.08891	\$ 0.09391	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.10024	\$ 0.11024	\$ 0.11524	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08125	\$ 0.09125	\$ 0.09625	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.07047	\$ 0.08047	\$ 0.08547	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50KV (\$/kWh)	\$ (0.00099)	\$ (0.00099)	\$ (0.00099)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219KV (\$/kWh)	\$ (0.00219)	\$ (0.00219)	\$ (0.00219)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220KV (\$/kWh)	\$ (0.00220)	\$ (0.00220)	\$ (0.00220)	All electric usage
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 12.02	\$ 12.02	\$ 12.02	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 2.72	\$ 2.72	\$ 2.72	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 2-50KV (\$/kW)	\$ (0.17)	\$ (0.17)	\$ (0.17)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 51-219KV (\$/kW)	\$ (0.37)	\$ (0.37)	\$ (0.37)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220KV (\$/kW)	\$ (0.37)	\$ (0.37)	\$ (0.37)	4pm - 9pm, Monday - Friday
	YEAR ROUND WIND MACHINE CREDIT (\$/kW)	\$ (9.76)	\$ (9.76)	\$ (9.76)	All electric usage
<b>TOU-PA-2-D5</b>		Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.24375	\$ 0.25375	\$ 0.25875	5pm - 8pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.23034	\$ 0.24034	\$ 0.24534	5pm - 8pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07441	\$ 0.08441	\$ 0.08941	8pm - 5pm, every day
	WINTER MID-PEAK	\$ 0.10443	\$ 0.11443	\$ 0.11943	5pm - 8pm, every day
	WINTER OFF-PEAK	\$ 0.08460	\$ 0.09460	\$ 0.09960	8pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.07329	\$ 0.08329	\$ 0.08829	8am - 5pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50KV (\$/kWh)	\$ (0.00104)	\$ (0.00104)	\$ (0.00104)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219KV (\$/kWh)	\$ (0.00230)	\$ (0.00230)	\$ (0.00230)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220KV (\$/kWh)	\$ (0.00231)	\$ (0.00231)	\$ (0.00231)	All electric usage
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 11.51	\$ 11.51	\$ 11.51	5pm - 8pm, Monday - Friday
	WINTER MID-PEAK	\$ 2.14	\$ 2.14	\$ 2.14	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 2-50KV (\$/kW)	\$ (0.16)	\$ (0.16)	\$ (0.16)	5pm - 8pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 51-219KV (\$/kW)	\$ (0.33)	\$ (0.33)	\$ (0.33)	5pm - 8pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220KV (\$/kW)	\$ (0.34)	\$ (0.34)	\$ (0.34)	5pm - 8pm, Monday - Friday
	YEAR ROUND WIND MACHINE CREDIT (\$/kW)	\$ (9.76)	\$ (9.76)	\$ (9.76)	All electric usage

## AGRICULTURE CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
<b>TOU-PA-2-E</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.40681	\$ 0.41681	\$ 0.42181	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.11552	\$ 0.12552	\$ 0.13052	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07891	\$ 0.08891	\$ 0.09391	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.11492	\$ 0.12492	\$ 0.12992	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.09294	\$ 0.10294	\$ 0.10794	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.08043	\$ 0.09043	\$ 0.09543	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kV (\$/kWh)	\$ (0.00164)	\$ (0.00164)	\$ (0.00164)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kV (\$/kWh)	\$ (0.00357)	\$ (0.00357)	\$ (0.00357)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00358)	\$ (0.00358)	\$ (0.00358)	All electric usage
DEMAND CHARGE (\$/KW)	YEAR ROUND WIND MACHINE CREDIT (\$/kW)	\$ (9.76)	\$ (9.76)	\$ (9.76)	All electric usage
<b>TOU-PA-2-E5</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.67217	\$ 0.68217	\$ 0.68717	5pm - 8pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.23034	\$ 0.24034	\$ 0.24534	5pm - 8pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07441	\$ 0.08441	\$ 0.08941	8pm - 5pm, every day
	WINTER MID-PEAK	\$ 0.11540	\$ 0.12540	\$ 0.13040	5pm - 8pm, every day
	WINTER OFF-PEAK	\$ 0.09331	\$ 0.10331	\$ 0.10831	8pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.08074	\$ 0.09074	\$ 0.09574	8am - 5pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kV (\$/kWh)	\$ (0.00164)	\$ (0.00164)	\$ (0.00164)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kV (\$/kWh)	\$ (0.00358)	\$ (0.00358)	\$ (0.00358)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00358)	\$ (0.00358)	\$ (0.00358)	All electric usage
DEMAND CHARGE (\$/KW)	YEAR ROUND WIND MACHINE CREDIT (\$/kW)	\$ (9.76)	\$ (9.76)	\$ (9.76)	All electric usage
<b>TOU-PA-2-A</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.25915	\$ 0.26915	\$ 0.27415	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.12236	\$ 0.13236	\$ 0.13736	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.08527	\$ 0.09527	\$ 0.10027	All other hours
	WINTER MID-PEAK	\$ 0.11396	\$ 0.12396	\$ 0.12896	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.07777	\$ 0.08777	\$ 0.09277	All other hours
DEMAND CHARGE (\$/KW)	YEAR ROUND WIND MACHINE CREDIT (\$/kW)	\$ (9.76)	\$ (9.76)	\$ (9.76)	All electric usage
<b>TOU-PA-2-B</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.09394	\$ 0.10394	\$ 0.10894	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.08736	\$ 0.09736	\$ 0.10236	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.08527	\$ 0.09527	\$ 0.10027	All other hours
	WINTER MID-PEAK	\$ 0.11396	\$ 0.12396	\$ 0.12896	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.07777	\$ 0.08777	\$ 0.09277	All other hours
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 8.52	\$ 8.52	\$ 8.52	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 2.61	\$ 2.61	\$ 2.61	8am - 12pm & 6pm - 11pm, Monday - Friday
	YEAR ROUND WIND MACHINE CREDIT (\$/kW)	\$ (9.76)	\$ (9.76)	\$ (9.76)	All electric usage

## AGRICULTURE CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
<b>TOU-PA-3-D</b>		Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.11034	\$ 0.12034	\$ 0.12534	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10129	\$ 0.11129	\$ 0.11629	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.06954	\$ 0.07954	\$ 0.08454	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.08697	\$ 0.09697	\$ 0.10197	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08748	\$ 0.09748	\$ 0.10248	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04942	\$ 0.05942	\$ 0.06442	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50KV (\$/kWh)	\$ (0.00098)	\$ (0.00098)	\$ (0.00098)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219KV (\$/kWh)	\$ (0.00216)	\$ (0.00216)	\$ (0.00216)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220KV (\$/kWh)	\$ (0.00219)	\$ (0.00219)	\$ (0.00219)	All electric usage
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 12.83	\$ 12.83	\$ 12.83	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 2.76	\$ 2.76	\$ 2.76	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 2-50KV (\$/kW)	\$ (0.19)	\$ (0.19)	\$ (0.19)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 51-219KV (\$/kW)	\$ (0.45)	\$ (0.45)	\$ (0.45)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220KV (\$/kW)	\$ (0.45)	\$ (0.45)	\$ (0.45)	4pm - 9pm, Monday - Friday
<b>TOU-PA-3-D5</b>		Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.20823	\$ 0.21823	\$ 0.22323	5pm - 8pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.19681	\$ 0.20681	\$ 0.21181	5pm - 8pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.06583	\$ 0.07583	\$ 0.08083	8pm - 5pm, every day
	WINTER MID-PEAK	\$ 0.08804	\$ 0.09804	\$ 0.10304	5pm - 8pm, every day
	WINTER OFF-PEAK	\$ 0.08854	\$ 0.09854	\$ 0.10354	8pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04989	\$ 0.05989	\$ 0.06489	8am - 5pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50KV (\$/kWh)	\$ (0.00100)	\$ (0.00100)	\$ (0.00100)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219KV (\$/kWh)	\$ (0.00220)	\$ (0.00220)	\$ (0.00220)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220KV (\$/kWh)	\$ (0.00223)	\$ (0.00223)	\$ (0.00223)	All electric usage
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 12.30	\$ 12.30	\$ 12.30	5pm - 8pm, Monday - Friday
	WINTER MID-PEAK	\$ 2.86	\$ 2.86	\$ 2.86	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 2-50KV (\$/kW)	\$ (0.18)	\$ (0.18)	\$ (0.18)	5pm - 8pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 51-219KV (\$/kW)	\$ (0.44)	\$ (0.44)	\$ (0.44)	5pm - 8pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220KV (\$/kW)	\$ (0.44)	\$ (0.44)	\$ (0.44)	5pm - 8pm, Monday - Friday
<b>TOU-PA-3-E</b>		Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.34909	\$ 0.35909	\$ 0.36409	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10129	\$ 0.11129	\$ 0.11629	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.06954	\$ 0.07954	\$ 0.08454	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.12108	\$ 0.13108	\$ 0.13608	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.09791	\$ 0.10791	\$ 0.11291	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04022	\$ 0.05022	\$ 0.05522	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50KV (\$/kWh)	\$ (0.00152)	\$ (0.00152)	\$ (0.00152)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219KV (\$/kWh)	\$ (0.00342)	\$ (0.00342)	\$ (0.00342)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220KV (\$/kWh)	\$ (0.00345)	\$ (0.00345)	\$ (0.00345)	All electric usage

## AGRICULTURE CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
<b>TOU-PA-3-E5</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.56802	\$ 0.57802	\$ 0.58302	5pm - 8pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.19681	\$ 0.20681	\$ 0.21181	5pm - 8pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.06583	\$ 0.07583	\$ 0.08083	8pm - 5pm, every day
	WINTER MID-PEAK	\$ 0.12634	\$ 0.13634	\$ 0.14134	5pm - 8pm, every day
	WINTER OFF-PEAK	\$ 0.10210	\$ 0.11210	\$ 0.11710	8pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04174	\$ 0.05174	\$ 0.05674	8am - 5pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kV (\$/kWh)	\$ (0.00152)	\$ (0.00152)	\$ (0.00152)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kV (\$/kWh)	\$ (0.00342)	\$ (0.00342)	\$ (0.00342)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00345)	\$ (0.00345)	\$ (0.00345)	All electric usage
<b>TOU-PA-3-A</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.22617	\$ 0.23617	\$ 0.24117	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10598	\$ 0.11598	\$ 0.12098	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.07498	\$ 0.08498	\$ 0.08998	All other hours
	WINTER MID-PEAK	\$ 0.09901	\$ 0.10901	\$ 0.11401	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.07120	\$ 0.08120	\$ 0.08620	All other hours
<b>TOU-PA-3-B</b>					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.08250	\$ 0.09250	\$ 0.09750	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.07670	\$ 0.08670	\$ 0.09170	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.07498	\$ 0.08498	\$ 0.08998	All other hours
	WINTER MID-PEAK	\$ 0.09901	\$ 0.10901	\$ 0.11401	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.07120	\$ 0.08120	\$ 0.08620	All other hours
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 9.03	\$ 9.03	\$ 9.03	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 2.64	\$ 2.64	\$ 2.64	8am - 12pm & 6pm - 11pm, Monday - Friday

## STREETLIGHT CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
<b>Streetlighting</b> (LS-1, LS-2, DWL, and OL-1)					
GENERATION CHARGE (\$/KWH)					
YEAR-ROUND	\$ 0.07614	\$ 0.08614	\$ 0.09114		All electric usage
<b>LS-3</b>					
GENERATION CHARGE (\$/KWH)	YEAR-ROUND	\$ 0.07623	\$ 0.08623	\$ 0.09123	All electric usage
<b>AL-2-F</b>					
GENERATION CHARGE (\$/KWH)	YEAR-ROUND	\$ 0.07623	\$ 0.08623	\$ 0.09123	All electric usage
<b>AL-2-GF</b>					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.17096	\$ 0.18096	\$ 0.18596	8am - 4pm, every day
	SUMMER OFF-PEAK	\$ 0.07623	\$ 0.08623	\$ 0.09123	All other hours
	WINTER ON-PEAK	\$ 0.11585	\$ 0.12585	\$ 0.13085	8am - 4pm, every day
	WINTER OFF-PEAK	\$ 0.07623	\$ 0.08623	\$ 0.09123	All other hours
<b>TC-1</b>					
GENERATION CHARGE (\$/KWH)	YEAR-ROUND	\$ 0.10561	\$ 0.11561	\$ 0.12061	All electric usage
<b>WTR</b>					
GENERATION CHARGE (\$/KWH)	YEAR-ROUND	\$ 0.12192	\$ 0.13192	\$ 0.13692	All electric usage
*Applicable holidays for rate time periods are as follows: New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, and Christmas Day. When any holiday listed above falls on Sunday, the following Monday will be recognized as a holiday. No change will be made for holidays falling on Saturday.					

## OCPA Rates in SCE Territory

### **Wildfire Fund Non-Bypassable Charge**

The **Wildfire Fund Non-Bypassable Charge (WFC)** supports the California Wildfire Fund. This charge is assessed to all customers, including SCE-only customers, but is collected separately for CCA customers. The funds go to the State of California for potential disbursement to IOUs, such as SCE, if a catastrophic event occurs. Customers on CARE and Medical Baseline Programs are currently exempt from these charges.

### **Competition Transition Charge**

The ongoing **Competition Transition Charge (CTC)** recovers the CPUC-approved market price limit for legacy electricity contracts (signed prior to 1998), as well as statutorily authorized costs that are related to restructuring of California's electric industry prior to the energy crisis. These charges are assessed to all customers, including SCE-only customers, but are collected separately for CCA customers and go directly to SCE.

### **Surcharge**

The **Generation Municipal Surcharge (GMS) Factor** recovers franchise fees paid by SCE to operate within certain municipal jurisdictions within California. This charge is assessed to all customers, including SCE-only customers, but is collected separately for CCA customers. The charge equals the product of the GMS factor and the SCE rates or charges that have been removed from the bill of a customer receiving CCA service. An exemption applies to CA political subdivision and certain cogeneration or nonutility generation facilities. It is the responsibility of the customer to self-identify for exemption.

Rate Group	WFC (All Vintages)	CTC (All Vintages)	GMS Factor (All Vintages)
Domestic <sup>1</sup>	\$ 0.00595	\$ (0.00058)	0.009294
GS-1 <sup>2</sup>	\$ 0.00595	\$ (0.00041)	0.009294
TC-1 <sup>3</sup>	\$ 0.00595	\$ (0.00044)	0.009294
GS-2 <sub>4</sub>	\$ 0.00595	\$ (0.00043)	0.009294
TOU-GS-3 <sub>5</sub>	\$ 0.00595	\$ (0.00042)	0.009294
TOU-8-Sec <sup>6</sup>	\$ 0.00595	\$ (0.00041)	0.009294
TOU-8-Pri <sup>6</sup>	\$ 0.00595	\$ (0.00040)	0.009294
TOU-8-Sub <sup>6</sup>	\$ 0.00595	\$ (0.00038)	0.009294
Small AG <sup>7</sup>	\$ 0.00595	\$ (0.00042)	0.009294
Large AG <sup>8</sup>	\$ 0.00595	\$ (0.00042)	0.009294
St. Lighting <sup>9</sup>	\$ 0.00595	\$ (0.00053)	0.009294

<sup>2</sup> Includes Schedules GS-1, TOU-GS-1, TOU-GS-1-RTP, AL-2 (On-Peak), LS-3 Option B (On- Peak), and TOU-EV-7.

<sup>3</sup> Includes Schedules TC-1, Wi-Fi-1, and WTR.

<sup>4</sup> Includes Schedules GS-2, TOU-EV-8, TOU-GS-2, and TOU-GS-2-RTP.

<sup>5</sup> Includes Schedules TOU-GS-3 and TOU-GS-3-RTP.

<sup>6</sup> Includes Schedules TOU-EV-9, TOU-8, TOU-8-RBU, and TOU-8-RTP.

<sup>7</sup> Includes Schedules PA-1, PA-2, TOU-PA-2, and TOU-PA-2-RTP.

<sup>8</sup> Includes Schedules TOU-PA-3 and TOU-PA-3-RTP.

<sup>9</sup> Includes Schedules AL-2-(Off-Peak), DWL, LS-1, LS-2, LS-3, LS-3 Option B (Off-Peak), and OL-1.

## OCPA Rates in SCE Territory

### Power Charge Indifference Adjustment

The **Power Charge Indifference Adjustment (PCIA)** is a fee collected by SCE and assessed to customers who receive their electric generation services from another provider. The PCIA is considered an "exit fee" assessed by SCE to cover costs for departing customers; resources acquired prior to a customer's change in service providers, and to ensure their current customers are "indifferent" to costs associated with the departed customers. SCE assigns customers a "PCIA Vintage" based on the date a customer's respective community enrolled in alternative service; this date is reset upon reenrollment if a customer opts-out and later re-enrolls in OCPA service. The PCIA is charged on a per kWh basis based on net monthly usage, and is unaffected by time of use.

Rate Group	PCIA	Vintage
Domestic <sup>1</sup>	\$ (0.01310)	2022
GS-1 <sup>2</sup>	\$ (0.00690)	2021
TC-1 <sup>3</sup>	\$ (0.00733)	2021
GS-2 <sub>4</sub>	\$ (0.00723)	2021
TOU-GS-3 <sub>5</sub>	\$ (0.00702)	2021
TOU-8-Sec <sup>6</sup>	\$ (0.00684)	2021
TOU-8-Pri <sup>6</sup>	\$ (0.00670)	2021
TOU-8-Sub <sup>6</sup>	\$ (0.00633)	2021
Small AG <sup>7</sup>	\$ (0.00708)	2021
Large AG <sup>8</sup>	\$ (0.00700)	2021
St. Lighting <sup>9</sup>	\$ (0.00884)	2021



## Orange County Power Authority Rate Identification Number (RIN) Key

The tables below show the corresponding Rate Identification Number (RIN) to Orange County Power Authority (OCPA) rate. OCPA rates that are not time-dependent or Time-of-Use (TOU) do not have a corresponding RIN and are therefore excluded from this key. Your RIN can also be found below the "Details of your new charges" section on the generation portion of your utility bill.

Commercial Customers			
OCPA Rate	RIN - Basic Choice	RIN - Smart Choice	RIN - 100% Renewable
TOU-GS-1-SEC-D	USCA-XXOC-0038-0000	USCA-XXOC-0167-0000	USCA-XXOC-0166-0000
TOU-GS-1-PRI-D	USCA-XXOC-0035-0000	USCA-XXOC-0161-0000	USCA-XXOC-0160-0000
TOU-GS-1-SUB-D	USCA-XXOC-0041-0000	USCA-XXOC-0173-0000	USCA-XXOC-0172-0000
TOU-GS-1-SEC-E	USCA-XXOC-0039-0000	USCA-XXOC-0169-0000	USCA-XXOC-0168-0000
TOU-GS-1-PRI-E	USCA-XXOC-0036-0000	USCA-XXOC-0163-0000	USCA-XXOC-0162-0000
TOU-GS-1-SUB-E	USCA-XXOC-0042-0000	USCA-XXOC-0175-0000	USCA-XXOC-0174-0000
TOU-GS-1-SEC-ES	USCA-XXOC-0040-0000	USCA-XXOC-0171-0000	USCA-XXOC-0170-0000
TOU-GS-1-PRI-ES	USCA-XXOC-0037-0000	USCA-XXOC-0165-0000	USCA-XXOC-0164-0000
TOU-GS-1-SUB-ES	USCA-XXOC-0043-0000	USCA-XXOC-0177-0000	USCA-XXOC-0176-0000
TOU-GS-1-A	USCA-XXOC-0033-0000	USCA-XXOC-0157-0000	USCA-XXOC-0156-0000
TOU-GS-1-B	USCA-XXOC-0034-0000	USCA-XXOC-0159-0000	USCA-XXOC-0158-0000
TOU-GS-2-SEC-D	USCA-XXOC-0048-0000	USCA-XXOC-0187-0000	USCA-XXOC-0186-0000
TOU-GS-2-PRI-D	USCA-XXOC-0045-0000	USCA-XXOC-0181-0000	USCA-XXOC-0180-0000
TOU-GS-2-SUB-D	USCA-XXOC-0051-0000	USCA-XXOC-0193-0000	USCA-XXOC-0192-0000
TOU-GS-2-SEC-E	USCA-XXOC-0049-0000	USCA-XXOC-0189-0000	USCA-XXOC-0188-0000
TOU-GS-2-PRI-E	USCA-XXOC-0046-0000	USCA-XXOC-0183-0000	USCA-XXOC-0182-0000
TOU-GS-2-SUB-E	USCA-XXOC-0052-0000	USCA-XXOC-0195-0000	USCA-XXOC-0194-0000
TOU-GS-2-B	USCA-XXOC-0044-0000	USCA-XXOC-0179-0000	USCA-XXOC-0178-0000
TOU-GS-2-SEC-R	USCA-XXOC-0050-0000	USCA-XXOC-0191-0000	USCA-XXOC-0190-0000
TOU-GS-2-PRI-R	USCA-XXOC-0047-0000	USCA-XXOC-0185-0000	USCA-XXOC-0184-0000
TOU-GS-2-SUB-R	USCA-XXOC-0053-0000	USCA-XXOC-0197-0000	USCA-XXOC-0196-0000
TOU-GS-3-SEC-D	USCA-XXOC-0058-0000	USCA-XXOC-0207-0000	USCA-XXOC-0206-0000
TOU-GS-3-PRI-D	USCA-XXOC-0055-0000	USCA-XXOC-0201-0000	USCA-XXOC-0200-0000
TOU-GS-3-SUB-D	USCA-XXOC-0061-0000	USCA-XXOC-0213-0000	USCA-XXOC-0212-0000
TOU-GS-3-SEC-E	USCA-XXOC-0059-0000	USCA-XXOC-0209-0000	USCA-XXOC-0208-0000
TOU-GS-3-PRI-E	USCA-XXOC-0056-0000	USCA-XXOC-0203-0000	USCA-XXOC-0202-0000
TOU-GS-3-SUB-E	USCA-XXOC-0062-0000	USCA-XXOC-0215-0000	USCA-XXOC-0214-0000
TOU-GS-3-B	USCA-XXOC-0054-0000	USCA-XXOC-0199-0000	USCA-XXOC-0198-0000
TOU-GS-3-SEC-R	USCA-XXOC-0060-0000	USCA-XXOC-0211-0000	USCA-XXOC-0210-0000
TOU-GS-3-PRI-R	USCA-XXOC-0057-0000	USCA-XXOC-0205-0000	USCA-XXOC-0204-0000
TOU-GS-3-SUB-R	USCA-XXOC-0063-0000	USCA-XXOC-0217-0000	USCA-XXOC-0216-0000
TOU-8-SEC-D	USCA-XXOC-0008-0000	USCA-XXOC-0107-0000	USCA-XXOC-0106-0000
TOU-8-PRI-D	USCA-XXOC-0003-0000	USCA-XXOC-0097-0000	USCA-XXOC-0096-0000
TOU-8-SUB-D	USCA-XXOC-0013-0000	USCA-XXOC-0117-0000	USCA-XXOC-0116-0000
TOU-8-SEC-E	USCA-XXOC-0009-0000	USCA-XXOC-0109-0000	USCA-XXOC-0108-0000
TOU-8-PRI-E	USCA-XXOC-0004-0000	USCA-XXOC-0099-0000	USCA-XXOC-0098-0000
TOU-8-SUB-E	USCA-XXOC-0014-0000	USCA-XXOC-0119-0000	USCA-XXOC-0118-0000
TOU-8-SEC-B	USCA-XXOC-0007-0000	USCA-XXOC-0105-0000	USCA-XXOC-0104-0000

TOU-8-PRI-B	USCA-XXOC-0002-0000	USCA-XXOC-0095-0000	USCA-XXOC-0094-0000
TOU-8-SUB-B	USCA-XXOC-0012-0000	USCA-XXOC-0115-0000	USCA-XXOC-0114-0000
TOU-8-SEC-R	USCA-XXOC-0010-0000	USCA-XXOC-0111-0000	USCA-XXOC-0110-0000
TOU-8-PRI-R	USCA-XXOC-0005-0000	USCA-XXOC-0101-0000	USCA-XXOC-0100-0000
TOU-8-SUB-R	USCA-XXOC-0015-0000	USCA-XXOC-0121-0000	USCA-XXOC-0120-0000
TOU-8-SEC-RBU	USCA-XXOC-0011-0000	USCA-XXOC-0113-0000	USCA-XXOC-0112-0000
TOU-8-PRI-RBU	USCA-XXOC-0006-0000	USCA-XXOC-0103-0000	USCA-XXOC-0102-0000
TOU-8-SUB-RBU	USCA-XXOC-0016-0000	USCA-XXOC-0123-0000	USCA-XXOC-0122-0000
TOU-EV-7-SEC	USCA-XXOC-0025-0000	USCA-XXOC-0141-0000	USCA-XXOC-0140-0000
TOU-EV-7-PRI	USCA-XXOC-0024-0000	USCA-XXOC-0139-0000	USCA-XXOC-0138-0000
TOU-EV-7-SUB	USCA-XXOC-0026-0000	USCA-XXOC-0143-0000	USCA-XXOC-0142-0000
TOU-EV-8-SEC	USCA-XXOC-0028-0000	USCA-XXOC-0147-0000	USCA-XXOC-0146-0000
TOU-EV-8-PRI	USCA-XXOC-0027-0000	USCA-XXOC-0145-0000	USCA-XXOC-0144-0000
TOU-EV-8-SUB	USCA-XXOC-0029-0000	USCA-XXOC-0149-0000	USCA-XXOC-0148-0000
TOU-EV-9-SEC	USCA-XXOC-0031-0000	USCA-XXOC-0153-0000	USCA-XXOC-0152-0000
TOU-EV-9-PRI	USCA-XXOC-0030-0000	USCA-XXOC-0151-0000	USCA-XXOC-0150-0000
TOU-EV-9-SUB	USCA-XXOC-0032-0000	USCA-XXOC-0155-0000	USCA-XXOC-0154-0000
TOU-PA-2-SEC-D	USCA-XXOC-0070-0000	USCA-XXOC-0231-0000	USCA-XXOC-0230-0000
TOU-PA-2-PRI-D	USCA-XXOC-0066-0000	USCA-XXOC-0223-0000	USCA-XXOC-0222-0000
TOU-PA-2-SUB-D	USCA-XXOC-0074-0000	USCA-XXOC-0239-0000	USCA-XXOC-0238-0000
TOU-PA-2-SEC-D5	USCA-XXOC-0071-0000	USCA-XXOC-0233-0000	USCA-XXOC-0232-0000
TOU-PA-2-PRI-D5	USCA-XXOC-0067-0000	USCA-XXOC-0225-0000	USCA-XXOC-0224-0000
TOU-PA-2-SUB-D5	USCA-XXOC-0075-0000	USCA-XXOC-0241-0000	USCA-XXOC-0240-0000
TOU-PA-2-SEC-E	USCA-XXOC-0072-0000	USCA-XXOC-0235-0000	USCA-XXOC-0234-0000
TOU-PA-2-PRI-E	USCA-XXOC-0068-0000	USCA-XXOC-0227-0000	USCA-XXOC-0226-0000
TOU-PA-2-SUB-E	USCA-XXOC-0076-0000	USCA-XXOC-0243-0000	USCA-XXOC-0242-0000
TOU-PA-2-SEC-E5	USCA-XXOC-0073-0000	USCA-XXOC-0237-0000	USCA-XXOC-0236-0000
TOU-PA-2-PRI-E5	USCA-XXOC-0069-0000	USCA-XXOC-0229-0000	USCA-XXOC-0228-0000
TOU-PA-2-SUB-E5	USCA-XXOC-0077-0000	USCA-XXOC-0245-0000	USCA-XXOC-0244-0000
TOU-PA-2-A	USCA-XXOC-0064-0000	USCA-XXOC-0219-0000	USCA-XXOC-0218-0000
TOU-PA-2-B	USCA-XXOC-0065-0000	USCA-XXOC-0221-0000	USCA-XXOC-0220-0000
TOU-PA-3-SEC-D	USCA-XXOC-0084-0000	USCA-XXOC-0259-0000	USCA-XXOC-0258-0000
TOU-PA-3-PRI-D	USCA-XXOC-0080-0000	USCA-XXOC-0251-0000	USCA-XXOC-0250-0000
TOU-PA-3-SUB-D	USCA-XXOC-0088-0000	USCA-XXOC-0267-0000	USCA-XXOC-0266-0000
TOU-PA-3-SEC-D5	USCA-XXOC-0085-0000	USCA-XXOC-0261-0000	USCA-XXOC-0260-0000
TOU-PA-3-PRI-D5	USCA-XXOC-0081-0000	USCA-XXOC-0253-0000	USCA-XXOC-0252-0000
TOU-PA-3-SUB-D5	USCA-XXOC-0089-0000	USCA-XXOC-0269-0000	USCA-XXOC-0268-0000
TOU-PA-3-SEC-E	USCA-XXOC-0086-0000	USCA-XXOC-0263-0000	USCA-XXOC-0262-0000
TOU-PA-3-PRI-E	USCA-XXOC-0082-0000	USCA-XXOC-0255-0000	USCA-XXOC-0254-0000
TOU-PA-3-SUB-E	USCA-XXOC-0090-0000	USCA-XXOC-0271-0000	USCA-XXOC-0270-0000
TOU-PA-3-SEC-E5	USCA-XXOC-0087-0000	USCA-XXOC-0265-0000	USCA-XXOC-0264-0000
TOU-PA-3-PRI-E5	USCA-XXOC-0083-0000	USCA-XXOC-0257-0000	USCA-XXOC-0256-0000
TOU-PA-3-SUB-E5	USCA-XXOC-0091-0000	USCA-XXOC-0273-0000	USCA-XXOC-0272-0000
TOU-PA-3-A	USCA-XXOC-0078-0000	USCA-XXOC-0247-0000	USCA-XXOC-0246-0000
TOU-PA-3-B	USCA-XXOC-0079-0000	USCA-XXOC-0249-0000	USCA-XXOC-0248-0000
AL-2-GF	USCA-XXOC-0001-0000	USCA-XXOC-0093-0000	USCA-XXOC-0092-0000

## **Orange County Power Authority**

### **Policy Number 019: Reserve Policy**

#### **Purpose**

OCPA will prudently manage its operations in a manner that supports its long-term financial independence and stability while providing sufficient financial capacity to meet short term obligations.

Adequate reserves will enable OCPA to satisfy working capital requirements, procure energy at competitive rates, adhere to loan covenants, obtain and maintain an investment grade credit rating, cover unanticipated expenditures, and support rate stability.

Reserves are defined as the Net Position plus funds held in the Rates Stabilization Fund. The Net Position represents the difference between OCPA's assets and liabilities as defined by the Government Accounting Standards Board and consistent with Generally Accepted Accounting Principles.

The Reserve Policy outlines the appropriate types and target levels (minimum and maximum) of unrestricted/undesignated reserves as prescribed in the following policy.

The four most important purposes of a reserve policy are to:

1. **Plan for contingencies.** OCPA will maintain sufficient reserves to minimize rate increases due to market volatility (power supply shocks or maintain rate competitiveness), weather impacts on demands, economic downturns, emergencies (such as natural disasters), and regulatory changes.
2. **Maintain good standing with rating agencies.** OCPA will maintain sufficient reserves to obtain, maintain, or improve credit ratings.
3. **Avoid interest expense.** Having sufficient reserves avoids interest expense to cover short-term cash shortfalls using reserves instead of debt.
4. **Ensure cash availability when revenue is unavailable.** Reserves can be used to bridge times of the year that normally see temporary low levels of cash. Maintaining adequate reserves can balance intra-period differences in cash availability.

#### **Policy**

##### **Reserve Target Levels**

Starting FY2024/25, OCPA shall maintain a minimum reserve balance equal to 30% of total operating budget expenditures, with a goal of increasing the reserve to 50% of total operating budget expenditures. The maximum reserve is 75% of total operating budget expenditures.

##### **Funding the Target Amount**

Funding reserves will generally come from excess revenues over expenditures or one-time revenues.

### **Conditions for Use of Reserves**

OCPA will strive to avoid the appropriation of reserve balance for recurring operating expenditures.

The reserve balance may be used to:

1. Provide revenues to make up for unanticipated revenue shortfall of spikes in power supply expenses.
2. Provide temporary resources in the event of an economic downturn while expenditure reductions and/or rate adjustments are implemented.
3. Provide resources to meet emergency expenditures.

### **Excess Reserves**

If reserve funds exceed the maximum level, OCPA will consider enhancing program expenditures, capital improvements, paying down existing debt, offsetting other long-term liabilities, and reducing rates.

### **Reserves between Minimum and Maximum**

No other action by OCPA will be required if reserves are between the minimum and maximum levels.

### **Periodic Review of Targets**

If the risk factors behind the target are eliminated or new risk factors emerge as a result of changes in the industry, legislation, or economic conditions, the basis of the reserve will be reviewed, and the funding level may be adjusted accordingly.

### **Reporting**

Reserve levels will be monitored during the fiscal year and reported in the annual budget review reports. The reserve target levels will be analyzed annually, and over/under reserve determination shall be made in conjunction with year-end financial results. These results will be reported to the Boards as part of the year-end financial report presentation.

## **Orange County Power Authority**

### **Policy Number 021: Rate Development Policy**

#### **Purpose**

This policy provides the framework for Orange County Power Authority's ("OCPA") Board of Directors and staff to ensure OCPA's rate design, development and implementation process remains transparent, fiscally responsible and centered on the customer.

As a public agency, OCPA must, at minimum, set rates to recover costs associated with the purchase of power, operational costs, meeting financial metrics, and debt services. It is in the best interest of OCPA and its customers to design and implement rates that meet revenue requirements as well as targeted reserves, while maintaining rate competitiveness, stability, and long-term financial viability.

#### **Background**

OCPA customers receive electric delivery service under a wide variety of Southern California Edison's ("SCE") rate schedules that include Residential (D), Commercial and Industrial (GS), Agricultural and Pumping (PA), and Street Lighting and Traffic Control (LS and TC). In Spring 2022, OCPA commenced its commercial customer enrollment, serving GS, PA, LS and TC classes. Residential customers were enrolled in Fall 2022. Because of the timing differences in enrollments, OCPA's residential customers are assigned the 2022 vintage for the purpose of calculating SCE Power Charge Indifference Adjustment ("PCIA") charges and other surcharges, while non-residential customers are assigned to the 2021 vintage.<sup>1</sup>

OCPA advocates for ratepayers by providing a choice of electricity providers and shifting control of local energy supply decisions from profit-driven, incumbent utility into the hands of residents and businesses located in our service jurisdiction. This creates competition in rates that benefits customers, increases transparency, and ensures a better overall customer experience.

#### **OCPA Primary Rate Setting Objectives**

OCPA has set goals and priorities that shall be taken into account during the rate design process:

1. Local Control  
Board discretion on rate-setting.
2. Cost Recovery  
Rates are adequate to cover all expenses, debt services, and other financial obligations.
3. Stability  
Rates shall enable the creation of a prudent rate stabilization reserve fund to mitigate significant swings in rates, cover unforeseen expenses, negotiate favorable terms with power suppliers, obtain and maintain an investment-grade credit rating, and achieve strategic goals.

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<sup>1</sup> Vintages assigned to customers in future mass enrollments, if any, may be different based on the timing of the enrollment.

4. Competitive

Rates shall allow OCPA to effectively retain and attract customers by offering superior electricity services with higher renewable content than the incumbent investor-owned utility.

5. Equity

Variations in rates among customers are based on justifiable differences in their usage characteristics and/or cost of service.

### **OCPA Rate Setting Timeline**

Typically, SCE updates its annual Energy Resource Recovery Account ("ERRA") forecast for electric generation rates and PCIA changes, which becomes effective in January and is usually approved by the California Public Utilities Commission ("CPUC") in December.

Following the approval of the ERRA, staff will present a proposed Rate Design for the year to the Board for review and approval. With frequent power market changes and evolving regulatory policies, SCE changes their rates multiple times a year, which may require staff to propose intra-year rate changes to the Board for review and approval.

Upon the Board's approval of the annual OCPA Rate Design, staff will make necessary adjustments to OCPA rates as soon as practicable and as necessary during the year to maintain the approved OCPA Rate Design for all customers. Staff will place a report on the agenda detailing the adjustment and request ratification of the adjusted OCPA rates at the next regular board meeting.

The approved OCPA rates will be published on the OCPA website prior to their effective date, allowing customers to compare, plan, and gain a better understanding of their upcoming bills.

### **Joint Rate Comparison**

As per the regulatory requirements, SCE and OCPA must collaborate to publish and post a Joint Rate Comparison on their respective websites for each rate change. This will enable customers to easily compare the rates and assess any potential changes in their bills.

### **Future Cost-Based Rate Design**

OCPA may evaluate the viability of transitioning to a Cost-Based (Cost-of-Service) rate design, rather than a rate design directly tied to SCE rates, after it has established sufficient reserves in accordance with the OCPA Reserves Policy. The Cost-Based rate design is the prevailing method utilized by most utilities to calculate their retail rates and provides enhanced rate stability to customers.

**ORANGE COUNTY POWER AUTHORITY**  
**Policy Number 024: Rate Stabilization Fund Policy**  
**Approved: 06/18/2024**

This Rate Stabilization Fund Policy (Policy) establishes guidelines for managing and administering Rate Stabilization Fund (RSF) at Orange County Power Authority (OCPA).

## **OBJECTIVE**

Establishing an RSF allows OCPA to defer revenues in years of strong financial results for use in future years when financial results are weaker or stressed. This strategy would enable OCPA to avoid substantial rate increases needed to address unanticipated spikes in energy costs or, conversely, to offset reductions in rate levels (and net revenues) due to uncontrollable events that negatively impact fiscal financial results. Examples include:

- Investor-owned utilities (IOUs) rate uncertainty, such as substantial increases in the Power Charge Indifference Adjustments (PCIA) and decreases in the generation rates.
- Unexpected shocks in energy prices, such as significant increases in prices for renewable energy (PCC1) and Resource Adequacy (RA).
- Changes in member participation, including withdrawals.
- Defaults on customer payments during global or local economic recessions.
- Significant regulatory and legislative changes in the energy sector that affect IOUs rate, RA prices, etc.
- Reduced electricity demand due to rate affordability issues.

Using deferred revenues in future years would allow OCPA to minimize the near-term impact on rates and net revenues. Additionally, should OCPA decide to access the tax-exempt capital markets in the future, it would need to agree to several covenants. These covenants, required to protect and attract bond investors, would mandate that OCPA generates net revenues sufficient to cover debt service costs. The RSF could be utilized to meet these covenants if necessary.

## **ACCOUNTING**

Deferring revenues into the Rate Stabilization Fund (RSF) would result in a reduction in the Orange County Power Authority's (OCPA) reported revenues for that fiscal year, with a corresponding increase in reported revenues in years when withdrawals from the RSF are made. By deferring revenues into the RSF before they are recognized as revenues, OCPA would effectively “bank” these funds for use in future fiscal years.

Withdrawals from the RSF will be considered in fiscal years where net revenues are projected to be negative or as necessary to satisfy any covenants, contractual obligations, or to maintain investment-grade credit ratings in the future.

## **REPORTING**

Staff will notify the Board via the CEO Report after any transfers are made.

## The Power Charge Indifference Adjustment (PCIA)

### What is the PCIA?

The PCIA, or Power Charge Indifference Adjustment, is a fee charged by investor-owned utilities (IOUs) in California to all customers, including those who receive generation service from a [Community Choice Aggregator \(CCA\)](#) or Electric Service Provider (ESP). In the past, the PCIA has been known as an “exit fee” but this is a misnomer. The PCIA recovers the IOUs’ above-market costs for power contracts or resources that were acquired prior to a customer’s departure to an alternative energy provider.

Due to the dynamics of inputs to the PCIA, the fee can vary dramatically from year to year. These variations create rate volatility for all customers. CalCCA believes structural changes are needed to decrease PCIA volatility and ensure the PCIA calculation more accurately reflects the full value of IOU energy resource portfolios so that it is properly recovered from customers equitably.

### How is the PCIA Calculated?

The PCIA is set annually in the IOUs’ Energy Resource Recovery Account (ERRA) proceedings. It includes above-market costs related to power supply commitments that the IOUs made many years ago. Above-market means the cost of the resource is higher than the revenue the resource generates. These include Utility-Owned Generation (UOG) (e.g., nuclear, natural gas, hydroelectric plants) and long-term renewable energy contracts with third parties.



The PCIA is intended to leave all customers indifferent to taking up service with a CCA or other alternative. Customers are assigned “vintages” based on the year they moved to CCA service and are responsible for the above-market costs incurred on their behalf before they switched service. Bundled customers, or customers who take up both generation and transmission and distribution (T&D) services from an IOU, are always assigned the current year as their vintage.

The PCIA is derived from the utility’s indifference amount, which is updated annually in each IOU’s ERRA proceeding. The indifference amount is the difference in the target year between the cost of the IOU’s supply portfolio and the market value of the portfolio.



A low indifference amount and subsequent PCIA savings can result from either the cost of the portfolio going down or the value going up. The portfolio value is calculated using Market Price Benchmarks (MPBs), which have experienced extreme variability in recent years.

## PCIA Swings

When the current market value of IOU power portfolios is *lower* than what the utility originally paid, the PCIA goes positive, and departed customers pay the difference. If the value of IOU portfolios is *higher* than what the utility originally paid, the PCIA goes negative, and bundled IOU customers pay the difference.

Over the past decade, CCA customers experienced dramatic increases in the PCIA to the tune of hundreds of millions of dollars. More recently, in 2024 and 2025, IOU portfolio values increased to overtake portfolio costs. As value surpassed costs, IOU bundled customers were hit with significant PCIA increases in order to provide the value back to departed customers who were owed.



In recent years, the indifference amount has not only varied from positive to negative but also changed significantly in total magnitude, from over \$2.5 billion to tens of thousands in PG&E's case, as shown in the graph above. These dramatic swings in the PCIA have led the California Public Utilities Commission (CPUC) to reconsider the current PCIA methodology.

## PCIA Changes Ahead?

In February 2025, the CPUC issued an [Order Instituting Rulemaking](#) (OIR) to evaluate potential changes to the methodology used to calculate the PCIA with the goals of improving utility ERRA cost forecasting, mitigating rate volatility, and ensuring indifference among bundled and departed customers.

The OIR separates potential changes into two tracks. Track one is currently considering modifications to MPB calculations. Beginning in 2026, track two will consider broader changes to the overall PCIA methodology.

In June 2025, the CPUC released [a decision](#) on track one which modifies the RA MPB and applies it to the 2025 and future ERRA calculations. The decision combines the RA MPB datasets in one RA MPB, expands the datasets scope in time, and reduces their risk of manipulation.

CalCCA [requested rehearing](#) of this decision on the grounds that applying the new RA MPB methodology to the 2025 revenue requirement constitutes unlawful retroactive ratemaking. The CPUC denied CalCCA's request. In December 2025, CalCCA filed a [Petition for Writ of Review](#) challenging the CPUC's decision, arguing that the CPUC's action violates the statutory prohibition against retroactive ratemaking, which protects rate stability and prevents after-the-fact changes to approved rates. The petition also asserts that the CPUC lacked adequate findings or evidence to change the existing methodology.

## CalCCA's Recommendations

CalCCA is [recommending](#) a number of structural changes to the PCIA, including those listed below.

Track one recommendations:	Track two recommendations:
<ul style="list-style-type: none"><li>Maintain consistent pricing between RPS and RA</li><li>Maximize representative transactions for MPB calculation</li><li>Mitigate risk in RA MPB manipulation</li><li>Ensure seasonality in RA prices is well reflected</li></ul>	<ul style="list-style-type: none"><li>Consider sunsetting the PCIA</li><li>Allocate resources proportionally to unbundled and bundled customers</li><li>Revisit the Greenhouse Gas (GHG)-free methodology</li><li>Implement guidance for the RA slice-of-day framework</li></ul>

**ORANGE COUNTY POWER AUTHORITY**  
**Staff Report – Item 8.4**

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To: Orange County Power Authority Board of Directors

From: Louis Ting, Director of Power Resources

Approved By: Joe Mosca, Chief Executive Officer

Subject: APPROVE 2026 OCPA PRODUCT OFFERING OPTIONS

Date: January 12, 2026

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### **STRATEGIC GOALS**

- Enrich & Grow the OCPA Community: \_\_\_\_\_
- Prioritize Fiscal Sustainability & Affordability: \_\_\_\_\_
- Design & Deploy Community-Aligned Customer Programs: \_\_\_\_\_
- Energize Our Community with Renewable Energy: \_\_\_\_\_
- Raise Awareness of Community Energy & Advocate for Our Customers: \_\_\_\_\_
- Not Applicable: \_\_\_\_\_

### **RECOMMENDED ACTION**

Approve the proposed renewable energy content for OCPA's 2026 retail service offering options, in conjunction with the proposed 2026 OCPA generation rate stabilization approach (Item 8.3 on the Board of Directors Meeting Agenda for January 12, 2026). This will reflect the increased carbon-free or Greenhouse Gas (GHG)-free resources allocated to OCPA customers, as per the California Public Utilities Commission's (Commission) decisions. It will also align OCPA's renewable energy resource mix with the service offering selections of OCPA members (Members) and meet the compliance requirements of California's upward trajectory in the Renewables Portfolio Standard (RPS) procurement mandate.

### **BACKGROUND**

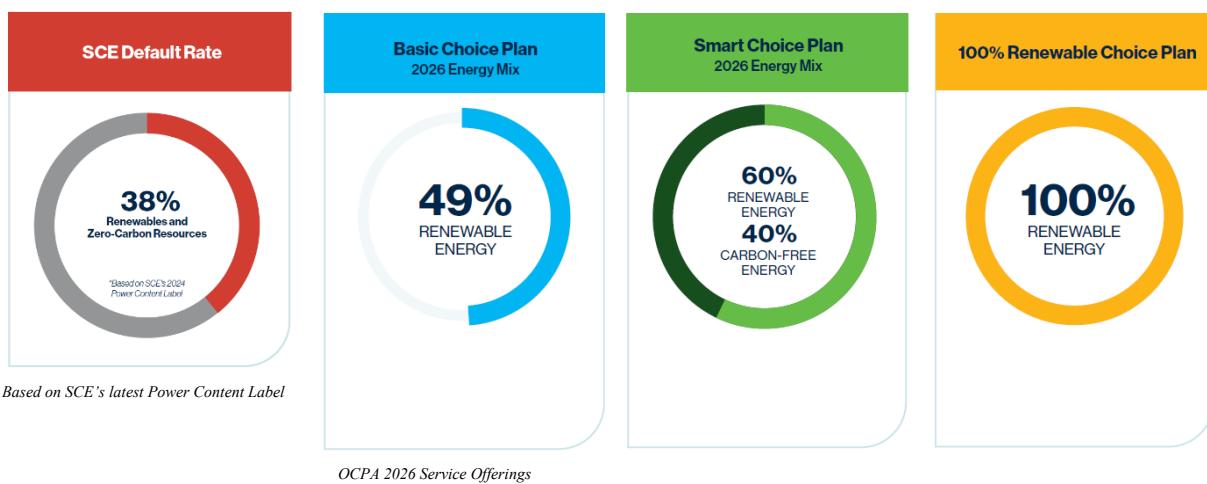
OCPA offers three distinct retail service offerings to its customers: 1) 100% Renewable Choice – a premium product with 100% RPS-eligible renewable energy resources; 2) Smart Choice – a renewable energy product positioned between Basic Choice and 100% Renewable Choice; and 3) Basic Choice – a renewable energy product that meets the RPS requirements. To ensure these service offerings align with the interim annual procurement mandates under California's RPS program, to accept all allocations of carbon-free resources from Southern California Edison's (SCE) and Pacific Gas & Electric's (PG&E) as per the Commission's decisions, and to align with Members' current and proposed 2026 service offering elections, staff are bringing the proposed energy mix for OCPA's product offerings for the Board of Directors' consideration.

## ANALYSIS AND DISCUSSION

OCPA is responsible for ensuring that its resource mix contains sufficient production from renewable energy resources to comply with California's RPS program, which reflects an interim annual procurement mandate of 49% in 2026, increasing to 60% by 2030. In addition to supporting its baseline RPS compliance objectives, OCPA has developed two alternative service options that offer its Members and customers increasing levels of renewable energy content at specified rate premiums, which cover incremental renewable energy costs relative to OCPA's Basic Choice service option.

Maintaining three distinct product offerings provides greater flexibility to OCPA's customers, allowing each Member and their customers to select service options that best align with their unique preferences and priorities. Individual customers always have the choice to choose the plan that best suits their needs.

- Basic Choice offering provides customers with renewable energy content that is at least as high as California's prevailing interim annual procurement mandate – 49% for 2026. Therefore, the Basic Choice service offering will include a minimum of 49% renewable energy.
- 100% Renewable Choice is OCPA's premium retail service offering, providing participating Members and customers with a 100% renewable energy supply and the lowest possible carbon emission rate.
- Smart Choice, OCPA's third retail service offering, provides customers with renewable energy content set between Basic Choice and 100% Renewable Choice, along with a generation rate premium situated between the two. For 2026, as discussed in the proposed 2026 OCPA Generation Rate Stabilization Approach (Item 8.3), the Smart Choice service offering is proposed to include 60% renewable energy plus 40% GHG-Free energy, which ensures the delivery of an energy product that reflects a lower emission coefficient when compared to Basic Choice.



In summary, for 2026, OCPA's retail service offering proposal is as follows:

- 100% Renewable Choice service offering will continue to provide participating customers with a 100% RPS-eligible renewable resource mix.
- Basic Choice will include a minimum 49% RPS-eligible renewable energy, which aligns with California's interim annual RPS procurement mandate.
- Smart Choice will include a minimum of 60% renewable energy plus 40% GHG-free energy.

OCPA staff regularly monitor and engages with regional energy markets to gather information related to product pricing and availability, mindful of the unprecedented volatilities in renewable energy prices that have occurred over the past few years. With the widespread adoption of above-RPS procurement targets – particularly among Community Choice Aggregators (CCA) – system-wide project delays due to transmission constraints, and prior short positions among some of California's largest retail electricity sellers, supply was constrained at the same time that demand increased, tightening markets and driving prices higher. While this presents, and may continue to present, challenges for OCPA's resource planning and procurement processes, staff believe that its projected renewable energy needs can be met in a manner that accommodates desired customer service levels across OCPA's three unique service options.

## **FISCAL IMPACT**

The fiscal impact assessment resulting from the proposed 2026 product offerings update will be incorporated in OCPA's FY2025/26 Mid-Year Budget Update, which is scheduled for Board approval in the Spring of 2026.

## **ATTACHMENT**

None

**ORANGE COUNTY POWER AUTHORITY**  
**Staff Report – Item 8.5**

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To: Orange County Power Authority Board of Directors

From: Lisette Chel Walker, Interim Board Clerk

Approved by: Joe Mosca, Chief Executive Officer

Subject: ADOPT THE 2026 BOARD OF DIRECTORS MEETING SCHEDULE

Date: January 12, 2026

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**RECOMMENDED ACTION**

Adopt Resolution No. 2026-XX A Resolution of the Board of Directors of Orange County Power Authority Establishing Regular Meetings of the Board of Directors for February through December 2026.

**BACKGROUND**

The Ralph M. Brown Act (Cal. Gov. Code § 54950 *et seq.*) provides that the legislative body of each local agency shall provide, by ordinance, resolution, bylaws, or other rule, the time and place for holding its regular meetings. For the 2025 calendar year, the Board of Directors held their meetings predominantly on the 2nd Monday of each month, except when holidays required an adjustment, at Orange County Power Authority, 15310 Barranca Parkway, Suite 250, Irvine, CA 92618. The meeting in May was moved forward one week due to a conflict with the Cal-CCA conference.

After a review of holidays and meeting dates and times of the city councils of member agencies, staff recommend regular meetings continue to be held at 4:30 p.m., on the second Monday of each month at 15310 Barranca Parkway, Suite 250, Irvine, CA 92618.

These meeting dates are listed below:

<b>Date</b>	<b>Time</b>	<b>Location</b>
Monday, February 9, 2026	4:30 p.m.	15310 Barranca Parkway, Suite 250, Irvine, CA 92618
Monday, March 9, 2026	4:30 p.m.	15310 Barranca Parkway, Suite 250, Irvine, CA 92618
Monday, April 13, 2026	4:30 p.m.	15310 Barranca Parkway, Suite 250, Irvine, CA 92618
Monday, May 4, 2026	4:30 p.m.	15310 Barranca Parkway, Suite 250, Irvine, CA 92618

<b>Date</b>	<b>Time</b>	<b>Location</b>
Monday, June 8, 2026	4:30 p.m.	15310 Barranca Parkway, Suite 250, Irvine, CA 92618
Monday, July 13, 2026	4:30 p.m.	15310 Barranca Parkway, Suite 250, Irvine, CA 92618
<i>August 2026 - No Meeting</i>	<i>Dark</i>	<i>No Meeting</i>
Monday, September 14, 2026	4:30 p.m.	15310 Barranca Parkway, Suite 250, Irvine, CA 92618
Monday, October 19, 2026	4:30 p.m.	15310 Barranca Parkway, Suite 250, Irvine, CA 92618
Monday, November 9, 2026	4:30 p.m.	15310 Barranca Parkway, Suite 250, Irvine, CA 92618
Monday, December 14, 2026	4:30 p.m.	15310 Barranca Parkway, Suite 250, Irvine, CA 92618

## **FISCAL IMPACT**

None

## **ATTACHMENTS**

Attachment A – Resolution No. 2026-XX: A Resolution of the Board of Directors of Orange County Power Authority Establishing Regular Meetings of the Board of Directors for 2026.

Attachment B – Spreadsheet with holidays and the represented member cities' governing board meetings.

RESOLUTION NO. 2026-XX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
ORANGE COUNTY POWER AUTHORITY ESTABLISHING  
REGULAR MEETINGS OF THE BOARD OF DIRECTORS FOR  
2026

A. Orange County Power Authority (“OCPA”) is a joint powers authority formed pursuant to the Joint Exercise of Powers Act (Cal. Gov. Code § 6500 *et seq.*), California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on November 20, 2020.

B. The Ralph M. Brown Act (Cal. Gov. Code § 54950 *et seq.*) provides that the legislative body of each local agency shall provide, by ordinance, resolution, bylaws, or other rule, the time and place for holding its regular meetings.

C. The Board of Directors seeks to establish the time and meeting location for all regular meetings of the Board of Directors for the 2026 calendar year.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Orange County Power Authority Power as follows:

Section 1. For the 2026 calendar year, regular meetings of the Board of Directors shall take place on the dates set forth below and shall begin at 4:30 p.m. All regular meetings shall take place at 15310 Barranca Parkway, Suite 250, Irvine, CA 92618. OCPA’s meetings may be held fully or partially by videoconference or teleconference as authorized by applicable law.

Date	Time	Location
Monday, February 9, 2026	4:30 p.m.	15310 Barranca Parkway, Suite 250, Irvine, CA 92618
Monday, March 9, 2026	4:30 p.m.	15310 Barranca Parkway, Suite 250, Irvine, CA 92618
Monday, April 13, 2026	4:30 p.m.	15310 Barranca Parkway, Suite 250, Irvine, CA 92618
Monday, May 4, 2026	4:30 p.m.	15310 Barranca Parkway, Suite 250, Irvine, CA 92618
Monday, June 8, 2026	4:30 p.m.	315310 Barranca Parkway, Suite 250, Irvine, CA 92618

<b>Date</b>	<b>Time</b>	<b>Location</b>
Monday, July 13, 2026	4:30 p.m.	15310 Barranca Parkway, Suite 250, Irvine, CA 92618
<i>August 2026 No Meeting</i>	<i>Dark</i>	<i>No Meeting</i>
Monday, September 14, 2026	4:30 p.m.	15310 Barranca Parkway, Suite 250, Irvine, CA 92618
Monday, October 19, 2026	4:30 p.m.	15310 Barranca Parkway, Suite 250, Irvine, CA 92618
Monday, November 9, 2026	4:30 p.m.	15310 Barranca Parkway, Suite 250, Irvine, CA 92618
Monday, December 14, 2026	4:30 p.m.	15310 Barranca Parkway, Suite 250, Irvine, CA 92618

**Section 2.** The Board of Directors shall have the power to change the time or location of any regular meetings by amending or replacing this resolution, or cancel such meetings, or call special meetings with proper notice. Special and adjourned meetings of the Board of Directors may be called and held in the manner authorized by the Ralph M. Brown Act (Cal. Gov. Code § 54950 *et seq.*), as may be amended from time to time.

**Section 3.** This resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** at a meeting of the Board of Directors of the Orange County Power Authority held on January 12, 2026.

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Lisette Chel Walker  
Interim Board Secretary  
Orange County Power Authority

**OCPA BOARD OF DIRECTORS**

**2026 Meeting Dates**

Holidays			OCPA (4:30 p.m.) 2nd Mondays		Buena Park (5:00 p.m.) 2nd & 4th Tuesdays		Irvine (4:00 p.m.) 2nd & 4th Tuesday		Fullerton (5:30 p.m.) 1st & 3rd Tuesdays		Fountain Valley (6:00 p.m.) 1st & 3rd Tuesdays	
Thurs & Mon	Jan. 1 & 19	New Year's & MLK	Monday	Jan. 12	Tuesday	Jan. 13 & 27	Tuesday	Jan. 13 & 27	Tuesday	Jan. 6 & 20	Tuesday	Jan. 6 & 20
Monday	Feb. 16	President's Day	Monday	Feb. 9	Tuesday	Feb. 10 & 24	Tuesday	Feb. 10 & 24	Tuesday	Feb. 3 & 17	Tuesday	Feb. 3 & 17
Tuesday	Mar. 31	Cesar Chavez	Monday	Mar. 9	Tuesday	Mar. 10 & 24	Tuesday	Mar. 10 & 24	Tuesday	Mar. 3 & 17	Tuesday	Mar. 3 & 17
Monday	Apr.	None	Monday	Apr. 13	Tuesday	Apr. 14 & 28	Tuesday	Apr. 14 & 28	Tuesday	Apr. 7 & 21	Tuesday	Apr. 7 & 21
Monday	May 25	Memorial	Monday	May. 4	Tuesday	May 12 & 26	Tuesday	May 12 & 26	Tuesday	May 5 & 19	Tuesday	May 5 & 19
Friday	Jun. 19	Juneteenth	Monday	Jun. 8	Tuesday	Jun. 9 & 23	Tuesday	Jun. 9 & 23	Tuesday	Jun. 2 & 16	Tuesday	Jun. 2 & 16
Saturday	Jul. 4	Independence	Monday	Jul. 13	Tuesday	Jul. 14 & 28	Tuesday	Jul. 14 & 28	Tuesday	Jul. 7 & 21	Tuesday	Jul. 7 & 21
<b>August</b>	<b>DARK</b>	<b>DARK</b>	<b>Monday</b>	<b>DARK</b>	Tuesday	Aug. 11 & 25	Tuesday	Aug. 11 & 25	Tuesday	Aug. 4 & 18	Tuesday	Aug. 4 & 18
Monday	Sep. 7	Labor	Monday	Sep. 14	Tuesday	Sep. 8 & 22	Tuesday	Sep. 8 & 22	Tuesday	Sep. 1 & 15	Tuesday	Sep. 1 & 15
Monday	Oct. 12	Columbus	Monday	Oct. 19	Tuesday	Oct. 13 & 27	Tuesday	Oct. 13 & 27	Tuesday	Oct. 6 & 20	Tuesday	Oct. 6 & 20
Wed-Thu-Fri	Nov. 11 & 26-27	Veterans & Thanksgiving	Monday	Nov. 9	Tuesday	Nov. 10 & 24	Tuesday	Nov. 10 & 24	Tuesday	Nov. 3 & 17	Tuesday	Nov. 3 & 17
Friday	Dec. 25	Christmas	Monday	Dec. 14	Tuesday	Dec. 8 & 22	Tuesday	Dec. 8 & 22	Tuesday	Dec. 1 & 15	Tuesday	Dec. 1 & 15

**ORANGE COUNTY POWER AUTHORITY**  
**Staff Report – Item 10**

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To: Orange County Power Authority Board of Directors

From: Joe Mosca, Chief Executive Officer

Subject: CHIEF EXECUTIVE OFFICER'S REPORT

Date: January 12, 2026

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### **Revenue Deferral Transfer**

As planned in the FY2025/26 Budget, OCPA will utilize the \$45 million in previously deferred revenue from FY2023/24 - \$15 million in FY2024/25 and \$30 million in FY2025/26 - to help offset the anticipated revenue shortfall. This shortfall is primarily driven by the continuation of the 2024 rate design in 2025 and the City of Irvine's shift from 100% Renewable Choice to Basic Choice. This strategic use of deferred revenue aligns with the Board-approved Rate Stabilization Policy and serves as a key financial tool to support long-term rate stability and affordability. By proactively reallocating these funds, OCPA strengthens its ability to manage financial risks, stabilize rates, and protect customers from market volatility.

### **Communications & External Affairs Updates**

#### Communications

- The OCPA [digital holiday card](#) was sent out this week to 520 elected officials, stakeholders, vendors, contractors, and community partners. It currently has a 45% open rate.
- The OCPA opt-out page has been updated to provide more information to customers before they make their determination. Based on their reason for wanting to opt-out, language is provided to help educate them so they're sure to make an informed decision: <https://www.ocpower.org/opt-out/>.
- OCPA is working on updated customer enrollment letters that go out to new residents in member cities, letting them know they have been enrolled at their city's default renewable energy plan. These notices are required by the California Public Utilities Commission and have been updated to simplify the language and terms and conditions, while updating the renewable energy content to reflect 2026 levels.
- The University of California system published a [cross-campus update](#) for November and December, where the UCI ANTreprenuer Center was prominently highlighted for their OCPA Community Impact Award.

## Community Engagement

- In December, OCPA attended the Yalda Gala hosted by the Iranian American Chamber of Commerce where we accepted a community support award and recognition awards from Congressman Dave Min and Supervisor Katrina Foley.
- Staff attended the Orange County People's Hearing on Offshore Oil and Gas Drilling. Three non-partisan groups (Surfrider Foundation, OC Coastkeeper, and Oceana) sponsored the event, where many of the speakers mentioned climate change and supporting renewables versus risking impacts to our OC coastal tourism, marine, and fishing businesses. We connected with representatives from each group and informed them about OCPA's value proposition, which is to provide more renewable energy.
- OCPA also attended the Irvine Sustainability Commission meeting where they reviewed recent solid waste audit results, which highlighted measurable progress toward the city's diversion goals, along with a continued need for public education to drive greater voluntary compliance.

## External Affairs

- In December, staff joined the Regulatory and Legislative team on their bi-annual meetings with OC Senators and Assemblymembers to provide an update on OCPA.
- In December, staff and I met with Tom Koutroulis and Senior Leadership of OC Waste and Recycling to discuss opportunities for future partnership. The meeting was initiated to learn more about OCWR's progress and plans for the Doheny Desalination Plan, and share how OCPA can strategically partner on this project to provide the GHG free energy required for operations. We have previously spoken with the contractor on the desalination project and are working to connect with South Coast Water District, and will follow up with the City of Dana Point.
- I attended the Orange County Board of Supervisors Holiday Open House alongside the External Affairs team, using the opportunity to engage directly with county leadership and staff. Throughout the event, we were able to make several introductions between OCPA leadership and key members of the Supervisors' teams.
- Staff attended the Association of California Cities-Orange County (ACCOC) Regional Holiday Mixer in Costa Mesa, which brought together elected officials and city staff from across the county.

## Customer Programs

- Community Power Plan: The Community Power Plan is now open for public comment on the [OCPA website](#) through December 25<sup>th</sup>. The document is available through a tool that makes commenting simple, and notes are being monitored by the Director of Communications and External Affairs.
  - Community Power Plan pilot program: We are working on a direct-to-renter program that offers quick, plug-in electric replacements for gas equipment that do not require landlord approval. The aim is not only to help customers electrify, but also for these appliances to save customers money on running central heating and

air. We are striving for launch of the new program immediately following presentation of the final CPP to the Board in February.

- Equitable Building Decarbonization Direct Install Grant: LA County is working through the CEC to get approval for formal launch of the program. Staff have attended numerous onboarding calls and are working on securing Orange County United Way as the outreach partner based on proposals from an earlier RFQ.
- Energy Efficiency Kits: Of the original 1,500 inventory we have limited inventory remaining. The program has closed in the Marketplace but customers can complete the [form linked on the OCPA website](#) to receive the few remaining kits.
- Residential Battery Rebate Program: To-date, 48 applications have been approved for this program and one rebate has been processed.
- Calpine Community Benefits Grant: Final awardee identification has taken place with the assistance of Calpine, the Community Advisory Committee, and Programs staff. Announcement of the three selected projects will take place in early January 2026.

## **Human Resources Updates**

### Recruitment

- External Affairs Manager: The position remains open. The first round of panel interviews will resume in the new year.
- Board Clerk & Executive Assistant to the CEO: This position is now vacant, and recruitment will begin in the new year.
- Data Analyst: Recruitment for this role will resume in the new year.
- Interns: Leva Rohani has concluded her term as the CEA Intern. The Regulatory and Legislative internship will be filled in the new year.

## **Events & Stakeholder Outreach**

The OCPA team has attended the following events and community meetings since our last Board meeting.

<b>City</b>	<b>Event &amp; Meetings</b>	<b>Date</b>	<b>Time</b>
Orange County	Orange County Board of Supervisors Holiday Open House	Wednesday, December 10, 2025	11:30 AM - 1:30 PM
Orange County	ACCOC Holiday Mixer	Wednesday, December 10, 2025	5:30 PM - 8:30 PM
Buena Park	The Art Brown Metrolink Station Sign Unveiling	Wednesday, December 12, 2025	2:00 PM – 3:00 PM

We are looking forward to many opportunities to engage with the community and key stakeholders, including:

<b>City</b>	<b>Event &amp; Meetings</b>	<b>Date</b>	<b>Time</b>
Orange County	Future Leaders Conference – Black Chamber of Commerce	Thursday, January 15, 2026	11:00 AM – 1:30 PM
Orange County	OC Iranian Chamber New Year Mixer	Thursday, January 15, 2026	6:00 PM – 8:00 PM
Orange County	Coffee Conversations with CA State Senator Tony Strickland	Thursday, January 23, 2026	8:30 AM - 10:00 AM
Placentia	The Centennial Gala	Friday, January 24, 2026	5:30 PM - 8:30 PM
Orange County	Sustainable Campus Challenge Kick-Off	Tuesday, January 27, 2026	4:00 PM – 6:00 PM
Orange County	ABAOC Lunar New Year Lunch	Sunday, February 1, 2026	TBD
Fountain Valley	Community Lunar New Year Event	Sunday, February 1, 2026	TBD
Irvine	UCI Lunar New Year Events	Sunday, February 8, 2026	TBD

**Attachments:**

Attachment A – Non-Power Supply Contracts In Excess of \$50,000 to Under \$100,000  
Attachment B – OCPA Contract Tracker as of January 1, 2026

**Orange County Power Authority****Non Power Supply Contracts In Excess of \$50,000 to Under \$100,000**

Item No	Vendor	Term	Contract Amount	Brief Service Description	Remark
1	GB Endeavors, LLC	12/17/2025 - 12/16/2026	\$50,000	Strategic Consulting and Analytical Support.	

**Orange County Power Authority Contracts**  
As of December 31, 2025

No.	Vendor	Start Date	End Date	NTE Amount	Expenses recorded against contract	Amount for Work Performed and Invoiced but Not Yet Paid	Remaining NTE Amount	Notes	Contract Approved by the Board?	Contract Reported to the Board?	RFP to be Issued?
1	Best Best & Krieger	12/16/2020	See Notes	See Notes	2,884,328.61			See Notes General Counsel, Financial & Power Procurement, Regulatory, Labor Related, and Special Legal Services. No NTE amount and contract end date. Costs are variable (time and materials).	Yes	Yes	RFP was issued on 2/24/2023 with one proposal rec'd on 3/17/2023. Pending for Board direction.
2	Calpine Energy Solutions	9/14/2021	9/13/2026	See Notes	6,665,183.05			See Notes Data Management & Call Center Services. NTE and Amount Paid depend on the number of active accounts during the month.	Yes		
3	Golden Communications	3/1/2024	2/28/2026	39,776.00	19,329.00		20,447.00	Digital Services - Strategic Marketing, Branding, Communications, and Public Education and Outreach Campaign/Program, Website Development Svc.		Yes	
4	Lakeview Business Center LLC (The Irvine Company)	2/19/2024	See Notes	See Notes	307,043.52			See Notes New office lease 15310 Barranca Parkway, Irvine, CA 92618. The agreement was signed February 19, 2024 but the commencement date is approximately 22 weeks from that date. It is for 84 months (to end at the end of the month). The lease agreement does not have an NTE. The first 5 months are abated. Security deposit, 1st month rent and operating expense was paid in Apr-24.	Yes		
5	Littler Mendelson P.C.	2/22/2024	12/31/2025	94,900.00	23,478.50		71,421.50	Labor and Employment Legal Services		Yes	
6	Maher Accountancy	1/1/2025	12/31/2025	280,500.00	280,500.00		-	Accounting Service and Annual Financial Audit Support. Contract has been extended for 2025 with a 4.66% increase in the NTE amount (\$280,500).	Yes	Yes	
7	Newgen Strategies & Solutions	7/19/2023	6/30/2026	495,750.00	248,447.79		247,302.21	Rates Strategies, Budget and Projection Modeling, and FP&A Services.		Yes	
8	Orange County Printing Company/ R.R. Donnelley the DOT Corp. We Mail For You	8/1/2025	7/31/2027	260,000.00	84,012.29		175,987.71	Print House Services and Promotional Services. Three new contracts effective Aug 2025 to Jul 2027, include the option for the CEO to extend each agreement for up to 3 additional one-year terms, subject to satisfactory performance.	Yes		
9	Pacific Energy Advisors, Inc.	1/1/2025	12/31/2025	588,000.00	549,130.16		38,869.84	Portfolio Management Services; amended with 10% increased NTE for additional back-office support and feasibility study for potential new members. A new contract for 2025 with a NTE of \$588k has been approved by the board on 11/25/2024.	Yes	Yes	
10	Sorren CPAs P.C.	8/1/2025	7/31/2028	91,200.00	30,400.00		60,800.00	3-Year External Financial Audit Services.		Yes	
11	Reveilte, Inc.	7/1/2023	6/30/2026	3,999,686.00	2,908,715.79		1,090,970.21	Strategic Marketing and Branding Material, PR and Social Media Support		Yes	
12	SDI Presence LLC	4/1/2024	3/31/2026	387,636.00	115,460.43		272,175.57	Managed IT Support		Yes	
13	Southern California Edison	3/28/2021	See Notes	See Notes	1,711,147.69			See Notes CCA Service Agreement. Contract term from 3/28/2021 to CCA termination date. Billing provided by SCE is set forth in SCE's community choice aggregation tariff, as stated in SCE's Electric Rule 23 and SCE's rate schedules.		Yes	
14	The Energy Authority	4/1/2022	9/3/2026	770,960.00	696,427.45		74,532.55	Scheduling Coordinator, Day Ahead Load Forecasting, and CRR Management Services. Full Service from Commencement Date to 9/3/2026. Amendment to add the load forecast service for \$12,160.	Yes	Yes	
15	The Energy Federation/ AM Conservation	7/1/2023	6/30/2026	480,000.00	450,039.25		29,960.75	Online marketplace services for residential energy efficient products and smart home devices		Yes	
16	Amperon	5/1/2024	5/11/2026	122,000.00	106,500.00		15,500.00	Amendment to the long- and short-term load forecast services agreement for risk management: extends the term through 5/11/2026 and adds an NTE of \$62,000. The amendment also provides an option to extend the agreement for one additional year, bringing the total NTE to \$167,100.	Yes		
17	Gofarth & Marti, DBA GM Business interiors, a Corporation	5/1/2024	4/30/2026	275,000.00	270,299.54		4,700.46	Furniture for OCPA's new office. The Board approved the contract on 04/30/2024. Amendment to add NTE of \$25k in Aug 2024.	Yes	Yes	
18	The Energy Coalition	9/17/2024	9/17/2026	500,000.00	275,156.25		224,843.75	Develop the Community Power Plan, technical assistance, grant and program support for OCPA's customer programs	Yes		
19	Chapman and Cutler LLP	10/13/2025	10/12/2026	300,000.00	-		300,000.00	For prepayment and disclosure legal counsel, contingent upon transaction completion and payable from bond proceeds.	Yes		
20	PFM Financial Advisors and PFM Swap Advisors	10/13/2025	10/12/2026	325,000.00	-		325,000.00	For prepay municipal advisory and swap advisory services, contingent upon transaction completion and payable from bond proceeds	Yes		
21	GB Endeavors, LLC	12/17/2025	12/16/2026	50,000.00	-		50,000.00	Strategic Advisory Consulting Services		Yes	