

AGENDA

ORANGE COUNTY POWER AUTHORITY MEETING OF THE BOARD OF DIRECTORS

Tuesday, January 11, 2022

12:00 p.m.

This meeting will proceed as a teleconference meeting in compliance with waivers to certain provisions of the Ralph M. Brown Act provided for under California Government Code section 54953(e)(1)(A) in relation to the Covid-19 state of emergency and recommended social distancing measures. There will be no location for in-person attendance. The Orange County Power Authority is providing alternatives to in-person attendance for viewing and participating in the meeting. Further details are below.

Note: Any member of the public may provide comments to the Orange County Power Authority Board of Directors on any agenda item or on a matter not appearing on the agenda, but within the jurisdiction of the Board. Please indicate whether your comment is on a specific agenda item or a non-agenda item when requesting to speak. 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:

Requests to Speak. In-person public attendance will not be provided. To provide comments during the meeting, join the Zoom meeting by computer, mobile phone, or dial-in number. Members of the public who have requested to speak will be recognized at the appropriate time during the Zoom meeting and may speak through Zoom video conference or telephonically. On Zoom video conference by computer or mobile phone, use the “Raise Hand” feature. This will notify the Clerk that you wish to speak during a specific item on the agenda or during non-agenda Public Comment. If joining the meeting using the Zoom dial-in number, you can raise your hand by pressing *9. Members of the public will not be shown on video but will be able to speak when called upon.

Comments shall be limited to three minutes when speaking. If you have anything that you wish to be distributed to the Board, please provide it via comments@ocpower.org, who will distribute the information to the Members.

The public may participate using the following remote options:

ZOOM MEETING

You are invited to a Zoom webinar.

Please click the link below to join the webinar:

[Launch Meeting - Zoom](#)

Dial-in: 1-669-900-6833

Webinar ID: 814 2085 8545

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **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 14, 2021**

Recommended Action:

Approve as submitted.

2. **MINUTES FOR THE SPECIAL BOARD MEETING OF DECEMBER 21, 2021**

Recommended Action:

Approve as submitted.

3. **APPROVAL OF FORM MASTER POWER PURCHASE AND SALE AGREEMENT**

Recommended Action:

Adopt Resolution No. 2022-01 a Resolution of the Board of Directors of Orange County Power Authority Approving Form Master Power Purchase and Sale Agreement, and Delegating Authority to the Chief Executive Officer to Execute Master Agreements in Substantially Similar Form as Approved to Form by General Counsel.

4. **AUHORIZE INCLUSION OF EXECUTIVE EMPLOYEES IN PREVIOUSLY ADOPTED OCPA PERSONNEL POLICIES MANUAL AND OCPA EMPLOYEE BENEFITS PROGRAM**

Recommended Action: Authorize inclusion of executive employees in previously adopted OCPA Personnel Policies Manual and Employee Benefits Program.

5. **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 THE FINANCIAL AUDIT REPORT FOR THE FISCAL PERIOD ENDED JUNE 30, 2021 FROM PISENTI & BRINKER, LLP**

Recommended Action:

Adopt OCPA Year-End Financial Statements and Independent Auditor's Report for the fiscal period ended June 30, 2021 from Pisent & Brinker, LLP.

2. **ADOPT RESOLUTION APPROVING INITIAL OCPA RATE DESIGN; AUTHORIZE OCPA BASIC RATES ADJUSTMENTS EFFECTIVE APRIL 2022; APPROVE A NET SURPLUS COMPENSATION RATE FOR NET ENERGY METERING CUSTOMERS; APPROVE THE ESTABLISHMENT OF MONTHLY BILLING FOR ALL NET ENERGY METERING CUSTOMERS; APPROVE THE ESTABLISHMENT OF ANNUAL TRUE-UP PERIOD TO APRIL FOR ALL NET ENERGY METERING CUSTOMERS**

Recommended Action:

1. Approve initial OCPA rates contained in Attachment A (Scenario 3) such that OCPA's Basic Choice rates are set at parity to Southern California Edison ("SCE") rates and all OCPA member agencies will elect Smart Choice as the default service offering.
2. Authorize staff to adjust OCPA Basic Choice rates contained in Attachment A (Scenario 3) as soon as practicable after the SCE March 2022 rate change to maintain rate parity for OCPA Basic Choice customers effective April 2022. Staff shall place a report on the agenda of the next regular board meeting explaining the adjustment and requesting that the board ratify the adjusted initial OCPA rates.
3. Approve a Net Surplus Compensation ("NSC") rate for Net Energy Metering ("NEM") customers at 10% above SCE's NSC rate.
4. Approve the establishment of monthly settlements and billing for all NEM customers.
5. Approve the establishment of annual true-up period to April for all NEM customers.

6. **DIRECTOR COMMENTS**

Board Members may briefly provide information to other members of the Board and the public, ask questions of staff, request an item to be placed on a future agenda, 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. **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 other than to place the matter on a future agenda. Otherwise, there is to be no discussion or action taken unless authorized by law

8. **PUBLIC COMMENTS**

Opportunity for members of the public to address the Board on any items not on the agenda but within the jurisdiction of the Board.

9. **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. 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. Late-arriving documents received during the meeting are available for review by making a verbal request to the Board Secretary in the Zoom meeting room.



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

December 14, 2021

1. CALL TO ORDER

Chair Carroll called to order the regular meeting of the Orange County Power Authority Board of Directors at 10:06 a.m. on Tuesday, December 14, 2021.

The meeting was conducted utilizing teleconference and electronic means consistent with public health orders and guidelines in California and in accordance with the Governor's Executive Orders. There was no location for in-person attendance. Due to the nature of the teleconference, all votes were cast via roll call. In an effort to protect public health, members of the public were able to provide live comments on agenda items using Zoom. The order of the agenda was changed by the Chair.

2. PLEDGE OF ALLEGIANCE

Director Posey led the Pledge of Allegiance

3. ROLL CALL

Present:	Director Farrah N. Khan	City of Irvine
	Director Mike Posey	City of Huntington Beach
	Director Susan Sonne	City of Buena Park
	Vice Chair Fred Jung	City of Fullerton
	Chair Mike Carroll	City of Irvine

Also Present:	Brian Probolsky	Chief Executive Officer
	Tiffany Law	Chief Financial Officer
	Ryan Baron	General Counsel, Best Best and Krieger

4. CLOSED SESSION

4.1. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant Exposure to Litigation (Government Code section 54956.9(d)(2)) One (1) potential case

Recess to Closed Session

The OCPA Board recessed into closed session at 10:10 a.m.

Reconvene Meeting

The Regular Meeting of the OCPA Board of Directors reconvened at 11:30 a.m.

General Counsel Baron stated there was no reportable action from the closed session.

5. CONSENT CALENDAR

The following items were listed on the Consent Calendar

5.1. MINUTES FOR THE REGULAR BOARD MEETING OF NOVEMBER 9, 2021**Recommended Action:**

Approve as submitted.

5.2. MINUTES FOR THE SPECIAL BOARD MEETING OF NOVEMBER 23, 2021**Recommended Action:**

Approve as submitted.

5.3. APPROVE AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT WITH MAHER ACCOUNTANCY**Recommended Action:**

Approve Amendment No. 2 to the Professional Services Agreement ("Second Amendment") between OCPA and Maher Accountancy to renew the accounting and annual audit assistance services from January 1 through December 31, 2022.

5.4. RESOLUTION APPROVING THE COUNTY OF ORANGE MEMBERSHIP IN THE ORANGE COUNTY POWER AUTHORITY**Recommended Action:**

Adopt Resolution No. 2021-08 of the Board of Directors of the Orange County Power Authority Approving the County of Orange Membership in the Orange County Power Authority.

5.5. ADOPT RESOLUTION ESTABLISHING REGULAR MEETING SCHEDULE FOR 2022**Recommended Action:**

Adopt resolution establishing the regular meeting schedule of the Orange County Power Authority Board of Directors for the 2022 calendar year.

Public Comments on Consent Calendar Items

Kathleen Treseder requested edits to the minutes of November 9, 2021.

Kevin Corrigan spoke separation of duties between accounting services and the firm that performs the annual audit.

Ayn Craciun, Climate Action Campaign, welcomed Supervisors Don Wagner and Andrew Do of Orange County to the OCPA Board, and spoke about Board voting rights.

Director Sonne pulled Item 5.5 from the Consent Calendar.

Director Posey pulled Item 5.3 from Consent Calendar.

Director Khan pulled Item 5.4 from Consent Calendar.

ACTION on 5.1 and 5.2 - Minutes

Director Sonne made a motion, seconded by Director Posey, and unanimously carried:

to approve Consent Calendar items 5.1 and 5.2. as submitted.

Item: 5.3. Brian Probolsky clarified that a separate audit firm, Presenti and Brinker, LLP, will be performing the independent audit, but that Maher Accountancy must provide the information that Presenti and Brinker will review to prepare the audit.

ACTION on 5.3 – Maher Accountancy

Director Sonne made a motion, seconded by Director Posey, and unanimously carried,

to approve Amendment No. 2 to the Professional Services Agreement (“Second Amendment”) between OCPA and Maher Accountancy to renew the accounting and annual audit assistance services from January 1 through December 31, 2022.

Item 5.4: Ryan Baron, General Counsel, clarified legal questions regarding the JPA Agreement.

Chair Carroll asked Mr. Baron to put the JPA amendment process in writing and send it to the Board.

ACTION on 5.4 – Orange County

Director Posey made a motion, seconded by Director Khan, and unanimously carried:

to approve Orange County as a voting member of the Orange County Power Authority.

Item 5.5: Director Sonne requested that Board meetings take place at a time that is more convenient for the public.

Board members discussed the proposed dates of the 2022 Board meetings and the difficulty in finding a time that is optimal for all.

CFO Law requested that the first meeting in January be held on January 11, rather than January 4, to give her more time to prepare rate setting recommendations.

ACTION on 5.5 – 2022 Meeting Dates

Chair Carroll made a motion, seconded by Director Khan:

to approve the 2022 meeting calendar as proposed with the exception of January 11 at 12:00 p.m. in lieu of January 4.

Director Posey seconded the motion, and it carried by the following vote:

Ayes: Khan, Posey, Carroll

Nays: Sonne, Jung

Absent: None

6. REGULAR CALENDAR

In order to accommodate a speaker, Chair Carroll changed the order of the regular agenda, calling item 6.2, first

6.2. UPDATE REGARDING PRODUCT NAME SELECTION

Brenda Springer gave a presentation on the research and analysis performed by her firm, Reveille, on name selection for the three product offerings decided on November 23, 2021. She presented a list of names used by other CCA's, and the four product line concepts that Reveille will take to the Board's Outreach Subcommittee for final selection.

Shanin Zeimer, CAC member, appreciated the marketing program, spoke about default product offerings and input on product names..

No vote was taken. This item was for receive and file.

6.1. ADOPT PERSONNEL POLICIES MANUAL AND AUTHORIZE ORANGE COUNTY POWER AUTHORITY'S EMPLOYEE BENEFITS PROGRAM

Ashley Garcia, Senior Management Analyst, spoke about Management Partners and their role in assisting local governments. Ashley gave a summary of the work performed on the OCPA Personnel Policy Manual.

Ashley Garcia stated that Management Partners also benchmarked employee benefits against six CCA's and gave a slide presentation on benefits.

Doug Elliott spoke about benefits relation to recruitment and employee protections.

Ayn Craciun, Climate Action Campaign, asked for data the cost of the benefits.

ACTION:

Director Posey made a motion, seconded by Director Sonne:

to table this item until the next full meeting where there is room on the agenda, maybe January 11, 2022, to allow each Board member time go through the Policy Manual and benefits proposals and propose changes; and direct staff to return with an organization chart and the true costs once OCPA is fully staffed so that we know what the financial impact is.

The motion carried as follows:

Ayes: Posey, Sonne, Khan, Jung

Nays: Carroll

Absent: None

7. DIRECTOR COMMENTS

There were none.

8. STAFF REPORTS

Tiffany Law spoke about her experience with community choice energy and her goal to replicate the same successful operations for OCPA. She said the independent audit is substantially complete. The auditors will issue the final audit report in early January. There were no deficiencies.

Ms. Law also said that staff and New Gen Strategies and Solutions are working closely with Pacific Energy Advisors to set up the fiscal year 2022-23 and ten-year per forma financial models, including a cost-of-service model for rate strategy development.

CEO Probolsky introduced Rob Howard with Zodiac, who has been coordinating the outreach efforts.

Mr. Howard spoke about the development of the website and creating capacity for growth and transparency. He also spoke about working with Reveille and other consultants on the creation of a rate comparison tool and preparing the required notices to customers.

9. PUBLIC COMMENTS

Michelle Ellison from Ojai, spoke about the 100% renewable default product .

Shanin Zeimer, CAC member, asked OCPA to give the CAC a standing place on the OCPA agendas, and compared OCPA product levels to those of SCE.

Danny Gray spoke about his employer reducing its carbon footprint and hopes that community choice energy will help. He spoke about outreach and hiring of staff.

Craig Preston thanked the Board for the professionalism of OCPA staff and its consultants, and spoke benefits, the JPA, outreach, and hiring of staff.

Linda Kraemer spoke about Board and staff attendance at the CalCCA event, hiring of staff, and participation rates at Clean Power Alliance.

10. ADJOURNMENT

At 12:39 p.m., Director Posey made a motion, seconded by Director Khan to adjourn the meeting until December 21, 2021, at 9:00 a.m. for a Special Meeting.

Brian S. Probolsky, Chief Executive Officer



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

Tuesday, December 21, 2021, 9:00 a.m.

1. CALL TO ORDER

Chair Carroll called to order the Special Meeting of the Orange County Power Authority Board of Directors at 9:02 a.m. on Tuesday, December 21, 2021.

The meeting was conducted by teleconference and electronic means consistent with California's public health orders and guidelines and per the Governor's Executive Orders. There was no location for in-person attendance. Due to the nature of the teleconference, Directors cast all votes via roll call. To protect public health, public members provided live comments on agenda items using Zoom. The agenda items were considered in the order presented

2. PLEDGE OF ALLEGIANCE

Director Conner Traut led the Pledge of Allegiance

3. ROLL CALL

Present:	Director Don Wagner	County of Orange
	Director Farrah N. Khan	City of Irvine
	Director Mike Posey	City of Huntington Beach
	Director Conner Traut	City of Buena Park
	Vice Chair Fred Jung	City of Fullerton
	Chair Mike Carroll	City of Irvine

Also Present:	Brian Probolsky	Chief Executive Officer
	Tiffany Law	Chief Financial Officer
	Ryan Baron	General Counsel, Best Best and Krieger

4. REGULAR AGENDA

4.1 CONDUCT PUBLIC HEARING AND ADOPT RESOLUTION APPROVING AMENDMENT NO. 1 TO THE OCPA COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT

General Counsel Baron presented Amendment No. 1 to the OCPA Community Choice Aggregation Implementation Plan and Statement of Intent. The amendment addresses the anticipated impacts of OCPA's planned expansion to

the County of Orange unincorporated area and certain other forecast modifications reflecting recently updated projections, customer energy requirements, peak demand, renewable energy purchases, financial plans, and other items. The amendment also removed Lake Forest from the Plan as the city withdrew from membership in February.

At 9:17 a.m. Chair Carroll opened the public hearing.

Kathleen Treseder spoke about agenda publication times and difficulty evaluating the documents.

Ayn Craciun spoke about rate discounts, referenced news reports, unbundled RECs and agenda posting times.

9:22 a.m. Chair Carroll closed hearing

Various staff members and consultants answered question of directors.

- Ryan Baron spoke about RECs.
- Kirby Dusel of Pacific Energy Advisors: spoke about “True ups” and RECs
- Gary Saleba of GDS Associates spoke about customer deposits.
- CEO Probolsky described how bringing on staff will reduce reliance on consultants.
- Ryan Baron spoke about new member voting.

ACTION:

Director Posey made a motion, seconded by Director Carroll, and unanimously carried to:

Adopt Resolution 2021-10 of the Board of Directors of the Orange County Power Authority adopting the Community Choice Aggregation Implementation Plan and Statement of Intent Providing New Electric Service to County of Orange

4.2 ADOPT PERSONNEL POLICIES MANUAL AND AUTHORIZE ORANGE COUNTY POWER AUTHORITY’S EMPLOYEE BENEFITS PROGRAM

Ashley Garcia, the Senior Management Analyst from Management Partners, referenced prior Board discussion the Personnel Manual, subsequently, a labor-law attorney reviewed the documents. She added that the benefits are used in recruitment notices to attract candidates.

Ryan Barron stated this item is a comprehensive set of personnel policies and employee benefits for all OCPA employees current and future; however, Section 605, health and wellness benefits, retirement benefits, and anything else related to executive compensation, must be adopted at a regular meeting. Therefore, today's action is limited to non-executive employees.

CEO Probolsky answered questions about the impact of benefits on the recruitment process.

Ms. Garcia and Ms. Allison Borkenheim, an employment lawyer from Best Best and Krieger, answered questions about Section 1100 and when an employee disciplinary matters.

Chair Carroll called for public comments on the item.

Ayn Craciun of Climate Action Campaign spoke about the schedule for the item. She compared the benefits to those offered by other CCAs.

Kathleen Treseder of Irvine objected to the item being considered.

Linda Kraemer spoke about the importance of staying connected to other CCAs. She stated that CCAs are having a problem with and recommended expanding remote work options.

Melissa Maasri spoke about income inequality, the benefit levels of OCPA staff, CEO authority and timing of the item.

Doug Elliott objected to this timing of the item, spoke about CEO discretion and other aspects of the Personnel Manual.

Danny Gray of the Climate Reality Project suggested provisions for reporting harassment.

Jeremy Ficarola compared the proposed benefit levels with those of the Department of Homeland Security.

CEO Brian Probolsky and CFO Tiffany Law answered questions about the number of full-time positions anticipated and the current status of recruitments and the benefits of hiring staff over using consultants

Ashley Garcia of Management Partners explained how Management Partners benchmarked the benefits against other agencies.

General Counsel Ryan Baron answered questions about benefit levels and the importance to having policies in place as soon as possible.

Staff and Chair Carroll answered questions of Director Khan and Director Traut regarding benefit comparisons.

ACTION

Director Posey made a motion, seconded by Director Carroll and unanimously carried to:

adopt the Personnel Policies Manual and authorize OCPA Employee Benefits Program for non-executive OCPA employees.

5. DIRECTOR'S COMMENTS

CEO Probolsky answered questions of Director Khan about the Community Advisory Committee.

6. STAFF COMMENTS

CEO Probolsky updated the Board on the selection of the product names.

7. PUBLIC COMMENTS

Kathleen Treseder asked for information about the power choices made by purchasers.

Danny Gray of the Climate Reality Project emphasized the importance of addressing accelerating climate change.

Ayn Craciun of Climate Action Campaign spoke about posting financial documents, meeting videos, and minutes.

Jose Trinidad Castaneda complemented Director Traut and other Directors on their efforts to move OCPA forward.

8. ADJOURNMENT

By motion of Vice Chair Jung and a second by Director Wagner, the OCPA Special Meeting was adjourned at 11:07 a.m.

Brian S. Probolsky, Chief Executive Officer

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 4.1

To: Orange County Power Authority Board of Directors

From: Brian Probolsky, Chief Executive Officer
Ryan Baron, General Counsel

Subject: APPROVAL OF FORM MASTER POWER PURCHASE AND SALE
AGREEMENT

Date: January 11, 2022

RECOMMENDATIONS

Adopt Resolution No. 2022-01 a Resolution of the Board of Directors of Orange County Power Authority Approving Form Master Power Purchase and Sale Agreement, and Delegating Authority to the Chief Executive Officer to execute Master Agreements in Substantially Similar Form as Approved to Form by General Counsel.

BACKGROUND

The Orange County Power Authority is in the process of negotiating and finalizing Master Power Purchase and Sale Agreements (“Master Agreement”) with various system energy suppliers, including Shell Energy North America (“SENA”), Exelon Generation Company (“Constellation”), Transalta Energy Marketing (“Transalta”), NextEra Energy Marketing (“NextEra”), and Direct Energy Business Marketing (“DEBM”) for the purchase of system energy that will be provided to OCPA customers beginning in the April 2022 launch. As part of these procurement efforts, OCPA issued a competitive solicitation for system energy on January 4, 2022 for 2022 through 2026 energy supply. Final offers are due to OCPA by January 12, 2022.

In order to procure energy, OCPA must enter into a Master Agreement and Confirmation Agreement with each supplier. A Master Agreement is an “evergreen” agreement that allows OCPA to enter into future transactions with the party to the Agreement. This occurs should a supplier submit a successful offer into one of OCPA’s solicitations or should the parties agree bilaterally to transact with one another. The Master Agreement will govern individual transactions between the parties, including buyer and seller obligations, defaults, collateral requirements, indemnities, and other legal provisions. The Master Agreement will largely govern purchases for system energy, and in some cases for renewable energy and resource adequacy.

The Edison Electric Institute (“EEI”) Master Agreement is developed by the leading trade association for convenience and standardization of power purchases. The first section of the agreement, known as the “Cover Sheet,” enables election of certain optional provisions and allows for modifications to the standard terms agreed to by the parties. Generally speaking, the Cover Sheet represents the product of negotiations that have occurred among the parties as they relate to the Master Agreement. The Collateral Annex, sometimes attached as part of the Master Agreement, sets forth procedures under which the parties will provide security under the Master Agreement (Credit and Collateral Requirements). Specifically, the Collateral Annex describes the conditions under which a party will be required to transfer performance assurance in the form of cash, a letter of credit, or other property, as well as the conditions under which a party administers and releases the performance assurance.

Actual purchases by OCPA, also referred to as “transactions,” will be executed through a Confirmation Agreement that will contain the price, resource, quantity, term, and other commercial terms of the transaction. Confirmation Agreements are typically shorter one-to-two page contracts governed by the Master Agreement.

In accordance with the delegation of authority in OCPA’s Energy Risk Management Policy, approved on July 13, 2021, the CEO has the authority to approve a transaction based on contract limits for term, volume, and notional amount for system power, resource adequacy, renewables, and GHG-free product types. The delegated authority is shown below:

Delegation of Authority: Title/Governing Body	Product Type	Tenor Limit	Volumetric Limit	Notional Value
Chief Executive Officer	System Power	Up to 3 years	2,000 GWh	\$ 75 M
	Resource Adequacy	Up to 3 years	3,000 MW	\$ 30 M
	Renewables	Up to 3 years	1,500 GWh	\$ 25 M
	GHG-free	Up to 3 years	1,000 GWh	\$ 10 M
OCPA Board	All Products	Any	Unlimited	Unlimited

Transactions falling outside these limits require approval of the Board of Directors.

Certain information contained in the Master Agreement and Confirmation Agreement is considered by law to be confidential market sensitive information. This includes price, resource type, term, collateral, and other commercial obligations. Such information is considered confidential by the California Public Utilities Commission for up to three years and also falls within certain exceptions to the California Public Records Act.

On September 14, 2021, the Board approved a Master Agreement with Morgan Stanley Capital Group (“MSCG”), SCE and PG&E. OCPA anticipates finalizing agreements with SENA, Transalta, Constellation, NextEra, and DEBM for the January 12 solicitation. We further anticipate finalizing additional Master Agreements with more counter-parties with the possibility for 20 or more in throughout 2022-2023 due to the interest OCPA will generate in its solicitations based on its size, expansion, geography and financials. Rather than bringing individual boilerplate agreements to the Board for each counter-party, staff is asking the Board to approve the form Master Agreement and delegate authority to the CEO to execute in substantially similar form, subject to legal counsel approval of final terms and conditions. A Master Agreement is an industry-wide template where minor changes are negotiated based on the unique credit requirements of each counter-party. Pricing and specific commercial terms will be negotiated in the Confirmation Agreement effectuating a transaction as is already delegated in part in the approved OCPA Energy and Risk Management Policy. In addition, in some cases with RFOs, a winning offer is subject to a 1- to 2-hour window for acceptance and finalization of all documents, such as to accept a counter-party’s pricing by 1 p.m. CST when trading markets close, and to execute all agreements, which cannot be done in the time-frame of an OCPA Board meeting. Approval of the form agreement will allow OCPA staff to finalize Master Agreements with last minute suppliers within this timeframe while broadening the competition for OCPA energy. This practice is consistent with how other CCAs have started up their procurement efforts prior to launch.

FISCAL IMPACT

There is no fiscal impact.

ATTACHMENTS

Attachment A: Resolution Approving Form EEI Master Agreement

Attachment B: Form EEI Master Agreement

RESOLUTION NO. 2022-01

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE ORANGE COUNTY POWER AUTHORITY
APPROVING A FORM MASTER POWER
PURCHASE AND SALE AGREEMENT**

A. The 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. OCPA intends to launch the services of its community choice aggregation program in April 2022 consistent with Public Utilities Code § 366.2 and its Implementation Plan and Statement of Intent certified by the California Public Utilities Commission.

C. OCPA will issue competitive solicitations (Request for Offers or “RFOs”) for offers from various energy suppliers capable of providing system energy, renewable energy, carbon free energy, and/or related products and services at competitive prices.

D. In anticipation of administering competitive solicitations, OCPA is negotiating Edison Electric Institute (“EEI”) Master Purchase and Sale Agreements (“Master Agreement”) with prospective energy supplier so that OCPA will be enabled with these suppliers prior to issuing and finalizing RFOs and procuring energy on behalf of OCPA customers.

E. The EEI Master Agreement is an industry standard, boilerplate agreement developed by the leading electricity trade association used nationwide between buyers and sellers and energy. The Master Agreement governs the purchase and sale of electricity and other products, and requires a separate written confirmation agreement to execute a specific binding transaction. Buyers and sellers negotiate minor changes to an EEI Master Agreement based on unique credit and other requirements of the individual parties.

F. OCPA is in the process of negotiating EEI Master Agreements with numerous energy suppliers that will allow it to enter into future transactions for the purchase of various energy products.

G. Pursuant to OCPA Energy Risk Management Policy, approved on July 13, 2021, the Chief Executive Officer (“CEO”) has the authority to approve transactions based on certain contract limits. Individual transactions falling outside the prescribed limits require approval by the Board of Directors.

H. Due to the potential to be enabled with numerous energy suppliers and the time-sensitive nature of RFOs, it is OCPA’s desire to accept competitive offers and enter into agreements timely, and thus finalizing the Master Agreement prior to a final offer being accepted is necessary.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Orange County Power Authority as follows:

Section 1. The Board of Directors hereby approves the Form EEI Master Agreement.

Section 2. The Board of Directors authorizes the CEO to negotiate, finalize, and execute a Master Agreement with prospective energy suppliers, and any related documents, in substantially similar form, and as approved to form by the General Counsel as is necessary and convenient to complete energy transactions on behalf of OCPA within the Board of Directors' approved limits prescribed by the Energy and Risk Management Policy and applicable OCPA policies.

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 11, 2022.

Secretary
Orange County Power Authority

Master Power Purchase & Sale Agreement



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INDUSTRY IS ENCOURAGED TO USE THIS MASTER POWER PURCHASE AND SALE AGREEMENT IN ITS TRANSACTIONS.
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MASTER POWER PURCHASE AND SALES AGREEMENT

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MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This *Master Power Purchase and Sale Agreement* ("Master Agreement") is made as of the following date: _____ ("Effective Date"). The *Master Agreement*, together with the exhibits, schedules and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the "Agreement." The Parties to this *Master Agreement* are the following:

Name ("_____ " or "Party A")

All Notices:

Street: _____

City: _____ Zip: _____

Attn: Contract Administration

Phone: _____

Facsimile: _____

Duns: _____

Federal Tax ID Number: _____

Invoices:

Attn: _____

Phone: _____

Facsimile: _____

Scheduling:

Attn: _____

Phone: _____

Facsimile: _____

Payments:

Attn: _____

Phone: _____

Facsimile: _____

Wire Transfer:

BNK: _____

ABA: _____

ACCT: _____

Credit and Collections:

Attn: _____

Phone: _____

Facsimile: _____

With additional Notices of an Event of Default or Potential Event of Default to:

Attn: _____

Phone: _____

Facsimile: _____

Name ("Counterparty" or "Party B")

All Notices:

Street: _____

City: _____ Zip: _____

Attn: Contract Administration

Phone: _____

Facsimile: _____

Duns: _____

Federal Tax ID Number: _____

Invoices:

Attn: _____

Phone: _____

Facsimile: _____

Scheduling:

Attn: _____

Phone: _____

Facsimile: _____

Payments:

Attn: _____

Phone: _____

Facsimile: _____

Wire Transfer:

BNK: _____

ABA: _____

ACCT: _____

Credit and Collections:

Attn: _____

Phone: _____

Facsimile: _____

With additional Notices of an Event of Default or Potential Event of Default to:

Attn: _____

Phone: _____

Facsimile: _____

The Parties hereby agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

Party A Tariff Tariff _____ Dated _____ Docket Number _____

Party B Tariff Tariff _____ Dated _____ Docket Number _____

Article Two

Transaction Terms and Conditions ☐ Optional provision in Section 2.4. If not checked, inapplicable.

Article Four

Remedies for Failure to Deliver or Receive ☐ Accelerated Payment of Damages. If not checked, inapplicable.

Article Five

Events of Default; Remedies ☐ Cross Default for Party A:
☐ Party A: _____ Cross Default Amount \$ _____
☐ Other Entity: _____ Cross Default Amount \$ _____
☐ Cross Default for Party B:
☐ Party B: _____ Cross Default Amount \$ _____
☐ Other Entity: _____ Cross Default Amount \$ _____

5.6 Closeout Setoff

- ☐ Option A (Applicable if no other selection is made.)
☐ Option B - Affiliates shall have the meaning set forth in the Agreement unless otherwise specified as follows: _____
☐ Option C (No Setoff)

Article 8

Credit and Collateral Requirements

8.1 Party A Credit Protection:

(a) Financial Information:

- ☐ Option A
☐ Option B Specify: _____
☐ Option C Specify: _____

(b) Credit Assurances:

- ☐ Not Applicable
☐ Applicable

(c) Collateral Threshold:

- ☐ Not Applicable
☐ Applicable

If applicable, complete the following:

Party B Collateral Threshold: \$ _____; provided, however, that Party B's Collateral Threshold shall be zero if an Event of Default or Potential Event of Default with respect to Party B has occurred and is continuing.

Party B Independent Amount: \$ _____

Party B Rounding Amount: \$ _____

(d) Downgrade Event:

- ☐ Not Applicable
- ☐ Applicable

If applicable, complete the following:

- ☐ It shall be a Downgrade Event for Party B if Party B's Credit Rating falls below _____ from S&P or _____ from Moody's or if Party B is not rated by either S&P or Moody's
- ☐ Other:
Specify: _____

(e) Guarantor for Party B: _____

Guarantee Amount: _____

8.2 Party B Credit Protection:

(a) Financial Information:

- ☐ Option A
- ☐ Option B Specify: _____
- ☐ Option C Specify: _____

(b) Credit Assurances:

- ☐ Not Applicable
- ☐ Applicable

(c) Collateral Threshold:

- ☐ Not Applicable
- ☐ Applicable

If applicable, complete the following:

Party A Collateral Threshold: \$ _____; provided, however, that Party A's Collateral Threshold shall be zero if an Event of Default or Potential Event of Default with respect to Party A has occurred and is continuing.

Party A Independent Amount: \$ _____

Party A Rounding Amount: \$ _____

(d) Downgrade Event:

- ☐ Not Applicable
- ☐ Applicable

If applicable, complete the following:

- ☐ It shall be a Downgrade Event for Party A if Party A's Credit Rating falls below _____ from S&P or _____ from Moody's or if Party A is not rated by either S&P or Moody's
- ☐ Other:
Specify: _____

(e) Guarantor for Party A: _____

Guarantee Amount: _____

Article 10

Confidentiality

☐ Confidentiality Applicable

If not checked, inapplicable.

Schedule M

- ☐ Party A is a Governmental Entity or Public Power System
- ☐ Party B is a Governmental Entity or Public Power System
- ☐ Add Section 3.6. If not checked, inapplicable
- ☐ Add Section 8.6. If not checked, inapplicable

Other Changes

Specify, if any: _____

IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed as of the date first above written.

Party A Name

Party B Name

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

DISCLAIMER: This Master Power Purchase and Sale Agreement was prepared by a committee of representatives of Edison Electric Institute (“EEI”) and National Energy Marketers Association (“NEM”) member companies to facilitate orderly trading in and development of wholesale power markets. Neither EEI nor NEM nor any member company nor any of their agents, representatives or attorneys shall be responsible for its use, or any damages resulting therefrom. By providing this Agreement EEI and NEM do not offer legal advice and all users are urged to consult their own legal counsel to ensure that their commercial objectives will be achieved and their legal interests are adequately protected.

GENERAL TERMS AND CONDITIONS

ARTICLE ONE: GENERAL DEFINITIONS

1.1 “Affiliate” means, with respect to any person, any other person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

1.2 “Agreement” has the meaning set forth in the Cover Sheet.

1.3 “Bankrupt” means with respect to any entity, such entity (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (v) is generally unable to pay its debts as they fall due.

1.4 “Business Day” means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time for the relevant Party’s principal place of business. The relevant Party, in each instance unless otherwise specified, shall be the Party from whom the notice, payment or delivery is being sent and by whom the notice or payment or delivery is to be received.

1.5 “Buyer” means the Party to a Transaction that is obligated to purchase and receive, or cause to be received, the Product, as specified in the Transaction.

1.6 “Call Option” means an Option entitling, but not obligating, the Option Buyer to purchase and receive the Product from the Option Seller at a price equal to the Strike Price for the Delivery Period for which the Option may be exercised, all as specified in the Transaction. Upon proper exercise of the Option by the Option Buyer, the Option Seller will be obligated to sell and deliver the Product for the Delivery Period for which the Option has been exercised.

1.7 “Claiming Party” has the meaning set forth in Section 3.3.

1.8 “Claims” means all third party claims or actions, threatened or filed and, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of an indemnity, and the resulting losses, damages, expenses, attorneys’ 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.

1.9 “Confirmation” has the meaning set forth in Section 2.3.

1.10 “Contract Price” means the price in \$U.S. (unless otherwise provided for) to be paid by Buyer to Seller for the purchase of the Product, as specified in the Transaction.

1.11 “Costs” means, with respect to the Non-Defaulting Party, brokerage fees, commissions and other similar third party transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace a Terminated Transaction; and all reasonable attorneys’ fees and expenses incurred by the Non-Defaulting Party in connection with the termination of a Transaction.

1.12 “Credit Rating” means, with respect to any entity, the rating then assigned to such entity’s unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issues rating by S&P, Moody’s or any other rating agency agreed by the Parties as set forth in the Cover Sheet.

1.13 “Cross Default Amount” means the cross default amount, if any, set forth in the Cover Sheet for a Party.

1.14 “Defaulting Party” has the meaning set forth in Section 5.1.

1.15 “Delivery Period” means the period of delivery for a Transaction, as specified in the Transaction.

1.16 “Delivery Point” means the point at which the Product will be delivered and received, as specified in the Transaction.

1.17 “Downgrade Event” has the meaning set forth on the Cover Sheet.

1.18 “Early Termination Date” has the meaning set forth in Section 5.2.

1.19 “Effective Date” has the meaning set forth on the Cover Sheet.

1.20 “Equitable Defenses” means any bankruptcy, insolvency, reorganization and other laws affecting creditors’ rights generally, and with regard to equitable remedies, the discretion of the court before which proceedings to obtain same may be pending.

1.21 “Event of Default” has the meaning set forth in Section 5.1.

1.22 “FERC” means the Federal Energy Regulatory Commission or any successor government agency.

1.23 “Force Majeure” means an event or circumstance which prevents one Party from performing its obligations under one or more Transactions, which event or circumstance was not anticipated as of the date the Transaction was agreed to, 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 Buyer’s markets; (ii) Buyer’s inability economically

to use or resell the Product purchased hereunder; (iii) the loss or failure of Seller's supply; or (iv) Seller's ability to sell the Product at a price greater than the Contract Price. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (i) such Party has contracted for firm transmission with a Transmission Provider for the Product to be delivered to or received at the Delivery Point and (ii) such curtailment is due to "force majeure" or "uncontrollable force" or a similar term as defined under the Transmission Provider's tariff; provided, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of a Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that a Force Majeure as defined in the first sentence hereof has occurred. The applicability of Force Majeure to the Transaction is governed by the terms of the Products and Related Definitions contained in Schedule P.

1.24 "Gains" means, with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of a Terminated Transaction, determined in a commercially reasonable manner.

1.25 "Guarantor" means, with respect to a Party, the guarantor, if any, specified for such Party on the Cover Sheet.

1.26 "Interest Rate" means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under "Money Rates" on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable law.

1.27 "Letter(s) of Credit" means one or more irrevocable, transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch with such bank having a credit rating of at least A- from S&P or A3 from Moody's, in a form acceptable to the Party in whose favor the letter of credit is issued. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.

1.28 "Losses" means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from termination of a Terminated Transaction, determined in a commercially reasonable manner.

1.29 "Master Agreement" has the meaning set forth on the Cover Sheet.

1.30 "Moody's" means Moody's Investor Services, Inc. or its successor.

1.31 "NERC Business Day" means any day except a Saturday, Sunday or a holiday as defined by the North American Electric Reliability Council or any successor organization thereto. A NERC Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time for the relevant Party's principal place of business. The relevant Party, in each instance unless otherwise specified, shall be the Party from whom the notice, payment or delivery is being sent and by whom the notice or payment or delivery is to be received.

1.32 “Non-Defaulting Party” has the meaning set forth in Section 5.2.

1.33 “Offsetting Transactions” mean any two or more outstanding Transactions, having the same or overlapping Delivery Period(s), Delivery Point and payment date, where under one or more of such Transactions, one Party is the Seller, and under the other such Transaction(s), the same Party is the Buyer.

1.34 “Option” means the right but not the obligation to purchase or sell a Product as specified in a Transaction.

1.35 “Option Buyer” means the Party specified in a Transaction as the purchaser of an option, as defined in Schedule P.

1.36 “Option Seller” means the Party specified in a Transaction as the seller of an option, as defined in Schedule P.

1.37 “Party A Collateral Threshold” means the collateral threshold, if any, set forth in the Cover Sheet for Party A.

1.38 “Party B Collateral Threshold” means the collateral threshold, if any, set forth in the Cover Sheet for Party B.

1.39 “Party A Independent Amount” means the amount, if any, set forth in the Cover Sheet for Party A.

1.40 “Party B Independent Amount” means the amount, if any, set forth in the Cover Sheet for Party B.

1.41 “Party A Rounding Amount” means the amount, if any, set forth in the Cover Sheet for Party A.

1.42 “Party B Rounding Amount” means the amount, if any, set forth in the Cover Sheet for Party B.

1.43 “Party A Tariff” means the tariff, if any, specified in the Cover Sheet for Party A.

1.44 “Party B Tariff” means the tariff, if any, specified in the Cover Sheet for Party B.

1.45 “Performance Assurance” means collateral in the form of either cash, Letter(s) of Credit, or other security acceptable to the Requesting Party.

1.46 “Potential Event of Default” means an event which, with notice or passage of time or both, would constitute an Event of Default.

1.47 “Product” means electric capacity, energy or other product(s) related thereto as specified in a Transaction by reference to a Product listed in Schedule P hereto or as otherwise specified by the Parties in the Transaction.

1.48 “Put Option” means an Option entitling, but not obligating, the Option Buyer to sell and deliver the Product to the Option Seller at a price equal to the Strike Price for the Delivery Period for which the option may be exercised, all as specified in a Transaction. Upon proper exercise of the Option by the Option Buyer, the Option Seller will be obligated to purchase and receive the Product.

1.49 “Quantity” means that quantity of the Product that Seller agrees to make available or sell and deliver, or cause to be delivered, to Buyer, and that Buyer agrees to purchase and receive, or cause to be received, from Seller as specified in the Transaction.

1.50 “Recording” has the meaning set forth in Section 2.4.

1.51 “Replacement Price” means the price at which Buyer, acting in a commercially reasonable manner, purchases at the Delivery Point a replacement for any Product specified in a Transaction but not delivered by Seller, plus (i) costs reasonably incurred by Buyer in purchasing such substitute Product and (ii) additional transmission charges, if any, reasonably incurred by Buyer to the Delivery Point, or at Buyer’s option, the market price at the Delivery Point for such Product not delivered as determined by Buyer in a commercially reasonable manner; provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Buyer be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Seller’s liability. For the purposes of this definition, Buyer shall be considered to have purchased replacement Product to the extent Buyer shall have entered into one or more arrangements in a commercially reasonable manner whereby Buyer repurchases its obligation to sell and deliver the Product to another party at the Delivery Point.

1.52 “S&P” means the Standard & Poor’s Rating Group (a division of McGraw-Hill, Inc.) or its successor.

1.53 “Sales Price” means the price at which Seller, acting in a commercially reasonable manner, resells at the Delivery Point any Product not received by Buyer, deducting from such proceeds any (i) costs reasonably incurred by Seller in reselling such Product and (ii) additional transmission charges, if any, reasonably incurred by Seller in delivering such Product to the third party purchasers, or at Seller’s option, the market price at the Delivery Point for such Product not received as determined by Seller in a commercially reasonable manner; provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Seller be required to utilize or change its utilization of its owned or controlled assets, including contractual assets, or market positions to minimize Buyer’s liability. For purposes of this definition, Seller shall be considered to have resold such Product to the extent Seller shall have entered into one or more arrangements in a commercially reasonable manner whereby Seller repurchases its obligation to purchase and receive the Product from another party at the Delivery Point.

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

1.55 “Seller” means the Party to a Transaction that is obligated to sell and deliver, or cause to be delivered, the Product, as specified in the Transaction.

1.56 “Settlement Amount” means, with respect to a Transaction and the Non-Defaulting Party, the Losses or Gains, and Costs, expressed in U.S. Dollars, which such party incurs as a result of the liquidation of a Terminated Transaction pursuant to Section 5.2.

1.57 “Strike Price” means the price to be paid for the purchase of the Product pursuant to an Option.

1.58 “Terminated Transaction” has the meaning set forth in Section 5.2.

1.59 “Termination Payment” has the meaning set forth in Section 5.3.

1.60 “Transaction” means a particular transaction agreed to by the Parties relating to the sale and purchase of a Product pursuant to this Master Agreement.

1.61 “Transmission Provider” means any entity or entities transmitting or transporting the Product on behalf of Seller or Buyer to or from the Delivery Point in a particular Transaction.

ARTICLE TWO: TRANSACTION TERMS AND CONDITIONS

2.1 Transactions. A Transaction shall be entered into upon agreement of the Parties orally or, if expressly required by either Party with respect to a particular Transaction, in writing, including an electronic means of communication. Each Party agrees not to contest, or assert any defense to, the validity or enforceability of the Transaction entered into in accordance with this Master Agreement (i) based on any law requiring agreements to be in writing or to be signed by the parties, or (ii) based on any lack of authority of the Party or any lack of authority of any employee of the Party to enter into a Transaction.

2.2 Governing Terms. Unless otherwise specifically agreed, each Transaction between the Parties shall be governed by this Master Agreement. This Master Agreement (including all exhibits, schedules and any written supplements hereto), , the Party A Tariff, if any, and the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any Confirmations accepted in accordance with Section 2.3) shall form a single integrated agreement between the Parties. Any inconsistency between any terms of this Master Agreement and any terms of the Transaction shall be resolved in favor of the terms of such Transaction.

2.3 Confirmation. Seller may confirm a Transaction by forwarding to Buyer by facsimile within three (3) Business Days after the Transaction is entered into a confirmation (“Confirmation”) substantially in the form of Exhibit A. If Buyer objects to any term(s) of such Confirmation, Buyer shall notify Seller in writing of such objections within two (2) Business Days of Buyer’s receipt thereof, failing which Buyer shall be deemed to have accepted the terms as sent. If Seller fails to send a Confirmation within three (3) Business Days after the Transaction is entered into, a Confirmation substantially in the form of Exhibit A, may be forwarded by Buyer to Seller. If Seller objects to any term(s) of such Confirmation, Seller shall notify Buyer of such objections within two (2) Business Days of Seller’s receipt thereof, failing

which Seller shall be deemed to have accepted the terms as sent. If Seller and Buyer each send a Confirmation and neither Party objects to the other Party's Confirmation within two (2) Business Days of receipt, Seller's Confirmation shall be deemed to be accepted and shall be the controlling Confirmation, unless (i) Seller's Confirmation was sent more than three (3) Business Days after the Transaction was entered into and (ii) Buyer's Confirmation was sent prior to Seller's Confirmation, in which case Buyer's Confirmation shall be deemed to be accepted and shall be the controlling Confirmation. Failure by either Party to send or either Party to return an executed Confirmation or any objection by either Party shall not invalidate the Transaction agreed to by the Parties.

2.4 Additional Confirmation Terms. If the Parties have elected on the Cover Sheet to make this Section 2.4 applicable to this Master Agreement, when a Confirmation contains provisions, other than those provisions relating to the commercial terms of the Transaction (e.g., price or special transmission conditions), which modify or supplement the general terms and conditions of this Master Agreement (e.g., arbitration provisions or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 2.3 unless agreed to either orally or in writing by the Parties; provided that the foregoing shall not invalidate any Transaction agreed to by the Parties.

2.5 Recording. Unless a Party expressly objects to a Recording (defined below) at the beginning of a telephone conversation, each Party consents to the creation of a tape or electronic recording ("Recording") of all telephone conversations between the Parties to this Master Agreement, and that any such Recordings will be retained in confidence, secured from improper access, and may be submitted in evidence in any proceeding or action relating to this Agreement. Each Party waives any further notice of such monitoring or recording, and agrees to notify its officers and employees of such monitoring or recording and to obtain any necessary consent of such officers and employees. The Recording, and the terms and conditions described therein, if admissible, shall be the controlling evidence for the Parties' agreement with respect to a particular Transaction in the event a Confirmation is not fully executed (or deemed accepted) by both Parties. Upon full execution (or deemed acceptance) of a Confirmation, such Confirmation shall control in the event of any conflict with the terms of a Recording, or in the event of any conflict with the terms of this Master Agreement.

ARTICLE THREE: OBLIGATIONS AND DELIVERIES

3.1 Seller's and Buyer's Obligations. With respect to each Transaction, Seller shall sell and deliver, or cause to be delivered, and Buyer shall purchase and receive, or cause to be received, the Quantity of the Product at the Delivery Point, and Buyer shall pay Seller the Contract Price; provided, however, with respect to Options, the obligations set forth in the preceding sentence shall only arise if the Option Buyer exercises its Option in accordance with its terms. Seller shall be responsible for any costs or charges imposed on or associated with the Product or its delivery of the Product up to the Delivery Point. Buyer shall be responsible for any costs or charges imposed on or associated with the Product or its receipt at and from the Delivery Point.

3.2 Transmission and Scheduling. Seller shall arrange and be responsible for transmission service to the Delivery Point and shall Schedule or arrange for Scheduling services

with its Transmission Providers, as specified by the Parties in the Transaction, or in the absence thereof, in accordance with the practice of the Transmission Providers, to deliver the Product to the Delivery Point. Buyer shall arrange and be responsible for transmission service at and from the Delivery Point and shall Schedule or arrange for Scheduling services with its Transmission Providers to receive the Product at the Delivery Point.

3.3 Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under the Transaction and such Party (the “Claiming Party”) gives notice and details of the Force Majeure to the other Party as soon as practicable, then, unless the terms of the Product specify otherwise, the Claiming Party shall be excused from the performance of its obligations with respect to such Transaction (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. 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.

ARTICLE FOUR: REMEDIES FOR FAILURE TO DELIVER/RECEIVE

4.1 Seller Failure. If Seller fails to schedule and/or deliver all or part of the Product pursuant to a Transaction, and such failure is not excused under the terms of the Product or by Buyer’s failure to perform, then Seller shall pay Buyer, on the date payment would otherwise be due in respect of the month in which the failure occurred or, if “Accelerated Payment of Damages” is specified on the Cover Sheet, within five (5) Business Days of invoice receipt, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

4.2 Buyer Failure. If Buyer fails to schedule and/or receive all or part of the Product pursuant to a Transaction and such failure is not excused under the terms of the Product or by Seller’s failure to perform, then Buyer shall pay Seller, on the date payment would otherwise be due in respect of the month in which the failure occurred or, if “Accelerated Payment of Damages” is specified on the Cover Sheet, within five (5) Business Days of invoice receipt, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Sales Price from the Contract Price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

ARTICLE FIVE: EVENTS OF DEFAULT; REMEDIES

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

- (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

- (b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;
- (c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to deliver or receive the Product, the exclusive remedy for which is provided in Article Four) if such failure is not remedied within three (3) Business Days after written notice;
- (d) such Party becomes Bankrupt;
- (e) the failure of such Party to satisfy the creditworthiness/collateral requirements agreed to pursuant to Article Eight hereof;
- (f) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party;
- (g) if the applicable cross default section in the Cover Sheet is indicated for such Party, the occurrence and continuation of (i) a default, event of default or other similar condition or event in respect of such Party or any other party specified in the Cover Sheet for such Party under one or more agreements or instruments, individually or collectively, relating to indebtedness for borrowed money in an aggregate amount of not less than the applicable Cross Default Amount (as specified in the Cover Sheet), which results in such indebtedness becoming, or becoming capable at such time of being declared, immediately due and payable or (ii) a default by such Party or any other party specified in the Cover Sheet for such Party in making on the due date therefor one or more payments, individually or collectively, in an aggregate amount of not less than the applicable Cross Default Amount (as specified in the Cover Sheet);
- (h) with respect to such Party's Guarantor, if any:
 - (i) if any representation or warranty made by a Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated;
 - (ii) the failure of a Guarantor to make any payment required or to perform any other material covenant or obligation in any guaranty made in connection with this Agreement and such failure shall not be remedied within three (3) Business Days after written notice;

- (iii) a Guarantor becomes Bankrupt;
- (iv) the failure of a Guarantor's guaranty to be in full force and effect for purposes of this Agreement (other than in accordance with its terms) prior to the satisfaction of all obligations of such Party under each Transaction to which such guaranty shall relate without the written consent of the other Party; or
- (v) a Guarantor shall repudiate, disaffirm, disclaim, or reject, in whole or in part, or challenge the validity of any guaranty.

5.2 Declaration of an Early Termination Date and Calculation of Settlement Amounts. If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party (the "Non-Defaulting Party") shall have the right (i) to designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties and to liquidate and terminate all, but not less than all, Transactions (each referred to as a "Terminated Transaction") between the Parties, (ii) withhold any payments due to the Defaulting Party under this Agreement and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for each such Terminated Transaction as of the Early Termination Date (or, to the extent that in the reasonable opinion of the Non-Defaulting Party certain of such Terminated Transactions are commercially impracticable to liquidate and terminate or may not be liquidated and terminated under applicable law on the Early Termination Date, as soon thereafter as is reasonably practicable).

5.3 Net Out of Settlement Amounts. The Non-Defaulting Party shall aggregate all Settlement Amounts into a single amount by: netting out (a) all Settlement Amounts that are due to the Defaulting Party, plus, at the option of the Non-Defaulting Party, any cash or other form of security then available to the Non-Defaulting Party pursuant to Article Eight, plus any or all other amounts due to the Defaulting Party under this Agreement against (b) all Settlement Amounts that are due to the Non-Defaulting Party, plus any or all other amounts due to the Non-Defaulting Party under this Agreement, so that all such amounts shall be netted out to a single liquidated amount (the "Termination Payment") payable by one Party to the other. The Termination Payment shall be due to or due from the Non-Defaulting Party as appropriate.

5.4 Notice of Payment of Termination Payment. As soon as practicable after a liquidation, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective.

5.5 Disputes With Respect to Termination Payment. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written

explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer Performance Assurance to the Non-Defaulting Party in an amount equal to the Termination Payment.

5.6 Closeout Setoffs.

Option A: After calculation of a Termination Payment in accordance with Section 5.3, if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to (i) set off against such Termination Payment any amounts due and owing by the Defaulting Party to the Non-Defaulting Party under any other agreements, instruments or undertakings between the Defaulting Party and the Non-Defaulting Party and/or (ii) to the extent the Transactions are not yet liquidated in accordance with Section 5.2, withhold payment of the Termination Payment to the Defaulting Party. The remedy provided for in this Section shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

Option B: After calculation of a Termination Payment in accordance with Section 5.3, if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to (i) set off against such Termination Payment any amounts due and owing by the Defaulting Party or any of its Affiliates to the Non-Defaulting Party or any of its Affiliates under any other agreements, instruments or undertakings between the Defaulting Party or any of its Affiliates and the Non-Defaulting Party or any of its Affiliates and/or (ii) to the extent the Transactions are not yet liquidated in accordance with Section 5.2, withhold payment of the Termination Payment to the Defaulting Party. The remedy provided for in this Section shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

Option C: Neither Option A nor B shall apply.

5.7 Suspension of Performance. Notwithstanding any other provision of this Master Agreement, if (a) an Event of Default or (b) a Potential Event of Default shall have occurred and be continuing, the Non-Defaulting Party, upon written notice to the Defaulting Party, shall have the right (i) to suspend performance under any or all Transactions; provided, however, in no event shall any such suspension continue for longer than ten (10) NERC Business Days with respect to any single Transaction unless an early Termination Date shall have been declared and notice thereof pursuant to Section 5.2 given, and (ii) to the extent an Event of Default shall have occurred and be continuing to exercise any remedy available at law or in equity.

ARTICLE SIX: PAYMENT AND NETTING

6.1 Billing Period. Unless otherwise specifically agreed upon by the Parties in a Transaction, the calendar month shall be the standard period for all payments under this Agreement (other than Termination Payments and, if “Accelerated Payment of Damages” is specified by the Parties in the Cover Sheet, payments pursuant to Section 4.1 or 4.2 and Option premium payments pursuant to Section 6.7). As soon as practicable after the end of each month,

each Party will render to the other Party an invoice for the payment obligations, if any, incurred hereunder during the preceding month.

6.2 Timeliness of Payment. Unless otherwise agreed by the Parties in a Transaction, all invoices under this Master Agreement shall be due and payable in accordance with each Party's invoice instructions on or before the later of the twentieth (20th) day of each month, or tenth (10th) day after receipt of the invoice or, if such day is not a Business Day, then on the next Business Day. Each Party will make payments by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the other Party. Any amounts not paid by the due date will be deemed delinquent and will accrue interest at the Interest Rate, such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full.

6.3 Disputes and Adjustments of Invoices. A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Party. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the Interest Rate from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment to but excluding the date repaid or deducted by the Party receiving such overpayment. Any dispute with respect to an invoice is waived unless the other Party is notified in accordance with this Section 6.3 within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance of a Transaction occurred, the right to payment for such performance is waived.

6.4 Netting of Payments. The Parties hereby agree that they shall discharge mutual debts and payment obligations due and owing to each other on the same date pursuant to all Transactions through netting, in which case all amounts owed by each Party to the other Party for the purchase and sale of Products during the monthly billing period under this Master Agreement, including any related damages calculated pursuant to Article Four (unless one of the Parties elects to accelerate payment of such amounts as permitted by Article Four), interest, and payments or credits, shall be netted so that only the excess amount remaining due shall be paid by the Party who owes it.

6.5 Payment Obligation Absent Netting. If no mutual debts or payment obligations exist and only one Party owes a debt or obligation to the other during the monthly billing period, including, but not limited to, any related damage amounts calculated pursuant to Article Four, interest, and payments or credits, that Party shall pay such sum in full when due.

6.6 Security. Unless the Party benefiting from Performance Assurance or a guaranty notifies the other Party in writing, and except in connection with a liquidation and termination in accordance with Article Five, all amounts netted pursuant to this Article Six shall not take into account or include any Performance Assurance or guaranty which may be in effect to secure a Party's performance under this Agreement.

6.7 Payment for Options. The premium amount for the purchase of an Option shall be paid within two (2) Business Days of receipt of an invoice from the Option Seller. Upon exercise of an Option, payment for the Product underlying such Option shall be due in accordance with Section 6.1.

6.8 Transaction Netting. If the Parties enter into one or more Transactions, which in conjunction with one or more other outstanding Transactions, constitute Offsetting Transactions, then all such Offsetting Transactions may by agreement of the Parties, be netted into a single Transaction under which:

- (a) the Party obligated to deliver the greater amount of Energy will deliver the difference between the total amount it is obligated to deliver and the total amount to be delivered to it under the Offsetting Transactions, and
- (b) the Party owing the greater aggregate payment will pay the net difference owed between the Parties.

Each single Transaction resulting under this Section shall be deemed part of the single, indivisible contractual arrangement between the parties, and once such resulting Transaction occurs, outstanding obligations under the Offsetting Transactions which are satisfied by such offset shall terminate.

ARTICLE SEVEN: LIMITATIONS

7.1 Limitation of Remedies, Liability and Damages. EXCEPT AS SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. 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 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. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, 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 THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

ARTICLE EIGHT: CREDIT AND COLLATERAL REQUIREMENTS

8.1 Party A Credit Protection. The applicable credit and collateral requirements shall be as specified on the Cover Sheet. If no option in Section 8.1(a) is specified on the Cover Sheet, Section 8.1(a) Option C shall apply exclusively. If none of Sections 8.1(b), 8.1(c) or 8.1(d) are specified on the Cover Sheet, Section 8.1(b) shall apply exclusively.

(a) Financial Information. Option A: If requested by Party A, Party B shall deliver (i) within 120 days following the end of each fiscal year, a copy of Party B's annual report containing audited consolidated financial statements for such fiscal year and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of Party B's quarterly report containing unaudited consolidated financial statements for such fiscal quarter. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as Party B diligently pursues the preparation, certification and delivery of the statements.

Option B: If requested by Party A, Party B shall deliver (i) within 120 days following the end of each fiscal year, a copy of the annual report containing audited consolidated financial statements for such fiscal year for the party(s) specified on the Cover Sheet and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of quarterly report containing unaudited consolidated financial statements for such fiscal quarter for the party(s) specified on the Cover Sheet. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements.

Option C: Party A may request from Party B the information specified in the Cover Sheet.

(b) Credit Assurances. If Party A has reasonable grounds to believe that Party B's creditworthiness or performance under this Agreement has become unsatisfactory, Party A will provide Party B with written notice requesting Performance Assurance in an amount determined by Party A in a commercially reasonable manner. Upon receipt of such notice Party B shall have three (3) Business Days to remedy the situation by providing such Performance Assurance to Party A. In the event that Party B fails to provide such Performance Assurance, or a guaranty or other credit assurance acceptable to Party A within three (3) Business Days of receipt of notice, then an Event of Default under Article Five will be deemed to have occurred and Party A will be entitled to the remedies set forth in Article Five of this Master Agreement.

(c) Collateral Threshold. If at any time and from time to time during the term of this Agreement (and notwithstanding whether an Event of Default has occurred), the Termination Payment that would be owed to Party A plus Party B's Independent Amount, if any, exceeds the Party B Collateral Threshold, then Party A, on any Business Day, may request that Party B provide Performance Assurance in an amount equal to the amount by which the Termination Payment plus Party B's Independent Amount, if any, exceeds the Party B Collateral Threshold (rounding upwards for any fractional amount to the next Party B Rounding Amount) ("Party B Performance Assurance"), less any Party B Performance Assurance already posted with Party A. Such Party B Performance Assurance shall be delivered to Party A within three (3) Business Days of the date of such request. On any Business Day (but no more frequently than weekly with respect to Letters of Credit and daily with respect to cash), Party B, at its sole cost, may request that such Party B Performance Assurance be reduced correspondingly to the amount of such excess Termination Payment plus Party B's Independent Amount, if any, (rounding upwards for any fractional amount to the next Party B Rounding Amount). In the event that Party B fails to provide Party B Performance Assurance pursuant to the terms of this Article Eight within three (3) Business Days, then an Event of Default under Article Five shall be deemed to have occurred and Party A will be entitled to the remedies set forth in Article Five of this Master Agreement.

For purposes of this Section 8.1(c), the calculation of the Termination Payment shall be calculated pursuant to Section 5.3 by Party A as if all outstanding Transactions had been liquidated, and in addition thereto, shall include all amounts owed but not yet paid by Party B to Party A, whether or not such amounts are due, for performance already provided pursuant to any and all Transactions.

(d) Downgrade Event. If at any time there shall occur a Downgrade Event in respect of Party B, then Party A may require Party B to provide Performance Assurance in an amount determined by Party A in a commercially reasonable manner. In the event Party B shall fail to provide such Performance Assurance or a guaranty or other credit assurance acceptable to Party A within three (3) Business Days of receipt of notice, then an Event of Default shall be deemed to have occurred and Party A will be entitled to the remedies set forth in Article Five of this Master Agreement.

(e) If specified on the Cover Sheet, Party B shall deliver to Party A, prior to or concurrently with the execution and delivery of this Master Agreement a guarantee in an amount not less than the Guarantee Amount specified on the Cover Sheet and in a form reasonably acceptable to Party A.

8.2 Party B Credit Protection. The applicable credit and collateral requirements shall be as specified on the Cover Sheet. If no option in Section 8.2(a) is specified on the Cover Sheet, Section 8.2(a) Option C shall apply exclusively. If none of Sections 8.2(b), 8.2(c) or 8.2(d) are specified on the Cover Sheet, Section 8.2(b) shall apply exclusively.

(a) Financial Information. Option A: If requested by Party B, Party A shall deliver (i) within 120 days following the end of each fiscal year, a copy of Party A's annual report containing audited consolidated financial statements for such fiscal year and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of such Party's quarterly report containing unaudited consolidated financial statements for such fiscal quarter. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as such Party diligently pursues the preparation, certification and delivery of the statements.

Option B: If requested by Party B, Party A shall deliver (i) within 120 days following the end of each fiscal year, a copy of the annual report containing audited consolidated financial statements for such fiscal year for the party(s) specified on the Cover Sheet and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of quarterly report containing unaudited consolidated financial statements for such fiscal quarter for the party(s) specified on the Cover Sheet. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements.

Option C: Party B may request from Party A the information specified in the Cover Sheet.

(b) Credit Assurances. If Party B has reasonable grounds to believe that Party A's creditworthiness or performance under this Agreement has become unsatisfactory, Party B will provide Party A with written notice requesting Performance Assurance in an amount determined by Party B in a commercially reasonable manner. Upon receipt of such notice Party A shall have three (3) Business Days to remedy the situation by providing such Performance Assurance to Party B. In the event that Party A fails to provide such Performance Assurance, or a guaranty or other credit assurance acceptable to Party B within three (3) Business Days of receipt of notice, then an Event of Default under Article Five will be deemed to have occurred and Party B will be entitled to the remedies set forth in Article Five of this Master Agreement.

(c) Collateral Threshold. If at any time and from time to time during the term of this Agreement (and notwithstanding whether an Event of Default has occurred), the Termination Payment that would be owed to Party B plus Party A's Independent Amount, if any, exceeds the Party A Collateral Threshold, then Party B, on any Business Day, may request that Party A provide Performance Assurance in an amount equal to the amount by which the Termination Payment plus Party A's Independent Amount, if any, exceeds the Party A Collateral

Threshold (rounding upwards for any fractional amount to the next Party A Rounding Amount) (“Party A Performance Assurance”), less any Party A Performance Assurance already posted with Party B. Such Party A Performance Assurance shall be delivered to Party B within three (3) Business Days of the date of such request. On any Business Day (but no more frequently than weekly with respect to Letters of Credit and daily with respect to cash), Party A, at its sole cost, may request that such Party A Performance Assurance be reduced correspondingly to the amount of such excess Termination Payment plus Party A’s Independent Amount, if any, (rounding upwards for any fractional amount to the next Party A Rounding Amount). In the event that Party A fails to provide Party A Performance Assurance pursuant to the terms of this Article Eight within three (3) Business Days, then an Event of Default under Article Five shall be deemed to have occurred and Party B will be entitled to the remedies set forth in Article Five of this Master Agreement.

For purposes of this Section 8.2(c), the calculation of the Termination Payment shall be calculated pursuant to Section 5.3 by Party B as if all outstanding Transactions had been liquidated, and in addition thereto, shall include all amounts owed but not yet paid by Party A to Party B, whether or not such amounts are due, for performance already provided pursuant to any and all Transactions.

(d) Downgrade Event. If at any time there shall occur a Downgrade Event in respect of Party A, then Party B may require Party A to provide Performance Assurance in an amount determined by Party B in a commercially reasonable manner. In the event Party A shall fail to provide such Performance Assurance or a guaranty or other credit assurance acceptable to Party B within three (3) Business Days of receipt of notice, then an Event of Default shall be deemed to have occurred and Party B will be entitled to the remedies set forth in Article Five of this Master Agreement.

(e) If specified on the Cover Sheet, Party A shall deliver to Party B, prior to or concurrently with the execution and delivery of this Master Agreement a guarantee in an amount not less than the Guarantee Amount specified on the Cover Sheet and in a form reasonably acceptable to Party B.

8.3 Grant of Security Interest/Remedies. To secure its obligations under this Agreement and to the extent either or both Parties deliver Performance Assurance hereunder, each Party (a “Pledgor”) hereby grants to the other Party (the “Secured Party”) a present and continuing security interest in, and lien on (and right of setoff against), and assignment of, all cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, such Secured Party, and each Party agrees to take such action as the other Party reasonably requires in order to perfect the Secured Party’s first-priority security interest in, and lien on (and right of setoff against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence or deemed occurrence and during the continuation of an Event of Default or an Early Termination Date, the Non-Defaulting Party may do any one or more of the following: (i) exercise any of the rights and remedies of a Secured Party with respect to all Performance Assurance, including any such rights and remedies under law then in effect; (ii) exercise its rights of setoff against any and all property of the Defaulting Party in the possession of the Non-Defaulting Party or its agent; (iii) draw on any outstanding

Letter of Credit issued for its benefit; and (iv) liquidate all Performance Assurance then held by or for the benefit of the Secured Party free from any claim or right of any nature whatsoever of the Defaulting Party, including any equity or right of purchase or redemption by the Defaulting Party. The Secured Party shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce the Pledgor's obligations under the Agreement (the Pledgor remaining liable for any amounts owing to the Secured Party after such application), subject to the Secured Party's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

ARTICLE NINE: GOVERNMENTAL CHARGES

9.1 Cooperation. Each Party shall use reasonable efforts to implement the provisions of and to administer this Master Agreement in accordance with the intent of the parties to minimize all taxes , so long as neither Party is materially adversely affected by such efforts.

9.2 Governmental Charges. Seller shall pay or cause to be paid all taxes imposed by any government authority("Governmental Charges") on or with respect to the Product or a Transaction arising prior to the Delivery Point. Buyer shall pay or cause to be paid all Governmental Charges on or with respect to the Product or a Transaction at and from the Delivery Point (other than ad valorem, franchise or income taxes which are related to the sale of the Product and are, therefore, the responsibility of the Seller). In the event Seller is required by law or regulation to remit or pay Governmental Charges which are Buyer's responsibility hereunder, Buyer shall promptly reimburse Seller for such Governmental Charges. If Buyer is required by law or regulation to remit or pay Governmental Charges which are Seller's responsibility hereunder, Buyer may deduct the amount of any such Governmental Charges from the sums due to Seller under Article 6 of this Agreement. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under the law.

ARTICLE TEN: MISCELLANEOUS

10.1 Term of Master Agreement. The term of this Master Agreement shall commence on the Effective Date and shall remain in effect until terminated by either Party upon (thirty) 30 days' prior written notice; provided, however, that such termination shall not affect or excuse the performance of either Party under any provision of this Master Agreement that by its terms survives any such termination and, provided further, that this Master Agreement and any other documents executed and delivered hereunder shall remain in effect with respect to the Transaction(s) entered into prior to the effective date of such termination until both Parties have fulfilled all of their obligations with respect to such Transaction(s), or such Transaction(s) that have been terminated under Section 5.2 of this Agreement.

10.2 Representations and Warranties. On the Effective Date and the date of entering into each Transaction, each Party represents and warrants to the other Party that:

- (i) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

- (ii) it has all regulatory authorizations necessary for it to legally perform its obligations under this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (iii) the execution, delivery and performance of this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3) are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;
- (iv) this Master Agreement, each Transaction (including any Confirmation accepted in accordance with Section 2.3), and each other document executed and delivered in accordance with this Master Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms; subject to any Equitable Defenses.
- (v) it is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;
- (vi) there is not pending or, to its knowledge, threatened against it or any of its Affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (vii) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (viii) it is acting for its own account, has made its own independent decision to enter into this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3) and as to whether this Master Agreement and each such Transaction (including any Confirmation accepted in accordance with Section 2.3) is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (ix) it is a “forward contract merchant” within the meaning of the United States Bankruptcy Code;

- (x) it has entered into this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3) in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all Products referred to in the Transaction to which it is a Party;
- (xi) with respect to each Transaction (including any Confirmation accepted in accordance with Section 2.3) involving the purchase or sale of a Product or an Option, it is a producer, processor, commercial user or merchant handling the Product, and it is entering into such Transaction for purposes related to its business as such; and
- (xii) the material economic terms of each Transaction are subject to individual negotiation by the Parties.

10.3 Title and Risk of Loss. Title to and risk of loss related to the Product shall transfer from Seller to Buyer at the Delivery Point. Seller warrants that it will deliver to Buyer the Quantity of the Product free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Delivery Point.

10.4 Indemnity. Each Party shall indemnify, defend and hold harmless the other Party from and against any Claims arising from or out of any event, circumstance, act or incident first occurring or existing during the period when control and title to Product is vested in such Party as provided in Section 10.3. Each Party shall indemnify, defend and hold harmless the other Party against any Governmental Charges for which such Party is responsible under Article Nine.

10.5 Assignment. Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent may be withheld in the exercise of its sole discretion; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), (i) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements, (ii) transfer or assign this Agreement to an affiliate of such Party which affiliate's creditworthiness is equal to or higher than that of such Party, or (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets whose creditworthiness is equal to or higher than that of such Party; provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request.

10.6 Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

10.7 Notices. All notices, requests, statements or payments shall be made as specified in the Cover Sheet. Notices (other than scheduling requests) shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier service or facsimile. Notice by facsimile or hand delivery shall be effective at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise shall be effective at the close of business on the next Business Day. Notice by overnight United States mail or courier shall be effective on the next Business Day after it was sent. A Party may change its addresses by providing notice of same in accordance herewith.

10.8 General. This Master Agreement (including the exhibits, schedules and any written supplements hereto), the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any Confirmation accepted in accordance with Section 2.3) constitute the entire agreement between the Parties relating to the subject matter. Notwithstanding the foregoing, any collateral, credit support or margin agreement or similar arrangement between the Parties shall, upon designation by the Parties, be deemed part of this Agreement and shall be incorporated herein by reference. This Agreement shall be considered for all purposes as prepared through the joint efforts of the parties and shall not be construed against one party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. Except to the extent herein provided for, no amendment or modification to this Master Agreement shall be enforceable unless reduced to writing and executed by both Parties. Each Party agrees if it seeks to amend any applicable wholesale power sales tariff during the term of this Agreement, such amendment will not in any way affect outstanding Transactions under this Agreement without the prior written consent of the other Party. Each Party further agrees that it will not assert, or defend itself, on the basis that any applicable tariff is inconsistent with this Agreement. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement). Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default. Any provision declared or rendered unlawful by any applicable court of law or regulatory agency or deemed unlawful because of a statutory change (individually or collectively, such events referred to as "Regulatory Event") will not otherwise affect the remaining lawful obligations that arise under this Agreement; and provided, further, that if a Regulatory Event occurs, the Parties shall use their best efforts to reform this Agreement in order to give effect to the original intention of the Parties. The term "including" when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation. The headings used herein are for convenience and reference purposes only. All indemnity and audit rights shall survive the termination of this Agreement for twelve (12) months. This Agreement shall be binding on each Party's successors and permitted assigns.

10.9 Audit. Each Party has the right, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Master Agreement. If requested, a Party shall provide to the other Party statements evidencing the Quantity delivered at the Delivery Point. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made promptly and shall bear interest calculated at the Interest Rate from the date the overpayment or underpayment was made until paid; provided, however, that no adjustment for any statement or payment will be

made unless objection to the accuracy thereof was made prior to the lapse of twelve (12) months from the rendition thereof, and thereafter any objection shall be deemed waived.

10.10 Forward Contract. The Parties acknowledge and agree that all Transactions constitute “forward contracts” within the meaning of the United States Bankruptcy Code.

10.11 Confidentiality. If the Parties have elected on the Cover Sheet to make this Section 10.11 applicable to this Master Agreement, neither Party shall disclose the terms or conditions of a Transaction under this Master Agreement to a third party (other than the Party’s employees, lenders, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential) except in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding; provided, however, each Party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation.

SCHEDULE M

(THIS SCHEDULE IS INCLUDED IF THE APPROPRIATE BOX ON THE COVER SHEET IS MARKED INDICATING A PARTY IS A GOVERNMENTAL ENTITY OR PUBLIC POWER SYSTEM)

A. The Parties agree to add the following definitions in Article One.

“Act” means _____.¹

“Governmental Entity or Public Power System” means a municipality, county, governmental board, public power authority, public utility district, joint action agency, or other similar political subdivision or public entity of the United States, one or more States or territories or any combination thereof.

“Special Fund” means a fund or account of the Governmental Entity or Public Power System set aside and or pledged to satisfy the Public Power System’s obligations hereunder out of which amounts shall be paid to satisfy all of the Public Power System’s obligations under this Master Agreement for the entire Delivery Period.

B. The following sentence shall be added to the end of the definition of “Force Majeure” in Article One.

If the Claiming Party is a Governmental Entity or Public Power System, Force Majeure does not include any action taken by the Governmental Entity or Public Power System in its governmental capacity.

C. The Parties agree to add the following representations and warranties to Section 10.2:

Further and with respect to a Party that is a Governmental Entity or Public Power System, such Governmental Entity or Public Power System represents and warrants to the other Party continuing throughout the term of this Master Agreement, with respect to this Master Agreement and each Transaction, as follows: (i) all acts necessary to the valid execution, delivery and performance of this Master Agreement, including without limitation, competitive bidding, public notice, election, referendum, prior appropriation or other required procedures has or will be taken and performed as required under the Act and the Public Power System’s ordinances, bylaws or other regulations, (ii) all persons making up the governing body of Governmental Entity or Public Power System are the duly elected or appointed incumbents in their positions and hold such

¹ Cite the state enabling and other relevant statutes applicable to Governmental Entity or Public Power System.

positions in good standing in accordance with the Act and other applicable law, (iii) entry into and performance of this Master Agreement by Governmental Entity or Public Power System are for a proper public purpose within the meaning of the Act and all other relevant constitutional, organic or other governing documents and applicable law, (iv) the term of this Master Agreement does not extend beyond any applicable limitation imposed by the Act or other relevant constitutional, organic or other governing documents and applicable law, (v) the Public Power System's obligations to make payments hereunder are unsubordinated obligations and such payments are (a) operating and maintenance costs (or similar designation) which enjoy first priority of payment at all times under any and all bond ordinances or indentures to which it is a party, the Act and all other relevant constitutional, organic or other governing documents and applicable law or (b) otherwise not subject to any prior claim under any and all bond ordinances or indentures to which it is a party, the Act and all other relevant constitutional, organic or other governing documents and applicable law and are available without limitation or deduction to satisfy all Governmental Entity or Public Power System' obligations hereunder and under each Transaction or (c) are to be made solely from a Special Fund, (vi) entry into and performance of this Master Agreement and each Transaction by the Governmental Entity or Public Power System will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any obligation of Governmental Entity or Public Power System otherwise entitled to such exclusion, and (vii) obligations to make payments hereunder do not constitute any kind of indebtedness of Governmental Entity or Public Power System or create any kind of lien on, or security interest in, any property or revenues of Governmental Entity or Public Power System which, in either case, is proscribed by any provision of the Act or any other relevant constitutional, organic or other governing documents and applicable law, any order or judgment of any court or other agency of government applicable to it or its assets, or any contractual restriction binding on or affecting it or any of its assets.

D. The Parties agree to add the following sections to Article Three:

Section 3.4 Public Power System's Deliveries. On the Effective Date and as a condition to the obligations of the other Party under this Agreement, Governmental Entity or Public Power System shall provide the other Party hereto (i) certified copies of all ordinances, resolutions, public notices and other documents evidencing the necessary authorizations with respect to the execution, delivery and performance by Governmental Entity or Public Power System of this Master Agreement and (ii) an opinion of counsel for Governmental Entity or Public Power System, in form and substance reasonably satisfactory to the Other Party, regarding the validity, binding effect and enforceability of this Master Agreement against Governmental Entity or Public Power System in

respect of the Act and all other relevant constitutional organic or other governing documents and applicable law.

Section 3.5 No Immunity Claim. Governmental Entity or Public Power System warrants and covenants that with respect to its contractual obligations hereunder and performance thereof, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from (a) suit, (b) jurisdiction of court (including a court located outside the jurisdiction of its organization), (c) relief by way of injunction, order for specific performance or recovery of property, (d) attachment of assets, or (e) execution or enforcement of any judgment.

E. If the appropriate box is checked on the Cover Sheet, as an alternative to selecting one of the options under Section 8.3, the Parties agree to add the following section to Article Three:

Section 3.6 Governmental Entity or Public Power System Security. With respect to each Transaction, Governmental Entity or Public Power System shall either (i) have created and set aside a Special Fund or (ii) upon execution of this Master Agreement and prior to the commencement of each subsequent fiscal year of Governmental Entity or Public Power System during any Delivery Period, have obtained all necessary budgetary approvals and certifications for payment of all of its obligations under this Master Agreement for such fiscal year; any breach of this provision shall be deemed to have arisen during a fiscal period of Governmental Entity or Public Power System for which budgetary approval or certification of its obligations under this Master Agreement is in effect and, notwithstanding anything to the contrary in Article Four, an Early Termination Date shall automatically and without further notice occur hereunder as of such date wherein Governmental Entity or Public Power System shall be treated as the Defaulting Party. Governmental Entity or Public Power System shall have allocated to the Special Fund or its general funds a revenue base that is adequate to cover Public Power System's payment obligations hereunder throughout the entire Delivery Period.

F. If the appropriate box is checked on the Cover Sheet, the Parties agree to add the following section to Article Eight:

Section 8.4 Governmental Security. As security for payment and performance of Public Power System's obligations hereunder, Public Power System hereby pledges, sets over, assigns and grants to the other Party a security interest in all of Public Power System's right, title and interest in and to [specify collateral].

G. The Parties agree to add the following sentence at the end of Section 10.6 - Governing Law:

NOTWITHSTANDING THE FOREGOING, IN RESPECT OF THE APPLICABILITY OF THE ACT AS HEREIN PROVIDED, THE LAWS OF THE STATE OF _____² SHALL APPLY.

² Insert relevant state for Governmental Entity or Public Power System.

SCHEDULE P: PRODUCTS AND RELATED DEFINITIONS

“Ancillary Services” means any of the services identified by a Transmission Provider in its transmission tariff as “ancillary services” including, but not limited to, regulation and frequency response, energy imbalance, operating reserve-spinning and operating reserve-supplemental, as may be specified in the Transaction.

“Capacity” has the meaning specified in the Transaction.

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

“Firm (LD)” means, with respect to a Transaction, 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. In the absence of Force Majeure, the Party to which performance is owed shall be entitled to receive from the Party which failed to deliver/receive an amount determined pursuant to Article Four.

“Firm Transmission Contingent - Contract Path” means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable including any amounts determined pursuant to Article Four, if the transmission for such Transaction is interrupted or curtailed and (i) such Party has provided for firm transmission with the transmission provider(s) for the Product in the case of the Seller from the generation source to the Delivery Point or in the case of the Buyer from the Delivery Point to the ultimate sink, and (ii) such interruption or curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the applicable transmission provider’s tariff. This contingency shall excuse performance for the duration of the interruption or curtailment notwithstanding the provisions of the definition of “Force Majeure” in Section 1.23 to the contrary.

“Firm Transmission Contingent - Delivery Point” means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable including any amounts determined pursuant to Article Four, if the transmission to the Delivery Point (in the case of Seller) or from the Delivery Point (in the case of Buyer) for such Transaction is interrupted or curtailed and (i) such Party has provided for firm transmission with the transmission provider(s) for the Product, in the case of the Seller, to be delivered to the Delivery Point or, in the case of Buyer, to be received at the Delivery Point and (ii) such interruption or curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the applicable transmission provider’s tariff. This transmission contingency excuses performance for the duration of the interruption or curtailment, notwithstanding the provisions of the definition of “Force Majeure” in Section 1.23 to the contrary. Interruptions or curtailments of transmission other than the transmission either immediately to or from the Delivery Point shall not excuse performance

“Firm (No Force Majeure)” means, with respect to a Transaction, that if either Party fails to perform its obligation to sell and deliver or purchase and receive the Product, the Party to which performance is owed shall be entitled to receive from the Party which failed to perform an

amount determined pursuant to Article Four. Force Majeure shall not excuse performance of a Firm (No Force Majeure) Transaction.

“Into _____ (the “Receiving Transmission Provider”), Seller’s Daily Choice” means that, in accordance with the provisions set forth below, (1) the Product shall be scheduled and delivered to an interconnection or interface (“Interface”) either (a) on the Receiving Transmission Provider’s transmission system border or (b) within the control area of the Receiving Transmission Provider if the Product is from a source of generation in that control area, which Interface, in either case, the Receiving Transmission Provider identifies as available for delivery of the Product in or into its control area; and (2) Seller has the right on a daily prescheduled basis to designate the Interface where the Product shall be delivered. An “Into” Product shall be subject to the following provisions:

1. Prescheduling and Notification. Subject to the provisions of Section 6, not later than the prescheduling deadline of 11:00 a.m. CPT on the Business Day before the next delivery day or as otherwise agreed to by Buyer and Seller, Seller shall notify Buyer (“Seller’s Notification”) of Seller’s immediate upstream counterparty and the Interface (the “Designated Interface”) where Seller shall deliver the Product for the next delivery day, and Buyer shall notify Seller of Buyer’s immediate downstream counterparty.

2. Availability of “Firm Transmission” to Buyer at Designated Interface; “Timely Request for Transmission,” “ADI” and “Available Transmission.” In determining availability to Buyer of next-day firm transmission (“Firm Transmission”) from the Designated Interface, a “Timely Request for Transmission” shall mean a properly completed request for Firm Transmission made by Buyer in accordance with the controlling tariff procedures, which request shall be submitted to the Receiving Transmission Provider no later than 30 minutes after delivery of Seller’s Notification, provided, however, if the Receiving Transmission Provider is not accepting requests for Firm Transmission at the time of Seller’s Notification, then such request by Buyer shall be made within 30 minutes of the time when the Receiving Transmission Provider first opens thereafter for purposes of accepting requests for Firm Transmission.

Pursuant to the terms hereof, delivery of the Product may under certain circumstances be redesignated to occur at an Interface other than the Designated Interface (any such alternate designated interface, an “ADI”) either (a) on the Receiving Transmission Provider’s transmission system border or (b) within the control area of the Receiving Transmission Provider if the Product is from a source of generation in that control area, which ADI, in either case, the Receiving Transmission Provider identifies as available for delivery of the Product in or into its control area using either firm or non-firm transmission, as available on a day-ahead or hourly basis (individually or collectively referred to as “Available Transmission”) within the Receiving Transmission Provider’s transmission system.

3. Rights of Buyer and Seller Depending Upon Availability of/Timely Request for Firm Transmission

A. Timely Request for Firm Transmission made by Buyer, Accepted by the Receiving Transmission Provider and Purchased by Buyer. If a Timely Request for Firm Transmission is made by Buyer and is accepted by the Receiving Transmission Provider

and Buyer purchases such Firm Transmission, then Seller shall deliver and Buyer shall receive the Product at the Designated Interface.

i. If the Firm Transmission purchased by Buyer within the Receiving Transmission Provider's transmission system from the Designated Interface ceases to be available to Buyer for any reason, or if Seller is unable to deliver the Product at the Designated Interface for any reason except Buyer's non-performance, then at Seller's choice from among the following, Seller shall: (a) to the extent Firm Transmission is available to Buyer from an ADI on a day-ahead basis, require Buyer to purchase such Firm Transmission from such ADI, and schedule and deliver the affected portion of the Product to such ADI on the basis of Buyer's purchase of Firm Transmission, or (b) require Buyer to purchase non-firm transmission, and schedule and deliver the affected portion of the Product on the basis of Buyer's purchase of non-firm transmission from the Designated Interface or an ADI designated by Seller, or (c) to the extent firm transmission is available on an hourly basis, require Buyer to purchase firm transmission, and schedule and deliver the affected portion of the Product on the basis of Buyer's purchase of such hourly firm transmission from the Designated Interface or an ADI designated by Seller.

ii. If the Available Transmission utilized by Buyer as required by Seller pursuant to Section 3A(i) ceases to be available to Buyer for any reason, then Seller shall again have those alternatives stated in Section 3A(i) in order to satisfy its obligations.

iii. Seller's obligation to schedule and deliver the Product at an ADI is subject to Buyer's obligation referenced in Section 4B to cooperate reasonably therewith. If Buyer and Seller cannot complete the scheduling and/or delivery at an ADI, then Buyer shall be deemed to have satisfied its receipt obligations to Seller and Seller shall be deemed to have failed its delivery obligations to Buyer, and Seller shall be liable to Buyer for amounts determined pursuant to Article Four.

iv. In each instance in which Buyer and Seller must make alternative scheduling arrangements for delivery at the Designated Interface or an ADI pursuant to Sections 3A(i) or (ii), and Firm Transmission had been purchased by both Seller and Buyer into and within the Receiving Transmission Provider's transmission system as to the scheduled delivery which could not be completed as a result of the interruption or curtailment of such Firm Transmission, Buyer and Seller shall bear their respective transmission expenses and/or associated congestion charges incurred in connection with efforts to complete delivery by such alternative scheduling and delivery arrangements. In any instance except as set forth in the immediately preceding sentence, Buyer and Seller must make alternative scheduling arrangements for delivery at the Designated Interface or an ADI under Sections 3A(i) or (ii), Seller shall be responsible for any additional transmission purchases and/or associated congestion charges incurred by Buyer in connection with such alternative scheduling arrangements.

B. Timely Request for Firm Transmission Made by Buyer but Rejected by the Receiving Transmission Provider. If Buyer's Timely Request for Firm Transmission is rejected by the Receiving Transmission Provider because of unavailability of Firm Transmission from the Designated Interface, then Buyer shall notify Seller within 15 minutes after receipt of the Receiving Transmission Provider's notice of rejection ("Buyer's Rejection Notice"). If Buyer timely notifies Seller of such unavailability of Firm Transmission from the Designated Interface, then Seller shall be obligated either (1) to the extent Firm Transmission is available to Buyer from an ADI on a day-ahead basis, to require Buyer to purchase (at Buyer's own expense) such Firm Transmission from such ADI and schedule and deliver the Product to such ADI on the basis of Buyer's purchase of Firm Transmission, and thereafter the provisions in Section 3A shall apply, or (2) to require Buyer to purchase (at Buyer's own expense) non-firm transmission, and schedule and deliver the Product on the basis of Buyer's purchase of non-firm transmission from the Designated Interface or an ADI designated by the Seller, in which case Seller shall bear the risk of interruption or curtailment of the non-firm transmission; provided, however, that if the non-firm transmission is interrupted or curtailed or if Seller is unable to deliver the Product for any reason, Seller shall have the right to schedule and deliver the Product to another ADI in order to satisfy its delivery obligations, in which case Seller shall be responsible for any additional transmission purchases and/or associated congestion charges incurred by Buyer in connection with Seller's inability to deliver the Product as originally prescheduled. If Buyer fails to timely notify Seller of the unavailability of Firm Transmission, then Buyer shall bear the risk of interruption or curtailment of transmission from the Designated Interface, and the provisions of Section 3D shall apply.

C. Timely Request for Firm Transmission Made by Buyer, Accepted by the Receiving Transmission Provider and not Purchased by Buyer. If Buyer's Timely Request for Firm Transmission is accepted by the Receiving Transmission Provider but Buyer elects to purchase non-firm transmission rather than Firm Transmission to take delivery of the Product, then Buyer shall bear the risk of interruption or curtailment of transmission from the Designated Interface. In such circumstances, if Seller's delivery is interrupted as a result of transmission relied upon by Buyer from the Designated Interface, then Seller shall be deemed to have satisfied its delivery obligations to Buyer, Buyer shall be deemed to have failed to receive the Product and Buyer shall be liable to Seller for amounts determined pursuant to Article Four.

D. No Timely Request for Firm Transmission Made by Buyer, or Buyer Fails to Timely Send Buyer's Rejection Notice. If Buyer fails to make a Timely Request for Firm Transmission or Buyer fails to timely deliver Buyer's Rejection Notice, then Buyer shall bear the risk of interruption or curtailment of transmission from the Designated Interface. In such circumstances, if Seller's delivery is interrupted as a result of transmission relied upon by Buyer from the Designated Interface, then Seller shall be deemed to have satisfied its delivery obligations to Buyer, Buyer shall be deemed to have failed to receive the Product and Buyer shall be liable to Seller for amounts determined pursuant to Article Four.

4. Transmission

A. Seller's Responsibilities. Seller shall be responsible for transmission required to deliver the Product to the Designated Interface or ADI, as the case may be. It is expressly agreed that Seller is not required to utilize Firm Transmission for its delivery obligations hereunder, and Seller shall bear the risk of utilizing non-firm transmission. If Seller's scheduled delivery to Buyer is interrupted as a result of Buyer's attempted transmission of the Product beyond the Receiving Transmission Provider's system border, then Seller will be deemed to have satisfied its delivery obligations to Buyer, Buyer shall be deemed to have failed to receive the Product and Buyer shall be liable to Seller for damages pursuant to Article Four.

B. Buyer's Responsibilities. Buyer shall be responsible for transmission required to receive and transmit the Product at and from the Designated Interface or ADI, as the case may be, and except as specifically provided in Section 3A and 3B, shall be responsible for any costs associated with transmission therefrom. If Seller is attempting to complete the designation of an ADI as a result of Seller's rights and obligations hereunder, Buyer shall co-operate reasonably with Seller in order to effect such alternate designation.

5. Force Majeure. An "Into" Product shall be subject to the "Force Majeure" provisions in Section 1.23.

6. Multiple Parties in Delivery Chain Involving a Designated Interface. Seller and Buyer recognize that there may be multiple parties involved in the delivery and receipt of the Product at the Designated Interface or ADI to the extent that (1) Seller may be purchasing the Product from a succession of other sellers ("Other Sellers"), the first of which Other Sellers shall be causing the Product to be generated from a source ("Source Seller") and/or (2) Buyer may be selling the Product to a succession of other buyers ("Other Buyers"), the last of which Other Buyers shall be using the Product to serve its energy needs ("Sink Buyer"). Seller and Buyer further recognize that in certain Transactions neither Seller nor Buyer may originate the decision as to either (a) the original identification of the Designated Interface or ADI (which designation may be made by the Source Seller) or (b) the Timely Request for Firm Transmission or the purchase of other Available Transmission (which request may be made by the Sink Buyer). Accordingly, Seller and Buyer agree as follows:

A. If Seller is not the Source Seller, then Seller shall notify Buyer of the Designated Interface promptly after Seller is notified thereof by the Other Seller with whom Seller has a contractual relationship, but in no event may such designation of the Designated Interface be later than the prescheduling deadline pertaining to the Transaction between Buyer and Seller pursuant to Section 1.

B. If Buyer is not the Sink Buyer, then Buyer shall notify the Other Buyer with whom Buyer has a contractual relationship of the Designated Interface promptly after Seller notifies Buyer thereof, with the intent being that the party bearing actual responsibility to secure transmission shall have up to 30 minutes after receipt of the Designated Interface to submit its Timely Request for Firm Transmission.

C. Seller and Buyer each agree that any other communications or actions required to be given or made in connection with this “Into Product” (including without limitation, information relating to an ADI) shall be made or taken promptly after receipt of the relevant information from the Other Sellers and Other Buyers, as the case may be.

D. Seller and Buyer each agree that in certain Transactions time is of the essence and it may be desirable to provide necessary information to Other Sellers and Other Buyers in order to complete the scheduling and delivery of the Product. Accordingly, Seller and Buyer agree that each has the right, but not the obligation, to provide information at its own risk to Other Sellers and Other Buyers, as the case may be, in order to effect the prescheduling, scheduling and delivery of the Product

“Native Load” means the demand imposed on an electric utility or an entity by the requirements of retail customers located within a franchised service territory that the electric utility or entity has statutory obligation to serve.

“Non-Firm” means, with respect to a Transaction, that delivery or receipt of the Product may be interrupted for any reason or for no reason, without liability on the part of either Party.

“System Firm” means that the Product will be supplied from the owned or controlled generation or pre-existing purchased power assets of the system specified in the Transaction (the “System”) with non-firm transmission to and from the Delivery Point, unless a different Transmission Contingency is specified in a Transaction. Seller’s failure to deliver shall be excused: (i) by an event or circumstance which prevents Seller from performing its obligations, which event or circumstance was not anticipated as of the date the Transaction was agreed to, which is not within the reasonable control of, or the result of the negligence of, the Seller; (ii) by Buyer’s failure to perform; (iii) to the extent necessary to preserve the integrity of, or prevent or limit any instability on, the System; (iv) to the extent the System or the control area or reliability council within which the System operates declares an emergency condition, as determined in the system’s, or the control area’s, or reliability council’s reasonable judgment; or (v) by the interruption or curtailment of transmission to the Delivery Point or by the occurrence of any Transmission Contingency specified in a Transaction as excusing Seller’s performance. Buyer’s failure to receive shall be excused (i) by Force Majeure; (ii) by Seller’s failure to perform, or (iii) by the interruption or curtailment of transmission from the Delivery Point or by the occurrence of any Transmission Contingency specified in a Transaction as excusing Buyer’s performance. In any of such events, neither party shall be liable to the other for any damages, including any amounts determined pursuant to Article Four.

“Transmission Contingent” means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable including any amounts determined pursuant to Article Four, if the transmission for such Transaction is unavailable or interrupted or curtailed for any reason, at any time, anywhere from the Seller’s proposed generating source to the Buyer’s proposed ultimate sink, regardless of whether transmission, if any, that such Party is attempting to secure and/or has purchased for the Product is firm or non-firm. If the transmission (whether firm or non-firm) that Seller or Buyer is attempting to secure is from source to sink is unavailable, this contingency excuses performance for the entire Transaction. If the transmission (whether firm or non-firm) that Seller

or Buyer has secured from source to sink is interrupted or curtailed for any reason, this contingency excuses performance for the duration of the interruption or curtailment notwithstanding the provisions of the definition of “Force Majeure” in Article 1.23 to the contrary.

“Unit Firm” means, with respect to a Transaction, that the Product subject to the Transaction is intended to be supplied from a generation asset or assets specified in the Transaction. Seller’s failure to deliver under a “Unit Firm” Transaction shall be excused: (i) if the specified generation asset(s) are unavailable as a result of a Forced Outage (as defined in the NERC Generating Unit Availability Data System (GADS) Forced Outage reporting guidelines) or (ii) by an event or circumstance that affects the specified generation asset(s) so as to prevent Seller from performing its obligations, which event or circumstance was not anticipated as of the date the Transaction was agreed to, and which is not within the reasonable control of, or the result of the negligence of, the Seller or (iii) by Buyer’s failure to perform. In any of such events, Seller shall not be liable to Buyer for any damages, including any amounts determined pursuant to Article Four.

MASTER POWER PURCHASE AND SALE AGREEMENT CONFIRMATION LETTER

This confirmation letter shall confirm the Transaction agreed to on _____, _____ between _____ (“Party A”) and _____ (“Party B”) regarding the sale/purchase of the Product under the terms and conditions as follows:

Seller: _____

Buyer: _____

Product:

- ☐ Into _____, Seller’s Daily Choice
- ☐ Firm (LD)
- ☐ Firm (No Force Majeure)
- ☐ System Firm
(Specify System: _____)
- ☐ Unit Firm
(Specify Unit(s): _____)
- ☐ Other _____
- ☐ Transmission Contingency (If not marked, no transmission contingency)
- | | | |
|---|---------------------------------|--------------------------------|
| ☐ FT-Contract Path Contingency | ☐ Seller | ☐ Buyer |
| ☐ FT-Delivery Point Contingency | ☐ Seller | ☐ Buyer |
| ☐ Transmission Contingent | ☐ Seller | ☐ Buyer |
| ☐ Other transmission contingency
(Specify: _____) | | |

Contract Quantity: _____

Delivery Point: _____

Contract Price: _____

Energy Price: _____

Other Charges: _____

Confirmation Letter
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Delivery Period: _____
Special Conditions: _____
Scheduling: _____
Option Buyer: _____
Option Seller: _____
Type of Option: _____
Strike Price: _____
Premium: _____
Exercise Period: _____

This confirmation letter is being provided pursuant to and in accordance with the Master Power Purchase and Sale Agreement dated _____ (the "Master Agreement") between Party A and Party B, and constitutes part of and is subject to the terms and provisions of such Master Agreement. Terms used but not defined herein shall have the meanings ascribed to them in the Master Agreement.

[Party A]

[Party B]

Name: _____
Title: _____
Phone No: _____
Fax: _____

Name: _____
Title: _____
Phone No: _____
Fax: _____

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 4.5

To: Orange County Power Authority Board of Directors

From: Brian Probolsky, Chief Executive Officer

Subject: AUTHORIZE INCLUSION OF EXECUTIVE EMPLOYEES IN PREVIOUSLY
ADOPTED OCPA PERSONNEL POLICIES MANUAL AND OCPA EMPLOYEE
BENEFITS PROGRAM

Date: January 11, 2022

RECOMMENDED ACTION

Authorize inclusion of executive employees in previously adopted OCPA Personnel Policies Manual and Employee Benefits Program.

BACKGROUND

A proposed employee benefit program was initially presented on December 14, 2021 for the Board's review and discussion. The Board of Directors authorized an employee benefits program for non-executive employees at its Special Meeting held December 21, 2021. At that time, executive management employees were excluded from the authorization out of an abundance of caution to be sure executive compensation is discussed and approved during a regularly scheduled meeting.

ANALYSIS AND DISCUSSION

OCPA's proposed benefit program consists of a retirement plan, group health insurance plans for medical, dental, and vision coverage, cash payment in lieu of health insurance, flexible spending accounts, paid time off (PTO), holiday pay and holiday closure, life insurance, short-term and long-term disability insurance, wellness reimbursement, executive leave, automobile and technology allowances, PTO cash-out option and an employee assistance program. In addition, there are mandated benefits programs such as workers' compensation, Consolidated Omnibus Budget Reconciliation Act (COBRA) and unemployment insurance. Eligibility to participate in OCPA's benefits program is determined by employee classification and length of service with OCPA.

We are returning with the proposed benefits program to approve the inclusion of the executive management employees in the Employee Benefits Program. The proposed benefits for executives are shown below, compared to existing benefits provided by employment agreements as well as the approved employee benefits program for non-executive employees.

Benefit Category	OCPA – Proposed benefit for executive employees (recommended for approval 1/11/2022)	OCPA – Existing benefit for executive employees (per employment agreements)	OCPA – Benefit approved 12/21/21 for non-executive employees
Retirement Benefits	401(a) defined contribution plan mandatory 10% employer contribution. Replaces 6.2% contribution to Social Security. Fully vested from date of hire.	Interim retirement stipend of 10% of employee's base salary, plus 6.2% contribution to Social Security, until Authority's	401(a) defined contribution plan mandatory 10% employer contribution. Replaces 6.2% contribution to Social Security. Fully vested from date of hire.

Benefit Category	OCA – Proposed benefit for executive employees (recommended for approval 1/11/2022)	OCA – Existing benefit for executive employees (per employment agreements)	OCA – Benefit approved 12/21/21 for non-executive employees
	457(b) deferred compensation plan employee option. Employer match up to 4%. Total retirement contribution: up to 14%	initial contribution to an employer-sponsored retirement account for the benefit of employee. Total retirement contribution: 16.2%	457(b) deferred compensation plan employee option. Employer match up to 4%. Total retirement contribution: up to 14%
Health Insurance (medical, dental, vision)	95% health insurance premium (Kaiser HMO 15 Plan + Dental HMO + VSP Option 5) for all employees and dependents. Employees who select a higher cost health insurance option (either PPO or other HMO) cover the cost difference.	Interim medical insurance stipend of \$1,200 per month, until Authority is able to provide comprehensive medical insurance benefits to employee	95% health insurance premium (Kaiser HMO 15 Plan + Dental HMO + VSP Option 5) for all employees and dependents. Employees who select a higher cost health insurance option (either PPO or other HMO) cover the cost difference.
Opt-out cash payment in lieu of health insurance	\$500 per month	N/A	\$500 per month
Flexible Spending Account (FSA)	Employer contributes \$200 per month for C-level executives. Employee may contribute additional funds to the IRS FSA Health or Dependent Care cap.	N/A	Available – employee can contribute up to IRS pre-tax limits to their Health or Dependent Care FSA accounts by payroll deduction.
Paid Time Off (PTO) accrual	Year 1: 220 hours per year Year 2+: increases an additional 8 hours per year, up to 10 years of employment	220 hours per year, credited with 80 hours upon hire	Year 1: 180 hours per year Year 2+: increases an additional 8 hours per year, up to 10 years of employment
PTO Cash-out Option	Annual election to cash out up to 50% of annual accrued PTO hours	N/A	Annual election to cash out up to 50% of annual accrued PTO hours
Maximum PTO Accrual	Twice the annual accrual	N/A	Twice the annual accrual
Paid Holidays per year	12 holidays	N/A	12 holidays
Holiday Closure	The week of Christmas Day through New Year's Day (four or five days)	N/A	The week of Christmas Day through New Year's Day (four or five days)
Life Insurance	Employer-paid basic group term policy, not to exceed \$200,000 coverage	N/A	Employer-paid basic group term policy, not to exceed \$200,000 coverage
Short-term Disability	Employee-only contribution to California SDI program	N/A	Employee-only contribution to California SDI program
Long-term Disability	Employer subsidized: 60% pay replacement to max of \$12,000/month	N/A	Employer subsidized: 60% pay replacement to max of \$12,000/month
Wellness Reimbursement	Up to \$1,000/year for qualified health and wellness expenses	N/A	Up to \$1,000/year for qualified health and wellness expenses
Executive Leave	80 hours annually for C-level executives	80 hours annually	N/A

Benefit Category	OCA – Proposed benefit for executive employees (recommended for approval 1/11/2022)	OCA – Existing benefit for executive employees (per employment agreements)	OCA – Benefit approved 12/21/21 for non-executive employees
Technology Stipend	\$100 per month for all FLSA-exempt employees	\$100 per month	\$100 per month for all FLSA-exempt employees
Auto Stipend	\$500 per month for C-level executives	\$500 per month	N/A
Employee Assistance Program (EAP)	Employer-paid confidential counseling and work/life services assistance for employees and eligible dependents	N/A	Employer-paid confidential counseling and work/life services assistance for employees and eligible dependents
Tuition Reimbursement Program	None proposed, since professional development is part of ordinary budgeted business expenses	N/A	None proposed, since professional development is part of ordinary budgeted business expenses

FISCAL IMPACT

The projected annual budgetary staffing costs including executive employees for FY 2021-22 is \$1.53 million or 3.8% of revenue vs. approved annual budgetary staffing costs of \$1.26 million or 3.6% of revenue. The overall impact is \$270k or 0.2 percentage point of revenue.

ATTACHMENT

1. Personnel Policies Manual
2. Summary of Benefits Analysis Report



Personnel Policies

Adopted December 14, 2021



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Welcome to the Orange County Power Authority

Dear Orange County Power Authority employee:

Congratulations on your employment with the Orange County Power Authority (OC Power)! We at OC Power share great pride and passion in the work we do, and we're glad you're joining us to help advance our mission for the benefit of our ratepayers, our environment, and our communities.

As an employee of OC Power, you are our most valuable resource. We are committed to fostering an open, cooperative and dynamic environment. It is our hope that you find OC Power a rewarding place to work.

Information regarding the procedures, practices, policies and benefits of OC Power is contained within this policy manual. We encourage you to read this manual carefully, and review it from time to time.

The Orange County Power Authority's policies may change at any time, and employees are expected to comply with the most current versions. You will be informed of any changes as they occur. If you would like further information or have questions about any of the information outlined in this manual, please feel free to reach out to me or your supervisor.

On behalf of the OC Power Board of Directors and staff, I extend a warm welcome as you join our team!

Sincerely,

Brian Probolsky
Chief Executive Officer



100 GENERAL INFORMATION

101 Effect and Applicability of Personnel Policies

These policies establish specific classification, compensation, and other procedures governing the Orange County Power Authority's ("OCPA") employees. This policy defines and describes the rights, privileges, benefits, and prohibitions which accrue to and are placed upon OCPA employees covered under this policy.

These Personnel Policies ("Policies") do not create any contract right, or any express or implied contract of employment. OCPA retains the full discretion to modify these Policies at any time in accordance with law.

Although employees should refer to this document for any questions regarding employment, it is not possible to anticipate every situation or question that might arise. This document is not an employee's only source of information on employment-related issues. Employees may have questions that the document does not answer. In those situations, employees should talk with a representative of Human Resources.

101.1 Applicability and Future Revisions: Authority's Discretion to Modify These Policies

Circumstances will require that the policies, rules, and benefits described in this document change from time to time. These policies may be reviewed and/or amended as necessary. OCPA will attempt to keep employees advised of any changes made to this document.

Nothing contained in this policy shall be deemed to prevent the Board from entering into written agreement(s) concerning the employment or separation from employment of any employee with whom the power of appointment or removal or the approval thereof is vested in the Board of Directors. In the event a conflict arises between any provision in such written employment or separation agreement approved by the Board of Directors and any provision of this policy, the said agreement shall prevail; otherwise, this policy shall be deemed applicable.

101.2 Employee Acceptance of Policies and Revisions to Policies

As a condition of employment, OCPA requires that each employee read and, if necessary, request clarification regarding these Policies. Each employee must sign a statement of receipt acknowledging that: a) they have received a copy, or have been provided access to the Policies; and b) they understand that they are responsible for reading and becoming familiar with the contents of the Policies and any subsequent revisions to the Policies.



102 Delegation of Authority

102.1 Delegation of Appointment and Personnel Action Authority to Chief Executive Officer

The Board delegates to the Chief Executive Officer the authority to authorize employment, establish job responsibilities, and perform other personnel actions as to all subordinate employees in accordance with all federal and state laws and regulations and these Policies. The Chief Executive Officer may delegate responsibility to appropriate staff members to perform personnel actions in accordance with this section.

103 Classification of Employees

Creation or deletion of a classification(s) or modifications to the salary schedule shall require Board approval.

103.1 At-Will Working Relationship

All employment with Orange County Power Authority is “at-will.” “At-will” means that either OCPA or the employee may terminate the employment relationship at any time, with or without cause, and with or without notice. The Board of Directors shall have the sole authority to enter into representations or agreements that are inconsistent with the at-will status of any employees, including any agreement providing for employment for a specified period of time. Any such representation or agreement must be in writing and signed by a designee of the Board of Directors and the employee.

103.2 Exempt Employees

Upon hire, an employee’s Federal Fair Labor Standards Act (FLSA) status will be designated as either “exempt” or “non-exempt.” Exempt employees are those employees whose duties and responsibilities allow them to be “exempt” from overtime provisions as provided by the FLSA and any applicable state laws.

Exempt status applies to certain administrative, professional, and executive staff. Exempt employees qualify for exemption from overtime regulations under state and federal law and their salaries already consider that they may work long hours.

103.3 Non-Exempt Employees

“Non-Exempt” status applies to all other regular employees who primarily perform work that is subject to the overtime provisions of the (FLSA). Employees working in non-exempt positions are compensated for the actual amount of time spent on their job. Non-exempt California employees are eligible for overtime compensation after eight (8) hours worked in one (1) day or forty (40) hours worked in one (1) week, at one and one-half (1½) times their regular pay. (See section 602.4.)

No non-exempt employee shall receive overtime pay for the time spent outside normal work hours in attending meetings of any kind unless the employee’s manager specifically requires the employee’s attendance and the employee is otherwise eligible for overtime compensation.

103.4 Full-Time and Part-Time Employees

A full-time employee is one whose position is budgeted to work at least forty (40) hours per week. Full-time employees receive all benefits provided in these Policies. A part-time employee is one whose position is budgeted to work less than forty (40) hours per week. Part-time



employees may have different rights to leave and other benefits under the law or these Policies, depending on the number of hours they work.

103.5 Temporary Employees

Temporary employees are hired with the understanding that their employment will not continue beyond a stated date or beyond completion of a specified project or projects. Temporary employees will generally not be employed for more than one thousand (1,000) hours.

Temporary employees are not eligible for benefits covered in this document, other than those required by law.

103.6 Interns

Interns are employees who are students gaining supervised practical experience in a professional field. Interns may be paid or unpaid but are not eligible for any benefits listed in this document other than those required by law.



200 EQUAL EMPLOYMENT OPPORTUNITY

201 Equal Employment Opportunity Policy

OCPA affords equal employment opportunity for all qualified employees and applicants as to all terms of employment, including compensation, hiring, training, promotion, transfer, discipline and termination. OCPA does not unlawfully discriminate on the basis of race (including, but not limited to, hair texture and protective hairstyles such as braids, locks, and twists), color, religion, religious creed (including religious dress and religious grooming practices), sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity (including transgender identity, gender expression (including transgender expression), because an individual has transitioned (to live as the gender with which they identify), is transitioning, or is perceived to be transitioning), sex stereotyping, national origin, ancestry, citizenship, age (40 years and over), mental disability and physical disability (including HIV and AIDS), legally protected medical condition or information (including genetic information), protected medical leaves (requesting or approved), military and/or veteran status, service, or obligation, reserve status, national guard status, marital status, domestic partner status, sexual orientation, status as a victim of domestic violence, sexual assault or stalking, enrollment in a public assistance program, or any other basis protected by local, state or federal laws.

Any such discrimination is unlawful and all persons involved in the operations of OCPA are prohibited from engaging in this type of conduct. Employees or applicants who believe they have experienced any form of employment discrimination or abusive conduct are encouraged to report the conduct immediately by using the complaint procedures provided in these Policies, or by contacting the U.S. Equal Employment Opportunity Commission, or the California Department of Fair Employment and Housing. Contact information for both agencies can be found on the internet.

202 Policy Against Discrimination, Harassment and Retaliation; Complaint Procedure

202.1 Purpose

OCPA has a strong commitment to prohibiting and preventing discrimination, harassment and retaliation in the workplace. OCPA has zero tolerance for any conduct that violates this Policy.

Conduct need not arise to the level of a violation of state or federal law to violate this Policy. Instead, a single act can violate this Policy and provide grounds for discipline or other appropriate sanctions. This Policy establishes a complaint procedure for investigating and resolving internal complaints of discrimination, harassment and retaliation. OCPA encourages all covered individuals to report any conduct they believe violates this Policy as soon as possible. Any retaliation against an employee because they filed or supported a complaint or because they participated in the complaint resolution process is prohibited. Individuals found to have retaliated in violation of this Policy will be subject to appropriate sanction or disciplinary action, up to and including termination.

202.2 Covered Individuals and Scope of Policy

This Policy is intended to protect all employees, regardless of rank or title, from bullying and unlawful harassment or discrimination. This Policy expressly includes and is intended to capture conduct directed by elected officials to OCPA employees. This Policy applies to all terms and



conditions of employment, including, but not limited to, selection, hiring, placement, promotion, disciplinary action, layoff, recall, transfer, leave of absence, compensation, and training.

202.3 Definitions

202.3.1 Protected Classification

This Policy prohibits harassment, discrimination or retaliation because of an individual's protected classification as set forth in the EEOC Policy in section 201, above. This Policy prohibits discrimination, harassment or retaliation because of: (1) an individual's protected classification; (2) the perception that an individual has a protected classification; or (3) the individual associates with a person who has or is perceived to have a protected classification.

202.3.2 Protected Activity

This Policy prohibits discrimination, harassment, or retaliation because of an individual's protected activity. Protected activity includes: (1) making a request for an accommodation for a disability; (2) making a request for accommodation for religious beliefs; (3) making a complaint under this Policy; (4) opposing violations of this Policy; or (5) participating in an investigation under this Policy.

202.3.3 Discrimination

This Policy prohibits treating covered individuals differently and adversely because of the individual's protected classification, whether actual or perceived; because the individual associates with a person who is member of a protected classification, whether actual or perceived; or because the individual participates in a protected activity as defined in this Policy.

202.4 Harassment

202.4.1 Sexual Harassment

Sexual harassment (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions, gender identity, gender expression, transgender status, those who are transitioning or have transitioned, sexual stereotypes, sexual orientation, and gender harassment) is defined as unwanted sexual advances, or visual, written, verbal or physical conduct of a sexual nature that creates an intimidating, offensive, or hostile working environment or that interferes with an employee's work performance. Such conduct constitutes harassment when:

- 1) submission to the conduct is made either an explicit or implicit condition of employment or promotion;
- 2) submission or rejection of the conduct is used as the basis for an employment decision; or
- 3) the unwelcomed comments or conduct based on sex unreasonably interferes with an employee's work performance or creates an intimidating, hostile, or offensive work environment.

Sexual harassment includes many forms of offensive behavior and includes gender-based harassment of a person of the same sex as the harasser. Furthermore, sexually harassing conduct need not be motivated by sexual desire. The following is a partial list of violations:

- Unwanted sexual advances, propositions or requests for sexual favors;
- Offering employment benefits in exchange for sexual favors;
- Making or threatening reprisals after a negative response to sexual advances;



- Visual conduct: leering, making sexual gestures, displaying of suggestive objects, posters, photographs, cartoons, or drawings;
- Verbal conduct: making or using derogatory comments, epithets, slurs, jokes, verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, foul or obscene language, conversation containing sexual comments;
- Written conduct: suggestive or obscene letters, emails, drawings, notes or invitations;
- Physical conduct: unwanted touching, assault, impeding or blocking movements, and violating someone's "personal space"; and
- Retaliation for reporting harassment or threatening to report harassment.

202.4.2 Other Types of Harassment

Harassment can take many forms beyond sexual harassment. Harassment on the basis of race (including, but not limited to, hair texture and protective hairstyles such as braids, locks, and twists), color, religion, religious creed (including religious dress and religious grooming practices), sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity (including transgender identity, gender expression (including transgender expression), because an individual has transitioned (to live as the gender with which they identify), is transitioning, or is perceived to be transitioning), sex stereotyping, national origin, ancestry, citizenship, age (40 years and over), mental disability and physical disability (including HIV and AIDS), legally protected medical condition or information (including genetic information), protected medical leaves (requesting or approved), military and/or veteran status, service, or obligation, reserve status, national guard status, marital status, domestic partner status, sexual orientation, status as a victim of domestic violence, sexual assault or stalking, enrollment in a public assistance program, or any other basis protected by local, state or federal laws, is also prohibited and will not be tolerated by OCPA. Such harassment includes but is not limited to the following when based upon an employee's protected status as noted above:

- Verbal conduct such as making or using derogatory comments, epithets, slurs, jokes, or verbal abuse;
- Visual conduct such as gestures and displaying of objects, posters, photographs, cartoons, or drawings;
- Written conduct such as suggestive or obscene letters, emails, drawings, notes or invitations;
- Physical conduct such as assault, unwanted touching, or blocking normal movement, or violating someone's "personal space"; and
- Retaliation for reporting harassment or threatening to report harassment.

202.4.1 Guidelines for Identifying Harassment

Harassment includes any conduct that would be unwelcome or unwanted to an individual of the recipient's same protected classification. The following guidelines should be followed to determine if conduct is unwelcome or unwanted:

- (a) It is no defense that the recipient "appears" to have consented to the conduct at issue by failing to protest about the conduct. A recipient may not protest for many legitimate reasons, including the need to avoid being insubordinate or to avoid being ostracized or subjected to retaliation.



- (b) Simply because no one has complained about a joke, gesture, picture, physical contact, or comment does not mean that the conduct is welcome. Harassment can evolve over time. Small, isolated incidents might be tolerated up to a point. The fact that no one has yet complained does not preclude someone from complaining if the conduct is repeated in the future.
- (c) Even visual, verbal, or physical conduct between two people who appear to welcome the conduct can constitute harassment of a third person who witnesses the conduct or learns about the conduct later. Conduct can constitute harassment even if it is not explicitly or specifically directed at a particular individual.
- (d) Conduct can constitute harassment even if the individual has no intention to harass. Even well-intentioned conduct can violate this Policy if the conduct is directed at, or implicates a protected classification, and if an individual would find it offensive (e.g., gifts, over-attention, endearing nicknames, hugs).

202.5 Retaliation

Retaliation occurs when an employer takes adverse conduct against a covered individual because of the individual's protected activity as defined in this Policy. "Adverse conduct" may include but is not limited to: (1) disciplinary action; (2) counseling; (3) taking sides because an individual has reported harassment or discrimination; (4) spreading rumors about a complainant or about someone who supports or assists the complainant; (5) shunning or avoiding an individual who reports harassment or discrimination; or (6) making real or implied threats of intimidation to prevent or deter an individual from reporting harassment or discrimination.

202.6 Complaint Procedure

A covered individual who believes he or she has been subjected to discrimination, harassment or retaliation may make a complaint – orally or in writing – to any supervisor or manager, without regard to any chain of command. Any supervisory or management employee who receives a harassment complaint shall immediately notify the Chief Executive Officer. Upon receiving notification of a harassment complaint, the Chief Executive Officer will complete and/or delegate the following steps:

- (a) Authorize and supervise the investigation of the complaint and/or investigate the complaint. The investigation will usually include interviews with: (1) the complainant; (2) the accused; and (3) other persons who have relevant knowledge concerning the allegations in the complaint.
- (b) Review the factual information gathered through the investigation to determine whether the alleged conduct violates the Policy, giving consideration to all factual information and the totality of the circumstances, including the nature of the conduct, and the context in which the alleged incident(s) occurred.
- (c) Report a summary of the determination as to whether this Policy has been violated to appropriate persons. If discipline or sanctions are imposed, the level of discipline or sanctions will not be communicated to the complainant.



- (d) If conduct in violation of this Policy occurred, take or recommend to the appointing authority prompt and effective remedial action. The remedial action will be commensurate with the severity of the offense.
- (e) Take reasonable steps to protect the complainant from further harassment, discrimination or retaliation.

If the Chief Executive Officer is accused of or a witness to the events at issue, then the Board of Directors will be responsible for initiating an investigation, delegating steps, and/or taking corrective action.

202.6.1 Option to Report to Outside Administrative Agencies

An individual has the option to report harassment, discrimination or retaliation to the U.S. Equal Employment Opportunity Commission (EEOC) or the California Department of Fair Employment and Housing (DFEH). These administrative agencies offer legal remedies and a complaint process. The nearest offices are listed on the Internet, in the government section of the telephone book or employees can check the posters that are located on OCPA bulletin boards for office locations and telephone numbers.

202.6.2 Confidentiality

OCPA will maintain confidentiality to the extent possible. Any supervisor or manager who is informed of a complaint of harassment, discrimination, and/or retaliation by an employee, or any other individual, must report said complaint to Chief Executive Officer immediately and must otherwise keep the matter confidential. The Chief Executive Officer must also keep the matter confidential and not disclose the matter to any person who does not have legitimate work-related reasons for knowing of the complaint. Any supervisor, manager who fails to comply with this paragraph will be subject to disciplinary action, up to and including termination of employment.

202.6.3 Conclusion of Investigation

At the conclusion of the timely investigation, if it is determined that prohibited harassment, discrimination, and/or retaliation has occurred, OCPA will take immediate and effective remedial action commensurate with the circumstances. Corrective action may include, for example: training, referral to counseling, or disciplinary action including, but not limited to, verbal or written warning, suspension, transfer, demotion, and termination of employment, depending on the circumstances. With regard to acts of harassment by clients or vendors, corrective action will be taken after consultation with the appropriate management personnel.

The employee who initiated the complaint will be notified when the investigation has been completed and will be informed of the general outcome of the investigation, i.e., whether the complaint has been substantiated or unsubstantiated. However, the employee is not entitled to know the corrective action, if any, imposed on the accused harasser as that information is protected by the accused harasser's right to privacy. Appropriate action will be taken to ensure the employee who has been found to have been harassed, discriminated, and/or retaliated against will not be harassed and/or retaliated against in the future, including but not limited to redistribution of this policy, training, transfer, etc.

202.6.4 Responsibilities and Proactive Approach

Each non-manager or non-supervisor is responsible for:

1. Treating all individuals in the workplace or on worksites with respect and consideration.
2. Modeling behavior that conforms to this Policy.



3. Participating in periodic training.
4. Cooperating with OCPA's investigations pursuant to this Policy by responding fully and truthfully to all questions posed during the investigation.
5. Taking no actions to influence any potential witness while the investigation is ongoing.
6. Reporting any act he or she believes in good faith constitutes harassment, discrimination or retaliation as defined in this Policy, to their immediate supervisor, or department head, or the Chief Executive Officer.

In addition to the responsibilities listed above, each manager and supervisor is responsible for:

1. Informing employees of this Policy.
2. Taking all steps necessary to prevent harassment, discrimination and, retaliation from occurring, including monitoring the work environment and taking immediate appropriate action to stop potential violations, such as removing inappropriate pictures or correcting inappropriate language.
3. Receiving complaints in a fair and serious manner, and documenting steps taken to resolve complaints.
4. Following up with those who have complained to ensure that the behavior has stopped and that there are no reprisals.
5. Informing those who complain of harassment or discrimination of their option to contact the EEOC or DFEH regarding alleged Policy violations.
6. Assisting, advising, or consulting with employees and the Chief Executive Officer regarding this Policy.
7. Assisting in the investigation of complaints involving employee(s) in their departments and, when appropriate, if the complaint is substantiated, recommending appropriate corrective or disciplinary action in accordance with these Policies, up to and including termination.
8. Implementing appropriate disciplinary and remedial actions.
9. Reporting potential violations of this Policy of which he or she becomes aware to the Chief Executive Officer, regardless of whether a complaint has been submitted.
10. Participating in periodic training and scheduling employees for training.

203 Reasonable Accommodation and Interactive Process

203.1 Reasonable Accommodation

Absent undue hardship or direct threats to the health and safety of employee(s), OCPA provides employment-related reasonable accommodations to:

- (a) qualified individuals with disabilities, both applicants and employees, to enable them to perform essential job functions;
- (b) employees with conditions related to pregnancy, childbirth, or a related medical condition, if she so requests, and with the advice of her health care provider;
- (c) employee victims of domestic violence, sexual assault, or stalking to promote the safety of the employee victim while at work; and
- (d) employees who request reasonable accommodation to address a conflict between religious belief or observance and any employment requirement.



203.2 Supporting Documentation or Certification

203.2.1 Reasonable Medical Documentation of Disability

If the disability or the need for reasonable accommodation is not obvious, OCPA may require the individual to provide reasonable medical documentation confirming the existence of the disability and the need for reasonable accommodation, along with the name and credentials of the individual's health care provider. If the individual provides insufficient documentation, OCPA will: (1) explain the insufficiency; (2) allow the employee or applicant to supplement the documentation; and (3) pursue the interactive process only to the extent that the request for reasonable accommodation is supported by the medical documentation provided.

203.2.2 Medical Certification Indicating the Need for a Reasonable Accommodation or Transfer due to Pregnancy or Related Conditions

If a pregnant employee, or an employee with a pregnancy-related condition, requests a reasonable accommodation or transfer due to pregnancy, OCPA will provide the employee with notice of the need for a medical certification within two business days after the employee's request for accommodation. A medical certification confirming the need for a reasonable accommodation, including transfer, is sufficient if it contains: (1) a description of the requested accommodation or transfer; (2) a statement describing the medical advisability of the accommodation or transfer due to pregnancy; and (3) the date that the need for the accommodation or transfer will become necessary and the estimated duration of the accommodation or transfer.

203.2.3 Certification of Victim Status

An employee who is a victim of domestic violence, sexual assault or stalking who requests an accommodation to provide for their safety while at work must provide both of the following:

- (a) A written statement signed by the employee or an individual acting on the employee's behalf, certifying that the accommodation is to address victim-safety concerns while at work; and
- (b) A certification demonstrating the employee's status as a victim of domestic violence, sexual assault, or stalking, which can be in the form of: a police report indicating the employee's victim status; a court order separating the perpetrator from the employee or that the employee has appeared in court for that purpose; or documentation from a medical professional or counselor that the employee is undergoing treatment for physical or mental injuries or abuse resulting from an act of domestic violence, sexual assault, or stalking.

203.3 Fitness for Duty Examinations

203.3.1 Applicants

After OCPA extends a conditional offer of employment to an applicant, OCPA may require the applicant to submit to a fitness for duty examination that is job-related, necessary for efficient operations of OCPA, and required of all applicants for the job classification. OCPA will notify an applicant or employee who is required to pass a medical examination of their right to obtain a second opinion at their expense and that they may submit such second opinions to OCPA for consideration.

203.3.2 Current Employee



An employee may be required to submit to a fitness for duty examination to determine if the employee has a disability and is able to perform the essential functions of their job when there is significant evidence that:

- (a) the employee's ability to perform one or more essential functions of their job has declined; or
- (b) could cause a reasonable person to question whether an employee is still capable of performing one or more of their essential job duties, or is still capable of performing those duties in a manner that does not harm themselves or others.

203.3.3 Role of Health Care Provider

OCPA may request the applicant's or employee's health care provider to conduct a fitness for duty exam on the applicant or employee, or may request an OCPA-selected health care provider to do so at OCPA's expense. OCPA will allow an employee paid time off to attend the exam. OCPA will provide the health care provider with a letter requesting a fitness for duty examination and a written description of the essential functions of the job. The examination will be limited to determining whether the applicant or employee can perform the essential functions of their position and any work restrictions and/or functional limitations that apply to the applicant or employee. The health care provider will examine the employee and provide OCPA with non-confidential information regarding whether:

- (a) The applicant or employee has a disability within the meaning of the California Fair Employment and Housing Act;
- (b) The applicant or employee is fit to perform essential job functions;
- (c) Workplace restrictions or functional limitations apply to the applicant or employee, and the duration of the work restrictions or functional limitations;
- (d) There are any reasonable accommodations that would enable the employee to perform essential job functions; and
- (e) The employee's continued employment poses a threat to the health and safety of themselves or others.

Should the health care provider exceed the scope of OCPA's request and provide confidential health information, without valid consent of the applicant or employee, OCPA will return the report to the health care provider and request another report that includes only the non-confidential fitness for duty information that OCPA has requested.

203.3.4 Authorization for Use of Medical Information

During the course of a fitness for duty examination, OCPA will not seek or use information regarding an employee's medical history, diagnoses, or course of treatment without an employee's written authorization.

203.3.5 Medical Information from the Employee or Applicant

If an employee or applicant submits medical information to OCPA from their own health care provider, OCPA will not forward that information to the health care provider who conducted the examination for OCPA, without the employee's or applicant's written authorization. Upon receipt



of the written authorization, OCPA will request an OCPA-paid health care provider to determine whether the information alters the original fitness for duty assessment.

203.4 Interactive Process

203.4.1 When to Initiate the Interactive Process

OCPA will initiate the interactive process when:

- (a) An applicant or employee with a known physical or mental disability or medical condition requests reasonable accommodation(s);
- (b) OCPA otherwise becomes aware of the need for an accommodation through a third party (e.g., a doctor's note requesting an accommodation), or by observation of the employee's work;
- (c) OCPA becomes aware of the possible need for an accommodation because the employee with a disability has exhausted workers' compensation leave, Family and Medical Act leave, or other leave rights, but the employee and/or the employee's health care provider indicate that further accommodation is still necessary for recuperative leave or other accommodation;
- (d) An employee disabled by pregnancy, childbirth or related medical conditions requests a reasonable accommodation or transfer based on the advice of her health care provider;
- (e) An employee with a physical or mental disability, regardless of cause, fails to return to work following pregnancy disability leave;
- (f) An employee-victim of domestic violence, sexual assault, or stalking requests a reasonable accommodation(s) for their safety at work;
- (g) An employee requests an accommodation to address a conflict between religious belief, observance or practice and any employment requirement; or
- (h) An employer is aware of the need for a reasonable accommodation for an employee's or applicant's religious beliefs, observance or practices.

203.4.2 Interactive Communication

After the occurrence of any of the above-stated circumstances that trigger the need to conduct an interactive process meeting, OCPA will promptly arrange for a discussion or discussions, in person or via conference telephone call, with the applicant or employee and their designated representative (if any). The purpose of the interactive communications will be to discuss in good faith all feasible potential reasonable accommodations. All communications will be documented by OCPA in writing.

203.4.3 Determination

After the interactive process communications, OCPA will review the information received, and determine: whether all available information has been reviewed; whether all potential accommodations that the applicant or employee has suggested have been considered; whether additional discussions with the applicant or employee would be helpful; whether the applicant's or employee's preferences have been taken into account; if there is a reasonable accommodation that would enable the applicant or employee to perform essential job functions



without harming themselves or others; and if the accommodations would pose an undue hardship to OCPA, in its sole discretion. An applicant or employee will be informed of OCPA's determination in writing.

203.5 Access to Medical Information Regarding Fitness for Duty

Medical records and information regarding fitness for duty, or the need for an accommodation, will be maintained separately from non-medical records and information. Medical records and information regarding fitness for duty and the need for accommodation will be accessible only by the Chief Executive Officer or their designee, OCPA's legal counsel, first aid and safety personnel in case of emergency, and supervisors who are responsible for identifying reasonable accommodations. Medical records and information contained therein may be released pursuant to state and federal law.

204 Whistleblower Protection

204.1 Policy

OCPA prohibits all of the following:

- (a) Taking any retaliatory adverse employment action against an employee because the employee has or is believed to have disclosed information to any government or law enforcement agency, including to OCPA, if the employee has reasonable cause to believe that the information discloses a violation of state or federal law, or a violation or noncompliance with a local, state, or federal rule or regulation;
- (b) Preventing an employee from disclosing information to a government agency, including to OCPA, if the employee has reasonable cause to believe that the information discloses a violation of state or federal law, or a violation or noncompliance with a local, state, or federal rule or regulation;
- (c) Retaliating against an employee for refusing to participate in any activity that would result in a violation of state or federal law, or a violation or noncompliance with a local, state, or federal rule or regulation; and
- (d) Retaliating against an employee because the employee's family member has, or is perceived to have engaged in any of the protected activities listed in (a)-(c) above.

204.2 Policy Coverage

This Policy governs and protects Authority officials, officers, employees, or applicants for employment.

204.3 Definitions

(a) **"Protected activity"** includes any of the following:

- 1) Filing a complaint with a federal or state enforcement or administrative agency that discloses any information that the employee has reasonable cause to believe violates state or federal law or a violation or noncompliance with a local, state, or federal rule or regulation;
- 2) Participating in or cooperating in good faith with a local, federal or state enforcement agency that is conducting an investigation into alleged unlawful activity;
- 3) Testifying in good faith and with reasonable cause as a party, witness, or accused individual alleged unlawful activity;



- 4) Associating with another covered individual who is engaged in any of the protected activities enumerated here;
- 5) Making or filing in good faith and with reasonable cause an internal complaint with OCPA regarding alleged unlawful activity;
- 6) Providing informal notice to OCPA regarding alleged unlawful activity;
- 7) Calling a governmental agency's "Whistleblower hotline" in good faith;
- 8) Filing a written complaint under penalty of perjury that OCPA has engaged in gross mismanagement, a significant waste of public funds, or a substantial and specific danger to public health or safety; and
- 9) Refusing to participate in any activity that the employee reasonably believes would result in a violation of state or federal law, or a violation or noncompliance with a local, state, or federal rule or regulation.

(b) "Adverse action" may include, but is not limited to, any of the following:

- 1) Real or implied threats of intimidation to attempt or prevent an individual from reporting alleged wrongdoing or because of actual or potential protected activity;
- 2) Refusing to hire an individual because of actual or potential protected activity;
- 3) Denying promotion to an individual because of actual or potential protected activity;
- 4) Taking any form of disciplinary action because of actual or potential protected activity;
- 5) Altering work schedules or work assignments because of actual or potential protected activity;
- 6) Condoning hostility and criticism of co-workers and third parties because of actual or protected activity;
- 7) Spreading rumors about a person because of that person's actual or perceived protected activity; and
- 8) Shunning or unreasonably avoiding a person because of that person's actual or perceived protected activity.

204.4 Complaint Procedure

An applicant or employee, who feels they have been retaliated against in violation of this Policy should immediately report the conduct according to the complaint procedure in OCPA's Policy Against Discrimination, Harassment or Retaliation so that the complaint can be resolved fairly and quickly. Supervisors and managers have the same responsibilities as defined in the Policy Against Discrimination, Harassment or Retaliation.



300 CLASSIFICATION POLICIES

301 Classification Plan

301.1 Classification Plan

The Chief Executive Officer, or their designee, shall ascertain and record the duties and responsibilities of all positions and, after consulting with the Board, shall recommend a classification plan ("plan") including job descriptions for such positions. The plan and any revisions thereof shall become effective upon approval of the Board.

Following the approval of the classification plan, the Chief Executive Officer shall allocate every position to one of the classifications established by the plan.

When a new position is created, such position may not be filled until the classification plan has been amended to provide for the new position.

Classification specifications are intended to be descriptive and explanatory of the kind of work performed by all employees in the classification.

A job class may contain one or more positions. Creation or deletion of classification(s) or modifications to the salary schedule shall require Board approval, and all classification specification changes must be reviewed by the supervisor of the position prior to approval. All employees having supervisory and/or managerial responsibilities shall have access to the current classification specifications for their own position, and any position they supervise or manage.

301.2 Reclassification

The Chief Executive Officer, or their designee, may initiate a job audit to determine whether the duties of a position have changed to such an extent that they necessitate reclassification of the position from the existing classification to a more appropriate classification. Upon completion of the job audit, the Chief Executive Officer shall make a recommendation regarding reclassification to the Board.



400 RECRUITMENT, SELECTION, AND APPOINTMENT

401 Recruitment, Selection and Appointment Policy

The Chief Executive Officer, or their designee, is the only authorized employee to conduct recruitments and make job offers on behalf of OCPA. With the exception of OCPA Counsel, the Chief Executive Officer shall have OCPA to appoint, remove, promote and demote any employees of OCPA.

The Chief Executive Officer, or their designee, will consult with operating departments on the specifics of each recruitment, including but not limited to: the type of recruitment; content of the job announcement; desired qualifications; and the structure and content of the recruitment process.

The Chief Executive Officer shall advise the Board of any reorganization of offices, positions, departments or units under their direction as may be indicated in the interest of efficient, effective and economical conduct of OCPA's business, subject to the Board's budget authority.

401.1 Job Announcement

The Chief Executive Officer, or their designee, will prepare a job announcement to announce a proposed recruitment. The announcement may be posted on OCPA's website and other locations OCPA deems appropriate, depending upon whether the recruitment is open to the public or current employees only.

The announcement will include the title for the position, and brief description of the essential job duties of the position. It will also include the minimum qualifications, the last date that OCPA will accept applications, any pertinent information regarding selection and any medical or drug testing to be performed following a conditional job offer. OCPA may include any other information determined to be of value at its discretion.

401.2 Application Forms

Job applications shall require information describing an individual's training, experience, and other pertinent information as deemed necessary to assess qualifications for the job. Applicants may be required to provide supplementary information, including but not limited to: answers to job-related questions, resume, licenses, certifications, diplomas, letters of recommendation and references. All applications must be completed in full and signed, physically or electronically, by the person applying. The Chief Executive Officer or their designee will not process any application which is not fully completed and signed. Should an applicant be appointed to a position, the supplemental information shall become a part of the individual's permanent employment records.

401.3 Disqualification of Applications

The Chief Executive Officer or their designee may reject any application which is not properly completed or incomplete, received after the application deadline, or indicates that the applicant does not meet the minimum qualifications for the position. Whenever an application is rejected, notice of such rejection shall be mailed or emailed to the applicant.

401.3.1 Criminal Conviction Check



After OCPA makes a conditional offer of employment, the Chief Executive Officer, or their designee, may then request information about criminal convictions, except for misdemeanor marijuana-related convictions that are over two years old, or convictions that have been judicially sealed, eradicated, or expunged. Unless required by law, OCPA will not deny employment to any applicant solely because he or she has been convicted of a crime. OCPA may, however, consider the nature, date and circumstances of the offense, evidence of rehabilitation, as well as whether the offense is relevant to the duties of the position.

401.4 Appointments

The Chief Executive Officer, or their designee, will make all appointments except for those classifications that report to the governing body. The Chief Executive Officer, or designee, has discretion to decide in what manner a vacancy shall be filled. Vacancies may be filled by reinstatement, promotion, transfer, demotion, or appointment of temporary employees. The Board will make appointments for those classifications that report to it.

401.4.1 Promotional Appointments

An employee who receives a promotion to a higher-level classification shall be provided an increase to their current base rate of pay at the time of promotion.

401.4.2 Grant-Funded and Limited-Term Positions

Appointments to certain grant-funded and/or limited-term positions as designated by the Chief Executive Officer may be made by the Chief Executive Officer or their designee.



500 EMPLOYMENT OF RELATIVES OR SPOUSES/DOMESTIC PARTNERS

501 Employment of Relatives, Spouses/Domestic Partners

501.1 Policy

OCPA regulates the employment and placement of relatives, spouses/domestic partners so as to avoid conflicts of interest and to promote safety, security, supervision, and morale.

501.2 Definitions

“Relative” means child, step-child, parent, grandparent, grandchild, brother, sister, half-brother, half-sister, aunt, uncle, niece, nephew, or in-laws of those enumerated by marriage or domestic partnership.

“Spouse” means one of two persons to a marriage, or two people who are registered domestic partners, as those terms are defined by California law.

“Supervisory relationship” means one in which one employee exercises the right or responsibility to control, direct, reward, or discipline another by virtue of the duties and responsibilities assigned to their Authority appointment.

501.3 Employment of Relatives

OCPA will not appoint, promote or transfer a person to a position within the same work division in which the person’s relative already holds a position, if any of the following would result in:

- (a) A direct or indirect supervisory relationship between the relatives;
- (b) The two employees having job duties which require performance of shared duties on the same or related work assignment;
- (c) Both employees having the same supervisor; or
- (d) A potential for creating an adverse impact on supervision, safety, security, morale or efficiency.

501.4 Spouses/Domestic Partners

OCPA will not appoint, promote, or transfer a person, to the same department, division, or facility in which the person’s spouse or registered domestic partner already holds a position, if such employment would result in any of the following:

- (a) One spouse/domestic partner being under the direct supervision of the other spouse or domestic partner; or
- (b) Potential conflicts of interest or hazards for married persons or those in domestic partnerships which are greater than for those who are not married or in domestic partnerships.

501.5 Applicant Disclosures

Each applicant is required to disclose the identity of any relative who is a current employee of



OCA. An applicant's failure to disclose a relative who is an employee may result in rejection of the applicant or future disciplinary action against the applicant after employment, up to and including termination of employment for cause.

An applicant for a position who has a relative employed by OCA may not be denied the right to file an application for employment and to complete background checks. If the applicant successfully completes all pre-hire conditions, then he or she may be employed in a department, division, or office in which a member of his or her family member is not employed, subject to this policy. Such employment may be denied if employment would potentially create a conflict of interest or would have a potentially adverse impact on morale, supervision, or safety, even where a direct reporting relationship is not involved. Applicants who are family members of members of the Board of Directors or the Chief Executive Officer are presumed to have a conflict of interest regardless of the position for which the applicant applied.

501.6 Marriage/Domestic Partnership After Employment

Transfer: If two OCA employees later become spouses/domestic partners, the Chief Executive Officer or their designee shall have discretion to transfer one of the employees to a similar position in another work division, if such a position is available that will cure the actual or potential conflict of interest. Although the wishes of the two employees will be considered, the Chief Executive Officer, or designee, retains sole discretion to determine which employee will be transferred based upon OCA needs for supervision, safety, security or morale. Any such transfer that results in a salary reduction is not disciplinary or retaliatory.

Separation: In the event two employees of OCA decide to marry, and there is no transfer that would resolve an actual or potential conflict of interest as determined by the Chief Executive Officer or their designee, as the case may be, in their sole discretion, then, the employees shall be given the opportunity to determine which of them shall voluntarily resign. If the employees are unable to or fail to choose which employee will resign, then the Chief Executive Officer or their designee will so choose and their decision will be final and binding.



600 COMPENSATION AND PAYROLL PRACTICES

601 Work Schedules and Attendance

601.1 Work Schedules

OCA's normal business hours are 8:00 a.m. to 5:00 p.m., Monday through Friday. Individual work schedules may vary or change depending upon assignment and operational needs, and approval of an employee's supervisor, the Chief Executive Officer or their designee.

601.2 Meal and Rest Periods for Non-Exempt Employees

California law requires that each non-exempt employee be given at least a 30-minute lunch break each day, and that this break begins within the first five hours of the workday. Accordingly, taking a duty-free lunch period of at least 30 minutes is mandatory. If an employee works more than 10 hours, they are entitled to a second, unpaid meal period of at least 30 minutes. Depending on the circumstances, the employee may be able to waive their second meal period if they took the first one.

Employees will be provided one 30-minute lunch each day, to be taken approximately in the middle of the workday. However, under special circumstances an employee may be granted permission by their supervisor to extend their lunch break. All meal periods must be recorded on employee time cards.

An employee is allowed one ten-minute rest period for every four hours of work or major portion thereof. While there is no set schedule for breaks, an employee is able to take restroom breaks and get refreshments as desired.

If, at any time, an employee is unable to take a lunch break and/or rest period because of workload, they should immediately inform their supervisor so that appropriate arrangements can be made.

Employees are expected to observe their assigned working hours and the time allowed for meal and rest periods.

602 Payment of Wages

602.1 Work Week

The Fair Labor Standards Act (FLSA) requires designation of an employer's workweek. In accordance with this requirement, OCA's workweek is designated as beginning at 12:00 a.m. on Sunday and ending at 11:59 p.m. on Saturday.

602.2 Payroll Cycles

Paydays are the 5th and the 20th of the month. OCA offers a direct deposit option. There are 24 pay periods in a year. The workday (a 24-hour, consecutive period) begins at 12:00 a.m. and ends at 11:59 pm. If a regular payday falls on a weekend or holiday, employees will be paid on the first day of work prior to the regularly scheduled payday.

Employees must review their own paychecks for errors. Employees finding a mistake on a paycheck should report it to his or her supervisor as soon as possible. Employees



are prohibited from making changes to another employee's time card for any reason, and employees who engage in editing, modifying, or changing another employee's timecard may be subject to discipline up to and including the termination of employment.

602.3 Payroll deductions, wage attachments and garnishments

OCPA makes certain deductions from every employee's paycheck. Among these are applicable federal, state, and local income taxes and Medicare taxes. Additionally, employer-paid term life insurance premiums in excess of \$50,000 coverage are considered a taxable benefit to the employee.

By law, OCPA is also required to honor legal attachments and garnishments of an employee's wages or salaries and will withhold the specified amount to satisfy the terms of the attachment.

602.4 Overtime provisions for Non-Exempt Employees

Overtime is all hours a non-exempt employee actually works over 40 hours in their designated work week. Only actual hours worked will be counted toward the 40-hour threshold for purposes of calculating overtime pay; paid leave will not be counted. Non-exempt employees who are directed to work overtime must do so.

602.4.1 Prior Approval Required for Overtime

Non-exempt employees are not permitted to work overtime except as directed and authorized by their supervisor, or in case of emergency, as determined by OCPA. Working overtime without prior authorization or approval is grounds for discipline. In emergency situations that necessitate working overtime, the employee must notify a supervisor as soon as possible, and in no event later than the end of that day upon which the emergency occurred. If the supervisor denies the request to work overtime, the employee must obey the supervisor's directive and cease working. Failure to follow these overtime approval procedures may subject the employee to disciplinary action, up to and including termination, for violating overtime approval procedures.

602.4.2 Payment of Overtime

OCPA provides compensation for all overtime hours worked by non-exempt employees in accordance with state and federal law:

- All hours worked in excess of eight (8) hours in one workday or forty (40) hours in one workweek will be treated as overtime.
- One and one-half (1 ½) times regular rate of pay for hours worked in excess of a normal work period, which is forty (40) hours for the workweek, or in excess of eight (8) hours and not more than twelve (12) hours for the workday, and for the first eight (8) hours on the seventh consecutive day of work in one (1) workweek.
- Two (2) times your regular rate of pay for hours worked in excess of twelve (12) hours in one (1) workday and/or in excess of eight (8) hours on the seventh consecutive workday in the same work week.

602.5 Accurate Time Reporting

All employees must accurately report all work time to the nearest five minutes.

602.6 No Volunteering of Work Time

All time spent for the benefit of OCPA must be reported as hours worked on time records so that the employee is paid for all work. Non-exempt employees may not "volunteer" work time to perform duties that are the same or similar as their stated or regular job duties. Employees have



no authorization to work without compensation. No supervisor has authority to request non-exempt employees to volunteer work time.

602.7 Compensatory Time Off

An overtime-eligible employee may opt to accrue compensatory time-off (CTO) in lieu of cash payment for overtime worked if their supervisor agrees prior to overtime work being performed, and the employee has made the request for CTO in lieu of overtime in writing.

1. **Accrual Rate:** CTO accrues at the rate of 1 ½ hours for each hour, or fraction thereof, worked after 40 hours of actual work within the employee's designated work week. Time in paid leave status does not count toward CTO. CTO cannot be accumulated in excess of 80 hours at any given time.
2. **Employee Request to Use CTO:** OCPA will grant an employee's request to use accumulated CTO provided that: 1) the department can accommodate the use of CTO on the day requested without undue disruption to department operations; and 2) the employee makes the request in writing to the supervisor no later than five days prior to the date requested. If the employee does not provide five days' notice, or if the department cannot accommodate the time off without undue disruption, OCPA will provide the employee the opportunity to cash out the amount of CTO requested at the end of the current pay period.
3. **Authority Cash Out:** OCPA reserves the right to cash out accumulated CTO at any time.
4. **Value of CTO Cash Out:** During employment, CTO is cashed out at the employee's current regular rate of pay (including all applicable salary differentials and special pays). Employees separating from OCPA service shall be compensated for all accrued, unused CTO at their current regular rate of pay.

603 Work Hour Deviations

603.1 Advance Request to Deviate from Regular Work Hours

A non-exempt employee is required to seek advance permission from their supervisor for any foreseeable absence or deviation from regular working, break, or meal times.

603.2 Notification of Unforeseen Late Arrival or Absence

A non-exempt employee who is unexpectedly unable to report for work as scheduled must notify their immediate supervisor no later than the beginning of the employee's scheduled work time and report the expected time of arrival or absence. If the immediate supervisor is not available, the employee must notify the Chief Executive Officer, or their designee.

603.3 Unauthorized Absence is Prohibited

Arriving late to work or leaving early in connection with scheduled work times, breaks, or meal periods is prohibited, absent authorization. A non-exempt employee who fails to timely notify the supervisor of any absences as required by this Policy, or who is not present and ready to work during scheduled work times will be deemed to have an unauthorized tardy or absence and will not receive compensation for the period of absence.

603.4 Excessive Tardiness/Absenteeism and Abuse of Leave

Excessive tardiness occurs when a non-exempt employee who, without authorization, is late to work or late to return from breaks more than three times during any 30-day period. Excessive absenteeism occurs when the number of unapproved absences for reasons that are not



permitted by state or federal law, exceeds three days in any three-month period. Excessive tardiness or absenteeism may be grounds for discipline, up to and including termination.

Abuse of leave is a claim of entitlement to leave when the employee does not meet the requirements for taking the leave, and may be grounds for discipline, up to and including termination. Should OCPA suspect that there is an abuse of leave by an employee, OCPA may require that the employee submit a physician's certificate to support the absence.

604 Time for Lactation

604.1 Lactation Break Time and Location

OCPA will provide a reasonable amount of break time to accommodate any employee desiring to express breast milk for the employee's infant child each time the employee has a need to express milk. The break time shall, if possible, run concurrently with any break time already provided to the employee.

Those desiring to take a lactation break at times other than their provided break times must notify a supervisor prior to taking such a break. Breaks may be reasonably delayed if they would seriously disrupt operations. Once a lactation break has been approved, the break should not be interrupted except for emergency or exigent circumstances. Break time for a nonexempt employee that does not run concurrently with rest time already authorized for the employee is unpaid. However, if the employee performs any work during such break, she must accurately record all time worked and OCPA will compensate her for such time.

OCPA will provide a room or other appropriate location in close proximity to the employee's worksite, that is not in a bathroom, to express milk in private. The room or location will meet the following requirements:

- Be shielded from view and free from intrusion while being used to express milk;
- Be safe, clean, and free of hazardous materials;
- Contain a surface on which to place a breast pump and personal items;
- Contain a place to sit; and
- Have access to electricity needed to operate an electric battery-powered breast pump.

An employee occupying such private area shall either secure the door or otherwise make it clear to others through signage that the area is occupied and should not be disturbed. All other employees should avoid interrupting an employee during an authorized break under this section, except to announce an emergency or other urgent circumstance.

In addition, OCPA will provide access to a sink with running water and a refrigerator suitable for storing milk (or other cooling device suitable for storing milk) in close proximity to an employee's workspace. No expressed milk shall be stored at OCPA beyond the employee's work day/shift, and all expressed milk should be clearly labeled.

In the event that more than one employee needs use of the lactation room, OCPA will discuss alternative options with the employees to determine what arrangement addresses their needs, such as finding an alternative space or creating a schedule for such use.

Employees who are nursing have a right to request a lactation accommodation. Such requests may be made verbally or in writing, should indicate the need for an accommodation in order to



express breastmilk at work, and should be directed to the Chief Executive Officer, or their designee. OCPA shall respond to such requests in a reasonable manner, not exceeding five business days. If OCPA cannot provide break time, location, or other reasonable accommodations in accordance with this policy, it will inform the requesting employee in writing. Because lactation accommodation needs may change over time, employees may request changes to existing accommodations by a written request to the Chief Executive Officer, or their designee, that describes the nature of the change that is requested.

OCPA prohibits any form of retaliation or discrimination against an employee for exercising or attempting to exercise any rights provided under the above policies. Any such conduct or violations of the above-referenced policies should be reported to the Chief Executive Officer or his designee. Employees also have the right to file a complaint with the California Labor Commissioner for violation of a lactation accommodation right described in the policy above.

605 Benefits

OCPA has developed and invested in a comprehensive employee benefits program. The benefits program consists of programs that may include retirement, health, dental, and vision coverage, and life insurance. Eligibility to participate in these programs is determined by employee classification, length of continued service with OCPA or by law. OCPA reserves the right to change or eliminate any benefit program at any time that is not required by law.

Information describing employee benefits will be provided upon joining the benefits plan. During any leave of absence such as personal leave, Workers' Compensation leave or other disability leave, health benefits will continue through the end of the month. For the duration of any pregnancy disability leave of absence, or New Parent Leave, health and life insurance benefits will be continued for the duration of leave. For more information regarding eligibility, contributions, benefits, and tax status, contact the Chief Executive Officer, or designee. All eligible participants will receive a summary plan description.

605.1 Retirement Benefits

605.1.1 *Deferred Compensation Plans*

OCPA shall establish a 401(a) defined contribution retirement plan. OCPA shall pay a matching contribution of ten percent (10%) to each employee's mandatory contribution in lieu of Social Security taxes, fully vested from date of hire.

Employees may elect to participate in a 457(b) deferred compensation retirement plan. Employees may participate optionally and participants contribute tax-deferred salary deductions in a participant-directed account. Contributions are limited to an annual maximum dollar amount, as established under the Internal Revenue Code (IRC). OCPA's employer contribution to the 457(b) plan shall match the employee's voluntary contribution, up to a maximum of four percent (4%) of base salary.

605.2 Health and Wellness Benefits

605.2.1 *Medical, Dental, and Vision Insurance*

OCPA shall provide employees covered by this policy an option to enroll in an employer-sponsored group health insurance plan. Covered employees will have the option of enrolling themselves and their eligible dependents into OCPA's group health insurance plan as approved by the Board. Employees become eligible for coverage on the first (1st) day of the month



following one (1) complete calendar month after hire date. OCPA shall contribute 95% of the health insurance premium for the Kaiser HMO 15 medical plan, HMO dental plan and VSP Option 5 vision plan with the employee contributing the remainder of the total premium cost. Employees who select a higher cost health insurance option, either PPO or HMO, cover the cost difference.

605.2.2 *Cash Payment in Lieu of Health Insurance*

Employees who opt out of enrollment in OCPA's group health insurance plan, in lieu of the above health plan allowance, receive \$500 monthly in cash (subject to taxation as wages) added to their paycheck. In order for an employee to be permitted to opt out of OCPA's group health insurance plan coverage, they must submit proof of comparable coverage by another source.

605.2.3 *Flexible Spending Account*

OCPA will make available the option for full-time employees covered under this policy to participate in a Flexible Spending Account (FSA) to use a pre-tax payroll deduction to pay for eligible medical and dependent care expenses per Internal Revenue Code Sections 125 and 129.

C-level executives will receive an employer-paid FSA contribution of \$200 per month.

605.2.4 *Wellness Reimbursement*

OCPA will reimburse employees up to \$1,000 per year for qualified health and wellness expenses, including fitness expenses (such as class or program fees, or equipment).

605.2.5 *Employee Assistance Program (EAP)*

OCPA provides employer-paid confidential counseling and work/life services assistance for employees and eligible dependents.

605.3 *Life Insurance and Disability*

605.3.1 *Life Insurance*

Employees covered by this Policy shall be provided a basic group term life insurance policy in the amount of \$200,000.

This insurance is payable in the event of your death, in accordance with the policy, while you are insured. You may change your beneficiary whenever you wish by submitting the appropriate documents to Human Resources. Refer to the literature provided by our insurance provider for details on your life insurance coverage.

605.3.2 *Short-term Disability Insurance*

Each employee contributes a percentage of his or her pay up to a maximum amount determined by the State of California for State Disability Insurance (SDI) coverage. This is an employee-only contribution.

This insurance provides low-cost disability protection if illness or injury not caused by the job prevents an employee from working. Paid Family Leave provides income if an employee is unable to work due to the need to care for a qualified family member or to bond with a new child.

No action will be taken against any employee in any manner for requesting or taking any time off as provided in the document or for testifying in a disability proceeding. Employees must file a



claim with the California Employment Development Department to receive any payment from SDI.

605.3.3 *Long-term Disability Insurance*

OCPA provides an employer-subsidized private long-term disability plan for employees. The benefit is up to 60% of monthly earnings subject to terms of long-term disability insurance carrier and cap based on salary.

605.4 *Allowances*

605.4.1 *Automobile Allowance*

C-level executives shall receive a gross monthly automobile allowance of five hundred dollars (\$500) per month. This taxable allowance is intended to be in lieu of reimbursement on an itemized basis for mileage, gas, maintenance of a vehicle, etc. Employees who receive an automobile allowance shall not be separately reimbursed for mileage driven in their personal vehicle.

605.4.2 *Technology Allowance*

Exempt employees shall receive a \$100 monthly taxable technology allowance to use toward their personal discretionary technological purchases and expenses in furtherance of employment (e.g., mobile phone, tablet, data plan, laptop computer). This taxable allowance is intended to cover all technology-related costs that Employee incurs in the course and scope of employment with OCPA.

605.5 *Workers' Compensation*

OCPA provides workers' compensation insurance benefits to all employees who experience an injury or illness that arises out of the course and scope of employment. Workers' compensation insurance provides six basic benefits: medical care, temporary disability benefits, permanent disability benefits, supplemental job displacement benefits or vocational rehabilitation, and death benefits. Entitlement to workers' compensation benefits is controlled by applicable law, and as detailed in the company's Work-Related Accident and Injury Policy, employees are required to immediately report all work-related accidents, injuries and illnesses.

All work-related accidents, injuries or illnesses involving employees, even those that are not serious, must be immediately reported to their supervisor. Employees who experience a work-related accident, illness or injury will be required to complete the appropriate forms (DWC-1) and cooperate with OCPA in complying with its recording, reporting and investigation obligations.

If the work-related accident, injury or illness results in the employee being placed on a leave of absence, OCPA's various leave policies will apply to that absence. OCPA strives to bring employees back to work as soon as possible following a work-related accident, injury or illness. Thus, while employees are on a leave of absence, they should stay in contact with their supervisor regarding their expected return to work.

Pursuant to OCPA's Disability and Reasonable Accommodation Policy, when requested, OCPA will provide a reasonable accommodation for any known physical or mental disability of a qualified individual, provided the requested accommodation does not create an undue hardship on OCPA or pose a direct threat to the health or safety of others in the workplace or of the



requesting employee. Once OCPA is aware of the need for an accommodation, OCPA will engage with the employee in an interactive process to identify possible accommodations.

OCPA or its insurer will not be liable for payment of workers' compensation benefits for any injury that arises out of voluntary participation in any off-duty recreational, social, or athletic activity that is not part of work-related duties.

605.6 COBRA

The Consolidated Omnibus Budget Act ("COBRA") allows employees and dependents to continue health insurance coverage under EBCE's health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; and a dependent child no longer meeting eligibility requirements. Under COBRA, the employee or the beneficiary pays the full cost of coverage at EBCE's group rates (100%), plus an administrative fee. If a "qualifying event" occurs, employees and/or dependents(s) will be provided with a written notice which contains important information about rights and obligations.

605.7 Unemployment Compensation

OCPA contributes annually to the California Unemployment Insurance Fund on behalf of employees.



700 PERFORMANCE EVALUATION POLICIES

701 Performance Evaluations

701.1 Performance Evaluations

OCPA encourages open dialogue between an employee and their supervisor on an informal, regular basis. This type of regular interaction increases job satisfaction for both the employee and OCPA. It is not necessary or recommended that employees wait until a formal performance appraisal period to discuss job performance. Employees are encouraged to freely ask their supervisor for feedback when desired.

Formal performance evaluations will be conducted annually or with greater frequency, dependent on length of service, job position, past performance, changes in job duties, or recurring performance problems. After the review, the employee will be asked to sign the evaluation report to acknowledge that it has been presented to them and discussed with them by their supervisor, and that they are aware of its contents. The Chief Executive Officer, or their designee, will review and approve all performance evaluations prior to inclusion in an employee's personnel file.

Positive performance evaluations do not guarantee increases in salary or promotions. Salary increases and promotions are solely within the discretion of OCPA and depend upon many factors in addition to performance. Wage and salary increases are based on merit alone, and not length of service. Compensation reviews do not necessarily mean that a salary increase will be given.

701.2 Performance Evaluation Meeting

The supervisor will meet with the employee to discuss the evaluation. The employee shall sign the evaluation to acknowledge its contents and that they have met with their supervisor to discuss the evaluation. The employee's signature shall not mean that they endorse the contents of the evaluation.

701.3 No Appeal Right

An employee does not have the right to appeal or submit a grievance regarding any matter relating to the content of a performance evaluation. Instead, the employee may comment on the evaluation in a written statement which will then be placed with the evaluation in the employee's personnel file. The written statement must be submitted within 10 days after the employee receives the evaluation.



800 STANDARDS OF CONDUCT

801 Professional Business Conduct and Ethics

By accepting employment, individuals have a responsibility to OCPA and their fellow employees to adhere to certain codes of behavior and conduct. The purpose of these rules is not to restrict or impair any right to free speech, but rather to be certain that a common understanding exists as to what OCPA considers acceptable and unacceptable conduct. It is intended that the following rules of conduct will assist in creating a positive, productive workplace and serve the best interests of OCPA.

Obvious examples of unacceptable activities are noted below; this list is not exhaustive. Other policies in this document, such as Section 1206, *Policy Against Violence in the Workplace* and Section 200, subsection 202, *Policy Against Discrimination, Harassment and Retaliation*, address unacceptable and criminal behavior as well. Violations of these policies are subject to disciplinary action up to and including termination as outlined in Section 1101 *Causes for Discipline*.

Employees are asked to keep in mind, at all times, the value of professional conduct and give proper regard to the welfare and rights of co-workers. Occurrences violating this section may result in disciplinary action up to and including immediate suspension or termination:

Unacceptable Activities:

1. Falsification of timekeeping records.
2. Dishonesty; falsification or misrepresentation on an application for employment or other work records; lying about sick or personal leave; falsifying reasons for a leave of absence or other data requested by OCPA; alteration of OCPA records or other OCPA documents.
3. Theft or inappropriate removal or possession of OCPA property or the property of fellow employees.
4. Boisterous or disruptive activity in the workplace.
5. Negligence or any careless action leading to damage of OCPA-owned or customer-owned property or which endangers the life or safety of another person.
6. Obscene or abusive language toward any supervisor, employee, customer, or member of the public; indifference or rudeness towards a customer or fellow employee; any disorderly/antagonistic conduct on OCPA premises.
7. Insubordination or other disrespectful conduct; refusing to obey instructions properly issued by a supervisor pertaining to an employee's work; refusal to assist on a special assignment.
8. Violation of security or safety rules or failure to observe safety rules and/or practices; failure to wear required safety equipment; tampering with OCPA equipment or safety equipment.
9. Creating or contributing to unsanitary conditions.
10. Smoking in prohibited areas.
11. Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace.
12. Unauthorized absence from work station during the workday; sleeping or loitering during working hours.
13. Originating, spreading, and taking part in malicious gossip or false rumors about employees of OCPA.



14. Unauthorized disclosure of confidential information; giving confidential or proprietary information to competitors or other organizations or to unauthorized OCPA employees; breach of confidentiality of personnel or OCPA information.
15. Violation of OCPA rules or policies; any action that is detrimental to OCPA's efforts to operate successfully.
16. Unsatisfactory or careless work; failure to meet production or quality standards as explained to an employee by their supervisor.
17. Soliciting during working hours and/or in working areas; selling merchandise or collecting funds of any kind for charities or others without authorization during business hours, or at a time or place that interferes with the work of another employee on OCPA premises.
18. Conducting a lottery or gambling on OCPA property.
19. Failure to immediately report any damage or accident involving OCPA equipment and vehicles.
20. Failure or refusal to comply with the work schedule, including mandatory overtime.

801.1 Customer and Public Relations

The success of OCPA depends upon the quality of the relationships between OCPA, its employees, customers, suppliers and the general public. Customers' impression of OCPA and their interest and willingness to do business with OCPA is formed by how they are served. Employees are considered ambassadors of OCPA. The more goodwill employees promote, the more customers will respect and appreciate the services OCPA provides.

The following actions are encouraged and considered representative of the level of customer relations service expected of Authority employees:

1. Customers are to be treated courteously and given proper attention at all times. Customers' questions or concerns are never to be considered an interruption or an annoyance. Customer inquiries, whether in person or by telephone, must be addressed promptly and professionally.
2. Telephone callers are never to be placed on hold for an extended period of time. Calls are to be directed to the appropriate person and assurance is to be made that the call was received.
3. Employees are expected to act competently and deal with customers in a courteous and respectful manner. If unable to help a customer, employees are expected to assist in finding an employee who can.
4. All correspondence and documents are to be neatly prepared and error-free. Attention to accuracy and detail in all paperwork demonstrates commitment to those encountered during the course of business activities.
5. If a problem develops with a customer, or if a customer is experiencing a level of dissatisfaction an individual employee is unable to resolve, requesting a supervisor to intervene is required.

801.2 Media Contact

OCPA designates individuals as contacts for OCPA and only those individuals may comment on Authority policy, or on behalf of OCPA. Employees who are contacted by a news organization for an OCPA statement on any matter are expected to direct media inquiries to a supervisor.

801.3 Social Media Guidelines

Various forms of communication occur through social media, such as Facebook, Twitter, LinkedIn, Reddit, Yelp, Instagram, Snapchat, blogs, media sharing and multimedia host sites



such as YouTube. Employees should keep in mind that social media sites do not provide a private setting. Employees who communicate information through social media therefore must not expect that such information is private.

Employees must remember that all existing policies apply to information disseminated through social media. These guidelines are intended to help employees understand some of the unintended outcomes of sharing information through social media.

801.4 Confidentiality

Employees are responsible for safeguarding confidential information obtained during their employment with OCPA. Additionally, customers, employees and vendors entrust OCPA with important information related to businesses or personal information. The nature of this relationship requires maintenance of confidentiality.

It is an employee's responsibility to maintain strict confidentiality where personal, proprietary, or sensitive business information is concerned, unless it is necessary to do so in the performance of duties. Such confidential information includes, but is not limited to, the following examples:

- Customer lists and customer history
- Pending projects and proposals
- Marketing strategies
- Compensation data
- Budget information
- Periodic business reports and summaries
- Bid proposals and contract negotiations
- Statistical data
- Research and development programs
- Mergers/dissolutions
- Employee data
- Financial information
- Pricing information
- Passwords
- Business plans

Disclosure of confidential information may lead to disciplinary action, up to and including termination, as well as other possible legal action.



900 LEAVES OF ABSENCE

901 Paid Time Off (PTO) and Holidays

Each provision in this Section shall apply to all OCPA positions unless covered by alternate means.

901.1 Paid Time Off (PTO) Eligibility

Paid Time Off (PTO) is an all-purpose time-off policy for eligible employees to use for vacation, personal business, sick leave, the diagnosis, care, treatment of an existing health condition or preventative care of an employee, family member or for employees who are victims of domestic violence, sexual assault or stalking to seek aid, treatment, or related assistance. A "family member" for these purposes is defined as a child (a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis), a parent (a biological, adoptive or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child), a spouse or registered domestic partner, a grandparent, grandchild and sibling. Regular full-time employees are eligible to earn and use PTO as described in this policy.

PTO begins accruing upon your date of hire. Employees may begin using PTO as it is accrued.

901.2 Accrual of PTO

All full-time employees scheduled 40 hours per week are eligible to accrue PTO per pay period. Regular, full-time employees scheduled to work 40 hours per week accrue at least 180 hours per year, or 7.5 hours of PTO per pay period in their first year of employment. Full-time employees scheduled less than 40 hours per week will accrue PTO on a pro-rata basis on the number of hours scheduled. After your first anniversary, and thereafter until your 10th year of employment, you will receive an additional eight (8) hours per year which will accrue at an additional rate of .33 hours per pay period.

The length of eligible service is calculated on the basis of a "benefit year." This is the 12-month period that begins when you start to earn PTO. You will not earn PTO while you are out on a leave of absence, except to the extent you use PTO to cover your leave period. Employees accrue PTO hours on PTO hours used. Therefore, your benefit year may be extended if you go out on a leave of absence other than a military leave of absence. Military leave has no effect on this calculation. (See individual leave of absence policies for more information.)

Part-time and temporary employees, as well as paid interns, will be granted 24 hours of PTO upon hire and on January 1st of each year thereafter. Part-time and temporary employees, as well as paid interns, may begin using PTO upon completion of 30 days worked for OCPA.

901.2.1 Maximum PTO Accrual

Employee can accumulate PTO up to a balance of twice the annual PTO for which they are entitled. Once that limit is reached, employees will no longer accrue PTO unless and until some PTO is used. Accrued PTO carries over into the next calendar year.



901.3 Scheduling of PTO

All requests for time off (PTO or unpaid) shall be submitted to the employee's immediate supervisor or manager with as much advance notice as possible.

PTO can be used in minimum increments of one (1) hour for non-exempt employees.

Exempt employees may use PTO in ½ day (four hour) increments. Exempt employees may be required to use PTO for partial day absences in increments of 4 hours or greater, when the employee is absent for personal reasons and is unavailable for work.

Authority to approve the request is at the sole discretion of the requesting employee's immediate supervisor based on the nature of the request and the operational demands of the department.

If you have an unexpected need to be absent from work you should notify your direct supervisor before the scheduled start of your workday, if possible. Your direct supervisor must also be contacted on each additional day of unexpected absence.

To schedule planned PTO, you need to request advance approval from your supervisor. Requests will be reviewed based on a number of factors, including business needs and staffing requirements.

Employees will request advance approval from their supervisor if they need to cancel or adjust any previously approved PTO. Example: an employee received approval for eight hours of PTO time. A change in plans requires the employee to cancel the request for PTO and work a regular eight hours or a half day of four hours. The employee will inform the supervisor in writing and, if approved, the previously approved PTO will be voided or reduced, based on the new request.

901.4 Payment of PTO

PTO is paid at your base pay rate at the time of absence. It does not include overtime or any special forms of compensation such as incentives, commissions, or bonuses.

A paid absence is counted as hours worked for the purposes of computing a 40-hour week but is not counted as a basis for computing overtime.

PTO will be used to supplement any payments that you are eligible to receive from disability insurance or workers' compensation. The combination of any such disability payments and PTO cannot exceed your normal weekly earnings. All accrued, unused PTO will be paid at the termination of employment.

901.5 PTO for Sick Leave

Because OCPA's PTO plan provides for accrual that is as or more generous than California's sick leave law, OCPA is not required to have a separate sick leave accrual plan. Employees may use PTO for sick leave for their own serious health condition or for the health condition of a family member as defined above or for time off in connection with obtaining relief if the employee is a victim of domestic violence, sexual assault, or stalking. Employees may designate up to one-half of their accrued PTO as "Kin Care" for these purposes. Employees will not be subject to discipline for designating time as Kin Care.



901.6 PTO Buyback Provision

On or before the pay period which includes December 20th of each calendar year, an employee may make an irrevocable election to cash out up to 50% of accrued PTO leave (in whole hour increments). The employee will receive full value for the amount of PTO leave the employee irrevocably elected to cash out.

901.7 Unused PTO Leave Upon Separation

Upon termination of employment, employees are paid at their regular rate of pay for unused PTO that has been earned through your last day of work.

901.8 Holidays

901.8.1 Observed Holidays

The recognized holidays to be observed by OCPA in each calendar year shall be as follows:

- New Year's Day (January 1st)
- Martin Luther King Jr. Day (third Monday in January)
- President's Day (third Monday in February)
- Memorial Day (last Monday in May)
- Independence Day (July 4th)
- Labor Day (first Monday in September)
- Veterans Day (November 11th)
- Thanksgiving Day (fourth Thursday in November)
- Day after Thanksgiving
- Christmas Eve (December 24th)
- Christmas Day (December 25th)
- New Year's Eve (December 31st)

Unless otherwise determined by OCPA, the actual dates for each of the foregoing holidays shall occur on the dates set by applicable state and federal statutes.

If any of the foregoing holidays falls on a Sunday, the following Monday shall be considered the holiday. If any of the foregoing holidays falls on a Saturday, the preceding Friday shall be considered the holiday, unless this too is a holiday, then the holiday shall be one day sooner.

901.8.2 Holiday Closure

Additionally, offices will remain closed December 26 through January 1, unless a supervisor specifically requires an employee to work.

901.9 Pay for Holidays

Employees shall be paid for the number of hours the employee was scheduled to work had it not been a holiday. In order to receive compensation for holidays as provided herein, an employee must be on paid status for all of the regularly assigned work schedule immediately prior to and following the holiday. For the purposes of this section, an employee who is absent on paid time off leave shall be deemed to be employed at such time.

If a holiday falls on an employee's regularly scheduled time off, the employee may take the holiday on another day during the workweek with prior approval of their supervisor. If an



employee is on Industrial Injury Leave during the holiday, it shall not be counted as both Industrial Injury Leave and holiday.

901.10 Effect of Holiday on PTO

If one or more holidays falls within a PTO leave that an employee is taking, such holiday shall not be charged as PTO leave.

902 Family and Medical Care Leaves

902.1 Leave Pursuant to Family Medical Leave Act (“FMLA”) and California Family Rights Act (“CFRA”)

OCPA provides family and medical care leave for eligible employees as required by State and federal law. Unless otherwise stated in this Policy, “Leave” means leave pursuant to the FMLA and CFRA. Unless otherwise provided by law, OCPA will run each employee’s FMLA and CFRA leave usage concurrently.

902.2 Leave Entitlements and Duration

Eligible employees are entitled to take up to 12 weeks of leave in a 12-month period under the CFRA and up to 12 weeks per calendar year of FMLA. In most cases, FMLA leave due to pregnancy, childbirth or a related medical condition and Pregnancy Disability Leave (“PDL”) run concurrently (see, section 903, below). PDL of up to four months is provided to an employee who is actually disabled due to pregnancy. However, pregnancy related disability is specifically excluded as a reason for CFRA leave and therefore leave under PDL and leave under CFRA are separate and distinct entitlements and do not run concurrently. An employee disabled due to pregnancy may take up to four months of PDL leave, and, if eligible may be entitled to an additional 12 weeks of CFRA leave to care for a child after the birth. The maximum possible combined leave for both PDL leave and CFRA leave for the reason of the birth of a child is four months and 12 workweeks. Employees may also take intermittent leave to care for themselves or to care for a family member with a serious health condition.

There is no minimum amount of leave that must be taken for either FMLA or CFRA leave. If leave is requested for the birth, adoption or foster care placement of a child of the employee, leave must be concluded within one year of the birth or placement of the child. In addition, the basic minimum duration of such leave is two weeks. However, an employee is entitled to leave for one of these purposes (e.g. bonding with a newborn) for less than two weeks duration on any two occasions.

902.3 Definitions Under FMLA and CFRA

- (a) **12-month Period:** OCPA uses a twelve (12) month period measured forward method of determining the timeframe in which this leave may occur. This is defined as a 12-month period which begins on the first day the eligible employee takes leave under FMLA and ends 12 months after that date. For example, if John begins leave on November 1, 2021, then his 12-month period is measured from November 1, 2021, to October 31, 2022.
- (b) **Family Member:** Family member for FMLA leave means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing in loco parentis, who is either under age 18, or age 18 or older and “incapable of self-care because of a mental or physical disability” at the time that FMLA leave is to commence, a parent which means a biological, adoptive, step or foster father or mother, or any other individual who



stood in loco parentis to the employee when the employee was a son or daughter, and spouse, which means a husband, wife, or other person as recognized under State law for the state in which the marriage was entered into or, if the marriage was not entered into in any state, then the place in which the marriage was entered into; . "Family member" for CFRA leave means an employee's minor children, dependent adult children, the children of a domestic partner, parents, spouse, domestic partner, grandchildren, grandparents, and siblings.

(c) *Serious Health Condition*: An illness, injury impairment, or physical or mental condition that involves:

1. Inpatient Care in a hospital, hospice, or residential medical care facility; continuing treatment by a health care provider;
2. Any period of incapacity due to pregnancy or for prenatal care. Note that pregnancy is a "serious health condition" only under the FMLA. Under California law, an employee disabled by pregnancy is entitled to pregnancy leave. (See Policy 905, Leave Because of Pregnancy, Childbirth, or Related Medical Condition.);
3. Any period of incapacity or treatment for such incapacity due to a chronic serious health condition;
4. A period of incapacity that is permanent or long-term due to a condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by health care provider.

(d) *Health Care Provider means*:

1. A doctor of medicine or osteopathy who is authorized to practice medicine or surgery in the State of California or another state or jurisdiction;
2. Podiatrists, dentists, clinical psychologists, optometrists, and chiropractors (limited to treatment consisting of manual manipulation of the spine to correct a subluxation as demonstrated by x-ray to exist) authorized to practice in California and performing within the scope of their practice as defined under California State law;
3. Nurse practitioners and nurse-midwives and clinical social workers who are authorized to practice under California State law and who are performing within the scope of their practice as defined under California State law;
4. Christian Science practitioners listed with the First Church of Christ, Scientist in Boston, Massachusetts; and
5. Any health care provider from whom an employer or group health plan's benefits manager will accept certification of the existence of a serious health condition to substantiate a claim for benefits.

902.4 Reasons for Leave

Leave is only permitted for the reasons listed below.

- (a) The birth of a child or to care for a newborn of an employee;
- (b) The placement of a child with an employee in connection with the adoption or foster care of a child;
- (c) Leave to care for a child, parent, or spouse, who has a serious health condition;



- (d) Under the CFRA only, leave is permitted to care for a domestic partner, grandparent, grandchild, or sibling who has a serious health condition. Leave for this purpose does not apply to FMLA leave and will run concurrently with leave used under the FMLA;
- (e) Leave because of a serious health condition that makes the employee unable to perform any one or more essential functions of their position;
- (f) Leave for a variety of “qualifying exigencies” arising out of the fact that an employee’s spouse, son, daughter, or parent is on active duty or call to active duty status in the National Guard or Reserves in support of a contingency operation;
- (g) Under the CFRA only, leave for a variety of “qualifying exigencies” arising out of the fact that an employee’s domestic partner is on active duty or call to active duty status in the National Guard or Reserves in support of a contingency operation. Leave for this purpose does not apply to FMLA leave and will not be run concurrently with leave usage under the FMLA; or
- (h) Leave to care for a spouse, son, daughter, parent, or “next of kin” who is a covered servicemember of the U.S. Armed Forces who has a serious injury or illness incurred in the line of duty while on active military duty, or existed before the beginning of the member’s active duty and was aggravated by service in the line of duty on active duty in the Armed Forces. This leave can run up to 26 weeks of unpaid leave during a single 12-month period.

902.5 Eligibility

An employee is eligible for leave if:

- (a) The employee has been employed by OCPA for at least 12 months; and
- (b) The employee has been employed by OCPA for at least 1,250 hours during the 12-month period immediately preceding the commencement of the leave; and
- (c) For FMLA leave eligibility, OCPA must directly employ at least 50 full or part-time employees within a 75-mile radius for each working day during each of 20 or more calendar workweeks in the current or preceding calendar year. The workweeks do not have to be consecutive. The phrase “current or preceding calendar year” refers to the calendar year in which the employee requests the leave or the calendar year preceding this request. This criteria is not required and does not apply in order for an employee to be eligible for CFRA leave.

902.6 Employee Benefits While on Leave

Leave under this Policy is unpaid. While on unpaid leave, employees will continue to be covered by OCPA’s group health insurance for up to 12 weeks each leave year to the same extent that coverage is provided while the employee is on the job. If the employee is disabled by pregnancy, coverage will continue up to four months each leave year. If an employee disabled by pregnancy also uses leave under the CFRA for baby-bonding, OCPA will maintain her coverage while she is disabled by pregnancy (up to four months or 17 1/3 weeks) and during her CFRA leave (up to 12 weeks).



While on unpaid leave, employees will continue to be covered by OCPA's benefits plans that are not part of its group health plan for up to 12 weeks each leave year to the same extent that coverage is provided while the employee is on the job.

Employees may make the appropriate contributions for continued coverage under the health benefits plans by payroll deductions (if the employee is using their paid leave) or direct payments (if the employee is not using their paid leave).

902.7.1 *Employee Must Use Paid Leave When Using FMLA/CFRA Leave*

Employees must use and exhaust their accrued leaves concurrently with family and medical care leave to the same extent that employees have the right to use their accrued leaves with two exceptions:

- (a) Employees are not required to use paid leave during leave pursuant to a disability plan that pays a portion of the employee's salary while on leave unless the employee agrees to use paid leave to cover the unpaid portion of the disability leave benefit; and
- (b) An employee must agree to use accrued sick leave to care for a child, parent, spouse, domestic partner, grandparent, grandchild, or sibling.

902.7.2 *Authority's Right to Require an Employee to Exhaust FMLA/CFRA Leave Concurrently with Other Leaves*

If an employee takes a leave of absence for any purpose which also qualifies under the FMLA and/or CFRA, OCPA will designate that leave as running concurrently with the employee's 12-week FMLA and/or CFRA leave entitlement.

902.7 *Medical Certification/Recertification*

Employees who request leave must provide a medical certification and/or recertification to support the need for the leave as described below:

- (a) **Employee's Own Serious Health Condition:** Employees who request leave for their own serious health condition must provide written certification from the health care provider that contains all of the following: the date, if known, on which the serious health condition commenced; the probable duration of the condition; and a statement that, due to the serious health condition, the employee is unable to work at all or is unable to perform any one or more of the essential functions of their position. Upon expiration of the time period, which the health care provider originally estimated the employee needed for their own serious health condition, the employee must obtain recertification if additional leave is requested.
- (b) **Family Member Serious Health Condition:** Employees who request leave to care for a child, parent, domestic partner, spouse, grandparent, grandchild, or sibling who has a serious health condition must provide written certification from the health care provider of the family member requiring care that contains all of the following: the date, if known, on which the serious health condition commenced; the probable duration of the condition; an estimate of the amount of time which the health care provider believes the employee needs to care for the child, parent, domestic partner, spouse, grandparent, grandchild, or sibling and a statement that the serious health condition warrants the participation of the employee to provide care during a period of treatment or supervision of the child, parent, domestic partner, spouse, grandparent, grandchild, or sibling. The term "warrants the



participation of the employee” includes, but is not limited to, providing psychological comfort, arranging third party care for the covered family member, and directly providing or participating in the medical care. Upon expiration of the time period which the health care provider originally estimated the employee needed for their family member’s serious health condition, the employee must obtain recertification if additional leave is requested.

- (c) When an employee has provided at least 30 days’ notice for a foreseeable leave, the employee must provide a medical certification before the leave begins. When this is not possible, the employee must provide the medical certification to OCPA within the time frame requested by OCPA (which must allow at least 15 calendar days after the employer’s request), unless it is not practicable under the particular circumstances to do so despite the employee’s diligent, good faith efforts.
- (d) Certifications must be complete and provide sufficient information to support the request for leave. A certification is incomplete if one or more of the applicable entries on the certification form have not been completed. A certification is insufficient if the information on the certification form is vague, ambiguous, or not responsive. If the certification is incomplete or insufficient, the Chief Executive Officer, or their designee, will give the employee written notice of the deficiencies and seven days to cure, unless a longer period is necessary in light of the employee’s diligent, good faith efforts to address the deficiencies.
- (e) If an employee provides an incomplete medical certification, the employee will be given a reasonable opportunity to cure any such deficiency. However, if an employee fails to provide a medical certification within the time frame established in this Policy, OCPA may delay the taking of FMLA/CFRA leave until required certification is provided, or deny FMLA/CFRA protections following the expiration of the time period to provide an adequate certification.

902.8 Employee Notice of Leave

Although OCPA recognizes that emergencies arise which may require employees to request immediate leave, employees are required to give as much verbal or written notice as possible of their need for leave. If leave is foreseeable, at least 30 days’ notice is required. In addition, if an employee knows that they will need leave in the future, but does not know the exact day(s) (e.g. for the birth of a child or to take care of a newborn), the employee shall inform their supervisor as soon as possible that such leave will be needed. For foreseeable leave due to a qualifying exigency, an employee must provide verbal or written notice of the need for leave as soon as practicable, regardless of how far in advance such leave is foreseeable.

902.9 Reinstatement Upon Return from Leave

- (a) **Reinstatement to Same or Equivalent Position:** Upon expiration of leave, an employee is entitled to be reinstated to the position of employment held when the leave commenced, or to an equivalent position with equivalent benefits and pay. Employees have no greater rights to reinstatement, benefits, and other conditions of employment than if the employee had been continuously employed during the FMLA/CFRA period.
- (b) **Date of Reinstatement:** If a definite date of reinstatement has been agreed upon at the beginning of the leave, the employee will be reinstated on the date agreed upon. If the



reinstatement date differs from the original agreement of the employee and OCPA, the employee will be reinstated within two business days, where feasible, after the employee notifies the employer of their readiness to return.

(c) Employees may be required to periodically report on their status and intent to return to work: This will avoid any delays to reinstatement when the employee is ready to return.

(d) Fitness for Duty Certification: As a condition of reinstatement of an employee whose leave was due to the employee's own serious health condition which made the employee unable to perform their job, the employee must obtain and present a fitness-for-duty certification from the health care provider stating that the employee is able to resume work. Failure to provide such certification will result in denial of reinstatement.

902.10 Required Forms

Employees must complete the applicable forms to receive family and medical care leave. The forms may be found in the administrative offices of OCPA.

903 Leave Because of Pregnancy, Childbirth, or Related Medical Condition

903.1 Amount of Leave

An employee who is disabled because of pregnancy, childbirth, or a related medical condition is entitled to an unpaid leave for up to the number of hours she would normally work within four calendar months (one-third of a year or 17 1/3 weeks). For a full-time employee who works 40 hours per week, "four months" means 693 hours of leave entitlement, based on 40 hours per week multiplied by 17 1/3 weeks. An employee who works less than 40 hours per week will receive a pro rata amount of leave equivalent to their average hours worked per week multiplied by 17 1/3.

There is no qualification period for pregnancy disability leave.

903.2 Notice and Certification Requirements

Requests for pregnancy disability leave must be submitted in writing with reasonable advance notice of the medical need for the leave. All leaves must be confirmed in writing and be supported by a written certification from the attending physician stating that:

- (a) The employee is disabled from working by pregnancy, childbirth or a related medical condition;
- (b) The date on which the employee became disabled by pregnancy, childbirth or a related medical condition;
- (c) The estimated duration or end date of the leave.

903.3 Compensation During Leave

Pregnancy disability leave is unpaid unless the employee elects to use accrued PTO or CTO.



903.4 Benefits During Leave

Group Health Insurance: An employee on pregnancy disability leave may continue to receive any group health insurance coverage that was provided before her leave, beginning on the date the pregnancy disability leave begins and continuing for up to four months in a 12-month period, at the same level and under the same conditions that coverage would have been provided if the employee had continued in employment continuously for the duration of the leave. OCPA may recover premiums it paid to maintain health coverage if an employee does not return to work following pregnancy disability leave.

PTO Leave: PTO leave does not accrue while an employee is on unpaid pregnancy disability leave.

903.5 Reinstatement

Upon the conclusion of pregnancy leave, the employee will be reinstated to her original or a comparable position, so long as it was not eliminated for a legitimate business reason during the leave. If the employee's original position is no longer available, the employee will be assigned to a comparable, open position.

If upon return from leave an employee is unable to perform the essential functions of her job because of a physical or mental disability, OCPA will initiate an interactive process with the employee in order to identify a potential reasonable accommodation in accordance with these Policies. (See Reasonable Accommodation and Interactive Process.)

904 Other Leaves

904.1 Executive Leave

Effective the pay period which includes January 1 of each year, C-level executive employees shall receive an Executive Leave benefit of eighty (80) hours per year. Such leave shall be available for employees to use from the beginning of the first pay period beginning in the calendar year through the end of the last pay period beginning in the calendar year. Such hours shall not accrue from year to year. This leave has no cash value and cannot be cashed out. If, at the end of the calendar year, the employee has any of this leave on the books, with the pay period including January 1, they will be provided with whatever amount of leave is necessary to bring their bank up to 80 hours. Newly hired or newly promoted C-level executives who are exempt from FLSA overtime will receive a prorated amount of executive leave for the year in which they are hired.

904.2 Jury Duty Leave/Subpoenaed Leave or Court Ordered Witness Leave

Any employee who is summoned to serve on a jury, or subpoenaed or ordered to be a witness, must notify their supervisor or department head as soon as possible. Any employee who is released from jury service prior to the end of their scheduled work hours must report to work unless otherwise authorized by their supervisor. Paid jury duty is limited to a maximum of 80 hours in a calendar year. If an employee, despite reporting the limit to the Court, is required to serve beyond 80 hours they can request the Chief Executive Officer or their designee to approve an exception to the limit on paid Jury Duty Leave.

904.2.1 Non-exempt Employees



All non-exempt employees will be paid for actual work hours missed because of time spent in jury service or court (up to 80 hours unless otherwise approved). The time spent on jury duty is not work time for purposes of calculating overtime compensation. OCPA will offset from pay the amount the employee receives from the Court for jury fees.

904.2.2 *Exempt Employees*

All FLSA-exempt employees will continue to receive their normal salary (up to 80 hours unless otherwise approved) while on jury duty or as serving as a witness only for any workweek in which they perform any work duties. OCPA will offset the amount from pay the employee receives from the Court for jury fees.

904.3 *Other Court or Administrative Proceeding Appearances*

904.3.1 *Regarding OCPA Duties*

Any employee who is subpoenaed to appear in court in a matter regarding an event or transaction that occurred in the course of their job duties must give their supervisor as much advance notice as possible. OCPA will determine whether the matter involves an event or transaction that occurred in the course of the employee's job duties. If so, time spent to appear in court will be without loss of compensation, and the time spent will be considered work time. OCPA will offset the amount from pay the employee receives for witness fees.

904.3.2 *Regarding Employee-Initiated Proceedings*

Any employee who is required to appear in court because of civil or administrative proceedings that they initiated is not entitled to receive compensation for time spent related to those proceedings. An employee may request to receive time off without pay, or may use accrued PTO for time spent related to those proceedings. The time spent in these proceedings is not considered work time.

904.3.3 *Regarding Crime Victim/Victim Family Member Court Attendance Leave*

Any employee who is a victim of a crime that is a serious or violent felony, or a felony involving theft or embezzlement, may take leave from work to attend judicial proceedings related to that crime, if the employee provides OCPA a copy of the notice of the scheduled proceeding in advance. If advance notice is not feasible, then the employee must provide OCPA, within a reasonable time after the leave is taken, documentation from the District Attorney, victim's rights office, or court / governing agency that shows that the judicial proceeding occurred when the leave was used. An employee who is an immediate family member of such a crime victim, including: a registered domestic partner, the child of the registered domestic partner, spouse, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather of the crime victim is also entitled to leave from work to attend judicial proceedings relating to that crime. The leave is unpaid unless the employee elects to use PTO, or CTO.

904.3.4 *Regarding Crime Victim/Family Member Victim's Rights Proceedings Leaves*

Any employee who is a victim of a crime listed in Labor Code section 230.5(a)(2)(A) (domestic violence, sexual assault or stalking) may take leave from work to appear in court to be heard at any proceeding in which the right of the victim is at issue, if the employee provides the employer reasonable advance notice. If advance notice is not feasible, then the employee must provide OCPA, within a reasonable time after the leave is taken, certification from a police report, a district attorney or court, or from a health care provider or victim advocate, that the employee was a victim of any of the crimes listed in Labor Code section 230.5(a)(2)(A). An employee who is a spouse, parent, child, sibling, or guardian of such a crime victim is also a victim who is



entitled to this leave if the above notice or certification requirements are met. The leave is unpaid unless the employee elects to use PTO or CTO.

904.4 Leave for Victim of Domestic Violence, Sexual Assault, or Stalking to Obtain Restraining Orders or Injunctive Relief

Any employee who is a victim of domestic violence, sexual assault or stalking may take leave from work to obtain or attempt to obtain any relief, including, but not limited to a temporary restraining order, restraining order, or other injunctive relief to help ensure the health, safety, or welfare of the employee or their child, if the employee provides advance notice of the need for leave. If advance notice is not feasible, the employee must provide any of the following certifications within a reasonable time after the leave: a police report indicating that the employee was a victim; a court order protecting the employee from the perpetrator; evidence from the district attorney or court that the employee has appeared in court; or documentation from a health care provider or counselor that the employee was undergoing treatment for physical or mental injuries or abuse. The leave is unpaid unless the employee elects to use accrued PTO or CTO.

904.4.1 Leave for Victim of Domestic Violence, Sexual Assault, or Stalking to Obtain Medical Attention or Counseling or Safety Planning

Any employee who is a victim of domestic violence, sexual assault, or stalking, may take leave from work to attend to any of the following: obtaining medical attention or psychological counseling; obtaining services from a shelter, program or crisis center; or participating in safety planning or other actions to increase safety, if the employee provides advance notice of the employee's intention to take time off for these purposes. If advance notice is not feasible, the employee must provide any of the following to OCPA within a reasonable time after the leave: a police report indicating that the employee was a victim; a court order protecting the employee from the perpetrator; evidence from the district attorney or court that the employee has appeared in court; or documentation from a health care provider or counselor that the employee was undergoing treatment for physical or mental injuries or abuse. The leave is unpaid unless the employee elects to use accrued PTO or CTO.

904.5 Bereavement Leave

Employees shall receive up to forty (40) paid hours in any one instance for absence necessitated by the death of immediate family members. Such leave shall not be accrued from year to year. The immediate family shall be defined to mean father, father in-law, mother, mother in-law, stepparent, brother, stepbrother, sister, stepsister, wife, husband, registered domestic partner (as defined by California Family Code section 297), child, stepchild, grandparent, grandparents' in-law, grandchild, legal guardian, or other individuals whose relationship to the employee is that of a dependent, or a person who stood *in loco parentis* (in place of a parent) to the employee.

904.6 Military Leave

Military leave will be granted in accordance with state and federal law. An employee requesting leave for this purpose shall promptly provide the department head with a copy of the military orders specifying the dates, site and purpose of the activity or mission. Within the limits of such orders, the department head may determine when the leave is to be taken and may modify the employee's work schedule to accommodate the request for leave.



904.7 School or Licensed Daycare Activity Leave

Any employee who is a parent, guardian, stepparent, foster parent, grandparent, or person who stands in loco parentis to one or more children who are in kindergarten or grades 1 through 12, or who are in a licensed child care facility, shall be allowed up to 40 hours each school year, not to exceed eight hours in any calendar month of the school year, to: participate in activities of their child's school or licensed child care facility; find, enroll, or reenroll a child in a school or with a licensed child care provider; or to pick up a child due to a child care provider or school emergency. The employee must provide reasonable advance notice to their supervisor of the planned absence. The leave is unpaid unless the employee elects to use accrued PTO or CTO. The employee must provide documentation from the school or licensed child care facility as verification that the employee participated in school or child care facility activities on a specific date and at a particular time.

904.8 Paid Administrative Leave

OCPA has the right to place an employee on leave with full pay for non-disciplinary reasons at any time when the Chief Executive Officer, or their designee, has determined that the employee's and/or OCPA's best interests warrant the leave.

904.9 Leave of Absence Without Pay Must Be Authorized by Law or These Policies

Unless authorized by law or an OCPA policy, an employee is not entitled to a leave of absence without pay. An authorized leave of absence without pay is not a break in service for purposes of calculating seniority. Unless required by law, PTO, increases in salary, all other paid leaves, holidays and fringe benefits and other similar benefits do not accrue to an employee on unpaid leave. Unless required by law, OCPA will not maintain contributions toward group insurance or retirement coverage for the employee on such leave. During the period of authorized unpaid leave, all service and leave credits shall be retained at the levels existing as of the effective date of the leave.

904.10 Industrial Injury Leave

Employees who are absent from work by reason of an injury or illness covered by workers' compensation shall continue in pay status under the provisions of this Section.

904.10.1 Coordination of Benefits

When the employee authorizes, the difference between the amount granted pursuant to such workers' compensation and the employee's regular pay will be deducted from the employee's accumulated PTO, if any. The employee will continue in pay status and receive their pay until their accumulated PTO and CTO have been depleted.

904.10.2 Accrual of PTO Leave Continues While on Paid Leave

During the time the employee is in fully paid status while absent from work by reason of injury or illness covered by workers' compensation, he or she shall continue to accrue PTO as though he or she were not on leave of absence.

904.10.3 Unpaid Leave and Continuation of Health Care Benefits

Any employee subject to this Policy who depletes their accumulated PTO or CTO while absent from work by reason of an injury or illness covered by workers' compensation may receive an unpaid leave of absence and continuation of health care benefits consistent with state and/or federal law.



904.11 Time Off to Vote

Any employee who does not have sufficient time outside of working hours to vote may request up to two hours of paid leave either at the beginning or end of scheduled working hours to enable them to vote. The employee must request time off to vote from their supervisor at least two days prior to election day.

904.12 Alcohol and Drug Rehabilitation Leave

OCPA provides an unpaid leave to assist employees who recognize that they have a problem with alcohol or drugs that may interfere with their ability to safely and competently perform their job. If an employee recognizes a problem with alcohol and/or drugs and decides to enroll voluntarily in a rehabilitation program the employee will be given unpaid time off. Employees are eligible to request this leave after 90 days of continuous employment. The leave is unpaid unless the employee elects to use PTO or CTO.

For the duration of the absence, health and life insurance benefits ordinarily provided by OCPA, and for which an employee would be otherwise eligible, will be continued for a maximum period of 12 weeks from the start of the leave. During this time, the employee will be required to contribute their portion of the premium on the same basis as would have been required during active work status, including payment of any premium for elected dependent coverages.

Beyond this coverage period, if an employee must remain on leave and wishes to continue these benefits, they may do so by electing to continue the benefit through COBRA provisions, and by paying the applicable premiums.

904.13 Bone Marrow and Organ Donation Leave

Employees who have been employed for at least 90 days and who are donating an organ may take a paid leave of absence not exceeding 30 business days (which may be taken in one or more periods) in any 12-month period. Employees who are donating their bone marrow to another person may take a paid leave of absence not exceeding 5 business days (which may be taken in one or more periods) in any 12-month period. An additional unpaid leave of up to 30 business days in a 12-month period may be granted to an employee donating an organ.

Requests for leave must be made in writing as far in advance as possible. Employees must provide a written medical certification from their health care provider to the Chief Executive Officer that shows that they are a bone marrow or organ donor and that there is a medical necessity for the donation.

Bone Marrow and Organ Donation leave is a paid leave; however, employees are required to use up to 5 days of accrued PTO for bone marrow donation, and up to 2 weeks of accrued PTO for organ donation.

For the duration of the absence, health and life insurance benefits ordinarily provided by OCPA, and for which an employee would be otherwise eligible, will be continued for a maximum period of 12 weeks from the start of the leave. During this time, the employee will be required to contribute their portion of the premium on the same basis as would have been required during active work status, including payment of any premium for elected dependent coverages.

When ready to return to work after a Bone Marrow or Organ Donation leave, an employee's medical care provider must provide certification to OCPA that the employee is able to safely perform all of the essential functions of their position with or without reasonable



accommodation. Except as otherwise allowed by law, employees are entitled, upon return from leave, to be reinstated in the position held before the Bone Marrow or Organ Donation leave, or to be placed in a comparable position with comparable benefits, pay, and terms and conditions of employment.



1000 SEPARATION OF EMPLOYMENT

1001 Resignation, Job Abandonment, Layoff, and Separation

1001.1 Types of Separation

OCPA strives to ensure a smooth transition for all employees whose employment terminates. All separations of employees from positions in OCPA employment are designated as one of the following types:

1. Release of temporary employees;
2. Resignation;
3. Retirement;
4. Job abandonment;
5. Layoff and work reductions;
6. Involuntary separation.

1001.2 Release of Temporary Employees

A temporary employee may be separated at any time, without cause.

1001.3 Resignation

An employee who wishes to voluntarily resign their OCPA employment in good standing is asked to provide the professional courtesy of two weeks' written notice of resignation. The notice given will be noted on the employment record and will be considered in any discussion regarding rehire or reference information. A resignation becomes final when OCPA accepts the resignation in writing. Once a resignation has been accepted, it is final and irrevocable, unless an exception is made by the CEO or their designee.

Once notice has been given, accrued and unused PTO normally may not be taken, unless an exception is granted by the CEO or their designee. A resignation can be accepted even if it is submitted less than two weeks prior to the planned resignation date.

1001.4 Retirement

An employee planning to retire may provide a written notice to the department head prior to the effective date of the retirement. A notice of retirement becomes final when the department head accepts the notice of retirement in writing. Once a notice of retirement has been accepted, it is final and irrevocable.

1001.5 Job Abandonment

An employee is deemed to have resigned from their position if he or she is absent for three consecutive scheduled work days/shifts without prior authorization and without notification during the period of the absence. The employee will be given written notice, at their address of record, of the circumstances of the job abandonment, and an opportunity to provide an explanation for the employee's unauthorized absence.

An employee who promptly responds to OCPA's written notice, within the timeframe set forth in the written notice, can arrange for an appointment with their supervisor before final action is taken to explain the unauthorized absence and failure of notification. An employee separated for job abandonment will be reinstated upon proof of justification for such absence, such as severe accident, severe illness, or mental or physical impairment which prevented notification. No employee separated for job abandonment has the right to a post-separation appeal.



1001.6 Layoff and Work Reductions

Whenever in the judgment of the Board of Directors a reduction in personnel is necessary for economic or operational reasons, any employee may be laid off or demoted for non-disciplinary reasons.

Depending on the scope of the reduction (i.e., OCPA-wide, job classification, position), employees will be selected for layoff based on a combination of factors, including, but not necessarily limited to: past performance and productivity, qualifications, attendance, ability and willingness to work the required days and hours, and the ability to work cooperatively with others in the affected work unit.

The weight given to the above factors may vary depending upon the particular needs of the affected work unit and OCPA as a whole at the time of the layoff. Seniority shall be considered only when, in the sole discretion and opinion of the OCPA, all other factors are equal between two or more employees in the affected work unit. Seniority will be computed based on an employee's total continuous service with OCPA. For this purpose, continuous service before and after any break in service of less than 30 days or an approved leave of absence, will be counted.

1001.7 Involuntary Separation

Involuntary separation from service means that the termination action is being initiated by the Orange County Power Authority, rather than by the employee. In general, employees who are discharged by OCPA are not eligible for rehire. However, employees who are terminated due to layoff or restructuring may be eligible for rehire or recall at OCPA's discretion.

An employee may be separated for disciplinary reasons pursuant to the policy and procedures for dismissal in Section 1101 Causes for Discipline.

Any employee separated because of an inability to accommodate after the reasonable accommodation and interactive process is concluded will be given a written pre-separation notice of the reasons for the separation, the evidence supporting the decision to separate for non-disciplinary reasons, and an opportunity to respond before the separation takes effect.

1001.8 Payment of Final Wages

Final wages for time worked, plus any pay for eligible unused but accrued PTO (see Section 901.4), will be paid in the employee's final paycheck, due to the employee on their last day of work if involuntarily separated or within 72 hours of their last day of work if resigned.

1001.9 Return of OCPA Property

All OCPA property in the employee's possession must be returned prior to termination of employment, including keys, key fobs, identification cards, computer equipment, credit cards, cell phones, and any other OCPA equipment.

1001.10 Exit Interviews

Should an employee resign voluntarily, the Chief Executive Officer, or their designee, may conduct an exit interview whenever feasible. This interview allows the departing employee to communicate views on their work with OCPA and the job requirements, operations and training needs.



1001.11 Job References/Verification of Employment

All reference inquiries and verifications of employment must be referred to and approved by the Chief Executive Officer or their designee. Unless the Chief Executive Officer receives a written waiver signed by the employee, OCPA will release only the employee's dates of employment and last position held., and status of rehire eligibility. In addition, and in accordance with California State Law AB2770, OCPA Authority will disclose if an employee or past employee is not eligible for rehire due to a determination that the employee had engaged in sexual harassment.

Employee authorization is required before releasing salary information to financial institutions. It is our policy that only the Chief Executive Officer, or their designee, is authorized to respond to requests for employee references and verification of employment from financial institutions, etc.

No other supervisor or employee is authorized to provide references for current or former employees. If such a request is received, the information request should be forwarded to a supervisor or the Chief Executive Officer's designee.



1100 DISCIPLINE

OCPA expects each employee to demonstrate integrity and contribute to the quality and reliability of OCPA's services within the scope of their job responsibilities. Not only will this promote efficiency and productivity, but it will also create a pleasant and cooperative work environment. The statement of unacceptable conduct contained in Section 801 does not alter OCPA's policy that all positions are at-will. Employees and the Orange County Power Authority each remain free to terminate the employment relationship at any time, with or without reason or advance notice.

1101 Causes for Discipline

Employees are expected to conduct themselves with reasonable and proper regard for the welfare and rights of all employees, for the best interests of the organization, and to perform their duties competently. Any employee who fails to adhere to OCPA's Professional Business Conduct and Ethics as outlined in Section 801, or whose performance is unsatisfactory, may be subject to discipline, up to and including termination.

1101.1 Progressive Discipline

At all times, OCPA expects employees to perform to the best of their abilities and to conduct themselves appropriately. If an employee performs at an unsatisfactory level, violates a policy, or commits inappropriate acts, he or she will be subject to discipline.

Because all employees at the Orange County Power Authority are at-will employees, the employee or OCPA may terminate the employment relationship at any time, with or without cause, and with or without notice. However, OCPA, at its discretion, may also administer a progressive discipline system. Progressive discipline is not mandatory, and OCPA reserves the right to deviate from any order or form of progressive discipline. Progressive discipline is also inapplicable to staff reductions and layoffs.

1102 Problem Resolution and Complaint Procedure

At some time, employees may have a concern or question about the job, working conditions, or the treatment they may have received. Good-faith complaints and questions are of concern to OCPA and will be addressed to the extent practicable.

Employees are asked to take concerns first to their immediate supervisor, and then to the Chief Executive Officer or their designee, if the supervisor is unable to resolve the conflict.

This procedure, which OCPA believes is mutually beneficial, cannot result in every problem being resolved to the satisfaction of the complainant. However, employee input is valued and all employees should feel free to raise issues of concern, in good faith, without the fear of retaliation.



1200 MISCELLANEOUS POLICIES

1201 Personnel Files

1201.1 Confidential Personnel Files

OCPA maintains a personnel file for each employee. Files are kept for at least three years after separation of employment. A personnel file will contain only material that OCPA deems necessary and relevant or that is required by law. Personnel files are the property of OCPA, and access to the information they contain is restricted to protect employee privacy interests.

1201.2 Notification of Changes

Each employee is responsible to promptly notify OCPA of any changes in their contact and benefits information, including: mailing address; telephone number; persons to contact in an emergency; and number and names of dependents.

1201.3 Access to Applicant or Employee Medical Information

All medical information about an employee or applicant is kept in separate medical files and is treated as confidential. Access to employee or applicant medical information shall be strictly limited to only those with a legitimate need to have such information for Authority business reasons, or if access is required by law, subpoena or court order. In the case of an employee with a disability, managers and supervisors may be informed regarding necessary restrictions on the work or duties of the employee and necessary accommodations.

1201.4 Employee Access to Personnel File

Inspection of File: A current employee may inspect their own personnel file at reasonable times and at reasonable intervals, within 30 days of a written request. A former employee is entitled to inspect their personnel records one time per year. A current or former employee and/or their representative who wishes to review their personnel file should make a written request to the Chief Executive Officer. The inspection must occur in the presence of the Chief Executive Officer or their designee and: (1) at a location where the employee works and at a time other than the employee's work time; or (2) at another agreed upon location without loss of compensation to the employee.

Copies: A current or former employee is entitled to receive a copy of their personnel records within 30 days after the employer receives a written request. A current or former employee who wishes to receive such a copy should contact the Chief Executive Officer in writing. OCPA may charge a fee for the actual cost of copying.

Representative's Inspection: If the current or former employee wishes to have another person/representative inspect their personnel file, he or she must provide the person/representative with written authorization. The Chief Executive Officer will notify the employee and/or representative of the date, time, and place of the inspection in writing.

No Removal of File Documents: No person inspecting a personnel file is permitted to add or remove any document or other item to/from the personnel file.



1201.5 Limitations on Access or Copying of Personnel File

Prior to making a copy of personnel records or allowing inspection, OCPA may redact the names of nonsupervisory employees. Under no circumstances will OCPA provide access or copying of the following categories of personnel file documents: records relating to the investigation of a possible criminal offense; letters of reference; ratings, reports, or records that were obtained prior to employment, prepared by identifiable examination committee members, or obtained in connection with a promotional examination.

1202 Limitations on Outside Employment

1202.1 Outside Employment Restrictions

Employees are permitted to engage in outside employment subject to the following restrictions:

- a) Any outside employment is secondary to the OCPA employment and shall not interfere with proper performance of OCPA employment. Employees are to report to work on time and ready to work. Outside employment will not be considered an excuse for poor job performance, absenteeism, tardiness, leaving early, refusal to travel, or refusal to work overtime or different hours. If outside employment causes or contributes to job related problems at OCPA, then the employee will be asked to discontinue outside employment and may be subject to disciplinary action, up to and including termination.
- b) Employees shall not be permitted to use OCPA paid time off to perform work for another employer.
- c) Employees shall not accept pay or other compensation from anyone for work done during time for which he or she is reimbursed by the OCPA.
- d) Employees are prohibited from working for any contractor or company that has a contract with the OCPA, during the period of contracted services for the OCPA.
- e) Employees shall not solicit or conduct outside employment during work time or that requires the use of OCPA equipment, facilities, confidential information or materials.

1203 Limitations on Political Activity

1203.1 No Targeted Solicitation of OCPA Officers or Employees

Members of the Board and employees of OCPA may not directly or indirectly solicit political contributions from other employees or Board members unless the solicitation is part of a solicitation made to a significant segment of the public which may incidentally include members of the Board and employees of OCPA.

1203.2 No Political Activity on OCPA Property or During Work Hours

OCPA employees and officials are prohibited from engaging in political activity during working hours or on OCPA property.

1204 Prohibitions on Drugs and Alcohol in the Workplace

1204.1 Purpose and Scope

The purpose of this Policy is to promote a drug and alcohol-free workplace and to eliminate drug and alcohol-related inefficiencies and risks. This Policy applies to all OCPA employees, whether they are on OCPA property, or they are performing OCPA-related business elsewhere, except as this Policy is superseded by federally mandated drug and alcohol policies. Compliance with



this Policy is a condition of employment. Disciplinary action will be taken against those who violate this Policy.

1204.2 Drug- and Alcohol-Free Awareness Program

OCPA's employee assistance provider offers counseling and treatment of drug- or alcohol-related problems. The employee assistance provider has information about: (a) the dangers of drug or alcohol abuse in the workplace; (b) the penalties that may be imposed for drug or alcohol abuse violations; (c) OCPA's Policy of maintaining a drug- and alcohol-free workplace; and (d) any available drug or alcohol counseling, rehabilitation or employee assistance programs.

1204.3 Prohibited Conduct

The following are prohibited conduct:

- (a) The manufacture, distribution, sale, dispensation, possession, or use of any controlled substance, narcotic (including marijuana), or prescription drug that has not been lawfully prescribed to the employee in either OCPA workplaces or wherever OCPA business is performed.
- (b) Working or being subject to call in if impaired by alcohol or any controlled substance, narcotic (including marijuana), or prescription drug that has not been lawfully prescribed to the employee.
- (c) An employee's failure to notify their department head before beginning work when taking medications or drugs, including but not limited to: prescription drugs, over the counter medications, marijuana, or illegal drugs or narcotics which could interfere with the safe and effective performance of duties.
- (d) An employee's failure to notify the Chief Executive Officer or their designee of any criminal conviction for a drug violation that occurred in the workplace within five days after such conviction.
- (e) An employee's criminal conviction for a drug violation that occurred in the workplace.

1205 Use of OCPA Equipment or Resources

1205.1 Policy and Applicability

OCPA equipment and resources may only be used to conduct OCPA business, except for incidental personal use that is consistent with this Policy. As a result, OCPA equipment and resources are non-public forums. Every employee is required to adhere to this Policy.

1205.2 Authority Equipment or Resources

OCPA equipment or resources means any OCPA-owned or supplied item or resource, including, but not limited to: intellectual property (e.g., photographs, plans, drawings, formulas, customer lists, designs, formulas), vehicles, telephones, cell phones, pagers, tools, machines, supplies, copy machines, facsimile machines, desks, office equipment, computers (including hardware and software), file cabinets, lockers, Wi-Fi, internet, intranet, OCPA's network, data systems, routers, voice mail, servers, and email or voice mail communications stored in or transmitted through OCPA electronic resources or equipment.



1205.3 No Expectation of Privacy

OCPA periodically and without prior notice, monitors, reviews, accesses, or retrieves data from its equipment or resources, including electronic communications and content contained in or transmitted through its networks or electronic resources. Employees must provide OCPA with their usernames or passwords for any OCPA-issued equipment or resource. The existence of passwords or the attempted deletion of electronic files by an employee does not restrict OCPA's access. As a result, employees should have no expectation of privacy in their use of any OCPA equipment or resources.

1205.4 Appropriate Use Only – No Misuse

Employees may only use OCPA equipment or resources in compliance with this Policy. Employees are expected to avoid any use or communication which is unrelated to OCPA business, or that is destructive, wasteful, or illegal. OCPA has discretion to restrict or rescind employee access to OCPA equipment or resources. The following are examples of misuse of equipment or resources:

- (a) Any use that violates applicable law and/or OCPA policies, rules or procedures;
- (b) Exposing others to material which is offensive, harassing, obscene or in poor taste. This includes information which could create an intimidating, offensive or hostile work environment;
- (c) Any use that may create or further a hostile attitude or give offense on the basis of race, color, religion, sex, gender, gender expression, gender identity, national origin, ancestry, citizenship, age, marital status, physical or mental disability, medical condition, genetic information, sexual orientation, veteran status or any other basis protected by law;
- (d) Communication of confidential information to unauthorized individuals within or outside of OCPA;
- (e) Unauthorized attempts to access or use OCPA data or break into any OCPA or non-OCPA system using OCPA-owned equipment;
- (f) Theft or unauthorized transmission or copying of paper or electronic files or data;
- (g) Initiating or sustaining chain/spam letters, e-mail or other unauthorized mass communication;
- (h) Misrepresentation of one's identity for improper or illegal purposes;
- (i) Personal commercial or business activities (e.g., "for sale" notices, personal ads, etc.);
- (j) Transmitting/accessing obscene material and/or pornography;
- (k) E-Commerce;
- (l) Online gambling;
- (m) Installing or downloading unauthorized software or equipment;



- (n) Violating terms of software licensing agreements; and
- (o) Using OCPA equipment or resources to access and/or use dating web resources, personal social media, or games of any type.
- (p) Any unauthorized access to OCPA equipment or resources, including using keys or key cards, using or disclosing the username or password of another person or employee to gain access to their email or other electronic resources, or making OCPA equipment or resources available to others who would otherwise have no authorized access.
- (q) Using OCPA equipment or resources to speak on OCPA's behalf without authorization.

1205.5 Authority Email Address Must be Used for Authority Business

OCPA's email system is an official communication tool for Authority business. OCPA establishes and assigns official email addresses to each employee as OCPA deems necessary. Employees must send all OCPA communications that are sent via email to and from their official Authority email address. Employees are prohibited from using their private email address (e.g., Gmail, Yahoo, MSN/Hotmail, etc.) when communicating OCPA business via email. Should an email related to OCPA business be sent to an employee's personal email account, the email should be immediately forwarded to the employee's OCPA email account and responded to accordingly.

1205.6 Incidental Use of OCPA Communications Equipment Permitted

Employees may use OCPA telephones, cell phones, internet access, and e-mail for incidental personal communications provided that the use:

- (a) Is kept to a minimum and limited to break times or non-working hours;
- (b) Does not interfere or conflict with OCPA operations or the work performance of any Authority employees;
- (c) Allows the employee to more efficiently perform OCPA work;
- (d) Is not abusive, illegal, inappropriate, or prohibited by this Policy (for example, no social media use, no electronic dating, no gaming); and
- (e) Clearly indicates it is for personal use and does not indicate or imply OCPA sponsorship or endorsement.

1206 Policy Against Violence in the Workplace – Zero Tolerance Policy

OCPA recognizes that workplace violence is a concern among employers and employees across the country. OCPA is committed to providing a safe, violence-free workplace. In this regard, OCPA strictly prohibits employees, consultants, customers, visitors, or anyone else on OCPA premises or engaging in OCPA-related activity from behaving in a violent or threatening manner. Moreover, OCPA seeks to prevent workplace violence before it begins and reserves the right to address certain behaviors, even in the absence of violent behavior.



OCPA believes that prevention of workplace violence begins with recognition and awareness of potential early warning signs and has established procedures for responding to any situation that presents the possibility of violence.

Workplace violence is any act or threat of physical violence, harassment, intimidation, or other threatening disruptive behavior that occurs at the worksite, ranging from threats and verbal abuse to physical assaults and even homicide, that can affect and involve employees, clients, customers and visitors. If any employee observes or becomes aware of any of any workplace violence related actions or behavior by an employee, customer, consultant, visitor, or anyone else, he or she should notify the Chief Executive Officer or their designee immediately. Further, employees should notify the Chief Executive Officer or their designee if any restraining order is in effect, or if a potentially violent non-work-related situation exists that could result in violence in the workplace.

All reports of workplace violence will be taken seriously and will be investigated promptly and thoroughly. In appropriate circumstances, OCPA will inform the reporting individual of the results of the investigation. To the extent possible, OCPA will maintain the confidentiality of the reporting employee and of the investigation. OCPA may, however, need to disclose results in appropriate circumstances, for example, in order to protect individual safety. OCPA will not tolerate retaliation against any employee who reports workplace violence.

If OCPA determines that workplace violence in violation of this policy has occurred, then OCPA will take appropriate corrective action and will impose discipline on offending employees. The appropriate discipline will depend on the particular facts but may include written or oral warnings, probation, reassignment of responsibilities, suspension, or termination. If the violent behavior is that of a non-employee, OCPA will take appropriate corrective action in an attempt to ensure that such behavior is not repeated.

1207 Appearance Standards

1207.1 Basis for Standards

Appearance standards are highly personal and implicate a variety of laws and constitutional standards. OCPA recognizes a relationship between the type of work performed, workplace safety, level of public contact and personal expression, and seeks to strike a reasonable balance.

These appearance standards are designed to promote OCPA's legitimate and non-discriminatory goals to promote workplace safety and a professional image that is consistent with the employee's job duties and level of public contact.

1207.2 Dress Code

Employees are required to dress appropriately for the jobs they are performing, and clothing should be neat and clean in appearance. Clothing should be free of slogans, pictures, or words that may be offensive or inappropriate.

Visible tattoos may not contain offensive or inappropriate images, words, or other matter and must be free from images or words that are obscene, sexually explicit or offensive, discriminatory as to sex, race, religion, national origin, extremist, and/or gang-related.



Receipt and Acknowledgement of Policies

The Orange County Power Authority requires that each employee sign a statement of receipt acknowledging that he or she has received a copy, or has been provided access to these Policies.

Your signature below acknowledges you have received a copy, or have been given access to the Orange County Power Authority's Policies. It also acknowledges your understanding that you are responsible for reading and becoming familiar with the contents of these Policies and any subsequent revisions to these Policies.

I understand and agree that it is my responsibility to read and familiarize myself with the Policies and procedures contained in this document.

I further understand that my employment is at-will, and neither OCPA nor I have entered into a contract regarding the duration of my employment. I am free to terminate my employment with OCPA at any time, with or without cause. Likewise, OCPA has the right to terminate my employment with or without cause, at the discretion of OCPA. No employee of OCPA can enter into an employment contract for a specified period of time or make any agreement contrary to this Policy without the written approval from the Chief Executive Officer.

I acknowledge that OCPA reserves the right to revise, modify, delete or add to any and all policies, procedures, work rules or benefits stated in this document or in any other document, except for the Policy of At-will Employment. I further understand that any written changes to these Personnel Policies will be distributed to all employees so that I will be aware of any new policies or procedures. I understand that no oral statements or representations can in any way change or alter the provisions of this document.

I further acknowledge receipt of OCPA's anti-harassment and discrimination policy set forth in these Policies, and I certify that I have read it, understand it, and agree to comply with its terms and conditions.

I understand that any violation of the policy may result in serious disciplinary action, including immediate termination.

Employee's Printed Name: _____ Position: _____

Employee's Signature: _____ Date: _____





To: Mr. Brian Probolsky, Chief Executive Officer
Ms. Tiffany Law, Chief Financial Officer
Orange County Power Authority

From: Ashley Garcia, Senior Management Analyst
Jan Perkins, Vice President, Management Partners

Subject: Summary of Benefits Analysis Report

Date: January 11, 2022

Management Partners was engaged by the Orange County Power Authority (OCPA) to conduct an employee benefits benchmark study with the goal of evaluating the competitiveness of OCPA's proposed benefits program. The study examines employee benefits plans including retirement, health insurance, paid leave, life insurance and disability and miscellaneous other benefits.

Summary

Overall, OCPA has a strong proposed benefits program since it offers an employer contribution equivalent to the amount provided by comparison agencies in each category. With its proposed benefits program, OCPA has positioned itself to have a clear advantage in recruiting staff with a competitive benefits program against the market.

Project Approach

We conducted benefits research by carrying out the following tasks:

- Reviewed OCPA's current employee benefits program.
- Gathered current employee benefits information from six other community choice aggregation (CCA) agencies, as shown in Table 1 below.
- Researched OCPA member communities' (Cities of Buena Park, Fullerton, Huntington Beach, Irvine) employee benefits.
- Analyzed results and compared OCPA's offerings with those provided by comparable agencies.

Table 1. Community Choice Aggregation Agency Peers

Community Choice Aggregation Agency	Accounts Served	Geographic Area
Central Coast Community Energy	446,000	Monterey, San Benito, parts of San Luis Obispo, Santa Barbara, and Santa Cruz Counties
Clean Power Alliance	3,000,000	Los Angeles and Ventura Counties
East Bay Community Energy	640,000	Alameda County
Marin Clean Energy	480,000	Contra Costa, Marin, Napa, and Solano Counties
San Diego Community Power	770,000	San Diego County
Silicon Valley Clean Energy	273,900	Santa Clara County
Orange County Power Authority	366,000*	Orange County

*Estimated at implementation

Benefits

To assess benefits, we compared Orange County Power Authority's proposed benefits program with other CCAs in the areas of retirement benefits (employer contribution to defined contribution and deferred compensation plans), health and wellness benefits (medical, dental, vision, health, opt-out cash payment in lieu of health insurance and flexible spending accounts), paid time off and holidays (paid holidays, holiday closure, paid time off and maximum accrual, executive leave) and life insurance and disability (life insurance, short-term disability and long-term disability) and miscellaneous benefits (wellness reimbursement, technology and automobile allowances, annual PTO conversion to cash, and employee assistance program). Each is described below.

Retirement

OCPA proposes the following employee retirement plan benefits:

- **401(a) defined contribution plan.** Establish a mandatory 401(a) plan to replace standard Social Security withholding of 12.4%, split 50/50 by employee and employer. Employee and employer each contribute 10%, fully vested from date of hire.
- **457(b) deferred compensation plan.** Option available to participate in a 457(b) plan. Employer contribution matches the employee's voluntary contribution, up to a maximum of 4% of base salary.

Table 2 identifies retirement benefits offered by comparable CCAs. The primary driver of value in defined contribution plans is the employer contribution amount. OCPA's proposed retirement benefit offers a favorable defined contribution plan, with employer contributions to both the 401(a) and 457(b), whereas four of six agencies only contribute to the 401(a) plan. OCPA's proposed plan is slightly above the market median as it provides a total employer contribution of up to 14%, compared with the median plan of 10%. OCPA's proposed contribution is equivalent to the total percentage amount contributed by East Bay Community Energy.

Table 2. Retirement Benefits

Agency	Defined Contribution Plans	Employer Contribution	Employee Contribution
Central Coast Community Energy	401(a) replaces standard Social Security withholding of 12.4%, split 50/50 by employee and employer. Employees 100% vested on day one.	10%	10%
	457(b) plan available	None	Employee option to contribute up to maximum set by IRS.
Clean Power Alliance	403(b) plan	6%, plus 100% match on first 4% of employee contributions (up to 10% total)	4% to earn match
East Bay Community Energy	401(a) replaces standard Social Security withholding of 12.4%, split 50/50 by employee and employer	8%, plus 6% match if employee contributes to 457(b) (up to 14% total)	None; employer only
	457(b) plan designated as an employee contribution account	None	6% to earn match



Agency	Defined Contribution Plans	Employer Contribution	Employee Contribution
Marin Clean Energy	401(a) defined contribution plan	10%	N/A
	457(b) plan available	None	Employee option to contribute up to maximum set by IRS.
San Diego Community Power	Retirement (plan not specified)	10%	10%
	401(a) plan and 457(b) plan available	None	Employee option to contribute up to maximum set by IRS.
Silicon Valley Clean Energy	401(a) replaces standard Social Security withholding of 12.4%, split 50/50 by employee and employer. Employees 100% vested on day one.	10%	10%
	457(b) plan available	None	Employee option to contribute up to maximum set by IRS.
Orange County Power Authority	401(a) defined contribution plan	10%	10%
	457(b) plan available	Match up to 4% of base salary	Employee option to contribute up to maximum set by IRS.

Health and Wellness

OCPA proposes to provide a comprehensive health and wellness benefit plan as detailed below.

- **Medical, dental and vision insurance.** OCPA plans to contribute 95% of the health insurance premium for the Kaiser HMO 15 medical plan, HMO dental plan and VSP Option 5 vision plan with the employee contributing the remainder of the total premium cost. Employees selecting a higher cost health insurance option, either PPO or HMO, cover the cost difference.
- **Opt-out cash payment in lieu of health insurance.** OCPA employees opting out of enrollment in the group health insurance plan receive \$500 monthly in cash (subject to taxation as wages) added to their paycheck. Proof of comparable coverage by another source must be provided for an employee to be permitted to opt out of OCPA's group health insurance plan coverage.
- **Flexible spending account (FSA).** OCPA will make available an account for employees to contribute a pre-tax payroll deduction to pay for eligible medical and dependent care expenses per Internal Revenue Code Sections 125 and 129. C-level executives will receive an employer-paid FSA contribution of \$200 per month.

The total value of the group health insurance plan proposed by OCPA is in alignment with the contribution offered by Marin Clean Energy. It is noteworthy that several agencies offer low-premium, high-deductible plans in addition to employer contributions toward either a Health Reimbursement Account (HRA) or Health Savings Account (HSA).

Table 3 below shows employer contributions to health premiums, in addition to opt-out provisions, HRA/HSA contributions and two examples of employer contributions to flexible spending account (FSA) plans, which OCPA proposes to provide to C-level executives.



Table 3. Health and Wellness Benefits

Agency	Benefits	Employer Contribution	Employee Contribution
Central Coast Community Energy	Stipend for medical, dental, and vision Flexible Spending Account (FSA) Health Reimbursement Account (HRA)	\$1500 per month; \$750 per month opt out \$200 per month \$300 per month (up to \$2,000 total)	Remainder of premiums for selected coverage Can contribute up to \$2,750 to health FSA and up to \$5,000 to dependent care FSA per year
Clean Power Alliance	Medical, dental, vision coverage No subsidized post-retirement medical/dental plan	Full medical at Kaiser Platinum; \$500 per month opt out	Employees pay difference if they select a different option.
East Bay Community Energy	Medical, dental, vision coverage Health Savings Account (HSA) is only with eligible high-deductible health plans	100% plan premiums for executive employees. \$1,250 per month; \$600 per month opt out	Remainder of premiums for selected coverage
Marin Clean Energy	Medical, dental, vision coverage	100% plan premiums; \$500 per month opt out	Remainder of premiums for selected coverage
San Diego Community Power	Medical, dental, vision coverage	\$1,200 per month toward premiums; \$600 per month opt out	Remainder of premiums for selected coverage
Silicon Valley Clean Energy	Medical, dental, vision coverage Flexible Spending Account (FSA) Health Reimbursement Account (HRA) OR Health Savings Account (HSA) is only with eligible high-deductible health plans	\$1,000 per month toward premiums; \$250 per month opt out \$200 per month \$500 per month Up to \$400 per month (up to \$1700 total)	Remainder of premiums for selected coverage Can contribute up to \$2,750 to health FSA and up to \$5,000 to dependent care FSA per year
Orange County Power Authority	Medical, dental, vision coverage Flexible Spending Account (FSA)	95% of the health insurance premium for the Kaiser HMO 15 medical plan, HMO dental plan and VSP Option 5; \$500 per month opt-out \$200 per month (C-level executives only)	Remainder of the total premium cost Can contribute up to \$2,750 to health FSA and up to \$5,000 to dependent care FSA per year



Paid Time Off and Holidays

OCA proposes to provide the following paid leaves:

- **Holidays.** 12 paid holidays.
- **Holiday Closure.** The week of Christmas Day through New Year's Day, providing up to five additional days off.
- **Paid Time Off (PTO) Leave.** OCA starts at 180 PTO hours, or 22.5 days per year. PTO increases by an additional 8 hours per year, up to 10 years of employment.
- **Maximum PTO accrual.** Twice the annual accrual.
- **Executive Leave.** OCA provides 80 hours (10 days) of executive leave per year for C-level executives only.

Both paid holidays and the holiday closure are in alignment with the comparison agencies. The 180 hours of PTO is equivalent to the benefit offered by Central Coast Community Energy. The maximum PTO accrual is consistent with four of the comparable CCA agencies and complies with state law. The total amount of annual paid leave calculated for a non-management employees is 39.5 days and 49.5 days for C-level executives, which is within range of total leave days offered annually by comparison agencies as shown in Table 4.

Table 4. Paid Time Off and Holidays

Agency	Holidays	Holiday Closure	Paid Time Off (PTO) or Vacation Leave/Sick Leave		Other Paid Leave	Total Leave Days Offered Annually
Central Coast Community Energy	10 paid holidays per year	Closed December 26 to January 1 for 4 to 5 days annually	PTO starts at 180 hours (22.5 days) per year. It increases by an additional 8 hours per year, up to tenth year of employment (32.5 days).		40 hours management leave for C-level executives (5 days).	37.5 – 42.5 days
Clean Power Alliance	13 paid holidays per year	Closed December 26 to January 1 for 4 to 5 days annually	10 vacation days per year	12 sick leave days per year	5 days personal leave per year	45 days
East Bay Community Energy	11 paid holidays per year	Closed December 26 to January 1 for 4 to 5 days annually	15 vacation days per year	12 sick leave days per year	5 days floating holiday per year	48 days
Marin Clean Energy	12 paid holidays per year	Closed December 26 to January 1 for 4 to 5 days annually	80 hours (10 days) PTO years 1 to 4. Increases to 120 hours (15 days) PTO years 5 to 9.		32 hours (4 days) administrative leave non-exempt/ 48 (6 days) hours exempt	31 - 33 days
San Diego Community Power	11 paid holidays per year	Closed December 26 to January 1 for 4-5 days annually	10 vacation days per year	12 sick leave days per year	5 days administrative leave per year; 10 days executive leave for directors and above	43 - 48 days



Agency	Holidays	Holiday Closure	Paid Time Off (PTO) or Vacation Leave/Sick Leave	Other Paid Leave	Total Leave Days Offered Annually
Silicon Valley Clean Energy	11 paid holidays per year	Closed December 26-January 1 for 4 to 5 days annually	PTO starts at 160 hours (20 days) per year. It increases by an additional 8 hours per year, up to tenth year of employment (30 days).	Exempt employees receive an additional 40 hours (5 days) of management leave at the beginning of each calendar year	36 - 41 days
Orange County Power Authority (proposed)	12 paid holidays per year	Closed December 26-January 1 for 4 to 5 days annually	PTO starts at 180 hours (22.5 days) per year. It increases by an additional 8 hours per year, up to tenth year of employment (32.5 days).	10 days of executive leave per year for C-level executives only	39.5 - 49.5 days

Life Insurance and Disability

OCA proposes to provide the life insurance and disability benefits described below.

- **Life Insurance.** Employer-paid basic group term policy, not to exceed \$200,000.
- **Short-term disability.** Each employee contributes a percentage of pay up to a maximum amount determined by the State of California for State Disability Insurance (SDI) coverage for short-term Disability Insurance and Paid Family Leave wage replacement benefits. This is an employee-only contribution.
- **Long-term disability.** Employer-subsidized private long-term disability plan for employees. The benefit is up to 60% of monthly earnings subject to terms of long-term disability insurance carrier and cap based on salary.

Table 5 shows that the life insurance and disability plans offered by Orange County Power Authority are in line with market. Clean Power Alliance, Marin Clean Energy, and San Diego Community Power participate in SDI.

Table 5. Life Insurance and Disability

Agency	Life Insurance	Short-Term Disability	Long-Term Disability
Central Coast Community Energy	\$200,000 coverage for all employees Employee pays the excess cost of group-term life insurance beyond \$50,000 worth of coverage.	20% of salary to max of \$2,500 per week	60% pay replacement to max of \$10,000 per month
Clean Power Alliance	One times basic annual earnings, maximum \$500,000	No employer-subsidized plan. Participates in CA SDI Program	60% pay replacement to max of \$12,000 per month
East Bay Community Energy	Employer-paid and guaranteed: One times basic annual earnings, up to \$250,000 life and AD&D coverage without providing	Participates in CA SDI Program, plus 20% of salary to max of \$1,500 per week	60% pay replacement to max of \$10,000 per month



Agency	Life Insurance	Short-Term Disability	Long-Term Disability
	evidence of insurability (up to \$350,000 max with evidence) Supplemental voluntary life and AD&D available for purchase.		
Marin Clean Energy	\$200,000 employer-paid coverage	No employer-subsidized plan. Participates in CA SDI Program	LTD provided at 60% of salary subject to terms of LTD insurance carrier and cap based on salary
San Diego Community Power	Employer-paid basic term life insurance equal to 1.0 to 1.5 times the employee's bases salary Supplemental voluntary life available for purchase.	60% of earnings	66 2/3% pay replacement
Silicon Valley Clean Energy	Employer-paid and guaranteed \$200,000 life and AD&D coverage	60% of weekly earnings subject to terms of STD insurance carrier and cap based on salary	60% of monthly earnings subject to terms of LTD insurance carrier and cap based on salary
Orange County Power Authority (proposed)	Employer-paid basic group term policy, not to exceed \$200,000	No employer-subsidized plan. Participates in CA SDI Program	60% pay replacement subject to terms of LTD insurance carrier and cap based on salary

Miscellaneous Benefits

OCA proposes eligible employees with the following:

- **Wellness reimbursement.** Up to \$1,000 per year reimbursement for qualified health and wellness expenses, including fitness expenses (such as class or program fees, or equipment).
- **Technology allowance.** \$100 per month for FLSA exempt employees.
- **Employee Assistance Program.** Employer-paid confidential counseling and work/life services assistance for employees and eligible dependents.
- **PTO cash-out option.** Annual election to cash out up to 50% of annual accrued PTO hours.

The Orange County Power Authority provides the following benefit for C-level executives only:

- **Automobile allowance.** \$500 per month for C-level executives.

The proposed wellness reimbursement is aligned with that offered by Central Coast Community Energy, East Bay Community Energy and San Diego Community Power. Current employment agreements for C-level executives include the technology allowance and auto allowance at the same rates proposed. OCPA's technology allowance is in alignment with the amount provided by comparison CCAs. The City of Irvine also provides a telecommunications allowance of \$100 per month for management and non-represented employees.

All six surveyed agencies offer an employee assistance program at a minimal cost to the employer. PTO annual conversion to cash is a benefit offered by MCE and Silicon Valley Clean Energy, as well as all OCPA member cities. While only East Bay Community Energy offers an auto stipend to executives, two CCA agencies instead provide incentives for using public transit. All participating cities in OCPA also offer auto allowances for executives, ranging from \$300 - \$550 per month.



Table 6 shows the wide range of miscellaneous benefits offered by other CCAs. Most notably, four agencies offer a generous annual fitness/wellness reimbursement program. Of the agencies listed below, only Silicon Valley Clean Energy offers more generous miscellaneous benefits than OCPA (between its combined total contributions for fitness and tuition reimbursement).

Table 6. Other Benefits

Agency	Benefits	Employer Contribution
Central Coast Community Energy	- Employee Assistance Program - Health and Wellness Program - Cell phone stipend	\$1,000 per year \$100 per month
Clean Power Alliance	- Employee Assistance Program - Non-auto commuting reimbursement	\$200 per month
East Bay Community Energy	- Employee Assistance Program - Reimbursement for qualified fitness expenses - Commute stipend - Non-auto commute stipend - Executive commute/auto stipend - Cell phone allowance	\$1,000 per year \$75 per month \$150 per month \$400 per month \$150 per month
Marin Clean Energy	- Employee Assistance Program - Annual PTO conversion to cash	Up to 200 accrued hours
San Diego Community Power	- Employee Assistance Program - Public transportation reimbursement - Cell phone allowance - Gym memberships or health reimbursements	\$150 per month \$100 per month \$1,000 per year
Silicon Valley Clean Energy	- Employee Assistance Program - Non-taxable reimbursement for qualified transit and parking expenses - Reimbursement for qualified fitness expenses - Cell Phone stipend - Reimbursement for tuition - Annual PTO conversion to cash	\$270 per month \$600 per year \$50 per month \$5,000 per year Up to 80 accrued hours
Orange County Power Authority (proposed)	- Employee Assistance Program - Wellness reimbursement - Technology allowance (FLSA exempt employees only) - Auto allowance (C-level executives only) - Annual PTO conversion to cash	\$1,000 per year \$100 per month \$500 per month Up to 50% of accrued hours

Attachments

Attachment 1 – Benefits Comparison Table

Attachment 2 – Proposed OCPA Benefits Program



Attachment 1 – Benefits Comparison Table

Orange County Power Authority (OCPA) engaged Management Partners to conduct a benefits analysis to benchmark against comparable community choice aggregation agencies (CCAs) to establish a competitive benefits program to attract and retain talented staff. The comparison in Table 7 below identifies the benefit category and the specific benefits offered by each of the comparison agencies: Central Coast Community Energy (3CE), Clean Power Alliance (CPA), East Bay Community Energy (EBCE), Marin Clean Energy (MCE), San Diego Community Power (SDCP) and Silicon Valley Clean Energy (SVCE).

Table 7. OCPA – CCA Benefits Comparison as of October 2021

Benefit Category	Central Coast Community Energy (3CE)	Clean Power Alliance (CPA)	East Bay Community Energy (EBCE)	Marin Clean Energy (MCE)	San Diego Community Power (SDCP)	Silicon Valley Clean Energy (SVCE)
Retirement Benefits	401(a) plan mandatory 10% employer contribution. Fully vested from date of hire. Replaces 6.2% contribution to Social Security. 457(b) plan employee option (no employer match) (up to 10% total)	403(b) plan mandatory 6% employer contribution, plus up to 4% match. Vesting over three years. Also contributes 6.2% to Social Security. 457(b) plan employee option (no employer match) (up to 16.2% total)	401(a) plan mandatory 8% employer contribution. Fully vested from date of hire. Replaces 6.2% contribution to Social Security. 457(b) plan employee option. Employer match up to 6% to 401(a). 50% vested in first year and 100% in second year. (up to 14% total)	401(a) plan 10% employer contribution. Vesting over four years. Also contributes 6.2% to Social Security. 457(b) plan employee option (no employer match) (up to 16.2% total)	Employer match up to 10% of salary to 401(a) plan; any excess beyond IRS limit goes to 457(b) plan. Also contributes 6.2% to Social Security. 457(b) plan employee option (no employer match) (up to 16.2% total)	401(a) plan mandatory 10% employer contribution. Fully vested from date of hire. Replaces 6.2% contribution to Social Security. 457(b) plan employee option (no employer match) (up to 10% total)
Health Insurance (medical, dental, vision)	\$1,500 per month stipend for employee and dependent coverage	100% health insurance premium at Kaiser Platinum for all employees and dependents. Employees who select a higher cost	100% employer paid coverage for executive employees. \$1,250 per month stipend for employee and dependent coverage.	100% health insurance premium at Kaiser for all employees and dependents. Employees who select a higher cost	\$1,200 per month stipend for employee and dependent coverage	\$1,000 per month stipend for employee and dependent coverage



Benefit Category	Central Coast Community Energy (3CE)	Clean Power Alliance (CPA)	East Bay Community Energy (EBCE)	Marin Clean Energy (MCE)	San Diego Community Power (SDCP)	Silicon Valley Clean Energy (SVCE)
		health insurance option, either PPO or other HMO, cover the cost difference.		health insurance option, either PPO or other HMO, cover the cost difference.		
Opt-out cash payment in lieu of health insurance	\$750 per month	\$500 per month	\$600 per month	\$500 per month	\$600 per month	\$250 per month
Flexible Spending Account (FSA)	Employer contributes \$200 per month. Employee may contribute additional funds to the IRS FSA Health or Dependent Care cap.	Available – employee funded	Available – employee funded	Available – employee funded	N/A	Employer contributes \$200 per month. Employee may contribute additional funds to the IRS FSA Health or Dependent Care cap.
Health Reimbursement Account (HRA)	Employer contributes \$300 per month.					Employer contributes \$500 per month.
Health Savings Account (HSA)						Employer contributes up to \$400 per month (only with eligible high-deductible health plans)
Paid Time Off (PTO) – year 1	Starts at 180 PTO hours or 22.5 days	Starts at 10 vacation days + 12 sick days +5 personal leave days or 27 days	Starts at 15 vacation days + 12 sick days + 5 floating holidays or 32 days	80 hours or 10 days (start to four years)	Starts at 10 vacation days + 12 sick days + 5 administrative leave days or 27 days	Starts at 160 PTO hours or 20 days



Benefit Category	Central Coast Community Energy (3CE)	Clean Power Alliance (CPA)	East Bay Community Energy (EBCE)	Marin Clean Energy (MCE)	San Diego Community Power (SDCP)	Silicon Valley Clean Energy (SVCE)
Paid Time Off (PTO) – year 2+	Additional 8 hours per year, up to ten years of employment	Additional 40 hours after three years of employment	Additional 8 hours per year, up to 240 hours max	120 hours or 15 days (years five through nine)	N/A	Additional 8 hours per year, up to 10 years of employment
PTO Cash-out Option	N/A	N/A	N/A	200 hours	N/A	80 hours
Maximum PTO Accrual	Twice the annual accrual	Twice the annual accrual	Twice the annual accrual	240 hours	Twice the annual accrual	N/A
Paid Holidays per year	10 days	13 days	11 days	12 days	11 days	11 days
Holiday Closure	The week of Christmas Day through New Year's Day (four or five days)	The week of Christmas Day through New Year's Day (four or five days)	The week of Christmas Day through New Year's Day (four or five days)	The week of Christmas Day through New Year's Day (four or five days)	The week of Christmas Day through New Year's Day (four or five days)	The week of Christmas Day through New Year's Day (four or five days)
Life Insurance	\$200k employer pays for coverage	1x annual salary employer pays for coverage	1x annual salary, max at \$350k with evidence of insurability	\$200k employer pays for coverage	1x to 1.5x annual salary employer pays for coverage	\$200k employer pays for coverage
Short-term Disability	Employer subsidized: 20% of salary to max of \$2,500/week	No employer-subsidized plan. Participates in CA SDI Program	CA SDI Program + Employer subsidized: 20% of salary to max of \$1,500/week	No employer-subsidized plan. Participates in CA SDI Program	Employer subsidized: 60% of salary	Employer subsidized: 60% of weekly salary subject to cap based on salary
Long-term Disability	Employer subsidized: 60% pay replacement to max of \$10,000/month	Employer subsidized: 60% pay replacement to max of \$12,000/month	Employer subsidized: 60% pay replacement to max of \$10,000/month	Employer subsidized: 60% of salary subject to terms of LTD insurance carrier and cap based on salary	Employer subsidized: 66 2/3% pay replacement	Employer subsidized: 60% of weekly salary subject to cap based on salary
Wellness Reimbursement	Up to \$1,000 per year - Provides reimbursable funds	N/A	Up to \$1,000 per year for gym memberships or health classes	N/A	Up to \$1,000 per year for gym memberships or	Up to \$600 per year for qualified fitness expenses



Benefit Category	Central Coast Community Energy (3CE)	Clean Power Alliance (CPA)	East Bay Community Energy (EBCE)	Marin Clean Energy (MCE)	San Diego Community Power (SDCP)	Silicon Valley Clean Energy (SVCE)
	for gym membership, exercise equipment purchase, wellness consultants, and home-office ergonomic-related items purchase.				health reimbursements	(class/program/equipment)
Management Leave	40 hours for C-level executives	N/A	N/A	32 hours non-exempt/ 48 hours exempt	80 hours for director or above	40 hours for exempt employees
Technology/Cell Phone Stipend	\$100 per month	N/A	\$150 per month	N/A	\$100 per month	\$50 per month
Transit/Parking Plan Reimbursement	N/A	\$200 per month for non-auto commuting	Commute stipend \$75 per month Non-Auto Commute Stipend \$150 per month Executive Commute/Auto stipend \$40 per month	N/A	Up to \$150 per month	\$270 per month
Employee Assistance Program (EAP) – offered	Yes	Yes	Yes	Yes	Yes	Yes
Tuition Reimbursement Program	N/A	N/A	N/A	N/A	N/A	Up to \$5,000 per year for qualified educational advancement that supports that organization's mission



Attachment 2 – Proposed OCPA Benefits Program

Displayed in Table 8 below is OCPA's proposed benefits program based on the comparison agency contribution amounts for each of the benefits categories.

Table 8. Proposed OCPA Benefits Program

Benefit Category	OCPA – Proposed Benefits Plan
Retirement Benefits	401(a) defined contribution plan mandatory 10% employer contribution. Replaces 6.2% contribution to Social Security. Fully vested from date of hire. 457(b) deferred compensation plan employee option. Employer match up to 4%. (up to 14% total)
Health Insurance (medical, dental, vision)	95% health insurance premium (Kaiser HMO 15 Plan + Dental HMO + VSP Option 5) for all employees and dependents. Employees who select a higher cost health insurance option (either PPO or other HMO) cover the cost difference.
Opt-out cash payment in lieu of health insurance	\$500 per month
Flexible Spending Account (FSA)	Available – employee funded by payroll deduction. Employer contributes \$200 per month for C-level executives. Employee may contribute additional funds to the IRS FSA Health or Dependent Care cap.
Paid Time Off (PTO)	Year 1: 180 hours per year Year 2+: increases an additional 8 hours per year, up to 10 years of employment
PTO Cash-out Option	Annual election to cash out up to 50% of annual accrued PTO hours
Maximum PTO Accrual	Twice the annual accrual
Paid Holidays per year	12 holidays
Holiday Closure	The week of Christmas Day through New Year's Day (four or five days)
Life Insurance	Employer-paid basic group term policy, not to exceed \$200,000 coverage
Short-term Disability	Employee-only contribution to California SDI program
Long-term Disability	Employer subsidized: 60% pay replacement subject to terms of LTD insurance carrier and cap based on salary
Wellness Reimbursement	Up to \$1,000/year for qualified health and wellness expenses
Executive Leave	80 hours annually for C-level executives
Technology Stipend	\$100 per month for all FLSA-exempt employees
Auto Stipend	\$500 per month for C-level executives
Employee Assistance Program (EAP)	Employer-paid confidential counseling and work/life services assistance for employees and eligible dependents
Tuition Reimbursement Program	None proposed, since professional development is part of ordinary budgeted business expenses



ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 5.1

To: Orange County Power Authority Board of Directors

From: Tiffany Law, Chief Financial Officer

Subject: ADOPT THE FINANCIAL AUDIT REPORT FOR THE FISCAL PERIOD
ENDED JUNE 30, 2021 FROM PISENTI & BRINKER, LLP

Date: January 11, 2022

RECOMMENDED ACTION

Adopt OCPA the Year-End Financial Statements and Independent Auditor's Report for the fiscal period ended June 30, 2021 from Pisenti & Brinker, LLP.

DISCUSSION

The financial records and accounts of Orange County Power Authority ("OCPA") are required to be audited annually by an independent certified public accountant within six months of the fiscal year end.

OCPA's first year of operation was concluded on June 30, 2021, and the attached report is the audit performed by the independent auditor, Pisenti & Brinker, LLP ("P&B").

On December 17, 2021, the ad-hoc Budget & Finance Committee ("Committee") received a presentation from P&B discussing the status of the audit and the auditor's unqualified ("clean") opinion on OCPA's financials for the fiscal period ended June 30, 2021.

ATTACHMENTS

1. Orange County Power Authority's Audited Financial Statements for the Fiscal Period Ended June 30, 2021 with Report of Independent Auditors
2. P&B Report to the Board January 11, 2022



ORANGE COUNTY POWER AUTHORITY

FINANCIAL STATEMENTS

FISCAL PERIOD ENDED JUNE 30, 2021

WITH REPORT OF

INDEPENDENT AUDITORS

ORANGE COUNTY POWER AUTHORITY
PERIOD FROM INCEPTION (NOVEMBER 20, 2020) TO JUNE 30, 2021

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Statement of Revenues, Expenses and Changes in Net Position	9
Statement of Cash Flows	10
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Independent Auditor's Report

To the Board of Directors
Orange County Power Authority
Irvine, California

Report on the Financial Statements

We have audited the accompanying financial statements of Orange County Power Authority (OCPA), which comprise the statement of net position as of June 30, 2021, the related statements of revenues, expenses and changes in net position, and cash flows for the period from November 20, 2020 (inception date) to June 30, 2021, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Orange County Power Authority as of June 30, 2021 and the results of the financial position and cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report (continued)

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Pisenti & Brinkman LLP

Santa Rosa, California
December 21, 2021

**ORANGE COUNTY POWER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
PERIOD FROM INCEPTION (NOVEMBER 20, 2020) TO JUNE 30, 2021**

The Management's Discussion and Analysis provides an overview of Orange County Power Authority's (OCPA) financial activities from inception to June 30, 2021. The information presented here should be considered in conjunction with the audited financial statements.

BACKGROUND

The formation of OCPA was made possible in 2002 by the passage of California Assembly Bill 117, enabling communities to purchase power on behalf of their residents and businesses and creating competition in power generation.

OCPA is a Community Choice Aggregator established on November 20, 2020 pursuant to Public Utilities Code Section 366.2 and operating as a Joint Powers Authority (JPA) pursuant to Government Code section 6500 et seq. OCPA was established for the acquisition of electric power for its service area as well as to provide other benefits to the residential, commercial, industrial, agricultural customers in communities located within the Cities of Buena Park, Fullerton, Huntington Beach, and Irvine.

When fully operational in fiscal year 2022-23, OCPA will serve approximately 289,000 accounts. OCPA is committed to reducing greenhouse gas (GHG) emissions through long-term contracts for existing and new utility scale renewable electricity generation while providing customer choice and cost savings. OCPA also aims to carry out innovative energy initiatives that reduce energy demand and increase energy efficiency, stimulating the local economy by creating jobs in renewable energy, as well as promoting long-term electric rate stability and energy reliability for residents and businesses.

Prior to the creation of OCPA, the City of Irvine managed the financial and administrative activities related to the formation of this community choice aggregation program. Pursuant to a capital funding agreement with the City of Irvine, OCPA accepted an obligation to reimburse the City of Irvine for specified costs to initiate the entity and its programs which were incurred prior to the JPA agreement, as well as for costs incurred during the start-up phase of OCPA.

OCPA is governed by a Board consisting of five members and alternates representing the participating communities. OCPA's Board is comprised of elected officials appointed by each member jurisdiction with the exception of the City of Irvine, who appointed two directors until start-up funds are repaid. OCPA has the rights and powers to set rates for the services it furnishes, incur indebtedness, and issue bonds.

OCPA will begin providing electricity to all non-residential customers in April 2022 and residential customers in October 2022.

**ORANGE COUNTY POWER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
PERIOD FROM INCEPTION (NOVEMBER 20, 2020) TO JUNE 30, 2021**

Financial Reporting

OCPA presents its financial statements as an enterprise fund under the economic resources measurement focus and accrual basis of accounting, in accordance with Generally Accepted Accounting Principles (GAAP) for proprietary funds, as prescribed by the Governmental Accounting Standards Board (GASB).

Contents of this report

This report is divided into the following sections:

- Management's discussion and analysis, which provides an overview of the financial operations.
- The basic financial statements:
 - The *Statement of Net Position* includes all of OCPA's assets, liabilities, and net position and provides information about the nature and amount of resources and obligations at a specific point in time.
 - The *Statement of Revenues, Expenses, and Changes in Net Position* reports all of OCPA's revenue and expenses for the period shown.
 - The *Statement of Cash Flows* reports the cash provided and used by operating activities, as well as other sources and uses, such as debt financing.
 - Notes to the Basic Financial Statements, which provide additional details and information related to the basic financial statements.

**ORANGE COUNTY POWER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
PERIOD FROM INCEPTION (NOVEMBER 20, 2020) TO JUNE 30, 2021**

FINANCIAL HIGHLIGHTS

The following table is a summary of OCPA's assets, liabilities, and net position as of June 30, 2021:

Current assets	<u>\$ 2,007,085</u>
Current liabilities	289,769
Noncurrent liabilities	<u>2,652,380</u>
Total liabilities	<u>2,942,149</u>
Net position	
Unrestricted (deficit)	<u>(935,064)</u>
Total net position	<u><u>\$ (935,064)</u></u>

Current Assets

Current assets are mostly comprised of cash and investments.

Current Liabilities

Current liabilities consist of trade accounts payable and accrued expenses for services and general and administrative costs, accrued payroll, and accrued interest expense.

Noncurrent Liabilities

During 2020-21, OCPA borrowed \$2,500,000 from the City of Irvine which is classified as a noncurrent liability. These funds are intended to cover costs OCPA incurs during its start-up phase.

Also included in noncurrent liabilities is \$152,380 for start-up related costs owed to the City of Irvine.

**ORANGE COUNTY POWER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
PERIOD FROM INCEPTION (NOVEMBER 20, 2020) TO JUNE 30, 2021**

Results of Operations

The following table is a summary of OCPA's results of operations from inception (November 20, 2020) through June 30, 2021:

Interest income	<u>\$ 83</u>
Operating expenses	918,400
Nonoperating expenses	<u>16,747</u>
Total expenses	<u>935,147</u>
Change in net position	<u><u>\$ (935,064)</u></u>

Operating Expenses

Expenses for contract services, staff compensation, and other general and administrative expenses are included in operating expenses.

Nonoperating Expenses

Interest expense on borrowings during 2020-21 are included as nonoperating expenses.

ECONOMIC OUTLOOK

OCPA will launch its service offering to all non-residential accounts within the Cities of Buena Park, Fullerton, Huntington Beach, and Irvine in April 2022 and to all residential accounts in October 2022. This approach provides OCPA with the ability to initiate its program with sufficient economic scale before building to full program integration for an expected customer base of approximately 289,000 accounts, net of customer opt-outs.

This will result in a large increase in expenses, as OCPA will begin to procure the electric resources needed to sell to its customers. While this will mark the first period of revenue recognition, OCPA plans to utilize its revolving line of credit to provide for working capital needs until sufficient customer receipts are collected.

On November 16, 2021, the Orange County Board of Supervisors voted to join OCPA. This will add approximately 130,000 accounts to the OCPA service area. OCPA will file an amended implementation plan by December 31, 2021, with the California Public Utilities Commission (Commission) for expansion into unincorporated Orange County with the expected start of service in January 2023.

**ORANGE COUNTY POWER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
PERIOD FROM INCEPTION (NOVEMBER 20, 2020) TO JUNE 30, 2021**

REQUEST FOR INFORMATION

This financial report is designed to provide OCPA's customers and creditors with an overview of OCPA's finances and to demonstrate OCPA's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to P.O. Box 54283, Irvine, CA 92619.

Respectfully submitted,

Brian S. Probolsky, CEO

BASIC FINANCIAL STATEMENTS

ORANGE COUNTY POWER AUTHORITY
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

ASSETS

Current assets	
Cash	\$ 1,855,187
Investments	147,083
Deposits	4,815
Total current assets	<u>2,007,085</u>

LIABILITIES

Current liabilities	
Accounts payable	175,369
Other accrued liabilities	114,400
Total current liabilities	<u>289,769</u>
Noncurrent liabilities	
Loans payable	2,652,380
Total liabilities	<u>2,942,149</u>

NET POSITION

Unrestricted (deficit)	(935,064)
Total net position	<u>\$ (935,064)</u>

**ORANGE COUNTY POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INCEPTION (NOVEMBER 20, 2020) THROUGH JUNE 30, 2021**

OPERATING REVENUES	\$ -
OPERATING EXPENSES	
Contract services	589,947
Staff compensation	272,202
General and administration	56,251
Total operating expenses	<u>918,400</u>
Operating loss	<u>(918,400)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	83
Interest and financing expense	<u>(16,747)</u>
Nonoperating revenues (expenses), net	<u>(16,664)</u>
CHANGE IN NET POSITION	(935,064)
Net position at beginning of period	<u>-</u>
Net position at end of period	<u><u>\$ (935,064)</u></u>

ORANGE COUNTY POWER AUTHORITY
STATEMENT OF CASH FLOWS
INCEPTION (NOVEMBER 20, 2020) THROUGH JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Payments for goods and services	\$ (294,595)
Payments to employees for services	<u>(203,218)</u>
Net cash used by operating activities	<u>(497,813)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Proceeds from loans	2,500,000
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CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of certificate of deposit	<u>(147,000)</u>
------------------------------------	------------------

Net change in cash	1,855,187
Cash at beginning of period	<u>-</u>
Cash at end of period	<u><u>\$ 1,855,187</u></u>

Noncash Non-capital Financing Activities:

Expenses related to formation costs of \$152,380 were financed from loan proceeds.

**ORANGE COUNTY POWER AUTHORITY
STATEMENT OF CASH FLOWS (CONTINUED)
INCEPTION (NOVEMBER 20, 2020) THROUGH JUNE 30, 2021**

**RECONCILIATION OF OPERATING LOSS TO NET
CASH USED BY OPERATING ACTIVITIES**

Operating loss	\$ (918,400)
Adjustments to reconcile operating loss to net cash used by operating activities	
Expenses paid directly from loan proceeds	152,380
(Increase) decrease in:	
Deposits	(4,815)
Increase (decrease) in:	
Accounts payable	175,369
Other accrued liabilities	97,653
Net cash used by operating activities	<u>\$ (497,813)</u>

ORANGE COUNTY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
INCEPTION (NOVEMBER 20, 2020) TO JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Orange County Power Authority (OCPA) is a California joint powers authority created on November 20, 2020, and its jurisdictions consist of the following local governments as of June 30, 2021:

<u>Cities</u>	
Buena Park	Huntington Beach
Fullerton	Irvine

OCPA is separate from and derives no financial support from its members. OCPA is governed by a Board of Directors comprised of 5 regular members with 5 alternates representing the participating communities. OCPA's Board members are elected officials of the member governments.

OCPA was formed to acquire retail electricity for the residents and businesses within its members' jurisdiction, study, promote, conduct, operate, and manage energy and energy-related climate change programs, and to exercise all other powers necessary and incidental to accomplishing these objectives. A core function of OCPA is to provide electric service that includes the use of renewable sources under the Community Choice Aggregation Program under California Public Utilities Code Section 366.2.

OCPA will begin its energy delivery operations in April 2022. Electricity is acquired from commercial suppliers and delivered through existing physical infrastructure and equipment managed by Southern California Edison (SCE).

BASIS OF ACCOUNTING

OCPA's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

OCPA's operations are accounted for as a governmental enterprise fund and are reported using the economic resources measurement focus and the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred. Enterprise fund-type operating statements present increases (revenues) and decreases (expenses) in total net position. Reported net position is segregated into three categories, if applicable – investment in capital assets, restricted and unrestricted.

When both restricted and unrestricted resources are available for use, OCPA will use restricted resources first, then unrestricted resources as they are needed.

**ORANGE COUNTY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
INCEPTION (NOVEMBER 20, 2020) TO JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CASH

For purpose of the Statement of Cash Flows, OCPA has defined cash to include cash on hand, demand deposits, and short-term investments with an original maturity of three months or less. At June 30, 2021, all cash was held in a demand deposit account.

OPERATING AND NONOPERATING EXPENSES

Operating expenses include consulting, staff compensation, and administrative expenses. Expenses not meeting this definition are reported as nonoperating expenses.

STAFFING COSTS

OCPA pays employees semi-monthly and fully pays its obligation for medical insurance and retirement contribution benefits each month. OCPA is not obligated to provide post-employment healthcare or other fringe benefits and, accordingly, no related liability is recorded in these financial statements. OCPA provides compensated time off, and the related liability is recorded in these financial statements.

INCOME TAXES

OCPA is a joint powers authority under the provision of the California Government Code and is not subject to federal or state income or franchise taxes.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. CASH

OCPA maintains its cash in accounts at First Republic Bank in San Francisco, California. OCPA's deposits with First Republic Bank are subject to California Government Code Section 16521 which requires that banks collateralize the amount of public funds in excess of the Federal Deposit Insurance Corporation limit of \$250,000 by 110%. OCPA does not have an investment policy but will develop one that addresses a specific type of risk that would impose restrictions beyond this code. Accordingly, the amount of risk is not disclosed. OCPA monitors its risk exposure on an ongoing basis.

ORANGE COUNTY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
INCEPTION (NOVEMBER 20, 2020) TO JUNE 30, 2021

3. LOANS PAYABLE

PRE-LAUNCH COSTS

In January 2021, OCPA borrowed \$2,500,000 from the City of Irvine (the City), to be used for working capital costs associated with OCPA's launch. The loan repayment due date is January 1, 2027. Interest is due on the loan in an amount based on the gross earnings for the respective quarter as reported in the City Treasurer's monthly investment report. The estimated interest rate as of June 30, 2021 is 1.5% per annum.

FORMATION COSTS

Also included as a loan payable are formation related costs advanced by the City. OCPA will reimburse the City no later than January 1, 2027. Interest does not accrue on the formation costs advanced by the City.

The following is a schedule of changes in loans payable during the period:

	<u>Beginning</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending</u>
Period ended June 30, 2021				
Loan payable-pre-launch costs	\$ -	\$ 2,500,000	\$ -	\$ 2,500,000
Loan payable-formation costs	-	152,380	-	152,380
Total	<u>\$ -</u>	<u>\$ 2,652,380</u>	<u>\$ -</u>	<u>2,652,380</u>
Amounts due within one year				-
Amounts due after one year				<u>\$ 2,652,380</u>

ORANGE COUNTY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
INCEPTION (NOVEMBER 20, 2020) TO JUNE 30, 2021

4. RISK MANAGEMENT

OCPA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. During the period ended June 30, 2021, OCPA purchased insurance policies from investment-grade commercial carriers to mitigate risks that include those associated with cyber and private liability, earthquakes, theft, general liability, errors and omissions, and property damage. OCPA has general liability coverage of \$2,000,000 with a deductible of \$500.

OCPA maintains energy risk management policies, procedures and systems that help mitigate credit, liquidity, market, operating, regulatory and other risks that arise from participation in the California energy market.

Credit guidelines include a preference for transacting with investment-grade counterparties, evaluating counterparties' financial condition and assigning credit limits as applicable. These credit limits are established based on risk and return considerations under terms customarily available in the industry. In addition, OCPA enters into netting arrangements whenever possible and where appropriate obtains collateral and other performance assurances from counterparties.

5. PURCHASE COMMITMENTS

POWER AND ELECTRIC CAPACITY

In the ordinary course of business, OCPA enters into various power purchase agreements to acquire renewable and other energy and electric capacity. The price and volume of purchased power is in most cases fixed and in some cases variable. Variable pricing is generally based on the market price of either natural gas or electricity at the date of delivery. Variable volume is generally associated with contracts to purchase energy from as-available resources such as solar, wind, and hydroelectric facilities.

OCPA enters into power purchase agreements in order to comply with state law and voluntary targets for renewable and greenhouse gas (GHG) free products and to ensure stable and competitive electric rates for its customers.

The following table details the expected, undiscounted, contractual obligations outstanding as of June 30, 2021:

Year ending June 30,	
2022	\$ 6,600,000
2023	14,200,000
Total	<u>\$ 20,800,000</u>

**ORANGE COUNTY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
INCEPTION (NOVEMBER 20, 2020) TO JUNE 30, 2021**

6. FUTURE GASB PRONOUNCEMENTS

The requirements of the following GASB Statements are effective for years ending after June 30, 2021:

GASB has approved GASB Statement No. 87, *Leases*, GASB 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB 96, *Subscription-Based Information Technology Arrangements*; and GASB No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. When they become effective, the application of these standards may restate portions of these financial statements.

7. SUBSEQUENT EVENTS

CREDIT FACILITY

In September 2021, OCPA arranged to borrow up to \$35 million from MUFG Union Bank, N.A. (MUFG) to provide cash to pay for energy purchases and operating expenses which are due before sufficient cash is to be collected from customers. The MUFG credit facility is secured by a pledge of the net revenues of OCPA after payment of energy providers and other operating expenses and a cash collateral account in the amount of \$5 million, which was borrowed from the City of Irvine pursuant to a Capital Loan Agreement with OCPA.

Principal can be drawn as needed and interest will accrue on the outstanding balance. In November 2021, OCPA borrowed \$1 million. The maturity date for the revolving credit facility is November 18, 2026. Interest is due monthly based on a daily Secured Overnight Financing Rate (SOFR).



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*Orange County Power Authority
Report to the Board of Directors
January 11, 2022*

Introduction

- Brett Bradford, CPA
 - Audit Partner
 - 17 years in public accounting and performing audits of government entities
 - Currently working with several CCA's throughout California
- Jenna Blanchard
 - Engagement Supervisor
 - 6 years in public accounting and performing audits of governments (CCA's)

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Audit of the period ended June 30, 2021

Financial Statements

Relative Roles & Responsibilities

- **Management** is responsible for preparing the Financial Statements and establishing a system of internal control
- **Auditor** is responsible for auditing the Financial Statements
 - Considering risks of material misstatement in the Financial Statements – Inherent risk
 - Considering internal controls relevant to the Financial Statements – Control risk
 - Performing tests of year-end balances based on risk assessment
 - Evaluating adequacy of disclosures

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Audit of the period ended June 30, 2021

Financial Statements

- Audit is complete. We reported:
 - Unmodified opinion – Based on our audit, the financial statements are materially accurate.
 - No significant deficiencies in internal control have been identified.

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Risk Assessment for the period ended June 30, 2021

- Significant areas of focus
 - Cash and investments
Confirmation sent to financial institution
 - Accrued liabilities
Reviewed subsequent cash payments and invoices
 - Financial statement note disclosures
Complete and without bias

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Required Board Communications

- The significant accounting policies adopted by OCPA throughout the period audited appeared appropriate and consistently applied.
- No alternative treatments of accounting principles for material items in the financial statements were discussed with management.

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Required Board Communications (continued)

Other required communications with those charged with governance:

- We proposed one adjustments to the financial statements related to an accrual for technical consultants.
- We did not identify any significant or unusual transactions or applications of accounting principles where a lack of authoritative guidance exists.

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Required Board Communications (continued)

Other required communications with those charged with governance:

- There were no disagreements with management concerning the scope of our audit, the application of accounting principles, or the basis for management's judgements on any significant matters.
- We did not encounter any difficulties in dealing with management during the performance of our audit.

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Questions?

Brett Bradford: 707-577-1582

Jenna Blanchard: 707-577-1596



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Certified Public Accountants & Advisors

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 5.2

To: Orange County Power Authority Board of Directors

From: Brian Probolsky, Chief Executive Officer
Tiffany Law, Chief Financial Officer
John Dalessi and Kirby Dusel, Pacific Energy Advisors
Max Bernt, NewGen Strategies & Solutions

Subject: ADOPT RESOLUTION APPROVING INITIAL OCPA RATE DESIGN;
AUTHORIZE OCPA BASIC RATES ADJUSTMENTS EFFECTIVE APRIL 2022; APPROVE A NET SURPLUS COMPENSATION RATE FOR NET ENERGY METERING CUSTOMERS; APPROVE THE ESTABLISHMENT OF MONTHLY BILLING FOR ALL NET ENERGY METERING CUSTOMERS; APPROVE THE ESTABLISHMENT OF ANNUAL TRUE-UP PERIOD TO APRIL FOR ALL NET ENERGY METERING CUSTOMERS

Date: January 11, 2022

RECOMMENDED ACTION

1. Approve initial OCPA rates contained in Attachment A (Scenario 3) such that OCPA's Basic Choice rates are set at parity to Southern California Edison ("SCE") rates and all OCPA member agencies will elect Smart Choice as the default service offering.
2. Authorize staff to adjust OCPA Basic Choice rates contained in Attachment A (Scenario 3) as soon as practicable after the SCE March 2022 rate change to maintain rate parity for OCPA Basic Choice customers effective April 2022. Staff shall place a report on the agenda of the next regular board meeting explaining the adjustment and requesting that the board ratify the adjusted initial OCPA rates.
3. Approve a Net Surplus Compensation ("NSC") rate for Net Energy Metering ("NEM") customers at 10% above SCE's NSC rate.
4. Approve the establishment of monthly settlements and billing for all NEM customers.
5. Approve the establishment of annual true-up period to April for all NEM customers.

BACKGROUND

The Orange County Power Authority ("OCPA") will begin serving its first phase of customers in April 2022. These customers currently receive bundled (generation and delivery) electric service from SCE under a wide variety of rate schedules, which generally vary based on broad customer end use classifications (e.g., residential, commercial, industrial, agricultural, etc.) and other service characteristics. A rate schedule or "tariff" specifies customer eligibility, describes service terms and conditions, and defines how customers will be charged for electricity consumption and the applicable rates. Each rate schedule includes one or more types of charges, which may include fixed monthly charges, charges based on the total kilowatt-hour ("kWh") consumed in a billing period or time-of-use period, or charges based on the highest potential demand the customer could register regardless of actual consumption during a billing period. The rate structures applicable to SCE customers range in complexity, with generally simpler structures applicable to residential and other small commercial customers and more complex structures applicable to large commercial and industrial customers.

Customers are classified based on end-use and other service characteristics to represent groups of customers with relatively similar cost-of-service profiles. SCE has established 5 customer classes that include: residential (D), commercial and industrial (GS), agricultural and pumping (PA), street lighting and traffic control (LS and TC) end uses.

Typical end uses within the customer classes are described below:

Rate Group	Example End Use
D	General residential uses
GS	Commercial establishments, industrial factories, electric vehicle fleets, religious facilities
PA	Agricultural and water or sewage pumping
LS	Street lighting
TC	Traffic signals

Each rate class has a number of rate schedules that provide options to customers and services for various requirements. In total, there are approximately 190 rate schedules under which customer within the OCPA area currently take service.

Once the customers begin receiving generation service from OCPA, the customers will be charged OCPA's rates for generation service and SCE's rates for delivery services. To provide customers with cost parity in their monthly electric bills relative to SCE service, OCPA rates will be lower than the generation rates charged by SCE to offset the inclusion of certain surcharges or "exit fees" (Cost Responsibility Surcharges) that SCE will apply to OCPA customer bills. These surcharges include the Power Charge Indifference Adjustment ("PCIA"), which is intended to allow SCE to recover certain above market costs of pre-existing generation commitments made on behalf of the customers, and the Franchise Fee Surcharge, which is intended to make SCE whole for reduced franchise fees that would occur when it no longer charges customers for generation services. These surcharges will be applied by SCE to monthly customer electricity usage of OCPA customers and charged on per kWh basis. The surcharges are included in the monthly electric bill for each customer along with other SCE charges related to electric delivery services as well as OCPA generation charges.

Consistent with good utility practice, OCPA rates must provide the revenue needed to operate and sustain a viable utility enterprise. Electric rates are typically designed to recover the revenue requirement projected for a twelve-month "test year." The fiscal year ending June 2023 was used as the test year for ratesetting purposes, meaning that the rates were designed to recover a revenue requirement consistent with sales and expenditures for the period from July 2022 through June 2023. The proposed rates were designed to yield revenues sufficient to collect OCPA's projected annual power supply and other operating costs, debt service costs, and a planned Rate Stabilization Reserve contribution, which is intended to meet debt service coverage requirements specified in OCPA's credit agreement. The approximately 2% planned reserve contribution reflected in the proposed rates is the minimum necessary to meet debt service coverage requirements ("DSCR") on a pro forma (i.e., projected) basis. The minimum is being proposed to keep OCPA rates as competitive as possible during service commencement; however, setting rates to achieve minimum reserve levels leaves little room for contingencies, and adverse variances on power supply costs or sales revenues during the year could necessitate rate changes.

As part of ratesetting, OCPA must set rate policies for customers who generate their own electricity and participate in the NEM program. In development of a NEM program recommendation, OCPA reviewed customers' status with the incumbent investor-owned utility ("IOU") and best practices

of community choice aggregators (“CCAs”) in the California region. Financial projections shown assume OCPA follows current SCE NEM practices.

In November 2021, SCE updated its Energy Resource Recovery Account (“ERRA”) forecasts for CY 2022 electric generation rates and PCIA. These filings mean that implementation of the 2022 SCE rate changes may be delayed until March 1, 2022. The initial OCPA rates for April 2022 contained in Attachment A are designed based on SCE’s November 2021 ERRA forecasts.

RATE DESIGN ANALYSIS AND DISCUSSION

This memorandum discusses three potential rate scenarios to recover the revenue requirement projected for the fiscal year ending June 2023, including the recommended scenario to set initial Basic Choice rates at parity to SCE, and all member agencies will be defaulted in the Smart Choice service offering. Each would yield sufficient revenues on a forecast basis with a 2% Rate Stabilization Reserve to insulate against market volatility and supply chain issues, but they differ in how the revenue requirement is allocated among customers taking service under the three product offerings. In each scenario, operating costs were projected based on contracts OCPA has executed to date and the expected cost of procuring energy and other wholesale services needed to supply OCPA’s customers with the resource mix associated with three energy product offerings: these include the Basic Choice product, which will include 38.5% renewable energy content in 2022 that increases over time; the Smart Choice product, which will include at least 69% renewable energy content in 2022 that increases over time; and the 100% Renewable Choice product, which will maintain a 100% renewable energy content. The sales projections are adjusted for expected customer opt-out rates and participation rates for each of the three product offerings.

Staff recommends that OCPA adopt identical rates¹ for initial Basic Choice as those offered by SCE, net of surcharges and the PCIA exit fee, so that there will be no change in customer’s electric bill upon transferring to OCPA service. This approach facilitates comparability and focuses the comparison on other factors such as local accountability, customer service, and decarbonization of the electric power supply. This rate design approach is typical for newly formed CCA programs and ensures compatibility with SCE’s billing process.

OCPA has designed its initial Basic Choice rates, as shown in Attachment A, by subtracting the applicable SCE surcharges from the generation service energy charges on each rate schedule. For purposes of this initial rate design, staff used the SCE generation rates and surcharges that are expected to be in effect as of April 1, 2022 when OCPA begins service to its customers. While we anticipate that revisions in SCE generation rates will take place on March 1, 2022, the new SCE rates will not be released to the public until February 2022 when SCE makes a consolidated rate filing with the Commission. Therefore, staff is seeking authorization to adjust OCPA initial Basic Choice rates as soon as practicable after the March 2022 rate change to maintain cost parity for OCPA customers. In addition, OCPA will have greater certainty regarding its power supply costs at that time as it will have largely completed its initial power supply contracting efforts. Staff will test the revised rates to ensure they are sufficient to recover OCPA’s revenue requirements. If staff assesses that the revised rates would yield sufficient revenues to meet OCPA’s revenue requirements, the rates will be put into effect on April 1, 2022 or as soon thereafter as practicable. Otherwise, staff would recommend a rate design revision for the Board’s consideration at that time.

OCPA would determine rate schedule eligibility and other general terms of service by mapping each OCPA rate schedule to an equivalent SCE rate schedule; customer contacting SCE to change

¹ SCE generation rates can be found at: <https://www.sce.com/regulatory/tariff-books/rates-pricing-choices>

rate schedules (e.g., selection of an optional time-of-use rate) would automatically be placed on a corresponding OCPA rate schedule. Other terms of electric service set forth the in otherwise applicable SCE tariff would continue to apply to OCPA customers.

Scenario 1 Overview

Scenario 1 sets the initial rates for Basic Choice at a level sufficient to cover OCPA's revenue requirement, with rates for Smart Choice and 100% Renewable Choice set at a cost-based premium associated with the additional renewable energy needed to supply these products. Based on current projections, Basic Choice rates would reflect a small premium relative to SCE rates. Scenario 1 reflects the assumption that the City of Irvine selects Smart Choice as the default product offering, while the other member Cities select Basic Choice as the default product offering.

The preliminary rates designed for Scenario 1 would yield projected revenues of \$41.9 million in FY 2022 and \$281.3 million in FY 2023 (the test year), using electric load forecasts reflective of the planned phased-in customer enrollment schedule.

The pro forma projections of annual OCPA revenues and expenses for Scenario 1 are shown in Figure 1. Note that the planned Rate Stabilization Reserve contribution is included as a component of the revenue requirement in Section III and that the surplus or deficit shown in section V is net of the reserve contribution. For purposes of the pro forma projections, the proposed rates are assumed to be held constant during the forecast period and only includes sales associated with the current OCPA member communities.

Figure 1

Annual Pro Forma Projections
Orange County Power Authority
 28-Dec-21

Year Ending:	2022	2023	2024	2025	2026
I. Revenue					
Base Rate Revenue	40,757,364	273,617,989	323,356,372	324,973,154	326,598,020
Product 2 Premium	1,130,262	7,188,705	8,125,434	8,166,061	8,206,891
Product 3 Premium	46,833	466,792	703,621	707,139	710,675
Total Revenue	41,934,459	281,273,486	332,185,427	333,846,354	335,515,586
II. Operating Expenses					
Power Supply	32,363,764	264,289,590	299,356,125	283,470,381	278,613,059
Staff	1,492,926	4,307,170	5,275,180	5,538,938	5,815,885
Mandatory Compliance Mailers	35,483	325,540	581,565	591,761	609,514
Other Operating Expenses	1,638,967	2,367,777	1,436,270	1,473,380	1,517,581
Data Management	-	2,066,392	3,229,246	3,245,577	3,456,436
Service Fees	54,626	436,647	527,849	530,468	533,102
Uncollectibles/Other	209,672	1,406,367	1,660,927	1,669,232	1,677,578
Subtotal Operating Expenses	35,795,438	275,199,484	312,067,161	296,519,737	292,223,155
Operating Margin	6,139,022	6,074,002	20,118,266	37,326,617	43,292,431
III. Financing					
Interest Payments	234,000	406,800	448,800	429,900	313,800
Principal Payments	-	-	-	3,600,000	7,200,000
Reserve Contribution	838,689	5,625,470	6,643,709	6,676,927	6,710,312
Subtotal Financing	1,072,689	6,032,270	7,092,509	10,706,827	14,224,112
IV. Total Revenue Requirement	36,868,127	281,231,754	319,159,670	307,226,564	306,447,267
V. Surplus/(Deficit)	5,066,332	41,732	13,025,757	26,619,790	29,068,319

Scenario 1 Rate Design

The initial OCPA rates for Basic Choice were designed such that each rate component is an equal percentage of the corresponding SCE generation rate, after accounting for the surcharges that SCE will assess on customer bills.

For customers electing the Smart Choice product, an additional charge of 0.5 cent per kWh will apply relative to Basic Choice rates. This premium includes the estimated incremental cost of offering a renewable energy mix of at least 69% in 2022 relative to the 38.5% renewable energy mix of the default Basic Choice product. For customers electing the 100% Renewable Choice product, an additional charge of 1.0 cent per kWh will apply relative to the Basic Choice rates. This premium includes the estimated incremental cost to OCPA of offering a 100% renewable energy product relative to the 38.5% renewable energy mix of the default Basic Choice product.

Scenario 1 Bill Impacts

Current estimates suggest that in Scenario 1, despite OCPA offering lower generation rates, OCPA customers will face a small bill premium for Basic Choice service due to SCE's imposition of the Cost Responsibility Surcharge. For a typical residential customer, the bill impacts for the three OCPA product offerings are estimated as follows:

Estimated Typical Residential Bill Comparison				
<i>Basic Choice, 425 KWh Per Month</i>				
Charge Type	OCPA	SCE	Difference	
Generation	\$44.06	\$49.96	(\$5.90)	
SCE Surcharges	\$8.45	\$0.00	\$8.45	
SCE Delivery	\$64.44	\$64.44	\$0.00	
Total	\$116.95	\$114.40	\$2.55	2.2%
Estimated Typical Residential Bill Comparison				
<i>Smart Choice, 425 KWh Per Month</i>				
Charge Type	OCPA	SCE	Difference	
Generation	\$46.18	\$49.96	(\$3.78)	
SCE Surcharges	\$8.45	\$0.00	\$8.45	
SCE Delivery	\$64.44	\$64.44	\$0.00	
Total	\$119.07	\$114.40	\$4.67	4.1%
Estimated Typical Residential Bill Comparison				
<i>100% Renewable Energy Choice, 425 KWh Per Month</i>				
Charge Type	OCPA	SCE	Difference	
Generation	\$48.31	\$49.96	(\$1.65)	
SCE Surcharges	\$8.45	\$0.00	\$8.45	
SCE Delivery	\$64.44	\$64.44	\$0.00	
Total	\$121.20	\$114.40	\$6.80	5.9%

Scenario 2 Overview

Scenario 2 set the initial rates for Basic Choice at parity to SCE. Rates for Smart Choice and 100% Renewable Choice include a larger premium as compared to Scenario 1, which yields revenues necessary for OCPA to meet its revenue requirements while keeping the rates for Basic Choice at parity to SCE. Scenario 2 reflects the assumption that the City of Irvine selects Smart Choice as the default product offering, while the other member Cities select Basic Choice as the default product offering.

The preliminary rates designed for Scenario 2 would yield projected revenues of \$42.0 million in FY 2022 and \$281.2 million in FY 2023 (the test year), using electric load forecasts reflective of the planned phased-in customer enrollment schedule.

The pro forma projections of annual OCPA revenues and expenses for Scenario 2 are shown in Figure 2. Note that the planned Rate Stabilization Reserve contribution is included as a component of the revenue requirement in Section III and that the surplus or deficit shown in section V is net of the reserve contribution. For purposes of the pro forma projections, the proposed rates are assumed to be held constant during the forecast period and only includes sales associated with current OCPA member agencies.

Figure 2

Annual Pro Forma Projections
Orange County Power Authority
28-Dec-21

Year Ending:	2022	2023	2024	2025	2026
I. Revenue					
Base Rate Revenue	38,437,322	257,918,362	304,792,176	306,316,137	307,847,717
Product 2 Premium	3,503,811	22,284,987	25,188,845	25,314,789	25,441,363
Product 3 Premium	96,008	956,924	1,442,423	1,449,635	1,456,883
Total Revenue	42,037,142	281,160,272	331,423,444	333,080,561	334,745,964
II. Operating Expenses					
Power Supply	32,363,764	264,289,590	299,356,125	283,470,381	278,613,059
Staff	1,492,926	4,307,170	5,275,180	5,538,938	5,815,885
Mandatory Compliance Mailers	35,483	325,540	581,565	591,761	609,514
Other Operating Expenses	1,638,967	2,367,777	1,436,270	1,473,380	1,517,581
Data Management	-	2,066,392	3,229,246	3,245,577	3,456,436
Service Fees	54,626	436,647	527,849	530,468	533,102
Uncollectibles/Other	210,186	1,405,801	1,657,117	1,665,403	1,673,730
Subtotal Operating Expenses	35,795,951	275,198,918	312,063,351	296,515,908	292,219,307
Operating Margin	6,241,191	5,961,354	19,360,092	36,564,653	42,526,657
III. Financing					
Interest Payments	234,000	406,800	448,800	429,900	313,800
Principal Payments	-	-	-	3,600,000	7,200,000
Reserve Contribution	840,743	5,623,205	6,628,469	6,661,611	6,694,919
Subtotal Financing	1,074,743	6,030,005	7,077,269	10,691,511	14,208,719
IV. Total Revenue Requirement	36,870,694	281,228,924	319,140,620	307,207,419	306,428,026
V. Surplus/(Deficit)	5,166,448	(68,652)	12,282,824	25,873,141	28,317,937

Scenario 2 Rate Design

The initial OCPA rates for Basic Choice were designed for rate parity such that each rate component is equal to the corresponding SCE generation rate, after accounting for the surcharges that SCE will assess on customer bills.

For customers electing the Smart Choice product, an additional charge of 1.55 cents per kWh will apply relative to Basic Choice rates. This premium includes the estimated incremental cost of offering a renewable energy mix of at least 69% in 2022 relative to the 38.5% renewable energy mix of the default Basic Choice product plus a 1.05 cents per kWh premium that is necessary for OCPA to meet its revenue requirements while keeping the rates for Basic Choice at parity to SCE. For customers electing the 100% Renewable Choice product, an additional charge of 2.05 cents per kWh will apply relative to the Basic Choice rates. This premium includes the estimated incremental cost to OCPA of offering a 100% renewable energy product relative to the 38.5% renewable energy mix of the default Basic Choice product plus the same 1.05 cents per kWh revenue sufficiency adder described above for the Smart Choice product.

Scenario 2 Bill Impacts

In Scenario 2, for a typical residential customer, the bill impacts for the three OCPA product offerings are estimated as follows:

Estimated Typical Residential Bill Comparison				
<i>Basic Choice, 425 KWh Per Month</i>				
Charge Type	OCPA	SCE	Difference	
Generation	\$41.51	\$49.96	(\$8.45)	
SCE Surcharges	\$8.45	\$0.00	\$8.45	
SCE Delivery	\$64.44	\$64.44	\$0.00	
Total	\$114.40	\$114.40	\$0.00	0.0%
Estimated Typical Residential Bill Comparison				
<i>Smart Choice, 425 KWh Per Month</i>				
Charge Type	OCPA	SCE	Difference	
Generation	\$48.10	\$49.96	(\$1.86)	
SCE Surcharges	\$8.45	\$0.00	\$8.45	
SCE Delivery	\$64.44	\$64.44	\$0.00	
Total	\$120.99	\$114.40	\$6.59	5.8%
Estimated Typical Residential Bill Comparison				
<i>100% Renewable Energy Choice, 425 KWh Per Month</i>				
Charge Type	OCPA	SCE	Difference	
Generation	\$50.23	\$49.96	\$0.27	
SCE Surcharges	\$8.45	\$0.00	\$8.45	
SCE Delivery	\$64.44	\$64.44	\$0.00	
Total	\$123.12	\$114.40	\$8.72	7.6%

Scenario 3 Overview (Recommended)

Scenario 3 set the initial rates for Basic Choice at parity to SCE. All member Cities are assumed to elect Smart Choice as the default service offering. This allows for a smaller premium for Smart Choice and 100% Renewable Choice than in Scenario 2, while keeping rates for Basic Choice at parity to SCE.

The preliminary rates designed for Scenario 3 would yield projected revenues of \$43.0 million in FY 2022 and \$287.8 million in FY 2023 (the test year), using electric load forecasts reflective of the planned phased-in customer enrollment schedule.

The pro forma projections of annual OCPA revenues and expenses for Scenario 3 are shown in Figure 3. Note that the planned Rate Stabilization Reserve contribution is included as a component of the revenue requirement in Section III and that the surplus or deficit shown in section V is net of the reserve contribution. For purposes of the pro forma projections, the proposed rates are assumed to be held constant during the forecast period and only includes sales associated with the current OCPA member communities.

Figure 3

Annual Pro Forma Projections
Orange County Power Authority
28-Dec-21

Year Ending:	2022	2023	2024	2025	2026
I. Revenue					
Base Rate Revenue	38,437,322	257,918,362	304,792,176	306,316,137	307,847,717
Product 2 Premium	4,472,587	29,192,591	33,773,802	33,942,671	34,112,384
Product 3 Premium	70,250	700,188	1,055,431	1,060,708	1,066,012
Total Revenue	42,980,160	287,811,140	339,621,409	341,319,516	343,026,114
II. Operating Expenses					
Power Supply	33,350,068	270,731,553	306,654,750	290,460,773	285,297,889
Staff	1,492,926	4,307,170	5,275,180	5,538,938	5,815,885
Mandatory Compliance Mailers	35,483	325,540	581,565	591,761	609,514
Other Operating Expenses	1,638,967	2,367,777	1,436,270	1,473,380	1,517,581
Data Management	-	2,066,392	3,229,246	3,245,577	3,456,436
Service Fees	54,626	436,647	527,849	530,468	533,102
Uncollectibles/Other	214,901	1,439,056	1,698,107	1,706,598	1,715,131
Subtotal Operating Expenses	36,786,970	281,674,135	319,402,967	303,547,495	298,945,538
Operating Margin	6,193,189	6,137,005	20,218,442	37,772,021	44,080,575
III. Financing					
Interest Payments	234,000	406,800	448,800	429,900	313,800
Principal Payments	-	-	-	3,600,000	7,200,000
Reserve Contribution	859,603	5,756,223	6,792,428	6,826,390	6,860,522
Subtotal Financing	1,093,603	6,163,023	7,241,228	10,856,290	14,374,322
IV. Total Revenue Requirement	37,880,574	287,837,157	326,644,195	314,403,785	313,319,861
V. Surplus/(Deficit)	5,099,586	(26,017)	12,977,214	26,915,731	29,706,253

Scenario 3 Rate Design

The initial OCPA rates for Basic Choice were designed for rate parity such that each rate component is equal to the corresponding SCE generation rate, after accounting for the surcharges that SCE will assess on customer bills.

For customers electing the Smart Choice product, an additional charge of 1.0 cent per kWh will apply relative to Basic Choice rates. This premium includes the estimated incremental cost of offering a renewable energy mix of at least 69% in 2022 relative to the 38.5% renewable energy mix of the default Basic Choice product plus a 0.5 cent per kWh premium that is necessary for OCPA to meet its revenue requirements while keeping the rates for Basic Choice at parity to SCE. For customers electing the 100% Renewable Choice product, an additional charge of 1.5 cents per kWh will apply relative to the Basic Choice rates. This premium includes the estimated incremental cost to OCPA of offering a 100% renewable energy product relative to the 38.5% renewable energy mix of the default Basic Choice product plus the same 0.5 cent per kWh revenue sufficiency adder described above for the Smart Choice product.

Scenario 3 Bill Impacts

In Scenario 3, for a typical residential customer, the bill impacts for the three OCPA product offerings are estimated as follows:

Estimated Typical Residential Bill Comparison				
<i>Basic Choice, 425 KWh Per Month</i>				
Charge Type	OCPA	SCE	Difference	
Generation	\$41.51	\$49.96	(\$8.45)	
SCE Surcharges	\$8.45	\$0.00	\$8.45	
SCE Delivery	\$64.44	\$64.44	\$0.00	
Total	\$114.40	\$114.40	\$0.00	0.0%
Estimated Typical Residential Bill Comparison				
<i>Smart Choice, 425 KWh Per Month</i>				
Charge Type	OCPA	SCE	Difference	
Generation	\$45.76	\$49.96	(\$4.20)	
SCE Surcharges	\$8.45	\$0.00	\$8.45	
SCE Delivery	\$64.44	\$64.44	\$0.00	
Total	\$118.65	\$114.40	\$4.25	3.7%
Estimated Typical Residential Bill Comparison				
<i>100% Renewable Energy Choice, 425 KWh Per Month</i>				
Charge Type	OCPA	SCE	Difference	
Generation	\$47.89	\$49.96	(\$2.07)	
SCE Surcharges	\$8.45	\$0.00	\$8.45	
SCE Delivery	\$64.44	\$64.44	\$0.00	
Total	\$120.78	\$114.40	\$6.38	5.6%

RATE DESIGN RECOMMENDATION

Scenario 3 allows for the lowest rate premiums that align with qualitatively superior product offerings (associated with the higher renewable energy content) in the Smart Choice and 100% Renewable Choice products, while allowing for all customers to choose a rate option that costs no more than what they would pay under SCE service. Staff recommends Scenario 3 as the basis of OCPA's initial rate design, with the understanding that rates would need to be revised if members do not choose Smart Choice as the default service offering.

The proposed OCPA rates in Attachment A were designed with reference to the SCE generation rates and Cost Responsibility Surcharges expected to be in effect as of April 1, 2022 when OCPA begins service to its customers. These rates will be adjusted in March, once SCE published its generation rates that will be effective as of April 1, 2022, in order to maintain parity for the Basic Choice product. If the revised rates are projected to yield insufficient revenues based on the best information available at that time, staff would recommend a rate design revision for the Board's consideration.

NET ENERGY METERING ANALYSIS AND DISCUSSION

Current SCE NEM customers are subject to rules set by the Commission. Under current SCE policies, NEM customers are billed once a year for their energy usage and are either charged for any net usage or are provided a credit for surplus net generation based on their energy usage and generation over the course of the prior year. Surplus generation is compensated at a net surplus compensation ("NSC") rate that is set monthly and is generally based on the market value of power. In 2021, the average SCE NSC rate was 3.034 cents/kWh. Initial estimates of OCPA's system indicate that approximately 25% of NEM customers generate more energy than they use. In 2019, it is estimated that 14,350 MWhs were generated in surplus by NEM customers that would be subject to NSC rates and would receive approximately \$435,000 in NSC credits based on 2021 NSC rates.

CCAs are not subject to the Commission NEM rules which are strictly set for the state's IOUs. As a matter of practice, most CCAs support local renewable energy production and have adopted rules that replicate IOU practices and often provide additional benefits to NEM customers. The most common benefits include higher NSC rates and monthly billing. Higher NSC rates result in greater compensation to customers that generate surplus energy and represents a low-cost way to signal the CCA's support of local solar. Monthly billing provides better cash flow planning for both the utility and customers as opposed to annual bills which can result in unexpectedly high bills for some customers. As part of monthly billing, most CCAs perform an annual true-up in April for all NEM customers as this month best aligns with NEM kWh banking procedures.

NET ENERGY METERING RECOMMENDATION

Providing NEM customers that generally replicates the current incumbent IOU NEM program allows for customer rate stability and an easier transition to OCPA and is defensible as the IOU NEM program has been approved by the Commission. Staff recommends approving the following improvements from the incumbent IOU NEM program which were discussed previously in the Net Energy Metering Analysis and Discussion section:

1. Set NSC rate at 10% above the incumbent IOU NSC rate
2. Provide monthly billing to NEM customers
3. Set all customers annual true-up period to April

Staff will develop a prospective NEM Program consistent with the incumbent IOU NEM program in preparation for OCPA's launch in April 2022 for the Board's adoption in February 2022.

FISCAL IMPACT

Adoption of rate design (Scenario 3) would yield projected surplus (net of Rate Stabilization Reserve) of \$5.1 million in FY 2022 and projected deficit of \$26,000 (due to rounding) in FY 2023. Approval of the proposed 10% adder to the IOU NSC rate for the NEM program will result in additional cost of approximately \$45,000/year once all SCE customers have enrolled into OCPA service.

ATTACHMENT

Attachment A: Preliminary OCPA Rates Effective April 1, 2022

ORANGE COUNTY POWER AUTHORITY ("OCPA")
APRIL 2022 PROPOSED RATES

SCE	CCA			CCA	SCE	SCE	SCE	SCE	SCE	SCE + CCA	Percent Rate Difference
RATE SCHEDULE	RATE SCHEDULE	UNIT/PERIOD	UNIT/PERIOD DESCRIPTION	2022 PROPOSED RATE	2022 GENERATION RATE	TOTAL 2022 SURCHARGES	2022 CTC	2022 PCIA	2022 FRANCHISE FEES	CCA RATE + SURCHARGES	CCA vs SCE
<u>RESIDENTIAL CUSTOMERS</u>											
DOMESTIC (D)	DOMESTIC (D)										
	ENERGY CHARGE (\$/KV All Usage	All Usage		0.09767	0.11754	0.01987	(0.00019)	0.01899	0.00107	0.11754	0.00%
DOMESTIC CARE (D-CARE)	DOMESTIC (D-CARE)										
	ENERGY CHARGE (\$/KV All Usage	All Usage		0.09767	0.11754	0.01987	(0.00019)	0.01899	0.00107	0.11754	0.00%
TOU-D-A (GF)	TOU-D-A (GF)										
	ENERGY CHARGE (\$/KWH)										
	<u>SUMMER</u>	<u>June 1 through September 30</u>									
	PEAK	2:00 p.m. to 8:00 p.m.weekdays except holidays		0.26986	0.29133	0.02146	(0.00019)	0.01899	0.00266	0.29133	0.00%
	OFF-PEAK	All hours other than Peak and Super Off- Peak		0.07991	0.09962	0.01971	(0.00019)	0.01899	0.00091	0.09962	0.00%
	SUPER OFF-PEAK	10:00 p.m. to 8:00 a.m. all year, every day		0.05748	0.07698	0.01950	(0.00019)	0.01899	0.00070	0.07698	0.00%
	<u>WINTER</u>	<u>January 1 through May 31 and October 1 through December 31</u>									
	PEAK	2:00 p.m. to 8:00 p.m.weekdays except holidays		0.15175	0.17212	0.02037	(0.00019)	0.01899	0.00157	0.17212	0.00%
	OFF-PEAK	All hours other than Peak and Super Off- Peak		0.06705	0.08665	0.01959	(0.00019)	0.01899	0.00079	0.08665	0.00%
	SUPER OFF-PEAK	10:00 p.m. to 8:00 a.m. all year, every day		0.05872	0.07824	0.01952	(0.00019)	0.01899	0.00072	0.07824	0.00%
	BASELINE CREDIT			-	0.00000	-				-	#DIV/0!
TOU-D-B (GF)	TOU-D-B (GF)										
	ENERGY CHARGE (\$/KWH)										
	<u>SUMMER</u>	<u>June 1 through September 30</u>									
	PEAK	2:00 p.m. to 8:00 p.m.weekdays except holidays		0.40389	0.42659	0.02270	(0.00019)	0.01899	0.00390	0.42659	0.00%

Note: OCPA 2022 Proposed Rates have been designed based on SCE's November 2021 Energy Resource Recovery Account (ERRA) forecasts for 2022 electric generation rates and PCIA.

DRAFT
ATTACHMENT A

ORANGE COUNTY POWER AUTHORITY ("OCPA")
APRIL 2022 PROPOSED RATES

SCE	CCA			CCA	SCE	SCE	SCE	SCE	SCE	SCE + CCA	Percent Rate Difference
RATE SCHEDULE	RATE SCHEDULE	UNIT/PERIOD	UNIT/PERIOD DESCRIPTION	2022 PROPOSED RATE	2022 GENERATION RATE	TOTAL 2022 SURCHARGES	2022 CTC	2022 PCIA	2022 FRANCHISE FEES	CCA RATE + SURCHARGES	CCA vs SCE
		OFF-PEAK	All hours other than Peak and Super Off-Peak	0.07991	0.09962	0.01971	(0.00019)	0.01899	0.00091	0.09962	0.00%
		SUPER OFF-PEAK	10:00 p.m. to 8:00 a.m. all year, every day	0.02670	0.04592	0.01922	(0.00019)	0.01899	0.00042	0.04592	0.00%
		<u>WINTER</u>	January 1 through May 31 and October 1 through December 31								
		PEAK	2:00 p.m. to 8:00 p.m. weekdays except holidays	0.11950	0.13957	0.02008	(0.00019)	0.01899	0.00128	0.13957	0.00%
		OFF-PEAK	All hours other than Peak and Super Off-Peak	0.06705	0.08665	0.01959	(0.00019)	0.01899	0.00079	0.08665	0.00%
		SUPER OFF-PEAK	10:00 p.m. to 8:00 a.m. all year, every day	0.02745	0.04668	0.01923	(0.00019)	0.01899	0.00043	0.04668	0.00%
TOU-D-T (GF)	TOU-D-T (GF)										
	ENERGY CHARGE (\$/KWH)										
	<u>SUMMER</u>	<u>June 1 through September 30</u>									
	TIER 1 PEAK	12:00 p.m. to 6:00 p.m. summer and winter weekdays except holidays		0.13802	0.15826	0.02025	(0.00019)	0.01899	0.00145	0.15826	0.00%
	TIER 1 OFF-PEAK	All other hours - all year, everyday		0.12376	0.14388	0.02012	(0.00019)	0.01899	0.00132	0.14388	0.00%
	TIER 2 PEAK	12:00 p.m. to 6:00 p.m. summer and winter weekdays except holidays		0.13802	0.15826	0.02025	(0.00019)	0.01899	0.00145	0.15826	0.00%
	TIER 2 OFF-PEAK	All other hours - all year, everyday		0.12376	0.14388	0.02012	(0.00019)	0.01899	0.00132	0.14388	0.00%
	<u>WINTER</u>	January 1 through May 31 and October 1 through December 31									
	TIER 1 PEAK	12:00 p.m. to 6:00 p.m. summer and winter weekdays except holidays		0.08772	0.10751	0.01978	(0.00019)	0.01899	0.00098	0.10751	0.00%
	TIER 1 OFF-PEAK	All other hours - all year, everyday		0.07805	0.09774	0.01969	(0.00019)	0.01899	0.00089	0.09774	0.00%
	TIER 2 PEAK	12:00 p.m. to 6:00 p.m. summer and winter weekdays except holidays		0.08772	0.10751	0.01978	(0.00019)	0.01899	0.00098	0.10751	0.00%
	TIER 2 OFF-PEAK	All other hours - all year, everyday		0.07805	0.09774	0.01969	(0.00019)	0.01899	0.00089	0.09774	0.00%
TOU-D-PRIME	TOU-D-PRIME										
	ENERGY CHARGE (\$/KWH)										
	<u>SUMMER</u>	<u>June 1 through September 30</u>									

ORANGE COUNTY POWER AUTHORITY ("OCPA")
APRIL 2022 PROPOSED RATES

SCE	CCA			CCA	SCE	SCE	SCE	SCE	SCE	SCE + CCA	Percent Rate Difference
RATE SCHEDULE	RATE SCHEDULE	UNIT/PERIOD	UNIT/PERIOD DESCRIPTION	2022 PROPOSED RATE	2022 GENERATION RATE	TOTAL 2022 SURCHARGES	2022 CTC	2022 PCIA	2022 FRANCHISE FEES	CCA RATE + SURCHARGES	CCA vs SCE
		PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.26940	0.29086	0.02146	(0.00019)	0.01899	0.00266	0.29086	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.12801	0.14817	0.02015	(0.00019)	0.01899	0.00135	0.14817	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.04939	0.06882	0.01943	(0.00019)	0.01899	0.00063	0.06882	0.00%
		<u>WINTER</u>	January 1 through May 31 and October 1 through December 31								
		MID-PEAK	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.22503	0.24608	0.02105	(0.00019)	0.01899	0.00225	0.24608	0.00%
		OFF-PEAK	All hours other than Mid-Peak and Super Off- Peak	0.04421	0.06359	0.01938	(0.00019)	0.01899	0.00058	0.06359	0.00%
		SUPER OFF-PEAK	8:00 a.m. to 3:00 p.m. winter weekdays and weekends	0.04421	0.06359	0.01938	(0.00019)	0.01899	0.00058	0.06359	0.00%
TOU-D-4to9	TOU-D-4to9										
		ENERGY CHARGE (\$/KWH)									
		<u>SUMMER</u>	June 1 through September 30								
		PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.20667	0.22755	0.02088	(0.00019)	0.01899	0.00208	0.22755	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.09301	0.11285	0.01983	(0.00019)	0.01899	0.00103	0.11285	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.07027	0.08989	0.01962	(0.00019)	0.01899	0.00082	0.08989	0.00%
		<u>WINTER</u>	January 1 through May 31 and October 1 through December 31								
		MID-PEAK	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.13345	0.15365	0.02021	(0.00019)	0.01899	0.00141	0.15365	0.00%
		OFF-PEAK	All hours other than Mid-Peak and Super Off- Peak	0.09155	0.11137	0.01982	(0.00019)	0.01899	0.00102	0.11137	0.00%
		SUPER OFF-PEAK	8:00 a.m. to 3:00 p.m. winter weekdays and weekends	0.06592	0.08550	0.01958	(0.00019)	0.01899	0.00078	0.08550	0.00%
TOU-D-5to8	TOU-D-5to8										
		ENERGY CHARGE (\$/KWH)									
		<u>SUMMER</u>	June 1 through September 30								

ORANGE COUNTY POWER AUTHORITY ("OCPA")
APRIL 2022 PROPOSED RATES

SCE	CCA			CCA	SCE	SCE	SCE	SCE	SCE	SCE + CCA	Percent Rate Difference
RATE SCHEDULE	RATE SCHEDULE	UNIT/PERIOD	UNIT/PERIOD DESCRIPTION	2022 PROPOSED RATE	2022 GENERATION RATE	TOTAL 2022 SURCHARGES	2022 CTC	2022 PCIA	2022 FRANCHISE FEES	CCA RATE + SURCHARGES	CCA vs SCE
		PEAK	5:00 p.m. to 8:00 p.m. summer weekdays except holidays	0.33901	0.36111	0.02210	(0.00019)	0.01899	0.00330	0.36111	0.00%
		MID-PEAK	5:00 p.m. to 8:00 p.m. winter weekdays and summer and winter weekends	0.15650	0.17692	0.02042	(0.00019)	0.01899	0.00162	0.17692	0.00%
		OFF-PEAK	8:00 p.m. to 5:00 p.m.- summer weekdays and weekends	0.05837	0.07788	0.01951	(0.00019)	0.01899	0.00071	0.07788	0.00%
		WINTER	January 1 through May 31 and October 1 through December 31								
		MID-PEAK	5:00 p.m. to 8:00 p.m. winter weekdays and summer and winter weekends	0.20825	0.22914	0.02090	(0.00019)	0.01899	0.00210	0.22914	0.00%
		OFF-PEAK	8:00 p.m. to 8:00 a.m.- winter weekdays and weekends	0.08721	0.10699	0.01978	(0.00019)	0.01899	0.00098	0.10699	0.00%
		SUPER OFF-PEAK	8:00 a.m. to 5:00 p.m.- winter weekdays and weekends	0.05632	0.07581	0.01949	(0.00019)	0.01899	0.00069	0.07581	0.00%
COMMERCIAL, INDUSTRIAL, AGRICULTURAL AND GENERAL SERVICE CUSTOMERS											
TOU-EV-7-E	TOU-EV-7-E										
	ENERGY CHARGE (\$/KWH)										
		SUMMER	June 1 through September 30								
		PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.27744	0.29467	0.01723	(0.00015)	0.01469	0.00269	0.29467	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.14083	0.15681	0.01597	(0.00015)	0.01469	0.00143	0.15681	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.09528	0.11083	0.01555	(0.00015)	0.01469	0.00101	0.11083	0.00%
		WINTER	January 1 through May 31 and October 1 through December 31								
		PEAK	All hours other than Mid-Peak and Off-Peak	0.16523	0.18143	0.01620	(0.00015)	0.01469	0.00166	0.18143	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.08548	0.10095	0.01546	(0.00015)	0.01469	0.00092	0.10095	0.00%
		OFF-PEAK	9:00 p.m. to 8:00 a.m. winter weekdays and weekends	0.04081	0.05586	0.01505	(0.00015)	0.01469	0.00051	0.05586	0.00%
TOU-EV-7-D	TOU-EV-7-D										

ORANGE COUNTY POWER AUTHORITY ("OCPA")
APRIL 2022 PROPOSED RATES

SCE	CCA		CCA	SCE	SCE	SCE	SCE	SCE	SCE + CCA	Percent Rate Difference	
RATE SCHEDULE	RATE SCHEDULE	UNIT/PERIOD	UNIT/PERIOD DESCRIPTION	2022 PROPOSED RATE	2022 GENERATION RATE	TOTAL 2022 SURCHARGES	2022 CTC	2022 PCIA	2022 FRANCHISE FEES	CCA RATE + SURCHARGES	CCA vs SCE
TOU-EV-8	ENERGY CHARGE (\$/KWH)										
		<u>SUMMER</u>	<u>June 1 through September 30</u>								
		PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.27744	0.29467	0.01723	(0.00015)	0.01469	0.00269	0.29467	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.14083	0.15681	0.01597	(0.00015)	0.01469	0.00143	0.15681	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.09528	0.11083	0.01555	(0.00015)	0.01469	0.00101	0.11083	0.00%
		<u>WINTER</u>	<u>January 1 through May 31 and October 1 through December 31</u>								
		PEAK	All hours other than Mid-Peak and Off-Peak	0.16523	0.18143	0.01620	(0.00015)	0.01469	0.00166	0.18143	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.08548	0.10095	0.01546	(0.00015)	0.01469	0.00092	0.10095	0.00%
		OFF-PEAK	9:00 p.m. to 8:00 a.m. winter weekdays and weekends	0.04081	0.05586	0.01505	(0.00015)	0.01469	0.00051	0.05586	0.00%
	TOU-EV-8	TOU-EV-8									
	ENERGY CHARGE (\$/KWH)										
		<u>SUMMER</u>	<u>June 1 through September 30</u>								
		PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.37522	0.39359	0.01837	(0.00015)	0.01492	0.00360	0.39359	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.08794	0.10366	0.01572	(0.00015)	0.01492	0.00095	0.10366	0.00%
	OFF-PEAK	All hours other than Peak and Mid-Peak	0.06701	0.08253	0.01552	(0.00015)	0.01492	0.00075	0.08253	0.00%	
TOU-8-SEC-R (GF)		<u>WINTER</u>	<u>January 1 through May 31 and October 1 through December 31</u>								
		PEAK	All hours other than Mid-Peak and Off-Peak	0.13737	0.15354	0.01617	(0.00015)	0.01492	0.00140	0.15354	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.07884	0.09448	0.01563	(0.00015)	0.01492	0.00086	0.09448	0.00%
		OFF-PEAK	9:00 p.m. to 8:00 a.m. winter weekdays and weekends	0.03241	0.04761	0.01521	(0.00015)	0.01492	0.00044	0.04761	0.00%
	TOU-8-SEC-R (GF)	TOU-8-SEC-R (GF)									
	ENERGY CHARGE (\$/KWH)										

ORANGE COUNTY POWER AUTHORITY ("OCPA")
APRIL 2022 PROPOSED RATES

SCE	CCA			CCA	SCE	SCE	SCE	SCE	SCE	SCE + CCA	Percent Rate Difference
RATE SCHEDULE	RATE SCHEDULE	UNIT/PERIOD	UNIT/PERIOD DESCRIPTION	2022 PROPOSED RATE	2022 GENERATION RATE	TOTAL 2022 SURCHARGES	2022 CTC	2022 PCIA	2022 FRANCHISE FEES	CCA RATE + SURCHARGES	CCA vs SCE
		<u>SUMMER</u>	<u>June 1 through September 30</u>								
		PEAK	12:00 noon to 6:00 p.m. summer weekdays except holidays	0.26782	0.28413	0.01631	(0.00014)	0.01385	0.00260	0.28413	0.00%
		MID-PEAK	8:00 a.m. to 12:00 noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays	0.10229	0.11707	0.01478	(0.00014)	0.01385	0.00107	0.11707	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.04954	0.06384	0.01429	(0.00014)	0.01385	0.00058	0.06384	0.00%
		<u>WINTER</u>	<u>January 1 through May 31 and October 1 through December 31</u>								
		MID-PEAK	8:00 a.m. to 9:00 p.m. winter weekdays except holidays	0.07345	0.08797	0.01451	(0.00014)	0.01385	0.00080	0.08797	0.00%
		OFF-PEAK	All hours other than Mid-Peak	0.04037	0.05458	0.01421	(0.00014)	0.01385	0.00050	0.05458	0.00%
TOU-8-SEC-E	TOU-8-SEC-E										
	ENERGY CHARGE (\$/KWH)										
		<u>SUMMER</u>	<u>June 1 through September 30</u>								
		PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.37641	0.39372	0.01731	(0.00014)	0.01385	0.00360	0.39372	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.07570	0.09024	0.01454	(0.00014)	0.01385	0.00083	0.09024	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.04317	0.05741	0.01423	(0.00014)	0.01385	0.00052	0.05741	0.00%
		<u>WINTER</u>	<u>January 1 through May 31 and October 1 through December 31</u>								
		MID-PEAK	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.10644	0.12125	0.01482	(0.00014)	0.01385	0.00111	0.12125	0.00%
		OFF-PEAK	All hours other than Mid-Peak and Super Off- Peak	0.04903	0.06332	0.01429	(0.00014)	0.01385	0.00058	0.06332	0.00%
		SUPER OFF-PEAK	8:00 a.m. to 3:00 p.m. winter weekdays and weekends	0.02650	0.04058	0.01408	(0.00014)	0.01385	0.00037	0.04058	0.00%
	DEMAND CHARGE (\$/KV	<u>SUMMER TR PEAK</u>	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	6.08	6.13	0.05609	-	-	0.05609	6.13432	0.00%
		<u>WINTER TR MID-PEAK</u>	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	1.14	1.15	0.01050	-	-	0.01050	1.14787	0.00%
TOU-8-SEC-D	TOU-8-SEC-D										

ORANGE COUNTY POWER AUTHORITY ("OCPA")
APRIL 2022 PROPOSED RATES

SCE	CCA			CCA	SCE	SCE	SCE	SCE	SCE	SCE + CCA	Percent Rate Difference
RATE SCHEDULE	RATE SCHEDULE	UNIT/PERIOD	UNIT/PERIOD DESCRIPTION	2022 PROPOSED RATE	2022 GENERATION RATE	TOTAL 2022 SURCHARGES	2022 CTC	2022 PCIA	2022 FRANCHISE FEES	CCA RATE + SURCHARGES	CCA vs SCE
	ENERGY CHARGE (\$/KWH)										
		<u>SUMMER</u>	June 1 through September 30								
		PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.08572	0.10035	0.01463	(0.00014)	0.01385	0.00092	0.10035	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.07570	0.09024	0.01454	(0.00014)	0.01385	0.00083	0.09024	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.04317	0.05741	0.01423	(0.00014)	0.01385	0.00052	0.05741	0.00%
		<u>WINTER</u>	January 1 through May 31 and October 1 through December 31								
		MID-PEAK	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.06101	0.07541	0.01440	(0.00014)	0.01385	0.00069	0.07541	0.00%
		OFF-PEAK	All hours other than Mid-Peak and Super Off- Peak	0.04903	0.06332	0.01429	(0.00014)	0.01385	0.00058	0.06332	0.00%
		SUPER OFF-PEAK	8:00 a.m. to 3:00 p.m. winter weekdays and weekends	0.02650	0.04058	0.01408	(0.00014)	0.01385	0.00037	0.04058	0.00%
	DEMAND CHARGE (\$/KV	<u>SUMMER TR PEAK</u>	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	27.53	27.78	0.25405	-	-	0.25405	27.78343	0.00%
		<u>WINTER TR MID-PEAK</u>	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	5.38	5.43	0.04966	-	-	0.04966	5.43079	0.00%
TOU-8-PRI-D	TOU-8-PRI-D										
	ENERGY CHARGE (\$/KWH)										
		<u>SUMMER</u>	June 1 through September 30								
		PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.08135	0.09560	0.01425	(0.00014)	0.01352	0.00087	0.09560	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.07181	0.08598	0.01417	(0.00014)	0.01352	0.00079	0.08598	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.04099	0.05487	0.01388	(0.00014)	0.01352	0.00050	0.05487	0.00%
		<u>WINTER</u>	January 1 through May 31 and October 1 through December 31								
		MID-PEAK	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.05806	0.07210	0.01404	(0.00014)	0.01352	0.00066	0.07210	0.00%
		OFF-PEAK	All hours other than Mid-Peak and Super Off- Peak	0.04657	0.06051	0.01393	(0.00014)	0.01352	0.00055	0.06051	0.00%
		SUPER OFF-PEAK	8:00 a.m. to 3:00 p.m. winter weekdays and weekends	0.02505	0.03879	0.01373	(0.00014)	0.01352	0.00035	0.03879	0.00%

**ORANGE COUNTY POWER AUTHORITY ("OCPA")
APRIL 2022 PROPOSED RATES**

SCE	CCA		CCA	SCE	SCE	SCE	SCE	SCE	SCE + CCA	Percent Rate Difference	
RATE SCHEDULE	RATE SCHEDULE	UNIT/PERIOD	UNIT/PERIOD DESCRIPTION	2022 PROPOSED RATE	2022 GENERATION RATE	TOTAL 2022 SURCHARGES	2022 CTC	2022 PCIA	2022 FRANCHISE FEES	CCA RATE + SURCHARGES	CCA vs SCE
TOU-PA-2-A (GF)	DEMAND CHARGE (\$/KV	<u>SUMMER TR PEAK</u>	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	27.41	27.67	0.25298	-	-	0.25298	27.66628	0.00%
		<u>WINTER TR MID-PEAK</u>	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	5.79	5.85	0.05347	-	-	0.05347	5.84745	0.00%
	TOU-PA-2-A (GF)										
	ENERGY CHARGE (\$/KWH)	<u>SUMMER</u>	June 1 through September 30								
		<u>PEAK</u>	12:00 noon to 6:00 p.m. summer weekdays except holidays	0.26115	0.27742	0.01627	(0.00014)	0.01387	0.00254	0.27742	0.00%
		<u>MID-PEAK</u>	8:00 a.m. to 12:00 noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays	0.10040	0.11518	0.01478	(0.00014)	0.01387	0.00105	0.11518	0.00%
		<u>OFF-PEAK</u>	All hours other than Peak and Mid-Peak	0.05830	0.07269	0.01439	(0.00014)	0.01387	0.00066	0.07269	0.00%
		<u>WINTER</u>	January 1 through May 31 and October 1 through December 31								
		<u>MID-PEAK</u>	8:00 a.m. to 12:00 noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays	0.08303	0.09766	0.01462	(0.00014)	0.01387	0.00089	0.09766	0.00%
		<u>OFF-PEAK</u>	All hours other than Mid-Peak	0.04986	0.06417	0.01432	(0.00014)	0.01387	0.00059	0.06417	0.00%
TOU-PA-2-B (GF)											
ENERGY CHARGE (\$/KWH)		<u>SUMMER</u>	June 1 through September 30								
		<u>PEAK</u>	12:00 noon to 6:00 p.m. summer weekdays except holidays	0.06630	0.08077	0.01447	(0.00014)	0.01387	0.00074	0.08077	0.00%
	<u>MID-PEAK</u>	8:00 a.m. to 12:00 noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays	0.06026	0.07467	0.01441	(0.00014)	0.01387	0.00068	0.07467	0.00%	
	<u>OFF-PEAK</u>	All hours other than Peak and Mid-Peak	0.05830	0.07269	0.01439	(0.00014)	0.01387	0.00066	0.07269	0.00%	
	<u>WINTER</u>	January 1 through May 31 and October 1 through December 31									
	<u>MID-PEAK</u>	8:00 a.m. to 12:00 noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays	0.08303	0.09766	0.01462	(0.00014)	0.01387	0.00089	0.09766	0.00%	

ORANGE COUNTY POWER AUTHORITY ("OCPA")
APRIL 2022 PROPOSED RATES

SCE	CCA			CCA	SCE	SCE	SCE	SCE	SCE	SCE + CCA	Percent Rate Difference
RATE SCHEDULE	RATE SCHEDULE	UNIT/PERIOD	UNIT/PERIOD DESCRIPTION	2022 PROPOSED RATE	2022 GENERATION RATE	TOTAL 2022 SURCHARGES	2022 CTC	2022 PCIA	2022 FRANCHISE FEES	CCA RATE + SURCHARGES	CCA vs SCE
		OFF-PEAK	All hours other than Mid-Peak	0.04986	0.06417	0.01432	(0.00014)	0.01387	0.00059	0.06417	0.00%
	DEMAND CHARGE (\$/KV	SUMMER TR PEAK	12:00 noon to 6:00 p.m. summer weekdays except holidays	11.69	11.80	0.10786	-	-	0.10786	11.79609	0.00%
		SUMMER TR MID-PEAK	8:00 a.m. to 12:00 noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays	3.57	3.61	0.03297	-	-	0.03297	3.60612	0.00%
TOU-PA-2-E4to9	TOU-PA-2-E4to9										
	ENERGY CHARGE (\$/KWH)	SUMMER	June 1 through September 30								
		PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.40930	0.42693	0.01763	(0.00014)	0.01387	0.00390	0.42693	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.08432	0.09895	0.01463	(0.00014)	0.01387	0.00090	0.09895	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.05236	0.06670	0.01434	(0.00014)	0.01387	0.00061	0.06670	0.00%
		WINTER	January 1 through May 31 and October 1 through December 31								
		MID-PEAK	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.08291	0.09753	0.01462	(0.00014)	0.01387	0.00089	0.09753	0.00%
		OFF-PEAK	All hours other than Mid-Peak and Super Off- Peak	0.06317	0.07761	0.01444	(0.00014)	0.01387	0.00071	0.07761	0.00%
		SUPER OFF-PEAK	8:00 a.m. to 3:00 p.m. winter weekdays and weekends	0.05193	0.06627	0.01434	(0.00014)	0.01387	0.00061	0.06627	0.00%
TOU-PA-2-D4to9	TOU-PA-2-D4to9										
	ENERGY CHARGE (\$/KWH)	SUMMER	June 1 through September 30								
		PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.09529	0.11002	0.01474	(0.00014)	0.01387	0.00101	0.11002	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.08432	0.09895	0.01463	(0.00014)	0.01387	0.00090	0.09895	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.05236	0.06670	0.01434	(0.00014)	0.01387	0.00061	0.06670	0.00%
		WINTER	January 1 through May 31 and October 1 through December 31								

ORANGE COUNTY POWER AUTHORITY ("OCPA")
APRIL 2022 PROPOSED RATES

SCE	CCA			CCA	SCE	SCE	SCE	SCE	SCE	SCE + CCA	Percent Rate Difference
RATE SCHEDULE	RATE SCHEDULE	UNIT/PERIOD	UNIT/PERIOD DESCRIPTION	2022 PROPOSED RATE	2022 GENERATION RATE	TOTAL 2022 SURCHARGES	2022 CTC	2022 PCIA	2022 FRANCHISE FEES	CCA RATE + SURCHARGES	CCA vs SCE
		MID-PEAK	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.06979	0.08429	0.01450	(0.00014)	0.01387	0.00077	0.08429	0.00%
		OFF-PEAK	All hours other than Mid-Peak and Super Off-Peak	0.05274	0.06708	0.01434	(0.00014)	0.01387	0.00061	0.06708	0.00%
		SUPER OFF-PEAK	8:00 a.m. to 3:00 p.m. winter weekdays and weekends	0.04301	0.05727	0.01425	(0.00014)	0.01387	0.00052	0.05727	0.00%
				-						-	
	DEMAND CHARGE (\$/KV	SUMMER TR PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	15.47526	15.62	0.14281	-	-	0.14281	15.61807	0.00%
		WINTER TR MID-PEAK	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	2.71761	2.74	0.02508	-	-	0.02508	2.74269	0.00%
TOU-PA-2-E5to8	TOU-PA-2-E5to8										
	ENERGY CHARGE (\$/KWH)										
		SUMMER	June 1 through September 30								
		PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.66699	0.68700	0.02001	(0.00014)	0.01387	0.00628	0.68700	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.14213	0.15730	0.01517	(0.00014)	0.01387	0.00144	0.15730	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.05278	0.06712	0.01434	(0.00014)	0.01387	0.00061	0.06712	0.00%
		WINTER	January 1 through May 31 and October 1 through December 31								
		MID-PEAK	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.08340	0.09803	0.01463	(0.00014)	0.01387	0.00090	0.09803	0.00%
		OFF-PEAK	All hours other than Mid-Peak and Super Off-Peak	0.06356	0.07800	0.01444	(0.00014)	0.01387	0.00071	0.07800	0.00%
		SUPER OFF-PEAK	8:00 a.m. to 3:00 p.m. winter weekdays and weekends	0.05227	0.06661	0.01434	(0.00014)	0.01387	0.00061	0.06661	0.00%
TOU-PA-2-D5to8	TOU-PA-2-D5to8										
	ENERGY CHARGE (\$/KWH)										
		SUMMER	June 1 through September 30								
		PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.16091	0.17626	0.01534	(0.00014)	0.01387	0.00161	0.17626	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.14213	0.15730	0.01517	(0.00014)	0.01387	0.00144	0.15730	0.00%

ORANGE COUNTY POWER AUTHORITY ("OCPA")
APRIL 2022 PROPOSED RATES

SCE	CCA			CCA	SCE	SCE	SCE	SCE	SCE	SCE + CCA	Percent Rate Difference
RATE SCHEDULE	RATE SCHEDULE	UNIT/PERIOD	UNIT/PERIOD DESCRIPTION	2022 PROPOSED RATE	2022 GENERATION RATE	TOTAL 2022 SURCHARGES	2022 CTC	2022 PCIA	2022 FRANCHISE FEES	CCA RATE + SURCHARGES	CCA vs SCE
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.05278	0.06712	0.01434	(0.00014)	0.01387	0.00061	0.06712	0.00%
		<u>WINTER</u>	January 1 through May 31 and October 1 through December 31								
		MID-PEAK	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.07023	0.08473	0.01450	(0.00014)	0.01387	0.00077	0.08473	0.00%
		OFF-PEAK	All hours other than Mid-Peak and Super Off- Peak	0.05308	0.06742	0.01435	(0.00014)	0.01387	0.00062	0.06742	0.00%
		SUPER OFF-PEAK	8:00 a.m. to 3:00 p.m. winter weekdays and weekends	0.04331	0.05757	0.01426	(0.00014)	0.01387	0.00053	0.05757	0.00%
				-						-	
	DEMAND CHARGE (\$/KV	<u>SUMMER TR PEAK</u>	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	15.47526	15.62	0.14281	-	-	0.14281	15.61807	0.00%
		<u>WINTER TR MID-PEAK</u>	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	2.80568	2.83	0.02589	-	-	0.02589	2.83157	0.00%
TOU-PA-3-A (GF)	TOU-PA-3-A (GF)										
	ENERGY CHARGE (\$/KWH)										
		<u>SUMMER</u>	June 1 through September 30								
		PEAK	12:00 noon to 6:00 p.m. summer weekdays except holidays	0.24265	0.25826	0.01561	(0.00013)	0.01338	0.00236	0.25826	0.00%
		MID-PEAK	8:00 a.m. to 12:00 noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays	0.08485	0.09900	0.01416	(0.00013)	0.01338	0.00091	0.09900	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.04860	0.06242	0.01382	(0.00013)	0.01338	0.00057	0.06242	0.00%
		<u>WINTER</u>	January 1 through May 31 and October 1 through December 31								
		MID-PEAK	8:00 a.m. to 12:00 noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays	0.06839	0.08240	0.01400	(0.00013)	0.01338	0.00075	0.08240	0.00%
		OFF-PEAK	All hours other than Mid-Peak	0.04184	0.05560	0.01376	(0.00013)	0.01338	0.00051	0.05560	0.00%
TOU-PA-3-B (GF)	TOU-PA-3-B (GF)										
	ENERGY CHARGE (\$/KWH)										
		<u>SUMMER</u>	June 1 through September 30								
		PEAK	12:00 noon to 6:00 p.m. summer weekdays except holidays	0.05547	0.06936	0.01388	(0.00013)	0.01338	0.00063	0.06936	0.00%

DRAFT
ATTACHMENT A

**ORANGE COUNTY POWER AUTHORITY ("OCPA")
APRIL 2022 PROPOSED RATES**

SCE	CCA		CCA	SCE	SCE	SCE	SCE	SCE	SCE + CCA	Percent Rate Difference		
RATE SCHEDULE	RATE SCHEDULE	UNIT/PERIOD	UNIT/PERIOD DESCRIPTION	2022 PROPOSED RATE	2022 GENERATION RATE	TOTAL 2022 SURCHARGES	2022 CTC	2022 PCIA	2022 FRANCHISE FEES	CCA RATE + SURCHARGES	CCA vs SCE	
			8:00 a.m. to 12:00 noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays	0.05013	0.06396	0.01383	(0.00013)	0.01338	0.00058	0.06396	0.00%	
			All hours other than Peak and Mid-Peak	0.04860	0.06242	0.01382	(0.00013)	0.01338	0.00057	0.06242	0.00%	
			January 1 through May 31 and October 1 through December 31									
			8:00 a.m. to 12:00 noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays	0.06839	0.08240	0.01400	(0.00013)	0.01338	0.00075	0.08240	0.00%	
			All hours other than Mid-Peak	0.04184	0.05560	0.01376	(0.00013)	0.01338	0.00051	0.05560	0.00%	
		DEMAND CHARGE (\$/KV	SUMMER TR PEAK	12:00 noon to 6:00 p.m. summer weekdays except holidays	12.52	12.63	0.11550	-	-	0.11550	12.63169	0.00%
			8:00 a.m. to 12:00 noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays	3.40	3.43	0.03139	-	-	0.03139	3.43266	0.00%	
	TOU-PA-3-E4to9	TOU-PA-3-E4to9										
		ENERGY CHARGE (\$/KWH)										
			SUMMER	June 1 through September 30								
			PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.35677	0.37343	0.01666	(0.00013)	0.01338	0.00341	0.37343	0.00%
			MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.07035	0.08437	0.01402	(0.00013)	0.01338	0.00077	0.08437	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.04353	0.05731	0.01377	(0.00013)	0.01338	0.00052	0.05731	0.00%	
			January 1 through May 31 and October 1 through December 31									
			4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.08475	0.09891	0.01415	(0.00013)	0.01338	0.00090	0.09891	0.00%	
			All hours other than Mid-Peak and Super Off-Peak	0.06482	0.07879	0.01397	(0.00013)	0.01338	0.00072	0.07879	0.00%	
			8:00 a.m. to 3:00 p.m. winter weekdays and weekends	0.01517	0.02868	0.01351	(0.00013)	0.01338	0.00026	0.02868	0.00%	
	TOU-PA-3-D4to9	TOU-PA-3-D4to9										
		ENERGY CHARGE (\$/KWH)										

ORANGE COUNTY POWER AUTHORITY ("OCPA")
APRIL 2022 PROPOSED RATES

SCE	CCA			CCA	SCE	SCE	SCE	SCE	SCE	SCE + CCA	Percent Rate Difference
RATE SCHEDULE	RATE SCHEDULE	UNIT/PERIOD	UNIT/PERIOD DESCRIPTION	2022 PROPOSED RATE	2022 GENERATION RATE	TOTAL 2022 SURCHARGES	2022 CTC	2022 PCIA	2022 FRANCHISE FEES	CCA RATE + SURCHARGES	CCA vs SCE
		<u>SUMMER</u>	June 1 through September 30								
		PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.07971	0.09382	0.01411	(0.00013)	0.01338	0.00086	0.09382	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.07035	0.08437	0.01402	(0.00013)	0.01338	0.00077	0.08437	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.04353	0.05731	0.01377	(0.00013)	0.01338	0.00052	0.05731	0.00%
		<u>WINTER</u>	January 1 through May 31 and October 1 through December 31								
		MID-PEAK	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.06136	0.07530	0.01394	(0.00013)	0.01338	0.00069	0.07530	0.00%
		OFF-PEAK	All hours other than Mid-Peak and Super Off- Peak	0.04937	0.06320	0.01383	(0.00013)	0.01338	0.00058	0.06320	0.00%
		SUPER OFF-PEAK	8:00 a.m. to 3:00 p.m. winter weekdays and weekends	0.02689	0.04051	0.01362	(0.00013)	0.01338	0.00037	0.04051	0.00%
										-	
	DEMAND CHARGE (\$/KV	<u>SUMMER TR PEAK</u>	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	15.15	15.29	0.13978	-	-	0.13978	15.28645	0.00%
		<u>WINTER TR MID-PEAK</u>	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	2.67	2.69	0.02461	-	-	0.02461	2.69180	0.00%
TOU-PA-3-E5to8	TOU-PA-3-E5to8										
	ENERGY CHARGE (\$/KWH)										
		<u>SUMMER</u>	June 1 through September 30								
		PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.64096	0.66024	0.01929	(0.00013)	0.01338	0.00604	0.66024	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.12531	0.13984	0.01453	(0.00013)	0.01338	0.00128	0.13984	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.04028	0.05402	0.01374	(0.00013)	0.01338	0.00049	0.05402	0.00%
		<u>WINTER</u>	January 1 through May 31 and October 1 through December 31								
		MID-PEAK	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.08677	0.10094	0.01417	(0.00013)	0.01338	0.00092	0.10094	0.00%
		OFF-PEAK	All hours other than Mid-Peak and Super Off- Peak	0.06642	0.08041	0.01399	(0.00013)	0.01338	0.00074	0.08041	0.00%
		SUPER OFF-PEAK	8:00 a.m. to 3:00 p.m. winter weekdays and weekends	0.01575	0.02926	0.01352	(0.00013)	0.01338	0.00027	0.02926	0.00%

DRAFT
ATTACHMENT A

ORANGE COUNTY POWER AUTHORITY ("OCPA")
APRIL 2022 PROPOSED RATES

SCE	CCA			CCA	SCE	SCE	SCE	SCE	SCE	SCE + CCA	Percent Rate Difference
RATE SCHEDULE	RATE SCHEDULE	UNIT/PERIOD	UNIT/PERIOD DESCRIPTION	2022 PROPOSED RATE	2022 GENERATION RATE	TOTAL 2022 SURCHARGES	2022 CTC	2022 PCIA	2022 FRANCHISE FEES	CCA RATE + SURCHARGES	CCA vs SCE
TOU-PA-3-D5to8	TOU-PA-3-D5to8										
	ENERGY CHARGE (\$/KWH)										
		<u>SUMMER</u>	June 1 through September 30								
		PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.14200	0.15668	0.01468	(0.00013)	0.01338	0.00143	0.15668	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.12531	0.13984	0.01453	(0.00013)	0.01338	0.00128	0.13984	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.04028	0.05402	0.01374	(0.00013)	0.01338	0.00049	0.05402	0.00%
		<u>WINTER</u>	January 1 through May 31 and October 1 through December 31								
		MID-PEAK	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.05739	0.07130	0.01390	(0.00013)	0.01338	0.00065	0.07130	0.00%
		OFF-PEAK	All hours other than Mid-Peak and Super Off- Peak	0.04604	0.05984	0.01380	(0.00013)	0.01338	0.00055	0.05984	0.00%
		SUPER OFF-PEAK	8:00 a.m. to 3:00 p.m. winter weekdays and weekends	0.02475	0.03835	0.01360	(0.00013)	0.01338	0.00035	0.03835	0.00%
										-	
	DEMAND CHARGE (\$/KV	<u>SUMMER TR PEAK</u>	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	17.28	17.43	0.15943	-	-	0.15943	17.43495	0.00%
		<u>WINTER TR MID-PEAK</u>	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	3.65	3.68	0.03365	-	-	0.03365	3.67961	0.00%
TOU-GS-1-A (GF)	TOU-GS-1-A (GF)										
	ENERGY CHARGE (\$/KWH)										
		<u>SUMMER</u>	June 1 through September 30								
		PEAK	12:00 noon to 6:00 p.m. summer weekdays except holidays	0.14917	0.16522	0.01605	(0.00015)	0.01469	0.00151	0.16522	0.00%
		MID-PEAK	8:00 a.m. to 12:00 noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays	0.13892	0.15488	0.01596	(0.00015)	0.01469	0.00142	0.15488	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.13280	0.14870	0.01590	(0.00015)	0.01469	0.00136	0.14870	0.00%
		<u>WINTER</u>	January 1 through May 31 and October 1 through December 31	-							

ORANGE COUNTY POWER AUTHORITY ("OCPA")
APRIL 2022 PROPOSED RATES

SCE	CCA			CCA	SCE	SCE	SCE	SCE	SCE	SCE + CCA	Percent Rate Difference
RATE SCHEDULE	RATE SCHEDULE	UNIT/PERIOD	UNIT/PERIOD DESCRIPTION	2022 PROPOSED RATE	2022 GENERATION RATE	TOTAL 2022 SURCHARGES	2022 CTC	2022 PCIA	2022 FRANCHISE FEES	CCA RATE + SURCHARGES	CCA vs SCE
			8:00 a.m. to 12:00 noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays	0.08757	0.10305	0.01548	(0.00015)	0.01469	0.00094	0.10305	0.00%
		MID-PEAK									
		OFF-PEAK	All hours other than Mid-Peak	0.07735	0.09274	0.01539	(0.00015)	0.01469	0.00085	0.09274	0.00%
TOU-GS-1-E	TOU-GS-1-E										
	ENERGY CHARGE (\$/KWH)										
		SUMMER	June 1 through September 30								
			4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.37476	0.39289	0.01813	(0.00015)	0.01469	0.00359	0.39289	0.00%
		PEAK									
		MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.14083	0.15681	0.01597	(0.00015)	0.01469	0.00143	0.15681	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.08396	0.09941	0.01545	(0.00015)	0.01469	0.00091	0.09941	0.00%
		WINTER	January 1 through May 31 and October 1 through December 31								
			4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.16523	0.18143	0.01620	(0.00015)	0.01469	0.00166	0.18143	0.00%
		MID-PEAK									
		OFF-PEAK	All hours other than Mid-Peak and Super Off- Peak	0.07182	0.08715	0.01534	(0.00015)	0.01469	0.00080	0.08715	0.00%
		SUPER OFF-PEAK	8:00 a.m. to 3:00 p.m. winter weekdays and weekends	0.04081	0.05586	0.01505	(0.00015)	0.01469	0.00051	0.05586	0.00%
TOU-GS-1-D	TOU-GS-1-D										
	ENERGY CHARGE (\$/KWH)										
		SUMMER	June 1 through September 30								
			4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.10245	0.11807	0.01562	(0.00015)	0.01469	0.00108	0.11807	0.00%
		PEAK									
		MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.09147	0.10699	0.01552	(0.00015)	0.01469	0.00098	0.10699	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.05434	0.06952	0.01518	(0.00015)	0.01469	0.00064	0.06952	0.00%
		WINTER	January 1 through May 31 and October 1 through December 31								
			4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.09582	0.11137	0.01556	(0.00015)	0.01469	0.00102	0.11137	0.00%
		MID-PEAK									
		OFF-PEAK	All hours other than Mid-Peak and Super Off- Peak	0.06431	0.07958	0.01527	(0.00015)	0.01469	0.00073	0.07958	0.00%

ORANGE COUNTY POWER AUTHORITY ("OCPA")
APRIL 2022 PROPOSED RATES

SCE	CCA			CCA							Percent Rate Difference
RATE SCHEDULE	RATE SCHEDULE	UNIT/PERIOD	UNIT/PERIOD DESCRIPTION	2022 PROPOSED RATE	2022 GENERATION RATE	SCE TOTAL 2022 SURCHARGES	SCE 2022 CTC	SCE 2022 PCIA	SCE 2022 FRANCHISE FEES	SCE + CCA CCA RATE + SURCHARGES	CCA vs SCE
		<u>SUPER OFF-PEAK</u>	8:00 a.m. to 3:00 p.m. winter weekdays and weekends	0.04482	0.05991	0.01509	(0.00015)	0.01469	0.00055	0.05991	0.00%
	DEMAND CHARGE (\$/KV	<u>SUMMER TR PEAK</u>	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	18.13	18.30	0.16734	-	-	0.16734	18.30041	0.00%
		<u>WINTER TR MID-PEAK</u>	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	4.21	4.25	0.03886	-	-	0.03886	4.24963	0.00%
TOU-GS-1-LG	TOU-GS-1-LG										
	ENERGY CHARGE (\$/KWH)	<u>SUMMER</u>	June 1 through September 30								
		<u>PEAK</u>	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.37476	0.39289	0.01813	(0.00015)	0.01469	0.00359	0.39289	0.00%
		<u>MID-PEAK</u>	4:00 p.m. to 9:00 p.m. summer weekends	0.14083	0.15681	0.01597	(0.00015)	0.01469	0.00143	0.15681	0.00%
		<u>OFF-PEAK</u>	All hours other than Peak and Mid-Peak	0.08396	0.09941	0.01545	(0.00015)	0.01469	0.00091	0.09941	0.00%
		<u>WINTER</u>	January 1 through May 31 and October 1 through December 31								
		<u>MID-PEAK</u>	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.16523	0.18143	0.01620	(0.00015)	0.01469	0.00166	0.18143	0.00%
		<u>OFF-PEAK</u>	All hours other than Mid-Peak and Super Off-Peak	0.07182	0.08715	0.01534	(0.00015)	0.01469	0.00080	0.08715	0.00%
		<u>SUPER OFF-PEAK</u>	8:00 a.m. to 3:00 p.m. winter weekdays and weekends	0.04081	0.05586	0.01505	(0.00015)	0.01469	0.00051	0.05586	0.00%
TOU-GS-2-R (GF)	TOU-GS-2-R (GF)										
	ENERGY CHARGE (\$/KWH)	<u>SUMMER</u>	June 1 through September 30								
		<u>PEAK</u>	12:00 noon to 6:00 p.m. summer weekdays except holidays	0.27566	0.29311	0.01745	(0.00015)	0.01492	0.00268	0.29311	0.00%
		<u>MID-PEAK</u>	8:00 a.m. to 12:00 noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays	0.12070	0.13672	0.01602	(0.00015)	0.01492	0.00125	0.13672	0.00%
		<u>OFF-PEAK</u>	All hours other than Peak and Mid-Peak	0.05939	0.07484	0.01545	(0.00015)	0.01492	0.00068	0.07484	0.00%
		<u>WINTER</u>	January 1 through May 31 and October 1 through December 31								

ORANGE COUNTY POWER AUTHORITY ("OCPA")
APRIL 2022 PROPOSED RATES

SCE	CCA			CCA	SCE	SCE	SCE	SCE	SCE	SCE + CCA	Percent Rate Difference
RATE SCHEDULE	RATE SCHEDULE	UNIT/PERIOD	UNIT/PERIOD DESCRIPTION	2022 PROPOSED RATE	2022 GENERATION RATE	TOTAL 2022 SURCHARGES	2022 CTC	2022 PCIA	2022 FRANCHISE FEES	CCA RATE + SURCHARGES	CCA vs SCE
			8:00 a.m. to 12:00 noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays	0.08532	0.10101	0.01569	(0.00015)	0.01492	0.00092	0.10101	0.00%
		MID-PEAK									
		OFF-PEAK	All hours other than Mid-Peak	0.04779	0.06313	0.01535	(0.00015)	0.01492	0.00058	0.06313	0.00%
TOU-GS-2-E	TOU-GS-2-E										
	ENERGY CHARGE (\$/KWH)										
		SUMMER	June 1 through September 30								
		PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.41566	0.43440	0.01874	(0.00015)	0.01492	0.00397	0.43440	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.08794	0.10366	0.01572	(0.00015)	0.01492	0.00095	0.10366	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.05200	0.06739	0.01539	(0.00015)	0.01492	0.00062	0.06739	0.00%
		WINTER	January 1 through May 31 and October 1 through December 31								
		MID-PEAK	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.12379	0.13984	0.01605	(0.00015)	0.01492	0.00128	0.13984	0.00%
		OFF-PEAK	All hours other than Mid-Peak and Super Off-Peak	0.05886	0.07431	0.01545	(0.00015)	0.01492	0.00068	0.07431	0.00%
		SUPER OFF-PEAK	8:00 a.m. to 3:00 p.m. winter weekdays and weekends	0.03241	0.04761	0.01521	(0.00015)	0.01492	0.00044	0.04761	0.00%
	DEMAND CHARGE (\$/KV	SUMMER TR PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	5.32	5.37	0.04914	-	-	0.04914	5.37407	0.00%
		WINTER TR MID-PEAK	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	1.03	1.04	0.00947	-	-	0.00947	1.03537	0.00%
TOU-GS-2-B (GF)	TOU-GS-2-B (GF)										
	ENERGY CHARGE (\$/KWH)										
		SUMMER	June 1 through September 30								
		PEAK	12:00 noon to 6:00 p.m. summer weekdays except holidays	0.06762	0.08315	0.01553	(0.00015)	0.01492	0.00076	0.08315	0.00%
			8:00 a.m. to 12:00 noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays	0.06247	0.07795	0.01548	(0.00015)	0.01492	0.00071	0.07795	0.00%
		MID-PEAK									
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.05939	0.07484	0.01545	(0.00015)	0.01492	0.00068	0.07484	0.00%

ORANGE COUNTY POWER AUTHORITY ("OCPA")
APRIL 2022 PROPOSED RATES

SCE	CCA			CCA	SCE	SCE	SCE	SCE	SCE	SCE + CCA	Percent Rate Difference
RATE SCHEDULE	RATE SCHEDULE	UNIT/PERIOD	UNIT/PERIOD DESCRIPTION	2022 PROPOSED RATE	2022 GENERATION RATE	TOTAL 2022 SURCHARGES	2022 CTC	2022 PCIA	2022 FRANCHISE FEES	CCA RATE + SURCHARGES	CCA vs SCE
		<u>WINTER</u>	January 1 through May 31 and October 1 through December 31								
		<u>MID-PEAK</u>	8:00 a.m. to 12:00 noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays	0.08532	0.10101	0.01569	(0.00015)	0.01492	0.00092	0.10101	0.00%
		<u>OFF-PEAK</u>	All hours other than Mid-Peak	0.04779	0.06313	0.01535	(0.00015)	0.01492	0.00058	0.06313	0.00%
	DEMAND CHARGE (\$/KV	<u>SUMMER TR PEAK</u>	12:00 noon to 6:00 p.m. summer weekdays except holidays	16.93	17.08	0.15621	-	-	0.15621	17.08362	0.00%
		<u>SUMMER TR MID-PEAK</u>	8:00 a.m. to 12:00 noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays	5.62	5.67	0.05185	-	-	0.05185	5.66989	0.00%
TOU-GS-2-D	TOU-GS-2-D										
	ENERGY CHARGE (\$/KWH)	<u>SUMMER</u>	June 1 through September 30								
		<u>PEAK</u>	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.09942	0.11525	0.01582	(0.00015)	0.01492	0.00105	0.11525	0.00%
		<u>MID-PEAK</u>	4:00 p.m. to 9:00 p.m. summer weekends	0.08794	0.10366	0.01572	(0.00015)	0.01492	0.00095	0.10366	0.00%
		<u>OFF-PEAK</u>	All hours other than Peak and Mid-Peak	0.05200	0.06739	0.01539	(0.00015)	0.01492	0.00062	0.06739	0.00%
		<u>WINTER</u>	January 1 through May 31 and October 1 through December 31								
		<u>MID-PEAK</u>	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.07294	0.08852	0.01558	(0.00015)	0.01492	0.00081	0.08852	0.00%
		<u>OFF-PEAK</u>	All hours other than Mid-Peak and Super Off- Peak	0.05886	0.07431	0.01545	(0.00015)	0.01492	0.00068	0.07431	0.00%
		<u>SUPER OFF-PEAK</u>	8:00 a.m. to 3:00 p.m. winter weekdays and weekends	0.03241	0.04761	0.01521	(0.00015)	0.01492	0.00044	0.04761	0.00%
	DEMAND CHARGE (\$/KV	<u>SUMMER TR PEAK</u>	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	24.11	24.33	0.22248	-	-	0.22248	24.33121	0.00%
		<u>WINTER TR MID-PEAK</u>	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	4.89	4.93	0.04508	-	-	0.04508	4.93034	0.00%
TOU-GS-3-R (GF)	TOU-GS-3-R (GF)										
	ENERGY CHARGE (\$/KWH)										

DRAFT
ATTACHMENT A

ORANGE COUNTY POWER AUTHORITY ("OCPA")
APRIL 2022 PROPOSED RATES

SCE	CCA			CCA	SCE	SCE	SCE	SCE	SCE	SCE + CCA	Percent Rate Difference
RATE SCHEDULE	RATE SCHEDULE	UNIT/PERIOD	UNIT/PERIOD DESCRIPTION	2022 PROPOSED RATE	2022 GENERATION RATE	TOTAL 2022 SURCHARGES	2022 CTC	2022 PCIA	2022 FRANCHISE FEES	CCA RATE + SURCHARGES	CCA vs SCE
		<u>SUMMER</u>	June 1 through September 30								
		PEAK	12:00 noon to 6:00 p.m. summer weekdays except holidays	0.24832	0.26477	0.01645	(0.00014)	0.01417	0.00242	0.26477	0.00%
		MID-PEAK	8:00 a.m. to 12:00 noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays	0.10840	0.12356	0.01516	(0.00014)	0.01417	0.00113	0.12356	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.05689	0.07157	0.01468	(0.00014)	0.01417	0.00065	0.07157	0.00%
		<u>WINTER</u>	January 1 through May 31 and October 1 through December 31								
		MID-PEAK	8:00 a.m. to 12:00 noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays	0.07559	0.09045	0.01486	(0.00014)	0.01417	0.00083	0.09045	0.00%
		OFF-PEAK	All hours other than Mid-Peak	0.04634	0.06093	0.01459	(0.00014)	0.01417	0.00056	0.06093	0.00%
TOU-GS-3-E	TOU-GS-3-E										
	ENERGY CHARGE (\$/KWH)										
		<u>SUMMER</u>	June 1 through September 30								
		PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.37543	0.39306	0.01762	(0.00014)	0.01417	0.00359	0.39306	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.08417	0.09911	0.01494	(0.00014)	0.01417	0.00091	0.09911	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.05053	0.06515	0.01463	(0.00014)	0.01417	0.00060	0.06515	0.00%
		<u>WINTER</u>	January 1 through May 31 and October 1 through December 31								
		MID-PEAK	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.11084	0.12602	0.01518	(0.00014)	0.01417	0.00115	0.12602	0.00%
		OFF-PEAK	All hours other than Mid-Peak and Super Off- Peak	0.05714	0.07183	0.01469	(0.00014)	0.01417	0.00066	0.07183	0.00%
		SUPER OFF-PEAK	8:00 a.m. to 3:00 p.m. winter weekdays and weekends	0.03163	0.04608	0.01445	(0.00014)	0.01417	0.00042	0.04608	0.00%
	DEMAND CHARGE (\$/KV	<u>SUMMER TR PEAK</u>	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	5.20	5.25	0.04803	-	-	0.04803	5.25247	0.00%
		<u>WINTER TR MID-PEAK</u>	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.91	0.92	0.00839	-	-	0.00839	0.91730	0.00%
TOU-GS-3-D	TOU-GS-3-D										

ORANGE COUNTY POWER AUTHORITY ("OCPA")
APRIL 2022 PROPOSED RATES

SCE	CCA			CCA	SCE	SCE	SCE	SCE	SCE	SCE + CCA	Percent Rate Difference
RATE SCHEDULE	RATE SCHEDULE	UNIT/PERIOD	UNIT/PERIOD DESCRIPTION	2022 PROPOSED RATE	2022 GENERATION RATE	TOTAL 2022 SURCHARGES	2022 CTC	2022 PCIA	2022 FRANCHISE FEES	CCA RATE + SURCHARGES	CCA vs SCE
	ENERGY CHARGE (\$/KWH)										
		<u>SUMMER</u>	June 1 through September 30								
		PEAK	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	0.09518	0.11021	0.01504	(0.00014)	0.01417	0.00101	0.11021	0.00%
		MID-PEAK	4:00 p.m. to 9:00 p.m. summer weekends	0.08417	0.09911	0.01494	(0.00014)	0.01417	0.00091	0.09911	0.00%
		OFF-PEAK	All hours other than Peak and Mid-Peak	0.05053	0.06515	0.01463	(0.00014)	0.01417	0.00060	0.06515	0.00%
		<u>WINTER</u>	January 1 through May 31 and October 1 through December 31								
		MID-PEAK	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	0.07076	0.08557	0.01481	(0.00014)	0.01417	0.00078	0.08557	0.00%
		OFF-PEAK	All hours other than Mid-Peak and Super Off- Peak	0.05714	0.07183	0.01469	(0.00014)	0.01417	0.00066	0.07183	0.00%
		SUPER OFF-PEAK	8:00 a.m. to 3:00 p.m. winter weekdays and weekends	0.03163	0.04608	0.01445	(0.00014)	0.01417	0.00042	0.04608	0.00%
	DEMAND CHARGE (\$/KV	<u>SUMMER TR PEAK</u>	4:00 p.m. to 9:00 p.m. summer weekdays except holidays	23.59	23.81	0.21774	-	-	0.21774	23.81202	0.00%
		<u>WINTER TR MID-PEAK</u>	4:00 p.m. to 9:00 p.m. winter weekdays and weekends	4.28	4.32	0.03953	-	-	0.03953	4.32260	0.00%
<u>STREET AND OUTDOOR LIGHTING</u>											
AL-2, LS-1, LS-2, LS-3, OL-1	LS-1										
	ENERGY CHARGE (\$/KWH)			0.04570	0.05877	0.01307	(0.00013)	0.01266	0.00054	0.05877	0.00%
TC-1	TC-1										
	ENERGY CHARGE (\$/KWH)			0.07389	0.088	0.01411	(0.00014)	0.01345	0.00080	0.08800	0.00%
SMART CHOICE		Basic Choice rate plus the following energy charge		0.01000							
100% RENEWABLE ENERGY CHOICE		Basic Choice rate plus the following energy charge		0.01500							