

AGENDA
ORANGE COUNTY POWER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS
Monday, September 14, 2026
2:00 p.m.

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

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

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

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

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

The public may participate using the following remote options:

ZOOM WEBINAR

Please click the link below to join the webinar:

[Launch Meeting - Zoom](#)

Dial-in: 1-669-900-6833

Webinar ID: 869 1794 7373

1. **CALL TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**

4. **PUBLIC COMMENTS ON AGENDA ITEMS**

Opportunity for members of the public to address the Board on any items on the agenda.

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

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

6. **DIRECTOR ANNOUNCEMENTS & REPORTS ON CONFERENCES/EVENTS ATTENDED**

Board Members may briefly provide information to other members of the Board and the public, ask questions of staff, or report on conferences, events, or activities related to Authority business. There is to be no discussion or action taken on comments made by Board Members unless authorized by law.

7. **CLOSED SESSION**

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code § 54957
Title: Chief Executive Officer

2. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code § 54957.6
Agency designated representatives: Susan Sonne, Board Chair; Nicholaus Norvell, General Counsel
Unrepresented employee: Chief Executive Officer

8. **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 JULY 13, 2026

Recommended Action:

Approve as submitted.

2. COMMUNITY ADVISORY COMMITTEE (CAC) MEETING UPDATE AUGUST 2026

Recommended Action:

Receive and file.

3. LEGISLATIVE AND REGULATORY UPDATE

Recommended Action:

Receive and file.

4. 2026-27 STRATEGIC PLAN MONTHLY UPDATE

Recommended Action:

Receive and file.

5. PUBLIC RECORDS ACT QUARTERLY REPORT

Recommended Action:

Receive and file.

6. 2026 JOINT RATE COMPARISON MAILER

Recommended Action:

Receive and file.

7. APPROVAL OF AMENDED SDRMA HEALTH BENEFITS MEMORANDUM OF UNDERSTANDING AND RESOLUTION

Recommended Action:

Adopt the Resolution approving the Amended SDRMA Health Benefits Memorandum of Understanding, authorizing its execution, and approving OCPA's continued participation in the SDRMA Health Benefits Program.

9. 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. APPROVE RESOURCE MANAGEMENT AGREEMENT WITH THE ENERGY AUTHORITY, INC.

Recommended Action:

Approve the Resource Management Agreement with The Energy Authority, Inc. for scheduling coordinator services, congestion revenue rights management, and optional energy hedging advisory services and authorize the CEO to execute a one-year Agreement, effective October 1, 2026, through September 30, 2027, including the option for the CEO to extend the Agreement for four additional one-year terms, subject to satisfactory performance.

2. OCPA'S ANNUAL POWER SOURCE DISCLOSURE ATTESTATION FOR REPORTING YEAR 2025

Recommended Action:

Based on the comprehensive portfolio review completed by OCPA's consultants and staff, OCPA staff recommends that the Board endorse the accuracy of information presented in OCPA's 2025 Power Source Disclosure report for Basic Choice, Smart Choice, and 100% Renewable Choice service.

3. CUSTOMER PROGRAM PERFORMANCE OVERVIEW

Recommended Action:

Receive and file.

4. ESTABLISHMENT OF SMALL BUSINESS PROGRAM AND MEMORANDUM OF UNDERSTANDING WITH LOS ANGELES COUNTY INTERNAL SERVICES DEPARTMENT FOR SMALL BUSINESS PROGRAM SUPPORT

Recommended Action:

1. Approve the OCPA Small Business Program, including use of \$45,000 in customer incentive funding allocated in the approved FY 2026-27 Programs budget. [NN1.1]
2. Authorize the Chief Executive Officer to execute the Memorandum of Understanding (MoU) with the County of Los Angeles, through its Internal Services Department, for Southern California Regional Energy Network (SoCalREN) support for the Small Business Program, substantially in the form attached hereto, with such modifications as may be approved by the Chief Executive Officer and approved as to form by General Counsel.
3. Authorize the Chief Executive Officer, or designee, to negotiate, execute, and administer such agreements, forms, certifications, and other documents as may be necessary or appropriate to implement and administer the Small Business Program, including agreements with participating customers, contractors, and vendors, subject to approved

program budgets and applicable OCPA procurement requirements, with all such agreements and documents to be approved as to form by General Counsel, as applicable.

5. APPROVAL OF \$60,000,000 REVOLVING CREDIT FACILITY WITH JPMORGAN CHASE BANK, N.A.

Recommended Action:

Adopt a Resolution authorizing the Chief Executive Officer to execute a new Revolving Credit Agreement, Fee Agreement, and ancillary closing documents necessary to implement a \$60,000,000 revolving credit facility with JPMorgan Chase Bank, N.A. (JPMorgan), substantially in the forms presented to the Board, and to approve non-material changes thereto in consultation with General Counsel.

6. APPROVAL OF OCPA'S CLEAN ENERGY ACCESS (CEA) TARIFF AND RATES

Recommended Action:

1. Approve OCPA's Clean Energy Access (CEA) Tariff and Rates, substantially in the forms attached, effective September 15, 2026.
2. Authorize the Chief Executive Officer, or designee, to make administrative updates to the CEA Rates resulting from changes to Southern California Edison (SCE) rates or charges, as necessary to maintain the required 20% discount on participating customers' total electric bills, without further Board approval. This delegated authority does not extend to establishing or changing OCPA generation rates, which will remain subject to Board approval.

10. BOARD MEMBER INITIATED ITEMS

1. INCREASE IN MONTHLY LIMIT ON COMPENSABLE DIRECTOR MEETINGS AND ACTIVITIES FROM SIX TO EIGHT (Director Jung)

Recommended Action:

Approve an amendment to Policy No. 5 to increase the maximum number of meetings and activities for which Directors may receive compensation from six to eight per month, and direct the Chief Executive Officer and General Counsel to implement the amendment.

11. STAFF REPORT

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

12. **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. Public records, including agenda-related documents, can be requested electronically at clerk@ocpower.org or by mail to 15642 Sand Canyon Avenue, P.O. Box 54283, Irvine, CA 92619-4283. The documents may also be posted at the above website. Such public records are also available for inspection, by appointment, at 15310 Barranca Parkway, Suite 250, Irvine, CA 92618. Please contact clerk@ocpower.org to arrange an appointment.

OCPA ACRONYM LIST

Last revised on 6/3/2025

Displaying regularly used acronyms is beneficial for public agencies, enhancing clarity and efficiency in communication. OCPA's Acronyms Lists contain terms that are often used and abbreviated to simplify complex terms and processes, making information more accessible to both employees and the public.

Our hope is to ensure that everyone understands the terminology we use, reducing confusion, and misunderstandings. When members of the public can easily decode acronyms, they feel more informed and engaged with the agency's operations. This practice also supports training and onboarding efforts, as new employees can quickly familiarize themselves with commonly used terms, accelerating their integration into the team.

AB	Assembly Bill
ACC	Avoided Cost Calculator
AL	Advice Letter
ALJ	Administrative Law Judge
ARB	Air Resource Board
BA	Balancing Authority
BESS	Battery Energy Storage System
BioMAT	Bioenergy Market Adjusting Tariff
C&I	Commercial & Industrial
CAISO	California Independent System Operator
CalCCA	California Community Choice Association
CAM	Cost Allocation Mechanism
CAPP	California Arrearage Payment Program
CARB	California Air Resources Board
CARE	California Alternate Rates for Energy (Low Income Discount Rate)
CCA	Community Choice Aggregation
CEC	California Energy Commission
CP	Compliance Period
CPE	Central Procurement Entity
CPUC	California Public Utilities Commission
CRR	Congestion Revenue Right
DA	Direct Access (Private Retail Energy Supplier)
DAC	Disadvantaged Community (As Defined by CalEnviroScreen 3.0)
DAME	Day-Ahead Market Enhancements
DCPP	Diablo Canyon Power Plant

Demand	The rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts (kW), megawatts (MW), or gigawatts (GW), at a given instant or averaged over any designated interval of time. Demand should not be confused with Load or Energy
DER	Distributed Energy Resources
DERMS	Distributed Energy Resource Management System
Distribution	The delivery of electricity to the retail customer's home or business through low voltage distribution lines
DLAP	Default Load Aggregation Point
DR	Demand Response
DRP	Distributed Resource Plans
DWR	Department of Water Resources
ECR	Enhanced Community Renewable
ED	Energy Division
EDAM	Extended Day-Ahead Market
EE	Energy Efficiency
ELCC	Effective Load Carrying Capacity
ELRP	Emergency Load Reduction Program
EPIC	Electric Program Investment Charge
ERRA	Energy Resource Recovery Account (SCE Generation Rate Setting)
ES	Energy Storage
ESA	Energy Storage Agreement
ESP	Energy Service Provider
EV	Electric Vehicle
EVSE	Electric Vehicle Supply Equipment (EV Charger)
FERA	Family Electric Rate Assistance (Low Income Discount Rate)
FERC	Federal Energy Regulatory Commission
GHG	Greenhouse Gas
GRC	General Rate Case
GT	Green Tariff
GTSR	Green Tariff Shared Renewables
GWh	Gigawatt-hour
ICA	Integration Capacity Analysis
IDER	Integrated Distributed Energy Resources
IDSM	Integrated Demand-Side Management
IEPR	Integrated Energy Planning Report
IGFC	Income-Graduated Fixed Charge
IOU	Investor-Owned Utility
IRP	Integrated Resource Plan
JPA	Joint Powers Authority
JRM	Joint Rate Mailer

kW	Kilowatt
kWh	Kilowatt-hour
LCFS	Low Carbon Fuel Standard
LCR	Local (RA) Capacity Requirements
LMP	Locational Marginal Price
LMS	Load Management Standards
LNBA	Locational Net Benefits Analysis
Load	An end use device or customer that receives power from an energy delivery system
LOLE	Loss of load expectations
LSE	Load Serving Entity
LTPP	Long-Term Procurement Rulemaking
MB	Medical Baseline (Discount Rate for Medical Equipment Needs)
MEO	Marketing Education and Outreach
MPB	Market Price Benchmark
MTR	Mid Term Reliability
MW	Megawatt
MWh	Megawatt-hour
NBC	Non-Bypassable Charge
NBT	Net Billing Tariff (NEM 3.0) Also known as Solar Billing Tariff or Solar Billing Plan
NDA	Non-Disclosure Agreement
NEM	Net Energy Metering (Usually for Customers with Solar)
NP-15	North Path 15
OAT	Other Applicable Tariffs
OIR	Order Instituting Rulemaking
OSC	Order to Show Cause
OSW	Offshore Wind
PA	Program Administrator
PCC1	Renewable energy generated in the state of California
PCC2	Renewable energy generated outside California
PCC3	A REC from a Renewable Resource, independent of Energy
PCIA	Power Charge Indifference Adjustment
PCL	Power Content Label
PD	Proposed Decision
PfM	Petition for Modification
PG&E	Pacific Gas & Electric
PHC	Prehearing Conference
Pnode	Pricing Node
POLR	Provider of Last Resort
POU	Publicly Owned or Municipal Utility
PPA	Power Purchase Agreement

PRP	Priority Review Project
PRRR	Progress on Residential Rate Reform
PSD	Power Source Disclosures
PSPS	Public Safety Power Shutoff
PUC	Public Utilities Code / Public Utilities Commission
PURPA	Public Utilities Regulatory Policy Act
PV	Photovoltaic (Solar) Panels
RA	Resource Adequacy
RAM	Renewables Auction Mechanism
RCPPP	Reliable and Clean Power Procurement Program
RE	Renewable Energy
REC	Renewable Energy Credit or Renewable Energy Certificate
RES-BCT	Renewables Energy Self-Generation Bill Credit Transfer
RFI	Request for Information
RFO	Request for Offers
RFP	Request for Proposals
RFQ	Request for Qualifications
RIN	Rate Identifier Number
RPS	Renewable Portfolio Standard
SB	Senate Bill
SBT/SBP	Solar Billing Tariff/Solar Billing Plan
SCE	Southern California Edison
SDG&E	San Diego Gas & Electric
SGIP	Self-Generation Incentive Program
SOD	Slice of Day
T&D	Transmission and Distribution
TBS	Transitional Bundled Service
TE	Transportation Electrification
Time-of-Use (TOU) Rates	The pricing of delivered electricity based on the estimated cost of electricity during a particular time-block
TPP	Transmission Planning Process
Unbundled RECs	Renewable energy certificates that verify a purchase of a MWH unit of renewable power where the actual power and the certificate are “unbundled” and sold to different buyers.
VAMO	Voluntary Allocation, Market Offer
VPP	Virtual Power Plant
WECC	Western Electricity Coordinating Council
WEIM	Western Energy Imbalance Market
WREGIS	Western Renewable Energy Generation Information System



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

Monday, July 13, 2026

1. CALL TO ORDER

Vice Chair Mai called to order the Regular Meeting of the Orange County Power Authority Board of Directors at 2:02 p.m. on Monday, July 13, 2026.

2. PLEDGE OF ALLEGIANCE

Director Treseder led the Pledge of Allegiance.

3. ROLL CALL

Present:	Director Glenn Grandis	City of Fountain Valley
	Director Fred Jung	City of Fullerton (Teleconference)
	Director Kathleen Treseder	City of Irvine
	Vice Chair James Mai	City of Irvine
	Chair Susan Sonne	City of Buena Park (Teleconference)

Absent: None.

4. PUBLIC COMMENTS ON AGENDA ITEMS

Vicki Johnson, City of Laguna Woods resident, commented on Agenda Item 8.1, 2026 Biennial Conflict of Interest Code Review.

5. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Vicki Johnson, City of Laguna Woods resident, made comments on a Fountain Valley study session.

6. DIRECTOR ANNOUNCEMENTS

Director Grandis asked for a Fountain Valley Procurement Schedule that outlines when and how procurement will happen, up until the April 2027 start date.

7. **CONSENT CALENDAR**

Moved by Director Jung, seconded by Director Grandis to:
Approve consent calendar 7.1-7.4

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

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

1. **MINUTES FOR THE REGULAR BOARD MEETING OF JUNE 8, 2026**

Action Taken:

Approved as submitted.

2. **COMMUNITY ADVISORY COMMITTEE MEETING UPDATE JULY 2026**

Action Taken:

Received and filed.

3. **LEGISLATIVE AND REGULATORY UPDATE**

Action Taken:

Received and filed.

4. **2026-27 STRATEGIC PLAN MONTHLY UPDATE**

Action Taken:

Received and filed.

8. **REGULAR CALENDAR**

1. **2026 BIENNIAL CONFLICT OF INTEREST CODE REVIEW**

Clerk of the Board Roger Palacios presented this Biennial Conflict of Interest Code Review. He stated that the Conflict of Interest Code review is a standard procedure that takes place every other year to ensure any necessary changes are made. This year, there were updates to position names and deletions.

Moved by Director Jung, seconded by Director Grandis to: Adopt Resolution 2026-06: A Resolution of the Board of Directors of Orange County Power Authority Adopting an Amended Conflict of Interest Code Pursuant to the

Political Reform Act of 1974; and to direct submittal to the Authority's code-reviewing body for approval.

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

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

2. FISCAL YEAR 2026-27 PROGRAM PORTFOLIO AND HOME ENERGY AUDIT TRAINING PROGRAM OVERVIEW

Director of Communications and External Affairs Jacquie Henderson presented this item. Henderson provided an extensive overview of the programs that OCPA will engage the public with for Fiscal Year 2026-27. Henderson highlighted the returning programs as well as pilot programs: Small Business Program; Rental Property Improvement Program; Renter Energy Efficiency Program (round two); and the Home Energy Audit Training Program.

Board Members engaged in conversations with staff and asked questions about program costs; getting more small businesses involved in programs; and the statistics and outcomes of the first Renter Energy Efficiency Program.

Action Taken:

Received and filed.

3. RESOLUTION APPROVING OCPA'S 2026 INTEGRATED RESOURCE PLAN

Director of Power Resources Louis Ting presented the proposed Integrated Resource Plan (IRP). He provided a Roadmap to 2045, showing how OCPA's projected load reaches 3,711 GWh compared to 2,334 GWh in 2026. Ting explained that OCPA has been procuring renewable energy above the standards since inception - 76% carbon-free energy served in 2025. Ting also presented forecasted data on Statewide Baseline Electricity Consumption; Data Center Loads; OCPA's Greenhouse Gas Emissions Reduction; and OCPA's Renewable Energy Resource Stack.

Board Members thanked Louis Ting and the Power Resources Team for their diligent work and for presenting the item in an easy-to-digest presentation.

Moved by Director Jung, seconded by Director Grandis to: Adopt Resolution 2026-07: A Resolution of the Board of Directors of Orange County Power Authority approving OCPA's 2026 Integrated Resource Plan and authorizing the Chief Executive Officer to make any necessary changes to ensure compliance with California Public Utilities Commission (CPUC) requirements for submission by August 10, 2026.

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

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

4. CONSIDER AMENDED AND RESTATED JOINT POWERS AGREEMENT

General Counsel Nicholas Norvell presented the proposed changes to the Joint Powers Agreement (JPA). Norvell explained that, in addition to implementing the Ad Hoc changes, this is an opportunity to clean up previous changes and restate the JPA. Norvell explained that the proposed amendments to the JPA would: give each member city two (2) Directors on the Board; update the criteria for establishing an Executive Committee; and maintain the additional Director seat for the City of Irvine while it maintained a share of load over 50%, sunseting after its load share dropped below the 50% threshold.

Vice Chair Mai asked Board members for comments. The Board asked clarifying questions on amendments.

Moved by Director Jung, seconded by Vice Chair Mai

Director Grandis offered a substitute motion to consider amending only the portions of the JPA that would clean up the language, without adding any additional changes.

Substitute motion moved by Director Grandis and seconded by Director Treseder.

The motion passed by the following 3-2-0 vote:

Ayes: Director Grandis, Director Treseder, Chair Sonne
Noes: Director Jung, Vice Chair Mai

9. STAFF REPORT

CEO Joe Mosca provided his report in the full agenda packet. Mosca introduced and welcomed Kai Kimbell, Communications & External Affairs Intern. Mosca updated the Board on the Irvine Loan Repayment and that the loan would be paid off by January 1, 2027. He also made mention that OCPA would be dark in August and that the next Board of Directors meeting would be in September.

10. ADJOURNMENT

With no further business to come before the Board, Vice Chair Mai adjourned the July 13, 2026, Orange County Power Authority Board of Directors Regular meeting at 3:36 p.m.

Chair Sonne noted that the next Orange County Power Authority Board of Directors Regular meeting will be held on Monday, September 14, 2026, at 2:00 p.m.

Submitted by:

Rogelio Palacios, Board Secretary

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 8.2

To: Orange County Power Authority Board of Directors

From: Linda Kraemer, Community Engagement Manager
Michelle Nguyen, External Affairs Manager
Cody Mendoza, External Affairs Manager

Approved by: Joe Mosca, Chief Executive Officer

Subject: COMMUNITY ADVISORY COMMITTEE (CAC) MEETING UPDATE
AUGUST 2026

Date: September 14, 2026

STRATEGIC GOALS

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

RECOMMENDED ACTION(S)

Receive and file.

BACKGROUND

The Orange County Power Authority (OCPA) Community Advisory Committee is composed of community members from OCPA member cities. The Committee meets monthly to discuss organizationally relevant topics with the purpose of advising the OCPA Board of Directors on agency outreach, engagement, and community programs. This report will provide details on the most recent topics of discussion and feedback from the Committee.

DISCUSSION / ANALYSIS

The CAC regular meeting on August 24, 2026, included the following presentations and updates:

OCA Youth and School Outreach Efforts

OCA staff presented an overview of the agency's Youth and School Outreach efforts. This included the development of new clean energy lesson plans in partnership with the Orange County Department of Education's Inside the Outdoors program, participation in K-12 and higher education outreach activities throughout Orange County, and the inaugural Environmental Leadership Day designed to engage students in clean energy, sustainability, and environmental leadership opportunities. The CAC engaged in discussions on how outreach is being conducted for the clean lesson plans, which included district-level contact and emails directly to teachers. The CAC also discussed whether there will be post-curriculum testing, which has not been established but will be included in the educator survey.

Report from the 2026 California Climate and Energy Collaborative (CCEC) Forum

OCA staff presented a report from the 2026 California Climate and Energy Collaborative (CCEC) Forum, highlighting key lessons, best practices, and innovative approaches shared by climate and energy leaders from across California. Staff discussed conference sessions including community outreach and customer programs, all of which focused on energy affordability, accessibility, resilience, emissions reductions, and community-centered climate action strategies that may help inform future OCA initiatives. Staff also presented an overview of challenges and wins that were discussed at the CCEC.

Fiscal Year 2026-27 Customer Program Portfolio

OCA staff presented the Fiscal Year 2026-27 Customer Program Portfolio, including planned programs to support small businesses, renters, rental property owners and managers, homeowners, and local energy professionals. The presentation reviewed program objectives, anticipated implementation timelines, customer benefits, and strategies to address participation barriers while expanding access to energy efficiency, clean energy technologies, workforce development opportunities, and customer education resources. The CAC engaged in discussion on small business qualifications and allocation amongst member cities. CAC members also offered outreach and implementation ideas such as reaching out to member cities who have existing relationships with developers.

Public Engagement for September and October 2026

OCPA Staff provided an update on events in member cities for September and October 2026. Planned engagements include the U.S. Green Building Council Pathways to Impact networking event, City of Irvine's Fiesta Latina, the Go Green and Health Expo, the Fullerton High School Career Fair, and the Irvine Global Village Festival. These events provide opportunities for CAC members to engage with community members, share information about OCPA programs and services, and support OCPA's ongoing public outreach and education efforts. These activities support OCPA's goals of strengthening community relationships, increasing awareness of clean energy programs, and providing accessible opportunities for residents and businesses to engage with the agency.

Updates from Staff

Staff provided updates on OCPA's communications, outreach, and community engagement activities during July and August 2026. The Committee received information on OCPA's ongoing public education efforts through its newsroom, social media channels, and community partnerships, as well as recent participation in sustainability, business, and networking events designed to increase awareness of OCPA programs, clean energy resources, and energy efficiency opportunities.

Staff reviewed OCPA's participation in community events throughout Orange County, including the Buena Park LumiPalooza Sustainability Event, the City of Irvine's Business Preparedness Workshop and Sustainability Business Forum, the International Summer Mixer hosted by the Orange County Iranian American Chamber of Commerce, the Santa Ana State of the City, and the Orange County State of the County. Staff also highlighted outreach activities supporting the Equitable Building Decarbonization Direct Install Program and engagement with local business organizations to strengthen community partnerships and promote customer programs and services.

FISCAL IMPACT

None.

ATTACHMENT(S)

None.

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 8.3

To: Orange County Power Authority Board of Directors
From: Frank Harris, Regulatory and Legislative Manager
Matt Chill, Regulatory Analyst
Approved by: Joe Mosca, Chief Executive Officer
Subject: LEGISLATIVE AND REGULATORY UPDATE
Date: September 14, 2026

STRATEGIC GOALS

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

RECOMMENDED ACTION(S)

Receive and file.

BACKGROUND

Orange County Power Authority (OCPA) staff track and analyze bills in the California Legislature and in the United States Congress. OCPA actively advocates on behalf of our customers and contributes to CalCCA's legislative affairs efforts.

OCPA staff actively participate in several proceedings at the California Public Utilities Commission (CPUC), the California Energy Commission (CEC), the California Air Resources Board (CARB), the California Independent System Operator (CAISO), and the Federal Energy Regulatory Commission (FERC). This report includes a summary of high-priority proceedings.

DISCUSSION / ANALYSIS

Legislative Updates

California Legislative Update

The 2026 California legislative session closed on Monday, August 31, 2026. This marks the end of the 2025-2026 state legislative session. Because 2026 was the second year of the two-year cycle, no bills can be carried over.

The Governor has until September 30, 2026, to veto or sign bills. California does not have a pocket veto; thus, if the Governor does not sign a bill by September 30th, the bill automatically becomes law. The 2027 state legislative session begins on December 7, 2026.

CalCCA Sponsored Legislation

CalCCA has sponsored two bills this session. CalCCA's sponsored Resource Adequacy (RA) Transactability legislation was introduced by Senator Padilla (Senate Bill (SB) 1138. CalCCA's Power Charge Indifference Adjustment (PCIA) data disclosure legislation was introduced by Assemblymember Rogers (Assembly Bill (AB) 1761). These bills are part of our strategy to address energy affordability concerns and ultimately drive down costs for OCPA customers. No single effort or solution will solve the energy affordability challenges facing ratepayers throughout the state. Meaningfully reducing the high cost of electricity bills in California will require multiple small-to-moderate enhancements, such as those referenced in these bills.

SB 1138 (Padilla) – RA Transactability

Background: SB 1138 would have required the CPUC to permit Load Serving Entities (LSEs) to trade RA obligations to each other up to 25% of their total compliance obligations. Such a modification furthers the intent of the Slice of Day RA framework to enable greater systemwide efficiency and cost savings within the RA program.

Update: While SB 1138 passed easily in the Senate, it died in the Assembly Appropriations Committee. OCPA will continue to work with CalCCA in the 2027 legislative session to decide whether to sponsor a similar bill in the next session.

AB 1761 (Rogers) – PCIA Data Disclosure

Background: AB 1761 would require that all data used to inform the PCIA calculation and other rate elements from the CPUC and investor-owned utilities (IOUs) be made available to all LSEs and ratepayer advocates on behalf of impacted customers. On

April 24, 2026, OCPA submitted a support letter for AB 1761 to the Assembly Appropriations Committee.

Update: The bill passed both houses of the state legislature and is on the Governor's desk. We remain concerned that the Governor may veto the bill but have continued to advocate with the Governor's office.

Diablo Canyon Extension

We initially expected the legislature to pass a bill extending the life of the Diablo Canyon Power Plant (DCPP). However, in early August, Governor Newsom indicated that the legislature should delay an extension until the next session. Despite the Governor's comments, Pacific Gas and Electric Company continued to advocate for a bill. OCPA staff will continue to update the Board on actions related to DCPP in the 2027 session.

Additional Legislation of Interest

The legislature continues to express concern about data centers and how their expansion may affect other customers. OCPA is tracking two bills focused on data centers. AB 2383 (Zbur) and SB 886 (Padilla) are both designed to prevent potential cost shifts from data centers to non-data center customers. While OCPA supports this principle, each bill includes language that challenges CCA autonomy. The legislature also has an interest in dynamic ratemaking.

AB 2383 (Zbur) – Data Center Ratemaking

Background: Originally, AB 2383 would give the CPUC jurisdiction over rates charged to large-load customers of LSEs, including OCPA customers. CalCCA worked with the author, and initially the language was removed. The bill intends to incorporate consumer protections against cost shifting from data center customers. While OCPA firmly supports this core principle and is open to incorporating related language into statute, OCPA opposes any legislation that would shift ratemaking authority from our board to the CPUC. OCPA submitted an "oppose unless amended" letter to the Assembly Appropriations Committee and directly to Assemblymembers Tri Ta and Diane Dixon. In this letter, OCPA asked the author to work with CalCCA on amendments to restrict CPUC jurisdiction over ratemaking to the IOUs alone.

Update: While the bill had been amended to remove the language that gave the CPUC ratemaking authority for new data center customers of CCAs, due to a drafting error in the last two days of the session, the bill once again asserts that the CPUC has authority over CCA rates for new data center customers. However, the bill also states that "This section does not authorize the commission to regulate the rates or terms and conditions of service offered by a community choice aggregator." Assemblymember Zbur has

indicated that he intends to run a cleanup bill in the 2027 session to remove the drafting error.

SB 886 (Padilla) – Data Center Ratemaking and Generation Sources

Background: SB 886 also addresses concerns about cost shifting from large energy users to non-large energy users. OCPA supports this principle. However, the bill also stipulates that large energy users prefund a contract of at least 15 years in duration through their LSE and provide dispatchable reliability assets within their LSE's service territory. While neither CalCCA nor OCPA has taken a position on this bill, OCPA holds as a core principle that our governing board shall have authority over our overall rate structures and customer contracting terms. This bill directs the LSEs to use a specific contract type to preclude the potential of a cost shift.

Update: The bill has passed both houses and is on the Governor's desk.

Regulatory Updates

CPUC Updates

Power Charge Indifference Adjustment Proceeding – Rulemaking 25-02-005

On February 11, 2025, the CPUC issued an Order Instituting Rulemaking (OIR) to initiate a new proceeding related to the Power Charge Indifference Adjustment (PCIA). The OIR was filed as Rulemaking (R.) 25-02-005. There are three tracks to R.25-02-005.

Track 1 Background:

Track 1 was an expedited track focused on potential modifications to the Resource Adequacy (RA) Market Price Benchmark (MPB). The CPUC issued Decision (D.) 25-06-049 on June 26, 2025. Among other details, the decision adopts a single RA MPB using three years of transaction data for the forecast calculation and four years of transaction data for the final calculation.

On July 28th, 2025, the California Community Choice Association (CalCCA) filed an Application for Rehearing (AFR) on Track 1 of the proceeding. CalCCA's AFR focused on CCAs' opposition on the CPUC's MPB calculation methodology for the 2025 Energy Resource Recovery Account (ERRA) True Up, asserting that this amounted to illegal retroactive ratemaking. On October 31, 2025, the CPUC issued D.25-10-061, denying CalCCA's AFR of D.25-06-049.

On December 1, 2025, CalCCA requested that the Court grant the Petition for Review of D.25-06-049 and reverse the Decision on the grounds that (1) the Decision violated the prohibition against retroactive ratemaking; and (2) the Decision's retroactive

application to 2025 rates was not supported by adequate findings or substantial evidence in the record.¹

On June 25, 2026, the 3rd District Court of Appeals denied CalCCA's Petition for Writ of Review of the CPUC's decision applying the RA MPB modifications retroactively to the 2025 PCIA true-up. The court did not provide reasoning for the denial.

Track 1 Update

On July 6, 2026, CalCCA filed a Petition with the California Supreme Court on this same topic, requesting the Court to uphold California's prohibition on retroactive ratemaking and help ensure electricity costs are allocated fairly.

Track 2 Background

Within Track 2, the CPUC will determine whether the proposal to value Pre-2019 Banked Renewable Energy Credits (RECs) at a non-zero amount is consistent with applicable law and Commission precedent. If the CPUC finds valuation should be non-zero, it will also determine how any such value should be determined and allocated consistent with indifference principles for all customers.

On March 27, 2026, the CPUC released a Staff Report and Proposals on Pre-2019 Banked RECs. This staff report does not draw a conclusion regarding the balance of indifference between departed and bundled load. The CPUC acknowledges the merits and challenges to the arguments of both CalCCA and the Investor-Owned Utilities (IOUs).

On May 12, 2026, CalCCA submitted testimony on the CPUC staff report which argued that the CPUC should value Pre-2019 Banked RECs at the Renewable Portfolio Standard (RPS) MPB to maintain indifference principles between bundled and unbundled customers. Using the RPS MPB in this manner would reflect the value of a REC in the year in which the IOUs would use Pre-2019 Banked RECs for compliance for bundled customers. The Investor-Owned Utilities (IOUs) argued that these RECs should be valued at \$0 within the PCIA.

Track 2 Update

On August 13, 2026, the CPUC filed a Proposed Decision (PD) which addresses Track 2 of the PCIA proceeding. If the PD is approved, RECs banked before 2019 would be valued at \$0 for the purpose of calculating the PCIA. CalCCA and OCPA will continue to advocate on behalf of a non-zero valuation of these RECs in advance of a final decision

¹ See <https://cal-cca.org/wp-content/uploads/2025/12/Petition-for-Writ-of-Review-with-the-California-Court-of-Appeal.pdf>.

being issued. OCPA supported in developing the message CalCCA shared at an August 24, 2026, Ex Parte with the advisors of CPUC Commissioner Baker and CPUC President Reynolds. CalCCA argued that the PD results in a cost shift that unfairly impacts many unbundled customers and that an alternate PD should be issued that alleviates these concerns. CalCCA's attorney, Tim Lindl, articulated a similar message at the Oral Argument in front of all five CPUC Commissioners on August 31, 2026.

If an alternate PD is not released, the existing PD will be voted on at the CPUC Voting Meeting on September 17, 2026.

Track 3 Background

The third track within the PCIA proceeding is intended to consider wholesale changes to the PCIA. CalCCA and other parties have submitted opening comments and reply comments, advocating for certain topics to be included and/or prioritized within the Track 3 Scope. CalCCA argued that Track 3 is supposed to be a broad consideration of PCIA revisions, and that data access is imperative so that the CCAs can be on equal footing to the IOUs to develop proposals to enhance the PCIA. On June 8, June 9, and June 15, the CPUC held three days of workshops to discuss principles and approaches for achieving indifference, prioritization of issues to reform the current PCIA, and data access and confidentiality issues.

Track 3 Update

On August 18, 2026, the CPUC released a Scoping Ruling for Track 3 of the PCIA proceeding. The Scoping Ruling established Track 3A as the venue for addressing updates within the confines of the existing PCIA. This includes updating the MPB values which are used to estimate the current year value for products in the PCIA calculation and ensuring accurate assignment of cost responsibility for resources in the PCIA. It then establishes Track 3B as the forum to consider other changes to the PCIA that can enhance transparency, reduce volatility, and minimize excess and uneconomic costs in the PCIA through more wholesale change. The Scoping Ruling also establishes Track 4, which is slated to cover additional issues that have not been resolved after Track 3B.

Notably, the Scoping Ruling also requires the LSEs to meet and confer on all data access issues for Tracks 3 and 4 within 60 days of the issuance of the ruling (October 19, 2026) and submit a joint report on the outcome of discussions within 75 days of the issuance of the ruling (November 2, 2026).

The current schedule for Track 3A, as established by this Scoping Ruling:

- October 2026 - CPUC Staff Report
- 60 Days after Staff Report - Party Proposals Submitted

- ~30 Days after Party Proposals - CPUC Workshop
- 14 Days after Workshop - Opening Comments
- 14 Days after Opening Comments - Reply Comments
- 90 Days after Reply Comments - Proposed Decision (PD)
- 30+ Days after PD - Final Decision

This schedule would likely lead to a Final Commission decision on Track 3A late in the second quarter of 2027.

[Resource Adequacy - R.25-10-003](#)

Background:

R.25-10-003 continues the CPUC's oversight of the RA program. The rulemaking establishes forward RA procurement obligations for LSEs beginning with the 2027 compliance year and considers structural reforms to the program. R.25-10-003 is the successor to R.23-10-011.

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

The CPUC's Report on Transactability indicated it did not believe the value of transactability justified the effort to implement it. Despite this disappointing result, CalCCA filed its proposal for RA Slice-of-Day (SOD) Transactability on March 3, 2026. CalCCA was the only party to file a proposal.

On June 1, 2026, the CPUC issued a Proposed Decision (PD) on the Resource Adequacy (RA) Track 1 issues. Notably, the CPUC elected not to adopt load obligation trading.

The CPUC approved D.26-07-008 at its July 1, 2026, Voting Meeting. The Decision adopts system-wide local capacity requirements for 2027-2029 and flexible capacity requirements for 2027. This will ultimately inform OCPA's requirements for these compliance years. The Decision also made several granular updates to the RA program, resource eligibility, and compliance requirements. These updates will affect how OCPA may comply with the RA program in the future.

Update:

- Loss of load expectation (LOLE) studies and Planning Reserve Margin (PRM) proposals were due on August 14, 2026. Other proposals will be due sometime

in the fall, subject to a future ruling. CalCCA submitted the following proposals on August 14, 2026:

- Establish a methodology for setting the PRM that achieves the 0.1 LOLE reliability standard at the least cost; and
 - Eliminate the effective PRM, which can drive up RA compliance costs, and replace it with one standard PRM for all LSEs based on robust LOLE modeling.
- CalCCA plans to submit the following proposals in the Fall:
 - Modify the Y+2 local RA requirement from 100 percent to 85 percent for the San Diego local area, given recent trends of reduced requirements between Y+2 and Y+1;
 - Adopt local RA Central Procurement Entity (CPE) substitution requirements when resources procured by the CPE reduce availability after credits are allocated; and
 - Adopt DER RA pathways for load modifying DERs and end-user exporting PDRs.
 - RA Implementation Workshop:
 - On August 13, 2026, CPUC's Energy Division held a *2027 RA Implementation Workshop* to review recent policy and implementation changes, providing updated guidance on LSE Showing Templates, and addressing related questions in advance of the 2027 RA Compliance Year. CPUC staff also presented the 2027 Year-Ahead load forecast.

[Integrated Resource Planning – R.25-06-019](#)

Background:

The Integrated Resource Planning (IRP) process requires the CPUC to identify a resource portfolio to ensure a reliable electric supply while also achieving the clean energy and environmental goals of SB 350 and SB 100. This OIR, issued on July 2, 2025, supersedes R.20-05-003 as the primary venue for CPUC oversight of the IRP process.

On February 26, 2026, the CPUC issued D.26-02-057, approving a procurement order for 6,000 megawatts (MW) of clean capacity for LSEs statewide. OCPA is now required to procure 25 MW of capacity in each of 2030, 2031, and 2032, for a total of 75 MW. Out of the 75 MW, OCPA must procure at least 19 MW of clean, firm resources and/or Long Duration Energy Storage (LDES).

The CPUC issued a notice on May 20, 2026, for a public workshop on July 23, 2026, which covered the upcoming Procurement Compliance Staff Proposal Addressing Good Faith Efforts and Net Cost of New Entry (Net CONE). On June 17, 2026, the CPUC requested a response to a set of questions to inform the workshop.

Update:

OCPA supported the development of CalCCA's comments, which were submitted on July 14, 2026. These comments argued for the CPUC to maintain a flexible Good Faith Efforts Standard that balances the need for robust enforcement to incent resource development and the need for flexibility when external factors outside the control of an LSE prevent timely compliance with procurement orders.

At the workshop on July 23, 2026, the vast majority of commenters at the workshop were in favor of keeping a flexible good faith efforts standard for unforeseen circumstances out of an LSE's control, maintaining Net CONE as the basis for non-compliance costs, and defining a project delay as a resource coming online after the compliance deadline. Comments from CPUC staff were minimal, but they expressed a desire for a clearer definition of the good-faith effort standard and noted the challenges in aligning the IRP process with the RA and RPS processes.

The CPUC also provided clarity on the next steps and schedule for the Procurement Compliance Staff Proposal, as illustrated below:

- November 2026 – Procurement Compliance Staff Proposal
- December 2026 to January 2027 – Party Comment Timeline on Staff Proposal
- May 2027 – Proposed Decision
- July 2027 – Final Decision

On August 28, 2026, the CPUC published the Effective Load Carrying Capability (ELCC) values to be used for the D.26-02-057 procurement order for years 2030 and 2031. Under this decision, OCPA must bring on 25 MW of net qualifying capacity (NQC) in each of these years, as well as 25 MW of NQC in 2032.

ELCC values intend to address the fact that each additional anticipated MW of nameplate capacity of a resource will have a different contribution to statewide energy reliability given the state's aggregate load curve and generation profile. OCPA will use these values to convert nameplate capacity for a resource into NQC to determine how to optimally comply with the D.26-02-057 procurement order.

2032 ELCC values will be released no later than December 2027, but indicative values will be provided for 2032 by September 15, 2026.

Reliable and Clean Power Procurement Plan – R.20-05-003

Background:

R.20-05-003 was the predecessor proceeding to R.25-06-019. It remains open for purposes of considering a staff proposal on the Reliable and Clean Power Procurement Program (RCPPP) framework, as was initially proposed in the April 25, 2025, Administrative Law Judge’s Ruling. The RCPMP framework seeks to provide clarity and predictability with procurement requirements for CPUC-jurisdictional load-serving entities (LSEs). This initial CPUC proposal provided two different options for the RCPMP. Option 1 would enable LSEs to comply with their allocated share of the statewide need for new energy capacity using new or existing resources. Option 2 would only enable new resources to meet compliance requirements.

Update:

On June 23, 2026, the CPUC released a Ruling advancing an additional proposal (“Option 3”) for the RCPMP. The proposal would develop new resource procurement requirements based on the preferred system plan portfolio created by aggregating individual LSE IRP filings with an additional buffer. Option 3 would entail resource-specific or attribute-specific procurement requirements, limiting the flexibility LSEs have to meet their required procurement.

OCPA supported the development of CalCCA’s comments on Option 3 for the RCPMP, which were submitted on August 14, 2026. These comments expressed concern about Option 3 because it would prescribe specific technologies or types of technologies for LSEs to procure. While these specific technologies may appear to be the most cost-effective solutions to achieve reliability and clean energy targets at the time of setting the requirement, market dynamics could be very different and/or evolve by the time LSEs ultimately procure these resources. A rigid compliance framework such as Option 3 will increase market power for sellers at the expense of affordability for all ratepayers who receive power from CPUC-jurisdictional LSEs (i.e., IOUs, CCAs, and Energy Service Providers (ESPs)).

Accordingly, CalCCA’s comments recommended the CPUC adopt Option 1 or a modified version of Option 2. CalCCA submitted reply comments on September 2, 2026, and mostly reiterated the positions in opening comments.

[SDG&E Application to Withdraw from Energy Efficiency Program Administration - A.25-04-014](#)

Background:

On April 25, 2025, San Diego Gas and Electric (SDG&E) submitted an application to the CPUC, seeking to discontinue regional energy efficiency program administration. SDG&E filed this application outside of the normal cadence and cycle, citing affordability concerns in the SDG&E region, coupled with the urgency around closing non-cost-effective programs in SDG&E's program portfolio. This Application requests a budget reduction of approximately \$300 million for 2026-2031.

SDG&E's Application proposes to close its regional programs in favor of funding statewide programs led by other Program Administrators and funding SDREN programs, pursuant to D.24-08-003.

On May 1, 2026, SDG&E and Cal Advocates filed a Joint Motion for Adoption of a Settlement Agreement to enable SDG&E to withdraw as program administrator for Energy Efficiency programs, which would take effect if the CPUC approves SDG&E's applications. The settlement motion proposes 4 key terms:

1. SDG&E's application to withdraw from EE program administration is reasonable, consistent with law, in the public interest, and should be approved.
2. SDG&E should also withdraw from administration of regional Codes and Standards (C&S) programs.
3. New, expanded, or incremental energy efficiency programs and budgets within SDG&E's service territory shall meet the cost-effectiveness requirements applied to IOUs, as required in D.21-05-031 or a future decision that supersedes this one.
4. Settling parties shall submit a joint filing separately to propose the CPUC expedite consideration of cost effectiveness standards statewide that are applied to all portfolio administrators that administer energy efficiency programs with ratepayer funds.

Importantly, terms #3 and #4 hold very concerning precedent for Regional Energy Networks (RENs) since many of their programs intend to serve hard to reach segments and disadvantaged communities and many of these programs do not meet traditional cost effectiveness test thresholds but still provide important benefits to communities who need these supportive programs.

Update:

On September 2, 2026, the CPUC released a PD which would reject SDG&E's application to withdraw from regional energy efficiency program administration. OCPA views this as a positive outcome because:

- SDG&E customers will retain access to more programs that can help them enhance energy affordability. This includes a number of ratepayers within south Orange County.
- SDREN designed its programs around the existing program portfolio from SDG&E, so sunsetting these SDG&E programs may have created a gap in certain types of programs that are inclusive to a wider audience since many of SDREN's programs are intended to reach hard to reach customer segments.
- The CPUC issued an important message through this PD about the value and importance that energy efficiency programs have in supporting affordability throughout the state.

This PD may be voted on at the CPUC's October 8, 2026, Business Meeting. If approved, the settlement agreement between SDG&E and Cal Advocates will also be rejected.

[Climate Credit – R.25-07-013](#)

Background:

This OIR was opened on July 24, 2025, to improve the California Climate Credit (Climate Credit). The Climate Credit has historically provided residential and small business customers with semi-annual bill credits using a portion of revenues from the California Cap-and-Trade Program. In 2026, the annual credit amount is \$72 for OCPA's residential and small business customers. The CPUC opened the proceeding to further address affordability and support the California Industry Assistance, which is intended to prevent businesses from relocating to other states without emissions-compliance programs.

On April 30, 2026, the CPUC issued D.26-04-036, which requires the IOUs to distribute the residential credit in August and September due to these being two of the highest bill months for typical customers throughout California. It also requires the IOUs to update messaging on their websites with this info, put messaging on-bill during these months that lists the amount of savings and attributes those savings to the Climate Credit and the Cap-and-Invest Program. OCPA published a blog post informing its customers of the changes to the Climate Credit in 2026.

OCPA aims to support modifications to the Climate Credit that are competitively neutral, including eligibility criteria and customer messaging, while ensuring that existing customers continue receiving the Climate Credit.

[Update:](#)

On June 29, 2026, the CPUC issued a ruling to provide guidance and direction for Phase 1B of the Climate Credit proceeding and set the procedural schedule for Phase 1B. OCPA supported CalCCA in the development of its Opening Comments on the CPUC's Phase 1B Ruling; these were submitted on July 24. CalCCA's Opening Comments argued that the CPUC should retain the status quo of an equal, non-volumetric electric Climate Credit for residential customers. However, if the CPUC has decided that it will make changes to the methodology to enhance the incentive for customers who need it the most, CalCCA proposed an alternative proposal that would provide a simple credit multiplier for customers enrolled in the California Alternative Rates for Energy (CARE) and/or Family Electric Rate Assistance (FERA) programs. This proposal would be simpler to implement than the other proposals the CPUC has discussed (e.g., a volumetric climate credit, a climate credit that differs by climate zone) and would minimize the impact felt by low-income customers who are just outside the threshold for an elevated climate credit.

The CPUC held a workshop on August 11, 2026, to discuss its Climate Credit proposal concepts and any additional party proposals. CalCCA asserted that it prefers to maintain the status quo for the climate credit, as well as its alternative proposal to implement a simple credit multiplier for CARE and/or FERA customers. CalCCA is preparing to submit a proposal asserting these arguments by September 14, 2026.

[Electric Tariff Rule 17 Application](#)

[Background:](#)

SCE's Electric Tariff Rule 17 ("Rule 17") governs the way SCE can recover under- and over-collections of bills. SCE can issue an adjusted bill for the undercharge and must issue a refund or credit to the customer for the overcharge. The amended charge cannot exceed three years for commercial customers and cannot exceed three months for residential or small business customers. This rule protects customers from significant rate shocks due to errors with SCE's billing system and provides sufficient incentive for SCE to maintain an accurate and reliable system. Currently, both IOU and CCA customers (and some ESP customers) pay for these billing errors.

Update:

On June 22, 2026, Southern California Edison (SCE), Pacific Gas & Electric (PG&E), and San Diego Gas & Electric (SDG&E), collectively the Joint IOUs, filed an application proposing that LSEs should pay for under-collections resulting from Rule 17 back-billing limits.

On July 30, 2026, CalCCA filed a Protest to the Application from the Joint IOUs. While CalCCA supports the proposed tracking of billing errors included in the Application, it strongly opposes the proposal for LSE-funded undercollections. The Joint IOUs view these undercollections as a “cost of doing business,” but CalCCA disagrees because CCAs do not have the statutory right to change vendors for billing provider services and should not be burdened with costs that are entirely outside of their control. Because these errors are a result of suboptimal performance from IOU systems, the financial consequences should be used to recover costs from Rule 17 undercollections. Such a proposal would provide sufficient incentive for the IOUs to minimize these errors and would better align with cost causation principles. Both the City of Cerritos and Cal Advocates also submitted protests to the Application of the Joint IOUs.

FERC Updates

[Large Loads: Advanced Notice of Proposed Rulemaking](#)

Background:

On October 23, 2025, the Secretary of Energy released an Advanced Notice of Proposed Rulemaking (ANOPR) related to large loads. The ANOPR directed the Federal Energy Regulatory Commission (FERC) to consider “potential reforms to ensure the timely and orderly interconnection of large loads to the transmission system.” There are concerns that this rulemaking could encroach on areas that have traditionally fallen within the states’ primary jurisdiction. Historically, FERC has declined to assert jurisdiction over interconnections, which, along with retail service terms, cost allocation, and resource planning for load growth, have long been within the purview of state regulators under Section 201(b) of the Federal Power Act.

FERC noted that it will act on this docket by the end of June 2026, as stated in a FERC order issued on April 16, 2026. FERC does not intend this anticipated decision to discourage public utilities from making separate filings to address large load issues.

Update:

On June 18, 2026, FERC issued six Orders to Show Cause (show-cause orders) initiating proceedings under the Federal Power Act to all jurisdictional regional transmission organizations (RTOs) and transmission owners (TOs), following a directive

of the U.S. Department of Energy (DOE). The orders instruct the RTOs and TOs to describe why their existing transmission tariffs are fair and reasonable for the interconnection of large loads or explain what tariff changes would remedy FERC's concerns. For California, this show-cause order was submitted to the CAISO, and its response is due on August 17, 2026. On August 3, 2026, CAISO submitted a Motion for Abeyance, requesting a 90-day extension to reply to the show-cause order. CAISO cited, among other things, the need to coordinate with state regulators who continue to work to protect electricity customers from cost shifts, as referenced in the show-cause order. All six RTOs filed the Motion for Abeyance.

FERC granted CAISO's request, capped it at 90 days, and set November 16, 2026, as the deadline for submission. CAISO published its Large Load Considerations straw proposal on August 12, proposing two new flexible interconnection services and defining a Large Load as a customer with a peak load of 50 MW or greater. CalCCA commented on the straw proposal on September 2, 2026, primarily asserting the importance of maximizing transparency consistent with the FERC Order's goals to protect against cost-shifts driven by speculative and duplicative load. The CAISO will release a draft final proposal and draft tariff language on September 24, 2026, and will host a hybrid meeting on these proposals on October 1, 2026. Comments are due on the draft final proposal and draft tariff language on October 15, 2026. The CAISO Board of Governors will vote on the items on October 28, 2026. The CAISO then will attempt to prove its tariff is just and reasonable to FERC by November 16, 2026.

OCPA will continue to monitor this proceeding and watch for any changes that will impact its customers or operations.

FISCAL IMPACT

None.

ATTACHMENT(S)

None.

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 8.4

To: Orange County Power Authority Board of Directors
From: Joe Mosca, Chief Executive Officer
Subject: 2026-27 STRATEGIC PLAN MONTHLY UPDATE
Date: September 14, 2026

STRATEGIC GOALS

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

RECOMMENDED ACTION(S)

Receive and file.

BACKGROUND

On April 13, 2026, the Orange County Power Authority (OCPA) Board of Directors (Board) approved the 2026-27 Strategic Plan. This strategic plan marks the fourth iteration of the OCPA strategic planning process. This year's strategic plan includes five (5) strategic goals and 13 objectives. Board level updates are included in the monthly agenda as a regular reporting process.

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

2026-27 Strategic Goals

1. Enrich and Grow the OCPA Community
2. Prioritize Fiscal Sustainability and Affordability
3. Design and Deploy Community-Aligned Customer Programs

4. Energize Our Community with Renewable Energy Sources
5. Raise Awareness of Community Energy & Advocating for Our Customers

OBJECTIVE	STATUS	UPDATE
1.1 — Expand awareness of OCPA through targeted outreach to prospective member cities and regional organizations	In Progress	OCPA continues to advance stakeholder outreach efforts, completing more than 20 presentations across Orange County during FY 2025/26, maintaining regular engagement with prospective member city stakeholders, and providing ongoing message development and stakeholder engagement materials to support future outreach activities.
1.2 — Develop educational programs and partnerships promoting renewable energy understanding across age groups	In Progress	OCPA completed development of its K–12 renewable energy curriculum, which will be available for the 2026–27 school year. Educational outreach is expanding through a youth internship program that recently supported two summer interns, with another fall intern just onboarded this month, while planning is underway for additional community academy and leadership-focused educational programs to launch during the fiscal year.
2.1 — Deliver a financially sustainable 2027 rate and product framework grounded in cost-of-service analysis, product pathway evaluation, and disciplined cost management	In Progress	Significant progress has been made toward development of OCPA’s 2027 rate and product framework. Key foundational milestones have been completed, including launch of the cost-of-service workplan, evaluation of product pathway options, development of supporting financial analyses, and completion of a preliminary cost-of-service model and revenue requirement analysis. Product pathway considerations have been incorporated into the rate-design process, and refinements based on Board feedback have been evaluated and reflected in the updated analysis. Staff has also advanced preliminary rate-design scenarios to evaluate affordability, cost allocation, financial sustainability, and competitiveness with SCE. Current efforts are focused on analyzing customer rate and bill impacts using updated load, procurement, SCE rate, and PCIA forecasts. These analyses will continue to be

		refined as additional information becomes available. Upcoming activities include further Board briefings on preliminary rate-design results, customer bill impacts, and product considerations, followed by development of a recommended 2027 rate and product framework for Board consideration later this year.
2.2 — Advance credit rating readiness and innovative financing strategies to position OCPA for a potential public credit rating process in 2028	Not Started	
3.1 — Implement customer programs informed by the community power plan, with focus on equity and underserved populations	In Progress	Progress continued on implementation of customer programs identified through the Community Power Plan, with an emphasis on expanding access and benefits for underserved communities. A key milestone was achieved with the launch of the Home Energy Assessor Training Program, representing the first of three planned program offerings. Additional equity-focused initiatives advanced during the reporting period, including the upcoming Clean Energy Access program. The agency also strengthened community engagement efforts by expanding relationships with community-based organizations that represent diverse ratepayer groups across member cities. These partnerships support broader outreach, increase awareness of available programs, and help ensure future program development remains responsive to community needs and priorities.
3.2 — Grow grant and program participation year-over-year	In Progress	Programs are seeing strong interest; 2026 Bright Futures Grant is underway.
3.3 — Strengthen community outreach to provide customers with access to OCPA programs and resources	In Progress	OCPA strengthened customer access to energy programs and resources through enhanced outreach and information tools. A dedicated online resource hub for income-qualified energy programs was launched, improving access to available assistance and benefits. OCPA also expanded partnerships with external organizations to increase awareness of agency programs and support development of future community and small business initiatives.

		https://www.ocpower.org/energy-programs/income-qualified-energy-programs/
4.1 — Maintain a diversified, cost-effective power portfolio with risk management protocols that adapt to market conditions	In Progress	OCPA advanced several initiatives to support a reliable, cost-effective, and environmentally responsible power portfolio. Key progress included submission and completion of the agency's Integrated Resource Plan, providing a roadmap for future renewable energy procurement and greenhouse gas reduction goals. Staff also advanced risk management policy development, released a long-term power procurement solicitation, and began evaluating responses.
4.2 — Advance local generation and storage programs through partnerships with member agencies and clean technology providers	In Progress	OCPA advanced implementation of its local clean energy and storage initiatives through both program development and stakeholder engagement. A major milestone was achieved with the release of the DAC-GT program solicitation, including outreach activities to support stakeholder participation and awareness. In parallel, staff engaged with developers and clean technology providers to gather market insights and identify emerging opportunities that can help inform future local generation and storage strategies. These efforts support program implementation, strengthen industry partnerships, and position OCPA to expand customer-focused clean energy solutions.
4.3 — Collaborate with other CCAs on joint procurement, shared resources, and knowledge exchange	In Progress	OCPA strengthened regional collaboration and market participation through the execution of multiple energy trading agreements with community choice aggregation partners and industry counterparties. These agreements expand opportunities for resource coordination, market engagement, and operational flexibility. OCPA also advanced discussions with additional partners to explore future collaboration opportunities and continued engagement with peer agencies to share best practices and benchmark procurement and risk management strategies. These efforts support informed decision-making, enhance organizational capabilities, and

		promote collaboration across the community choice energy sector.
5.1 — Strengthen community engagement through culturally-inclusive events, networking, and business outreach	In Progress	OCPA closes FY25/26 having tabled approximately 30 community events and conducting around 20 presentations to organizations and communities across OC.
5.2 — Advance regulatory and legislative advocacy to enhance affordability for our customers, protect our customers' interests, and support CCA-favorable policy outcomes	In Progress	Stakeholder mapping and policy risk assessment tools are in development. Advocacy accomplishment tracker and an Energy Policy 101 resource have high-level drafts completed. Efforts continue to categorize impacts and refine strategic outreach.
5.3 — Equip board members with tools, training, and structured support for effective policy engagement	In Progress	Efforts to engage prospective cities are in progress, and planning is underway for Board member study sessions and materials. Trifold brochure available; new materials forthcoming upon request.

Attachments

None.

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 8.5

To: Orange County Power Authority Board of Directors
From: Nicholaus Norvell, General Counsel
Approved by: Joe Mosca, Chief Executive Officer
Subject: PUBLIC RECORDS ACT QUARTERLY REPORT
Date: September 14, 2026

STRATEGIC GOALS

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

RECOMMENDED ACTION(S)

Receive and file.

BACKGROUND

As part of its February 2023 report, the State Auditor recommended that OCPA report to the Board of Directors no less than quarterly on: (1) the number of public records requests received, closed, and pending; (2) the average time OCPA took to respond to those requests; and (3) the reasons for withholding or redacting requested records, if applicable.

DISCUSSION / ANALYSIS

Below is a report covering the period from June 2, 2026, through August 24, 2026.

Requests Received	8
Requests Closed	5
Requests Pending (Including Ongoing Requests from Previous Reporting Period)	2
Determination or Extension Letters Provided within 10 Days	Yes
Average Calendar Days to Fully Complete Closed Requests	17
Public Records Act Exemptions Applied <i>(Citations to Government Code unless otherwise noted)</i>	Public disclosure of bank account numbers could promote financial fraud and compromise the financial security of the business or organization to which the financial information belongs. Therefore, the public interest served in withholding the redacted information clearly outweighs any public interest served in disclosure pursuant to Government Code section 7922.000.

FISCAL IMPACT

None.

ATTACHMENT(S)

None.

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 8.6

To: Orange County Power Authority Board of Directors
From: Saul Viramontes, Administrative Services Manager
Approved by: Joe Mosca, Chief Executive Officer
Subject: 2026 JOINT RATE COMPARISON MAILER
Date: September 14, 2026

STRATEGIC GOALS

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

RECOMMENDED ACTION(S)

Receive and file.

BACKGROUND

What is the Joint Rate Comparison mailer (JRM)?

The California Public Utilities Commission (CPUC) requires load-serving entities such as Orange County Power Authority (OCPA) and Southern California Edison (SCE) to produce and mail a joint rate comparison mailer to help consumers make informed choices about their electric providers. The JRM provides a side-by-side comparison of electric rates from investor-owned utilities (IOUs), like SCE and Community Choice Aggregators (CCA).

Why do CCAs create and distribute the JRM?

These mailers provide a clear and straightforward comparison of electric rates between CCAs and IOUs. This helps consumers understand their options and make informed decisions about their electricity providers. The CPUC mandates that CCAs and IOUs collaborate to produce these mailers to ensure that all customers receive consistent and accurate information about their electricity rates. By including details about typical electric rates, average monthly charges, and electricity sources, these mailers educate consumers about the benefits and costs associated with different providers.

What is the timeline for the distribution of the JRM?

The JRM is sent once a year to all customers of both CCAs and IOUs, including residential, residential CARE, and commercial customers. The exact timing can vary, but typically, the CPUC requires these mailers to be distributed by the Summer of each year. This year, OCPA was granted an extension through September 1, due to SCE's June 1, 2026 rate change.

Key Sections of the Mailer

- Generation Rate: The cost of generating or purchasing electricity to power your home or business varies depending on your energy provider and the resources included in their generation power source.
- Delivery Rate: This is the charge for delivering electricity to your home or business. This is usually consistent as it addresses the Transmission and Delivery rate, which applies to all customers.
- Power Charge Indifference Adjustment (PCIA): This charge ensures that both IOU and CCA customers pay for the electric generation resources procured on their behalf.
- Franchise Fees: These are surcharges applied to electricity transported over utility systems constructed in public streets and highways. The utility collects these fees and remits them to the appropriate municipality.
- Total Electricity Cost: This is the sum of the generation rate, delivery rate, PCIA, and franchise fees. It represents the total cost per kilowatt-hour (kWh) of electricity.
- Average Monthly Bill: This section estimates the average monthly bill for a typical California customer based on their average monthly usage.
- Electric Generation Power Mix: This shows the percentage of electricity generated from different sources (e.g., renewable sources like solar and wind, and non-renewable sources like natural gas).

Tips for Reading the JRM

1. Compare Rate: Look at the generation rate, delivery rate, and total electricity cost for each provider. This will help customers understand which provider offers the most cost-effective option.
2. Understand Charges: Review the PCIA and franchise fees, as these can significantly impact the total electricity cost.
3. Evaluate the Power Mix: Consider the generation power mix. Some providers may offer higher percentages of renewable energy.
4. Check the Average Monthly Bill: This provides a practical idea of what to expect to pay each month based on typical usage.

The table below shows electric rates for a customer using the typical statewide usage profile in a residential rate plan, along with the average monthly bill for a customer in this rate plan.

Domestic	SCE	OCA Basic Choice (49% Renewable)	OCA Smart Choice (60% Renewable and 40% Carbon- Free)	OCA 100% Renewable Choice
Generation Rate	\$0.11761	\$0.13983	\$0.14983	\$0.15483
SCE Delivery Rate	\$0.27104	\$0.25894	\$0.25894	\$0.25894
Surcharges	\$0.00000	\$0.03752	\$0.03752	\$0.03752
Total Costs	\$0.38865	\$0.43629	\$0.44629	\$0.45129
Average Monthly Bill (\$)	\$203.26	\$228.18	\$233.41	\$236.03

Monthly Usage: 523 kWh

The JRM also serves as a preview for the Power Content Label (PCL), which is part of the Power Source Disclosure Program. The program requires retail electricity suppliers to disclose emissions information to their customers annually.

FISCAL IMPACT

None.

ATTACHMENT(S)

1. 2026 Residential – Joint Rate Comparison Mailer
2. 2026 Residential CARE – Joint Rate Comparison Mailer
3. 2026 Commercial – Joint Rate Comparison Mailer



The Executive Director of the California Public Utilities Commission has authorized an extension on the deadline to mail these notices. The purpose of this mailer is to help you make a comparison between Orange County Power Authority (OCPA) and Southern California Edison (SCE) rates and see the renewable energy mix of each to decide which service and rate works for you. The chart below illustrates the estimated electricity costs for a typical residential customer with an average monthly energy usage of 523 kilowatt hours (kWh). This comparison is based on OCPA rates approved by its Board of Directors and effective as of October 20, 2025. SCE rate options are based on rates effective June 1, 2026. Both OCPA and SCE's rates are subject to change.

Domestic	SCE	OCPA Basic Choice (49% Renewable)	OCPA Smart Choice (60% Renewable and 40% Carbon-Free)	OCPA 100% Renewable Choice (100% Renewable)
Generation Rate	\$0.11761	\$0.13983	\$0.14983	\$0.15483
SCE Delivery Rate	\$0.27104	\$0.25894	\$0.25894	\$0.25894
Surcharges	\$0.00000	\$0.03752	\$0.03752	\$0.03752
Total Costs	\$0.38865	\$0.43629	\$0.44629	\$0.45129
Average Monthly Bill (\$)	\$203.26	\$228.18	\$233.41	\$236.03

Monthly Usage: 523 kWh

SCE rates are current as of June 1, 2026. OCPA rates are current as of October 20, 2025.

This rate comparison represents similar comparisons for D-SDP, D-SDP-O, DE, DE-SDP, DE-SDP-O, DM, DMS-1, DMS-2, DMS-3

All of OCPA's rate products are open to all customers. Generation Rate reflects the cost of producing or purchasing electricity to power your residence. This rate depends on usage and will vary depending on your service provider and rate plan. SCE Delivery Rate is a charge assessed by SCE to deliver electricity to your residence. Surcharges represent the Cost Responsibility Surcharge (CRS) and Franchise Fee (FF) that are applicable to Community Choice Aggregation (CCA).

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Electric Power Generation Mix*	SCE Power Mix	OCPA Basic Choice**	OCPA Smart Choice	OCPA 100% Renewable Choice
Renewable Procurements	41.3%	44.4%	70.2%	100.0%
Biomass & Biowaste	0.1%	0.0%	0.0%	0.0%
Geothermal	5.7%	1.1%	0.0%	0.0%
Eligible Hydroelectric	0.6%	2.0%	1.2%	0.0%
Solar	22.9%	23.5%	47.7%	62.1%
Wind	12.0%	17.8%	21.3%	37.9%
Coal	0.0%	0.0%	0.0%	0.0%
Large Hydroelectric	4.7%	0.0%	13.7%	0.0%
Natural gas	5.1%	0.0%	0.0%	0.0%
Nuclear	14.0%	15.7%	11.1%	0.0%
Other	0.1%	0.0%	0.0%	0.0%
Unspecified Power	34.8%	39.9%	5.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%

* Based on Year Ending December 31, 2025 Data

**OCPA's Basic Choice plan includes approximately 3% unbundled Renewable Energy Credits (RECs) for a total renewable energy content of 47%, aligning with California's 2025 compliance requirements.

Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source. Unspecified sources of power are typically a mix of all resource types, and may include renewables.

The CRS is a group of four surcharges associated with power purchases made on behalf of customers prior to a customer's switch to a CCA as well as non-bypassable charges related to wildfire fund and bond costs. The FF recovers taxes owed to a city in exchange for allowing SCE to utilize electrical distribution lines throughout the property of the city. SCE acts as the collection agency for the FF surcharge which is levied by cities and counties for all customers.

For additional rate information please contact Orange County Power Authority at ocpower.org or (866) 262-7693 and SCE at sce.com/cca, under CCAs Within SCE's Service Area, or (800) 974-2356.

The Power of Community Energy

RATE COMPARISON NOTIFICATION

As part of our mutual commitment to support your energy choice, Orange County Power Authority (OCPA) and Southern California Edison (SCE) have partnered to provide you with a comparison of typical residential electric rates, average monthly charges, and generation portfolio contents.

For information on OCPA's generation rates, please visit **OCPower.org** or call **1-866-2-OCPOWER**.

Please visit **sce.com/cca**, under CCAs Within SCE's Service Area, for the complete SCE/OCPA rate comparison or call **1-800-974-2356**.





The Executive Director of the California Public Utilities Commission has authorized an extension on the deadline to mail these notices. The purpose of this mailer is to help you make a comparison between Orange County Power Authority (OCPA) and Southern California Edison (SCE) rates and see the renewable energy mix of each to decide which service and rate works for you. The chart below illustrates the estimated electricity costs for a typical "CARE" residential customer with an average monthly energy usage of 523 kilowatt hours (kWh). If you are a customer on the Family Electric Rate Assistance (FERA) rate, please refer to the Joint Rate Comparison on the OCPA and SCE websites. This comparison is based on OCPA rates approved by its Board of Directors and effective as of October 20, 2025. SCE rate options are based on rates effective June 1, 2026. Both OCPA and SCE's rates are subject to change.

Domestic - CARE	SCE	OCPA Basic Choice (49% Renewable)	OCPA Smart Choice (60% Renewable and 40% Carbon- Free)	OCPA 100% Renewable Choice (100% Renewable)
Generation Rate	\$0.11761	\$0.13983	\$0.14983	\$0.15483
SCE Delivery Rate	\$0.11717	\$0.11717	\$0.11717	\$0.11717
Surcharges	\$0.00000	\$0.02542	\$0.02542	\$0.02542
Total Costs	\$0.23478	\$0.28242	\$0.29242	\$0.29742
Average Monthly Bill (\$)	\$122.79	\$147.71	\$152.94	\$155.55

Monthly Usage: 523 kWh

SCE rates are current as of June 1, 2026. OCPA rates are current as of October 20, 2025.

This rate comparison represents similar comparisons for DM-CARE, D-CARE-SDP, D-CARE-SDP-O

All of OCPA's rate products are open to all customers. Generation Rate reflects the cost of producing or purchasing electricity to power your residence. This rate depends on usage and will vary depending on your service provider and rate plan. SCE Delivery Rate is a charge assessed by SCE to deliver electricity to your residence. Surcharges represent the Cost Responsibility Surcharge (CRS) and Franchise Fee (FF) that are applicable to Community Choice Aggregation (CCA).

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Electric Power Generation Mix*	SCE Power Mix	OCPA Basic Choice**	OCPA Smart Choice	OCPA 100% Renewable Choice
Renewable Procurements	41.3%	44.4%	70.2%	100.0%
Biomass & Biowaste	0.1%	0.0%	0.0%	0.0%
Geothermal	5.7%	1.1%	0.0%	0.0%
Eligible Hydroelectric	0.6%	2.0%	1.2%	0.0%
Solar	22.9%	23.5%	47.7%	62.1%
Wind	12.0%	17.8%	21.3%	37.9%
Coal	0.0%	0.0%	0.0%	0.0%
Large Hydroelectric	4.7%	0.0%	13.7%	0.0%
Natural gas	5.1%	0.0%	0.0%	0.0%
Nuclear	14.0%	15.7%	11.1%	0.0%
Other	0.1%	0.0%	0.0%	0.0%
Unspecified Power	34.8%	39.9%	5.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%

* Based on Year Ending December 31, 2025 Data

**OCPA's Basic Choice plan includes approximately 3% unbundled Renewable Energy Credits (RECs) for a total renewable energy content of 47%, aligning with California's 2025 compliance requirements.

Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source. Unspecified sources of power are typically a mix of all resource types, and may include renewables.

The CRS is a group of four surcharges associated with power purchases made on behalf of customers prior to a customer's switch to a CCA as well as non-bypassable charges related to wildfire fund and bond costs. The FF recovers taxes owed to a city in exchange for allowing SCE to utilize electrical distribution lines throughout the property of the city. SCE acts as the collection agency for the FF surcharge which is levied by cities and counties for all customers.

For additional rate information please contact Orange County Power Authority at ocpower.org or (866) 262-7693 and SCE at sce.com/cca, under CCAs Within SCE's Service Area, or (800) 974-2356.

The Power of Community Energy

RATE COMPARISON NOTIFICATION

As part of our mutual commitment to support your energy choice, Orange County Power Authority (OCPA) and Southern California Edison (SCE) have partnered to provide you with a comparison of typical residential electric rates, average monthly charges, and generation portfolio contents.

For information on OCPA's generation rates, please visit **OCPower.org** or call **1-866-2-OCPOWER**.

Please visit **sce.com/cca**, under CCAs Within SCE's Service Area, for the complete SCE/OCPA rate comparison or call **1-800-974-2356**.





The Executive Director of the California Public Utilities Commission has authorized an extension on the deadline to mail these notices. The purpose of this mailer is to help you make a comparison between Orange County Power Authority (OCPA) and Southern California Edison (SCE) rates and see the renewable energy mix of each to decide which service and rate works for you. The chart below illustrates the estimated electricity costs for a typical business customer with an average monthly energy usage of 909 kilowatt hours (kWh). This comparison is based on OCPA rates approved by its Board of Directors and effective as of October 20, 2025. SCE rate options are based on rates effective June 1, 2026. Both OCPA and SCE's rates are subject to change.

TOU-GS-1-E	SCE	OCPA Basic Choice (49% Renewable)	OCPA Smart Choice (60% Renewable and 40% Carbon- Free)	OCPA 100% Renewable Choice (100% Renewable)
Generation Rate	\$0.10944	\$0.12488	\$0.13488	\$0.13988
SCE Delivery Rate	\$0.19088	\$0.18040	\$0.18040	\$0.18040
Surcharges	\$0.00000	\$0.02594	\$0.02594	\$0.02594
Total Costs	\$0.30032	\$0.33122	\$0.34122	\$0.34622
Average Monthly Bill (\$)	\$272.99	\$301.08	\$310.17	\$314.71

Monthly Usage: 909 kWh

SCE rates are current as of June 1, 2026. OCPA rates are current as of October 20, 2025.

This rate comparison represents similar comparisons for TOU-GS1-E-AE, TOU-GS1-E-AE-C, TOU-GS1-E-C

Electric Power Generation Mix*	SCE Power Mix	OCPA Basic Choice**	OCPA Smart Choice	OCPA 100% Renewable Choice
Renewable Procurements	41.3%	44.4%	70.2%	100.0%
Biomass & Biowaste	0.1%	0.0%	0.0%	0.0%
Geothermal	5.7%	1.1%	0.0%	0.0%
Eligible Hydroelectric	0.6%	2.0%	1.2%	0.0%
Solar	22.9%	23.5%	47.7%	62.1%
Wind	12.0%	17.8%	21.3%	37.9%
Coal	0.0%	0.0%	0.0%	0.0%
Large Hydroelectric	4.7%	0.0%	13.7%	0.0%
Natural gas	5.1%	0.0%	0.0%	0.0%
Nuclear	14.0%	15.7%	11.1%	0.0%
Other	0.1%	0.0%	0.0%	0.0%
Unspecified Power	34.8%	39.9%	5.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%

* Based on Year Ending December 31, 2025 Data

**OCPA's Basic Choice plan includes approximately 3% unbundled Renewable Energy Credits (RECs) for a total renewable energy content of 47%, aligning with California's 2025 compliance requirements.

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The CRS is a group of four surcharges associated with power purchases made on behalf of customers prior to a customer's switch to a CCA as well as non-bypassable charges related to wildfire fund and bond costs. The FF recovers taxes owed to a city in exchange for allowing SCE to utilize electrical distribution lines throughout the property of the city. SCE acts as the collection agency for the FF surcharge which is levied by cities and counties for all customers.

For additional rate information please contact Orange County Power Authority at ocpower.org or (866) 262-7693 and SCE at sce.com/cca, under CCAs Within SCE's Service Area, or (800) 974-2356.

The Power of Community Energy

RATE COMPARISON NOTIFICATION

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For information on OCPA's generation rates, please visit **OCPower.org** or call **1-866-2-OCPOWER**.

Please visit **sce.com/cca**, under CCAs Within SCE's Service Area, for the complete SCE/OCPA rate comparison or call **1-800-974-2356**.



ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 8.7

To: Orange County Power Authority Board of Directors
From: Wendy Garcia, Human Resources Generalist
Approved by: Joe Mosca, Chief Executive Officer
Subject: APPROVAL OF AMENDED SDRMA HEALTH BENEFITS
MEMORANDUM OF UNDERSTANDING AND RESOLUTION
Date: September 14, 2026

STRATEGIC GOALS

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

RECOMMENDED ACTION(S)

Adopt the Resolution approving the Amended SDRMA Health Benefits Memorandum of Understanding, authorizing its execution, and approving OCPA's continued participation in the SDRMA Health Benefits Program.

BACKGROUND

OCPA participates in the Special District Risk Management Authority (SDRMA) Health Benefits Program for employee medical benefits. SDRMA administers the program through Public Risk Innovation, Solutions and Management (PRISM), a public agency health benefits pool.

In June 2026, the SDRMA Board of Directors approved amendments to its Health Benefits Memorandum of Understanding (MOU) to better align the agreement with PRISM's governing documents and current industry standards. SDRMA is requiring

participating agencies to execute the amended MOU and accompanying Resolution by November 1, 2026, to continue participation in the Health Benefits Program.

DISCUSSION / ANALYSIS

The amended MOU includes updates intended to better align SDRMA's governing agreement with PRISM's governing documents and current program standards. The amendments do not change OCPA employees' current medical benefits or the day-to-day administration of the medical benefits program.

OCPA's General Counsel reviewed the amended MOU and identified three substantive contractual changes:

- **Assessments:** The prior MOU specified that assessments would be based on an entity's proportional share of premiums paid during the preceding three years. The amended MOU removes the specific three-year calculation methodology and provides that assessments may be imposed if Program funds are insufficient.
- **Withdrawal:** The required advance notice to withdraw from the Program increases from 90 days to 120 days before January 1, with withdrawal effective at the end of the calendar year.
- **Dispute Resolution:** The amended MOU adds a binding arbitration requirement for covered disputes between participating entities and SDRMA.

General Counsel reviewed the SDRMA Health Benefits Program Administrative Guidelines and identified no additional items of concern. Board adoption of the accompanying Resolution is required to approve the amended MOU and authorize its execution.

FISCAL IMPACT

Approval of the amended MOU does not result in an immediate change to OCPA's current medical benefit costs. Future premiums and any applicable assessments remain subject to the terms of the SDRMA Health Benefits Program.

ATTACHMENT(S)

Attachment 1: Resolution Approving the Amended SDRMA Health Benefits Memorandum of Understanding and Authorizing Participation in the Health Benefits Program

Attachment 2: Amended SDRMA Health Benefits Memorandum of Understanding

Attachment 3: Redline Comparison of Amended SDRMA Health Benefits Memorandum of Understanding

RESOLUTION NO. 2026-XX

A RESOLUTION OF THE BOARD OF DIRECTORS OF ORANGE COUNTY POWER AUTHORITY APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING AND AUTHORIZING PARTICIPATION IN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S HEALTH BENEFITS PROGRAM

WHEREAS, Orange County Power Authority, a public agency duly organized and existing under and by virtue of the laws of the State of California (the "ENTITY"), has determined that it is in the best interest and to the advantage of the ENTITY to participate in the Health Benefits Program offered by Special District Risk Management Authority (the "Authority"); and

WHEREAS, the Authority was formed in 1986 in accordance with the provisions of California Government Code 6500 et seq., for the purpose of providing risk financing, risk management programs and other coverage protection programs; and

WHEREAS, participation in Authority programs requires the ENTITY to execute and enter into a Memorandum of Understanding which states the purpose and participation requirements for the Health Benefits Program; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the ENTITY is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ORANGE COUNTY POWER AUTHORITY AS FOLLOWS:

Section 1. Findings. The ENTITY's Governing Body hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of the ENTITY.

Section 2. Memorandum of Understanding. The Memorandum of Understanding, to be executed and entered into by and between the ENTITY and the Authority, in the form presented at this meeting and on file with the ENTITY's Secretary, is hereby approved. The ENTITY's Governing Body and/or Authorized Officers ("The Authorized Officers") are hereby authorized and directed, for and in the name and on behalf of the ENTITY, to execute and deliver to the Authority the Memorandum of Understanding.

Section 3. Program Participation. The ENTITY's Governing Body approves participating in the Special District Risk Management Authority's Health Benefits Program.

Section 4. Severability. If any provision of this resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the resolution which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are severable.

Section 5. Other Actions. The Authorized Officers of the ENTITY are each hereby authorized and directed to execute and deliver any and all documents which are necessary in order to consummate the transactions authorized hereby and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 6. Effective Date. This resolution shall take effect immediately upon its passage.

ADOPTED AND APPROVED by the Board of Directors of Orange County Power Authority on this 14th day of September 2026.

ATTEST:

Chair, Board of Directors
Orange County Power Authority

Clerk, Board of Directors
Orange County Power Authority

AYES: ____ NAYS: ____ ABSENT: ____ ABSTAIN: ____

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (HEREAFTER “MEMORANDUM”) IS ENTERED INTO BY AND BETWEEN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (HEREAFTER “SDRMA”) AND THE PARTICIPATING PUBLIC ENTITY (HEREAFTER “ENTITY”) WHO IS SIGNATORY TO THIS MEMORANDUM.

WHEREAS, on August 1, 2006, SDRMA in its capacity as a member of Public Risk Innovation, Solutions and Management (PRISM) and having executed the Joint Powers Agreement (JPA) governing PRISM, was appointed administrator for the purpose of enrolling small public entities into the (PRISM) Health and/or Employee Benefits Small Group Program (hereinafter "Program"); and

WHEREAS, the terms and conditions of the PROGRAM as well as benefit coverage, rates, assessments, and premiums are governed by the PRISM Health Committee and/or PRISM Employee Benefits Committee for the Program (the "Committee") and not SDRMA; and

WHEREAS, ENTITY desires to enroll and participate in the Program, acknowledging that SDRMA acts solely in an administrative capacity and does not establish Program terms.

NOW THEREFORE, SDRMA and ENTITY agree as follows:

1. **DEFINITIONS.** For purposes of this MEMORANDUM, unless the context otherwise requires, the following terms when capitalized have the respective meanings set out below and are applicable to the singular as well as to the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms.
 - a. “Committee” means the PRISM Health Committee and/or PRISM Employee Benefits Committee for the Program.
 - b. “Coverage Documents” means, except as otherwise provided herein, coverage documents from each carrier outlining the coverage provided, including terms and conditions of coverage, are controlling with respect to the coverage of the Program and will be provided by SDRMA to each ENTITY. Documents will be made available through the online SDRMA Portal and be accessible to approved users of the ENTITY.
 - c. “Program Participation Agreement” means the agreement issued by PRISM/AUS Underwriting to the Entity that details the final terms of acceptance and any special exceptions or terms that have been made a part of the underwriting approval and is required to be completed and executed in order to constitute full acceptance as a member of the PRISM Small Group Program.

d. "Program" or "PRISM" means the Public Risk Innovation, Solutions and Management (PRISM) Health and/or Employee Benefits Small Group Program.

e. "Program Documents" means the following: SDRMA Program Administrative Guidelines, SDRMA Resolution, Program Underwriting application and any required underwriting documents, Program approval, Program Underwriting & Eligibility Rules and Program Participation Agreement.

2. PURPOSE. ENTITY is signatory to this MEMORANDUM for the sole purpose of enrolling in the Program.
3. ENTRY INTO PROGRAM. ENTITY shall apply for participation in the Program by executing and all forms prescribed by SDRMA. SDRMA shall submit the completed forms to the Program's Underwriter who has the authority to accept or reject Entity's application in its sole discretion based on the Program's governing documents and in accordance with the Program's eligibility guidelines.
4. MAINTENANCE OF EFFORT. Program provides health benefits to all active employees, retired employees, dependents of an active or retired employee and public officials of the ENTITY who satisfy requirements for participation. ENTITY public officials may participate in the Program only if they are currently being covered and their own ENTITY's enabling act, plans and policies allow it. ENTITY must contribute at least the minimum percentage required by the eligibility requirements
5. PREMIUMS. ENTITY agrees and acknowledges that premiums and rates for the Program are set by the Committee and that SDRMA's Administrative Fee is set by SDRMA For each billing cycle. ENTITY will remit the total monthly amount billed by SDRMA for each category of participants and the census of covered employees, public officials, dependents and retirees. PREMIUMs are based on a full month, and there are no partial months or prorated PREMIUMs. Enrollment for mid-year qualifying events and termination of coverage will be made in accordance with the SDRMA Program Administrative Guidelines.

Late Payment Penalties. ENTITY shall pay all PREMIUM invoices as billed to SDRMA, regardless of any changes to eligibility or adjustments to PREMIUMS that may occur during the billing month and not reflected in the PREMIUM invoice. SDRMA shall issue PREMIUM invoices to ENTITY prior to the coverage month in which they are due. PREMIUM invoices are due by the due date stated on the invoice and considered delinquent thirty (30) calendar days from the due date. In addition to the outstanding balance due for any unpaid invoice, ENTITY shall be liable to SDRMA for a late payment penalty of 1% of the outstanding balance of any unpaid portion of such invoice effective (30) calendar days after the invoice due date. SDRMA reserves the right to terminate the

MEMORANDUM and ENTITY'S Participation Agreement, including immediate cessation of all services under the Program, any time after it provides written notice to ENTITY of its failure to pay the amount due of any invoice.

6. **BENEFITS.** Benefits provided to ENTITY participants shall be as set forth in ENTITY's Plan Summary for the Program and as agreed upon between the ENTITY and its recognized employee organizations as applicable. Not all plan offerings will be available to ENTITY, and plans requested by ENTITY must be submitted to Program underwriter for approval.
7. **ASSESSMENTS AND DIVIDENDS.** The Program annual premium, as approved by the Committee will be established at a level which is anticipated to provide adequate overall funding. The Program will directly manage surpluses and deficits. Premiums are targeted to fund expected claims (including incurred-but-not-reported (IBNR) and run-out), reinsurance (if any), Program/administrative expenses, and any reserve or margin adopted by the Committee.

If Program funds are insufficient (including funding IBNR), the Committee may impose premium assessments on all applicable participating Entities, consistent with the JPA, including ENTITY signing this MEMORANDUM. Entities that have withdrawn from the Program are liable for assessments attributable to plan year(s) in which they participated.

After appropriate reserves and obligations are funded and any Committee-approved margin is achieved, the Committee may declare a dividend or premium credit, using a formula recommended by the Program Underwriters and actuary.

8. **WITHDRAWAL.** ENTITY may withdraw from this MEMORANDUM and terminate its Program Participation Agreement for a subsequent calendar year subject to the following condition: ENTITY shall notify SDRMA in writing of its intent to withdraw from this MEMORANDUM and terminate its Program Participation Agreement at least 120 days prior to January 1st of the subsequent calendar year in which it shall be effective. No withdrawal shall become effective until December 31 of the year that notice of termination is received. ENTITY may rescind its notice of intent to withdraw and terminate no later than October 1st. Once ENTITY withdraws from the Program, there is a 3-year waiting period to come back into the Program, and the ENTITY will be subject to underwriting approval.
9. **ARBITRATION OF DISPUTES.** To the extent permitted by law, all controversies between the ENTITY and SDRMA that may arise out of or relate to any of the services provided by SDRMA under the MEMORANDUM, or the construction, performance or breach of this or any other agreement between the ENTITY and SDRMA, whether entered into prior to, on or subsequent to the date hereof, shall be settled by binding arbitration in the City of

Sacramento, California, under the Commercial Arbitration Rules of the American Arbitration Association. Judgment upon any award rendered by the arbitrator(s) shall be final and may be entered into any court having jurisdiction.

10. GOVERNING LAW. This MEMORANDUM shall be governed in accordance with the laws of the State of California.
11. VENUE. Venue for any dispute or enforcement shall be in the City of Sacramento, California.
12. ATTORNEY FEES. The prevailing party in any dispute shall be entitled to an award of reasonable attorney fees.
13. COMPLETE AGREEMENT. This MEMORANDUM together with the related Program Documents constitutes the full and complete agreement of the ENTITY.
14. SEVERABILITY. Should any provision of this MEMORANDUM be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.
15. AMENDMENT OF MEMORANDUM; WAIVER. This MEMORANDUM may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed by authorized representatives of SDRMA and ENTITY. The failure of either Party to enforce at any time any provision of the MEMORANDUM shall not be construed to be a waiver of such provision, nor in any way to affect the validity of the MEMORANDUM or the right of either party thereafter to enforce each and every such provision. If ENTITY fails or refuses to execute an amendment to this MEMORANDUM by the deadline included in written notice of SDRMA'S execution of said amendment, SDRMA reserves the right to terminate this MEMORANDUM and ENTITY'S Program Participation Agreement effective as of the next annual renewal date.
16. EFFECTIVE DATE. This MEMORANDUM shall become effective on the later of the first date of coverage for the ENTITY or the last date of signing of this MEMORANDUM by the Chief Executive Officer or Board President of SDRMA and the authorized person for the ENTITY.
17. EXECUTION IN COUNTERPARTS. This MEMORANDUM may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

In Witness Whereof, the undersigned have executed the MEMORANDUM as of the date set forth below.

Dated: _____

By: _____

Special District Risk
Management Authority

Dated: _____

By: _____

Orange County Power Authority



MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (HEREAFTER "MEMORANDUM") IS ENTERED INTO BY AND BETWEEN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (HEREAFTER "SDRMA") AND THE PARTICIPATING PUBLIC ENTITY (HEREAFTER "ENTITY") WHO IS SIGNATORY TO THIS MEMORANDUM.

WHEREAS, on August 1, 2006, SDRMA in its capacity as a member of Public Risk Innovation, Solutions and Management (PRISM) and having executed the Joint Powers Agreement (JPA) governing PRISM, was appointed administrator for the purpose of enrolling small public entities into the ~~Public Risk Innovation, Solutions and Management~~ (PRISM) Health and/or Employee Benefits Small Group Program (hereinafter "~~PROGRAM~~program"); and

WHEREAS, the terms and conditions of the PROGRAM as well as benefit coverage, rates, assessments, and premiums are governed by the PRISM Health Committee and/or PRISM Employee Benefits Committee for the ~~PROGRAM~~program (the "~~COMMITTEE~~committee") and not SDRMA; and

WHEREAS, ENTITY desires to enroll and participate in the ~~PROGRAM~~program, acknowledging that SDRMA acts solely in an administrative capacity and does not establish Program terms.

NOW THEREFORE, SDRMA and ENTITY agree as follows:

1. DEFINITIONS. For purposes of this MEMORANDUM, unless the context otherwise requires, the following terms when capitalized have the respective meanings set out below and are applicable to the singular as well as to the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms.

a. "Committee" means the PRISM Health Committee and/or PRISM Employee Benefits Committee for the Program.

b. "Coverage Documents" means, except as otherwise provided herein, coverage documents from each carrier outlining the coverage provided, including terms and conditions of coverage, are controlling with respect to the coverage of the Program and will be provided by SDRMA to each ENTITY. Documents will be made available through the online SDRMA Portal and be accessible to approved users of the ENTITY.

c. "Program Participation Agreement" means the agreement issued by PRISM/AUS Underwriting to the Entity that details the final terms of acceptance and any special exceptions or terms that have been made a part of the underwriting approval and is required to be

completed and executed in order to constitute full acceptance as a member of the PRISM Small Group Program.

d. "Program" or "PRISM" means the Public Risk Innovation, Solutions and Management (PRISM) Health and/or Employee Benefits Small Group Program.

e. "Program Documents" means the following: SDRMA Program Administrative Guidelines, SDRMA Resolution, Program Underwriting application and any required underwriting documents, Program approval, Program Underwriting & Eligibility Rules and Program Participation Agreement.

12. PURPOSE. ENTITY is signatory to this MEMORANDUM for the ~~express-sole~~ purpose of enrolling in the ~~P~~rogram~~ROGRAM~~.

23. ENTRY INTO PROGRAM. ENTITY shall ~~enroll~~ apply for participation in the ~~P~~rogram~~ROGRAM~~ by ~~making application through executing and all forms prescribed by SDRMA.~~ SDRMA shall submit the completed forms to which shall be subject to approval by the ~~P~~rogram~~ROGRAM~~'s Underwriter who has the authority to accept or reject Entity's application in its sole discretion based on the Program's and governing documents and in accordance with the Program's ~~applicable~~ eligibility guidelines.

34. MAINTENANCE OF EFFORT. ~~P~~rogram ~~ROGRAM~~ ~~is designed to provide an alternative provides~~ health benefits ~~solution~~ to all ~~participants~~ active employees, retired employees, dependents of an active or retired employee and public officials of the ENTITY who satisfy requirements for participation. ~~of the ENTITY including active employees, retired employees (optional), dependents (optional) and public officials (optional).~~ ENTITY public officials may participate in the ~~P~~rogram~~ROGRAM~~ only if they are currently being covered and their own ENTITY's enabling act, plans and policies allow it. ENTITY must contribute at least the minimum percentage required by the eligibility requirements

45. PREMIUMS. ENTITY ~~understands~~ agrees and acknowledges that premiums and rates for the ~~P~~rogram ~~ROGRAM~~ are set by the ~~COMMITTEE~~ Committee and that SDRMA's Administrative Fee is set by SDRMA For each billing cycle. ENTITY will remit the total monthly ~~premiums based upon rates established amount billed by SDRMA~~ for each category of participants and the census of covered employees, public officials, dependents and retirees. PREMIUMs are based on a full month, and there are no partial months or prorated PREMIUMs. Enrollment for mid-year qualifying events and termination of coverage will be made in accordance with the SDRMA Program Administrative Guidelines.

~~Rates for the ENTITY and each category of participant will be determined by the COMMITTEE designated for the PROGRAM based upon advice from its consultants and/or a consulting Benefits Actuary and insurance carriers. In addition, SDRMA adds an administrative fee to premiums and rates for costs associated with administering the PROGRAM. Rates may vary depending upon factors including, but not limited to, demographic characteristics, loss experience of all public entities participating in the PROGRAM and differences in benefits provided (plan design), if any.~~

~~SDRMA will administrate a billing to ENTITY each month, with payments due by the date specified by SDRMA. Payments received after the specified date will accrue penalties up to and including termination from the PROGRAM. Premiums are based on a full month, and there are no partial months or prorated premiums. Enrollment for mid-year qualifying events and termination of coverage will be made in accordance with the SDRMA Program Administrative Guidelines.~~

~~Late Payment Penalties. ENTITY shall pay all PREMIUM invoices as billed to SDRMA, regardless of any changes to eligibility or adjustments to PREMIUMS that may occur during the billing month and not reflected in the PREMIUM invoice. SDRMA shall issue PREMIUM invoices to ENTITY prior to the coverage month in which they are due. PREMIUM invoices are due by the due date stated on the invoice and considered delinquent thirty (30) calendar days from the due date. In addition to the outstanding balance due for any unpaid invoice, ENTITY shall be liable to SDRMA for a late payment penalty of 1% of the outstanding balance of any unpaid portion of such invoice effective (30) calendar days after the invoice due date. SDRMA reserves the right to terminate the MEMORANDUM and ENTITY'S Participation Agreement, including immediate cessation of all services under the Program, any time after it provides written notice to ENTITY of its failure to pay the amount due of any invoice.~~

- ~~56.~~ **BENEFITS.** Benefits provided to ENTITY participants shall be as set forth in ENTITY's Plan Summary for the Program ~~ROGRAM~~ and as agreed upon between the ENTITY and its recognized employee organizations as applicable. Not all plan offerings will be available to ENTITY, and plans requested by ENTITY must be submitted to P~~rogram~~ROGRAM underwriter for approval.
- ~~6.~~ **COVERAGE DOCUMENTS.** ~~Except as otherwise provided herein, coverage documents from each carrier outlining the coverage provided, including terms and conditions of coverage, are controlling with respect to the coverage of the PROGRAM and will be provided by SDRMA to each ENTITY. SDRMA will provide each ENTITY with additional documentation, defined as the SDRMA Program Administrative Guidelines which provide further details on administration of the PROGRAM.~~
- ~~7.~~ **PROGRAM FUNDING.** ~~It is the intent of this MEMORANDUM to provide for a fully funded PROGRAM by any or all of the following: pooling risk; purchasing individual stop loss~~

~~coverage to protect the pool from large claims; and purchasing aggregate stop loss coverage.~~

~~8. ASSESSMENTS. Should the PROGRAM not be adequately funded for any reason, pro-rata assessments to the ENTITY may be utilized to ensure the approved funding level for applicable policy periods. Any assessments which are deemed necessary to ensure approved funding levels shall be made upon the determination and approval of the COMMITTEE in accordance with the following:~~

~~a. Assessments/dividends will be used sparingly. Generally, any over/under funding will be factored into renewal rates.~~

~~b. If a dividend/assessment is declared, allocation will be based upon each ENTITY's proportional share of total premiums paid for the preceding 3 years. An ENTITY must be a current participant to receive a dividend, except upon termination of the PROGRAM and distribution of assets.~~

~~c. ENTITY will be liable for assessments for 12 months following withdrawal from the PROGRAM.~~

~~d. Fund equity will be evaluated on a total PROGRAM-wide basis as opposed to each year standing on its own.~~

7. ASSESSMENTS AND DIVIDENDS. The Program annual premium, as approved by the Committee will be established at a level which is anticipated to provide adequate overall funding. The Program will directly manage surpluses and deficits. Premiums are targeted to fund expected claims (including incurred-but-not-reported (IBNR) and run-out), reinsurance (if any), Program/administrative expenses, and any reserve or margin adopted by the Committee.

If Program funds are insufficient (including funding IBNR), the Committee may impose premium assessments on all applicable participating Entities, consistent with the JPA, including ENTITY signing this MEMORANDUM. Entities that have withdrawn from the Program are liable for assessments attributable to plan year(s) in which they participated.

After appropriate reserves and obligations are funded and any Committee-approved margin is achieved, the Committee may declare a dividend or premium credit, using a formula recommended by the Program Underwriters and actuary.

98. WITHDRAWAL. ENTITY may withdraw from this MEMORANDUM and terminate its Program Participation Agreement for a subsequent calendar year subject to the following condition: ENTITY shall notify SDRMA and the PROGRAM in writing of its

~~intent to withdraw at least 90 days prior to their requested withdrawal date. ENTITY shall notify SDRMA in writing of its intent to withdraw from this MEMORANDUM and terminate its Program Participation Agreement at least 120 days prior to January 1st of the subsequent calendar year in which it shall be effective . No withdrawal shall become effective until December 31 of the year that notice of termination is received. ENTITY may rescind its notice of intent to withdraw and terminate no later than October 1st.~~ Once ENTITY withdraws from the ~~Program~~PROGRAM, there is a 3-year waiting period to come back into the ~~Program~~PROGRAM, and the ENTITY will be subject to underwriting approval ~~again~~.

~~10. LIAISON WITH SDRMA. Each ENTITY shall maintain staff to act as liaison with SDRMA and between the ENTITY and SDRMA's designated PROGRAM representative.~~

~~9. ARBITRATION OF DISPUTES. To the extent permitted by law, all controversies between the ENTITY and SDRMA that may arise out of or relate to any of the services provided by SDRMA under the MEMORANDUM, or the construction, performance or breach of this or any other agreement between the ENTITY and SDRMA, whether entered into prior to, on or subsequent to the date hereof, shall be settled by binding arbitration in the City of Sacramento, California, under the Commercial Arbitration Rules of the American Arbitration Association. Judgment upon any award rendered by the arbitrator(s) shall be final, and may be entered into any court having jurisdiction.~~

~~11~~10. GOVERNING LAW. This MEMORANDUM shall be governed in accordance with the laws of the State of California.

~~12~~11. VENUE. Venue for any dispute or enforcement shall be in the City of Sacramento, California.

~~13~~12. ATTORNEY FEES. The prevailing party in any dispute shall be entitled to an award of reasonable attorney fees.

~~14~~13. COMPLETE AGREEMENT. This MEMORANDUM together with the related ~~P~~rogramPROGRAM ~~documents~~Documents constitutes the full and complete agreement of the ENTITY.

~~15~~14. SEVERABILITY. Should any provision of this MEMORANDUM be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.

~~16~~15. AMENDMENT OF MEMORANDUM; WAIVER. This MEMORANDUM may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed by authorized representatives of SDRMA and ENTITY. The failure of either Party to enforce at any time any provision of the MEMORANDUM shall not be construed to be a waiver of such provision, nor in any way to affect the validity of the MEMORANDUM or the



~~right of either party thereafter to enforce each and every such provision may be amended by the SDRMA Board of Directors and such amendments are subject to approval of ENTITY's designated representative, or alternate, who shall have authority to execute this MEMORANDUM. Any If ENTITY who fails or refuses to execute an amendment to this MEMORANDUM by the deadline included in written notice of SDRMA'S execution of said amendment, SDRMA reserves the right to terminate shall be deemed to have withdrawn this MEMORANDUM and ENTITY'S Program Participation Agreement from the PROGRAM effective as of on the next annual renewal date.~~

~~1716.~~ EFFECTIVE DATE. This MEMORANDUM shall become effective on the later of the first date of coverage for the ENTITY or the last date of signing of this MEMORANDUM by the Chief Executive Officer or Board President of SDRMA and the authorized person for the ENTITY.

~~1817.~~ EXECUTION IN COUNTERPARTS. This MEMORANDUM may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

In Witness Whereof, the undersigned have executed the MEMORANDUM as of the date set forth below.

Dated: _____

By: _____

Special District Risk
Management Authority

Dated: _____

By: _____

Agency ENTITY Name

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 9.1

To: Orange County Power Authority Board of Directors
From: Louis Ting, Director of Power Resources
Approved by: Joe Mosca, Chief Executive Officer
Subject: APPROVE RESOURCE MANAGEMENT AGREEMENT WITH THE ENERGY AUTHORITY, INC.
Date: September 14, 2026

STRATEGIC GOALS

- ☐ Enrich & Grow the OCPA Community
- ☐ Prioritize Fiscal Sustainability & Affordability
- ☐ Design & Deploy Community-Aligned Customer Programs
- ☒ Energize Our Community with Renewable Energy Sources: Compliance with CAISO regulations with certified Scheduling Coordinator and Congestion Revenue Rights resource management services
- ☐ Raise Awareness of Community Energy & Advocate for Our Customers
- ☐ Not Applicable

RECOMMENDED ACTION(S)

Approve the Resource Management Agreement with The Energy Authority, Inc. for scheduling coordinator services, congestion revenue rights management, and optional energy hedging advisory services and authorize the CEO to execute a one-year Agreement, effective October 1, 2026, through September 30, 2027, including the option for the CEO to extend the Agreement for four additional one-year terms, subject to satisfactory performance.

BACKGROUND

As a load-serving entity participating in the California Independent System Operator (CAISO) energy market, Orange County Power Authority (OCPA) requires Scheduling Coordinator (SC) services to support the day-to-day delivery and settlement of electricity supplied to serve OCPA customers. These services include submitting load forecasting and bidding into the CAISO markets, managing day-ahead and real-time market activities, coordinating resource operations and outages, validating CAISO

financial and physical energy settlements, providing collateral obligations, and performing other operational functions necessary for OCPA to participate in the CAISO market. OCPA also utilizes Congestion Revenue Rights (CRR) management services to help manage and mitigate the financial impacts of transmission congestion associated with serving OCPA's load and contracted resource portfolio. OCPA's current agreement for SC and CRR services expires on September 30, 2026.

Staff issued a Request for Proposals (RFP) for SC and CRR management services on March 26, 2026.

DISCUSSION / ANALYSIS

Procurement Process

The RFP allowed firms to propose separately for SC services, CRR management services, or a bundled offering. This invitation to submit proposals was extensively distributed to 220 potential bidders on BidNet Direct, ensuring wide reach and fairness. The RFP was publicly available on the OCPA website, promoting transparency and equal opportunity for all interested parties. By the RFP's closing date, 23 potential vendors had downloaded the document. By April 24, 2026, OCPA received four (4) proposals for bundled services in response to the RFP.

The proposals were evaluated based on the criteria established in the RFP, including qualifications and CAISO experience, past performance and references, technical capabilities and approach, operational and business continuity, reporting and compliance capabilities, and price. SC and CRR services were scored separately. Proposers offering bundled SC and CRR services were eligible for a 15% bundled-services scoring bonus. A bundled service model was intended to reduce coordination and communication issues between separate service providers, improve operational efficiency, and provide OCPA with a single point of accountability for closely related market functions.

Proposals were independently evaluated by a four-member panel consisting of three OCPA staff members with power procurement, portfolio management, risk management, and CCA experience, and one representative from San Diego Community Power with relevant power procurement and prior SC/CRR procurement experience. OCPA staff separately administered the procurement process.

Evaluation Results & Vendor Selection

Following the initial evaluation, The Energy Authority (TEA) and Customized Energy Solutions (CES), the two highest-ranked proposers, were shortlisted for interviews. The interviews allowed the evaluation panel to further assess each proposer's experience,

technical approach, staffing resources, understanding of OCPA's portfolio and CAISO operations, and ability to perform the requested services.

Following the evaluation and interview process, TEA received the highest overall evaluation score at 86%, followed by CES at 83%. TEA also proposed the lowest first-year cost at \$300,000. The evaluation results are summarized in Attachment A.

The evaluation panel evaluated proposals based on established criteria; the evaluation summary is included in Attachment A. All qualified proposers submitted bundled proposals for SC and CRR management services and therefore received the same 15% bundled-services scoring bonus. Accordingly, the bundled-services bonus did not affect the proposers' relative ranking.

After a thorough evaluation, the panel selected TEA for Board consideration. The panel evaluated TEA as one of the two most experienced proposers in working with CCAs and similar clients in the Southern California Edison and San Diego Gas and Electric service territories. Their pricing was the most competitive in the group. They presented a large list of CCA clients with a long working history and strong references. As OCPA's incumbent provider, TEA also has extensive knowledge of OCPA's portfolio, systems, processes, and operational needs, which minimizes transition and onboarding risk and allows for continuity of services.

Background on The Energy Authority

TEA is a nonprofit wholesale power services company owned by seven public power utilities and serving over 80 public power organizations nationwide. TEA has extensive experience serving California CCAs and other public power entities, including Ava Community Energy, Central Coast Community Energy, Clean Energy Alliance, Peninsula Clean Energy, Redwood Coast Energy Authority, and Valley Clean Energy.

Proposed Agreement Terms

The proposed agreement is structured as a one-year contract (October 1, 2026, through September 30, 2027), with up to four additional one-year renewal terms at OCPA's discretion. This structure provides continuity and stability for services that are critical to OCPA's ongoing participation in the CAISO market, while allowing OCPA to reassess performance, service needs, and market conditions before each renewal. Utilizing a single provider for both SC and CRR management services also supports a more streamlined approach by improving coordination, reducing communication gaps, and providing consistency across closely related market functions.

The agreement also includes optional Energy Hedging Advisory Services (EHAS) at a cost of \$12,000 per month. EHAS would provide OCPA with hedging analysis,

recommendations, and stochastic and scenario modeling to support OCPA's evaluation and implementation of potential hedging strategies. OCPA would exercise this optional service only if staff determines that the service is needed and sufficient budget authority is available.

FISCAL IMPACT

The approved FY2026/27 budget includes \$238,500 for Scheduling Coordinator and Congestion Revenue Rights management services for the period from October 2026 through June 2027. TEA's proposed fee for these services is \$25,000 per month, or \$225,000 for the same nine-month period, which is \$13,500 below the amount included in the approved FY2026/27 budget.

TEA has also proposed an optional EHAS subscription service at a cost of \$12,000 per month for a service term of less than one year. If OCPA elects to exercise this optional service for the nine-month period from October 2026 through June 2027, the projected cost would be \$108,000. This optional service is not included in the approved FY2026/27 budget. After applying the \$13,500 savings from the Scheduling Coordinator and CRR management services, the resulting net budget variance would be \$94,500. If the optional service is exercised, the necessary budget adjustment will be incorporated into the FY2026/27 Mid-Year Budget Review for Board consideration in March 2027.

Accordingly, the total not-to-exceed amount for Scheduling Coordinator services, CRR management services, and the optional EHAS subscription for the period from October 2026 through June 2027 is \$333,000.

ATTACHMENT(S)

Attachment A – Scheduling Coordinator and Congestion Revenue Rights Management
RFP Evaluation Summary

Attachment B – Resource Management Agreement with The Energy Authority

Attachment A

Scheduling Coordinator and Congestion Revenue Rights Management RFP Evaluation Summary

Bidder	SC Score (max 4.0)	CRR Score (max 4.0)	Combined (SC+CRR+ Bundle)	Overall %	Total Cost- Yr 1
The Energy Authority	3.5	3.3	7.4	86%	\$ 300,000
Customized Energy Solutions	3.4	3.1	7.1	83%	\$ 333,000
Tenaska Power Services, Co.	3.0	3.0	6.6	77%	\$ 396,000
NRG Energy	2.6	3.1	6.3	73%	\$ 1,704,000*

Note: The combined score includes a 15% bonus on the max score (4), added to the total score. In this RFP All qualified bidders offered bundled services in their proposals and received the 15% bonus.

*Cost confirmed with NRG

RESOURCE MANAGEMENT AGREEMENT BETWEEN ORANGE COUNTY POWER AUTHORITY AND THE ENERGY AUTHORITY, INC.

This Resource Management Agreement (“Agreement”) is made and entered into on October 1, 2026 (“**Effective Date**”), by and between the **Orange County Power Authority**, a California joint powers authority (“**OCPA**”) and **The Energy Authority, Inc.**, a Georgia non-profit corporation (“**TEA**”). Authority and TEA are sometimes individually referred to as a “**Party**” and collectively as “**Parties**.”

RECITALS

A. The Parties entered into the “Agreement between Orange County Power Authority and The Energy Authority, Inc. for Scheduling Coordinator and CRR Management Services” effective October 1, 2021 and as amended via a First Amendment effective May 1, 2022, which agreement expires on September 30, 2026. OCPA issued a Request for Proposals (RFP No. 26-001) (“RFP”) for scheduling coordinator and other resource management services and desires to award the RFP to TEA and enter into a new agreement for the services described herein.

B. TEA desires to perform and assume responsibility for the provision of certain professional services required by OCPA as part of its community choice aggregation program on the terms and conditions set forth in this Agreement. TEA represents that it is experienced in providing the services described herein and is familiar with the plans of OCPA.

C. OCPA desires to engage TEA to render such professional services for OCPA’s community choice aggregation program (“**Project**”), as set forth in this Agreement.

AGREEMENT

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

1. **Scope of Services and Term.**

1.1 General Scope of Services. TEA promises and agrees to furnish to OCPA all services, and incidental and customary work necessary to fully and adequately provide scheduling coordinator, congestion revenue rights and optional services necessary for the Project (“Services”), which Services are more particularly described in Exhibit A. All Services shall be subject to, and performed in accordance with, this Agreement, the schedules and/or exhibits attached hereto, and all applicable local, state and federal laws, rules and regulations.

1.2 INTENTIONALLY OMITTED.

1.3 Term. This Agreement shall be effective on the Effective Date. Full Services under this Agreement will commence on the Effective Date and, unless earlier terminated

as provided herein, this Agreement shall remain in effect through and including September 30, 2027 (the “**Initial Term**”). After the Initial Term, the term of this Agreement shall optionally renew for four (4) additional one (1) year terms (each, a “Renewal Term”), at OCPA’s sole discretion. Collectively, the Initial Term and Renewal Terms shall be deemed the “Term”. OCPA shall inform TEA whether it has elected an optional Renewal Term no later than 3 months before the end of the Term. TEA shall provide the Services during the Term of this Agreement and shall meet any schedules and deadlines reasonably established by the Parties or the California Independent System Operator (“**CAISO**”).

1.4 Future Generation Resources. If OCPA adds generation resources where OCPA has ownership or a power purchase agreement (“**PPA**”) requiring a scheduling coordinator, congestion revenue rights, or other optional energy hedging advisory services, OCPA and TEA will negotiate in good faith and amend this Agreement in writing, signed by each Party’s authorized representative, to reflect incremental responsibilities and compensation.

2. Responsibilities of TEA.

2.1 Control and Payment of Subordinates: Independent Contractor. The Services shall be performed by TEA or under its supervision. TEA will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. OCPA retains TEA on an independent contractor basis and not as an employee. TEA retains the right to perform similar or different services for others during the Term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of TEA shall also not be employees of OCPA and shall at all times be under TEA’s exclusive direction and control. TEA shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. TEA shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers’ compensation insurance.

2.2 Schedule of Services. TEA shall perform the Services during the Term of this Agreement, and in accordance with the terms of Exhibit A. TEA represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions.

2.3 Conformance to Applicable Requirements. All work prepared by TEA shall be subject to the approval of OCPA.

2.4 Sub-Contracting. TEA shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of OCPA. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

3. Conditions to TEA’s Performance.

3.1 INTENTIONALLY OMITTED.

3.2 Information and Assistance. Upon TEA's reasonable request, OCPA shall provide such information and assistance as is reasonably required for TEA to provide the Services. If OCPA fails to provide TEA with such requested information or assistance, then TEA shall continue to provide in a timely manner any such portion(s) of the affected Services that TEA can reasonably provide to the extent possible in the absence of such information or assistance.

3.3 Notification. OCPA shall notify all other relevant parties, including, but not limited to, its data manager ("**Data Manager**"), the Utility Distribution Company ("**UDC**"), which is currently Southern California Edison ("**SCE**"), and in the future San Diego Gas & Electric ("**SDG&E**"), the CAISO and OCPA's lender(s), as necessary, of the existence of this Agreement and TEA's role as contemplated in this Agreement.

3.4 OCA's Representative. OCPA hereby designates the Chief Executive Officer, or designee, to act as its representative for the performance of this Agreement ("**OCPA's Representative**"). OCPA's Representative shall have the power to act on behalf of OCPA for all purposes under this Agreement. TEA shall not accept direction or orders from any person other than OCPA's Representative, or designee. TEA shall be entitled to rely upon, and OCPA shall be bound by, the oral and written communications, directions, requests and decisions made by OCPA's Representative with regard to this Agreement.

3.5 TEA's Representative. TEA hereby designates its Account Director, or designee, to act as its representative for the performance of this Agreement ("**TEA's Representative**"). TEA's Representative shall have full authority to represent and act on behalf of TEA for all purposes under this Agreement. OCPA shall be entitled to rely upon, and TEA shall be bound by, the oral and written communications, directions, requests and decisions made by TEA's Representative with regard to this Agreement.

3.6 Coordination of Services. TEA agrees to work closely with OCPA staff in the performance of Services and shall be available to OCPA's staff, consultants and other staff at all reasonable times in the performance of Services. OCPA shall make authorized personnel of OCPA available to TEA on reasonable notice and at reasonable times to assist in accomplishing the Services.

3.7 Standard of Care; Performance of Employees. The Parties shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. TEA represents and maintains that it is skilled in the professional calling necessary to perform the Services. TEA warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, TEA represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the Term of this Agreement.

3.8 Laws and Regulations. Each Party shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, and shall give all notices required

by law. If either of the Parties performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the other Party, then the Party in violation shall be solely responsible for all costs arising therefrom.

4. **Insurance.**

4.1 Time for Compliance. TEA shall not commence the Services under this Agreement until it has provided evidence satisfactory to OCPA that it has secured all insurance required under this section.

4.2 Minimum Requirements. TEA shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the TEA, its agents, representatives, employees or subcontractors. TEA shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or equivalent); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. TEA shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

4.3 Insurance Endorsements. The insurance policies shall contain the following provisions:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) Bodily Injury and Property Damage; (2) Personal Injury/Advertising Injury; (3) Premises/Operations Liability; (4) Products/Completed Operations Liability; (5) Aggregate Limits that Apply per Project; (6) Explosion, Collapse and Underground (UCX) exclusion deleted; (7) Broad Form Property Damage; and (8) Independent Consultants Coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement. Notwithstanding the forgoing, TEA shall not be required to alter or amend the standard occurrence form CG 0001 as provided in Section 4.2(A).

(iii) The policy shall give OCPA, its directors, officials, officers, employees, and agents additional insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing equivalent coverage.

(iv) The additional insured coverage under the policy shall be “primary and non-contributory” and will not seek contribution from OCPA’s insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing equivalent coverage.

(B) Automobile Liability.

(i) (1) OCPA, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the TEA or for which the TEA is responsible; and (2) the insurance coverage shall be primary insurance as respects OCPA, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the TEA’s scheduled underlying coverage. Any insurance or self-insurance maintained by OCPA, its directors, officials, officers, employees, agents and volunteers shall be excess of the TEA’s insurance and shall not be called upon to contribute with it in any way.

(C) Workers’ Compensation and Employers Liability Coverage.

(i) TEA certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against OCPA, its directors, officials, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the TEA.

(D) Professional Liability. TEA shall procure and maintain, and require its sub-contractor to procure and maintain, for a period of two (2) years following completion of the Services, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$2,000,000 per claim (“Professional Liability Limits”). This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the TEA. “Covered Professional Services” as designated in the policy must cover the professional services performed under this

Agreement. The policy must “pay on behalf of” the insured and must include a provision establishing the insurer’s duty to defend.

(E) All Coverages.

(i) Defense costs shall be payable in addition to the limits set forth hereunder. Notwithstanding the forgoing, Defense costs related to Professional Liability claims are only payable within the Professional Liability Limits set forth for Professional Liability coverage.

(ii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named insured; whichever is greater.

(iii) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of OCPA (if agreed to in a written contract or agreement) before OCPA’s own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a “following form” basis with coverage at least as broad as provided on the underlying policy(ies).

(iv) TEA shall provide OCPA at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the TEA shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the Term of this Agreement, the TEA shall deliver renewal certificate(s) to OCPA not more than ten (10) days following the effective date of cancellation or expiration.

(v) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. TEA shall maintain such coverage continuously for a period of at least two years after the completion of the work under this Agreement. TEA shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(vi) The foregoing requirements as to the types and limits of insurance coverage to be maintained by TEA, and any approval of said insurance by OCPA, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the TEA pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(vii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, OCPA may cancel this Agreement.

(viii) Neither OCPA nor any of its directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

4.4 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to OCPA, its directors, officials, officers, employees, agents and volunteers.

4.5 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VII, licensed to do business in California, and satisfactory to OCPA.

4.6 Verification of Coverage. TEA shall furnish OCPA with original certificates of insurance effecting coverage required by this Agreement. The certificates for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by OCPA before work commences.

4.7 Sub-consultant Insurance Requirements. TEA shall not allow any subcontractors or sub-consultants to commence work on any subcontract until they have provided evidence satisfactory to OCPA that they have secured all insurance required under this section. consultants shall include OCPA as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing equivalent coverage. If requested by TEA, OCPA may approve different scopes or minimum limits of insurance for particular subcontractors or sub-consultants.

4.8 Self-Insurance Coverage and Deductible. Notwithstanding anything to the contrary contained in this Agreement, in lieu of providing the type of commercial insurance coverage under Section 4.3(D), TEA shall have the right to self-insure or provide a parent guaranty to SDCA, as provided in accordance with this Section 4.8, so long as the net worth of TEA or any guarantor guaranteeing TEA's obligations under this Agreement shall exceed one (1) Billion dollars. In the event TEA elects to self-insure, the following shall apply if a claim, which would otherwise be covered by third party insurance required to be maintained hereby if such party had not elected to so self-insure, occurs:

(A) with respect to a claim that would be covered by commercial general liability insurance or professional liability insurance, the self-insuring party shall undertake the defense of any such claim, including a defense of the other party, at the sole cost and expense of the self-insuring party;

(B) to the extent that this Agreement requires that the other party be named as an additional insured, the self-insuring party shall have the same fiduciary duties

to the other party that the self-insuring party's third party insurer would have had to the other party if

(i) such third party insurer was providing such insurance and

(ii) such third party insurer had named the other party as an additional insured with respect to such insurance;

(C) the claim shall be treated as an insured claim hereunder, and

(D) the expiration or termination of this Agreement or any default by the other party hereunder shall not terminate or otherwise affect obligation of the self-insuring party to provide, through such self-insurance, the insurance coverage the self-insuring party would otherwise be required to obtain from a third party insurer hereunder.

TEA shall disclose to OCPA the amount of any deductible which may be applicable under each insurance policy identified in Section 4.2(A) for which OCPA is an additional insured as provided under this Agreement. In the event any claims presented by OCPA for coverage under any of the insurance policies identified in Section 4.2(A) are accepted by the insurer as a covered claim for which the insurer agrees payment is due under the applicable policy ("**Covered Claim**"), and such Covered Claim is subject to a deductible, TEA will be responsible for paying the deductible portion of the Covered Claim to a third party.

5. Fees, Payments and Security.

5.1 Compensation. TEA shall receive compensation ("Compensation"), including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit B. Extra Work (as defined herein) may be authorized, as described in Section 5.4 below; and if authorized, said Extra Work will be compensated at the rates and manner set forth in this Agreement.

5.2 Billing and Payment. TEA shall submit to OCPA a monthly invoice which shall include all Compensation or other fees related to Services during the previous month, as well as an itemization of any costs, charges, or expenses incurred which are reimbursable to TEA. OCPA shall, within thirty (30) days of receiving such invoice, review the invoice and pay all charges thereon.

5.2.1 On or before the fifth business day of each month, TEA shall provide OCPA with an invoice for the immediately preceding month's activity of Trading Products (as defined herein) due TEA and any other amounts to be paid by one Party to the other Party pursuant to this Agreement.

5.2.2 The Parties hereby agree that they shall discharge mutual debts and payment obligations due and owing to each other as of the due date through netting, in which case all amounts owed by one Party to the other Party on the due date incurred pursuant to this Agreement during the monthly billing period, including interest, and payments or credits, (i) for purchase and sale transactions under separate agreements, if

any, and (ii) Compensation and any other obligations incurred pursuant to this Agreement shall be netted so that only the excess amount remaining due shall be paid by the Party who owes it to the other Party.

5.2.3 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, that Party shall pay such sum in full when due. If an amount is due to OCPA related to Trading Products (and excluding Compensation), TEA will remit this amount to OCPA by the 25th of each month in immediately available funds. If an amount is due to TEA related to Trading Products (and excluding Compensation), OCPA will remit this amount to TEA by the 15th of each month in immediately available funds. For the avoidance of doubt, Compensation and related fees, costs, expenses shall be due and payable from OCPA to TEA within thirty (30) days of the date of the applicable invoice.

5.2.4 Payment on invoices issued pursuant to Section 5.2.1 for Compensation and any other obligations incurred pursuant to this Agreement that is not received by the due date and not subject to dispute pursuant to Section 5.2.6, shall be considered overdue. Interest shall accrue on any unpaid amounts as of the day after the due date at a rate equal to the prime interest rate as established by PNC Bank, N.A. plus 300 basis points (the “**Interest Rate**”). Notwithstanding the netting provisions of Section 5.2.2 or the provisions of this Section 5.2.4, non-payment of amounts owed for purchase and sale transactions under separate agreements, if any, shall be governed by the provisions of the trading agreement under which such transactions are executed.

5.2.5 Payments made under this Agreement shall be made by Automated Clearing House (“**ACH**”) or wire transfer in United States Dollars based on the banking information provided by each Party to the other Party. Such account information may be amended by providing the other Party written notice.

5.2.6 In the event that any portion of any invoice pursuant to this Agreement is in dispute, the undisputed amount shall be paid when due and payment may be withheld on the disputed amount. OCPA shall notify TEA in writing of the protest of the disputed amount. TEA must receive OCPA's written protest by the due date of the invoice. Upon determination of the correct billing amount, if the disputed amount is found owing, it shall promptly be paid after such determination together with interest as calculated above. Disputed amounts that are not resolved by mutual agreement of the Parties may be submitted to dispute resolution pursuant to Section 7.5.

5.2.7 If the Parties are each required to pay an amount incurred pursuant to this Agreement in the same billing period, then such amounts with respect to each Party may be aggregated and the Parties may discharge their obligations to pay through netting, in which case the Party, if any, owing the greater amount shall pay to the other Party the difference between the amounts owed.

5.3 Reimbursement for Travel Related Expenses. TEA shall not be reimbursed for any expenses unless authorized in writing by OCPA. For all authorized travel related expenses, TEA shall submit to OCPA a monthly itemized invoice which shall include all expenses paid by TEA in providing Services to the OCPA during the previous month.

OCPA shall, within thirty (30) days of receiving such invoice, review the invoice and pay all approved charges thereon.

5.4 Extra Work. At any time during the Term of this Agreement, the Parties may identify opportunities to perform Extra Work. As used herein, “Extra Work” means any work which is determined by the Parties to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. The Parties will negotiate in good faith to reach agreement on the implementation and compensation of such Extra Work. Any agreement to perform Extra Work, including additional scope of work and fees/expenses, shall be made in writing (e-mail is sufficient).

5.5 INTENTIONALLY OMITTED.

5.6 Audit Disputes. For disputed amounts or billing errors that are discovered through the exercise of the audit rights pursuant to this Agreement, the other Party must receive written protest within one hundred eighty (180) days from completion of an audit conducted pursuant to section 6.3 herein.

6. Settlements, Reimbursable Amounts, and Accounting Records.

6.1 Reimbursable Amounts. Independent of Compensation or other fees paid for Services under this Agreement, OCPA shall reimburse TEA for all actual costs and charges assessed against TEA incurred in the performance of Services related to the Project. These obligations survive the termination of this Agreement.

6.2 Audit. TEA shall maintain complete and accurate records with respect to all reimbursed costs and expenses incurred under this Agreement (the “**Records**”). All such Records shall be clearly identifiable. No more than once per year, TEA shall allow a representative of OCPA, at OCPA's sole cost and expense, during normal business hours to examine, audit, and make transcripts or copies of such Records and any other documents created pursuant to this Agreement. TEA shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement. Any audit or inspection shall, at TEA's exclusive option, take place off of TEA's premises.

7. Termination and Expiration of Agreement; Effect of Termination and Transition.

7.1 Termination for Convenience. After the Initial Term, either Party may, by providing six (6) months written notice to the other Party, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to the other Party of such termination, and specifying the effective date thereof. Notwithstanding the foregoing, the termination date set forth in the termination notice of CAISO scheduling coordinator services under this Agreement shall not be during the CAISO Annual Congestion Revenue Rights allocation and auction period (the “Annual CRR Process”) or during the month which CAISO awards the results of such Annual CRR Process.

7.2 Termination for Cause. The following events (each an “**Event of Default**”) occurs with respect to a Party, then the other Party may terminate this Agreement (inclusive of Schedules, Exhibits and Addenda) upon written notice to the defaulting Party: (i) with respect to OCPA, OCPA fails to pay amounts due hereunder, and such failure continues for three (3) business days following written notice from TEA; (ii) either Party defaults in the observance or performance of any of its material covenants or agreements not covered in Section 7.2(i) in this Agreement and such default continues uncured for twenty (20) business days following written notice to the defaulting Party; or (iii) immediately, if either Party makes an assignment for the benefit of creditors (other than a collateral assignment to an entity providing financing to such Party), files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors or has such a petition filed against it or otherwise becomes bankrupt or insolvent (however evidenced), or is unable to pay its debts as they become due.

7.3 Effect of Termination. Upon the date of expiration or termination of this Agreement (whether terminated for cause, or whether expiring at the end of a Term): (i) TEA shall cease providing Services and Extra Work hereunder except as required or authorized in Section 7.3.c below; (ii) TEA shall issue an invoice (the “**Termination Invoice**”) to OCPA for (a) all outstanding fees for Services rendered by TEA through and including the date of expiration or termination, (b) all expenses outstanding and unpaid as of the date of expiration or termination, (c) monies paid by TEA on behalf of OCPA, if any, (d) unpaid or unreimbursed credit support, if any, and (e) unreimbursed CAISO charges (collectively the forgoing fees and costs shall be referred to as the “**Termination Payment**”); and (iii) OCPA shall pay the Termination Payment within thirty (30) days of the date of expiration or termination of the Agreement.

7.4 Transition of Services Upon Termination or Expiration. Upon such expiration or termination, and upon request of OCPA, TEA shall reasonably cooperate with OCPA to ensure a prompt and efficient transfer of all OCPA data, documents and other materials to OCPA or a new services provider, in an industry standard format or formats, and in a manner such as to attempt to minimize the impact of expiration or termination on OCPA's customers. The Parties shall cooperate to develop a written transition plan specifying in detail all relevant activities, and the timing of such activities, necessary to facilitate an orderly and effective transition of Services. TEA shall provide to OCPA data and documentation, and other TEA non-proprietary information created solely and exclusively for OCPA which is reasonably requested by OCPA in connection with the transition that is reasonably sufficient to enable a new services provider to fully assume the provision of the transitioning services. TEA shall provide transition assistance in such a manner as to attempt to reasonably: (a) ensure the uninterrupted performance of the services, (b) with no degradation in quality, and (c) to avoid disruption in the operation, provided that the OCPA is current on amounts owed to TEA.

If OCPA is the defaulting Party or non-defaulting Party, OCPA agrees to pay TEA reasonable compensation for additional services performed in connection with such transfer, to the extent not otherwise provided for or contemplated in the Agreement, and not otherwise included in a Termination Payment. TEA shall (i) return all documents and

other materials received from OCPA and all copies (if any) of such documents and tangible materials, and (ii) destroy all other documents or materials in TEA's possession that contain OCPA customer data; provided, however, that TEA may retain copies of information contained in TEA's backup archives or necessary for TEA's compliance, audit requirements under this Agreement, government regulatory audit requirements, tax, billing or other financial purposes, to be used solely for such purposes.

(A) Unless OCPA is in default under this Agreement, TEA shall not cease providing Services to OCPA under this Agreement until clear and unequivocal arrangements for either (i) OCPA to assume provision of the Services under this Agreement, or (ii) a third party provided to assume provision of the Services under this Agreement, or (iii) a return to electric procurement by the Utility Distribution Company is established, or (iv) CAISO recognizes a new scheduling coordinator to replace TEA.

(B) If TEA ceases to be the representative for the Project due to termination of this Agreement or any other reason, TEA and OCPA will be responsible for notifying CAISO, and any third parties, if applicable, involved or relating to this Agreement of such changes regarding the OCPA's scheduling coordinator.

7.5 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, OCPA may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

7.6 Dispute Resolution. The Parties shall meet and confer together in good faith regarding any dispute, controversy or claim (each, a "**Dispute**") arising out of or relating to this Agreement, or any breach or alleged breach hereof, prior to either Party declaring a breach of the Agreement. A meeting shall occur within twenty (20) business days of either Party giving the other Party written notice of any Dispute, whereby the Parties agree to cooperate in good faith to resolve the Dispute, and may use a mutually agreeable third party independent mediator to resolve such Dispute. In no event shall either Party be delayed or impeded from exercising any of its rights at law or equity, including, without limitation, petitioning a court for provisional relief, including injunctive relief, prior to invoking the meet and confer resolution process.

8. **Delivery of Notices.** All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

TEA: The Energy Authority, Inc.
1301 Riverplace Boulevard, Suite 2700
Jacksonville, Florida 32207
Attn: Legal Department
E-mail: legal@teainc.org

OCPA: Orange County Power Authority
15310 Barranca Pkwy
Suite 250
Irvine, CA 92618

(949) 767-8700 phone

With a copy to: General Counsel
Best Best & Krieger LLP
18101 Von Karman Ave.,
Suite 1000
Irvine, CA 92612
(949) 263-2600 phone
(949) 260-0972 fax

Such notice shall be deemed made when personally delivered or sent by mail, e-mail, or facsimile to such Persons or locations listed above and will be deemed given and effective when delivered by hand or upon:

- (a) three (3) days after such notice is deposited in the United States mail with postage prepaid for transmittal by registered or certified mail, return receipt requested;
- (b) one (1) day after such notice is placed in the hands of a recognized commercial mail or courier service for overnight delivery; or
- (c) the business day on the date such notice was sent by e-mail or facsimile with confirmation of receipt of such facsimile by confirmed facsimile transmission, provided that such e-mail or facsimile receipt occurred during Business Hours of such business day, with no bounce back or error. For e-mail or facsimile transmissions received after such Business Hours of such business day at the receiving location, notice will be deemed effective upon the opening of business hours of the next business day.

9. Intellectual Property and Confidentiality.

OCPA owns all right, title and interest in and to all OCPA Materials. Upon the expiration of this Agreement, or in the event of termination, OCPA Materials and all OCPA customer data, in whatever form and in any state of completion, shall remain the property of OCPA and shall be promptly returned to OCPA; provided however, notwithstanding the other terms of this agreement related to return or destruction of Confidential Information, receiving Party is not obligated to remove the Confidential Information from its backed-up electronic records outside of normally scheduled retention policies, provided receiving Party does not make use of the Confidential Information. OCPA Materials shall mean any and all data created by TEA specifically and exclusively for OCPA in the performance of the Services and Extra Work pursuant to this Agreement ("**OCPA Materials**").

For the avoidance of doubt, TEA's intellectual property, including, but not limited to, TEA's trademarks, service marks, trade names and other designations, web site(s), web design(s), internal systems, computer systems, programs, software (including software code), ideas, know-how, work product, copyrights, patents, trade secrets and other proprietary and/or intellectual property shall remain the exclusive property of TEA.

10. Confidentiality.

(A) Subject to the remaining provisions of this Section, each Party agrees, for itself, its Affiliates (as defined below), and its Representatives (as defined below), to keep confidential to the extent permitted under the California Public Records Act all Information furnished by either Party related to schedules, services and transactions under this Agreement unless the information (i) is required to be disclosed to effect the requested transaction or to enforce a Party's rights under the Agreement, (ii) is required to be disclosed by lenders, insurers, or underwriters in connection with financing, or (iii) is required to be disclosed pursuant to the California Public Records Act ("**Confidential Information**"). This confidentiality obligation will expire three (3) years past the expiration or termination of this Agreement. For the purposes of this Section, "Affiliate" shall mean, with respect to a Party, any entity controlled, directly or indirectly, by the Party, any entity that controls, directly or indirectly, the Party, or any entity directly or indirectly under common control with the Party. For the purposes of this Section, "Representatives", in addition to the definitions in Sections 3.4 and 3.5, shall mean to include owners, partners, employees, officers, directors, attorneys, auditors, agents, or other representatives of a Party.

(B) Subject to Section 10(a) of this Agreement, the receiving Party, its Affiliates, and its Representatives must not disclose any Confidential Information to any third party without the prior written consent of the disclosing Party unless requested or required by a governmental authority or self-regulatory organization or as permitted in accordance hereof, except that a Party may disclose Confidential Information to any Affiliate, Representative, current or future financing sources, or potential purchaser of the Party and its parent, or affiliated entities without such prior written consent. Except with regard to disclosures permitted by this Section, the disclosing Party must require such third party to agree to treat the Confidential Information in accordance with this Agreement.

(C) In the event any Party is requested or required to disclose such Confidential Information by law or by a court, agency, or other governing body having or purporting to have jurisdiction over the Party, to the extent permitted by law such Party must notify the other Party prior to any disclosure so as to allow the other Party to resist such disclosure before the governing body or to seek appropriate protection from further disclosure.

(D) The Parties agree that disclosure of Confidential Information in breach of the confidentiality provisions of this Agreement constitutes an irreparable injury and that injunctive relief is an appropriate remedy to prevent the unwarranted disclosure of any Confidential Information.

(E) The confidentiality provisions of this Agreement will not apply to any Confidential Information (i) the receiving Party developed independently without using the Confidential Information, (ii) that was in the public domain at the time of its disclosure, (iii) which passes into the public domain by acts other than the acts of or caused by the Party receiving said Confidential Information, or (iv) is disclosed to the receiving Party by a third party, provided that the receiving Party does not know (or has no reasonable basis to know) that the information was received or disclosed unlawfully.

11. **Cooperation: Further Acts.** The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

11.1 Non-Exclusive Relationship.

11.1.1 OCPA hereby expressly acknowledges that part of the value of the Services to be provided by TEA comes from TEA providing the same or similar services as contemplated under this Agreement to other entities. OCPA acknowledges that the expertise and business plan of TEA requires that it be able to represent multiple parties and that the services rendered thereby are and may be beneficial to OCPA.

11.1.2 Notwithstanding the nature of the Services, OCPA specifically acknowledges that TEA is not precluded from representing or performing similar or related services for, or being employed by, other persons, companies or organizations, provided that such services do not violate any applicable conflict of interest laws.

11.1.3 OCPA further acknowledges that TEA, from time-to-time, has established, or may establish, contractual relationships with users of power resources or natural gas, and generators or producers of such power resources or natural gas. Notwithstanding the existence of such contractual relationships, OCPA desires the assistance of TEA as provided in this Agreement. OCPA specifically represents to TEA that the existence of such contractual relationships does not in and of itself create a conflict of interest unacceptable to OCPA.

11.1.4 The Parties specifically recognize and accept that there may be purchases and sales of power, natural gas, and financial instruments between and among TEA clients, including OCPA, and that such transactions are the normal course of business in providing the Services and that such transactions do not create any conflict of interest for TEA in carrying out its obligations pursuant to this Agreement.

12. **Attorney's Fees.** If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

13. **Indemnification, Liabilities, and Warranty Disclaimer.**

13.1 Indemnification. Each Party (including its officials, officers, employees, agents, sub-consultants and contractors, collectively the "Indemnifying Party") shall, to the extent of its own willful or reckless misconduct, defend, indemnify and hold the other Party, its officials, officers, consultants, employees, and volunteers ("**Indemnified Party**") free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident, arising out of or in connection with the performance of the Services, the Project or this Agreement, including reasonable attorney's fees and other related costs and expenses. TEA's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by OCPA, its directors, officials,

officers, consultants, employees, agents or volunteers. Each Party's indemnification obligations herein are conditioned upon the Indemnified Party: (i) promptly notifying the other Party of any claim in writing; and (ii) cooperating with the other Party in the defense of the claim.

13.2 ADDITIONAL INDEMNITIES. AN INDEMNIFYING PARTY'S INDEMNITY OBLIGATIONS, AND ANY WAIVERS AND RELEASES OF CLAIMS IN THIS AGREEMENT WILL EXTEND TO THE INDEMNIFIED PARTY, INCLUDING ANY ENTITY CONTROLLING, UNDER THE CONTROL OF, OR UNDER COMMON CONTROL WITH SUCH PARTY, AND TO THE RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, OWNERS, AND INSURERS OF EACH THEREOF.

13.3 Limitation of Liability for Services. TEA shall not be liable to OCPA for errors made in the provision of the Services under this Agreement unless such errors are the result of gross negligence or willful or reckless misconduct on the part of TEA.

13.4 Risk Management Services. In providing Services under this Agreement, in no event shall TEA be liable to OCPA for losses which OCPA may incur by reason of engaging in risk management strategies recommended by TEA, whether or not implemented by OCPA, or due to recommendations not made by TEA in the provision of risk management services, unless such losses are the result of the gross negligence or willful or reckless misconduct on the part of TEA.

14. **Governing Rules.**

14.1 Governing Rules. Both Parties agree to abide by all rules, market guides, tariffs, protocols, business practice manuals, and any applicable rules or directives of CAISO, transmission service provider, market monitor, any reliability entity, the North American Electric Reliability Corporation ("**NERC**"), or any of their successors (collectively "**Governing Rules**"). For purposes of determining responsibility and rights of the Parties at any given time, in addition to the terms and conditions of this Agreement, the Governing Rules which are in effect at the time of performance or non-performance of an action, subject to the continuation of any grandfathered provisions, will govern with respect to that action. In the event of a conflict between the Governing Rules and the terms and conditions set forth in this Agreement, the Governing Rules will prevail.

14.2 NERC Compliance. TEA will use commercially reasonable efforts to assist OCPA in any audit of OCPA initiated by a regional reliability coordinator, or NERC including preparation of responses to the regional reliability coordinator or NERC data requests related to NERC standards for which TEA has information useful to OCPA for the demonstration of compliance. Nothing contained in this Agreement will be construed to make TEA a Generator Owner ("**GO**"), Generator Operator ("**GOP**"), or any similar entity, or to make TEA subject to any classification under applicable NERC rules as a result of TEA's execution of this Agreement or TEA's performance of the Services or otherwise. As between the Parties, OCPA will be responsible for meeting any GO, GOP, or load serving entity ("**LSE**") requirements or for arranging for a party other than TEA to assume that responsibility. In the event NERC, a regional reliability entity, or other party seeks to

designate TEA in any of these categories, OCPA will cause itself or a third party to accept such designation in lieu of TEA.

14.3 PII Data. In the provision of Services under this Agreement, OCPA will not provide TEA with, or access to, any OCPA customer information which would include Personally Identifiable Information (“**PII Data**”), unless mutually agreed upon by both TEA and OCPA in writing, which must include approval of such action by each Party’s Chief Information Officer, or designee, or the equivalent thereof.

14.4 Compliance with Laws. TEA and OCPA will at all times comply in all material aspects with all Governing Rules and applicable laws. In the event that actions or omissions of one Party (“**Responsible Party**”) cause the other Party (“**Affected Party**”) to (A) be materially non-compliant with the Governing Rules or applicable laws, and (B) have assessed or brought against it any fines, penalties, reprimands, censures, sanctions, assessments, or other material adverse actions by CAISO, market monitor, or any other regulatory authority (“**Assessments**”) (which, for the avoidance of doubt, will not include ordinary course settlement and CAISO charges or penalties, such as imbalance penalties or charges, mismatched schedule charges, uninstructed deviation charges, or late fees), then, in addition to any other rights or remedies under this Agreement (including the right, if any, to indemnification against such Assessments), the Affected Party may exercise any or all of the following:

(i) may give written notice to the Responsible Party setting forth the circumstances of non-compliance and, if cure is practicable, demanding cure; or

(ii) must use commercially reasonable efforts to cooperate with the Responsible Party in its defense against such allegation or Assessment (provided the foregoing will not require the Affected Party to incur material expenses, unless reimbursed by the Responsible Party, nor take any position in any regulatory proceeding contrary to its interests or policies).

The Responsible Party for such Assessments will reimburse the Affected Party for Assessments reasonably paid by the Affected Party; provided, however, TEA’s payment obligation for Assessments as the Responsible Party hereunder will be limited by Section 13.3.

15. **Force Majeure and Due Diligence.**

15.1 Force Majeure. Subject to Section 15.2, neither Party will be considered to be in default in the performance of any obligations under this Agreement (other than the obligation to make a payment of amounts owed) when a failure of performance results from Force Majeure. The term “**Force Majeure**” means causes that are beyond the control of the Party affected which, by exercise of due diligence, such Party could not reasonably have been expected to avoid and which, by exercise of due diligence, it has been unable to overcome and not the result of the fault or negligence of such Party including, but not limited to: flood, earthquake, pandemic, tornado, hurricane, storm, or fire; acts of terrorism; civil disobedience; sabotage; restraint, order, rule, or regulation of any court, governmental body, or public authority (whether valid or invalid); equipment malfunction or failure not

caused by the Party claiming Force Majeure (including computer hardware or software malfunction); loss or disruption of essential office equipment and services, such as loss or disruption of electric power, telephone service, internet, or satellite communications.

15.2 **Due Diligence.** No Party, however, shall be relieved of liability for failure of performance hereunder based on Force Majeure if such failure is due to causes arising out of its own negligence or due to removable or remediable causes which it fails to remove or remedy within a reasonable time period. A Party claiming Force Majeure will exercise due diligence to overcome the Force Majeure event. Either Party rendered unable to fulfill any of its obligations under this Agreement by reason of Force Majeure shall give prompt written notice of such fact to the other Party, and as soon as practicable thereafter shall provide a detailed written explanation of the claim of Force Majeure, and shall exercise due diligence to remove such inability with all reasonable dispatch.

15.3 **Obligations During Force Majeure.** Notwithstanding any other provisions as stated in Section 14, an event of Force Majeure does not relieve a Party of any of its obligations under the Governing Rules and this Agreement that the Party can reasonably perform during a Force Majeure event, and does not excuse a Party of its obligations to make payments for obligations arising prior to the Force Majeure event, or of any payment obligations for non-performance arising pursuant to the Governing Rules and this Agreement.

16. **Entire Agreement.** This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

17. **Governing Law.** This Agreement shall be governed by the laws of the State of California. Venue shall be governed non-exclusively by a court of competent jurisdiction in Orange County, California.

18. **OCPA's Right to Employ Other Consultants.** OCPA reserves right to employ other consultants in connection with this Project for services other than those listed in Exhibit A.

19. **Successors and Assigns.** This Agreement shall be binding on the successors and assigns of the Parties.

20. **Assignment or Transfer.** Neither Party shall assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the other Party. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. Notwithstanding the foregoing, the Parties agree that in the absence of a merger, the sale or transfer of all or substantially all

of the shares of the other Party shall not constitute an assignment or transfer of this Agreement.

21. **Construction; References; Captions.** Since the Parties have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

22. **Amendment; Modification.** No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

23. **Waiver.** No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

24. **No Third-Party Beneficiaries.** There are no intended third-party beneficiaries of any right or obligation assumed by the Parties.

25. **Invalidity; Severability.** If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

26. **Prohibited Interests.** Both Parties maintain and warrant that they have not employed nor retained any company or person, other than a bona fide employee, to solicit or secure this Agreement. Further, both Parties warrant that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, the Parties shall have the right to rescind this Agreement without liability. For the Term of this Agreement, no member, officer or employee of OCPA, during the Term of his or her service with OCPA, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

27. **Equal Opportunity Employment.** Both Parties represent that they are equal opportunity employers and shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

28. **Labor Certification.** By its signature hereunder, both Parties certify that they are aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-

insurance in accordance with the provisions of that Code, and agree to comply with such provisions before commencing the performance of the Services.

29. **Authority to Enter Agreement.** Both Parties have all requisite power and authority to conduct their business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

30. **Counterparts.** This Agreement may be signed in counterparts, each of which shall constitute an original.

31. **Guidelines for TEA Activity as Agent; Provision of Services related to CAISO and non-CAISO Bilateral Trading Services.**

31.1 Guidelines for TEA Activity as Agent.

31.1.1 TEA shall provide the Services, including TEA acting as agent, pursuant to this Agreement and any instructions issued by OCPA to TEA in accordance with this Agreement. In the event that instructions given to TEA by OCPA affect the overall scope of Services and increase, or decrease, the cost to provide the Services, OCPA and TEA shall review the effects of the changes and negotiate in good faith to mutually agree to any required changes in the Agreement, including associated fees. TEA shall be under no obligation to accept or act upon any such instruction from OCPA that will, in the reasonable exercise of TEA's sole judgment, cause TEA to violate any tariff, law, or regulation. TEA shall be entitled to use its reasonable discretion in connection with the provision of the Services. TEA shall incur no liability to OCPA with respect to anything that it may do or refrain from doing in the reasonable exercise of its judgment, so long as any such action or inaction is consistent with prudent utility practice and within the authority granted to TEA as agent for Authority pursuant to this Agreement.

31.1.2 TEA shall not represent the views, policies, or positions of OCPA in any forum, including, without limitation, before the Federal Energy Regulatory Commission (FERC), or any state or federal legislative committee, without the prior written consent of OCPA. For the avoidance of doubt, this Section does not prohibit TEA from communicating regarding scheduling matters, accounting and reconciliation activities, and reporting requirements in accordance with the terms of this Agreement.

31.2 Under no circumstances shall TEA be liable to OCPA for the failure of CAISO to pay or for CAISO assessments related to transactions with CAISO performed on OCPA's behalf by TEA, unless such failure to pay or assessments result from TEA's gross negligence or willful misconduct.

31.3 Provision of (non-CAISO) Bilateral Trading Services – TEA as agent in the transaction. At the request of OCPA, TEA may provide (non-CAISO) bilateral trading services, only upon written agreement in a separate services exhibit executed by both Parties to allow TEA to perform trading as agent for OCPA utilizing trading agreements between OCPA and OCPA's counterparties. TEA shall not be liable for the failure of any counterparty to pay or perform on counterparties' obligations to OCPA. The authority of

TEA to act as agent for OCPA shall be limited to that authority conferred on it by the terms of this Agreement and by any instructions issued by OCPA to TEA pursuant to this Agreement. To the extent requested, TEA shall disclose such agency relationship to each transaction counterparty and any other third party with which TEA has any dealings as such agent on behalf of OCPA. TEA shall at all times record all transactions entered into as agent for OCPA in the performance of any such Services in the name and for the account of OCPA and shall record and account for transaction payment amounts separate and apart from the fees and other amounts payable to TEA for and in consideration for the performance of such Services. Unless mutually agreed upon by the Parties in writing, TEA shall have no obligation to enter into transactions on behalf of OCPA using TEA's trading agreements with TEA counterparties.

32. Provision of Trading Services – TEA as Principal in the Transaction.

Upon written request by OCPA, TEA shall provide trading services on behalf of OCPA with TEA acting as principal in the transaction utilizing trading agreements between TEA and its counterparties (referred to herein as TEA “trading as principal”), only as allowable pursuant to this Agreement, including, but not limited to, transacting as principal in the transaction with third parties for electricity products or with CAISO as the balancing authority (“**BA**”). Trading as principal may include electric power, gas, transportation, capacity, renewable energy certificates, renewable identification numbers, transmission, carbon allowances, and/or other similar or related energy or ancillary services (collectively, “**Trading Products**”) between TEA and its counterparties. In performing such trading services, TEA will, on the terms and subject to the conditions set forth in this Agreement be entitled to enter into matching purchase or sale transactions with OCPA and third-party transaction counterparties (“**Transaction Counterparties**”) under which TEA may purchase Trading Products from OCPA for resale to one or more Transaction Counterparties, or may purchase Trading Products from one or more Transaction Counterparties for resale to OCPA (any such transaction with a Transaction Counterparty, a “**Matching Transaction**”).

32.1 Unless otherwise mutually agreed to by the Parties, any Trading Products purchase or sale transaction between TEA and OCPA under a Matching Transaction shall be on the same terms and conditions (except for billing and payment, which shall be pursuant to this Agreement) as the terms and conditions of the applicable Matching Transaction between TEA and the applicable Transaction Counterparty. In the event that TEA purchases Trading Products on behalf of OCPA in a Matching Transaction, TEA shall resell such Trading Products to OCPA at the same price TEA paid for such Trading Products, and OCPA shall pay TEA the amount payable by TEA to the Transaction Counterparty and the amounts payable to any third parties related to the purchase of Trading Products, including, but not limited to, transmission service charges, transmission loss payment costs, BA fees and assessments, and the like, incurred by TEA. In the event that TEA purchases Trading Products from OCPA for purposes of resale to a Transaction Counterparty under a Matching Transaction, TEA shall pay to OCPA the amount paid by the Transaction Counterparty to TEA, less the amounts payable to any third parties related to the purchase of Trading Products from OCPA and resale to the Transaction

Counterparty, including, but not limited to, transmission service costs, transmission loss payment costs, BA fees and assessments, and the like, incurred by TEA.

32.2 Notwithstanding any other provision of this Section to the contrary, if the Transaction Counterparty to a Matching Transaction is another TEA client for which TEA is providing trading services, the price of the transaction shall be set at market.

32.3 Notwithstanding any terms of this Agreement, nothing contained in this Agreement hereto shall be construed as requiring TEA to execute any transaction as principal in the transaction where such transaction or traded commodity or instrument is regulated under regulations promulgated pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”).

32.4 OCPA may, at TEA's request, be required to provide credit enhancement to support OCPA-specific transactions executed by TEA as principal in the transaction. In the event that OCPA is unable to provide such requested credit enhancement, TEA will attempt to source supply from the BA, but only to the extent of TEA's credit limit with the BA related to OCPA transactions. In the event that TEA is unable to source supply from the BA, then TEA shall have no obligation to proceed with any transaction in regard to which the enhancement was requested. To the extent that OCPA prefers to enter directly into a contract with the counterparty, TEA may execute the transactions as OCPA's agent, provided the counterparty's credit requirements are met by OCPA. In any such case, OCPA becomes the principal to the transaction with the counterparty and the counterparty relies on OCPA's credit.

32.5 If OCPA's credit in use approaches OCPA's credit limit as set by TEA, TEA will notify OCPA as soon as practicable to discuss alternatives and possible remedies to replenish OCPA's available credit. Although TEA shall be under no obligation to permit OCPA's credit in use to exceed its credit limit established by TEA, if OCPA's credit in use does exceed the credit limit established for OCPA by TEA, TEA will notify OCPA as soon as practicable and TEA and OCPA will cooperate to put remedies in place to reduce OCPA's credit in use to a level below OCPA's credit limit and/or OCPA will provide credit support acceptable to TEA. However, if the above efforts are not successful and notwithstanding any billing or payment terms in this Agreement to the contrary, TEA, in its sole discretion, may tender invoices as frequently as daily to demand payment (and prepayment) from OCPA as reflected in such statements as promptly as it deems appropriate so long as such accelerated schedule is prompted, in TEA's sole judgment, by market conditions or credit concerns. If OCPA fails to pay any amounts due TEA in accordance with the accelerated schedule, the payments will be deemed overdue, and interest will accrue on any unpaid amounts as provided herein.

32.6 TEA shall not be liable to OCPA for the failure of any counterparty, including, but not limited to, any Transaction Counterparty (i.e., when TEA is trading as principal in the transaction), to pay or perform on its obligations. In the event of such failure by a Transaction Counterparty, TEA shall pursue any action against such defaulting entity at the direction of OCPA, at OCPA's sole cost and expense. Pursuit of action may include, through legal counsel agreed upon by the Parties, filing a proof of claim, appearing or participating in a court proceeding, attending mediation, participating in dispute resolution,

and facilitating a settlement, all at the direction and expense of OCPA. For any such action, TEA shall pass through, with no-mark-up or fee, any such costs or expenses to OCPA. OCPA shall have the right to control settlement and resolution of any action.

32.7 Under no circumstances shall TEA be liable to OCPA for the failure of the BA to pay, or for assessments made by the BA for any of the BA's participants' failure to pay or perform, related to transactions with the BA performed on OCPA's behalf by TEA as principal in the transaction, unless such failure to pay or assessments result from TEA's breach of this Agreement, subject in all cases to the limitations contained in Section 13.3 hereof.

32.8 If OCPA interrupts a financially firm sale transaction without the contractual right to do so, TEA shall use reasonable efforts to purchase replacement capacity and energy in the wholesale marketplace and deliver it. OCPA shall receive any resulting gain or be responsible for any resulting loss on the transaction.

32.9 Unless otherwise mutually agreed to by the Parties in writing, TEA shall have no obligation to enter into transactions on behalf of OCPA utilizing TEA's trading agreements that extend beyond any termination date of this Agreement. If this Agreement is terminated while any transactions remain outstanding under TEA's trading agreements, TEA may, in its sole discretion, require that such existing transactions be novated or settled prior to the termination date or elect to allow such existing transactions to continue to be subject to the terms of this Agreement until such time as the individual transactions terminate or are fully settled. Nothing in this Agreement shall prevent TEA and Authority from agreeing to settle any such transaction prior to the previously agreed settlement date of the transaction. Obligations between the Parties to pay for transactions or other Services effected or rendered hereunder shall remain in force notwithstanding the termination of this Agreement.

32.10 Client recognizes that from time to time the Trading Products that TEA purchases or sells for OCPA and other entities may require allocation of amounts available among all such entities including OCPA. Decisions by TEA to transact OCPA's Trading Products in the market will be made on a non-discriminatory basis and will be based on the same methods and procedures used to purchase or sell Trading Products on behalf of TEA's other clients that hold agreements similar to this Agreement.

33. **No Legal Services.** OCPA acknowledges that, with respect to the Services rendered or to be rendered by TEA under this Agreement: (i) TEA is not authorized to give legal advice and (ii) TEA does not intend to give and has not given OCPA legal advice. The Parties agree that each Party (i) has obtained and shall obtain legal advice from their own legal counsel regarding the legal aspects of any advice given or Services performed by TEA under this Agreement, and (ii) will not rely on the other Party for legal advice.

34. **Recording.** Unless a Party expressly objects to a Recording (defined below) at the beginning of a telephone conversation between OCPA and TEA, each Party (i) consents to the monitoring of, and creation of a tape or electronic recording ("Recording") by TEA of, all telephone conversations between the Parties to this Agreement, but only related to those individuals conducting OCPA transactions under this Agreement, (ii) agrees that any

such Recordings will be owned by TEA, retained in confidence, secured from improper access, and (iii) acknowledges that such Recordings 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, employees, and agents of such monitoring or recording and to obtain any necessary consent of such officers, employees, and agents. The Recording, and the terms and conditions of a transaction discussed by the Parties in such Recording, if admissible, shall be the controlling evidence of the Parties' agreement with respect to a particular transaction between the Parties 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, absent manifest error, shall control in the event of any conflict with the terms of a Recording.

35. Certain Representations.

35.1 OCPA represents that (i) OCPA is authorized to enter into and execute this Agreement in connection with the Project stated herein; and (ii) OCPA is either not subject to federal income tax or its income is exempt under Section 115 of the Internal Revenue Code.

35.2 Each Party represents and warrants to the other Party that it is and will remain duly organized, validly existing, and in good standing under the laws of the state of its organization throughout the term of this Agreement, and that the execution, delivery and performance of this Agreement are within its express or implied statutory powers, have been duly authorized by all necessary action, and do not violate any of the terms or conditions in its governing documents or applicable laws.

36. **Resettlement.** From time-to-time transactions that may have otherwise been fully completed and settled may be required to be resettled due to market rules (often in the case of RTO markets) or order of a court, regulatory authority, or other entity with jurisdiction to order such. If such resettlement related to any transaction performed by TEA on behalf of OCPA results in a refund to TEA from a third party, TEA shall pay to OCPA any such refund received by TEA. If such resettlement related to any transaction performed by TEA on behalf of OCPA results in TEA owing an amount to a third party, OCPA shall pay to TEA any such amount owed by TEA.

This Resettlement provision shall survive the termination of this Agreement for the period of time which CAISO continues to send resettlement obligations of OCPA to TEA for the benefit of OCPA ("**Resettlement Period**"). Notwithstanding the forgoing, OCPA shall pay TEA at least one (1) business days before an amount is due to CAISO for any resettlement charges from CAISO which are incurred during the Resettlement Period, and TEA shall credit OCPA during any month in which such charges from CAISO are received by TEA in the form of a refund from CAISO. The following sections shall expressly survive the termination of the Agreement and apply to any Resettlement Period: sections 6.1, 6.2, 7.3, 7.4, 7.5, and 17.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereby have made and executed this Agreement as of the date first written above.

Orange County Power Authority

The Energy Authority, Inc.

By : _____
Name: Joseph M. Mosca
Title: CEO

By : _____
Name: Joanie C. Teofilo
Title: President and CEO

Approved as to form:

OCPA General Counsel

EXHIBIT A

SERVICES/TERMS AND CONDITIONS

The Parties agree that the following scheduling services, including Sections 1 through 6 ("**Services**") shall be provided as described herein. The Services to be provided under this Exhibit A will commence as more particularly described in the Agreement.

1. **Scheduling Services:** TEA will perform all scheduling services and trading services as principal in accordance with this Agreement, which will include:

- (a) TEA will perform all CAISO/WECC scheduling functions for OCPA in Day-Ahead and Real-Time markets, utilizing the TEA trade group on a 24/7, 365 days per year basis.
- (b) TEA is a certified and registered CAISO Scheduling Coordinator and included on the CAISO Scheduling Coordinator list. In the SC Services function for OCPA, TEA will perform all required functions of a Scheduling Coordinator, including emergency operational actions, all scheduling and bidding functions in the applicable market(s), OMS updates, NQC establishment and maintenance, and RA plan filings. (Some of these functions are for generation and will apply once OCPA acquires generation assets/PPAs)
- (c) As applicable, TEA will submit, update and monitor all e-tags, provided that OCPA and its counterparties include TEA in the appropriate field(s) for OCPA submissions.
- (d) TEA will monitor LMPs that impacts the OCPA portfolio and curtailment opportunities and decisions.
- (e) TEA will monitor and minimize all energy imbalances to optimize the financial impact of the OCPA portfolio.
- (f) When TEA is acting as principal as related to scheduling coordinator services in accordance with Section 32 of this Agreement, and as such, is directly subject to margin calls or other requests for collateral from the CAISO resulting from OCPA activities and/or transactions with the CAISO undertaken by TEA on OCPA's behalf, TEA shall have the ability to margin call, or otherwise request collateral, related to transactions executed by TEA for OCPA.
- (g) Upon written request by OCPA, TEA will assist OCPA in setting up OCPA's SCID direct with CAISO. Should OCPA elect this change, OCPA would then be a registered Scheduling Coordinator at the CAISO and would have its own SCID to be used for the Project and Services. OCPA would then maintain its SCID throughout the remainder of the Term of the Agreement as a condition precedent to TEA's obligation to provide Services. OCPA would be receiving payments from and making payments to CAISO. TEA would manage OCPA's SCID as agent; provided however, OCPA must inform TEA of any transaction sufficiently in advance of any applicable CAISO deadline for scheduling transactions. Once

acting as agent, unless mutually agreed to by the Parties in writing, TEA shall not be obligated to advance, pledge, or use TEA's credit or collateral for transactions with CAISO or counterparties.

- (h) When TEA is a trading as agent on OCPA's behalf, TEA shall have no liability for making to or receiving payments from CAISO on OCPA's behalf and OCPA shall be responsible for any payment obligations to CAISO.

TEA will use its data management and calculation tools to shadow settle all CAISO settlement statement versions regarding the Project. TEA will analyze discrepancies found between TEA's internally generated settlement statements and CAISO's settlement statements and will report any significant discrepancies to OCPA. OCPA will provide TEA parameters for further investigation of such discrepancies and filing of disputes with CAISO. For discrepancies falling within OCPA's parameters, TEA will file and manage disputes at OCPA's sole cost with CAISO on behalf of OCPA, will manage these disputes with CAISO, and will regularly provide OCPA a status report on all filed disputes. TEA will also review all additional CAISO settlement statements to verify CAISO has made requested changes to prior statements and to verify the accuracy of any additional CAISO charges and credits.

TEA is authorized to receive from CAISO historic and real time data collected by CAISO from, or provided to CAISO by, OCPA with respect to the Project.

TEA is authorized to have access to OCPA's SCID at CAISO to review CAISO's bills and settlement statements concerning the Project. For any disputes with CAISO which require outside legal counsel, OCPA will engage such outside counsel at its own cost and expense.

2. Load Forecasting Services:

- (a) TEA will provide load-forecasting services across all short-term market tenors, including real-time, hour-ahead, day-ahead, week-ahead and month-ahead.
- (b) TEA will monitor and adjust load forecast per agreed upon methodology.

3. Market Monitoring and Congestion Revenue Rights Services:

- (a) TEA shall work with OCPA for the acquisition, management and disposition of Congestion Revenue Rights (CRR), as allocated to OCPA or secured via auction, as well as provide monthly CRR effectiveness reports. OCPA is responsible for funding CRR minimum deposit and collateral requirements directly with CAISO and consistent with TEA's CRR nomination strategies. Failure by OCPA to provide sufficient funding to CAISO may require TEA to modify CRR nomination strategies with CAISO.

4. **Settlements and Reporting Services:**

- (a) TEA shall perform and provide access to shadow and predictive CAISO settlements for the OCPA portfolio.
- (b) Upon mutual agreement of the Parties, TEA will provide a suite of reports to OCPA. As applicable, customized reports may be created if standard suite of reports do not address a need by OCPA.

5. **Other Items:**

- (a) TEA will perform all services in a professional manner consistent with Good Industry Practices and applicable laws, including the CAISO Tariff.
- (b) TEA will be responsible for submitting data provided by OCPA to appropriate Balancing Authorities to satisfy planning requirements.

6. **Optional Energy Hedging Advisory Services:**

Upon written request by OCPA, TEA will provide energy hedging advisory services (the **“Energy Hedging Advisory Services”**).

- (a) TEA shall evaluate OCPA’s energy hedging strategies based on the current Inter-Scheduling Coordinator Trade (IST) contracted positions, OCPA’s open positions, and OCPA’s contracted generation and energy storage assets to provide analysis, recommendations, and stochastic and scenario modeling.
- (b) TEA shall advise on OCPA’s forward energy positions over a rolling six (6) to nine (9) month basis and provide recommendations on hedging activities that OCPA may undertake. The Parties will hold monthly energy risk meetings, which will include in-depth energy market updates and discussion supporting the hedging analysis. TEA will also support up to three (3) shorter additional preparatory or follow-up meetings for the primary monthly meeting, along with additional ad hoc meetings as necessary in elevated market conditions.

EXHIBIT B SCHEDULE AND PAYMENTS

This Exhibit B describes the Services Fees (“**Service Fees**”) to be remitted to TEA from OCPA for all Services performed pursuant to this Agreement.

Service Fees

B.1 Schedule Coordinator Fees:

B.1.1 Operational Services.

For the Services defined in Sections 1 through 5 of Exhibit A, OCPA shall pay to TEA the amount of twenty five thousand dollars (\$25,000.00) per month (the “**Monthly Service Fee**”) payable within thirty (30) days after the Effective Date. On an annual basis, beginning October 1, 2027, the compensation for the Monthly Service Fees owed to TEA will be adjusted by the greater of (i) 4% or (ii) the U.S. Government Consumer Price Index for All Urban Consumers (the “CPI-U”).

B.1.2 Additional Communities in SDG&E.

In the event that OCPA expands its membership in future years to one community within SDG&E’s service territory or a set of communities within SDG&E’s service territory which are joining the OCPA simultaneously (collectively, the “SDG&E New Load”), then: (i) TEA’s incremental fee to provide load scheduling coordinator services for communities located inside of SDG&E’s service territory is four thousand three hundred fifty seven dollars and thirty six cents (\$4,357.36) per month, which incremental fee will be added to the Monthly Service Fee starting on the regular Monthly Service Fee invoice representing the month of the SDG&E New Load addition to the OCPA, and (ii) the OCPA will pay a one-time start-up fee of eighteen thousand two hundred dollars (\$18,200.00) payable within thirty (30) days after the SDG&E’s New Load addition to the OCPA.

B.2 Optional Energy Hedging Advisory Services Fee: If OCPA elects Energy Hedging Advisory Services for a period of greater than one (1) year, OCPA shall pay to TEA an Energy Hedging Advisory Services Fee in the amount of ten thousand seven hundred dollars (\$10,700) per month which will escalate annually at the greater of 4% or CPI-U and will be escalated on the same date as the Monthly Service Fee. If OCPA elects Energy Hedging Advisory Services for a period of one (1) year or less (the “Shorter EHAS Period”), the Energy Hedging Advisory Services Fee shall be twelve thousand dollars (\$12,000) per month.

For the avoidance of doubt, if OCPA initially elects for the Shorter EHAS Period and then elects to extend the Energy Hedging Advisory Services beyond the Shorter EHAS Period, then the Energy Hedging Advisory Services Fee shall be modified to ten thousand and seven hundred dollars (\$10,700) per month on a go forward basis and will be escalated annually as described above.

If OCPA selects TEA to provide additional portfolio management services in the future, the Parties agree to discuss additional effort and related fees and costs in good faith. Such changes will be memorialized via amendment to this Agreement.

B.3 Hourly Billing Rates.

For Extra Work not provided for in Exhibit A that are requested by and expressly authorized in writing by OCPA, OCPA shall pay TEA on a time and materials basis using an hourly billing rates, as follows:

TEA 2026 Billing Rates ⁽¹⁾	
Job Group	Billing Rate \$/hour
Principal Consultant	\$470
Senior Consultant / Project Manager	\$355
Consultant	\$260
Analyst	\$190
Clerical	\$125
<i>⁽¹⁾Billing rates subject to change after December 31, 2026.</i>	

TEA's hourly billing rates are subject to annual adjustment and modification by TEA, and TEA agrees to provide OCPA with written notice of any such revisions. From time to time, OCPA may request, and TEA may provide OCPA with, additional services specifically described in a separate Exhibit agreed to in writing by OCPA and TEA.

B.4 Initial Invoice.

Starting with the first month in which TEA provides Services and Service Fees begin to accrue, TEA agrees to postpone the issuance of the monthly invoice (the "**Initial Invoice**") for Service Fees until after the third month for which it has provided Services. After the third month, TEA will issue the Initial Invoice which will include all Service Fees due to TEA for the prior three months.

For avoidance of doubt, after the for all months after the Initial Invoice period, TEA shall issue monthly invoices to OCPA pursuant to Section 5 of the Agreement.

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 9.2

To: Orange County Power Authority Board of Directors
From: Louis Ting, Director of Power Resources
Approved by: Joe Mosca, Chief Executive Officer
Subject: OCPA'S ANNUAL POWER SOURCE DISCLOSURE ATTESTATION FOR REPORTING YEAR 2025
Date: September 14, 2026

STRATEGIC GOALS

- ☐ Enrich & Grow the OCPA Community
- ☐ Prioritize Fiscal Sustainability & Affordability
- ☐ Design & Deploy Community-Aligned Customer Programs
- ☒ Energize Our Community with Renewable Energy Sources: Attestation for Annual Power Source Disclosure
- ☐ Raise Awareness of Community Energy & Advocate for Our Customers
- ☐ Not Applicable

RECOMMENDED ACTION(S)

Based on the comprehensive portfolio review completed by OCPA's consultants and staff, OCPA staff recommends that the Board endorse the accuracy of information presented in OCPA's 2025 Power Source Disclosure report for Basic Choice, Smart Choice, and 100% Renewable Choice service.

BACKGROUND

California requires all retail sellers of electric energy, including OCPA, to disclose "accurate, reliable, and simple to understand information on the sources of energy, and the associated emissions of greenhouse gases, that are used to provide electric services."¹ Applicable regulations direct retail sellers to provide such communications to customers following each year of operation. The format for this communication, named the Power Content Label (PCL) by the California Energy Commission (CEC), is highly prescriptive, offering little flexibility to retail sellers when presenting such information to

¹ California Public Utilities Code Section 398.1(b)

customers. Like the presentation of information on a nutritional label, the PCL informs retail electricity customers of the power sources that were procured to serve their electric energy needs. The PCL is created with information that is developed in the annual Power Source Disclosure (PSD) Report. The PSD report identifies all energy purchases completed by the reporting retail seller during the reporting year (2025, for purposes of the current cycle). The CEC continues to revise the PSD reporting process, including the 2025 template that each LSE must complete and file. For the 2025 PSD template, the prescriptive elements included a separate worksheet which provided the preliminary PCL data that CEC will finalize and issue to each LSE. This report was delivered to the CEC prior to the June 1, 2026, reporting deadline and is discussed in greater detail below.

DISCUSSION / ANALYSIS

While preparing OCPA's 2025 annual PSD report, staff and consultants performed a detailed review of all power purchases completed during the 2025 calendar year. This review included an inventory of all renewable energy credit (REC) transfers within OCPA's Western Renewable Energy Generation Information System (WREGIS) account, along with an examination of related contract documents and pertinent transaction records associated with other specified energy purchases and sales. Based on the review completed by OCPA's consultants and staff, the information presented in the 2025 PSD report was determined to be accurate.

To fulfill its obligations under the PSD Program, each CCA must also provide the CEC with an attestation by its Governing Board regarding the accuracy of information included in its PSD report for the 2025 operating year. With regard to this internally administered attestation process, applicable regulations state²:

A retail supplier that is a public agency providing electric services is not required to comply with the provisions of subdivision (a)(1) if the board of directors of the public agency submits to the Energy Commission an attestation of the veracity of each annual resource report for the previous year.

This attestation must be provided to the CEC no later than October 1, 2026.

For the 2025 reporting year, the CEC revised the PSD reporting process and the reporting template. Rather than requiring retail sellers to submit multiple reports, one for each retail service offering, the CEC consolidated the reporting process using a single template that addresses all retail service offerings of the reporting entity. Further, the

² Note that Section 1394 (a)(1), as referenced in the excerpt from applicable PSD regulations, refers to the completion of annual independent audits.

CEC added a worksheet that mimics the PCL requirements, transferring the annual data input for the PSD. This worksheet provides CEC staff with a streamlined process for verifying errors and discrepancies across all retail sellers' submittals. This worksheet also provides preliminary PCL draft information for retail sellers, with the understanding that the CEC may make final adjustments and then issue the final PCL to each retail seller. Starting in 2024, and similarly for the 2025 reporting year, the CEC no longer requires the reporting retail seller to prepare their own PCLs. Since then, the CEC has prepared PCLs on behalf of each retail seller, using information provided in each PSD report. After the CEC prepares each PCL, it forwards it to the respective retail sellers. Each retail seller must then post the PCL on its website no later than October 1, 2026, and distribute the PCL mailer to customers by October 31, 2026.

The table below summarizes the three retail service offerings that OCPA made available to its customers in 2025. The Column "Total Loss-Adjusted Load" includes the energy OCPA procured to serve its customers, but that CEC determined as a loss, or that was consumed in the transmission and distribution wires connecting the generators to its customers. Approximately 5% of the energy is attributed to system losses and accounted for in the Column. Under the service offering columns as labeled, the retail sales values do not include the 5% system losses. Based on information reflected in OCPA's preliminary PCL data, over 59 percent of total retail sales, or 54 percent including system losses, as measured across all OCPA service areas, were sourced from Renewable Portfolio Standard (RPS)-eligible resources, including wind, solar, geothermal, eligible hydroelectric, and other California-certified resources. This exceeds California's RPS compliance requirement for all retail sellers in 2025, which was 47%. With OCPA members' participation in the 100% Renewable Choice and Smart Choice service offerings, an additional 12% of RPS-eligible renewable energy was procured, which was enough renewable energy to serve more than 64,000 residential customers for a year.

OCA 2025 PCL Data*

Emissions, Power Sources, Unbundled RECs	100% Renewable Choice	Smart Choice	Basic Choice	Total Loss-Adjusted Load
Retail Sales and Loss-Adjusted Load	184,549	671,682	1,310,470	2,276,161
GHG Emissions Intensity (lbs CO ₂ e/MWh)	0	47	449	318
■ Renewables and Zero-Carbon Resources	100%	95%	60%	71%
■ Fossil Fuels	0%	5%	40%	29%
Biomass & Biogas	0%	0%	0%	0%
Geothermal	0%	0%	1%	1%
Eligible Hydroelectric	0%	1%	2%	2%
Solar	62%	48%	24%	33%
Wind	38%	21%	18%	20%
RPS Eligible Renewables - Subtotal	100%	70%	44%	54%
Large Hydroelectric	0%	14%	0%	4%
Nuclear	0%	11%	16%	12%
Emerging Technologies	0%	0%	0%	0%
Other	0%	0%	0%	0%
Natural Gas	0%	0%	0%	0%
Coal & Petroleum	0%	0%	0%	0%
Unspecified Power - Total	0%	5%	40%	29%
Retail Sales Covered by Retired Unbundled RECs	0%	0%	3%	-

*NOTE: The figures above are preliminary.

For the 100% Renewable Choice service offering, which accounted for more than 9 percent of OCA's total retail sales, customers were served exclusively with CEC-certified renewable energy, consisting of 62 percent solar and 38 percent wind. The greenhouse gas emissions intensity of the 100% Renewable Choice service offering was zero for both 2025 and 2024.

Smart Choice customers accounted for 31 percent of OCA's total retail sales, and the customers received 95 percent renewable energy and carbon-free products, including solar (48 percent), wind (21 percent), eligible hydroelectric (1 percent), and large hydroelectric and nuclear (25 percent) generating technologies. Smart Choice customers achieved the lowest carbon emissions factor in the history of this service offering. At 47 pounds of carbon equivalent per megawatt-hour, this represents an 88 percent reduction in carbon emissions from 2024 and 2023, and a 69 percent reduction from 2022; a significant achievement for our Smart Choice customers.

Basic Choice customers accounted for 60 percent of OCA's total retail sales, and the customers received 60 percent renewable energy and carbon-free products, consisting of 44 percent from eligible renewables and 3 percent from unbundled Portfolio Content

Category 0 RECs received through an allocation process with SCE. With the significant inclusion of bundled renewable energy, reduction of unbundled products, and an increase in carbon-free energy, Basic Choice customers enjoyed a 52% reduction in carbon emissions compared to 2024 and the lowest emissions levels in OCPA's history for the Basic Choice product.

OCPA's success benchmarks well with our incumbent Investor-Owned Utility. Based on the 2025 retail sales, OCPA's combined RPS renewable energy and zero-carbon resources topped 76% while the IOU totaled 64%. Comparing the RPS renewable energy procured, OCPA topped 59% while the IOU totaled 46%. Although OCPA's total retail sales are about 4% of the IOU, OCPA served 28 times more renewable energy to our Smart Choice customers than the IOU's 50% Green Rate product. 672 gigawatt-hour (GWh) versus 24 GWh. OCPA served 84% more renewable energy to OCPA's 100% Renewable Choice customers compared to the IOU's 100% Green Rate product. The greenhouse gas emissions for the 100% Renewable Choice compared to the IOU's 100% Green Rate product are the same: zero pounds. However, Smart Choice GHG emissions are over four times less than the IOU's 50% Green Rate.

In consideration of OCPA's internal review and applicable regulations, staff requests that the Board accept this determination of informational accuracy and, based on this staff-level determination and related recommendation, attest to the accuracy of information included in OCPA's 2025 PSD report. Should the Board endorse staff's recommendation, a copy of: 1) this staff report; and 2) meeting minutes for today's Board Meeting will be forwarded to the CEC no later than October 1, 2026. In providing this information, OCPA will have completed its obligations under the PSD Program for the 2025 calendar year.

FISCAL IMPACT

Other than the typical cost of producing and distributing PCLs to OCPA customers, which has been included in the approved FY 2026/27 operating budget, there are no expected fiscal impacts.

ATTACHMENT(S)

None.

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 9.3

To: Orange County Power Authority Board of Directors
From: Pranesh Venugopal, Energy Programs Manager
Approved by: Joe Mosca, Chief Executive Officer
Subject: CUSTOMER PROGRAM PERFORMANCE OVERVIEW
Date: September 14, 2026

STRATEGIC GOALS

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

RECOMMENDED ACTION(S)

Receive and file.

BACKGROUND

As a Community Choice Aggregator (CCA), Orange County Power Authority (OCPA) provides locally governed electricity service and reinvest revenue in programs and services that benefit the communities it serves. Customer programs are one way OCPA translates the benefits of local control into tangible opportunities for customers while supporting energy efficiency, electrification, resilience, clean transportation, and other community energy priorities.

Customer programs can provide a range of benefits depending on the energy needs they are designed to address. These benefits may include reducing barriers to energy-efficient and clean energy technologies, providing incentives or equipment that can help

customers manage energy use and costs, improving comfort and resilience, and connecting customers with energy-related resources.

Customer programs also create opportunities for direct engagement between OCPA and its customers. While many of OCPA's core electricity procurement and operational activities occur largely behind the scenes, customer programs provide tangible interactions with OCPA through incentives, equipment, education, and other services. These interactions can increase awareness and understanding of OCPA, demonstrate the benefits of local public power, and strengthen recognition of OCPA as a community energy resource.

OCPA has implemented a range of customer programs using different delivery models and serving different customer needs. As these programs have progressed, staff have collected participation data, implementation experience, and other information that can be used to evaluate program performance and identify lessons learned. This report provides an overview and topline results of past and present OCPA programs, with an in-depth review of the Renter Energy Efficiency Program.

DISCUSSION / ANALYSIS

Customer Program Performance Overview

OCPA's customer program portfolio has used several approaches to provide customer benefits including direct rebates, no-cost energy-efficiency products, clean transportation incentives, renter-focused equipment, an online marketplace, and a digital tool that connects customers with available federal, state, and local incentives.

A total of 4,395 customer participants or engagements have taken place across the programs totaling \$667,458 in incentives and \$1,125,803 in program investment. Because the programs have different objectives, target populations, budgets, and delivery models, success cannot be evaluated using a single measure. Staff consider customer participation and reach, direct customer benefit, equitable access where applicable, customer engagement, program expenditures and implementation experience when evaluating program performance.

Renter Energy Efficiency Program

The Renter Energy Efficiency Program (REEP) was designed to provide renters with access to clean, electric home comfort and portable backup power without requiring permanent building modifications, electrical upgrades, or landlord approval. Participants received a portable heat pump for room-by-room heating and cooling, and a portable battery that can support the heat pump as well as essential devices during outages.

Renters face unique barriers to participating in traditional energy efficiency and electrification programs because they do not own their homes and may have limited ability to replace heating and cooling equipment or make permanent building improvements. REEP was structured around these barriers by providing portable equipment that can be used without permanent installation and can move with the customer if they relocate.

The program served 245 renters from March through May 2026, with approximately \$317,000 in equipment delivered and a total of \$511,183 in program investment. Approximately 56% of participants were CARE (California Alternate Rates for Energy) or FERA (Family Electric Rate Assistance) customers. Program investment was distributed across OCPA's member communities, with approximately 29% in Buena Park, 32% in Fullerton, and 39% in Irvine.

A more detailed analysis of 245 participants found that more than 85% fell within at least one of the program's identified priority categories: CARE/FERA, Medical Baseline, or households without existing air conditioning. This indicates that the program predominantly reached customers with characteristics that it was designed to prioritize.

Prior to equipment delivery, participants completed a survey to establish baseline information about existing heating and cooling equipment, household comfort, and barriers to obtaining equipment independently. Key findings included:

- Affordability was the primary barrier: 84% cited upfront equipment cost and 74% cited concern about higher electricity bills as barriers to purchasing portable cooling equipment.
- Many participants relied on fans for cooling: 49% reported using portable fans, and 40% identified a portable fan as their most frequently used cooling method.
- Indoor comfort was a significant issue: 66% described their homes as uncomfortable or very uncomfortable without heating or cooling; among those respondents, 88% reported that their homes tended to be too warm.
- Participants were generally dissatisfied with their existing cooling options: 47% reported being dissatisfied or very dissatisfied with their existing cooling equipment.
- The program reached households with potentially greater comfort needs: 59% reported having at least one household member age 12 or younger, or age 65 or older.

These baseline results provide important context for evaluating program performance. For participants who previously lacked air conditioning or primarily relied on fans, the larger benefit of the portable heat pump may be increased access to cooling and improved comfort rather than reduced electricity consumption. Participants who

previously relied on central air conditioning may have opportunities to use room-specific cooling rather than conditioning the entire home.

A post-program survey will also be administered to assess participants' experiences after receiving and using the equipment, including changes in household comfort, equipment use, satisfaction, perceived energy impacts, and the ability to manage extreme temperatures. The results will be compared with the baseline findings where appropriate. Accordingly, rather than looking at whole-home energy savings alone, REEP should be evaluated across multiple measures including equitable access, customer comfort and satisfaction, resilience and energy impacts.

The program also produced qualitative evidence of customer need. One participant shared that the family previously took a middle-school-aged child to the library to complete homework because they did not have air conditioning. The portable heat pump provides an example of how the program can address a renter-specific comfort barrier without requiring installation of permanent HVAC equipment.

This first implementation of REEP identified several operational lessons. These include starting bulk-item delivery planning earlier, ensuring translation and language capabilities are available throughout the customer journey, making the utility account number optional where appropriate, providing clearer application and delivery communications, and creating a mechanism for customers who only want one device or prefer that an unneeded device be offered to another participant. The recommendation is to improve language accessibility and the overall customer experience in subsequent program implementations.

Residential Battery Rebate Program

The Residential Battery Rebate Program provided a \$1,000 rebate to residential OCPA customers purchasing or leasing eligible battery storage systems. The program was intended to help customers manage electricity use through load shifting, provide backup power during outages, and support grid and greenhouse gas reduction objectives. OCPA invested a total of \$85,833 in the program, which included \$34,000 in direct customer rebates. The program received 57 reservations and 34 completed claims. Completed claims were distributed across Irvine (71%), Fullerton (18%), and Buena Park (12%).

Outreach included five community events reaching approximately 460 attendees, 33,774 targeted mailers, direct outreach to more than 90 organizations and community leaders, organic social media, community partner media placements and newsletters. Lessons identified include incorporating educational webinars and workshops through partners such as OC Goes Solar, providing clearer information on project and

Permission to Operate timelines, and collecting customer feedback earlier to help determine the appropriate scale and incentive level for any future offerings.

Charge@Home

Charge@Home offered residential customers up to a \$1,000 rebate toward a Level 2 EV charger purchased through the OCPA Marketplace. The program's goal was 200 charger rebates with a total of 203 rebates processed, representing approximately \$144,877 in customer incentives. Incentive investment was distributed across Irvine (72%), Fullerton (15%), and Buena Park (13%).

The program demonstrated strong customer interest and benefited from a Marketplace delivery model that reduced OCPA's direct role in individual product fulfillment. Program lessons included the value of beginning outreach before launch, maintaining partnerships with community and EV organizations, and considering a broader selection of eligible chargers.

Energy Efficiency Kit

The Energy Efficiency Kit provided residential customers with a kit valued at almost \$50 that included LED bulbs, a smart plug, weatherstripping, and an advanced power strip. The program initially provided kits at no cost to CARE/FERA customers and at a discount to other residential customers. This was later modified to provide the kits at no cost to all eligible residential customers.

OCPA distributed 1,483 kits against a goal of 1,500, representing approximately 99% of the program target and \$74,150 in customer value. Approximately 60% of participants were CARE/FERA customers, with kits distributed across Irvine (49%), Buena Park (27%), and Fullerton (24%). Participation increased after the offer was expanded to provide free kits to all residential customers, demonstrating the importance of reducing upfront cost and participation barriers. The program also showed that direct mail, city and community partnerships, and in-person outreach can be effective recruitment channels. Because customer verification was conducted in-house, the program required comparatively high staff project management and oversight.

E-Bike Safety and Incentive Pilot Program

The E-Bike Safety and Incentive Pilot Program combined clean transportation incentives with required e-bike safety education. The program offered an e-bike voucher to customers, \$600 or \$1,500 for income-qualified participants, valid at participating local bike shops. A total of 47 customers participated with approximately 60% CARE/FERA participation and \$53,400 in community investment.

Customer feedback indicated that in addition to reducing the upfront cost of an e-bike, the program could support transportation behavior change. One participant reported using the e-bike for errands in place of a car after receiving the voucher.

Residential Incentive Finder

The Residential Incentive Finder is an online resource that helps residential customers identify federal, state, and local energy incentives for which they may be eligible based on their identifying information. The tool recorded 1,865 individual searches for an overall program cost of \$15,500. Unlike a direct OCPA-funded incentive, the Incentive Finder expands customer access to resources by helping customers navigate incentives available from multiple organizations.

OCPA Residential Marketplace

The OCPA Residential Marketplace was an online store that provided residential customers access to discounted energy-saving products and also served as a delivery platform for OCPA offerings including Charge@Home and the Energy Efficiency Kit. Over its implementation, the Marketplace had 518 participants that equated in approximately \$44,120 worth of customer incentives utilized for a program investment of \$240,860 which included costs to maintain the online marketplace and call center. Among participants in Irvine, Fullerton, and Buena Park, 59% were in Irvine, 24% were in Fullerton, and 17% were in Buena Park. In summary, the Marketplace model provides a streamlined online customer pathway and can reduce OCPA's direct role in product ordering and fulfillment.

Program Portfolio Observations

Across OCPA's program portfolio, several common lessons emerged. Programs that reduce customer cost and administrative barriers generally experience increased participation, as demonstrated by the Energy Efficiency Kit. Additionally, targeted direct mail and community partnerships are important outreach channels for multiple programs. And programs delivered through a third-party Marketplace require less direct OCPA administration than programs involving in-house customer verification, allowing for capacity to share focus with other program offerings.

The results also demonstrate that program success should be evaluated in relation to each program's purpose. Programs that provide simple, low-cost products can reach relatively large numbers of customers, while programs involving higher-cost technologies, installation, permitting or additional verification may serve fewer customers but provide a different level of customer benefit. Collectively, these programs have provided OCPA with practical experience across multiple delivery models while

creating direct interactions with customers that increase awareness of OCPA its various resources.

The total investment in the OCPA programs is summarized in the table below.

<u>Program</u>	<u>Participants</u>	<u>Investment</u>
Residential Battery Rebate Program	34	\$85,833
Charge@Home	203	\$144,877
Energy Efficiency Kit	1,483	\$74,150
E-Bike Safety & Incentive	47	\$53,400
Residential Incentive Finder	1,865	\$15,500
OCPA Marketplace	518	\$240,860
Renter Energy Efficiency Program	245	\$511,183
Total	4,395	\$1,125,803

FISCAL IMPACT

None.

ATTACHMENT(S)

None.

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 9.4

To: Orange County Power Authority Board of Directors
From: Pranesh Venugopal, Energy Programs Manager
Approved by: Joe Mosca, Chief Executive Officer
Subject: ESTABLISHMENT OF SMALL BUSINESS PROGRAM AND
MEMORANDUM OF UNDERSTANDING WITH LOS ANGELES
COUNTY INTERNAL SERVICES DEPARTMENT FOR SMALL
BUSINESS PROGRAM SUPPORT
Date: September 14, 2026

STRATEGIC GOALS

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

RECOMMENDED ACTION(S)

1. Approve the OCPA Small Business Program, including use of \$45,000 in customer incentive funding allocated in the approved FY 2026-27 Programs budget.
2. Authorize the Chief Executive Officer to execute the Memorandum of Understanding (MoU) with the County of Los Angeles, through its Internal Services Department, for Southern California Regional Energy Network (SoCalREN) support for the Small Business Program, substantially in the form attached hereto, with such modifications as may be approved by the Chief Executive Officer and approved as to form by General Counsel.
3. Authorize the Chief Executive Officer, or designee, to negotiate, execute, and administer such agreements, forms, certifications, and other documents as may be necessary or appropriate to implement and administer the Small Business

Program, including agreements with participating customers, contractors, and vendors, subject to approved program budgets and applicable OCPA procurement requirements, with all such agreements and documents to be approved as to form by General Counsel, as applicable.

BACKGROUND

Small commercial customers can face barriers to participating in energy efficiency and electrification programs, including limited staff capacity, lack of technical expertise, constrained capital, and difficulty navigating contractors and available incentives. OCPA's Community Power Plan identified comprehensive energy efficiency and electrification support among the top program concepts desired to address customer needs. The Small Business Program is intended to provide a pathway for eligible small commercial customers to understand their energy use, identify energy-saving opportunities, and implement improvements.

The program would focus on small commercial customers with peak demand at or below 20 kW, including businesses such as restaurants, retail stores, health and wellness businesses, and small offices. OCPA estimates that nearly 20,000 customers fall within the target market.

To increase the value of the program, OCPA proposes to leverage third-party funding through the County of Los Angeles Internal Services Department (ISD), manager of the Southern California Regional Energy Network (SoCalREN). SoCalREN administers funds allocated by the California Public Utilities Commission (CPUC) to support energy efficiency programs across Southern California.

The proposed Memorandum of Understanding (MOU) would provide up to \$680,942 in SoCalREN funding for eligible programs administered by OCPA, in addition to \$200,000 in customer incentives provided by OCPA (\$45,000 in FY 2026-27 and \$155,000 in FY 2027-28, subject to the Board's approval). This approach allows OCPA to concentrate local program dollars on direct customer incentives while leveraging SoCalREN resources for outreach, technical assistance, and other eligible program services. The MOU is proposed to be effective September 14, 2026, through December 31, 2027.

DISCUSSION / ANALYSIS

Program Design

The Small Business Program is designed as a flexible menu of services available to support the specific energy needs of individual small businesses. Funding received from

SoCalREN will support customer outreach as well as the technical assistance included in the menu of services, which may include:

- Utility bill analysis: Education on usage patterns to identify potential cost-saving opportunities.
- Energy assessments: Customized recommendations that may include behavioral and operational changes, low-cost efficiency measures, and capital improvements. Potential measures include thermostat optimization, occupancy sensors, LED lighting, and window films.
- Contractor matching : Assist participating businesses with identifying contractors or vendors that may be able to perform recommended improvements. This may include providing information on qualified or participating contractors, helping customers understand contractor proposals, and connecting customers with contractors based on the type of measure being considered. Customers will retain responsibility for selecting and contracting directly with their contractor or vendor. OCPA and its program implementers will not endorse, warrant, or guarantee the work, pricing, or performance of any contractor or vendor.
- Support navigating outside funding opportunities

The program will also provide educational resources, available incentives, and relevant electrification concepts. OCPA funding will provide direct customer incentives and administration of the program. OCPA will not fund the SoCalREN-supported implementation services.

Incentive Structure and Budget

OCPA will provide up to \$4,000 in incentives per participating business for eligible projects. The program may cover up to 100% of eligible equipment costs and up to 50% of eligible installation costs, subject to measure-specific limits and the overall \$4,000 cap. Approved incentives may be assigned directly to participating contractors or vendors on behalf of eligible customers. Customers will receive visibility into total equipment and installation costs, the OCPA incentive, and their remaining financial responsibility. Incentive payment will be subject to documentation and verification requirements, and OCPA and/or its program implementer may review project pricing for cost reasonableness.

Funds totaling \$45,000 are included in the approved Fiscal Year 2026-2027 program are expected to fund at least 11 customer projects from March through June 2027, based on the maximum incentive of \$4,000 per business. Eligible projects beyond the \$45,000 cap will be placed on a program waitlist. Funds totaling \$155,000 will be allocated from the Fiscal Year 2027-2028 to support additional eligible projects, including projects on the waitlist, subject to Board approval.

Implementation, Procurement, and Performance

The Energy Coalition (TEC) will implement the program through its existing Professional Services Agreement with OCPA, which includes technical assistance and program implementation support. The First Amendment, effective April 13, 2026, extended the agreement through September 17, 2027 and authorizes TEC to administer pass-through funding for program equipment, incentives, and other approved program expenditures at actual cost without markup, overhead, or profit.

For the Small Business Program, TEC is expected to procure and contract with a community-based organization (CBO) to support targeted program outreach and to procure one or more qualified technical consultants that will provide specialized program services including energy assessment. These subcontracts will be secured in accordance with applicable OCPA procurement requirements and the terms of TEC's agreement with OCPA. OCPA will retain program oversight and responsibility for compliance with the SoCalREN MOU.

Outreach and Program Targets

The program will target outreach to small businesses that may not typically participate in energy programs, including in-person engagement. The program targets having more than 20% of participants from underserved segments, and performance targets include 75 utility bill analyses, 75 energy audits or assessments, 50 installed projects, external incentive support for 20 businesses, and greater than 90% customer satisfaction.

Program design and launch will take place from September through November 2026. The tasks include online platform setup, development of marketing materials, and development of program tools. Contracting with the CBO will occur from November 2026 through February 2027 and will include procurement and training of subconsultants. The program outreach will commence in March 2027 and the final installation and incentive payments will be completed by December 2027.

FISCAL IMPACT

The program is designed to combine SoCalREN-funded services with OCPA-funded customer incentives as follows:

1. **FY 2026-27 OCPA Customer Incentives:** The approved FY 2026-27 Programs budget includes \$45,000 that will be used for Small Business Program customer incentives. Incentives will be available for up to \$4,000 per participating business. The FY 2026-27 funding is expected to support at least 11 customer projects.
2. **FY 2027-28 OCPA Customer Incentives:** Staff anticipates requesting an additional \$155,000 for Small Business Program customer incentives as part of

the FY 2027-28 Programs budget, subject to Board approval through the annual budget process. This would bring the planned OCPA customer incentive funding to \$200,000 across the two fiscal years.

3. **SoCalREN-Funded Program Services:** Through the proposed MOU with Los Angeles County ISD, SoCalREN will provide up to \$680,942 for eligible program services, including outreach, enrollment, energy assessments, technical assistance, contractor concierge services, external incentive support, and related program activities.

Together, the planned OCPA customer incentives and SoCalREN-funded services represent up to **\$880,942 in total program resources**, excluding OCPA staff labor.

ATTACHMENT(S)

1. Memorandum of Understanding Between the Los Angeles County Internal Services Department and Orange County Power Authority.

MEMORANDUM OF UNDERSTANDING BETWEEN
THE LOS ANGELES COUNTY INTERNAL SERVICES DEPARTMENT
AND ORANGE COUNTY POWER AUTHORITY

RELATING TO
REGIONAL PARTNERSHIPS

This Memorandum of Understanding ("MOU") is made and entered into on this September 14th by and between the County of Los Angeles, by and through its Internal Services Department ("ISD") and Orange County Power Authority (hereinafter OCPA)

I. PURPOSE

ISD, as the lead agency for implementation of the County's energy and environmental initiatives, is the recipient and administrator of the County's allocation of California Public Utilities Commission (CPUC) Energy Efficiency Program funds. On September 26, 2023, the Los Angeles County Board of Supervisors approved the 2024-2031 allocation for investor-owned utilities (IOUs) ratepayer funded Energy Efficiency Programs and Budgets. ISD received an allocation of \$583,784,641 from the CPUC.

The approved budget by the CPUC, for Calendar Years 2024-2031, will provide regional engagement, outreach, and implementation support for the Southern California Regional Energy Network (hereinafter SoCalREN) energy efficiency Programs, and through additional external funding (e.g., grants) to other Los Angeles County's ISD Energy and Environmental Programs. The Los Angeles County has requested assistance with general program support, program marketing, regional engagement support, energy planning, education and training, agency recognition, program motivation and competition, and identification of pilot activities. OCPA shall be guided in their work by program documents provided by ISD, as well as ongoing coordination with the designated Los Angeles County task lead; and

The purpose of the MOU is for OCPA to assist with the implementation of Los Angeles County's ISD Energy and Environmental Programs, which seeks to leverage its knowledge and perspective of its unique communities to increase overall projects, partnerships, and programs visibility and presence, generating new enrollments and registrations within its geographic region of influence, especially in hard to reach and disadvantage communities; also, to support programs in efforts related to portfolio energy analysis and project identification, and to coordinate and deliver education and training activities to program participants. Finally, OCPA may work with the Los Angeles County to identify potential strategies and activities that support regional communities.

II. TERM OF MOU

This MOU shall be effective from September 14, 2026, through December 31, 2027. This MOU will remain in effect until such time that revisions or changes are necessary or either ISD or OCPA decides to terminate the MOU.

III. COMPENSATION FOR SERVICES

For performance of services described in the attached Scope of Work (SOW), ISD shall pay the OCPA, and the payment shall constitute full and complete compensation for their services and the implementation of the programs. Said compensation shall be paid by ISD out of its 2024-2031 allocation of CPUC funds and/or other grant funding yet to be acquired by ISD, for allowable costs to be incurred for the express purposes specified. The parties understand and agree that such payment, shall be conditioned upon the allocation determined by the CPUC of said funds to ISD, or shall be charged against other grant funds of ISD. Said funds shall be paid in accordance with the budget provided on a yearly basis by ISD. Any money received by OCPA hereunder and not incurred for costs pursuant hereto and/or during the term of this MOU shall be returned to ISD upon the expiration of the County Fiscal Years in which OCPA incurred costs for the Programs.

IV. INVOICING, REPORTING & PAYMENTS

ISD will receive monthly invoices from OCPA and shall review the invoices to ensure the following:

- (1) That OCPA activities are consistent with the SOW and
- (2) That sufficient budgetary authorization exists.

The following Invoicing, Reporting and Payment Requirements are applicable to the SOW:

- (1) Time and Material Basis. All work will be performed on a time and material basis and subject to the general provisions set forth below.

General Provisions

- (1) All charges shall be directly identifiable to and required for the authorized work or activity.

- (2) OCPA shall notify ISD agent responsible for the MOU at such time that it becomes reasonably apparent that the forecasted cumulative charges may exceed any budgets authorized (whether by task, total amount authorized, or both).
- (3) Labor Related Costs Under Time and Material Basis. To the extent applicable, OCPA shall invoice ISD at the fixed hourly rates for the applicable labor categories, engaged in performance of the authorized work by the OCPA's employees or agents. Such fixed hourly rates shall be inclusive of all of the OCPA's overhead costs (including all taxes and insurance), administrative and general fees. All labor related costs shall be charged at cost, without mark-up, and shall be necessary, reasonable, and ordinary.
- (4) Expenses. All expenses shall be charged at cost, without mark-up, and shall be necessary, reasonable, and ordinary. They shall also comply with County expense policies.
- (5) Material Costs. Material costs shall be substantiated with an invoice stating the unit price, quantity, and other information as required to identify the authorized work or activity.
- (6) Subcontract Costs and Subcontractors. Subcontracted work or activities shall be charged at the rates actually paid by OCPA. The OCPA shall provide ISD invoices for any OCPA invoice that includes subcontractor costs. OCPA shall at all times be responsible for the services or deliverables, and for the acts and omissions of subcontractors and persons directly or indirectly engaged by the subcontractors. All expenses shall be charged at cost, without mark-up.
- (7) Travel Costs. Approved air travel costs shall in no case exceed economy

or coach whichever is reasonably available. A copy of airfare receipt indicating the final cost for the trip and applicable supporting documents showing the starting point, travel destination, departure and return and the purpose of the trip are required for each air travel reimbursement. Automobile travel from the County agents or representatives' office to any Program job site, function or activity shall be paid at applicable County travel expense rates and mileage. Either a mileage log showing miles driven for each trip or a Google Maps/ equivalent application printout showing the travel path is required for each mileage reimbursement request.

(8) Records. OCPA shall maintain, for a period of five (5) years after final payment, complete accounting records (and supporting documentation) of all invoiced costs. County reserves the right to audit and copy any applicable documents related to the work hours, all costs and expenses invoiced, and task completion records. Each invoice shall list the number of the Contract covered by such invoice.

(9) Key Personnel. OCPA will appoint an Initiative Partner representative who will be the primary contact between OCPA and the ISD, and who will be authorized to act on behalf of the OCPA. Such appointment shall be communicated in writing to ISD as soon as reasonably practicable following execution of this MOU. OCPA shall promptly notify ISD of the intended reassignment or proposed replacement of the key personnel who will be submitting invoicing and reporting information to ISD.

(10) Activities Outside of SOW. Any activities undertaken by OCPA that are outside of the SOW of this MOU, but that are otherwise invoiced by OCPA shall not require payment by ISD.

(11) Invoicing Requirements: OCPA shall provide a monthly invoice to ISD within 25 calendar days of the close of each month or predetermined negotiated date by ISD and OCPA. The invoice and supporting documents are for work performed by OCPA and its Subcontractors.

(12) Invoice Deficiencies. In the event ISD determines that the OCPA's (or any of its Subcontractors' that are included for payment) invoices do not meet the invoicing requirements of the MOU, lacks accounting transparency, and/or lacks sufficient material support, ISD will notify OCPA of the deficiencies and the OCPA

shall correct such deficiencies promptly. ISD has the right to review and approve the data and methods used to develop the invoice documentation. However, the failure of ISD to conduct such review or grant such approval shall not relieve OCPA from its responsibilities and obligations under an invoice.

(13) Payment by ISD. ISD shall pay undisputed charges within net thirty (30) days of receiving invoices that follow the requirements set forth in this MOU. ISD has the right to withhold payment of particular charges that ISD disputes in good faith, pending the resolution of the dispute, and ISD will provide OCPA with notice of the amounts being withheld and the reasons for the dispute.

V. ISD RESPONSIBILITIES

- A. ISD shall periodically monitor the performance by OCPA under this MOU on programs/projects activities by review of project records and meetings with the OCPA's staff. ISD shall promptly notify OCPA of changes in any regulatory requirements specifically governing the administration of funds that become effective following the execution of this MOU.
- B. ISD may, after review and evaluation of the programs, modify the amount of funds designated for the programs, and/or require OCPA to implement changes in the SOW to be performed by the OCPA.
- C. ISD authorizes OCPA staff to assist the programs in accordance with all applicable federal, State and County laws and regulations. Where necessary, ISD shall make available designated staff to work with OCPA staff designated to assist in implementation of on SOW-related activities.

VI. AMENDMENT TO MOU

ISD may modify the amount of funds designated for the OCPA programs assistance and/or modify the scope of services to be performed, subject to costs incurred or encumbered by contractual agreement. However, any other changes to this MOU must be accomplished by written consent of both parties.

VII. TERMINATION OF MOU

Either party may terminate this MOU by giving the other party 30 days written notice.

[Signatures continue on the following page.]

SIGNATURES

IN WITNESS WHEREOF, the ISD and the OCPA, by and through their duly authorized representatives have caused this MOU to be subscribed to on the day and year first above written.

COUNTY OF LOS ANGELES
INTERNAL SERVICES DEPARTMENT

ORANGE COUNTY POWER AUTHORITY

By _____
Name: Michael Owh
Title: Director
Date:

By _____
Name:
Title:
Date:

APPROVED AS TO FORM
County Counsel

ATTACHMENT A

SCOPE OF WORK

OCPA Small Business Program

Scope of Work Overview

SoCalREN's regional partnerships expand program reach and leverage long-standing, trusted partners to ensure equitable access to services and participation among the communities they represent. SoCalREN empowers regional partners to lead innovative and customized strategies so that all communities can realize the benefits of energy actions.

Contract Manager: Audrey Bragg

Date range: 2026-27

Total Authorized Built-In-Capacity Budget: \$680,942

Project Implementers: Orange County Power Authority (OCPA)

Project Overview

Project Summary:

The program is designed to leverage complementary funding sources to maximize customer value and program impact. SoCalREN funding will support customer engagement and technical assistance activities, including utility bill analysis, energy assessments, audits, and energy education that help businesses identify opportunities to reduce energy costs and improve facility performance. OCPA funding will be used to administer the program and provide direct financial incentives that help participating businesses implement eligible energy efficiency and electrification measures identified through the assessment process.

The OCPA Small Business Energy Program is a targeted initiative designed to address a persistent gap in energy efficiency and electrification program participation among small commercial customers. While larger commercial and industrial customers are typically well-served by existing utility and third-party programs, small businesses—particularly those with limited staff, time, and capital—often face significant barriers to participation. These barriers include lack of awareness, limited access to technical expertise, split incentives in leased spaces, and constrained financial resources to invest in upgrades.

The program will provide targeted outreach, energy assessments, and financial support to small businesses (≤ 20 kW in peak demand or GS-2 rate tariff) in OCPA member cities (currently, Buena Park, Fountain Valley, Fullerton, and Irvine). The program is intended to serve a substantial market of nearly 20,000 eligible small business customers and will support participating businesses in implementing energy efficiency, load management, and electrification measures.

The program is designed to provide participating small businesses with a flexible menu of support options tailored to their operational needs, level of readiness, and interest in pursuing energy improvements. Businesses may select any combination of available services based on their needs and may utilize different services across one or more eligible facilities. Available services include utility bill analysis to help businesses better understand energy usage patterns and opportunities for cost savings; on-site energy assessments and audits to identify operational, low-cost, and capital improvement opportunities; direct financial incentives for eligible energy efficiency and electrification measures; and installation support services such as contractor and vendor matchmaking.

The program combines SoCalREN-funded technical assistance with OCPA-funded direct incentives (available only for OCPA customers) (\$4,000 per business) to reduce barriers such as cost, awareness, and access to contractors. To reduce upfront cost barriers and simplify participation for small businesses, the program incentives may be assigned directly to participating contractors or vendors on behalf of eligible customers. Under this approach, the program may cover up to 100% of eligible equipment costs and up to 50% of eligible installation costs, subject to measure-specific limits and a maximum total incentive cap of \$4,000 per participating business.

The program will incorporate targeted outreach strategies designed to improve participation among underserved and hard-to-reach small businesses. Outreach efforts will include collaboration with a Community Based Organization (CBO) to conduct in-person engagement, recruitment, and education activities; and direct mail, which has been OCPA's most successful channel for program promotion. The program will prioritize equitable access through multilingual outreach materials, culturally responsive engagement approaches, and focused outreach within historically underserved business corridors.

The program is intended to support a flexible portfolio of energy efficiency, operational improvement, load management, and electrification measures tailored to the needs of small commercial customers. Through the energy assessment process, participating businesses will receive customized recommendations designed to improve operational efficiency, reduce electricity costs, enhance customer and employee comfort, and support long-term sustainability goals. Eligible opportunities may include behavioral and operational improvements such as HVAC scheduling optimization, thermostat temperature adjustments, equipment shutdown practices, and load shifting strategies intended to reduce energy consumption during peak periods. The program may also support low-cost measures including occupancy sensors, LED lighting upgrades, smart thermostats, HVAC filter replacements, weather stripping, and other cost-effective efficiency improvements. Where appropriate, the program may provide recommendations and support for refrigeration optimization measures, including controls and temperature management strategies, as well as building envelope improvements such as insulation enhancements, reflective roof coatings, and window films. Depending on customer needs, program funding availability, and evolving market conditions, the program may also support advanced technologies and electrification-related opportunities such as portable battery systems, fans, thermal storage solutions, and replacement of eligible gas-powered equipment with electric alternatives. In addition to equipment and operational recommendations,

participating businesses may receive education and technical assistance related to clean energy rate options, including opportunities to transition to higher renewable energy service plans offered by OCPA. Available incentive levels may be periodically updated to reflect program demand, and complementary utility and regional incentive offerings.

Key Activities:

- Conduct targeted outreach through CBOs and community partners
- Develop and deploy an enrollment portal
- Perform energy assessments including utility bill analysis and provide energy saving recommendations
- Offer technical assistance and installation vendor/contractor matchmaking
- Energy upgrade post-installation due diligence and deployment of OCPA funded incentives
- Support applications for external incentives

Goals and Objectives

Overall Goal:

Increase participation of small businesses across the OCPA service territory in energy efficiency and electrification programs while delivering measurable bill savings and operational improvements.

Objectives:

- Objective 1: Enroll small businesses by using bill analysis and energy assessments as engagement tools to encourage participation
- Objective 2: Improve access to technical resources and reduce participation barriers for underserved businesses
- Objective 3: Deliver financial incentives to enable implementation of energy-saving and/or electrification measures

Timeline and Key Deliverables

Timeline:

Deliverable 1: Program Design & Implementation Plan

Due Date: 2026 Q4

Deliverable 2: Program Launch (Portal live, outreach initiated, first enrollments)

Due Date: 2027 Q2

Deliverable 3: Commence Installations

Due Date: 2027 Q4

Performance Metrics

Metric	Method	Target
Number of Businesses Contacted	Enrollment tracking via portal	100
Number of Businesses participating in utility bill analysis	Enrollment tracking via portal	75
Number of Businesses Audited/Enrolled	Enrollment tracking via portal	75
Number of projects installed	Implementer reporting	50
External incentive support	Implementer reporting	20
Participation from Underserved Segments	Geographic and demographic analysis of OCPA customer base	> 20%
Customer Satisfaction	Post-participation surveys	> 90%

Budget Summary

SoCalREN Funding requested: \$680,942

OCPA Funding for Incentives: \$200,000

OCPA Staff labor: \$17,875

Budget Breakdown of SoCalREN Funding Requested

Task	Sub-tasks	Budget
Program Design & Launch Activities/Materials	Program Design, Online Platform setup, Marketing Material Design, Tools/Templates/Resources	\$85,463
Contracting & Trade Ally Recruitment and Training	Identify and procure subconsultants & Trade Allies, Subconsultant Training, Trade Ally Training	\$45,129
Outreach and Enrollment	CBO outreach, multilingual outreach support, business	\$179,335

	recruitment, enrollment intake, eligibility verification, reservation tracking	
Energy Assessment	Utility bill analysis, UAPI integration support, on-site audits (75 businesses), audit reports and recommendations	\$285,325
Installation	Installation coordination, documentation review, invoice/image verification, financing/rebate coordination for ~20 businesses, final incentive processing/payment support	\$48,084
Program Management	Data collection, KPI reporting, coordination meetings, QA/QC, compliance tracking, administrative management	\$37,606

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 9.5

To: Orange County Power Authority Board of Directors
From: Tiffany Law, Chief Financial Officer
Approved by: Joe Mosca, Chief Executive Officer
Subject: APPROVAL OF \$60,000,000 REVOLVING CREDIT FACILITY WITH JPMORGAN CHASE BANK, N.A.
Date: September 14, 2026

STRATEGIC GOALS

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

RECOMMENDED ACTION(S)

Adopt a Resolution authorizing the Chief Executive Officer to execute a new Revolving Credit Agreement, Fee Agreement, and ancillary closing documents necessary to implement a \$60,000,000 revolving credit facility with JPMorgan Chase Bank, N.A. (JPMorgan), substantially in the forms presented to the Board, and to approve non-material changes thereto in consultation with General Counsel.

BACKGROUND

Orange County Power Authority (OCPA) currently maintains a \$35 million revolving line of credit with U.S. Bank. The facility provides contingent liquidity to support OCPA's power procurement and other credit-support requirements, including collateral and letters of credit. The existing facility is scheduled to expire on September 18, 2026.

As of March 31, 2026, OCPA reported \$86 million of total liquidity, consisting of \$51 million of unrestricted cash and \$35 million of available capacity under the existing line of credit, with no amounts outstanding at that time. OCPA's existing facility originated under a September 2021 revolving credit agreement with MUFG Union Bank, N.A., for which U.S. Bank is the successor lender.

As OCPA's operations have matured, its liquidity and credit needs have evolved. OCPA serves more than 188,000 customer accounts and approximately 2,200 GWh of annual load within Southern California Edison's service territory, with Fountain Valley scheduled to begin enrollment in April 2027. OCPA's power portfolio also requires continued access to liquidity to support collateral associated with short- and long-term power purchases, potential cash collateral postings, and standby letters of credit.

In May 2026, OCPA engaged PFM Financial Advisors LLC (PFM) to assist with the evaluation, procurement, and negotiation of a new credit facility. On June 15, 2026, OCPA issued Request for Proposals (RFP) No. 26-002 for a revolving line of credit and standby letter-of-credit facility ranging from \$60 million to \$150 million. The RFP sought a replacement for the expiring U.S. Bank facility that would maintain OCPA's access to committed liquidity and credit support for power procurement, collateral requirements, and other authorized purposes. The RFP also contemplated potential cash collateral requirements, local development and programmatic investments, Provider of Last Resort (POLR)-related requirements, and general working capital flexibility. A copy of RFP No. 26-002 is included as Attachment 1.

As part of the RFP process, OCPA staff and PFM responded to more than 100 questions from five financial institutions regarding OCPA's financial condition, operations, power portfolio, credit requirements, and the proposed facility. This provided participating financial institutions with substantial information to evaluate OCPA and the facility prior to the proposal deadline.

On July 10, 2026, JPMorgan submitted a proposal for a \$60 million multi-use revolving credit facility with either a three- or five-year term. JPMorgan has experience providing credit facilities to California Community Choice Aggregators (CCAs), including Clean Power Alliance, San Diego Community Power, Clean Energy Alliance, CleanPowerSF, and San Jose Clean Energy. The evaluation committee met on July 16, 2026, to review the proposal and discuss the negotiation strategy. Following the committee's review, OCPA, PFM, General Counsel, and JPMorgan conducted additional due diligence and negotiated the business and legal terms reflected in the attached draft agreements.

On August 27, 2026, JPMorgan completed its internal credit approval process for OCPA's proposed \$60 million facility. Staff and legal counsel are finalizing the Credit Agreement and related documents for Board consideration.

Staff recommends the five-year term because it provides greater certainty of access to committed credit, reduces refinancing and market-access risk, and avoids the time and expense of procuring a replacement facility after only three years. The five-year term also provides continuity of committed liquidity as OCPA rebuilds reserves and strengthens its liquidity profile in preparation for its planned 2028 credit rating application. The proposed \$60 million facility is at the lower end of the range solicited through the RFP and would increase OCPA's committed credit capacity by \$25 million.

DISCUSSION / ANALYSIS

Liquidity is a core component of OCPA's financial and risk management framework. Wholesale energy costs can be volatile, and power purchase agreements, California Independent System Operator (CAISO) obligations, and other procurement arrangements may require cash collateral or letters of credit on relatively short notice. The proposed facility would increase OCPA's committed revolving credit capacity from \$35 million to \$60 million while providing flexibility to meet these requirements without relying solely on unrestricted cash reserves.

The proposed facility represents committed credit capacity and does not constitute an immediate \$60 million borrowing. While the Credit Agreement permits borrowings for working capital and other general operational purposes, the facility is not intended to serve as a recurring source of funding for ordinary operating expenses, finance a structural operating deficit, or substitute for adequate reserves. Its primary purpose is to provide contingent liquidity and credit support for power procurement, collateral, and other authorized liquidity needs. As of March 31, 2026, OCPA had no borrowings outstanding under its existing \$35 million revolving credit facility.

The proposed Credit Agreement provides for a \$60 million multi-use revolving credit facility for a five-year term. Amounts borrowed and repaid may generally be reborrowed during the availability period. Loan proceeds may be used for costs of issuance, working capital and other general operational purposes, including power purchases, cash collateral postings, and local development and programmatic investments. Loan proceeds may not be used for long-term capital expenditures other than long-term purchases of energy and related products under power purchase agreements. Standby letters of credit may be issued to support PPA collateral obligations, CAISO collateral postings, and collateral requirements imposed by governmental authorities or utility tariffs, including CPUC requirements.

The facility will be a limited obligation of OCPA and will be non-recourse to OCPA's member agencies. OCPA's obligations will be secured by a first-priority pledge of and lien on OCPA's Net Revenues and specified account collateral. The Credit Agreement expressly provides that OCPA's constituent member agencies are not responsible for OCPA's obligations under the facility.

OCPA may elect that interest on loans be based on Adjusted Term Secured Overnight Financing Rate (SOFR) or an Alternate Base Rate as provided in the Credit Agreement, plus the applicable margin. At the highest liquidity tier, the applicable margin for an Adjusted Term SOFR or Alternate Base Rate borrowing is 1.625% or 0.625% per annum, respectively. The applicable margins increase to 1.825% and 0.825%, respectively, at the intermediate liquidity tier, and to 1.925% and 0.925% at the lowest liquidity tier.

The undrawn fee is 0.75% per annum on the unused commitment at the highest liquidity tier, increasing to 0.85% and 0.90% at the intermediate and lowest liquidity tiers, respectively. Standby letters of credit are subject to a fee of 1.575% per annum at the highest liquidity tier, increasing to 1.775% and 1.875% at the intermediate and lowest liquidity tiers, respectively.

The Credit Agreement requires OCPA to maintain a minimum Debt Service Coverage Ratio (DSCR) of 1.10x, tested quarterly based on the preceding four fiscal quarters. If DSCR falls below 1.10x, OCPA will nevertheless be deemed in compliance if it satisfies the applicable Days Liquidity on Hand requirement. For purposes of this liquidity cure, the threshold is 90 days, reduced to 75 days if OCPA maintains at least one qualifying long-term investment-grade rating on System Debt. The liquidity cure may not be exercised more than three times during any four consecutive fiscal quarters.

For purposes of calculating DSCR, outstanding loans and other System Debt are assumed to amortize over five years, while the average amount available to be drawn under outstanding letters of credit is assumed to amortize over 7.5 years. This treatment reduces the amount of annual debt service attributed to standby letters of credit for purposes of the DSCR calculation.

The Credit Agreement restricts OCPA from incurring additional System Debt while the facility is outstanding, other than obligations under the JPMorgan facility and the permitted City of Irvine debt. The permitted Irvine debt must be repaid by the earlier of its repayment in full or January 31, 2027. Any future financing that constitutes additional System Debt would need to be addressed with JPMorgan in accordance with the Credit Agreement.

OCPA may voluntarily terminate or permanently reduce the facility in accordance with the agreements. A termination or reduction fee applies during the first two and one-half years of the facility; no such fee applies after that period.

The draft Revolving Credit Agreement and Fee Agreement are substantially complete but remain subject to final non-material revisions. The requested authorization would allow the Chief Executive Officer to finalize and execute the agreements and related

documents, substantially in the forms presented to the Board, in consultation with General Counsel.

FISCAL IMPACT

At the highest liquidity tier, the undrawn fee is 0.75% per annum on the unused portion of the commitment. Assuming the entire \$60 million commitment remains unused, the annualized undrawn fee would be approximately \$450,000. As the facility is utilized, the undrawn fee is reduced based on the amount utilized and is replaced by interest expense on outstanding loans or the applicable standby letter-of-credit fee. At the highest liquidity tier, the standby letter-of-credit fee is 1.575% per annum on issued letters of credit. Pricing varies at the lower liquidity tiers in accordance with the Fee Agreement.

The proposed facility carries a higher undrawn fee than OCPA's existing \$35 million facility. However, the proposed facility provides \$25 million of additional committed capacity, a five-year commitment, and greater flexibility to support OCPA's current power procurement, collateral, and liquidity requirements. The existing facility was established in 2021 and is expiring, and U.S. Bank has advised OCPA that it will not pursue a replacement facility. Staff therefore evaluated the JPMorgan facility based on its overall cost, capacity, terms, and ability to meet OCPA's current and anticipated liquidity needs.

OCPA will also be responsible for JPMorgan's reasonable legal fees and expenses associated with preparing and negotiating the Credit Agreement, Fee Agreement, and related documents, plus applicable disbursements. The final amount of JPMorgan's legal fees will be specified prior to execution.

Certain contingent fees may also apply during the term of the facility. Requests for amendments, modifications, waivers, consents, or letter-of-credit transfers are subject to a minimum \$3,000 fee, plus JPMorgan's reasonable legal fees and expenses. A voluntary termination or permanent reduction of the facility during the first two and one-half years would also be subject to the applicable termination or reduction fee.

The additional \$25 million of committed credit capacity will provide OCPA with greater flexibility to meet power procurement, collateral, and liquidity requirements without maintaining an equivalent amount of additional unrestricted cash. Together with OCPA's continued reserve rebuilding, the facility is also intended to strengthen the Agency's overall liquidity profile in preparation for its planned 2028 credit rating application.

ATTACHMENT(S)

1. Resolution No. 2026-XX, a Resolution of the Board of Directors of the Orange County Power Authority Approving a Credit Facility with JPMorgan Chase Bank, N.A., in an Amount Not to Exceed \$60 Million and Authorizing the Chief Executive Officer to Execute the Credit Agreement and Related Documents, Including Non-Material Changes Thereto in Consultation with General Counsel
2. OCPA's Request for Proposals for Revolving Credit Facility (Solicitation Number: 26-002)
3. Draft Revolving Credit Agreement with JPMorgan Chase Bank, N.A.
4. Draft Fee Agreement with JPMorgan Chase Bank, N.A.
5. Other Ancillary Documents:
 - a. Security Agreement Regarding Deposit Account
 - b. Deposit Account Control Agreement
 - c. Continuing Agreement for Standby Letters of Credit

RESOLUTION NO. 2026-XX

A RESOLUTION OF THE BOARD OF DIRECTORS OF ORANGE COUNTY POWER AUTHORITY APPROVING A CREDIT FACILITY AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER AND GENERAL COUNSEL TO FINALIZE AND EXECUTE A CREDIT AGREEMENT AND RELATED DOCUMENTS

A. The Orange County Power Authority ("Authority") is a joint powers authority formed pursuant to the Joint Exercise of Powers Act (Cal. Gov. Code § 6500 *et seq.*).

B. The Authority operates a community choice aggregation program consistent with Public Utilities Code § 366.2 and its filings the California Public Utilities Commission.

C. The Authority requires a credit facility to provide credit support in the form of a line of credit for the posting of letters of credit and cash collateral for the purchase of energy and other products such as resource adequacy and renewable energy credits to comply with regulatory requirements and the Authority's commitment for renewables in its energy portfolio.

D. The Authority entered into a credit facility in the amount of \$35 million with MUFG Union Bank N.A. in 2021 (now U.S. Bank) to cover its collateral requirements and has used this facility from time to time to post letters of credit for collateral purposes.

E. The Authority commenced a competitive process to replace the existing credit facility in May of this year and the Authority received an offer from JPMorgan in July, 2026, to provide a \$60 million revolving credit facility ("Credit Facility") on terms that are the most favorable of the proposals that have been received by the Authority and the Authority has negotiated a Credit Agreement (with ancillary documents and exhibits), a Fee Agreement, Note, Security Agreement, that certain Continuing Agreement for Standby LCs, and a Deposit Account Control Agreement, in each case with JPMorgan setting forth the terms of such Credit Facility (collectively, the "Credit Documents"), which Credit Documents have been presented to the Board for review in their final form. The increase in the amount of the Credit Facility represents the continued growth of the Authority and the need to enter into long term power purchase agreements for renewable energy which require collateral postings.

F. Due to the nature of the Credit Facility to cover collateral requirements and potentially short term advances for cash flow purposes that would otherwise be covered from the Authority's cash reserves, the Credit Facility is not debt in the form of bonds and other indebtedness that is contemplated by Section 3.9.4 of the Joint Powers Agreement and therefore no special voting requirement is contemplated.

G. The Credit Documents provide that the Credit Facility will be secured by a pledge of the net revenues of the Authority after payment of energy providers and other operating and maintenance costs.

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

Section 1. The Board of Directors hereby approves the Credit Facility with JPMorgan as memorialized in the Credit Documents.

Section 2. The Board of Directors approves the pledge of (x) net revenues of the Authority, (y) the Account Collateral (as defined in the Credit Documents) and (z) any LC Collateral Accounts existing from time to time (as defined in the Credit Documents, as collateral for the repayment of the Credit Facility as defined in the Credit Documents.

Section 3. The Board of Directors authorizes the Joseph P. Mosca, the Chief Executive Officer, Tiffany Law, the Chief Financial Officer, and General Counsel to take such action as is necessary and appropriate to finalize and execute the Credit Facility Documents and related agreements, including any exhibits, schedules, certificates and ancillary documents that are described therein, as necessary to close the Credit Facility and to carry out the transactions contemplated thereby.

Section 4. This resolution shall take effect immediately upon its adoption, and shall supersede any and all prior direction by the Board of Directors to the contrary with respect to the matters listed in this resolution.

PASSED AND ADOPTED at a meeting of the Board of Directors of Orange County Power Authority held on September 14, 2026.

Chairman
Orange County Power Authority

ATTEST:

Authority Secretary
Orange County Power Authority



REQUEST FOR PROPOSALS

For

Orange County Power Authority

REVOLVING CREDIT FACILITY

Solicitation Number: **26-002**

RESPONSE DUE
by
5:00 p.m. Pacific Standard Time
on
July 10, 2026

For complete information regarding this project, see RFP posted at www.ocpower.org or contact OCPA at the email address listed below.

Thank you for your interest!

sviramontes@ocpower.org

A. BACKGROUND AND INTRODUCTION

Orange County Power Authority (“OCPA”) is requesting qualified lenders and/or financial institutions to submit proposals for a revolving credit facility (the “Credit Facility” or “Facility”) consisting of a revolving line of credit and a standby letter of credit facility in an aggregate amount between \$60 million and \$150 million.

The Credit Facility may be applied for the following purposes:

- Replace existing credit facility
- Support power procurement
- Issue new, and replace existing, letters of credit
- Meet possible new cash collateral requirements
- Enable local development and programmatic investments by OCPA
- Potentially provide letter of credit to cover CPUC requirements related to Provider of Last Resort rulemaking
- Other general working capital needs to support long-term operations as may be needed

1. BACKGROUND

OCPA is a dynamic public agency serving customers with renewable energy options at affordable rates. As one of the 25 Community Choice Aggregators (CCAs) operating across California, OCPA launched service in 2022 and currently serves more than 188,000 customer accounts with an annual load of 2,200 GWh within the Southern California Edison service territory. Member cities include Buena Park, Fullerton, Irvine, and Fountain Valley (scheduled for enrollment in April 2027), with plans for continued expansion in the coming years. For more information, please visit our website at www.ocpower.org.

OCPA was established on November 20, 2020, as a California Joint Powers Authority (JPA) formed to operate as a Community Choice Aggregator (CCA) in Orange County. OCPA provides a range of benefits to participating communities, including:

- Providing electric power at affordable rates with reduced carbon emissions
- Prioritizing the procurement and development of local renewable resources
- Stimulating local job creation through energy programs and initiatives
- Promoting community participation and ownership in renewable energy projects
- Supporting long-term rate stability for residents and businesses

OCPA is governed by a Board of Directors (Board) composed of elected representatives from each participating jurisdiction. The JPA authorizes OCPA with the rights and powers to set rates for its services, incur indebtedness, and issue bonds or other financial obligations. OCPA was created to procure and supply electricity to customers in its member cities and to advance broader community benefits for residential, commercial, industrial, and agricultural customers across its service area.

OCPA recorded operating revenues of \$283.6 million in FY2024/25 and projects operating

revenues of \$275.5 million for FY2025/26. As of March 31, 2026, OCPA reported a net position of \$41.3 million and maintained \$86.0 million in liquidity, consisting of \$51.0 million unrestricted cash and a \$35 million line of credit with U.S. Bank (with no current utilization). OCPA's Annual Audited Financial Statements and Quarterly Unaudited Financial Reports are available on its website ([Key Documents - Orange County Power Authority](#)).

In May 2026, OCPA engaged PFM Financial Advisors LLC, a municipal financial advisory firm, to assist with the evaluation, procurement, and negotiation of banking services and credit facilities.

2. TERM OF AGREEMENT

Services are expected to commence on the closing date of the Credit Facility and continue through the end of the term of the Facility.

B. PROPOSAL SUBMISSION REQUIREMENTS

OCPA will establish a Revolving Credit Facility Selection Panel (Panel) to evaluate all proposals based solely on the information submitted, in accordance with the evaluation criteria outlined below.

Following the evaluation of proposals, the Panel will rank the submissions and recommend the most qualified Proposer to the Board of Directors for potential contract award. The Board of Directors retains final authority to approve and enter into an agreement with the selected Proposer. OCPA reserves the right to reject any or all proposals submitted in response to this RFP.

Only digital submissions will be accepted. All proposals must be submitted through www.bidnetdirect.com, which is free for applicants. If use of Bidnet Direct presents a hardship, proposals may instead be submitted in PDF format via email to Saul Viramontes, sviramontes@ocpower.org, by the established deadline. Submissions in any other digital format will not be accepted.

OCPA requests that all proposals include the following minimum requirements to demonstrate the proposer's comprehensive experience in lending to CCAs and to provide OCPA with a complete assessment of the proposer's ability to meet OCPA's needs.

1. CONTENT AND FORMAT OF PROPOSAL

1. **Respondent Information.** Provide general information on the respondent entity including name, address, phone number, fax number, and e-mail address of the contact person who is authorized to answer questions and to negotiate final terms and conditions.
2. **Firm's Ratings.** Please provide your firm's long-term and short-term ratings from Moody's, Standard & Poor's, and Fitch for each of the past three years. Please comment

on any relevant events that may cause or that recently have caused any of the rating agencies to place these ratings under review. Please provide each rating agency's current outlook on the firm. Respondent Bank must have at least two ratings in the "A2/A" category or higher.

3. **Capital Position.** Please provide your firm's capital position.
4. **Experience.**
 - a. Provide a description of your firm's experience in the government sector. What, if any, experience does your firm have with OCPA and its service territories?
 - b. Provide a description of your firm's experience with CCA programs.
 - c. For firms without direct experience with CCA programs, please provide your experience in related sectors including public power agencies.
5. **Other Qualifications.** Provide any other qualifications you believe are relevant to OCPA in their evaluation of your firm's response.
6. **Credit Approval.** Please describe the approval process, indicate the timing for credit approval once an award is made, and indicate the current stage of your firm's credit approval process. Please confirm your proposal will be good through the desired timing described below.
7. **Ongoing Monitoring.** Describe your compliance/monitoring process and procedures for OCPA as your credit facility counterparty, specifically any ongoing requirements imposed on the counterparty.
8. **Total Facility / Exposure Amount.** Please indicate the total amount your firm is willing to commit to OCPA for the Credit Facility. OCPA's preference is to work with one bank, but offers less than the full amount which may require multiple banks will be considered.
9. **Term.** Please detail your proposed facility commitment period.
10. **Fee Proposal.** Please summarize your proposed fees. To assist in the evaluation process, please complete the Cost Information Form, included as Attachment A. OCPA will also accept a Term Sheet in lieu of the Cost Information Form provided the informational categories in the Cost Information Form are contained in the Term Sheet.
11. **Covenant and Reporting Requirements.** Please summarize the affirmative and negative covenants that you will require and how those covenants will change if OCPA acquires an investment grade credit rating. It is OCPA's preference that the covenant package deemphasizes the DSCR.

12. **Legal Provisions.** Please describe the more significant legal terms your Credit Facility would require, in particular, terms related to cost increases, Events of Default, Call Features (OCA desires flexible call provisions), Term-Out provisions, disclosure and reporting, ratings maintenance, etc.
13. **Rating.** OCA would like respondents to include information related to how they may handle a future rating upgrade/downgrade should that occur. Notably, can the respondent include ratings-related provisions, pricing adjustments, and downgrade pricing adjustments for the facility today that could be applicable in the future?
14. **Legal Counsel.** Please indicate the law firm and the primary attorney that will represent your firm in this transaction. If foreign counsel is also required, please indicate the law firm and primary attorney.
15. **Expenses.** OCA desires to set a limit on legal and out-of-pocket expenses incurred by your firm. Indicate: (i) a cap on the legal fees and expenses of counsel to the firm; and (ii) a cap on any other expenses to be incurred.
16. **References.** Please submit three references with similar scope and specifications of the proposed facilities.
17. **Timing.** OCA expects to execute the chosen plan of finance prior to September 18, 2026. As part of your response, please confirm that all pricing being offered will not change during this timeframe.

2. EVALUATION CRITERIA

Proposals submitted in response to this RFP will be evaluated for award based on the criteria outlined below. Respondents should provide sufficient information to enable OCA to evaluate their proposal against the selection criteria. Failure to include required information may render a proposal non-responsive and subject to rejection.

The Selection Panel will identify the proposal that offers the greatest value to OCA based on the following criteria:

- a. The firm is independent, properly licensed, and authorized to conduct business in the State of California.
- b. The firm has no conflict of interest with respect to any other work performed for OCA.
- c. Clarity, completeness, and conformance of proposal to the requirements of this RFP.
- d. Quality and content of the proposal.
- e. Relevant experience and past performance of the proposing firm.

- f. Experience and qualifications of proposed team members.
- g. Fee proposal and cost-effectiveness.
- h. Quality of references

It is OCPA's intent to select a firm that demonstrates the competence, experience and professional qualifications necessary to perform the requested services. As outlined in the evaluation criteria, the decision to award the contract will consider multiple factors, prioritizing the proposal that best serves OCPA's interests. OCPA will not necessarily award the contract to the lowest-cost proposer.

OCPA reserves the right to reject any or all proposals, to make a selection based solely on written submissions. The successful proposer will be chosen based on the written proposal and the results of OCPA's review and due diligence.

OCPA reserves the right to award multiple contracts if it is determined to be in the agency's best interest.

3. RFP SCHEDULE

The tentative schedule for this RFP is as follows:

Release of RFP	June 15, 2026
Deadline for Written Questions	June 26, 2026
Responses to Questions Provided	July 6, 2026
Proposals Due	July 10, 2026
Evaluation of Proposals	Week of July 13, 2026
Board Approval	September 14, 2026
Facility Start Date	September 19, 2026

The above schedule is tentative and subject to change at OCPA's sole discretion. OCPA reserves the right to modify or cancel any part of or all of this RFP at any time.

C. TERMS AND CONDITIONS

1. GENERAL PROVISIONS

a. Incurring Cost

This RFP does not commit OCPA to award or pay any cost incurred in the submission of the proposal, or in making necessary studies or designs for the preparation thereof, nor procure or contract for services or supplies. Further, OCPA will not reimburse the proposer for any costs incurred in responding to this RFP.

b. Claims Against OCPA

Neither your organization nor any of your representatives shall have any claims whatsoever against OCPA or any of its respective officials, agents, or employees arising out of or relating to this RFP or these RFP procedures, except as set forth in the terms of a definitive agreement between OCPA and your organization.

c. *Guarantee of Proposal*

Responses to this RFP, including proposal prices, will be considered firm and irrevocable for ninety (90) days after the due date for receipt of proposals.

d. *Basis for Proposal*

Only information supplied by OCPA in writing by OCPA in connection with this RFP should be used as the basis for the preparation of Proposer's proposal.

e. *Form of Proposals*

Proposals must be submitted electronically by e-mail and must be received by OCPA prior to the deadline.

f. *Amended Proposals*

Proposers may submit amended proposals before the Deadline to Submit Proposals. Such amended proposals must be complete replacements for previously submitted proposals and must be clearly identified in a written format.

g. *Withdrawal of Proposal*

Proposers may withdraw their proposals at any time prior to the Deadline to Submit Proposals. The Proposer must submit a written withdrawal request signed by the Proposer's duly authorized representative addressed to and submitted to the Contact.

h. *No Late Responses*

To be considered, proposals must be received electronically via bidnetdirect.com by the date and time reflected on the cover page.

i. *California Public Records Act (CPRA)*

Pursuant to *Michaelis, Montanari, & Johnson v. Superior Court* (2006) 38 Cal.4th 1065, proposals submitted in response to this RFP may be held as confidential by OCPA and shall not be subject to disclosure under the California Public Records Act (Cal. Government Code § 7920.000 et seq.) until after either OCPA and the successful proposer(s) have completed negotiations and entered into an Agreement or OCPA has rejected all proposals. All correspondence with OCPA including responses to this RFP will become the exclusive property of OCPA and will become public records under the California Public Records Act. Furthermore, and notwithstanding any other provision of this RFP, OCPA will have no liability to the proposer or other party as a result of any public disclosure of any proposal or the Agreement.

If a proposer believes that a portion of its proposal would be exempt from disclosure under the California Public Records Act, the proposer must mark it as such and state the specific provision in the California Public Records Act which provides the exemption as well as the factual basis for claiming the exemption. For example, if a proposer submits trade secret information, the proposer must plainly mark the information as "Trade Secret" and refer to the appropriate section of the California Public Records Act which provides the exemption as well as the factual basis for claiming the exemption. Although the California Public Records Act recognizes that certain confidential trade secret information may be protected from disclosure, OCPA may not be in a position to establish that the information that a Proposer submits is a

trade secret. If a request is made for information marked “Confidential”, “Trade Secret” or “Proprietary”, OCPA will endeavor to provide proposers who submitted the information with reasonable notice to seek protection from disclosure by a court of competent jurisdiction at the proposer’s sole expense.

j. Confidentiality

All data and information obtained from or on behalf of OCPA by the Proposer and its agents in this RFP process, including reports, recommendations, specifications, and data, shall be treated by the Proposer and its agents as confidential. The Proposer and its agents shall not disclose or communicate this information to a third party or use it in advertising, publicity, propaganda, or in another job or jobs, unless written consent is obtained from OCPA. Generally, each proposal and all documentation, including financial information, submitted by a consultant to OCPA is confidential until a contract is awarded, when such documents become public record under State and local law, unless exempted under CPRA.

k. Electronic Mail Address

Most of the communication regarding this procurement will be conducted by electronic mail (e-mail). Potential Proposers agree to provide the contact with a valid e-mail address to receive this communication.

l. OCPA Rights

OCPA reserves the right to do any of the following at any time:

- Reject any or all proposal(s), without indicating any reason for such rejection;
- Waive or correct any minor or inadvertent defect, irregularity, or technical error in a proposal or the RFP process, or as part of any subsequent contract negotiation;
- Request that Proposers supplement or modify all or certain aspects of their proposals or other documents or materials submitted;
- Cancel the RFP, and at its option, issue a new RFP;
- Procure any services specified in this RFP by other means;
- Modify the selection process, the specifications or requirements for materials or services, or the contents or format of the proposals;
- Extend a deadline specified in this RFP, including deadlines for accepting proposals;
- Negotiate with any or none of the Proposers;
- Modify any terms and/or conditions described in this RFP in the final agreement;
- Terminate failed negotiations with any Proposer without liability, and negotiate with other Proposer(s);
- Disqualify any Proposer on the basis of a real or apparent conflict of interest, or evidence of collusion that is disclosed by the proposal or other data available to OCPA;
- Eliminate, reject, or disqualify a proposal of any Proposer who is not a responsible Proposer or fails to submit a responsive offer as determined solely by OCPA or its representative; and/or
- Accept all or a portion of a Proposer’s proposal.

m. Protests

A Proposer may protest a contract award if the Proposer believes that the award was inconsistent with OCPA policy or this RFP is not in compliance with law. A protest must be filed in writing with OCPA (email is not acceptable) within five (5) business days after receipt of notification of the contract award. Any protest submitted after 5:00 p.m.(PST) of the fifth business day after notification of the contract award will be rejected by OCPA as invalid and the Proposer's failure to timely file a protest will waive the Proposer's right to protest the contract award. The Proposer's protest must include supporting documentation, legal authorities in support of the grounds for the protest and the name, address and telephone number of the person representing the Proposer for purposes of the protest. Any matters not set forth in the protest shall be deemed waived.

OCPA will review and evaluate the basis of the protest provided the protest is filed in strict conformity with the foregoing. OCPA shall provide the Proposer submitting the protest with a written statement concurring with or denying the protest. Action by OCPA relative to the protest will be final and not subject to appeal or reconsideration. The procedure and time limits set forth in this Section are mandatory and are the Proposer's sole and exclusive remedy in the event of protest. Failure to comply with these procedures will constitute a waiver of any right to further pursue the protest, including filing a Government Code claim or legal proceedings.

n. Independent Contractor

Services provided by the successful Proposer ("Consultant") shall be performed as an independent contractor. All persons employed by Consultant in connection with this agreement shall not be agents or employees of OCPA. Consultant shall be solely and exclusively in charge of determining the means by which the services called for herein are performed, and shall be responsible for all costs incurred in connection therewith, unless OCPA agrees otherwise in a duly executed writing delivered to consultant prior to the incurring of such expense. Consultant may also retain or subcontract for the services of other necessary consultants with the approval of OCPA. Payment for such services shall be the responsibility of consultant.

o. Non-Discrimination for Employment with Consultant

During the performance of this agreement, the successful Proposer will not discriminate against any employee or applicant for employment because of race, gender, gender expression, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selecting for training, including apprenticeship. The Consultant will ensure that all qualified applicants for employment with Consultant will receive consideration for employment without regard to race, gender, gender expression, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability. Consultant will take affirmative action to ensure that employees are treated during employment, without regard to their race, gender, gender expression, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability. Likewise, the Consultant will insure that all qualified applicants for OCPA Chief Executive Officer will receive consideration for employment without regard to race, gender, gender expression, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability.

p. Conflict of Interest

The selected Proposer shall employ no OCPA official or employee in the work performed pursuant to this agreement. No officer or employee in OCPA shall have any financial interest in this agreement in violation of California Government Code Sections 1090 and following, or Sections 87100 and following; nor shall OCPA violate any provision of its Conflict of Interest Code adopted pursuant to the provisions of California Government Code Section 87300 and following.

q. Exceptions Certification to this RFP

In submitting a proposal in response to this RFP, Proposer is certifying that it takes no exceptions to this RFP including, but not limited to, the Agreement. If any exceptions are taken, such exceptions must be clearly noted in the proposal and may be reason for rejection of the proposal. As such, Proposer is directed to carefully review the attached Agreement and, in particular, the insurance and indemnification provisions therein.

r. Disclosure Provision/ Conflict of Interest

OCPA complies with all California statutes and regulations related to conflicts of interest. Under the applicable conflict of interest requirements, the selected proposer may be required to complete and file Form 700 with OCPA before starting or at a future point during the engagement if such requirements become applicable to the selected proposer.

s. Reporting of Supplier Diversity Information

Public Utilities Code Section 366.2(m) requires certain community choice aggregators, including OCPA, to annually submit to the California Public Utility Commission (CPUC) a report regarding its procurement from women business enterprises (WBEs), minority business enterprises (MBEs), disabled veteran business enterprises (DVBes), and LGBT business enterprises (LGBTBEs). Businesses may become certified WBEs, MBEs, DVBes, and LGBTBEs through the CPUC Clearinghouse, which can be found here: www.thesupplierclearinghouse.com. Proposers that are awarded the contract will be asked to voluntarily disclose their certification status with the CPUC Clearinghouse, as well as their efforts to work with diverse business enterprises, including WBEs, MBEs, DVBes, and LGBTBEs. OCPA will use that information solely for compliance with its reporting obligations under Public Utilities Code Section 366.2(m) and evaluation of OCPA's outreach and other activities consistent with applicable law. Pursuant to Article I, Section 31 of the California Constitution, OCPA shall not discriminate against or give preferential treatment to any individual or group based on race, sex, color, ethnicity, or national origin, except as otherwise permitted thereunder.

t. Prevailing Wage

Proposers shall take cognizance of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq. ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public work" and "maintenance" projects. The Proposer must agree to fully comply with and to require its subcontractors/subconsultants to fully comply with such Prevailing Wage Laws to the extent applicable. If the Services are funded in whole or in part by federal funds or otherwise requires compliance with the Davis-Bacon Fair Labor Standards Act, the successful Proposer and all its subcontractors/subconsultants shall pay the higher of the state or federal prevailing wage rates.

2. OCPA CONTACT

All questions regarding these specifications, terms and conditions are to be submitted via www.bidnetdirect.com no later than 5:00 p.m. (PST) on July 10, 2026. Bidnetdirect.com will be the official notification posting place of all Requests for Interest, Proposals, Quotes and Addenda.

Go to <https://www.bidnetdirect.com/california/orangecountypowerauthority> to view current contracting opportunities.

ATTACHMENT A

Firms are encouraged to provide different pricing options based on the term and authorization of the proposed Credit Facility. OCPA will also accept a Term Sheet in lieu of the Cost Information Form provided the informational categories below are contained in the Term Sheet.

Name of Firm: _____

Credit Facility	
Term 3-Years 5-Years Other ____ Years	
Annual Fee (Fixed Spread to Index, if applicable)	
Upfront Fee (if any)	
Downgrade Provisions	
Draw Fee	
Term-Out Period	
Termination Fee	
Early Termination Provisions	
Events of Default	
Additional Covenants	
Other Fees and Expenses (please specify)	

REVOLVING CREDIT AGREEMENT

dated as of September [], 2026

between

ORANGE COUNTY POWER AUTHORITY,
as the Borrower

and

JPMORGAN CHASE BANK, N.A.,
as the Lender

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REVOLVING CREDIT AGREEMENT

This REVOLVING CREDIT AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this “*Agreement*”) is entered into as of September [], 2026, between ORANGE COUNTY POWER AUTHORITY, a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code Section 6500 et. Seq. (the “*Borrower*” or “*OCPA*”), and JPMORGAN CHASE BANK, N.A. (together with its successors and assigns, the “*Lender*”).

PRELIMINARY STATEMENTS

WHEREAS, the Borrower wishes to obtain credit from the Lender hereunder and the Lender is willing, upon the terms and subject to the conditions set forth in this Agreement, to provide such credit to the Borrower; and

WHEREAS, all obligations of the Borrower to repay the Lender for Credit Extensions (as defined herein) made by the Lender under the Commitment (as defined herein), and interest thereon, are created under and will be evidenced by this Agreement, the Fee Agreement (as defined herein) and the Note (as defined herein), and will be secured by a pledge of and lien on Net Revenues (as defined herein).

NOW, THEREFORE, in consideration of the foregoing recitals and other consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce the Lender to extend to the Borrower the Commitment, the Borrower and the Lender hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. The following terms, as used herein, have the following meanings:

“*Account Collateral*” means the Collateral as defined in the Security Agreement re Deposit Accounts.

“*ABR*”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, bear interest at a rate determined by reference to the Alternate Base Rate.

“*Act*” means the Joint Exercise of Powers Act of the State of California, Government Code Section 6500 et. Seq.

“*Adjusted Daily Simple SOFR*” means an interest rate per annum equal to (a) the Daily Simple SOFR, plus (b) 0.10%; provided that if Adjusted Daily Simple SOFR as so

determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“Adjusted Term SOFR Rate” means, for any Interest Period, an interest rate per annum equal to (a) the Term SOFR Rate for such Interest Period, *plus* (b) 0.10%; *provided that* if the Adjusted Term SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“Affiliate” means as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. A Person shall be deemed to control another Person if the controlling Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other Person, whether through the ownership of voting securities, by contract or otherwise.

“Alternate Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) the Adjusted Term SOFR Rate for a one month Interest Period as published two U.S. Government Securities Business Days prior to such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%; *provided that* for the purpose of this definition, the Adjusted Term SOFR Rate for any day shall be based on the Term SOFR Reference Rate at approximately 5:00 a.m. Chicago time on such day (or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator in the Term SOFR Reference Rate methodology). Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.14 (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 2.14(b)), then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 1%, such rate shall be deemed to be 1% for purposes of this Agreement.

“Annual Debt Service” means, as of any date of calculation, for any Fiscal Year or other designated four fiscal quarter period, the sum of (A) all interest and fees (including facility fees, undrawn fees and commitment fees) due and payable on the Loans, the Letters of Credit, other System Debt (or, in the case of projected Annual Debt Service, projected to be due and payable) in such Fiscal Year or other designated four fiscal quarter period, and (B) the sum of the (i) quotient obtained by dividing the average daily outstanding principal balance of the Loans, System Debt (other than the Borrower’s payment Obligations under this Agreement), during such Fiscal Year or other designated four fiscal quarter period by 5 and (ii) quotient obtained by dividing the average daily

amounts available to be drawn under outstanding Letters of Credit during such Fiscal Year or other designated four fiscal quarter period by 7.5.

“Applicable Rate” has the meaning set forth in the Fee Agreement.

“Approved Borrower Portal” means an electronic platform chosen by the Lender to be its electronic transmission system and that the Borrower has been given access to.

“Approved Electronic Platform” means IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic platform chosen by the Lender to be its electronic transmission system.

“Agreement” has the meaning set forth in the introductory paragraph hereof.

“Anti-Terrorism Laws” has the meaning set forth in Section 4.17 hereof

“Authorized Officer” means the Chief Financial Officer, and any other individual designated from time to time in a certificate executed by the Borrower and delivered to the Lender.

“Availability Period” means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitment.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to subclause (e)(i) of Section 2.14.

“Basic Documents” means this Agreement, the Fee Agreement, the Note, the Lockbox Security Documents, the Security Agreement re Deposit Accounts, any Letter of Credit or LC Document issued under this Agreement, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing permitted hereunder and thereunder. For the avoidance of doubt, PPAs are not Basic Documents.

“Benchmark” means, initially, with respect to any (i) RFR Loan, the Daily Simple SOFR or (ii) Term Benchmark Loan, the Term SOFR Rate; *provided* that if a Benchmark Transition Event, and the related Benchmark Replacement Date have occurred with respect to the Daily Simple SOFR or Term SOFR Rate, as applicable, or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to subclause (e)(i) of Section 2.14.

“Benchmark Replacement” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Lender for the applicable Benchmark Replacement Date:

- (1) the Adjusted Daily Simple SOFR; or
- (2) the sum of: (a) the alternate benchmark rate that has been selected by the Lender and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for Dollar-denominated syndicated credit facilities at such time in the United States and (b) the related Benchmark Replacement Adjustment;

If the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Basic Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Lender and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities at such time.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement and/or any Term Benchmark Loan, any technical, administrative or operational changes (including changes to the definition of “Alternate Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Lender decides may be appropriate to reflect the adoption and implementation of such Benchmark and to permit the administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender decides that adoption of

any portion of such market practice is not administratively feasible or if the Lender determines that no market practice for the administration of such Benchmark exists, in such other manner of administration as the Lender decides is reasonably necessary in connection with the administration of this Agreement and the other Basic Documents).

“Benchmark Replacement Date” means, with respect to any Benchmark, the earliest to occur of the following events with respect to such then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or component thereof) have been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if such Benchmark (or component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) above with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such

Benchmark (or such component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, the CME Term SOFR Administrator, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case, which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“*Benchmark Unavailability Period*” means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Basic Document in accordance with Section 2.14 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Basic Document in accordance with Section 2.14.

“*BHC Act Affiliate*” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“*Borrower*” has the meaning set forth in the introductory paragraph hereof.

“Borrowing” means the making of a Loan by the Lender to the Borrower pursuant to Section 2.01 hereof.

“Borrowing Request” means a notice in writing of a Borrowing pursuant to Section 2.02(a), which shall be substantially in the form of Exhibit B attached hereto, or such other form as may be approved by the Lender (including any form on an electronic platform or electronic transmission system as shall be approved by the Lender), appropriately completed and signed by an Authorized Officer.

“Borrowing Date” has the meaning set forth in Section 2.02 hereof.

“Business Day” means, any day (other than a Saturday or a Sunday) on which banks are open for business in New York City or Irvine, California; provided that, in addition to the foregoing, a Business Day shall be any such day that is only a U.S. Government Securities Business Day (a) in relation to RFR Loans and any interest rate settings, fundings, disbursements, settlements or payments of any such RFR Loan, or any other dealings of such RFR Loan and (b) in relation to Loans referencing the Adjusted Term SOFR Rate and any interest rate settings, fundings, disbursements, settlements or payments of any such Loans referencing the Adjusted Term SOFR Rate or any other dealings of such Loans referencing the Adjusted Term SOFR Rate.

“CAISO” means the California Independent System Operator.

“Cash and Cash Equivalents” means, as of any date of determination, the cash on hand of the Borrower derived from Revenues, demand deposits of Revenues, and any of the following short-term investments purchased with proceeds of Revenues, in each case as of such date and which are not legally restricted: (a) readily marketable obligations issued or directly and fully guaranteed or insured, by the United States of America or any agency or instrumentality thereof having maturities of not more than three hundred sixty (360) days from the date of acquisition thereof; *provided* that the full faith and credit of the United States of America is pledged in support thereof; (b) time deposits with, or insured certificates of deposit or bankers’ acceptances of, any commercial bank that (i) is organized under the laws of the United States of America, any state thereof or the District of Columbia or is the principal banking subsidiary of a bank holding company organized under the laws of the United States of America, any state thereof or the District of Columbia, and is a member of the Federal Reserve System, (ii) issues (or the parent of which issues) commercial paper rated as described in clause (c) of this definition and (iii) has combined capital and surplus of at least \$1,000,000,000, in each case with maturities of not more than ninety (90) days from the date of acquisition thereof; (c) commercial paper issued by any Person organized under the laws of any state of the United States of America and rated at least “Prime-1” (or the then equivalent grade) by Moody’s or at least “A-1” (or the then equivalent grade) by S&P, in each case with maturities of not more than ninety (90) days from the date of acquisition thereof and (d) investments, classified in accordance with GAAP as current assets of the Borrower in money market investment programs registered under the Investment Company Act of 1940, which are administered by financial institutions that have the highest rating obtainable from either Moody’s or

S&P, and the portfolios of which are limited solely to investments of the character, quality and maturity described in clauses (a), (b) and (c) of this definition.

“Cash Collateral Loan” means a Loan (or a portion of a Loan) the proceeds of which are deposited with a Person other than the Borrower in order to secure the Borrower’s payment obligations under one or more PPAs.

“Change in Law” means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any Law, rule, regulation or treaty, (b) any change in any Law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Lender for International Settlements, the Basel Committee on Banking Supervision (the “Basel Committee”), or any successor or similar authority, or the United States or foreign regulatory authorities, in each case pursuant to the regulatory standards established by the Basel Committee with respect to bank capital adequacy, stress testing and market liquidity risk and commonly referred to as “Basel III,” shall in each case be deemed to be a *“Change in Law”*, regardless of the date enacted, adopted or issued.

“CME Term SOFR Administrator” means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or a successor administrator).

“Code” means the Internal Revenue Code of 1986, as amended from time to time, including regulations, rulings and judicial decisions promulgated thereunder.

“Collateral Agent” means TMI Trust Company, a Florida corporation, and its permitted successors or assigns in such capacity under the Lockbox Security Documents.

“Commitment” means the Lender’s obligation to make Loans to the Borrower pursuant to Section 2.01 and issue Letters of Credit for the account of the Borrower pursuant to Section 2.03, expressed as an amount representing the maximum aggregate amount of the Lender’s Revolving Credit Exposure hereunder, as such commitment may be reduced from time to time pursuant to Section 2.05(a) hereof. On the Effective Date, the amount of the Commitment is \$60,000,000.

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Borrower relating to the authorization, execution and delivery of this Agreement, the Note and the Letters of Credit, including fees, charges, disbursements and expenses of attorneys, municipal advisors, accounting firms, consultants and other professionals, and fees and charges for the preparation, execution and delivery of this Agreement, the Note and the Letters of Credit.

“Covered Entity” means any of the following:

(i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Covered Party” has the meaning assigned to it in Section 9.16.

“CPUC” means the California Public Utilities Commission.

“Credit Extension” means each of the following: (a) a Borrowing and (b) an LC Credit Extension.

“Daily Simple SOFR” means, for any day (a *“SOFR Rate Day”*), a rate per annum equal SOFR for the day (such day *“SOFR Determination Date”*) that is five (5) U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower. If by 5:00 p.m. (New York City time) on the second (2nd) U.S. Government Securities Business Day immediately following any SOFR Determination Date, SOFR in respect of such SOFR Determination Date has not been published on the SOFR Administrator’s Website and a Benchmark Replacement Date with respect to the Daily Simple SOFR has not occurred, then SOFR for such SOFR Determination Date will be SOFR as published in respect of the first preceding U.S. Government Securities Business Day for which such SOFR was published on the SOFR Administrator’s Website.

“Days Liquidity on Hand” means, as of any date of determination, the quotient, in number of days, obtained by dividing (i) sum of (A) the Cash and Cash Equivalents (B) the Level 1 Assets, and (C) the Revolving Credit Availability, in each case, on such date of determination by (ii) the product of (A) the sum of Operation and Maintenance Expenses and Interest Expense for the four consecutive fiscal quarter period ended on or immediately prior to such date of determination and (B) 1/365.

“Debt” of any Person means at any date, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business and not more than ninety (90) days past due, (d) all obligations of such Person as lessee under capital leases, (e) all Debt of others secured by a lien on any asset of such Person, whether or not such Debt is assumed by such Person, (f) all Guarantees by such Person of Debt of other Persons and (g) the net obligations of such Person under any Swap Contract. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date.

“Debtor Relief Laws” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Debt Service Coverage Ratio” means, determined as of the last day of any fiscal quarter of the Borrower, the ratio obtained by dividing (i) Net Revenues by (ii) the Annual Debt Service, in each case as determined for the four consecutive fiscal quarter period ended on the last day of such fiscal quarter.

“Debt Service Coverage Ratio Notice” has the meaning set forth in Section 5.11(a).

“Default Rate” has the meaning set forth in the Fee Agreement.

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Direction Letter” has the meaning set forth in the Lockbox Security Agreement.

“Dodd-Frank Act” means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as enacted by the United States Congress, and signed into law on July 21, 2010, and all statutes, rules, guidelines or directives promulgated thereunder.

“Dollar” and *“\$”* mean lawful money of the United States.

“Effective Date” means September [], 2026, subject to the satisfaction or waiver by the Lender of the conditions precedent set forth in Section 3.01 hereof.

“Electronic Signature” means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Event of Default” has the meaning set forth in Section 7.01 of this Agreement.

“Excluded Taxes” means, with respect to the Lender, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Lender is organized or in which its principal office is located and (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which the Borrower is located.

“Executive Order” has the meaning set forth in Section 4.17 hereof

“Existing Maturity Date” has the meaning set forth in Section 2.05(b)(i) hereof.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

“Federal Funds Effective Rate” means, for any day, the rate calculated by the NYFRB based on such day’s federal funds transactions by depository institutions, as determined in such manner as shall be set forth on the NYFRB’s Website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; *provided* that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Fee Agreement” means that certain Fee Agreement, dated as of the Effective Date, between the Borrower and the Lender, as supplemented, amended, restated or otherwise modified from time to time in accordance with the terms hereof.

“Final Letter of Credit Expiration Date” means the earlier of (i) the date on which the Lender declares its obligation to make Credit Extensions terminated under Section 7.02 hereof and (ii) the day that is thirty (30) days prior to the Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

“Fiscal Year” means each twelve-month period commencing on July 1 of a calendar year and ending on June 30 of the following calendar year.

“Funding Agreement” means that certain Agreement between the City of Irvine and the Borrower for the advance of funds for implementation of a community choice aggregation program effective as of December 16, 2020, as the same may be amended, restated or otherwise modified from time to time, in accordance with the terms hereof and thereof.

“Fitch” means Fitch Ratings, Inc., a Delaware corporation.

“Floor” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Adjusted Term SOFR Rate or Adjusted Daily Simple SOFR, as applicable. For the avoidance of doubt the initial Floor for each of the Adjusted Term SOFR Rate or Adjusted Daily Simple SOFR shall be zero.

“GAAP” means generally accepted accounting principles in the United States of America from time to time as set forth in (a) the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and (b) statements and pronouncements of the Government Accounting Standards Board, as modified by the opinions, statements and pronouncements of any similar accounting body of comparable standing having authority over accounting by governmental entities.

“Generation Rates” has the meaning set forth in Section 5.01(j)(i) hereof.

“Governmental Authority” means the government of the United States of America or any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Guarantee” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Debt or other obligation payable or performable by another Person (the *“primary obligor”*) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Debt or other obligation of the payment or performance of such Debt or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Debt or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Debt or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any

Lien on any assets of such Person securing any Debt or other obligation of any other Person, whether or not such Debt or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Debt to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “*Guarantee*” as a verb has a corresponding meaning.

“*Honor Date*” has the meaning set forth in Section 2.03(d) hereof.

“*Indemnified Costs*” has the meaning set forth in Section 9.03(b) hereof.

“*Indemnified Taxes*” means (a) Taxes other than Excluded Taxes and (b) to the extent not otherwise described in (a) hereof, Other Taxes.

“*Intercreditor and Collateral Agency Agreement*” means the Intercreditor and Collateral Agency Agreement, dated as of October 29, 2021, as amended and supplemented in accordance with the terms hereof, by and among (i) the Collateral Agent, (ii) each of the creditors from time-to-time signatory thereto that are party to a PPA, and (iii) OCPA.

“*Interest Election Request*” means a request by the Borrower to convert or continue a Borrowing (other than an ABR Borrowing of a Reimbursement Loan) in accordance with Section 2.13, in a form approved by the Lender and signed by the Borrower.

“*Interest Expense*” means, for any period, the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP, (b) all interest paid or payable with respect to discontinued operations and (c) the portion of rent expense under capitalized leases that is treated as interest in accordance with GAAP, in each case, of or by the Borrower with respect to the Borrower for such period.

“*Interest Payment Date*” means (a) with respect to any ABR Loan, the last day of each March, June, September and December and the Maturity Date, (b) with respect to any RFR Loan, (1) each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month) and (2) the Maturity Date and (c) with respect to any Term Benchmark Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Term Benchmark Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period, and the Maturity Date.

“Interest Period” means with respect to any Term Benchmark Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter (in each case, subject to the availability for the applicable Benchmark), as the Borrower may elect; *provided*, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) no tenor that has been removed from this definition pursuant to Section 2.14(e) shall be available for specification in such Borrowing Request or Interest Election Request. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Investment Policy” means the investment guidelines of the Borrower, as the same may be adopted by the Borrower and amended from time to time in accordance with State laws.

“Irvine Debt” means unsecured Debt in an aggregate principal amount not to exceed (x) prior to the Irvine Debt Payoff Date, \$7,000,000 or (y) on and after the Irvine Debt Payoff Date, \$0 owing by the Borrower to the City of Irvine, California pursuant to the Funding Agreement.

“Irvine Debt Payoff Date” means the earlier of (x) the date that the Borrower has fully repaid the aggregate amount of Irvine Debt outstanding on the date hereof (plus any principal or fees earned and payable with respect to such Debt) and (y) January 31, 2027.

“ISP” means, with respect to any Letter of Credit, means International Standby Practices 1998 (International Chamber of Commerce Publication No. 590) and any subsequent revision thereof adhered to by the Lender on the date such Letter of Credit is issued.

“Joint Powers Act” means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et. Seq.)

“Joint Powers Agreement” means the Joint Powers Agreement of the Borrower effective as of November 20, 2020, and as amended, restated, supplemented or otherwise modified from time to time.

“Laws” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or

administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“LC Collateral Account” has the meaning set forth in Section 2.15(a) hereof.

“LC Credit Extension” means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

“LC Document” means with respect to any Letter of Credit, the Letter of Credit Request, and any other document, agreement and instrument entered into by the Lender and/or the Borrower relating to such Letter of Credit.

“LC Exposure” means, as at any date of determination, the sum of (a) the aggregate amount available to be drawn under all outstanding Letters of Credit, plus (b) the aggregate of all Reimbursement Obligations.

“LC Facility Fee” has the meaning set forth in the Fee Agreement.

“Lender” has the meaning set forth in the introductory paragraph hereof.

“Lending Office” means the office of the Lender to which notices of Borrowings hereunder shall be given by the Borrower and to which payments of amounts due hereunder shall be made, which is set forth in Section 9.01 hereof.

“Letter of Credit” means any standby letter of credit issued hereunder.

“Letter of Credit Expiration Date” means, with respect to any Letter of Credit, the stated expiration date thereof.

“Letter of Credit Request” means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the Lender.

“Level 1 Assets” means assets classified as Level 1 under GASB Statement No. 72, including cash equivalents, U.S. Treasury securities and other securities for which fair value is determined on unadjusted quoted prices in active markets for identical assets.

“Liquidity Cure Right” has the meaning set forth in Section 5.11(a) hereof.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“Loan” means, individually or collectively, as applicable, the loans extended pursuant to Section 2.01 hereof and all Reimbursement Loans.

“Lockbox Account Control Agreement” means the Account Control Agreement, dated as of October 29, 2021, as amended and supplemented in accordance with the terms hereof, by and among (i) [U.S. Bank National Association], (ii) the Borrower and (iii) the Collateral Agent.

“Lockbox Security Agreement” means the Security Agreement, dated as of October 29, 2021, as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof, between OCPA and the Collateral Agent, for the benefit of each seller of Products under a PPA that is made a party to the Intercreditor and Collateral Agency Agreement, and its respective successors and assigns.

“Lockbox Security Document(s)” means, individually or collectively, as applicable, the Lockbox Security Agreement, the Lockbox Account Control Agreement, the Intercreditor and Collateral Agency Agreement and the Direction Letter.

“Material Adverse Change” means any material or adverse change in the operations, assets, liability or financial condition of the Borrower which could reasonably be expected to materially adversely impair the Borrower’s ability to pay its Obligations under this Agreement.

“Material Adverse Effect” means: (a) a material adverse effect on the operations, assets, liability or financial condition of the Borrower; (b) a material impairment of the rights and remedies or security or interests of the Lender under this Agreement or any other Basic Document, or of the ability of the Borrower to perform its Obligations under this Agreement or any other Basic Document to which it is a party, (c) a material adverse effect upon the legality, validity, binding effect or enforceability of the Borrower’s obligations under this Agreement, any other Basic Document to which the Borrower is a party, or (d) a material adverse effect on the rights, interests, security or remedies of the Lender with respect to this Agreement or any other Basic Document or the Joint Powers Agreement.

“Maturity Date” means the date on which Commitment is scheduled to expire pursuant to its terms, initially 5:00 p.m. (New York time) on [], 2031¹, or such later date to which the Maturity Date may be extended pursuant to Section 2.05(b) hereof and, if any such date is not a Business Day, the next preceding Business Day.

“Maximum Interest Rate” means the maximum rate of interest on the relevant obligation permitted by applicable law, if any.

¹ NTD: To be the date that is 5 years after the Effective Date.

“Member” or *“Members”* means, individually or collectively, as applicable, (i) the City of Buena Park, California (ii) the City of Fullerton, California, (iii) the City of Irvine, California, and (iv) City of Fountain Valley, California.

“Minimum Collateral Amount” has the meaning set forth in Section 2.15(a) hereof.

“Moody’s” means Moody’s Investors Service and its successors and assigns.

“Net Revenues” means, for any period the same is to be determined, the Revenues for such period less all Operation and Maintenance Expenses during such period. Amounts distributed from the Lockbox Account (as defined in the Lockbox Security Agreement) to the parties entitled to such distributions in accordance with the Security Agreement (not including distributions to the Borrower) are included in Operation and Maintenance Expenses and are not Net Revenues.

“Note” means that certain Note dated the Effective Date of the Borrower, in favor of the Lender, evidencing the outstanding Loans made by and any Reimbursement Obligations owing to the Lender and substantially in the form of *Exhibit A* hereto.

“Notice of Loan Prepayment” means a notice of prepayment with respect to a Loan which shall be substantially in the form of *Exhibit C*, or such other form as may be approved by the Lender (including any form on an electronic platform or electronic transmission system as shall be approved by the Lender), appropriately completed and signed by an Authorized Officer.

“NYFRB” means the Federal Reserve Bank of New York.

“NYFRB’s Website” means the website of the NYFRB at <http://www.newyorkfed.org>, or any successor source.

“NYFRB Rate” means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); *provided* that if none of such rates are published for any day that is a Business Day, the term “NYFRB Rate” means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Lender from a federal funds broker of recognized standing selected by it; *provided, further*, that if any of the aforesaid rates as so determined be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Obligations” means the obligations of the Borrower under this Agreement to repay (i) all Loans, all LC Exposure, all amounts due under the Fee Agreement (including, but not limited to, all amounts due with respect to the Undrawn Fee and the LC Facility Fee) and the Note, together with interest thereon, pursuant to and in accordance with this Agreement and the Note, (ii) all fees, and (iii) all expenses and charges payable or reimbursable hereunder to the Lender (including, without limitation, any amounts to reimburse the Lender for any advances or expenditures by it under any of such

documents) and all other payment obligations of the Borrower to the Lender arising under or in relation to this Agreement or the other Basic Documents, in each, case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired.

“OFAC” means the United States Department of Treasury Office of Foreign Assets Control.

“*Operation and Maintenance Expenses*” shall be determined in accordance with the accrual basis of accounting in accordance with GAAP and means the reasonable and necessary costs paid or incurred by the Borrower for maintaining and operating the System, including, without duplication, costs of electric energy and power purchased, costs of transmission, costs of fuel supply, the cost to purchase Regulatory Compliance Products, the cost of preparing and filing regulatory plans, reports, and including all reasonable expenses of management and repair and other expenses necessary to maintain and preserve the System in good repair and working order. For the avoidance of doubt, “Operation and Maintenance Expenses” shall include all amounts required to be paid by the Borrower under contracts for the purchase of Products.

“*Other Connection Taxes*” means, with respect to the Lender, Taxes imposed as a result of a present or former connection between the Lender and the jurisdiction imposing such Tax (other than connections arising from the Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Basic Document, or sold or assigned an interest in any Loan or Basic Document).

“*Other Taxes*” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Basic Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

“*Outstanding Debt Obligations*” means all “Obligations” arising under or in relation to that certain Revolving Credit Agreement dated as of September 20, 2021 by and between Borrower and U.S. Bank National Association (as successor to MUFG Union Bank, N.A.), as amended, amended and restated or otherwise modified prior to the date hereof.

“*Overnight Bank Funding Rate*” means, for any day, the rate comprised of both overnight federal funds and overnight Eurodollar transactions denominated in Dollars by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on the NYFRB’s Website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

“Participation” has the same meaning given such term in Section 9.05(d).

“Participant Register” has the same meaning given such term in Section 9.06(b).

“Patriot Act” has the same meaning given such term in Section 9.14.

“Person” means an individual, a corporation, a partnership, an association, a trust, a Governmental Authority or any other entity or organization of whatever nature.

“Potential Event of Default” means any condition or event which, with the giving of notice or lapse of time, or both, would, unless cured or waived, become an Event of Default.

“PPA” means any agreement for the purchase of Products executed between the Borrower and a PPA Counterparty. A PPA may be for short term or multi-year transactions for the purchase of Products.

“PPA Counterparty” means a party to a PPA other than the Borrower, including without limitation, the CAISO.

“Prime Rate” means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Lender) or any similar release by the Federal Reserve Board (as determined by the Lender). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

“Products” means any of the following: energy, renewable energy attributes, capacity attributes, transmission rights, resource adequacy benefits, or any other similar or related products contemplated in the PPAs.

“Projected Operation and Maintenance Expenses” means, for any period the same is to be determined, the Operation and Maintenance Expenses included in the Projections for such period.

“Projected Revenues” means, for any period the same is to be determined, the Revenues included in the Projections for such Period.

“Projections” has the meaning assigned to such term in Section 3.01(d) and *“Projected”* has a correlative meaning.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

“QFC Credit Support” has the meaning assigned to it in Section 9.16.

“Rating Condition” means that OCPA maintains at least one long-term, unenhanced rating on System Debt by Moody’s of Baa3 or higher, by S&P of BBB- or higher or by Fitch of BBB- or higher.

“Reduction Amount” shall have the meaning assigned to such term in Section 2.04(b)(ii).

“Reduction Fee” has the meaning set forth in the Fee Agreement.

“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is the Term SOFR Rate, 5:00 a.m. (Chicago time) on the day that is two (2) Business Days preceding the date of such setting, (2) if the RFR for such Benchmark is Daily Simple SOFR, then four (4) U.S. Government Securities Business Days prior to such setting or (3) if such Benchmark is none of the Term SOFR Rate or Daily Simple SOFR, the time determined by the Lender in its reasonable discretion.

“Register” shall have the meaning assigned to such term in Section 9.06(a).

“Regulation D” means Regulation D of the FRB, as in effect from time to time.

“Regulation U” means Regulation U of the FRB, as in effect from time to time.

“Regulatory Compliance Product” means any Product required to be purchased by the Borrower to satisfy the requirements of the CPUC, the California Energy Commission, the Federal Energy Regulatory Commission, the CAISO or any other Governmental Authority with jurisdiction over the operation of the System.

“Reimbursement Loans” shall have the meaning assigned to such term in Section 2.03(d).

“Reimbursement Obligations” means any and all obligations of the Borrower to reimburse the Lender for draws under Letters of Credit.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person’s Affiliates.

“Relevant Governmental Body” means, the Federal Reserve Board and/or the NYFRB, the CME Term SOFR Administrator, as applicable, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NYFRB or, in each case, any successor thereto.

“Relevant Rate” means (i) with respect to any Term Benchmark Borrowing, the Adjusted Term SOFR Rate or (ii) with respect to any RFR Borrowing, Adjusted Daily Simple SOFR, as applicable.

“Reserve Policy” means the Financial Reserve Policy adopted by OCPA, on [].

“Resolution” means Resolution No. [], adopted by OCPA on [].

“Revenues” means, for any period, all amounts received and accrued by the Borrower for electric power and energy and other services, facilities and commodities sold, furnished or supplied by the System during such period, together with income, earnings and profits therefrom, as determined in accordance with GAAP.

“Revolving Credit Availability” means, as of any date of determination, the Commitment minus the Revolving Credit Exposure.

“Revolving Credit Exposure” means, at any time, the sum of the outstanding principal amount of the Loans and the LC Exposure at such time.

“RFR Borrowing” means, as to any Borrowing, the RFR Loans comprising such Borrowing.

“RFR Loan” means a Loan that bears interest at a rate based on Adjusted Daily Simple SOFR.

“S&P” means S&P Global Ratings and its successors and assigns.

“Sanctioned Country” means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, Crimea, Cuba, Iran, North Korea, Syria, the so-called Donetsk People’s Republic of Ukraine, the so-called Luhansk People’s Republic of Ukraine, and the Russian-controlled Kherson and Zaporizhzhia regions of Ukraine).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the U.S. government, including by Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, U.S. Department of Commerce, or by the United Nations Security Council, the European Union, any European Union member state, His Majesty’s Treasury of the United Kingdom or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b) (including, without limitation for purposes of defining a Sanctioned Person, as ownership and control may be defined and/or established in and/or by any applicable laws, rules, regulations, or orders).

“Sanctions” means all economic or financial sanctions, trade embargoes or similar restrictions imposed, administered or enforced from time to time by (a) the U.S.

government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state, His Majesty's Treasury of the United Kingdom or other relevant sanctions authority.

"Security Agreement re Deposit Account" means that certain Security Agreement re Deposit Account dated as of the Effective Date between Borrower and Lender, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof.

"SOFR" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator" means the NYFRB (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website" means the NYFRB's website, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"SOFR Determination Date" has the meaning specified in the definition of "Daily Simple SOFR".

"SOFR Rate Day" has the meaning specified in the definition of "Daily Simple SOFR".

"State" means the State of California.

"Supported QFC" has the meaning assigned to it in Section 9.16.

"Swap Contract" means the following transactions of the Borrower which are expressly payable from Revenues or Net Revenues: (a) any and all rate swap transactions, basis swaps, total return swaps, credit derivative transactions, forward rate transactions, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, cap transactions, floor transactions, collar transactions, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a *"Master Agreement"*), including any such obligations or liabilities under any Master Agreement. For the avoidance of doubt, "Swap Contracts" shall not include commodity swaps or commodity options or PPAs.

“Swap Termination Value” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include the Lender or any Affiliate of the Lender).

“System” means (i) all facilities, works, properties, structures and contractual rights to distribution, metering and billing services, electric power, scheduling and coordination, transmission capacity, and fuel supply of the Borrower for the generation, transmission and distribution of electric power, (ii) all general plant facilities, works, properties and structures of the Borrower, and (iii) all other facilities, properties and structures of the Borrower, wherever located, reasonably required to carry out any lawful purpose of the Borrower. The term shall include all such contractual rights, facilities, works, properties and structures now owned or hereafter acquired by the Borrower.

“System Debt” means Debt of the Borrower.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees, value added tax or any other goods and services, use or sales tax or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Benchmark” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted Term SOFR Rate.

“Term SOFR Determination Day” has the meaning assigned to it under the definition of Term SOFR Reference Rate.

“Term SOFR Rate” means, with respect to any Term Benchmark Borrowing and for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Interest Period, as such rate is published by the CME Term SOFR Administrator.

“Term SOFR Reference Rate” means, for any day and time (such day, the *“Term SOFR Determination Day”*), with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the rate per annum determined by the Lender as the forward-looking term rate based on SOFR. If by 5:00 pm (New York City time) on such Term SOFR Determination Day, the *“Term SOFR Reference Rate”* for the applicable tenor has not been published by the CME Term SOFR

Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then the Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding Business Day is not more than five (5) Business Days prior to such Term SOFR Determination Day.

“Termination Fee” has the meaning set forth in the Fee Agreement.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted Term SOFR Rate, the Alternate Base Rate or, to the extent that the Term SOFR Rate is not available hereunder, Adjusted Daily Simple SOFR.

“UCC” means the Uniform Commercial Code in effect in the State of California from time to time.

“UCP” means Uniform Customs and Practice for Documentary Credits 2007 Revision, International Chamber of Commerce Publication No. 600 and any subsequent revision thereof adhered to by the Lender on the date such Letter of Credit is issued.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“Undrawn Fee” has the meaning set forth in the Fee Agreement.

“U.S. Government Securities Business Day” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“U.S. Special Resolution Regime” has the meaning assigned to it in Section 9.16.

“United States” and *“U.S.”* mean the United States of America.

“Working Capital Loans” has the meaning specified in Section 2.01 hereof.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms as used in this Agreement, the Fee Agreement or the Note refer to this Agreement, the Fee Agreement or the Note as from time to time amended and supplemented. Any reference herein to a particular Section or Article shall, unless otherwise indicated, refer to the appropriate section or article of this Agreement. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, corporations, districts, agencies and bodies.

Section 1.02. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with GAAP.

Section 1.03. Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; *provided, however*, that with respect to any Letter of Credit that, by its terms or the terms of any LC Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

Section 1.04. UCC Terms. Terms defined in the UCC in effect on the Effective Date and not otherwise defined herein shall, unless the context otherwise indicates, have the meanings provided by those definitions. Subject to the foregoing, the term “UCC” refers, as of any date of determination, to the UCC then in effect.

Section 1.05. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a “Term Benchmark Loan” or a “RFR Loan”). Borrowings also may be classified and referred to by Type (e.g., a “Term Benchmark Borrowing” or a “RFR Borrowing”).

ARTICLE II

THE COMMITMENT

Section 2.01. Loans. Subject to the terms and conditions set forth herein, the Lender agrees to make loans to the Borrower from time to time, on any Business Day during the Availability Period; *provided, however*, that after giving effect to any Borrowing, the Revolving Credit Exposure shall not exceed the Commitment, subject to any reductions thereof pursuant to the terms hereof. Subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01, prepay under Section 2.04, and reborrow under this Section 2.01. Each Loan shall bear interest as set forth in Section 2.07 hereof. Each Loan extended hereunder shall be made solely (i) to pay Costs of Issuance and for working capital and other general operational purposes of the Borrower, including without limitation, the purchase of Products, (ii) to make Cash Collateral Loans, or (iii) make local development and programmatic investments by Borrower (each such Loan described in the immediately preceding clauses (i) and (ii), a “*Working Capital Loan*” and collectively, the “*Working Capital Loans*”), in an aggregate amount not to exceed the Revolving Credit Availability at such time. For the avoidance of doubt, proceeds of Loans may not be used for long-term capital expenditures other than long term purchases of Products pursuant to PPAs.

Section 2.02. Borrowings of Loans. (a) Each Borrowing shall be made upon the Borrower's irrevocable notice to the Lender, which may be given by (A) telephone or (B) a Borrowing Request; *provided* that any telephonic notice must be confirmed immediately by delivery to the Lender of a Borrowing Request. Each such Borrowing Request must be received by the Lender (i) in the case of a Term Benchmark Borrowing, not later than 11:00 a.m. (New York City time) on the third (3rd) Business Day immediately preceding the requested date of any such Borrowing and (ii) in the case of an ABR Borrowing, not later than 11:00 a.m. (New York City time) on the requested date of any such Borrowing (with respect to each such Loan, as applicable, the "*Borrowing Date*"). Each Borrowing shall be in the principal amount of \$1,000,000 or a whole multiple of \$100,000 in excess thereof. Each Borrowing Request (whether telephonic or written) shall specify the information set forth in *Exhibit B* attached hereto. The Revolving Credit Exposure at any time shall not exceed the Commitment at such time.

(b) Following receipt of a Borrowing Request, upon satisfaction of the applicable conditions set forth in Section 3.02 (and, if such Borrowing is the initial Borrowing, Section 3.01), the Lender shall make the requested funds available to the Borrower.

Section 2.03. Letters of Credit.

(a) *The Letter of Credit Commitment.* (i) Subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit as the applicant thereof for the support of maintenance and operating requirements to the Borrower, including, but not limited to, PPA collateral obligations, collateral postings with the CAISO and the posting of collateral pursuant to the requirements of a Governmental Authority or the tariff of any local utility, including the CPUC, in the form of a Letter of Credit Request at any time and from time to time during the Availability Period and prior to the Final Letter of Credit Expiration Date. Subject to the terms and conditions set forth herein, the Lender agrees (A) from time to time on any Business Day during the period from the Effective Date until the Final Letter of Credit Expiration Date, to issue Letters of Credit in Dollars for the account of the Borrower, and to amend Letters of Credit previously issued by it, in accordance with Section 2.03(b) hereof, and (B) to honor drawings under the Letters of Credit; *provided* that after giving effect to any LC Credit Extension with respect to any Letter of Credit, the Revolving Credit Exposure at any time shall not exceed the Commitment at such time. Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the LC Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed.

(ii) The Lender shall not be under any obligation to issue, amend or extend any Letter of Credit if:

(A) the expiry date of the requested Letter of Credit would occur more than twelve (12) months after the date of issuance or last extension, unless the Lender has approved such expiry date in writing;

(B) the expiry date of the requested Letter of Credit would occur after the Final Letter of Credit Expiration Date, unless the Lender has approved such expiry date in writing;

(C) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Lender from issuing, amending or extending the Letter of Credit, or any Law applicable to the Lender or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Lender shall prohibit, or request that the Lender refrain from, the issuance, amendment or extension of letters of credit generally or the Letter of Credit in particular or shall impose upon the Lender with respect to the Letter of Credit any restriction, reserve or capital requirement (for which the Lender is not otherwise compensated hereunder) not in effect on the Effective Date, or shall impose upon the Lender any unreimbursed loss, cost or expense which was not applicable on the Effective Date and which the Lender in good faith deems material to it;

(D) the issuance, amendment or extension of the Letter of Credit would violate one or more policies of the Lender applicable to letters of credit generally;

(E) except as otherwise agreed by the Lender, the Letter of Credit is in an initial stated amount less than \$50,000;

(F) the Letter of Credit is to be denominated in a currency other than Dollars; or

(G) the Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder.

(iii) The Lender shall be under no obligation to amend any Letter of Credit if (A) the Lender would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to the Letter of Credit.

(b) *Procedures for Issuance, Amendment and Extension of Letters of Credit.*

(i) Each Letter of Credit shall be issued, amended or extended, as the case may be, upon the request of the Borrower delivered to the Lender in the form of a Letter of Credit Request, appropriately completed and signed by an Authorized Officer. Such Letter of Credit Request may be sent by fax transmission, by United States mail, by overnight

courier, by electronic transmission using the system provided by the Lender, by personal delivery or by any other means acceptable to the Lender. Such Letter of Credit Request must be received by the Lender not later than 4:00 p.m. (New York City time) at least five (5) Business Days (or such later date and time as the Lender may agree in a particular instance in its sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Request shall specify in form and detail satisfactory to the Lender: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as the Lender may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Request shall be modified to specify in form and detail satisfactory to the Lender (1) the Letter of Credit to be amended; (2) the proposed date of amendment thereof (which shall be a Business Day); (3) the nature of the proposed amendment; and (4) such other matters as the Lender may require. Additionally, the Borrower shall furnish to the Lender such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any LC Documents, as the Lender may require.

(ii) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the Lender will also deliver to the Borrower a true and complete copy of such Letter of Credit or amendment.

(c) *Expiration Date.* Unless otherwise expressly agreed to by the Lender, each Letter of Credit shall expire (or be subject to termination by notice from the Lender to the beneficiary thereof) one (1) year from issuance and at or prior to the close of business on the date that is thirty (30) days prior to the Maturity Date.

(d) *Drawings and Reimbursements.* Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the Lender shall promptly notify the Borrower thereof, provided that Lender's failure to provide such notice shall not relieve the Borrower of its obligations under this Section 2.03. Not later than 4:00 p.m. (New York City time) on the next Business Day after the date of any payment by the Lender under a Letter of Credit (each such date, an "*Honor Date*"), the Borrower shall reimburse the Lender in an amount equal to the amount of such drawing; *provided* that, if such drawing is not less than \$100,000, the Borrower may, subject to the conditions to Borrowing set forth herein, request in accordance with Section 2.02 that such payment be financed with a Borrowing in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting Borrowing (each such Borrowing, a "*Reimbursement Loan*" and collectively, the "*Reimbursement Loans*"). For the date from and including the Honor Date of such drawing to but excluding the earliest of (i) the date that such Reimbursement Obligation is repaid in full, and (ii) the date on which such Reimbursement Obligation is financed

with a Reimbursement Loan pursuant to the foregoing provisions, such Reimbursement Obligation shall bear interest at the Alternate Base Rate plus the Applicable Rate. Interest on Reimbursement Obligations shall be paid when such Reimbursement Obligation is due or otherwise repaid. If a Reimbursement Obligation is not either financed with a Reimbursement Loan or repaid, in each case, on the Honor Date of such drawing, an Event of Default shall be deemed to have occurred. Any notice given by the Lender pursuant to this Section 2.03(d) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(e) *Obligations Absolute.* The obligation of the Borrower to reimburse the Lender for each drawing under each Letter of Credit shall be absolute, unconditional and irrevocable, and shall be paid in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Basic Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the Lender or any other Person, whether in connection with this Agreement or by such Letter of Credit, the transactions contemplated hereby or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, endorsement, certificate or other document presented under or in connection with such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by the Lender of any requirement that exists for the Lender's protection and not the protection of the Borrower or any waiver by the Lender which does not in fact materially prejudice the Borrower;

(v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by the Lender in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under, such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or the UCP, as applicable;

(vii) any payment by the Lender under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the Lender under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will immediately notify the Lender. The Borrower shall be conclusively deemed to have waived any such claim against the Lender and its correspondents unless such notice is given as aforesaid.

(f) *Role of the Lender.* The Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the Lender shall not have any responsibility to obtain any document (other than any sight or time draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee (in each case, including, without limitation, any PPA Counterparty and the CAISO) with respect to its use of any Letter of Credit; *provided, however,* that this assumption is not intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the Lender, any of its Related Parties nor any correspondent, participant or assignee of the Lender shall be liable or responsible for any of the matters described in Section 2.03(d) hereof. In furtherance and not in limitation of the foregoing, the Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the Lender shall not be responsible for the validity or sufficiency of any instrument transferring, endorsing or assigning or purporting to transfer, endorse or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. The Lender may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication ("SWIFT") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(g) *Applicability of ISP and UCP; Limitation of Liability.* Unless otherwise expressly agreed by the Lender and the Borrower when a Letter of Credit is issued the rules of the ISP shall apply to each standby Letter of Credit. Notwithstanding the

foregoing, the Lender shall not be responsible to the Borrower for, and the Lender's rights and remedies against the Borrower shall not be impaired by, any action or inaction of the Lender required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where the Lender or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

(h) *Conflict with Other Documents.* In the event of any conflict between the terms hereof and the terms of any LC Document, the terms hereof shall control.

Section 2.04. Prepayments.

(a) *Optional.* The Borrower may, upon notice to the Lender pursuant to delivery to the Lender of a Notice of Loan Prepayment, at any time or from time to time voluntarily prepay Loans in whole or in part without premium or penalty subject to Section 8.03; *provided* that, unless otherwise agreed by the Lender (A) such notice must be received by Lender not later than 4:00 p.m. (New York City time) five (5) Business Days prior to any date of prepayment and (B) any prepayment of Loans shall be in a minimum principal amount of \$1,000,000 or such lesser amount equal to the total outstanding principal amount of such Loan if the total outstanding principal amount thereof is less than \$1,000,000. Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of principal shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 8.03.

(b) *Mandatory.*

(i) *Outstandings.* If for any reason at any time the Revolving Credit Exposure at any time exceeds the Commitment, the Borrower shall, without notice, prepay the applicable Loans (together with all accrued but unpaid interest thereon) and/or cash collateralize the applicable LC Exposure in an aggregate amount equal to such excess; *provided, however*, that the Borrower shall not be required to cash collateralize the LC Exposure pursuant to this Section 2.04(b)(i) unless, after the prepayment of the applicable Loans, the Revolving Credit Exposure exceeds the Commitment at such time. For the avoidance of doubt, the Minimum Collateral Amount shall not apply to the cash collateral required under this Section 2.04(b)(i) unless an Event of Default has occurred and is continuing.

(ii) *Application of Mandatory Prepayments.* Prepayments made pursuant to this Section 2.04(b), *first*, shall be applied to the outstanding applicable Loans, and, *second*, shall be used to cash collateralize the remaining LC

Exposure; and, in the case of prepayments under the Commitment required pursuant to clause (i) of this Section 2.04(b), the amount remaining, if any, after the prepayment in full of all Loans outstanding at such time and the cash collateralization of the remaining LC Exposure in full (the sum of such prepayment amounts, cash collateralization amounts and remaining amount being, collectively, the "*Reduction Amount*") may be retained by the Borrower for use in the ordinary course of its business. Upon the drawing of any Letter of Credit that has been cash collateralized, the funds held as cash collateral shall be applied (without any further action by or notice to or from the Borrower that has provided cash collateral) to reimburse the Lender.

All prepayments under this Section 2.04(b) shall be subject to Section 8.03, but otherwise without premium or penalty, and shall be accompanied by interest on the principal amount prepaid through the date of prepayment.

Section 2.05. Termination or Reduction of Commitment; Extensions of Existing Maturity Date.

(a) *Termination or Reduction.* Subject to the provisions of the Fee Agreement, (i) the Borrower may, upon notice to the Lender, terminate the Commitment or from time to time permanently reduce the Commitment; *provided* that (i) any such notice shall be received by the Lender not later than 4:00 p.m. (New York City time) five (5) Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of \$5,000,000 or any whole multiple of \$1,000,000 in excess thereof and (iii) the Borrower shall not terminate or reduce the Commitment if, after giving effect thereto and to any concurrent prepayments hereunder, the Revolving Credit Exposure would exceed the Commitment. Failure by the Borrower to designate in the notice required under clause (i) of this Section 2.05(a) whether the Commitment is to be permanently reduced shall be deemed to be a permanent reduction in the Commitment.

(b) *Extensions of Existing Maturity Date.* (i) The Existing Maturity Date may be extended an unlimited number of times, in each case in the manner set forth in this Section 2.05(b). Upon receipt of written request of the Borrower to extend the Existing Maturity Date, received no more than ninety (90) days and no less than sixty (60) days prior to the then current Maturity Date (the "*Existing Maturity Date*"), the Lender will use its commercially reasonable efforts to notify the Borrower of its response within thirty (30) days of receipt of the request therefor (the Lender's decision to be made in its sole and absolute discretion and on such terms and conditions as to which the Lender and the Borrower may agree); *provided, however*, that the failure of the Borrower to receive a written confirmation from the Lender within the time established therefor shall be deemed a denial of such request. Any extension of the Existing Maturity Date will be deemed to be on the existing terms of this Agreement unless the Lender and the Borrower have entered into a written agreement confirming a change in any term of this Agreement.

(ii) As a condition precedent to each such extension of the Existing Maturity Date pursuant to Section 2.05(b)(ii), the Borrower shall deliver to the Lender a certificate of the

Borrower dated as of the Existing Maturity Date signed by an Authorized Officer of the Borrower certifying that, as of such date, both before and immediately after giving effect to such extension, (A) the representations and warranties of the Borrower set forth in this Agreement shall be true and correct and (B) no Potential Event of Default or Event of Default shall have occurred and be continuing.

Section 2.06. Repayment of Loans. The Borrower hereby unconditionally promises to pay to the Lender on the Maturity Date, the aggregate principal amount of Loans outstanding on such date, together with accrued interest thereon. Subject at all times to Section 2.16 hereof, the Borrower shall repay to the Lender on the Maturity Date all other Obligations payable hereunder.

Section 2.07. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Term Benchmark Borrowing shall bear interest at the Adjusted Term SOFR Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Each RFR Loan shall bear interest at a rate per annum equal to Adjusted Daily Simple SOFR plus the Applicable Rate.

(d) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 3% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 3% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(e) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of the Commitment; *provided* that (i) interest accrued pursuant to paragraph (d) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Term Benchmark Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

Section 2.08. Fees. The Borrower agrees to pay to the Lender the fees and other amounts set forth in the Fee Agreement at the time and in the manner set forth in the Fee Agreement, including, but not limited to, the Undrawn Fee, the LC Facility Fee, the Termination Fee and the Reduction Fee. The Fee Agreement is, by this reference, incorporated herein in its entirety as if set forth herein in full. All fees and other amounts

payable under the Fee Agreement shall be paid in immediately available funds. Fees paid shall not be refundable under any circumstances.

Section 2.09. Computation of Interest and Fees. Interest computed by reference to the Term SOFR Rate or Daily Simple SOFR hereunder shall be computed on the basis of a year of three hundred sixty (360) days, and actual days elapsed. Interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of three hundred sixty-five (365) days (or three hundred sixty-six (366) days in a leap year), and actual days elapsed. In each case interest shall be payable for the actual number of days elapsed (including the first day but excluding the last day). All interest hereunder on any Loan (or Reimbursement Obligation, if applicable) shall be computed on a daily basis based upon the outstanding principal amount of such Loan (or Reimbursement Obligation, if applicable) as of the applicable date of determination, *provided* that any Loan (or Reimbursement Obligation, if applicable) that is repaid on the same day on which it is made shall, subject to Section 2.11(a), bear interest for one day. The applicable Alternate Base Rate, Adjusted Term SOFR Rate, Term SOFR Rate, Adjusted Daily Simple SOFR or Daily Simple SOFR shall be determined by the Lender, and such determination shall be conclusive absent manifest error.

All computations of fees shall be made on the basis of a year of three hundred sixty (360) days, and actual days elapsed. Interest shall accrue on each Loan (including any Reimbursement Obligation of an LC Exposure) for the day on which such Loan is made (or, in the case of Reimbursement Obligations, the day on which a related drawing is not reimbursed), and shall not accrue for the day on which the Loan or such portion is paid, *provided* that any Loan (or Reimbursement Obligation, if applicable) that is repaid on the same day on which it is made shall, subject to Section 2.11(a), bear interest for one day. Each determination by the Lender of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

Section 2.10. Evidence of Debt. The Borrowings made from the Lender shall be evidenced by one or more accounts or records maintained by the Lender in the ordinary course of business. The accounts or records maintained by the Lender shall be conclusive absent manifest error of the amount of the Borrowings made from the Lender by the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. The Loans shall be evidenced by the Note to be issued on the Effective Date, initially registered in the name of, and payable to, the Lender and otherwise duly completed. The Lender may attach schedules to the Note and endorse thereon the date, amount and maturity of Loans and payments with respect thereto.

Section 2.11. Payments. (a) All payments to be made by the Borrower under this Agreement or under the Fee Agreement shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on

the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be. All payments hereunder to the Lender shall be made by wire transfer to the Lender at its offices at 270 Park Avenue, New York, New York, or as otherwise set forth in the invoice from the Lender for such payment.

(b) If at any time insufficient funds are received by and available to the Lender to pay fully all amounts of principal, Reimbursement Obligations, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, and (ii) second, ratably towards payment of principal and Reimbursement Obligations then due hereunder.

Section 2.12. Maximum Interest Rate. Anything herein to the contrary notwithstanding, the amount of interest payable hereunder for any interest period shall not exceed the Maximum Interest Rate. If for any interest period the applicable interest rate would exceed the Maximum Interest Rate, then (i) such interest rate will not exceed but will be capped at such Maximum Interest Rate and (ii) in any interest period thereafter that the applicable interest rate is less than the Maximum Interest Rate, any Obligation hereunder will bear interest at the Maximum Interest Rate until the earlier of (x) payment to the Lender of an amount equal to the amount which would have accrued but for the limitation set forth in this Section and (y) the Maturity Date. Upon the Maturity Date or, if no Revolving Credit Exposure is outstanding, on the date the Commitment is permanently terminated, in consideration for the limitation of the rate of interest otherwise payable hereunder, to the extent permitted by applicable law, the Borrower shall pay to the Lender a fee in an amount equal to the amount which would have accrued but for the limitation set forth in this Section 2.12 that has not previously been paid to the Lender in accordance with the immediately preceding sentence.

Section 2.13. Interest Elections. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Term Benchmark Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Term Benchmark Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Lender of such election by the time that a Borrowing Request would be required under Section 2.02 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such Interest Election Request shall be irrevocable and shall be signed by an Authorized Officer of the Borrower.

(c) Each Interest Election Request shall specify the following information in compliance with the terms hereto:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Term Benchmark Borrowing or, if a Term Benchmark Borrowing is not available hereunder, a RFR Borrowing; and

(iv) if the resulting Borrowing is a Term Benchmark Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "*Interest Period*".

If any such Interest Election Request requests a Term Benchmark Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) If the Borrower fails to deliver a timely Interest Election Request with respect to a Term Benchmark Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be deemed to have an Interest Period that is one month. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Lender so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Term Benchmark Borrowing or an RFR Borrowing and (ii) unless repaid, (A) each Term Benchmark Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto and (B) each RFR Borrowing shall be converted to an ABR Borrowing on the last day of the calendar month.

Section 2.14. *Alternate Rate of Interest; Illegality.* (a) Subject to clauses (b), (c), (d), (e) and (f) of this Section 2.14, if:

(i) the Lender determines (which determination shall be conclusive absent manifest error) (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, that adequate and reasonable means do not exist for ascertaining the Adjusted Term SOFR Rate or the Term SOFR Rate (including because the Term SOFR Reference Rate is not available or published on a current basis), for such Interest Period or (B) at any time, that adequate and reasonable

means do not exist for ascertaining the applicable Adjusted Daily Simple SOFR or Daily Simple SOFR; or

(ii) the Lender determines (which determination shall be conclusive absent manifest error) (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, the Adjusted Term SOFR Rate for such Interest Period will not adequately and fairly reflect the cost to the Lender of making or maintaining its Loans (or its Loan) included in such Borrowing for such Interest Period or (B) at any time, Adjusted Daily Simple SOFR will not adequately and fairly reflect the cost to the Lender of making or maintaining its Loans (or its Loan) included in such Borrowing;

then the Lender shall give notice thereof to the Borrower by telephone, telecopy or electronic mail as promptly as practicable thereafter and, until (x) the Lender notifies the Borrower that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.13 or a new Borrowing Request in accordance with the terms of Section 2.02(a), (1) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Term Benchmark Borrowing and any Borrowing Request that requests a Term Benchmark Borrowing shall instead be deemed to be an Interest Election Request or a Borrowing Request, as applicable, for (A) a RFR Borrowing so long as Adjusted Daily Simple SOFR is not also the subject of Section 2.14(a)(i) or (ii) above or (B) an ABR Borrowing if Adjusted Daily Simple SOFR also is the subject of Section 2.14(a)(i) or (ii) above and (2) any Borrowing Request that requests a RFR Borrowing shall instead be deemed to be a Borrowing Request for an ABR Borrowing; *provided* that if the circumstances giving rise to such notice affect only one Type of Borrowings, then all other Types of Borrowings shall be permitted. Furthermore, if any Term Benchmark Loan or RFR Loan is outstanding on the date of the Borrower's receipt of the notice from the Lender referred to in this Section 2.14(a) with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until (x) the Lender notifies the Borrower that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.13 or a new Borrowing Request in accordance with the terms of Section 2.02(a), (1) any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Lender to, and shall constitute, (x) a RFR Borrowing so long as Adjusted Daily Simple SOFR is not also the subject of Section 2.14(a)(i) or (ii) above or (y) an ABR Loan if Adjusted Daily Simple SOFR also is the subject of Section 2.14(a)(i) or (ii) above, on such day, and (2) any RFR Loan shall on and from such day be converted by the Lender to, and shall constitute an ABR Loan.

(b) Notwithstanding anything to the contrary herein or in any other Basic Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with

clause (1) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Basic Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Basic Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Basic Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lender without any amendment to, or further action or consent of any other party to, this Agreement or any other Basic Document.

(c) Notwithstanding anything to the contrary herein or in any other Basic Document, the Lender will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Basic Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Basic Document.

(d) The Lender will promptly notify the Borrower of (i) any occurrence of a Benchmark Transition Event, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (f) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Lender pursuant to this Section 2.14, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Basic Document, except, in each case, as expressly required pursuant to this Section 2.14.

(e) Notwithstanding anything to the contrary herein or in any other Basic Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Lender in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will no longer be representative, then the Lender may modify the definition of “Interest Period” for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (C) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (D) is not, or is no longer, subject to an announcement that it is or will no longer be representative

for a Benchmark (including a Benchmark Replacement), then the Lender may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for (i) a Term Benchmark Borrowing, conversion to or continuation of Term Benchmark Loans to be made, converted or continued or (ii) a RFR Borrowing or conversion to RFR Loans, during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any request for a Term Benchmark Borrowing or RFR Borrowing, as applicable, into a request for a Borrowing of or conversion to (A) a RFR Borrowing so long as Adjusted Daily Simple SOFR is not the subject of a Benchmark Transition Event or (B) an ABR Borrowing if Adjusted Daily Simple SOFR is the subject of a Benchmark Transition Event. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR. Furthermore, if any Term Benchmark Loan or RFR Loan is outstanding on the date of the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until such time as a Benchmark Replacement is implemented pursuant to this Section 2.14, (1) any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Lender to, and shall constitute, (x) a RFR Borrowing so long as Adjusted Daily Simple SOFR is not the subject of a Benchmark Transition Event or (y) an ABR Loan if Adjusted Daily Simple SOFR is the subject of a Benchmark Transition Event, on such day and (2) any RFR Loan shall on and from such day be converted by the Lender to, and shall constitute an ABR Loan.

Section 2.15. Cash Collateral. (a) If (i) as of any Letter of Credit Expiration Date, any related LC Exposure for any reason remains outstanding and is not refinanced with a Reimbursement Loan or (ii) any Event of Default shall occur and be continuing, within one (1) Business Day from the day the Borrower receives notice from the Lender demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Lender, in the name and for the benefit of the Lender (the "*LC Collateral Account*"), an amount in cash equal to 105% of the amount of the LC Exposure as of such date plus accrued and unpaid interest thereon (such amount, the "*Minimum Collateral Amount*"); *provided* that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in Section 7.01(f) hereof.

(b) The Lender shall have exclusive dominion and control, including the exclusive right of withdrawal, over the LC Collateral Account and the Borrower hereby grants the Lender a security interest in the LC Collateral Account and all moneys or other assets on deposit therein or credited thereto. Other than any interest earned on the investment of

such deposits, which investments shall be made at the option of the Lender with the Borrower's consent such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Lender for Reimbursement Obligations, together with related fees, costs, and customary processing charges, and, to the extent not so applied, shall be held for the satisfaction of the Reimbursement Obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated, be applied to satisfy other Obligations. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned promptly to the Borrower, but in no event later than within three (3) Business Days, after all such Events of Default have been cured or waived as confirmed in writing by the Lender.

Section 2.16. Payment and Security for Obligations. The Net Revenues shall be and hereby are pledged by the Borrower to the payment of the Obligations on a first-priority basis. The Obligations of the Borrower under this Agreement, the Fee Agreement and the other Basic Documents are limited obligations, payable solely from, and secured by a first-priority pledge of and lien on, Net Revenues and the Account Collateral (as defined in the Security Agreement re Deposit Accounts). The pledge of Net Revenues and the Account Collateral is valid and binding in accordance with the terms of the Act, the Joint Powers Agreement and the Resolution, and the Net Revenues and the Account Collateral shall immediately be subject to the pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the Net Revenues and the Account Collateral and be effective, binding, and enforceable against Borrower, its successors, creditors, and all others asserting the rights therein, to the extent set forth in this Agreement, and in accordance with the Act, the Joint Powers Agreement and the Resolution, irrespective of whether those parties have notice of the pledge and without the need for any physical delivery, recordation, filing, or further act. The pledge of the Net Revenues and the Account Collateral herein made is irrevocable until the Commitment has expired or been terminated in accordance with the terms hereof and all Obligations hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated, in each case, without any pending draw, and all payments made by the Lender pursuant to a Letter of Credit shall have been reimbursed. There shall be no pledge of or Lien on Net Revenues or the Account Collateral other than to secure the Obligations.

ARTICLE III

CONDITIONS PRECEDENT TO BORROWINGS

Section 3.01. Conditions to Initial Borrowing; Authority; Enforceability. This Agreement shall become binding on the parties hereto upon the satisfaction of the following conditions precedent (all Basic Documents and other documents to be delivered to the Lender pursuant to this Section 3.01 shall be subject to prior approval as to form and substance by the Lender, with delivery by the Lender of its signature page to this

Agreement evidencing the Lender's acknowledgement that the conditions set forth in this Section 3.01 have been satisfied, unless otherwise waived in writing):

(a) *Documents.* The Lender has received executed copies of (i) the Basic Documents executed by the Borrower on the Effective Date and (ii) the Funding Agreement.

(b) *Opinions.* The Lender has received from the Borrower's legal counsel an opinion, addressed to the Lender and dated as of the Effective Date, as to the due authorization, execution and delivery of this Agreement and the other Basic Documents, and as to the validity and enforceability with respect to the Borrower of this Agreement and the other Basic Documents, the pledge of Net Revenues and Account Collateral securing the Obligations constituting a valid pledge, and such other matters as the Lender may reasonably request, in form and substance satisfactory to the Lender and its counsel.

(c) *Certificate.* The Lender has received (i) certified copies of the Joint Powers Agreement, the Lockbox Security Documents, each PPA entered into with a PPA Counterparty that is also party to any Lockbox Security Document as of the Effective Date, and the Resolution, (ii) a certificate or certificates of one or more Authorized Officers dated the Effective Date certifying the accuracy of the Borrower's representations and warranties contained in Article IV hereof is true and correct on and as of the date of such certificate and that no Potential Event of Default or Event of Default has occurred and is continuing, and (iii) and further certifying the name, incumbency and signature of each individual authorized to sign this Agreement, the Fee Agreement, the Note and the other documents or certificates to be delivered by the Borrower pursuant hereto or thereto, and that the conditions precedent set forth in this Section 3.01 have been satisfied;

(d) *Financial Statements and Projections.* The Lender has received (i) the audited financial statements of the System for the Fiscal Year ended June 30, 2025, and all subsequent unaudited quarterly statements of the Borrower prepared prior to the Effective Date and (ii) a copy of the plan and forecast (including a projected consolidated income statement, cash flow statement and budget relating to Projected Revenues and Projected Operation and Maintenance Expenses) of the System for each month of the fiscal year ending June 30, 2026 and each fiscal year thereafter ending no earlier than June 30, 2031 (as the same may be revised and to the extent such revisions are approved in the sole but reasonable discretion of the Lender from time to time pursuant to Section 5.01(f), the "*Projections*"), in form and substance reasonably satisfactory to the Lender.

(e) *USA PATRIOT Act, Etc.* The Lender shall have received, (i) (x) at least five (5) days prior to the Effective Date, all documentation and other information regarding the Borrower requested in connection with applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act to the extent requested in writing to the Borrower at least ten

(10) days prior to the Effective Date, and (y) a properly completed and signed IRS Form W-8 or W-9, as applicable, for the Borrower, and (ii) to the extent the Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, at least five (5) days prior to the Effective Date, and to the extent requested by the Lender, in a written notice to the Borrower at least the (10) days prior to the Effective Date, a Beneficial Ownership Certification in relation to the Borrower.

(f) *Outstanding Debt Obligations.* The Lender has received evidence reasonably satisfactory to it that all Outstanding Debt Obligations have been paid in full in immediately available funds (for the avoidance of doubt, including the cancellation of any outstanding letters of credit) on or before the Effective Date, and such Outstanding Debt Obligations and the documents thereto shall be terminated to the satisfaction of the Lender.

(g) *Other Matters.* The Lender has received such other opinions, certificates and documents it may reasonably request relating to the existence of the Borrower, the authority for and the validity of this Agreement and each of the other Basic Documents, and any other matters relevant hereto or thereto, all in form and substance satisfactory to the Lender.

Section 3.02. Conditions to All Credit Extensions. The obligation of the Lender to honor any request for a Credit Extension is subject to the following conditions precedent:

(a) The representations and warranties of the Borrower set forth in Article IV (i) that are not qualified by concepts of materiality are true and correct in all material respects on and as of the date of such Credit Extension with the same force and effect as if made on and as of such date, and (ii) that are qualified by concepts of materiality are true and correct on and as of the date of such Credit Extension with the same force and effect as if made on and as of such date, in each case, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date.

(b) No Potential Event of Default or Event of Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) The Lender shall have received a Borrowing Request or Letter of Credit Request, as applicable, in accordance with the terms, conditions and requirements hereof.

Each Borrowing Request, application for any Letter of Credit and application for amendment to a Letter of Credit submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 3.02(a) and (b) hereof have been satisfied on and as of the date of the applicable Borrowing.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE BORROWER

The Borrower hereby represents and warrants as follows:

Section 4.01. Organization, Powers, Etc. The Borrower (i) is a public agency formed under the provisions of the Joint Powers Act that is qualified to be a community choice aggregator pursuant to California Public Utilities Code Section 366.2, (ii) has full and adequate power to own its Property and (iii) has full power and authority to execute (or adopt, as the case may be), deliver and perform its obligations under this Agreement and the other Basic Documents and to borrow hereunder. Except for all permits, licenses and approvals for the operation of the Borrower yet to be obtained, the Borrower is qualified to operate in each jurisdiction in which the nature of the business conducted by it makes such qualification necessary and has full power and authority to own its properties and carry on its business as now conducted.

Section 4.02. Authorization, Absence of Conflicts, Etc. The execution, delivery and performance of this Agreement and the other Basic Documents and the making of the Borrowings and the issuance of Letters of Credit as contemplated hereunder (a) have been duly authorized by the Borrower, (b) do not and will not conflict with, or result in a violation of, any provision of law, including the Joint Powers Agreement or any order, rule or regulation of any court or Governmental Authority and (c) do not and will not conflict with, result in a violation of or constitute a default under, the Joint Powers Act, or any other ordinance, resolution, agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property is bound.

Section 4.03. Governmental Consent or Approval. The execution, delivery and performance of this Agreement and the other Basic Documents and the making of the Borrowings contemplated hereunder do not and will not require registration with, or the consent or approval of, or any other action by, any Governmental Authority other than those which have been made or given and are in full force and effect.

Section 4.04. Binding Obligation. This Agreement and the other Basic Documents are legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms except as enforcement thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and subject to equitable principles in the event that equitable remedies are sought.

Section 4.05. Absence of Material Litigation. Except as disclosed in writing to the Lender prior to the Effective Date, there is no action or investigation pending with service of process accomplished against the Borrower or, to the knowledge of the Borrower, threatened in writing against the Borrower before any court, administrative agency or arbitrator which (i) in the reasonable opinion of the Borrower's attorney is with merit and if determined adversely would have a Material Adverse Effect or (ii) relates to the

execution, delivery, validity, enforceability or performance by the Borrower of any Basic Document or the validity of the Joint Powers Agreement.

Section 4.06. Financial Condition. The audited financial statements of the System for the Fiscal Year ended June 30, 2025, and the most recent unaudited quarterly statements of the System delivered by the Borrower to the Lender since that day, have been prepared in conformity with GAAP (except as noted therein), and fairly present, in all material respects, the financial condition of the System, as of the dates thereof. Since the date of the audited financial statements or unaudited quarterly statements of the System, whichever was most recently furnished to the Lender, there has been no Material Adverse Change in the operations, assets, liability or financial condition of the System.

Section 4.07. Amendments. None of the Basic Documents have been amended except by such amendments or supplements as have been delivered to the Lender prior to the execution of this Agreement. The Joint Powers Agreement has not been amended, supplemented, modified, rescinded or repealed and remains in full force and effect as of the date hereof.

Section 4.08. Liens. This Agreement creates a valid first-priority Lien on and pledge of Net Revenues to secure the payment and performance of the Borrower's obligations under this Agreement and the Fee Agreement, and no filings, recordings, registrations or other actions are necessary on the part of the Borrower, the Lender or any other Person to create or perfect such Lien. Except for the Lien over Net Revenues contained in this Agreement, there is no pledge of or Lien on Net Revenues.

Section 4.09. No Defaults. (a) No Potential Event of Default or Event of Default has occurred and is continuing.

(b) No "default" or "event of default" (after giving effect to applicable cure periods, if any) has occurred and is continuing with respect to the Borrower under any other material mortgage, indenture, contract, agreement or undertaking respecting the System (including, but not limited to, any PPAs with a notional amount or amounts, in the aggregate, of \$5,000,000) to which the Borrower is a party or which purports to be binding on the Borrower or on any of the property of the System.

Section 4.10. No Proposed Legal Changes. Except as disclosed in writing to the Lender prior to the Effective Date, there is no (i) amendment, or to the best knowledge of the Borrower, proposed amendment certified for placement on a statewide ballot, to the Constitution of the State or any published administrative interpretation of the Constitution of the State, any State law, or any proposition or referendum (or proposed proposition or referendum) or other ballot initiative or any legislation that has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, or (ii) or the Joint Powers Agreement or any administrative interpretation of the Constitution of the State, any State law, or the Joint Powers Agreement, or any judicial decision interpreting any of the foregoing, or any published judicial decision interpreting any of the foregoing, in each case, the effect of which could reasonably be expected to adversely

affect the validity, enforceability, security for, or priority of payment of the Obligations or the ability of the Borrower to perform its obligations under this Agreement or the other Basic Documents to which the Borrower is a party.

Section 4.11. Compliance. The Borrower is in substantial compliance with all laws, ordinances, orders, rules and regulations applicable to it, except to the extent noncompliance could not reasonably be expected to have a Material Adverse Effect.

Section 4.12. Environmental Laws. The Borrower has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could reasonably be expected to result in a Material Adverse Effect.

Section 4.13. Margin Stock. The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System).

Section 4.14. ERISA. The Borrower does not maintain or contribute to, and has not maintained or contributed to, any “employee benefit plans” that are subject to Title IV of ERISA.

Section 4.15. Incorporation of Representations and Warranties by Reference. The Borrower hereby makes to the Lender the same representations and warranties as are set forth by it in each Basic Document (other than this Agreement and the Fee Agreement) to which it is a party, which representations and warranties, together with the related defined terms contained therein, are hereby incorporated herein by reference for the benefit of the Lender with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety and were made as of the date hereof. No amendment to such representations and warranties or defined terms made pursuant to any Basic Document (other than this Agreement and the Fee Agreement) shall be effective to amend such representations and warranties and defined terms as incorporated by this reference without the prior written consent of the Lender.

Section 4.16. Immunity. The Borrower is not entitled to raise the defense of immunity (whether sovereign, governmental or otherwise) in connection with any legal proceedings to enforce or collect upon the obligations of the Borrower under this Agreement or the transactions contemplated hereby, including, without limitation, the payment of the Obligations; *provided, however*, that the procedural requirements applicable to commencing an action and exercising remedies against the Borrower differ from those provisions and requirements applicable to individuals and non-governmental entities.

Section 4.17. Anti-Terrorism Laws. The Borrower is not in violation of any Laws relating to terrorism or money laundering ("*Anti-Terrorism Laws*"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "*Executive Order*"), and the Patriot Act.

The Borrower is not any of the following:

- (i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
- (ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
- (iii) a Person with which the Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;
- (iv) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or
- (v) a Person that is named as a "specially designated national and blocked person" on the most current list published by the OFAC or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list.

Section 4.18. System Debt. The Borrower has not incurred or issued any System Debt other than (x) the System Debt created under this Agreement and (y) Irvine Debt.

ARTICLE V

AFFIRMATIVE COVENANTS OF THE BORROWER

The Borrower agrees that, so long as the Lender has any Commitment hereunder or any amount payable hereunder remains unpaid:

Section 5.01. Reports, Certificates and Other Information.

(a) **Notice of Default.** Promptly upon any Authorized Officer obtaining knowledge of the occurrence of an Event of Default or notice thereof, and in any event within three (3) Business Days thereafter, the Borrower will provide to the Lender the written statement of an Authorized Officer setting forth in reasonable detail the nature of such event and the action which the Borrower proposes to take with respect thereto;

(b) **Annual Reports.** Within one hundred eighty (180) days after the end of each Fiscal Year of the Borrower, the Borrower will deliver to the Lender financial statements,

consisting of a statement of net position of the Borrower as at the end of such Fiscal Year and a statement of revenues and expenses and a statement of cash flows of the Borrower for such Fiscal Year, together with all in reasonable detail and accompanied by an unqualified opinion of a nationally recognized independent certified public accounting firm stating that such financial statements have been prepared in accordance with GAAP consistently applied;

(c) *Quarterly Reports.* Within sixty (60) days after the end of each of the first three fiscal quarters of the Borrower in a fiscal year and within ninety (90) days after the end of each of the last fiscal quarter of the Borrower in a fiscal year, the Borrower will deliver to the Lender (i) financial statements of the Borrower, consisting of a statement of net position as at the end of such fiscal quarter and a statement of revenues and expenses and a statement of cash flows of the Borrower for such fiscal quarter, (ii) statistics on number of consumers enrolled in OCPA and energy-usage statistics therefor;

Each of the financial statements furnished to the Lender pursuant to subsections (b) and (c) of this Section 5.01 shall be accompanied by a certificate signed by an Authorized Officer and addressed to the Lender, substantially in the form of *Exhibit E* hereto, (x) stating that no Event of Default or Potential Event of Default has occurred, or if any Event of Default or Potential Event of Default has occurred, specifying the nature of such Event of Default or Potential Event of Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Event of Default or Potential Event of Default, and (y) demonstrating compliance with the Debt Service Coverage Ratio required by Section 5.11 hereof;

(d) *Additional Notices.* As soon as possible after an Authorized Officer acquires knowledge of the occurrence thereof, the Borrower will notify the Lender of the filing of a complaint by or before any court or administrative agency against the Borrower with service of process properly completed under applicable law, which, if adversely determined, in the reasonable judgment of the Borrower, is reasonably likely to have a Material Adverse Effect;

(e) *PPA Defaults; Modification to Lockbox Security Document(s).* (i) Promptly upon any Authorized Officer obtaining knowledge of the occurrence of (A) an event of default or notice thereof or (B) any condition or event which, with the giving of notice or lapse of time, or both, would, unless cured or waived, become an event of default thereunder, in each case, caused by the Borrower under any one (1) or more PPAs with a notional amount or amounts, in the aggregate, of \$2,000,000 or more concurrently outstanding, and in any event within five (5) days thereafter, the Borrower will provide to the Lender the written statement of an Authorized Officer setting forth the reasonable detail of such event and the action which the Borrower proposes to take with respect thereto; and

(ii) Promptly after the Borrower receives notice of the formal consideration of any proposed modification to any Lockbox Security Document;

(f) *Annual Budget.* Within thirty (30) days of adoption, but in any event on or prior the end of each Fiscal Year, a copy of the Borrower's annual operating budget as of June 30 of the immediately following Fiscal Year, which update shall be in form and substance reasonably satisfactory to the Lender;

(g) *Reserve Policy.* The Borrower shall comply with the terms of its Reserve Policy in all respects and shall promptly notify the Lender in writing of any change proposed to the Reserve Policy that has been submitted for approval at a meeting of the governing board of the Borrower;

(h) *Enforcement of Rights under Joint Powers Agreement; Termination of the Joint Powers Agreement.* The Borrower shall at all times diligently pursue all of its rights and remedies against any Party (as defined in the Joint Powers Agreement) that seeks to withdraw or withdraws from the Borrower under the Joint Powers Agreement, or that is terminated as a Party to the Joint Powers Agreement, including, without limitation, seeking repayment of obligations of the Borrower attributable to such Party under the Joint Powers Agreement, in each case to the fullest extent contemplated by the Joint Powers Agreement;

(i) *Investment Policy and Guidelines.* The Borrower shall promptly notify the Lender in writing of any change proposed to the Investment Policy that has been submitted for approval at a meeting of the governing board of the Borrower, which proposed change would increase the types of investments permitted thereby;

(j) *Rates; Rate Notice.* (i) The Borrower shall fix, establish, maintain and collect rates and charges for electric power and energy and other services, facilities and commodities sold, furnished or supplied through the facilities of the System, which shall be set in accordance with applicable law and shall be sufficient to provide the Borrower with Revenues in each Fiscal Year, are sufficient to pay, to the extent not paid from other available moneys (including available operating reserves and rate stabilization funds), any and all amounts the Borrower is obligated to pay or set aside from Revenues by law or contract in such Fiscal Year (including, without limitation, all Obligations when due hereunder) (collectively, the "*Generation Rates*"); and

(i) The Borrower shall promptly notify the Lender in writing, not less than ten (10) Business Days after adjustment thereof, of any adjustment to the Generation Rates by a cumulative integer of five percent (5%) or greater as compared to the Generation Rates assumed in the then-current annual budget and provide an updated annual budget reflecting such revised Generation Rates;

(k) *Contracted Annual Energy Supply.* Within sixty (60) days of the end of each of the second and fourth fiscal quarters of each Fiscal Year, the Borrower will provide a summary report regarding management's contracted annual energy supply verses the projected load forecast for such period; and

(l) *Other Information.* The Borrower will provide to the Lender such other information respecting the business, affairs, financial condition or operations of the Borrower, as the Lender may from time-to-time reasonably request.

Section 5.02. Inspections; Discussion. At any reasonable time and from time to time, during normal business hours and, so long as no Event of Default has occurred and is continuing, on at least five (5) Business Days' notice, the Borrower shall permit the Lender or any of its agents or representatives to visit and inspect any of the properties of the Borrower respecting the operations of the Borrower, to examine the books of account of the Borrower respecting the operations of the Borrower (and to make copies thereof and extracts therefrom), and to discuss the affairs, finances and accounts of the Borrower respecting the operations of the Borrower with, and to be advised as to the same by, its officers, all at such reasonable times and intervals as the Lender may reasonably request; *provided, however,* that if required by the Borrower, the Lender shall, as a condition to being permitted by the Borrower to make or conduct any such visit, inspection, examination or discussion, certify to the Borrower that the same is being made or conducted solely in order to assist the Lender in evaluating its Commitment. The Lender agrees that all information obtained by it as a result of any such visit, inspection, examination or discussion is confidential and shall not be made public or divulged to third parties, except with the prior written consent of the Borrower or as compelled by law.

Section 5.03. Preservation of Pledge. The Borrower will take any and all actions necessary or reasonably requested by the Lender to maintain the pledge of Net Revenues and the priority thereof set forth in this Agreement.

Section 5.04. Taxes and Liabilities. The Borrower will pay all its indebtedness and obligations promptly and in accordance with their terms and pay and discharge or cause to be paid and discharged promptly all taxes, assessments and governmental charges or levies imposed upon it or upon its income and profits, or upon any of its property, real, personal or mixed, or upon any part thereof, before the same shall become in default, except those indebtedness, obligations, taxes, assessments or governmental charges or levies which the Borrower shall in good faith contest by proper legal proceedings if the Borrower shall in all such cases have set aside on its books adequate (in the Borrower's sole discretion) reserves with respect thereto.

Section 5.05. [Reserved].

Section 5.06. Compliance with Basic Documents; Operation and Maintenance of System. (a) the Borrower shall perform and comply with covenant set forth in each of the Basic Documents (other than this Agreement) and any other agreements, instruments or documents evidencing System Debt. By the terms of this Agreement, the Lender is hereby made a third-party beneficiary of the covenants set forth in each of the Basic Documents (other than this Agreement), and each such covenant, together with the related definitions of terms contained therein, is incorporated by reference in this Section 5.06(a) with the same effect as if it were set forth herein in its entirety. To the extent that any such incorporated provision permits any Person to waive compliance with or consent

to such provision or requires that a document, opinion, report or other instrument or any event or condition be acceptable or satisfactory to any Person, for purposes of this Agreement, such compliance shall be waived, or such provision shall be consented to, only if it is waived or consented to, as the case may be, by the Lender and such document, opinion, report or other instrument shall be acceptable or satisfactory to the Lender. The Borrower will not amend, supplement or otherwise modify (or permit any of the foregoing), or request or agree to any consent or waiver under, or effect or permit the cancellation, acceleration or termination of, or release or permit the release of any collateral held under any of the Basic Documents in any manner without the prior written consent of the Lender.

(b) the Borrower will enter into, perform and maintain such contractual relationships and PPAs as are necessary for the Borrower to provide Products and such other services and resources as are necessary for the operation of the System.

Section 5.07. Disclosure to Participants. The Borrower shall permit the Lender to disclose any information received by the Lender in connection herewith including, without limitation, the financial information described in Section 5.01 hereof, to any participant or assignee as described in Section 9.05 hereof.

Section 5.08. Further Assurances. From time to time hereafter, the Borrower will execute and deliver such additional instruments, certificates or documents, and will take all such actions as the Lender may reasonably request, for the purposes of implementing or effectuating the provisions of the Basic Documents and this Agreement or for the purpose of more fully perfecting or renewing the rights of the Lender with respect to the rights, properties or assets subject to such documents (or with respect to any additions thereto or replacements or proceeds thereof or with respect to any other property or assets hereafter acquired by the Borrower which may be deemed to be a part thereof).

Section 5.09. Existence, Etc. The Borrower will maintain its existence and the existence of the System. The Borrower will preserve and keep in force and effect all licenses, permits, franchises and qualifications necessary to the proper conduct of its operations. Subject to Section 6.04, the Borrower will not amend any organizational document or any agreement directly or indirectly governing the operations or management of the Borrower in a manner that could reasonably be expected to result in a Material Adverse Effect.

Section 5.10. No Different or More Restrictive Terms. Except as may be set forth in any PPA, the Borrower shall not, directly or indirectly, enter into or otherwise consent to any agreement that provides the counterparty thereto with additional or more restrictive events of default or greater rights and remedies than are provided to the Lender in this Agreement without the prior written consent of the Lender.

Section 5.11. Debt Service Coverage Ratio. The Debt Service Coverage Ratio shall be not less than 1.10 to 1.00 as of the last day of any fiscal quarter of the Borrower, commencing with the last day of the fiscal quarter ended September 30, 2026; *provided, however,* in the event the Debt Service Coverage Ratio as of the last day of any fiscal

quarter of the Borrower is less than 1.10 to 1.00 but the Days Liquidity on Hand as of the last day of such fiscal quarter of the Borrower equals or exceeds (x) if the Rating Condition is not then satisfied, ninety (90) days or (y) if the Rating Condition is then satisfied, seventy-five (75) days, then the Borrower shall be deemed to be in compliance with this Section 5.11 for such period (the "*Liquidity Cure Right*"); *provided, further*, that in no event shall the Borrower be permitted to exercise Liquidity Cure Right hereunder more than three (3) times during any four (4) consecutive fiscal quarter period.

The Borrower shall determine the Debt Service Coverage Ratio and the Days Liquidity on Hand as of the last day of each fiscal quarter of the Borrower and shall provide the Lender with written notice thereof together with supporting calculations in reasonable detail to the Lender as soon as practicable following the end of a fiscal quarter and in any event no later than sixty (60) days following the end of each fiscal quarter (each such notice, a "*Debt Service Coverage Ratio Notice*").

Section 5.12. Maintenance of Insurance. The Borrower shall maintain, or cause to be maintained, at all times, insurance on and with respect to its properties with responsible and reputable insurance companies; *provided, however*, that the Borrower may maintain self-insurance from a California public agency risk pool. Such insurance must include casualty, liability and workers' compensation and be in amounts and with deductibles and exclusions customary and reasonable for entities of similar size and with similar operations as the Borrower. The Borrower shall, upon request of the Lender, furnish evidence of such insurance to the Lender. The Borrower shall also procure and maintain at all times adequate fidelity insurance or bonds on all officers and employees handling or responsible for any Revenues or funds of the System, such insurance or bond to be in an aggregate amount at least equal to the maximum amount of such Revenues or funds at any one time in the custody of all such officers and employees or in the amount of one million Dollars (\$1,000,000), whichever is less.

Section 5.13. Accuracy of Information. The Borrower will ensure that any information, including financial statements or other documents, furnished to the Lender in connection with this Agreement or any other Basic Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder contains no material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and the furnishing of such information shall be deemed to be a representation and warranty by the Borrower on the date thereof as to the matters specified in this Section 5.13; *provided* that, with respect to the Projections, the Borrower will cause the Projections to be prepared in good faith based upon assumptions believed to be reasonable at the time.

Section 5.14. Lockbox Security Documents and PPAs. The Borrower shall perform and comply with all its agreements and covenants set forth in the Lockbox Security Documents and the PPAs. The Borrower will not amend, supplement or otherwise modify (or permit any of the foregoing) any Lockbox Security Document in any manner that could reasonably be expected to have a materially adverse effect on the interests of the Lender

without the prior written consent of the Lender, and the Borrower shall take, or cause to be taken, all such actions as may be reasonably requested by the Lender to strictly enforce the obligations of the other parties to any of the Lockbox Security Documents, as well as each of the covenants set forth therein. The Borrower shall give prior written notice to the Lender of any proposed action referred to in this Section 5.14.

Section 5.15. Control Agreements. No later than October 30, 2026 (or such other date Lender shall agree to in its sole and absolute discretion), Borrower will deliver to Lender an executed deposit account control agreement among Borrower, the Lender, and U.S. Bank National Association, with respect to its operating account ending in [], in form and substance reasonably satisfactory to Lender. To the extent that Borrower maintains any operating account other than the U.S. Bank National Association operating account ending in [], Borrower shall not later than sixty (60) days after the opening thereof (or such later date as Lender may agree in writing) deliver a deposit account control agreement with respect to each such account in form and substance reasonably satisfactory to Lender.

ARTICLE VI

NEGATIVE COVENANTS OF THE BORROWER

The Borrower agrees that, so long as the Commitment is outstanding hereunder or any amount payable hereunder remains unpaid, it will not:

Section 6.01. Compliance with Laws, Etc. Violate any Laws, rules, regulations, or governmental orders to which it is subject, which violation involves a reasonable likelihood of having a Material Adverse Effect.

Section 6.02. System Debt. Issue, incur or assume to exist any Debt other than (i) the System Debt created under this Agreement and (ii) the Irvine Debt.

Section 6.03. Swap Contracts. Not enter into any Swap Contract without prior approval from the Lender, except (a) Swap Contracts entered into to hedge or mitigate risks to which the Borrower has actual exposure, and (b) Swap Contracts entered into in order to effectively cap, collar or exchange interest rates (from floating to fixed rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower, and, in each case, the payments under which are not secured by any Lien on any portion of the Net Revenues securing any termination payment pursuant to any Swap Contract to be *pari passu* or senior to the Lien on the Net Revenues securing the payment of Obligations hereunder or under the Fee Agreement, *provided, however*, that it is understood that PPAs are regularly entered into to hedge against pricing and supply risks in connection with energy requirements and Regulatory Compliance Products may participate in the Lockbox Security Documents.

Section 6.04. Amendments. Except as expressly consented to in writing by the Lender, (i) agree to the amendment of any document such that the security for or payments hereunder are materially impaired or reduced or the security for or priority of the Obligations is materially adversely affected; or agree to any amendment of any document which will materially adversely affect the Borrower's ability to pay any of the Obligations hereunder or the security for the Obligations hereunder or the rights or obligations of the Lender in respect thereof; (ii) amend, modify or supplement in any manner whatsoever the Resolution, the Basic Documents, the Joint Powers Agreement, the PPAs, or the Lockbox Security Documents, which could reasonably be expected to result in a Material Adverse Effect, provided that for the avoidance of doubt the addition of members of Borrower is not by itself a modification which could reasonably be expected to result in a Material Adverse Effect, or (iii) amend, modify or supplement in any manner whatsoever the documentation evidencing or relating to the Irvine Debt.

Section 6.05. Assertion of Immunity. Assert or claim the defense of immunity (whether sovereign, governmental or otherwise) in connection with any legal proceedings to enforce or collect upon the obligations of the Borrower under this Agreement or the transactions contemplated hereby or thereby, including, without limitation, the payment of the Obligations; *provided, however*, that the procedural requirements applicable to commencing an action and exercising remedies against the Borrower differ from those provisions and requirements applicable to individuals and non-governmental entities.

Section 6.06. Reserved.

Section 6.07. Liens on Net Revenues or Account Collateral. Create, suffer to exist or permit any Lien on the Net Revenues or Account Collateral other than Liens (i) created by this Agreement, or (ii) created or permitted by any other Basic Document.

Section 6.08. Use of Proceeds. (a) Use the proceeds of any Loan for any purposes other than the purposes set forth in Section 2.01. Use the Letters of Credit for any purpose other than the uses set forth in Section 2.03(a). Use any portion of the proceeds of a Loan for the purpose of carrying or purchasing any margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) nor incur any Debt which is to be reduced, retired or purchased by the Borrower out of such proceeds. For the avoidance of doubt, proceeds of Loans may not be used for long-term capital expenditures other than long term purchases of Products pursuant to PPAs.

(b) Request any Borrowing or Letter of Credit, or use, or permit its directors, officers, employees and agents to use, the proceeds of any Borrowing or Letter of Credit (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Terrorism Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, except to the extent permitted for a Person required to comply with Sanctions, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

Section 6.09. Available Net Revenues. Use Net Revenues for any purpose other than: (i) payment of Operation and Maintenance Expenses; (ii) payment of Obligations; (iii) capital expenditures in connection with assets that will become part of the System; and (iv) any other lawful purpose that inures to the direct benefit of the System.

Section 6.10. Preservation of Corporate Existence, Etc. Take any action to terminate its existence as a public agency under the Joint Powers Act or its rights and privileges as such entity within the State. The Borrower shall not permit the termination of the Joint Powers Agreement or the cessation of Borrower's CCA Program (as defined in the Joint Powers Agreement).

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default. The occurrence of any of the following events shall be an "*Event of Default*" hereunder, unless waived in writing by Lender:

(a) the Borrower shall (i) fail to pay the principal of any Loan or any Reimbursement Obligation or deposit any funds as cash collateral in respect of LC Exposure when the same shall become due and payable in accordance with its terms or (ii) fail to pay any interest on any Loan or any Reimbursement Obligation or pay any other amount due and owing hereunder or under the Fee Agreement within three (3) Business Days of when due;

(b) any representation, warranty, certification or statement made by the Borrower in this Agreement or in any other Basic Document or in any certificate, financial statement or other document delivered pursuant to this Agreement or any other Basic Document shall (in any such case) have been incorrect or untrue in any materially adverse respect when made or deemed to have been made;

(c) (x) the Borrower shall default in the due performance or observance of any term, covenant or agreement contained in Sections 5.01(a), 5.01(b), 5.01(d), 5.01(e), 5.01(g)(i), 5.01(j), 5.03, 5.06, 5.11, 5.12 or Article VI hereof, or (y) the Borrower shall default in the due performance or observance of Section 5.01(c) and such default in respect of Section 5.01(c) shall remain unremedied for three (3) days after written notice thereof shall have been given to the Borrower by the Lender;

(d) the Borrower shall default in the due performance or observance of any term, covenant or agreement contained herein other than those set forth in clause (a) or (c) of this Section 7.01 and such default, if capable of being remedied, shall remain unremedied for thirty (30) days after the earlier of (i) written notice thereof shall have been given to the Borrower by the Lender or (ii) the date on which the Chief Financial Officer of the Borrower, or, in each case, any other

Person acting in such capacity or as deputy thereto, first becomes aware of such default;

(e) any material provision of this Agreement, the Joint Powers Agreement or any other Basic Document at any time for any reason ceases to be valid and binding on the Borrower as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction or is declared in a final non-appealable judgment by any court with competent jurisdiction to be null and void, invalid or unenforceable, or the validity or enforceability thereof is publicly contested by the Borrower, or the Borrower publicly contests the validity or enforceability of any obligation to pay System Debt, or the Borrower repudiates or otherwise denies in writing that it has any further liability or obligation under or with respect to any provision of this Agreement, the Joint Powers Agreement any other Basic Document or any operative document related to System Debt;

(f) (i) the Borrower shall admit in writing its inability to pay its debts generally as they become due, or shall become insolvent within the meaning of Section 101(32) of the United States Bankruptcy Code; or (ii) either the Borrower or a governmental authority of competent jurisdiction shall declare a moratorium on the payment of the Borrower's Debts or apply for, consent to or acquiesce in the appointment of a trustee, custodian, liquidator or receiver for the Borrower or any substantial part of its property, or shall take any action to authorize or effect any of the foregoing; or (iii) in the absence of any such application, consent or acquiescence, a trustee, custodian, liquidator or receiver shall be appointed for the Borrower or for a substantial part of its property or revenues and shall not be discharged within a period of sixty (60) days; or (iv) any governmental authority having jurisdiction over the Borrower shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which results in a debt moratorium, debt restructuring, or comparable extraordinary restriction on repayment when due and payable of the principal of or interest on the debts of the Borrower; or (v) any bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law or any dissolution or liquidation proceeding shall be instituted by or against the Borrower (or any action shall be taken to authorize or effect the institution by it of any of the foregoing) and if instituted against it, shall be consented to or acquiesced in by it, or shall not be dismissed within a period of sixty (60) days or an order for relief shall be granted;

(g) the Borrower shall default in the due performance or observance of any material term, covenant or agreement contained in any other Basic Document and the same shall not have been cured within any applicable cure period;

(h) the Borrower (i) defaults on the payment of the principal of or interest on any System Debt beyond the period of grace, if any, provided in the instrument or agreement under which such System Debt was created or incurred or (ii) defaults in the observance or performance of any agreement or condition relating to any System Debt, or contained in any instrument or agreement evidencing,

securing or relating thereto, or any other default, event of default or similar event occurs or condition exists, the effect of which default, event of default or similar event or condition is to permit (determined without regard to whether any notice is required) any such System Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such System Debt;

(i) one or more final, non-appealable judgments or orders for the payment of money in an aggregate amount in excess of \$1,000,000 shall be rendered or filed against the Borrower and such judgment or order shall continue unsatisfied and unstayed for a period of sixty (60) days;

(j) [reserved];

(k) [reserved];

(l) a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any System Debt by any Governmental Authority of competent jurisdiction; or

(m) dissolution or termination of the existence of the Borrower.

Section 7.02. Consequences of an Event of Default. If an Event of Default specified in Section 7.01 hereof shall occur and be continuing, the Lender may take one or more of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):

(a) declare the Commitment and the obligation of the Lender to make Credit Extensions to be terminated, whereupon such Commitment and obligation shall be terminated;

(b) by written notice to the Borrower, declare the outstanding amount of the Obligations and all other obligations of the Borrower under this Agreement to be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived, and an action therefor shall immediately accrue;

(c) require that the Borrower provide cash collateral in an amount equal to the Minimum Collateral Amount as required in Section 2.15(a);

(d) at the expense of the Borrower, cure any Event of Default or event of nonperformance hereunder or under any other Basic Document; *provided, however,* that the Lender shall have no obligation to effect such a cure;

(e) by written notice to the Borrower, impose the Default Rate with respect to the Obligations (which imposition may be retroactive to the date on which such Event of Default first occurred); and

(f) exercise, or cause to be exercised, any and all remedies as it may have under the Basic Documents and as otherwise available at Law and at equity.

If an Event of Default described in Section 7.01(f) occurs with respect to the Borrower, the Commitment shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder and under any other Basic Documents including any break funding payment or prepayment premium, shall automatically become due and payable, and the obligation of the Borrower to cash collateralize the LC Exposure as provided in clause (c) above shall automatically become effective, in each case, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

Section 7.03. Solely for the Benefit of Lender. The rights and remedies of the Lender specified herein are for the sole and exclusive benefit, use and protection of the Lender, and the Lender is entitled, but shall have no duty or obligation to the Borrower or any other Person or otherwise, to exercise or to refrain from exercising any right or remedy reserved to the Lender hereunder or under any of the other Basic Documents.

Section 7.04. Discontinuance of Proceedings. In case the Lender shall proceed to invoke any right, remedy or recourse permitted hereunder or under the other Basic Documents and shall thereafter elect to discontinue or abandon the same for any reason, the Lender shall have the unqualified right so to do and, in such event, the Borrower and the Lender shall be restored to their former positions with respect to the Obligations, the Basic Documents and otherwise, and the rights, remedies, recourse and powers of the Lender hereunder shall continue as if the same had never been invoked.

ARTICLE VIII

CHANGE IN CIRCUMSTANCES

Section 8.01. Increased Costs.

(a) *Increased Costs Generally.* If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended or participated in by, the Lender (except any such reserve requirement reflected in the Adjusted Term SOFR Rate);

(ii) subject the Lender to any Taxes (other than (A) Indemnified Taxes, (B) Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on the Lender any other condition, cost or expense (other than Taxes) affecting this Agreement or any Loans made by the Lender or any Letter of Credit;

and the result of any of the foregoing shall be to increase the cost to the Lender with respect to this Agreement, any Loan, or the making, maintenance or funding of any Loan, or to increase the cost to the Lender of issuing or maintaining any Letter of Credit (or of maintaining its obligation to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by the Lender hereunder (whether of principal, interest or any other amount) then, upon request of the Lender, the Borrower will pay to the Lender such additional amount or amounts as will compensate the Lender for such additional costs incurred or reduction suffered.

(b) *Capital Requirements.* If the Lender determines that any Change in Law affecting the Lender or the Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the Lender's capital or liquidity or on the capital or liquidity of the Lender's holding company, if any, as a consequence of this Agreement, the Commitment, the Letters of Credit issued by the Lender, or the Loans made by the Lender to a level below that which the Lender or the Lender's holding company, if any, could have achieved but for such Change in Law (taking into consideration the Lender's policies and the policies of the Lender's holding company, if any, with respect to capital adequacy), then from time to time the Borrower will pay to the Lender such additional amount or amounts as will compensate the Lender or the Lender's holding company, if any, for any such reduction suffered.

(c) *Certificates for Reimbursement.* Promptly upon obtaining knowledge of the expected occurrence of any event specified in subsections (a) or (b) of this Section 8.01, the Lender shall use commercially reasonable efforts to deliver to the Borrower a certificate describing the expected occurrence of any such event specified in subsection (a) or (b) of this Section, 8.01 and the anticipated date upon which the Lender would make such demand upon the Borrower. Thereafter, a certificate of the Lender setting forth the amount or amounts necessary to compensate the Lender or its holding company, as the case may be, as specified in subsections (a) or (b) of this Section 8.01 shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay the Lender the amount shown as due on any such certificate within thirty (30) days after receipt thereof.

(d) *Delay in Requests.* Failure or delay on the part of the Lender to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of the Lender's right to demand such compensation; *provided* that the Borrower shall not be required to compensate the Lender pursuant to the foregoing provisions of

this Section for any increased costs incurred or reductions suffered more than twelve (12) months prior to the date that the Lender first notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of the Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the twelve (12) month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 8.02. Net of Taxes, Etc.

(a) *Taxes.* Any and all payments to the Lender by the Borrower under any Basic Document shall be made free and clear of and without deduction for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of the Borrower) requires the deduction or withholding of any Tax from any such payment by the Borrower, then the Borrower shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 8.02) the Lender receives an amount equal to the sum it would have received had no such deduction or withholding been made. The foregoing obligation of the Borrower shall not apply to any payment to a Participant that is a non-U.S. person that would be subject to withholding under FATCA.

(b) *Indemnity.* To the extent permitted by law, the Borrower shall indemnify the Lender for the full amount of any Indemnified Taxes, whether or not such Indemnified Taxes were correctly or legally asserted; *provided* that the Borrower shall not be obligated to indemnify the Lender for any penalties, interest or expenses relating to Indemnified Taxes not asserted and incorrectly paid by the Lender or arising from the Lender's gross negligence or willful misconduct. The Lender agrees to give notice to the Borrower of the assertion of any claim against the Lender relating to such Indemnified Taxes as promptly as is practicable after being notified of such assertion; *provided* that the Lender's failure to notify the Borrower promptly of such assertion shall not relieve the Borrower of its obligation under this Section 8.02. Payments by the Borrower pursuant to this indemnification shall be made within thirty (30) days from the date the Lender makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Lender agrees to repay to the Borrower any refund (including that portion of any interest that was included as part of such refund and including any credit or deduction for such Indemnified Taxes against any other taxes payable by the Lender to any taxing jurisdiction in the United States) with respect to Indemnified Taxes paid by the Borrower pursuant to this Section 8.02 received by the Lender for Indemnified Taxes that were paid by the Borrower pursuant to this Section 8.02 promptly upon receipt of such refund. The Lender also agrees to contest, with the cooperation and at the expense of the Borrower, any such Indemnified Taxes which the Borrower reasonably believes not to have been properly assessed. This paragraph shall not be construed to require the Lender to make available its Tax returns (or any other

information relating to its Taxes that it deems confidential) to the Borrower or any other Person.

(c) *Payment of Other Taxes by the Borrower.* The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Lender timely reimburse it for the payment of, any Other Taxes.

(d) *Notice.* As soon as practicable after the date of any payment of Taxes by the Borrower, the Borrower shall furnish to the Lender, the original or a certified copy of a receipt evidencing payment thereof.

(e) *Survival of Obligations.* The obligations of the Borrower and the Lender under this Section 8.02 shall survive any assignment of rights by the Lender, the termination of the Commitment and the repayment, satisfaction or discharge of all obligations under any Basic Document.

Section 8.03. Break Funding Payments. (a) With respect to Loans that are not RFR Loans, in the event of (i) the payment of any principal of any Term Benchmark Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or an optional or mandatory prepayment of Loans), (ii) the conversion of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto or (iii) the failure to borrow, convert, continue or prepay any Term Benchmark Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.04(a) and is revoked in accordance therewith), then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. A certificate of the Lender setting forth any amount or amounts that the Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay the Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(b) With respect to RFR Loans, in the event of (i) the payment of any principal of any RFR Loan other than on the Interest Payment Date applicable thereto (including as a result of an Event of Default or an optional or mandatory prepayment of Loans) or (ii) the failure to borrow or prepay any RFR Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.04(a) and is revoked in accordance therewith), then, in any such event, the Borrower shall compensate the Lender for the loss, cost and expense attributable to such event. A certificate of the Lender setting forth any amount or amounts that the Lender is entitled to receive pursuant to this Section 8.03(b) shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay the Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

Section 8.04. Survival. All of the Borrower's obligations under this Article VIII shall survive termination of the Commitment and repayment of all other obligations of the Borrower hereunder.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy or e-mail, as follows:

If to the Borrower, to:

Orange County Power Authority

Attention: ☐

☐

☐

☐

Email: ☐

If to the Lender:

JPMorgan Chase Bank, N.A.

270 Park Avenue, 3rd Floor

New York, New York 10017

Mail Code: NY1-1101

Attention: Allyson Goetschius or Janice Fong

Telephone: (212) 270-0335 or (212) 270-3762

Facsimile: (917) 849-0272

Email: Allyson.l.goetschius@jpmorgan.com or
Janice.r.fong@jpmorgan.com

and

Attention: PFG Servicing

Telephone: (302) 634-4092

Email: PFG_Servicing@jpmorgan.com

and

Email: jpmc.agency.servicing@jpmorgan.com

with a copy to:

JPMorgan Loan Services

JPM-Delaware Loan Operations

500 Stanton Christiana Road, NCC5, Floor 1

Newark, Delaware 19713-2107, United States

Attention: PFG Servicing
Telephone: (302) 634-4092
Email: PFG_Servicing@jpmorgan.com]

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through Approved Electronic Platforms or Approved Borrower Portals, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Notices and other communications to the Borrower and the Lender hereunder may be delivered or furnished by using Approved Electronic Platforms or Approved Borrower Portals (as applicable), in each case, pursuant to procedures approved by the Lender; provided that the foregoing shall not apply to notices pursuant to Article 2 unless otherwise agreed by Lender. The Lender or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Unless the Lender otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; *provided* that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(d) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto.

Section 9.02. No Waivers. No failure or delay by the Lender in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 9.03. Expenses; Indemnification. (a) The Borrower shall pay (i) the reasonable fees of counsel for the Lender, as set forth in the Fee Agreement, in connection with the initial negotiation, preparation and execution of this Agreement and the other Basic Documents, (ii) the reasonable fees of counsel for the Lender in

connection with any waiver or consent hereunder or any amendment hereof or any Potential Event of Default, alleged Potential Event of Default or Event of Default hereunder and (iii) if an Event of Default occurs, all out-of-pocket expenses incurred by the Lender, including the reasonable fees and disbursements of counsel, in connection with such Event of Default and collection, bankruptcy, insolvency and other enforcement proceedings resulting therefrom.

(b) the Borrower hereby agrees to indemnify the Lender and hold the Lender harmless from and against any and all liabilities, losses, damages, costs and expenses of any kind, including, without limitation, the reasonable fees and disbursements of counsel, which may be incurred by the Lender in connection with any investigative, administrative or judicial proceeding relating to or arising out of this Agreement or any other Basic Document or any actual or proposed use of proceeds of Loans or Letters of Credit hereunder (collectively "*Indemnified Costs*"); *provided* that the Borrower is not required to indemnify the Lender to the extent, but only to the extent, any such claim, damage, loss, liability, cost or expense is caused by the Lender's willful misconduct or gross negligence as determined by a final order of a court of competent jurisdiction.

Section 9.04. Amendments and Waivers. Any provision of this Agreement or Note may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Borrower and the Lender.

Section 9.05. Successors and Assigns; Participations. (a) *Successors and Assigns.* This Agreement is binding on the Borrower's and the Lender's successors and assignees. The Borrower agrees that it may not assign this Agreement without the Lender's prior consent. The Lender may transfer or assign some or all of its rights and obligations under this Agreement and the Fee Agreement with, so long as no Event of Default has occurred and is continuing, the prior written consent of the Borrower (which consent may not be withheld unreasonably); *provided* that the Lender shall be responsible for all costs solely relating to such transfer or assignment. This Agreement is made solely for the benefit of the Borrower and the Lender, and no other Person (including, without limitation, any PPA Counterparty) will have any right, benefit or interest under or because of the existence of this Agreement.

(b) *Transferees.* The Borrower authorizes the Lender to disclose to any participant or assignee (each, a "*Transferee*") and any prospective Transferee such financial and other information in the Lender's possession concerning the Borrower which has been delivered to the Lender pursuant to this Agreement or which has been delivered to the Lender by the Borrower in connection with the Lender's credit evaluation of the Borrower prior to entering into this Agreement.

(c) *Assignment to Federal Reserve.* The Lender may assign and pledge all or any portion of the obligations owing to it hereunder to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, *provided* that any payment in respect of such assigned obligations

made by the Borrower to the Lender in accordance with the terms of this Agreement will satisfy the Borrower's obligations hereunder in respect of such assigned obligation to the extent of such payment. No such assignment will release the Lender from its obligations hereunder.

(d) *Participations.* Notwithstanding the foregoing, the Lender will be permitted to grant to one or more financial institutions (each a "Participant") a participation or participations in all or any part of the Lender's rights and benefits and obligations under this Agreement, the Fee Agreement, the Loans and the Letters of Credit on a participating basis but not as a party to this Agreement (a "*Participation*") without the consent of the Borrower. In the event of any such grant by the Lender of a Participation to a Participant, the Lender shall remain responsible for the performance of its obligations hereunder and under the Letters of Credit, and the Borrower shall continue to deal solely and directly with the Lender in connection with the Lender's rights and obligations under this Agreement, under the Fee Agreement and under the Letters of Credit. The Borrower agrees that each Participant will, to the extent of its Participation, be entitled to the benefits of this Agreement as if such Participant were Lender; *provided* that no Participant will have the right to declare, or to take actions in response to, an Event of Default under Section 7.01 hereof; and *provided, further*, that the Borrower's liability to any Participant (including, without limitation, amounts payable pursuant to Article II hereof) will not in any event exceed that liability which the Borrower would owe to Lender but for such participation.

Section 9.06. Registers. (a) The Lender, acting solely for this purpose as an agent of the Borrower, shall maintain a copy of each assignment and assumption delivered to it and a register for the recordation of the names and addresses of the applicable Person, and the commitments of, and principal amounts (and stated interest) of the Loans owing to, each applicable Person pursuant to the terms hereof from time to time (the "*Register*"). The entries in the Register shall be conclusive absent manifest error, and the Borrower and the Lender shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and the Lender, at any reasonable time and from time to time upon reasonable prior notice.

(b) If the Lender shall sell a participation, it shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Basic Documents (the "*Participant Register*"); *provided* that the Lender shall have no obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Basic Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and the Lender shall treat each Person whose name is recorded in the

Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, JPMorgan Chase Bank, N.A. shall have no responsibility for maintaining a Participant Register other than in its capacity as the Lender.

Section 9.07. Counterparts; Integration. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement constitutes the entire agreement and understanding between the parties hereto and, except with respect to the other documents and agreements referred to herein, supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

Section 9.08. Governing Law. This Agreement shall be deemed to be a contract under, and for all purposes shall be governed by, and construed and enforced in accordance with, the laws of the State of California without giving effect to conflicts of laws provisions; *provided* that the obligations of the Lender hereunder shall be governed by the laws of the State of New York without giving effect to conflicts of laws provisions.

Section 9.09. Jurisdiction; Venue; Waiver of Jury Trial. (a) Each of the parties hereto hereby submits to the nonexclusive jurisdiction of any federal or state court of competent jurisdiction in the State and sitting in Los Angeles County for the purpose of any suit, action or other proceeding arising out of or relating to this Agreement or any other Basic Document; service of process may be accomplished by registered mail, return receipt requested to each of the parties at the address listed for notice in Section 9.01 hereof.

(b) With respect to any suit, action or proceeding relating to this Agreement, to the fullest extent permitted by applicable law, each party to this Agreement waives any right it may have to trial by jury. IF AND TO THE EXTENT THAT THE FOREGOING WAIVER OF THE RIGHT TO A JURY TRIAL IS UNENFORCEABLE FOR ANY REASON IN SUCH FORUM, EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE ADJUDICATION OF ALL CLAIMS PURSUANT TO JUDICIAL REFERENCE AS PROVIDED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE SHALL BE EMPOWERED TO HEAR AND DETERMINE ALL ISSUES IN SUCH REFERENCE, WHETHER FACT OR LAW. EACH OF THE PARTIES HERETO REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER AND CONSENT AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS AND CONSENTS TO JUDICIAL REFERENCE FOLLOWING CONSULTATION WITH LEGAL COUNSEL ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

Section 9.10. Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Lender, or the Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Lender in its discretion) to be repaid to a trustee, receiver

or any other party, in connection with any proceeding, bankruptcy or insolvency or otherwise, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred.

Section 9.11. Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Basic Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Lender, regardless of any investigation made by the Lender or on its behalf and notwithstanding that the Lender may have had notice or knowledge of any Potential Event of Default at the time of any Credit Extension, and shall continue in full force until the Maturity Date.

Section 9.12. Severability. If any provision of this Agreement or the other Basic Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Basic Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 9.13. No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof, the Note), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) (i) the transactions described in this Agreement between the Lender and the Borrower are arm's-length commercial transactions between the Borrower, on the one hand, and the Lender, on the other hand, and (ii) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate; (b) (i) the Lender and its Affiliates each is and has been acting solely as a principal (*i.e.*, as a lender and not as a purchaser of securities within the meaning of the Securities Act of 1933 or the Securities and Exchange Act of 1934) and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor (municipal, financial or otherwise), agent or fiduciary for the Borrower or any other Person and (ii) neither the Lender nor any of its Affiliates has any obligation to the Borrower with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the Note; and (c) the Lender and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower, and neither the Lender nor any of its Affiliates has any obligation to disclose any of such interests to the Borrower. To the fullest extent permitted by law, the Borrower, hereby waives and releases any claims that it may have against the Lender or any of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

Section 9.14. Electronic Execution of Certain Documents. Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Basic Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 9.01 hereto), certificate, request, statement, disclosure or authorization related to this Agreement, any other Basic Document and/or the transactions contemplated hereby and/or thereby (each an “*Ancillary Document*”) that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Basic Document or such Ancillary Document, as applicable. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Agreement, any other Basic Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; *provided* that nothing herein shall require the Lender to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; *provided, further*, without limiting the foregoing, (i) to the extent the Lender has agreed to accept any Electronic Signature, the Lender shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Borrower without further verification thereof and without any obligation to review the appearance or form of any such Electronic signature and (ii) upon the request of the Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Borrower hereby (A) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation between the Lender and the Borrower, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Basic Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (B) the Lender may, at its option, create one or more copies of this Agreement, any other Basic Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person’s business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (C) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Basic Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Basic Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (D) waives any claim against the Lender and any of its Related Parties for any liabilities arising solely from the Lender’s reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any liabilities arising as a result

of the failure of the Borrower to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

Section 9.15. USA Patriot Act. The Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “*Patriot Act*”), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Lender to identify the Borrower in accordance with the Patriot Act. The Borrower agrees to, promptly following a request by the Lender, provide all such other documentation and information that the Lender requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act.

Section 9.16. Acknowledgement Regarding Any Supported QFCs. To the extent that the Basic Documents provide support, through a guarantee or otherwise, for or any agreement or instrument that is a QFC (such support “*QFC Credit Support*” and each such QFC a “*Supported QFC*”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “*U.S. Special Resolution Regimes*”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Basic Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a “*Covered Party*”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Basic Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Basic Documents were governed by the laws of the United States or a state of the United States.

Section 9.17. No Recourse Against Constituent Members of OCPA. OCPA is organized as a Joint Powers Authority in accordance with the Joint Powers Act of the

State of California (Government Code Section 6500 et seq.) pursuant to the Joint Powers Agreement, and is a public entity separate from its constituent members. OCPA shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. The Lender shall not make any claims, take any actions or assert any remedies against any of OCPA's constituent members arising solely as a result of OCPA's breach of this Agreement.

[SIGNATURE PAGE FOLLOWS]

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

ORANGE COUNTY POWER AUTHORITY

By: _____
Name: _____
Title: _____

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By: _____
Name: _____
Title: _____

EXHIBIT A

FORM OF NOTE

Not to exceed \$_____

Dated Date: [Date]

FOR VALUE RECEIVED, the undersigned ORANGE COUNTY POWER AUTHORITY (the "*Borrower*"), hereby promises to pay to JPMORGAN CHASE BANK, N.A., or its registered assigns (the "*Lender*"), in accordance with the provisions of the Agreement (as hereinafter defined), the principal outstanding amount of all Reimbursement Obligations related to Letters of Credit and each Loan from time to time made by the Lender to the Borrower, in each case under that certain Revolving Credit Agreement, dated as of September [], 2026 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "*Agreement*"), between the Borrower and the Lender, in accordance with the terms of the Agreement.

The Borrower promises to pay interest on the unpaid principal amount of each Loan and Reimbursement Obligations from the date of such Loan or Honor Date, as applicable, until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. All payments of principal and interest shall be made to the Lender in Dollars in immediately available funds at the Lender's Lending Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Note referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein.

This Note is an obligation of the Borrower payable from and secured by a pledge of and a senior lien and charge upon Net Revenues and Account Collateral. This Note is payable as to principal and interest thereof, exclusively from Net Revenues and Account Collateral. This Note and the interest hereon are senior to all other debt incurred and payable from Net Revenues and Account Collateral.

The Loans made by the Lender and Reimbursement Obligations shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its Loans and Reimbursement Obligations and payments with respect thereto.

The Lender, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

Delivery of an executed counterpart of a signature page of this Note by fax transmission or other electronic mail transmission (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Note.

This Note is made under the laws of the State of California, and for all purposes shall be governed by and construed in accordance with the laws of said State, without regard to principles of conflicts of law. Capitalized terms not otherwise defined herein have the meaning set forth in the Agreement.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Agreement precedent to and in the issuance of this Note, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Note have been duly authorized by the Resolution duly adopted by the Borrower. The Borrower hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all other notices and demands whatsoever.

IN WITNESS WHEREOF, the Borrower has caused this Note to be signed as of the Dated Date specified above.

ORANGE COUNTY POWER AUTHORITY

By: _____
Name: _____
Title: _____

[illegible]

EXHIBIT B

FORM OF BORROWING REQUEST

Date: _____, 20__

To: JPMorgan Chase Bank, N.A.
270 Park Avenue, 3rd Floor
New York, New York 10017
Mail Code: NY1-1101
Attention: _____

Ladies and Gentlemen:

Reference is made to that certain Revolving Credit Agreement, dated as of September [], 2026 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "*Agreement*") (the terms defined therein being used herein as defined in the Agreement), between Orange County Power Authority (the "*Borrower*"), and JPMorgan Chase Bank, N.A. (the "*Lender*").

The undersigned hereby requests, pursuant to Section 2.01 of the Agreement, that the Lender make a Loan under the Agreement and disburse such funds as set forth in #6 below, and in that connection sets forth below the following information relating to such Loan (the "*Proposed Loan*"):

1. The Business Day of the Proposed Loan is _____ (the "*Issuance Date*").

2. In the principal amount of \$_____, which is not greater than the Revolving Credit Exposure as of the Issuance Date set forth in 1 above. After giving effect to the Proposed Loan, the Revolving Credit Exposure will not exceed the Commitment, as of the Issuance Date.

3. The Proposed Borrowing is a [Working Capital Loan] [Cash Collateral Loan and the Borrower has provided to the Lender on or prior to the Issuance Date reasonably detailed evidence of the underlying cash collateral requirement for which the Cash Collateral Loan is being used to satisfy.] [Reimbursement Loan, the proceeds of which will be used to repay Reimbursement Obligations with respect to Standby Letter of Credit No. _____, issued under the LC Exposure on _____, 20__].

4. [The duration of the Interest Period for each Term Benchmark Loan made as part of the Proposed Loan, if applicable, is ____ month[s] (which shall be 1, 3 or 6 months).][The Proposed Loan is an ABR Loan.]²

5. The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the Issuance Date, before and after giving effect to the Proposed Loan:

(a) The representations and warranties of the Borrower set forth in Article IV of the Agreement (i) that are not qualified by concepts of materiality are true and correct in all material respects on and as of the date of such Credit Extension with the same force and effect as if made on and as of such date, and (ii) that are qualified by concepts of materiality are true and correct on and as of the date of such Credit Extension with the same force and effect as if made on and as of such date, in each case, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date.

(b) No Potential Event of Default or Event of Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

6. The Proposed Loan shall be made by the Lender by wire transfer of immediately available funds or deposited **[in the amount of \$_____]** to or on behalf of the Borrower in accordance with the instructions set forth below and the Borrower hereby confirms that the Lender is authorized to make said disbursements:

[Insert wire instructions and amounts]

Delivery of an executed counterpart of a signature page of this notice by fax transmission or other electronic mail transmission (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this notice.

ORANGE COUNTY POWER AUTHORITY

By: _____
Name: _____
Title: _____

² Reimbursement Loans must be ABR Loans.

EXHIBIT C

FORM OF NOTICE OF LOAN PREPAYMENT

To: JPMorgan Chase Bank, N.A., as lender (the “*Lender*”)

RE: Revolving Credit Agreement, dated as of September [], 2026, by and between Orange County Power Authority (the “*Borrower*”) and the Lender (as amended, modified, extended, restated, replaced, or supplemented from time to time, the “*Credit Agreement*”; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement)

DATE: [Date]

The Borrower hereby notifies the Lender that on _____³ pursuant to the terms of Section 2.04 (Prepayments) of the Credit Agreement, the Borrower intends to optionally prepay the Loan in the following amount(s): \$ _____⁴

³ Specify date of such prepayment.

⁴ Any prepayment shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof (or if less, the entire principal amount thereof outstanding).

Delivery of an executed counterpart of a signature page of this notice by fax transmission or other electronic mail transmission (e.g., "*pdf*" or "*tif*") shall be effective as delivery of a manually executed counterpart of this notice.

ORANGE COUNTY POWER AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT D

FORM OF LETTER OF CREDIT REQUEST

Date: _____, 20__

To: JPMorgan Chase Bank, N.A.
270 Park Avenue, 3rd Floor
New York, New York 10017
Mail Code: NY1-M076
Attention: _____

Ladies and Gentlemen:

Reference is made to that certain Revolving Credit Agreement, dated as of September [], 2026 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the “*Agreement*”) (the terms defined therein being used herein as defined in the Agreement), between Orange County Power Authority (the “*Borrower*”), and JPMorgan Chase Bank, N.A. (the “*Lender*”) and hereby requests, pursuant to Section 2.03 of the Agreement, that the Lender issue a Letter of Credit under the Agreement, and in that connection sets forth below the following information relating to such Letter of Credit (the “*Proposed Letter of Credit*”):

1. The Business Day of the Proposed Letter of Credit is _____, 20__ (the “*Issuance Date*”).

2. The principal amount of the Proposed Letter of Credit is \$_____. After giving effect to the issuance of the Proposed Letter of Credit, the Revolving Credit Exposure will not exceed the Commitment as of the Issuance Date.

3 The Proposed Letter of Credit is to be issued under the LC Exposure.

4. The tenor of the Proposed Letter of Credit shall be [].

5. The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the Issuance Date, before and after giving effect thereto:

(a) The representations and warranties of the Borrower set forth in the Agreement (i) that are not qualified by concepts of materiality are true and correct in all material respects on and as of the Issuance Date, with the same force and effect as if made on and as of such date, and (ii) that are qualified by concepts of materiality are true and correct in all respects on and as of the Issuance Date, with the same force and effect as if made on and as of such date; [and]

(b) No Potential Event of Default or Event of Default has occurred and is continuing.

6. The undersigned hereby confirms that the Borrower has submitted a Standby Letter of Credit Application in the form attached hereto as Annex I (or any successor form provided by the Lender to the Borrower and the Lender).

Delivery of an executed counterpart of a signature page of this notice by fax transmission or other electronic mail transmission (e.g., "*pdf*" or "*tif*") shall be effective as delivery of a manually executed counterpart of this notice.

ORANGE COUNTY POWER AUTHORITY

By: _____
Name: _____
Title: _____

ANNEX I

FORM OF STANDBY LETTER OF CREDIT APPLICATION

[TO COME FROM LENDER]

EXHIBIT E

FORM OF COMPLIANCE CERTIFICATE

[], 20[]

This Compliance Certificate (this “*Certificate*”) is furnished to JPMorgan Chase Bank, N.A. (including its successors and assigns, the “*Lender*”) pursuant to the Revolving Credit Agreement, dated as of September [], 2026 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the “*Agreement*”), by and between Orange County Power Authority (the “*Borrower*”) and the Lender. Unless otherwise defined herein, the terms used in this Certificate have the meanings assigned thereto in the Agreement.

This Compliance Certificate is being delivered in connection with **[annual audited financials for the Fiscal Year ended _____, 20__][unaudited financial statements for the fiscal quarter ended _____, 20__]**.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am an Authorized Officer of the Borrower;
2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Borrower during the accounting period covered by the attached financial statements;
3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Potential Event of Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below;
4. The financial statements required by Section [5.01(b)]/[5.01(c)] of the Agreement and being furnished to you concurrently with this certificate fairly represent the financial condition of the System Debt in accordance with GAAP as of the dates and for the periods covered thereby; and
5. The Borrower is in compliance with Section 5.11 of the Agreement on the date hereof, as evidenced by the Debt Service Coverage Ratio and Days Liquidity on Hand calculations set forth on Schedule 1 hereto.

[Describe below the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Borrower has taken, is taking, or proposes to take with respect to each such condition or event:

_____]

[Remainder of page intentionally left blank]

The foregoing certifications and the financial statements delivered with this Certificate in support hereof, are made and delivered as of the date first above written.

ORANGE COUNTY POWER AUTHORITY

By: _____

Name: _____

Title: _____

**SCHEDULE 1
TO
COMPLIANCE CERTIFICATE
DEBT SERVICE COVERAGE RATIO NOTICE**

Debt Service Coverage (Section 5.11)	4-QUARTERS _/_/
A. NET REVENUES:	\$ _____
B. ANNUAL DEBT SERVICE:	\$ _____
C. ROW A DIVIDED BY ROW B, EXPRESSED AS RATIO	_____
IS THE RATIO IN ROW C GREATER THAN OR EQUAL TO 1.10?	Y/N
Days Liquidity on Hand (Section 5.11(a))	4-QUARTERS _/_/
A: CASH AND CASH EQUIVALENTS:	\$ _____
B: REVOLVING CREDIT AVAILABILITY:	\$ _____
C. ROW A PLUS ROW B:	\$ _____
D. OPERATION AND MAINTENANCE EXPENSES	\$ _____
E. INTEREST EXPENSE	\$ _____
F. ROW D PLUS ROW E:	\$ _____
G. ROW F MULTIPLIED BY 1/365:	\$ _____
H. ROW C DIVIDED BY ROW G (DAYS LIQUIDITY ON HAND):	_____ Days
ARE THE DAYS IN ROW G GREATER THAN OR EQUAL TO 90 (OR 75 IF RATING CONDITION IS SATISFIED)?	Y/N

FEE AGREEMENT

This FEE AGREEMENT dated September [], 2026 (as amended, restated, supplemented or otherwise modified from time to time, this “*Fee Agreement*”), is by and between ORANGE COUNTY POWER AUTHORITY, a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code Section 6500 et. Seq. (the “*Borrower*”) and JPMORGAN CHASE BANK, N.A. (together with its successors and assigns, the “*Lender*”).

Reference is made to the Revolving Credit Agreement, dated as of September [], 2026 (as amended, restated, supplemented or otherwise modified from time to time, the “*Agreement*”), entered into between the Borrower and the Lender. Capitalized terms not otherwise defined herein have the meanings set forth in the Agreement.

This Fee Agreement is the Fee Agreement referenced in the Agreement and the terms of this Fee Agreement are incorporated by reference into the Agreement. This Fee Agreement and the Agreement are to be construed as one agreement between the Borrower and the Lender, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Fee Agreement.

Article I FEES.

Section 1.1 Undrawn Fees. The Borrower agrees to pay to the Lender, in immediately available funds, for the period from and including the Effective Date to and including the earlier of the Maturity Date and the date the Commitment is terminated in full (the “*Commitment End Date*”), commencing on [], and in arrears on the first Business Day of each July, October, January and April occurring thereafter to the Commitment End Date, and on the Commitment End Date, a non-refundable undrawn fee (the “*Undrawn Fee*”) in an amount equal for each day during such calculation period to the product of (x) the rate per annum associated with the Days Liquidity on Hand as specified in the applicable Level in the Pricing Matrix under the column captioned “*Undrawn Fee Rate*” (the “*Undrawn Fee Rate*”) and in effect on such day, (y) the Unutilized Commitment (as defined below) for such day and (z) a fraction the numerator of which is 1 and denominator of which is 360; *provided, that*, upon the occurrence, and at all times during the continuation, of an Event of Default, the Undrawn Fee Rate shall be equal to the Default Rate.

The term “*Unutilized Commitment*” as used in this Fee Agreement means, for any day, the number obtained by subtracting the Revolving Credit Exposure as of 5:00 p.m. New York City time on such day from the Commitment in effect at as of 5:00 p.m. New York City time on such day.

The term “*Applicable Rate*” as used in the Agreement and this Fee Agreement means, for any Interest Period, the rate per annum associated with the Days Liquidity on Hand in effect for each day during each such Interest Period as specified in the applicable Level in the Pricing Matrix under the column captioned “*Applicable Rate*” with respect to

an ABR Borrowing or a Term Benchmark Borrowing or, if a Term Benchmark Borrowing is not available under the Agreement, a RFR Borrowing, as applicable.

Section 1.2 Letter of Credit Fees. The Borrower agrees to pay to the Lender, in immediately available funds, for the period from and including the date of issuance of each Letter of Credit to but excluding the date such Letter of Credit is terminated (the “*LC Termination Date*”), commencing on [] and in arrears on the first Business Day of each July, October, January and April occurring thereafter to the LC Termination Date, and on the LC Termination Date, a non-refundable undrawn fee (the “*LC Facility Fee*”) in an amount equal for each day during such calculation period to the product of (x) the rate per annum associated with the Days Liquidity on Hand as specified in the applicable Level in the Pricing Matrix under the column captioned “*LC Facility Fee Rate*” (the “*LC Facility Fee Rate*”) and in effect on such day, (y) the stated amount of such Letter of Credit as of 5:00 p.m. New York City time on such day and (z) a fraction the numerator of which is 1 and denominator of which is 360; *provided, that*, upon the occurrence, and at all times during the continuation, of an Event of Default, the LC Facility Fee Rate shall be equal to the Default Rate.

Section 1.3 Amendment, Waiver or Consent Fees. The Borrower agrees to pay to the Lender on the date on which the Borrower requests from the Lender (i) an amendment, supplement or modification to the Agreement or any other Basic Document, (ii) a consent under, or a waiver of any provision of, the Agreement or any other Basic Document or (iii) the transfer of any Letter of Credit, a non-refundable fee to be determined by the Lender at the time of such amendment, supplement or modification or waiver or consent or transfer, but in any event at a minimum of \$3,000, plus, in each case, the reasonable fees and expenses of legal counsel to the Lender.

Section 1.4 Termination Fee; Reduction Fee.

(a) The Borrower hereby agrees to pay to the Lender a termination fee in connection with any termination of the Commitment by the Borrower prior to the date that is two years and six months after the Effective Date (such date, the “*Permitted Termination Date*”), in an amount equal to the product of (1) the Undrawn Fee Rate in effect at such time, (2) the Commitment (without regard to any outstanding Loans, Letters of Credit or Reimbursement Obligations) and (3) a fraction, the numerator of which is equal to the number of days from and including the date of such termination to but excluding the Permitted Termination Date, and the denominator of which is 360 (the “*Termination Fee*”), which Termination Fee shall be paid on or before the date of such termination; *provided, however*, that no Termination Fee shall be payable if the Commitment is terminated prior to the Permitted Termination Date as a result of the Lender requesting compensation for increased costs or loss of return from the Borrower pursuant to Section 8.01 of the Agreement as a result of a Change in Law, *provided further* that no such termination may occur until after Lender receives such payment pursuant to Section 8.01 of the Agreement and nothing in this Section 1.4(a) shall reduce or eliminate the requirement to make such payment pursuant to Section 8.01 of the Agreement. No termination in full of the Commitment shall become effective unless and until all amounts payable by the Borrower to the Lender under the Agreement and this Fee Agreement

(including without limitation the amount payable, if any, pursuant to this Section 1.4(a)) have been paid in full in immediately available funds.

(b) The Borrower agrees not to permanently reduce the Commitment below the Commitment in effect as of the Effective Date prior to the Permitted Termination Date, without the payment by the Borrower to the Lender of a reduction fee (the “*Reduction Fee*”) in connection with each and every permanent reduction of the Commitment in an amount equal to the product of (1) the Undrawn Fee Rate in effect at such time, (2) the amount of the permanent Commitment reduction and (3) a fraction, the numerator of which is equal to the number of days from and including the date of such permanent reduction to the Permitted Termination Date, and the denominator of which is 360; *provided, however*, that no Reduction Fee shall be payable if the Commitment is permanently reduced prior to the Permitted Termination Date as a result of the Lender requesting compensation for increased costs or loss of return from the Borrower pursuant to Section 8.01 of the Agreement as a result of a Change in Law, *provided further* that no such permanent reduction may occur until after Lender receives such payment pursuant to Section 8.01 of the Agreement and nothing in this Section 1.4(b) shall reduce or eliminate the requirement to make such payment pursuant to Section 8.01 of the Agreement. Under no circumstances shall the Borrower permanently reduce the Commitment below the Revolving Credit Exposure unless in connection with such permanent reduction the Borrower reduces the Revolving Credit Exposure (whether by prepayment of Loans or return and cancellation of Letters of Credit) so that after giving effect to such permanent reduction the Revolving Credit Exposure is not greater than the reduced Commitment.

Section 1.5 Default Rate. For purposes of this Fee Agreement and the Agreement, “*Default Rate*” means, (i) with respect to any Loans, the then applicable Adjusted Term SOFR Rate, Alternate Base Rate or, to the extent that the Term SOFR Rate is not available under the Agreement, Adjusted Daily Simple SOFR plus the Applicable Rate plus three percent (3%), (ii) with respect to any Letter of Credit, the LC Facility Fee Rate plus three percent (3%) and (iii) with respect to the Unutilized Commitment, the then applicable Undrawn Fee Rate plus one percent (1%).

Section 1.6 Pricing Matrix. For purposes of this Fee Agreement and the Agreement, the “Pricing Matrix” means the grid directly below:

<u>LEVEL</u>	<u>DAYS LIQUIDITY ON HAND</u>	<u>LC FACILITY FEE RATE</u>	<u>UNDRAWN FEE RATE</u>	<u>APPLICABLE RATE</u>	
				<u>TERM BENCHMARK/ RFR BORROWING</u>	<u>ABR BORROWING</u>
Level 1:	> 150 days	1.575%	0.75%	1.625%	0.625%
Level 2:	≥ 90 and ≤ 150 days	1.775%	0.85%	1.825%	0.825%
Level 3:	< 90 days	1.875%	0.90%	1.925%	0.925%

Article II MISCELLANEOUS.

Section 2.1 Legal Fees. The Borrower shall pay on the Effective Date the reasonable legal fees and expenses of the Lender incurred in connection with the initial preparation and negotiation of the Agreement, this Fee Agreement and certain other Basic Documents in an amount equal to \$_____ plus disbursements.

Section 2.2 Amendments. No amendment to this Fee Agreement will become effective without the prior consent of the Borrower and the Lender, which consent must be in writing and signed by the Lender and an Authorized Officer of the Borrower.

Section 2.3 Governing Law. This Fee Agreement shall be deemed to be a contract under, and for all purposes shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York without giving effect to conflicts of laws provisions (other than New York general obligations laws 5-1401 and 5-1402); *provided, that*, the obligations of the Borrower hereunder shall be governed by the laws of the State of California without regard to choice of law rules.

Section 2.4 Counterparts. This Fee Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Fee Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by attaching a pdf copy to an email, and any printed or copied version of any signature page so delivered will have the same force and effect as an originally signed version of such signature page.

Section 2.5 Severability. If any provision of this Fee Agreement is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Fee Agreement shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Fee Agreement to be duly executed and delivered by their respective officers or representatives thereunto duly authorized on the date first set forth above.

ORANGE COUNTY POWER AUTHORITY

By: _____

Name: _____

Title: _____

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

SECURITY AGREEMENT RE DEPOSIT ACCOUNT

This Security Agreement Re Deposit Account (this "*Agreement*") is dated as of [], 2026, by and between ORANGE COUNTY POWER AUTHORITY, a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code Section 6500 et. seq. (the "*Debtor*"), and JPMORGAN CHASE BANK, N.A., a national banking association, as Lender under the hereafter defined Credit Agreement (in such capacity, the "*Secured Party*").

PRELIMINARY STATEMENT

A. The Debtor, as the Borrower, and the Secured Party, as the Lender, are party to that certain Revolving Credit Agreement dated as of [], 2026 (as amended, restated, or otherwise modified from time to time, the "*Credit Agreement*"). Unless otherwise defined or the context otherwise requires, terms for which meanings are provided in the Credit Agreement shall have such meanings when used in this Agreement.

B. In connection with the credit and other financial accommodations extended by the Lender under the Credit Agreement and in accordance with Section 2.16 thereof, the Secured Party has required that the Debtor grant the Secured Party a security interest in the Debtor's property described herein subject to the terms and conditions hereof.

NOW, THEREFORE, in consideration of the benefits accruing to the Debtor, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. *Grant of Security Interest.* The Debtor hereby grants to the Secured Party a lien on and security interest in, and acknowledges and agrees that the Secured Party has and shall continue to have a continuing lien on and security interest in, any and all right, title, and interest of the Debtor, whether now owned or existing or hereafter created, acquired or arising, in and to (a) that certain demand deposit account number [], together with any account established in connection with any extension, renewal, or substitution thereof, in each case as any such account may be renumbered or re-titled from time to time (hereinafter referred to collectively as the "*Deposit Account*") maintained by the Debtor with U.S. Bank, National Association, (b) all additions, extensions, renewals, reinvestments, and substitutions to the foregoing, (c) all income, distributions, and sums distributable or payable from, upon, or in respect of the foregoing, (d) all rights and privileges incident to the foregoing, and (e) all proceeds of the foregoing (all of the foregoing being herein sometimes referred to as the "*Collateral*"). All terms which are used in this Agreement which are defined in the Uniform Commercial Code of the State of California as in effect from time to time ("*UCC*") shall have the same meanings herein as such terms are defined in the UCC, unless this Agreement shall otherwise specifically provide. For the avoidance of doubt, the parties hereto acknowledge and agree that this Agreement constitutes a Collateral Document under the Credit Agreement.

2. *Obligations Hereby Secured.* The lien and security interest herein granted and provided for is made and given to secure, and shall secure, the payment and performance of the Obligations (collectively, the “*Secured Obligations*”).

3. *Covenants, Agreements, Representations and Warranties.* The Debtor hereby covenants and agrees with, and represents and warrants to, the Secured Party that:

(a) The Debtor is the sole and lawful owner of the Collateral, and has full right, power, and authority to enter into this Agreement and to perform each and all of the matters and things herein provided for. The execution and delivery of this Agreement, and the observance and performance of each of the matters and things herein set forth, will not (i) contravene or constitute a default under any provision of law or any judgment, injunction, order or decree binding upon the Debtor or any covenant, indenture or agreement of or affecting the Debtor or any of its property or (ii) result in the creation or imposition of any lien or encumbrance on any property of the Debtor except for the lien and security interest granted to the Secured Party hereunder.

(b) The Collateral and every part thereof is and shall be free and clear of all security interests, liens (including, without limitation, statutory liens), attachments, levies and encumbrances of every kind, nature and description, whether voluntary or involuntary, except for the lien and security interest of the Secured Party therein. The Debtor shall warrant and defend the Collateral against any claims and demands of all persons at any time claiming the same or any interest in the Collateral adverse to the Secured Party.

(c) The Debtor shall promptly pay when due all taxes, assessments, and governmental charges and levies upon or against the Debtor or any of the Collateral, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that the same are being contested in good faith by appropriate proceedings which prevent foreclosure or other realization upon any of the Collateral, and the Debtor shall have established adequate reserves therefor.

(d) The Debtor agrees to execute and deliver, and shall cause the depository bank to execute and deliver, to the Secured Party such further agreements, assignments, instruments and documents and to do all such other things as the Secured Party may reasonably deem necessary or appropriate to assure the Secured Party its lien and security interest hereunder, including, without limitation, the Debtor agrees to promptly deliver to the Secured Party all certificates, instruments, and documents at any time evidencing the Collateral or any part thereof. In the event for any reason the law of any jurisdiction other than California becomes or is applicable to the Collateral or any part thereof, the Debtor agrees to execute and deliver all such instruments and documents and to do all such other things as the Secured Party in its sole discretion deems necessary or

appropriate to preserve, protect, and enforce the lien and security interest of the Secured Party under the law of such other jurisdiction.

(e) On failure of the Debtor to perform any of the covenants and agreements herein contained, the Secured Party may, at its option, perform the same and in so doing may expend such sums as the Secured Party may reasonably deem advisable in the performance thereof, including, without limitation, the payment of any taxes, liens, and encumbrances, expenditures made in defending against any adverse claims, and all other expenditures which the Secured Party may be compelled to make by operation of law or which the Secured Party may make by agreement or otherwise for the protection of the security hereof. All such sums and amounts so expended shall be repayable by the Debtor immediately without notice or demand, shall constitute additional Secured Obligations, and shall bear interest from the date said amounts are expended at the rate per annum (computed on the basis of a 360-day year for the actual number of days elapsed) determined by adding 2% to the rate per annum from time to time announced or otherwise established by the Secured Party as its "reference rate" with any change in such rate per annum as so determined by reason of a change in such reference rate to be effective on the date of such change in said reference rate. No such performance of any covenant or agreement by the Secured Party on behalf of the Debtor, and no such advancement or expenditure therefor, shall relieve the Debtor of any default under the terms of this Agreement or in any way obligate the Secured Party to take any further or future action with respect thereto. The Secured Party, in making any payment hereby authorized, may do so according to any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax lien or title or claim. The Secured Party, in performing any act hereunder, shall be the sole judge of whether the Debtor is required to perform same under the terms of this Agreement.

Section 4. Special Provisions Re: Deposit Account.

(a) The Debtor shall not terminate the Deposit Account without the Secured Party's prior written consent. The Debtor hereby agrees after the occurrence and during the continuation of any Event of Default, that no funds or other amounts at any time constituting part of the Collateral may be withdrawn from the Deposit Account by the Debtor, notwithstanding any provisions to the contrary contained in any other agreement between the Debtor and the Secured Party or the Debtor and the depository bank.

(b) The Secured Party may at any time while any Event of Default is continuing, apply the Collateral towards payment of any outstanding Secured Obligation, and transfer such Collateral or any part thereof into the Secured Party's name or into the name of its nominee or nominees.

(c) From and after the date hereof, the Deposit Account shall be subject to a deposit account control agreement in form and substance satisfactory to Secured Party at all times.

5. *Defaults and Remedies.* (a) The occurrence of any event or the existence of any condition specified as an "Event of Default" under the Credit Agreement shall constitute an "*Event of Default*" hereunder.

(b) Upon the occurrence and during the continuation of any Event of Default, the Secured Party, in addition to exercising such other rights and remedies as may be available to it, may (i) liquidate the Collateral or any part thereof without thereby incurring any liability whatsoever to the Debtor and apply the proceeds thereof to the payment of the Secured Obligations or any part thereof, in such order and manner as the Secured Party in its discretion shall determine, (ii) appropriate the Collateral and all sums now or hereafter payable on the Collateral and any interest accrued or payable thereon and apply the same to the payment of the Secured Obligations, or any part thereof, in such order and manner as the Secured Party in its discretion shall determine, and (iii) exercise with respect to the Collateral, and such sums and interest, all the rights, options, and remedies of a secured party under the UCC (regardless of whether the UCC is the law of the jurisdiction where the rights or remedies are asserted and regardless of whether the UCC applies to the affected Collateral). In addition to all other sums due to the Secured Party hereunder, the Debtor shall pay the Secured Party all costs and expenses incurred by the Secured Party, including reasonable attorneys' fees and court costs, in obtaining, liquidating or enforcing payment of Collateral or the Secured Obligations or in the prosecution or defense of any action or proceeding by or against the Secured Party or the Debtor concerning any matter arising out of or connected with this Agreement or the Collateral or the Secured Obligations, including, without limitation, any of the foregoing arising in, arising under or related to a case under the United States Bankruptcy Code (or any successor statute).

(c) The Debtor hereby appoints the Secured Party, its nominee, and any other person whom the Secured Party may designate, as the Debtor's attorney-in-fact, with full power after the occurrence and during the continuation of any Event of Default to liquidate the Collateral or any part thereof without thereby incurring any liability whatsoever to the Debtor and, in the name of the Debtor or in the Secured Party's own name or both, to demand, collect, withdraw, receipt for or sue for all amounts due or to become due and payable in respect of the Collateral, to execute any withdrawal receipts respecting the Collateral, to endorse the name of the Debtor on any and all commercial paper given in payment thereof, and to take any other action, including, without limitation, transfer any certificate evidencing the Collateral into the Secured Party's own name or the name of its nominee, which the Secured Party deems necessary or appropriate to preserve or protect its interest in the Collateral. The Debtor hereby ratifies and approves all acts of any such attorney and agrees that neither the Secured Party nor any such attorney will be liable for any acts or omissions nor for any error of judgment or mistake of fact or law other than such person's gross negligence or willful misconduct. The foregoing power of attorney, being coupled with an interest, is irrevocable until the Secured Obligations have been

fully paid and satisfied and this Agreement has terminated in accordance with Section 6 below.

(d) The proceeds from any realization of the Collateral following an Event of Default may be applied by the Secured Party to the Secured Obligations (whether or not then due and payable) in such manner and order as the Secured Party in its discretion shall determine and any proceeds not so applied may be held by the Secured Party under this Agreement as collateral security for the Secured Obligations.

(e) The Secured Party shall have no responsibility for the collection or protection of the Collateral or any part thereof or to exercise (or give notice to the Debtor of) any option, privilege or right with respect to the Collateral, all of which are waived by the Debtor. The powers conferred upon the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose on it any duty to exercise such powers. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession or control if such Collateral is accorded treatment substantially equivalent to that which the Secured Party accords its own property, consisting of similar type assets. This Agreement constitutes an assignment of rights only and not an assignment of any duties or obligations of the Debtor in any way related to the Collateral, and the Secured Party shall have no duty or obligation to discharge any such duty or obligation. Neither the Secured Party nor any party acting as attorney for the Secured Party shall be liable for any acts or omissions or for any error of judgment or mistake of fact or law other than their gross negligence or willful misconduct.

(f) Failure by the Secured Party to exercise any right, remedy or option under this Agreement or any other agreement between the Debtor and the Secured Party or provided by law, or delay by the Secured Party in exercising the same, shall not operate as a waiver; and no waiver by the Secured Party shall be effective unless it is in writing and then only to the extent specifically stated. The rights and remedies of the Secured Party under this Agreement shall be cumulative and not exclusive of any other right or remedy which the Secured Party may have.

6. *Continuing Agreement.* This Agreement shall be a continuing agreement in every respect and shall remain in full force and effect until all of the Secured Obligations, both for principal and interest, have been fully paid and satisfied and all agreements of the Secured Party to extend credit to or for the account of the Debtor have expired or otherwise have been terminated. Upon such termination of this Agreement, the Secured Party shall be deemed to have automatically released its security interest in and lien on the Collateral granted to Secured Party hereunder.

7. *Miscellaneous.* (a) This Agreement cannot be changed or terminated orally. All of the rights, privileges, remedies, and options given to the Secured Party hereunder shall inure to the benefit of its successors and assigns, and all the terms, conditions, covenants, agreements, representations and warranties of and in this Agreement shall bind the Debtor and its legal representatives, successors and assigns, *provided* that the Debtor may not assign its rights or delegate its duties hereunder without the Secured

Party's prior written consent. The Secured Party may transfer the Secured Obligations, or any part thereof, and deliver the Collateral subject to this Agreement to the transferee, and the transferee shall become vested with all powers and rights given to the Secured Party with respect to the Collateral.

(b) Except as otherwise specified herein, all notices hereunder shall be delivered in accordance with Section 9.01 of the Credit Agreement.

(c) The lien and security interest herein created and provided for stand as direct and primary security for the Secured Obligations. No application of any sums received by the Secured Party in respect of the Collateral or any disposition thereof to the reduction of the Secured Obligations or any part thereof shall in any manner entitle the Debtor to any right, title or interest in or to the Secured Obligations or any collateral or security therefor, whether by subrogation or otherwise, unless and until all Secured Obligations have been fully paid and satisfied and all agreements of the Secured Party to extend credit to or for the account of the Debtor have expired or otherwise have been terminated. The Debtor acknowledges that the lien and security interest hereby created and provided for are absolute and unconditional and shall not in any manner be affected or impaired by any acts or omissions whatsoever of the Secured Party or any other holder of any of the Secured Obligations, and without limiting the generality of the foregoing, the lien and security interest hereof shall not be impaired by any acceptance by the Secured Party or any other holder of any of the Secured Obligations of any other security for or guarantors upon any of the Obligations or by any failure, neglect or omission on the part of the Secured Party or any other holder of any of the Secured Obligations to realize upon or protect any of the Secured Obligations or any collateral or security therefor. The lien and security interest hereof shall not in any manner be impaired or affected by (and the Secured Party, without notice to anyone, is hereby authorized to make from time to time) any sale, pledge, surrender, compromise, settlement, release, renewal, extension, indulgence, alteration, substitution, exchange, change in, modification or disposition of any of the Secured Obligations, or of any collateral or security therefor, or of any guaranty thereof, or of any instrument or agreement setting forth the terms and conditions pertaining to any of the foregoing. The Secured Party may at its discretion at any time grant credit to the Debtor without notice to the Debtor in such amounts and on such terms as the Secured Party may elect (all of such to constitute additional Secured Obligations) without in any manner impairing the lien and security interest created and provided for herein. In order to realize hereon and to exercise the rights granted the Secured Party hereunder and under applicable law, there shall be no obligation on the part of the Secured Party or any other holder of any of the Secured Obligations at any time to first resort for payment to the Debtor or to any guaranty of the Secured Obligations or any portion thereof or to resort to any other collateral, security, property, liens or any other rights or remedies whatsoever, and the Secured Party shall have the right to enforce this Agreement irrespective of whether or not other proceedings or steps seeking resort to or realization upon or from any of the foregoing are pending.

(d) In the event and to the extent that any provision hereof shall be deemed to be invalid or unenforceable by reason of the operation of any law or by reason of the

interpretation placed thereon by any court, this Agreement shall to such extent be construed as not containing such provision, but only as to such locations where such law or interpretation is operative, and the invalidity or unenforceability of such provision shall not affect the validity of any remaining provisions hereof, and any and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

(e) This Agreement shall be deemed to be a contract under, and for all purposes shall be governed by, and construed and interpreted in accordance with, the laws of the State of California without giving effect to conflicts of laws provisions; *provided* that the obligations of the Lender hereunder shall be governed by the laws of the State of New York without giving effect to conflicts of laws provisions.

(f) The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision hereof.

(g) This Agreement and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Agreement (each a "*Communication*"), including Communications required to be in writing, may be in the form of an Electronic Record and may be executed using Electronic Signatures. The Debtor agrees that any Electronic Signature on or associated with any Communication shall be valid and binding on the Debtor to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of each of the Debtor enforceable against it in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Secured Party of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Secured Party may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record ("*Electronic Copy*"), which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Secured Party is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Secured Party pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Secured Party has agreed to accept such Electronic Signature, the Secured Party shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the Debtor without further verification and (b) upon the request of the Secured Party, any Electronic Signature shall be promptly followed by such manually executed counterpart. For purposes hereof, "*Electronic Record*" and "*Electronic Signature*" shall have the meanings assigned to them,

respectively, by 15 USC §7006, as it may be amended from time to time. The Debtor acknowledges that this Agreement is and shall be effective upon its execution and delivery by the Debtor to the Secured Party, and it shall not be necessary for the Secured Party to execute this Agreement or any other acceptance hereof or otherwise to signify or express its acceptance hereof.

(h) The Debtor irrevocably submits to the non-exclusive jurisdiction of the courts of the State of California and the courts of the United States of America located in Los Angeles County and agrees that any legal action, suit or proceeding arising out of or relating to this Agreement may be brought against the Debtor in any such courts. Final judgment against the Debtor in any such action, suit or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment, a certified or exemplified copy of which shall be conclusive evidence of the judgment, or in any other manner provided by law. Nothing in this Section 7(h) shall affect the right of the Secured Party to commence legal proceedings or otherwise sue the Debtor in any other appropriate jurisdiction, or concurrently in more than one jurisdiction, or to serve process, pleadings and other papers upon the Debtor in any manner authorized by the laws of any such jurisdiction. The Debtor irrevocably waives to the fullest extent permitted by applicable law: (a) any objection which it may have now or in the future to the laying of the venue of any such action, suit or proceeding in any court referred to in the first sentence above; (b) any claim that any such action, suit or proceeding has been brought in an inconvenient forum; (c) its right of removal of any matter commenced by any other party in the courts of the State of California to any court of the United States of America; (d) any immunity which it or its assets may have in respect of its obligations under this Agreement from any suit, execution, attachment (whether provisional or final, in aid of execution, before judgment or otherwise) or other legal process; and (e) any right it may have to require the Secured Party in any suit, action or proceeding brought in any of the courts referred to above arising out of or in connection with this Agreement to post security for the costs of the Debtor or to post a bond or to take similar action. With respect to any suit, action or proceeding relating to this Agreement, to the fullest extent permitted by applicable law, each party to this Agreement waives any right it may have to trial by jury. IF AND TO THE EXTENT THAT THE FOREGOING WAIVER OF THE RIGHT TO A JURY TRIAL IS UNENFORCEABLE FOR ANY REASON IN SUCH FORUM, EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE ADJUDICATION OF ALL CLAIMS PURSUANT TO JUDICIAL REFERENCE AS PROVIDED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE SHALL BE EMPOWERED TO HEAR AND DETERMINE ALL ISSUES IN SUCH REFERENCE, WHETHER FACT OR LAW. EACH OF THE PARTIES HERETO REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER AND CONSENT AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS AND CONSENTS TO JUDICIAL REFERENCE FOLLOWING CONSULTATION WITH LEGAL COUNSEL ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Debtor has caused this Agreement to be duly executed and delivered as of the date first above written.

ORANGE COUNTY POWER AUTHORITY

By: _____
Name:
Title:

Accepted and agreed to as of the date first above written.

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By: _____
Name:
Title:



DEPOSIT ACCOUNT CONTROL AGREEMENT (SPRINGING BLOCK)

This Deposit Account Control Agreement (this "Agreement") is effective as of the date last signed below, and entered into by and among Orange County Power Authority ("Company"), JPMorgan Chase Bank, N.A. ("Lender") and U.S. BANK NATIONAL ASSOCIATION ("Depository Bank"). To the extent multiple entities are listed in the definition of "Company", all obligations of Company hereunder shall be joint and several.

1. **Deposit Account.** Pursuant to certain agreements between Company and Lender, Company has granted to Lender a security interest in all rights of Company with respect to account(s) number _____ and all credits and proceeds thereto and all monies, checks and other instruments held or deposited therein (such account(s), together with all substitutions and replacements therefor, the "Deposit Account") located at Depository Bank and subject to the terms of the Deposit Agreements (as hereinafter defined). The terms and conditions of this Agreement are in addition to any deposit account agreements and other related agreements that Company has with Depository Bank, including without limitation all agreements concerning banking products and services, treasury management documentation, account booklets containing the terms and conditions of the Deposit Account, signature cards, fee schedules, disclosures, specification sheets and change of terms notices (collectively, the "Deposit Agreements"). The provisions of this Agreement shall supersede the provisions of the Deposit Agreements only to the extent the provisions herein are inconsistent with the Deposit Agreements, and in all other respects, the Deposit Agreements shall remain in full force and effect. All items deposited into the Deposit Account shall be processed according to the provisions of the Deposit Agreements, as amended by this Agreement. The Depository Bank warrants that the Deposit Account is a "deposit account" within the meaning of Section 9-102(a)(29) of the Uniform Commercial Code ("UCC") and the Depository Bank is a "bank" within the meaning of Section 9-102(a)(8) of the UCC.

2. **Security Interest.** Company has granted to Lender a security interest in, among other property, the Deposit Account and all credits and proceeds thereto and all monies, checks and other instruments held or deposited therein (all of which shall be included in the definition of the "Deposit Account"). Company represents and warrants that it has the legal right to pledge the Deposit Account to Lender; that the funds in the Deposit Account are not held for the benefit of a third party; and that there are no perfected liens or encumbrances with respect to the Deposit Account, other than those in favor of Lender. Company covenants with Lender that it shall not enter into any acknowledgment or agreement that gives any other person or entity except Lender control over, or any other security interest, lien or title in, the Deposit Account. Company and Lender acknowledge and agree that; (a) Depository Bank makes no representations or warranties, express or implied, concerning the validity, perfection, or priority of Lender's security interest in the Deposit Account; and (b) this Agreement applies only to the Deposit Account designated above, but not to any other deposit account which Company may now or hereafter maintain with Depository Bank.

3. **Control.** In order to provide Lender with control over the Deposit Account, Company agrees that Depository Bank shall comply with any and all orders, notices, requests and other instructions originated by Lender directing disposition of the funds in the Deposit Account without any further consent from Company, even if such instructions are contrary to any of Company's instructions or demands or result in Depository Bank dishonoring items which may be presented for payment. Company agrees that instructions from Lender may include the giving of stop payment orders for any items presented to the Deposit Account, instructions to transfer funds to or for the benefit of Lender or any other person or entity, and instructions to close the Deposit Account.

4. **Access to Deposit Account.** The Deposit Account shall be under the control of Lender, provided, that, unless and until Depository Bank receives Lender's written notice in substantially similar form to the notice attached hereto as Exhibit A that Company's access to the funds in the Deposit Account is terminated (a "Notice of Control"), Depository Bank shall honor Company's instructions, notices and directions with respect to the transfer or withdrawal of funds from the Deposit Account, including paying or transferring the funds to Company or any other person or entity. Lender shall promptly contact Depository Bank to confirm Depository Bank's receipt of a Notice of

Control. Any Notice of Control received after Depositary Bank's business hours shall be considered received on the next business day. Depositary Bank shall have two (2) business days, to act on a Notice of Control.

Upon receipt of a Notice of Control, Depositary Bank shall comply with the Lender's written instructions in respect of the Deposit Account, including, if requested, transferring all funds (subject to Depositary Bank's funds availability policy) in the Deposit Account to a designated account in accordance with Lender's written instructions. Lender shall promptly contact Depositary Bank to confirm Depositary Bank's receipt of Lender's written instructions, but failure to do so shall not affect the validity of effectiveness of Lender's notice if actually received by Depositary Bank.

Depositary Bank shall have no liability in the event Company closes the Deposit Account or the Deposit Account is dormant at a zero balance and the Deposit Account is closed pursuant to Depositary Bank in the ordinary course of business. In the event that Company requests to close Deposit Account and a Notice of Control is in effect, the Depositary Bank shall follow Lender's instructions for the disposition of any balance in the Deposit Account.

5. **Subordination by Depositary Bank.** Company and Depositary Bank acknowledge notice of and recognize Lender's continuing security interest in the Deposit Account and in all items deposited in the Deposit Account and in the proceeds thereof. Depositary Bank hereby subordinates any statutory or contractual right or claim of offset or lien resulting from any transaction which involves the Deposit Account upon confirmation of Depositary Bank's receipt of a Notice of Control. Notwithstanding the preceding sentence, nothing herein constitutes a waiver of, and Depositary Bank expressly reserves all of its present and future rights with respect to: (i) fees and expenses ("Fees") related to the Deposit Account; (ii) any checks, ACH entries, wire transfers, merchant card transactions, or other paper or electronic items which were deposited or credited to the Deposit Account that are returned, reversed, refunded, adjusted or charged back for insufficient funds or for any other reason ("Returned Items"); and (iii) obligations and liabilities connected with the Deposit Account that arise out of any treasury management services provided by Depositary Bank, its subsidiaries or affiliates, including but not limited to, ACH, merchant card, zero balance account, sweeps, controlled disbursement or payroll ("Settlement Items"). For purposes of this Agreement, Lender agrees that the terms "Fees," "Returned Items" and "Settlement Items" includes those not only incurred by Depositary Bank, but also by Company's merchant services provider to the extent such services are provided by an affiliate of Depositary Bank. Depositary Bank may charge the Deposit Account or other accounts of Company maintained at Depositary Bank to cover Fees, Returned Items or Settlement Items. If there are insufficient funds in the Deposit Account or any of Company's other accounts to cover the Fees, Returned Items and Settlement Items, Company agrees to reimburse Depositary Bank for the amount of such shortfall within five (5) business days. If Company fails to pay the amount demanded by Depositary Bank, Depositary Bank shall notify Lender in writing and Lender agrees to reimburse Depositary Bank within five (5) business days of such demand thereof by Depositary Bank for any Returned Items and Settlement Items, to the extent such funds were transferred at Lender's instructions pursuant to Section 4.

6. **Peg Balance.** Depositary Bank may, in its sole discretion, at all times for up to 180 days after termination of this Agreement, retain the aggregate sum of \$_____ in the Deposit Account ending x_____ (the "Peg Balance"), which it may apply to cover any Fees, Returned Items and Settlement Items.

7. **Indemnity.** Company agrees to defend, indemnify and hold Depositary Bank and its directors, officers, employees, attorneys, successors and assigns (all of which shall be included in the definition of "Depositary Bank" as used in this Section) harmless from and against any and all claims, losses, liabilities, costs, damages and expenses, including, without limitation, reasonable legal and accounting fees (collectively, "Claims"), arising out of or in any way related to this Agreement, excepting only liability arising out of Depositary Bank's gross negligence or willful misconduct. In the event Company fails to meet its indemnification obligations to fully indemnify Depositary Bank for the applicable Claims pursuant to the preceding sentence within thirty days aft Depositary Bank's request therefor, Lender agrees to defend, indemnify and hold Depositary Bank harmless from and against any and all Claims arising out of Depositary Bank's compliance with Lender's instructions pursuant to Section 4, other than if related to Depositary Bank's fraud, gross negligence or willful misconduct. Lender's obligations to Depositary Bank hereunder shall in no way operate to release Company from its obligations to Lender and shall not impair any rights or remedies of Lender to collect any such amounts from Company. IN NO EVENT WILL ANY PARTY HERETO BE

LIABLE FOR ANY INDIRECT DAMAGES, LOST PROFITS, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES WHICH ARISE OUT OF OR IN CONNECTION WITH THE SERVICES CONTEMPLATED BY THIS AGREEMENT EVEN IF SUCH PARTY HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES.

8. **Depository Bank's Responsibility.** The duties of Depository Bank are strictly limited to those set forth in this Agreement and Depository Bank is not acting as a fiduciary for any party hereto. Depository Bank shall be protected in relying on any form of instruction, notice, or other communication purporting to be from an authorized representative of Lender which Depository Bank, in good faith, believes to be genuine and what it purports to be. Depository Bank shall have no duty to inquire as to the genuineness, validity, or enforceability of any such instruction, notice or communication even if Company notifies Depository Bank that Lender is not legally entitled to originate any such instruction, notice or communication. The Deposit Account and all actions and undertakings by Depository Bank shall be subject to all rules and regulations relating to the Deposit Account and to applicable law. If requested by Lender, Company authorizes Depository Bank to provide to Lender a copy of the Deposit Account statement.

9. **Termination.** This Agreement shall not be terminable by Company. Depository Bank may terminate this Agreement upon thirty (30) days' prior written notice to all parties; provided, however, that Depository Bank may terminate this Agreement on five (5) Business Days' prior written notice to all parties in the event Lender fails to make payments to Depository Bank in accordance with Section 5 above which payment is not cured within such five (5) Business Days' period. Lender may terminate this Agreement in a notice in substantially similar form to the notice attached hereto as Exhibit B sent to Depository Bank in which Lender releases Depository Bank from any further obligation to comply with instructions originated by Lender with respect to the Deposit Account. If a Notice of Control has been received by Depository Bank, any available funds remaining in the Deposit Account upon termination of this Agreement shall be transferred in accordance with the Lender's written instructions after deduction for any amounts otherwise reimbursable to Depository Bank as provided hereunder. If Depository Bank has not received a Notice of Control, any available funds remaining in the Deposit Account upon termination of this Agreement shall be subject to Company's control after deduction for any amounts otherwise reimbursable to Depository Bank as provided hereunder. Termination of this Agreement shall not affect the rights and obligations of any party hereto with respect to any transactions occurring prior to such termination; provided that any claim against the Lender for amounts owing must be demanded by the Depository Bank in writing to the Lender no later than ninety (90) days after the date of the termination of this Agreement.

10. **Legal Process and Insolvency.** In the event Depository Bank receives any form of legal process concerning the Deposit Account, including, without limitation, court orders, levies, garnishments, attachments, and writs of execution, or in the event Depository Bank learns of any insolvency proceeding concerning Company, including, without limitation, bankruptcy, receivership, and assignment for the benefit of creditors, Depository Bank will respond to such legal process or knowledge of insolvency in the normal course or as required by law. If Depository Bank is stayed or prohibited from making demand upon Company for any reason, then Depository Bank shall not be required to make such demand upon Company before seeking reimbursement from Lender pursuant to Section 5.

11. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. The parties agree that Minnesota is the "bank's jurisdiction" for purposes of the UCC.

12. **Notices.** Except as otherwise provided in this Agreement, all notices and other communications required under this Agreement shall be in writing, with copies sent to all addresses specified below, and may be personally served or sent by email, overnight courier, or registered/certified United States Mail, and shall be deemed given when delivered in person, or by email, courier or United States Mail at the address specified below. Any party may change its address for notices hereunder by notice to all other parties given in accordance with this Section.

Company:

Attn: _____
Email: _____

Telephone:_____

Lender: JPMorgan Chase Bank, N.A.
270 Park Avenue, 3rd Floor
New York, New York 10017
Mail Code: NY1-1101
Attention: Allyson Goetschius or Janice Fong
Telephone: (212) 270-0335 or (212) 270-3762
Email:
Allyson.I.goetschius@jpmorgan.com or Janice.r.fong@jpmorgan.com

Depository Bank: U.S. Bank National Association

Attn: _____
Email: _____
Telephone: _____

With a copy to¹: U.S. Bank National Association

Attn: Commercial Customer Service
Email: _____
Telephone: _____

And a copy to: U.S. Bank National Association
Attn: Commercial Banking Risk Management
Email: CCBBACANotifications@usbank.com
Telephone: N/A

13. **Miscellaneous.** This Agreement shall bind and benefit the parties and their respective successors and assigns. Lender may assign this Agreement by providing written notice of such assignment together with a copy of this Agreement to Company and Depository Bank; provided, that Depository Bank is under no obligation to any successor to original Lender until it has received written notice of such assignment from original Lender ("Assignment Notice"). In the event a successor to original Lender sends a Notice of Control prior to receipt by Depository Bank of an Assignment Notice, Depository Bank shall have three (3) business days from the date of receipt of the Assignment Notice (not including the date of receipt of the Assignment Notice) to act on the Notice of Control under Section 4. This Agreement may be amended only with the prior written consent of all parties hereto. None of the terms of this Agreement may be waived except as Depository Bank may consent thereto in writing. No delay on the part of Depository Bank in exercising any right, power or privilege hereunder shall operate as a waiver hereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude other or further exercise thereof or the exercise of any right, power or privilege. The rights and remedies specified herein are cumulative and are not exclusive of any rights or remedies which Depository Bank would otherwise have. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.

14. **Counterparts.** This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. The parties agree that signatures that are transmitted by facsimile or other electronic means shall be binding as of the date signed and to the same extent as original signatures. The parties agree to accept a digital image of this Agreement, as executed, as a true and correct original

¹ If the U.S. Bank customer is supported by U.S. Bank Commercial Customer Service, complete with applicable CCS contact information. If the U.S. Bank customer is not supported by U.S. Bank Commercial Customer Service, include the contact information of a second U.S. Bank employee or shared team mailbox.

and admissible as best evidence for the purpose of state law, Federal Rule of Evidence 1002, and similar statutes and regulations. Any party transmitting this Agreement electronically shall, upon request, promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart transmitted electronically.

15. **Jury Trial Waiver.** COMPANY, LENDER, AND DEPOSITARY BANK HEREBY WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY JUDICIAL PROCEEDING ARISING OUT OF, OR RELATING TO, THIS AGREEMENT OR SERVICES RENDERED IN CONNECTION WITH THIS AGREEMENT.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date last written below.

COMPANY

By: _____
Name: _____
Title: _____
Date: _____

JPMORGAN CHASE BANK, N.A.
LENDER

By: _____
Name: _____
Title: _____
Date: _____

U.S. BANK NATIONAL ASSOCIATION
DEPOSITARY BANK

By: _____
Name: _____
Title: _____
Date: _____

**EXHIBIT A
NOTICE OF CONTROL**

[DATE]

U.S. Bank National Association

[ADDRESS]

Attn: [_____]

Telephone: [_____]

Email: [_____]

Re: Deposit Account Control Agreement, dated as [AGREEMENT DATE] (the "Agreement"), by and among [COMPANY NAME] ("Company"), [LENDER NAME] ("Lender") and U.S. BANK NATIONAL ASSOCIATION ("Depository Bank")

To Whom it May Concern:

Capitalized terms used but not defined herein shall have the respective meanings given to them in the Agreement, a copy of which is attached hereto. This constitutes a Notice of Control and Lender hereby notifies Depository Bank, that Company's access to the Deposit Account is terminated. Depository Bank (i) shall not follow any instructions, notices and directions of Company in respect of the Deposit Account, and (ii) shall exclusively follow the instructions, notices and directions of Lender in respect of the Deposit Account.

[LENDER NAME],

Lender

By: _____

Name:

Title:

EXHIBIT B
NOTICE OF TERMINATION BY LENDER

[DATE]

U.S. Bank National Association

[ADDRESS]

Attn: []

Telephone: []

Email: []

Re: Deposit Account Control Agreement, dated as [AGREEMENT DATE] (the "Agreement"), by and among [COMPANY NAME] ("Company"), [LENDER NAME] ("Lender") and U.S. BANK NATIONAL ASSOCIATION ("Depository Bank")

To Whom It May Concern:

Capitalized terms used but not defined herein shall have the respective meanings given to them in the Agreement, a copy of which is attached hereto. Lender hereby notifies Depository Bank that it has released its security interest in the Deposit Account and is hereby terminating the Agreement with immediate effect, subject to any undertakings that survive termination of the Agreement. All balances in the Deposit Account will be subject solely to the provisions of the Deposit Agreements between Depository Bank and Company. This notice terminates any obligations Depository Bank has to Lender with respect to the Deposit Account.

[LENDER NAME],

Lender

By: _____

Name:

Title:

***Continuing Agreement
for
Standby Letters of Credit***

between

[Customer Name]

and

***JPMorgan Chase Bank, N.A.
and its subsidiaries and affiliates***

CONTINUING AGREEMENT FOR STANDBY LETTERS OF CREDIT

To induce JPMorgan Chase Bank, N.A. and/or any of its subsidiaries or affiliates (individually and collectively, the “**Bank**”), in its sole discretion, to issue from time to time at the request of the undersigned (individually and, if more than one, collectively, the “**Applicant**”), one or more standby letters of credit or other independent undertakings (together with any replacement, extension or modification thereof, each a “**Credit**”, and collectively, “**Credits**”), the Applicant agrees as follows:

ARTICLE I – DEFINED TERMS; APPLICATION PROCESS

Section 1.01. Defined Terms. Unless otherwise defined herein, capitalized terms used herein have the meaning set forth in Annex A.

Section 1.02. Applications. Each request to issue a Credit hereunder (each such request, an “**Application**”) shall be irrevocable and in a form acceptable to the Bank. The Applicant shall be responsible for the final text of a Credit requested hereunder notwithstanding the Bank’s recommendation, assistance or drafting or the Bank’s use, non-use or refusal to use text submitted by the Applicant.

Section 1.03. Letters of Credit Issued for Affiliates. Notwithstanding that a Credit issued or outstanding hereunder supports any obligations of, or is for the account of, an Affiliate of the Applicant, or states that an Affiliate of the Applicant is the “account party,” “applicant,” “customer,” “instructing party,” or the like of or for such Credit, and without derogating from any of the Bank’s rights (whether arising by contract, at law, in equity or otherwise) against such Affiliate in respect of such Credit, the Applicant (a) shall reimburse, indemnify and compensate the Bank for such Credit (including to reimburse any and all drawings thereunder) as if such Credit had been issued solely for the account of the Applicant and (b) irrevocably waives any and all defenses that might otherwise be available to it as a guarantor or surety of any or all of the obligations of such Affiliate in respect of such Credit. The Applicant hereby acknowledges that the issuance of such Credits for an Affiliate inures to the benefit of the Applicant, and that the Applicant’s business derives substantial benefits from the businesses of such Affiliate.

Section 1.04. Joint and Several Liability. If more than one Person signs this Agreement or an Application hereunder, each of them shall be jointly and severally liable hereunder and thereunder and all the terms and provisions regarding liabilities, obligations and property of such Persons shall apply to any liabilities, obligations and property of any and all of them.

Section 1.05. Conflict with Credit Agreement. To the extent of any direct conflict between the provisions of this Agreement and the provisions of that certain Revolving Credit Agreement dated as of September [], 2026 between Applicant and Bank (the “**Credit Agreement**”), the provisions of the Credit Agreement will control.

ARTICLE II – PAYMENT TERMS

Section 2.01. Draw Reimbursement; Fees. For each Credit, the Applicant shall pay the Bank (a) the amount of each drawing on demand and (b) related commissions, fees and charges (including any third party fees incurred by the Bank), at such rates, amounts and times as the Bank and the Applicant shall mutually agree (or in the absence of such an agreement, as reasonably determined by the Bank).

Section 2.02. Interest. If any amount payable by the Applicant to the Bank hereunder is not paid when due, such overdue amount shall bear interest at a rate per annum equal to the Default Rate, calculated on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable on demand for the actual number of days elapsed (including the first day but excluding the last day).

Section 2.03. Non-USD Draw. Unless otherwise previously agreed by the Bank, if an amount drawn under any Credit is in a currency other than United States dollars, the Applicant shall reimburse the Bank, on demand, the United States dollar equivalent of such drawn amount based on the Bank’s actual cost of settlement of its obligation.

Section 2.04. Debit Authorization; Payments Generally. The Applicant hereby authorizes the Bank to debit from any of Applicant’s accounts maintained with the Bank any amount payable by the Applicant hereunder, including the amount of any drawing under a Credit payable pursuant to Section 2.01(a). All payments required to be made by the Applicant hereunder shall be made in immediately available funds, without setoff, recoupment or counterclaim.

Section 2.05. Increased Costs. If, as a result of any Regulatory Change, the Bank determines that the cost (including but not limited to, any reserve, special deposit, insurance charge, capital charge, liquidity requirement, Tax (imposed on letters of credit or other obligations, or its deposits, reserves, other liabilities, or capital attributable thereto but excluding Excluded Taxes) or other assessment) to the Bank of issuing or maintaining any Credit is increased, or any amount received or receivable by the Bank hereunder is reduced, or the Bank is required to make any payment in connection with any transaction contemplated hereby, then the Applicant shall pay to the Bank on demand such additional amount or amounts as the Bank determines will compensate the Bank for such increased cost, reduction or payment.

Section 2.06. Taxes.

(a) All payments to be made hereunder shall be made without setoff or counterclaim and free and clear of, and without any deduction for any Taxes, except as required by applicable law. If any Indemnified Taxes are required by applicable law to be withheld from any amounts payable to the Bank hereunder, the amounts so payable to the Bank shall be increased to the extent necessary to yield to the Bank (after payment of all Indemnified Taxes) the amounts payable hereunder and in the full amounts to be paid. If any applicable law requires the deduction or withholding of any Tax from any amounts payable to the Bank hereunder, whenever any such Tax is paid by the Applicant, as promptly as possible thereafter, the Applicant shall send to the Bank an official receipt showing payment thereof, together with such additional documentary evidence as may be reasonably required from time to time by the Bank. The Applicant shall indemnify the Bank, within ten (10) days after demand therefor, for Indemnified Taxes imposed with respect to payments made hereunder and paid or otherwise borne by the Bank whether or not such Indemnified Taxes were correctly or legally imposed.

(b) The Applicant shall indemnify the Bank against any stamp Taxes, transfer Taxes, documentary Taxes, assessments or charges made by any governmental authority by reason of the execution and delivery of this Agreement or any other Facility Document.

ARTICLE III – OBLIGATIONS ABSOLUTE

Section 3.01. Obligations Absolute. The Applicant's obligation to reimburse any drawing under a Credit as provided in Section 2.01(a) shall be absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever, including, without limitation: (a) any lack of validity, enforceability or legal effect of any Credit or this Agreement, or any term or provision therein or herein; (b) payment against presentation of any Drawing Document that does not comply in whole or in part with the terms of the applicable Credit or which proves to be fraudulent, forged or invalid in any respect or any statement therein being untrue or inaccurate in any respect, or which is signed, issued or presented by a Person (or a transferee of such Person) purporting to be a successor or transferee of the beneficiary of such Credit; (c) the Bank being the beneficiary of any Credit; (d) the Bank or any correspondent honoring a drawing against a Drawing Document up to the amount available under any Credit even if such Drawing Document claims an amount in excess of the amount available under the Credit; (e) the existence of any claim, set-off, defense or other right that the Applicant or any other Person may have at any time against any beneficiary, any assignee of proceeds, the Bank or any other Person; (f) the Bank or any correspondent having previously paid against fraudulently signed or presented Drawing Documents (whether or not the Applicant reimbursed the Bank for such drawing); and (g) any other event, circumstance or conduct whatsoever, whether or not similar to any of the foregoing, that might, but for this Section, constitute a legal or equitable defense to or discharge of, or provide a right of set-off against, the Applicant's obligations hereunder (whether against the Bank, the beneficiary or any other Person).

Section 3.02. Limitation of Liability. Subject to Section 3.03 below, neither the Bank nor any of its Related Parties shall have any liability or responsibility, and the Bank's rights and remedies against the Applicant shall not be impaired, by reason of or in connection with: (a) honor of a presentation under any Credit which on its face substantially complies with the terms of such Credit; (b) honor of a presentation of any Drawing Documents which appear on their face to have been signed, presented or issued (i) by any purported successor or transferee of any beneficiary or other party required to sign, present or issue the Drawing Documents or (ii) under a new name of the beneficiary; (c) acceptance as a draft of any written or electronic demand or request for payment under a Credit, even if nonnegotiable or not in the form of a draft, and may disregard any requirement that such draft, demand or request bear any or adequate reference to the Credit; (d) the identity or authority of any presenter or signer of any Drawing Document or the form, accuracy, genuineness, or legal effect of any presentation under any Credit or of any Drawing Documents; (e) disregard of any non-documentary conditions stated in any Credit; (f) acting upon any Instruction which it, in Good Faith, believes to have been given by a Person or entity authorized to give such Instruction; (g) any errors, omissions, interruptions or delays in transmission or delivery of any message, advice or document (regardless of how sent or transmitted) or for errors in interpretation of technical terms or in translation; (h) any delay in giving or failing to give any notice; (i) any acts, omissions or fraud by, or the solvency of, any beneficiary, any nominated Person or any other Person; (j) any breach of contract between the beneficiary and the Applicant or any of the parties to the underlying transaction;

(k) assertion or waiver of any provision of the UCP or ISP which primarily benefits an issuer of a letter of credit, including, any requirement that any Drawing Document be presented to it at a particular hour or place; (l) payment to any paying or negotiating bank (designated or permitted by the terms of the applicable Credit) claiming that it rightfully honored or is entitled to reimbursement or indemnity under the Standard Letter of Credit Practice applicable to it; or (m) acting or failing to act as required or permitted under Standard Letter of Credit Practice (or in the case of other independent undertakings or guarantees, the UN Convention).

Section 3.03. Standard of Care. Nothing in Section 3.02 shall be construed to excuse the Bank from liability to the Applicant to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Applicant to the extent permitted by applicable law) suffered by the Applicant that are caused by the Bank's failure to exercise care when determining whether Drawing Documents presented under a Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Bank (as finally determined by a court of competent jurisdiction) in (a) honoring a presentation that does not at least substantially comply with a Credit, or (b) failing to honor a presentation that strictly complies with a Credit, the Bank shall be deemed to have exercised care in each such determination or action. In no event shall the Bank be deemed to have failed to act with due diligence or reasonable care if the Bank's conduct is in accordance with Standard Letter of Credit Practice or in accordance with this Agreement. The Applicant's aggregate remedies against the Bank and any Related Party for wrongfully honoring a presentation under any Credit or wrongfully retaining honored Drawing Documents shall in no event exceed the aggregate amount paid by the Applicant to the Bank in respect of the honored presentation in respect of such Credit under Section 2.01 above, plus interest. The Applicant shall take action to avoid and mitigate the amount of any damages claimed against the Bank or any Related Party, including by enforcing its rights in the underlying transaction. Any claim by the Applicant for damages under or in connection with this Agreement or any Credit shall be reduced by an amount equal to the sum of (i) the amount saved by the Applicant as a result of the breach or alleged wrongful conduct and (ii) the amount of the loss that would have been avoided had the Applicant mitigated damages.

Section 3.04. Non-New York Law Governed Credit. If a Credit is to be governed by a law other than that of the State of New York, the Bank shall not be liable for any Costs resulting from any act or omission by the Bank in accord with the UCP or the ISP, as applicable, and the Applicant shall indemnify the Bank for all such Costs.

Section 3.05 Notice of Objection, Etc. The Applicant shall notify the Bank of (a) any noncompliance with any Instruction, any other irregularity with respect to the text of any Credit or any amendment thereto or any claim of an unauthorized, fraudulent or otherwise improper Instruction, within one (1) Business Day of the Applicant's receipt of a copy of such Credit or amendment and (b) any objection the Applicant may have to the Bank's honor or dishonor of any presentation under any Credit or any other action or inaction taken or proposed to be taken by the Bank under or in connection with this Agreement or any Credit, within three (3) Business Days after the Applicant receives notice of the objectionable action or inaction. The failure to so notify the Bank within said times shall discharge the Bank from any loss or liability that the Bank could have avoided or mitigated had it received such notice, to the extent that the Bank could be held liable for damages hereunder; provided, that, if the Applicant shall not provide such notice to the Bank within three (3) Business Days of the date of receipt in the case of clause (a) or within ten (10) Business Days of the date of receipt in the case of clause (b), the Bank shall have no liability whatsoever for such noncompliance, irregularity, action or inaction and the Applicant shall be precluded from raising such noncompliance, irregularity or objection as a defense or claim against the Bank. The Bank shall not be required to seek any waiver of discrepancies from the Applicant or to grant any waiver of discrepancies which the Applicant approves or requests.

ARTICLE IV – REPRESENTATIONS AND WARRANTIES

The Applicant hereby represents and warrants on and as of the date hereof, and the date of each issuance, amendment, and extension of a Credit, as applicable, that:

Section 4.01. Organization; Powers. It is duly organized or formed, validly existing and in good standing under the laws of the jurisdiction of its organization and has all necessary power and authority to enter into and perform this Agreement and the other Facility Documents.

Section 4.02. Authorization; Enforceability. It has obtained all authorizations, consents and approvals required for it to enter into and perform this Agreement and the other Facility Documents in accordance with its terms. This Agreement and each other Facility Document has been duly executed and delivered by the Applicant and constitutes the legal, valid and binding obligation of the Applicant, enforceable against it in accordance with its terms.

Section 4.03. Governmental Approvals; No Conflicts. The execution, delivery and performance of this Agreement and the other Facility Documents by the Applicant (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of the Applicant or any order of any Governmental Authority, and (c) will not violate or result in a default under any material agreement or arrangement to which the Applicant is a party or by which it or its properties may otherwise be bound.

Section 4.04. Financial Condition. The financial statements most recently furnished to the Bank by the Applicant fairly present the financial condition of the Applicant in accordance with generally accepted accounting principles, and there has been no material adverse change in the Applicant's business, condition (financial or otherwise) or results of operation since the date of the Applicant's most recent annual financial statements.

Section 4.05. Disclosure. No information now or hereafter furnished by the Applicant to the Bank in connection with this Agreement, any other Facility Document or any Credit is or shall be materially false or misleading when furnished.

Section 4.06. Litigation. There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Applicant, threatened against or affecting the Applicant which, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a material adverse effect on its financial condition or business or which purports to affect the validity or enforceability of this Agreement, any other Facility Document, any Credit or any transaction related to any Credit.

Section 4.07. Anti-Corruption Laws and Sanctions. The Applicant has implemented and maintains in effect policies and procedures designed to ensure compliance by the Applicant, its subsidiaries, Affiliates and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Applicant, its subsidiaries, Affiliates and their respective officers and directors and to the knowledge of the Applicant, its employees and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and if the Applicant is organized outside of the United States of America, the Applicant further represents that it is not knowingly engaged in any activity that would reasonably be expected to result in the Applicant being designated as a Sanctioned Person. None of (a) the Applicant, any subsidiary, Affiliate, any of their respective directors, officers or employees, or (b) to the knowledge of the Applicant, any agent of the Applicant or any subsidiary or Affiliate that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Credit, use of proceeds or other transaction contemplated by this Agreement or any other Facility Documents will violate any Anti-Corruption Law or applicable Sanctions.

ARTICLE V - COVENANTS

The Applicant covenants and agrees with the Bank that:

Section 5.01. Financial Statements and Other Information. To the extent not otherwise provided to the Bank under other agreements, upon request, the Applicant will furnish to the Bank its most recent year-end, quarterly and monthly (if any), financial statements (as audited) and such other information regarding the financial condition, business affairs or operations of the Applicant as the Bank may reasonably request. Further, the Applicant acknowledges and agrees to provide the Bank additional information, records, and documentation as requested by the Bank, pursuant to the Bank's programs enacted to comply with Section 326 of the USA Patriot Act, the applicable regulations promulgated thereunder, and the Bank's Customer Identification Program and authorizes the Bank to verify information as per the USA Patriot Act Regulation.

Section 5.02. Existence; Conduct of Business. The Applicant will do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business.

Section 5.03. Compliance with Laws. The Applicant will comply with all laws, rules, regulations and orders of any Governmental Authority (including the USA Patriot Act, foreign exchange control regulations, foreign asset control regulations and other trade-related regulations) now or hereafter applicable to each Credit, the transactions underlying such Credit or Applicant's execution, delivery and performance of this Agreement and each other Facility Document.

Section 5.04. Inspection Rights. The Applicant will permit the Bank (or its representatives), upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

Section 5.05. Payment of Taxes. The Applicant will pay all Taxes required to have been paid by it when due, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, and (b) the Applicant has set aside on its books and records adequate reserves with respect thereto in accordance with generally accepted accounting principles.

Section 5.06. Insurance. The Applicant will cause all Released Merchandise to be insured against theft, fire and such other risks usually insured against in connection with the underlying transaction.

Section 5.07. Anti-Corruption and Sanctions. The Applicant will maintain in effect and enforce policies and procedures designed to ensure compliance by the Applicant, its subsidiaries, Affiliates and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions. The Applicant agrees that no goods or vessels used to transport goods will be the subject of any Sanctions. The Applicant will not request any Credit, and shall not use, and shall procure that its subsidiaries, Affiliates and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Credit (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (b) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, except to the extent permitted for a Person required to comply with Sanctions, or (c) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

ARTICLE VI – EVENTS OF DEFAULT

Section 6.01. Events of Default. If any of the following events (“**Events of Default**”) shall occur and be continuing:

- (a) the Applicant shall fail to pay any Obligations when and as the same shall become due and payable;
- (b) any representation or warranty made or deemed made by or on behalf of the Applicant or any Guarantor in or in connection with this Agreement or any other Facility Document, or in any Instruction, report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Facility Document, shall prove to have been incorrect in any material respect when made or deemed made;
- (c) the Applicant or any Guarantor shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Facility Document;
- (d) the Applicant or any Guarantor shall fail to pay when due any indebtedness (including but not limited to indebtedness for borrowed money) or any event or condition shall occur that shall result in any such indebtedness becoming due prior to its scheduled maturity or that permits (with or without the giving of notice, the lapse of time or both) the holder of such indebtedness or obligee to cause such indebtedness to become due, by acceleration or otherwise, prior to its scheduled maturity;
- (e) the Applicant or any Guarantor: (i) shall generally not, or be unable to, or shall admit in writing its inability to, pay its debts as its debts become due; (ii) shall make an assignment for the benefit of creditors; (iii) shall file a petition in bankruptcy or for any relief under any law of any jurisdiction relating to reorganization, arrangement, readjustment of debt, dissolution or liquidation; (iv) shall have any such petition filed against it in which an adjudication is made or order for relief is entered or which shall remain undismissed for a period of thirty (30) days or shall consent or acquiesce thereto; or (v) shall have had a receiver, custodian or trustee appointed for all or a substantial part of its property;
- (f) any Facility Document shall at any time cease to be in full force and effect or its validity or enforceability shall be disputed or contested or any lien or security interest securing the Obligations shall cease to create a valid and perfected first priority lien or security interest in the property purported to be subject thereto;
- (g) one or more judgments for the payment of money shall be rendered against the Applicant and the same shall remain undischarged for a period of thirty (30) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Applicant to enforce any such judgment;

(h) a Change of Control shall have occurred or, if an individual, the death of the Applicant or any Guarantor; or

(i) the Applicant or any Guarantor shall (i) merge into or consolidate with any other Person, (ii) dispose of all or substantially all of its assets (whether now owned or hereafter acquired), or (iii) liquidate or dissolve;

THEN, and in every such event (other than an event with respect to the Applicant described in clause (e) above), and at any time thereafter during the continuance of such event, the Bank may, by notice to the Applicant, take any and all of the following actions, at the same or different times: (i) declare the Obligations then outstanding to be due and payable (in whole or in part), and thereupon such Obligations shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Applicant; (ii) require that the Applicant provide cash collateral as required in Section 7.03; and (iii) exercise all other rights and remedies available to it under the Facility Documents and applicable law; and in case of any event with respect to the Applicant described in clause (e) above, the Obligations then outstanding shall automatically become due and payable and the obligation of the Applicant to cash collateralize the aggregate undrawn amount of all outstanding Credits at such time as provided in clause (ii) above shall automatically become effective, in each case, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Applicant.

Section 6.02. Code and Other Remedies. In addition to any other rights and remedies granted to the Bank in the Facility Documents, the Bank may exercise all rights and remedies of a secured party under the New York UCC or any other applicable law. Upon and during the continuance of an Event of Default, the Applicant agrees, at the Bank's request, to assemble all Collateral and make it available to the Bank at places which the Bank shall reasonably select, whether at the premises of the Applicant or elsewhere, and the Bank shall be authorized to liquidate or sell immediately, without demand for payment, advertisement or notice to the Applicant, all of which are hereby expressly waived (except such notice as is required by applicable law and that cannot be waived, in which event such notice shall be deemed proper if mailed at least five (5) Business Days before disposition or other action) any and all Collateral (whether received pursuant to Section 7.03 hereof or otherwise) at private sale or at public auction or at brokers' board or upon any exchange or otherwise, at Bank's option, in such parcels and at such time and at such place and at such price and upon such terms and conditions as the Bank may deem proper, and to apply the net proceeds of such sale or sales, together with any balance of deposits and any sums credited by or due from the Bank to the Applicant in general account or otherwise, to the payment of any and all of the Obligations, all without prejudice to the rights of the Bank against the Applicant with respect to any and all amounts which may be or remain unpaid and if any such sale be at broker's board or public auction or upon any exchange the Bank may itself be a purchaser at such sale, free from any right of redemption, which the Applicant hereby expressly waives and releases.

Section 6.03. Bank's Appointment as Attorney-in-Fact, Etc. The Applicant hereby gives the Bank the power and right to amend or terminate, or transfer drawing rights or cure one or more discrepancies under, any Credit on behalf of the Applicant, without notice to or assent by the Applicant. The Applicant further irrevocably constitutes and appoints the Bank and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Applicant and in the name of the Applicant or in its own name, for the purpose of carrying out the terms of this Agreement and the other Facility Documents, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement and the other Facility Documents and to protect, preserve or realize upon the Collateral and the Bank's security interest therein. All powers, authorizations and agencies contained in this Section 6.03 are coupled with an interest and are irrevocable until this Agreement is terminated; provided that Bank agrees that it will not exercise any rights under this Section 6.03 including under the power of attorney provided for herein unless an Event of Default shall have occurred and be continuing.

ARTICLE VII – PLEDGE AND ASSIGNMENT OF SECURITY

Section 7.01. Grant of Security. As security for the payment and performance of all Obligations, the Applicant hereby assigns and transfers to the Bank, and hereby grants to the Bank, a security interest in, all of the following property now owned or at any time hereafter acquired by the Applicant or in which the Applicant now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"):

(a) all LC Collateral Accounts with any office of the Bank wherever located;

(b) all Underlying Property which has been or at any time shall be (i) received or receivable by the Applicant, the Bank or any correspondent under or in connection with each Credit, or (ii) delivered to or otherwise come into the possession, custody or control of any office of the Bank or any correspondent (which shall be deemed a collateral agent or a bailee of the Bank for the purpose

of perfecting a security interest in the Underlying Property) for any purpose, whether or not for the express purpose of being used by any such entity as collateral security or for safekeeping, custody, pledge, transmission or otherwise;

(c) all present and future claims and rights of the Applicant against any beneficiary of any Credit arising in connection with such Credit or the transaction underlying such Credit; and

(d) all products and proceeds of the foregoing.

Section 7.02. Holder in Trust, Etc. To the extent the Applicant shall hold any Collateral or any proceeds of Collateral, it shall hold such Collateral in trust for the Bank. The Bank shall be deemed to have possession, custody or control of all Collateral actually in transit to or set apart for it (or any of its agents, correspondents or others acting on its behalf), it being understood that the receipt at any time by the Applicant (or any of its agents, correspondents, or others acting on its behalf), of Collateral shall not be deemed a waiver of any of the Bank's rights or powers.

Section 7.03. Cash Collateral. If at any time there shall occur and be continuing (a) any Event of Default, (b) any material adverse change in the condition (financial or otherwise), business, operations or prospects of the Applicant or any Guarantor, (c) any action for a temporary restraining order, preliminary or permanent injunction, beneficiary wrongful dishonor action or the issuance or commencement of any similar order, action or event in connection with any Credit or any Drawing Document or this Agreement, which order, action or event may apply, directly or indirectly, to the Bank or which otherwise threatens to extend or increase the Bank's contingent liability beyond the time, amount or other limit provided in such Credit or this Agreement; or (d) any other event or condition which provides a basis for the Bank in good faith to deem itself insecure, **then** the Applicant shall, upon Bank's demand, as additional security for the Obligations, deposit in an account with the Bank, in the name and for the benefit of the Bank (a "LC Collateral Account") an amount required by the Bank.

Section 7.04. Filing of Financing Statements, Etc. The Applicant hereby authorizes the Bank to file UCC financing statements, naming the Applicant as debtor and the Bank as secured party, with respect to any or all of the Collateral hereunder. The Bank is authorized to take any action necessary to protect its rights in the Collateral. The Applicant will, at its own expense upon request by the Bank from time to time, sign any other instrument or document (including any security agreement, or control agreement) and take any other action the Bank may reasonably deem necessary or desirable to preserve, perfect, protect or maintain the Collateral and the priority of the Bank's security interest therein and to realize upon the Bank's rights and remedies as a secured party. For the avoidance of doubt and not in limitation of the rights of the Bank under Sections 9-104(a)(1), 9-106(a) and 8-106(e) of the New York UCC, the Applicant and the Bank (acting as a bank with respect to all Deposit Accounts and as a securities intermediary with respect to all Securities Accounts) agree that the Bank may direct disposition of the funds in any LC Collateral Account and may issue and follow its own entitlement orders with respect to any Securities Account, in either case, without the consent of the Applicant.

Section 7.05. Assertion of Applicant's Rights. To the extent the Bank honors a presentation for which the Bank remains unpaid, the Bank may assert rights of the Applicant and the Applicant shall cooperate with the Bank in its assertion of the Applicant's rights against the beneficiary, the beneficiary's rights against the Applicant and any other rights that the Bank may have by subordination, subrogation, reimbursement, indemnity or assignment.

ARTICLE VIII - OPERATIONAL PROVISIONS RELATED TO STANDBY LETTERS OF CREDIT

Section 8.01. Installments. If the Credit is issued subject to UCP 600, unless otherwise agreed, in the event that any installment of the Credit is not drawn within the period allowed for that installment, the Credit may continue to be available for any subsequent installments in the sole discretion of the Bank, notwithstanding Article 32 of UCP.

Section 8.02. Auto Extend Notice. If the Credit provides for automatic extension without amendment, the Applicant agrees that it will notify the Bank in writing at least thirty (30) days prior to the last day specified in the Credit by which the Bank must give notice of non-extension if the Applicant wishes the Credit not to be extended. Any decision to extend or not extend the Credit shall be in the Bank's sole discretion and judgment. The Applicant hereby acknowledges that in the event the Bank notifies the beneficiary of the Credit that it has elected not to extend the Credit and the beneficiary draws on the Credit after receiving the notice of non-extension, the Applicant acknowledges and agrees that the Applicant shall have no claim or cause of action against the Bank or defense against payment under the Agreement for the Bank's discretionary decision to extend or not extend the Credit.

Section 8.03. Pending Expiry Notice. If a Credit's terms and conditions provide that the Bank give the beneficiary a notice of pending expiration, Applicant agrees that it will notify the Bank in writing at least thirty (30) days prior to the last day specified in the

Credit by which the Bank must give such notice of the pending expiration date. In the event the Applicant fails to so notify the Bank and the Credit is extended, the Applicant's Obligations under this Agreement shall continue in effect and be binding on the Applicant with regard to the Credit as so extended.

ARTICLE IX – MISCELLANEOUS

Section 9.01. Notices.

(a) Notices to the Bank provided for herein shall be sent to the address of the Bank as set forth in the applicable Credit and shall be delivered by hand, overnight courier or certified mail, return receipt requested. Notices to the Applicant provided for herein shall be sent to the address set forth in the Application unless advised otherwise in writing.

(b) The Bank may transmit a Credit and any amendment thereto by S.W.I.F.T. message and thereby bind the Applicant directly and as indemnitor to the S.W.I.F.T. rules.

(c) The Bank is authorized to accept and process any Application and any amendments, transfers, assignments of proceeds, Instructions, consents, waivers and all documents relating to a Credit or an Application which are sent by Electronic Transmission and such Electronic Transmission shall have the same legal effect as an original and shall be binding upon and enforceable against the Applicant. The Bank may, but shall not be obligated to, require authentication of such Electronic Transmission or receipt of original documents prior to acting on such Electronic Transmission. If it is a condition of a Credit that payment may be made upon receipt by the Bank of an Electronic Transmission advising negotiation, the Applicant hereby agrees to reimburse the Bank on demand for the amount indicated in such Electronic Transmission advice, and further agrees to hold the Bank harmless if the documents fail to arrive, or if, upon the arrival of the documents, the Bank should determine that the documents do not comply with the terms and conditions of such Credit.

(d) The Bank's records of the content of any Instruction shall be conclusive absent manifest error.

Section 9.02. Amendment; Waiver. Neither the Bank nor the Applicant shall be deemed to have amended or modified any term hereof, or waived any of their rights unless the Bank and the Applicant consent in writing to such amendment, modification or waiver. No such waiver, unless expressly stated therein, shall be effective as to any transaction which occurs subsequent to such waiver, nor as to any continuance of a breach after such waiver. The Bank's or the Applicant's consent to any amendment, waiver, or modification does not mean that the Bank or the Applicant shall consent or has consented to any other or subsequent Instruction to amend, modify, or waive a term of this Agreement, any other Facility Document or any Credit.

Section 9.03. Indemnification. The Applicant shall indemnify and hold harmless the Bank, and its correspondents and each of its Related Parties (each, including the Bank, an "**Indemnified Person**") from and against any and all Costs, arising out of, in connection with, or as a result of: (a) any Credit or any pre-advice of its issuance; (b) any transfer, sale, delivery, surrender, or endorsement of any Drawing Document at any time(s) held by any Indemnified Person in connection with any Credit; (c) any action or proceeding arising out of or in connection with any Credit or this Agreement or any other Facility Document (whether administrative, judicial or in connection with arbitration), including any action or proceeding to compel or restrain any presentation or payment under any Credit, or for the wrongful dishonor of or honoring a presentation under any Credit; (d) any independent undertakings issued by the beneficiary of any Credit (in connection with such Credit); (e) any unauthorized Instruction or error in any Electronic Transmission; (f) an adviser, confirmer or other nominated person seeking to be reimbursed, indemnified or compensated; (g) any third party seeking to enforce the rights of an applicant, beneficiary, nominated person, transferee, assignee of letter of credit proceeds or holder of an instrument or document; (h) the fraud, forgery or illegal action of parties other than the Indemnified Person; (i) the enforcement of this Agreement or any other Facility Document or any rights or remedies under or in connection with this Agreement, any other Facility Document or any Credit; (j) the Bank's performance of the obligations of a confirming institution or entity that wrongfully dishonors a confirmation; (k) Bank dishonoring any presentation upon or during the continuance of any Event of Default or for which the Applicant is unable or unwilling to make any payment to the Bank required under Section 2.01; and (l) the acts or omissions, whether rightful or wrongful, of any present or future de jure or de facto governmental or regulatory authority or cause or event beyond the control of such Indemnified Person; provided, however, that such indemnity shall not be available to any Person claiming indemnification under this Agreement or any other Facility Document to the extent that such Costs are found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted directly from the gross negligence or willful misconduct of such Indemnified Person. If and to the extent that the obligations of the Applicant under this Section are unenforceable for any reason, the Applicant shall make the maximum contribution to the Costs permissible under applicable law.

Section 9.04. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the Bank and the Applicant and their respective successors and assigns permitted hereby, except that the Applicant may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Bank. Nothing in this Agreement, expressed or implied, shall be construed to confer any right or benefit upon any Person (other than the parties hereto, the Indemnified Persons and their respective successors and permitted assigns). The Bank may assign or sell participations in all or a portion of its rights and obligations under this Agreement (including all or a portion of its rights and obligations under any Credit) to another entity without the prior written consent of the Applicant.

Section 9.05. Termination; Survival.

(a) This Agreement is a continuing agreement and may not be terminated by the Applicant except upon (i) thirty (30) days' prior written notice of such termination by the Applicant to the Bank at the address of the Bank set forth on the most recent Credit issued hereunder, (ii) payment of all Obligations and (iii) the expiration or cancellation of all Credits issued hereunder. Notwithstanding the foregoing sentence, if a Credit is issued in favor of another entity, which entity is to issue a guarantee or undertaking on Applicant's behalf in connection therewith, or is issued as support for such a guarantee, the Applicant shall remain liable with respect to such Credit until the Bank is fully released in writing by such entity.

(b) The provisions of Articles II, III, VII and Sections 9.03, 9.05, 9.10 and 9.11 shall survive and remain in full force and effect regardless of the consummation of any transactions contemplated hereby, the reimbursement or repayment of any drawings or Obligations, the expiration or termination of the Credits or the termination of this Agreement or any provision hereof.

Section 9.06. Counterparts; Integration; Electronic Execution. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the Facility Documents constitute the entire contract and final agreement among the parties relating to the subject matter and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. Delivery of an executed counterpart of a signature page of this Agreement or any other Facility Document that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement or such other Facility Document, as applicable. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement and/or any other Facility Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; provided that nothing herein shall require the Bank to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Bank has agreed to accept any Electronic Signature, the Bank shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Applicant (or any Guarantor) without further verification thereof and without any obligation to review the appearance or form of any such Electronic signature and (b) upon the request of the Bank, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Applicant hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement or any other Facility Document shall have the same legal effect, validity and enforceability as any paper original, (ii) agrees that the Bank may, at its option, create one or more copies of this Agreement or any other Facility Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of the Bank's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), and (iii) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement or any other Facility Document based solely on the lack of paper original copies of this Agreement or such other Facility Document, respectively, including with respect to any signature pages thereto.

Section 9.07. Severability. Any provisions of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof, and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 9.08. Right of Setoff. The Applicant agrees that, if an Event of Default shall have occurred and be continuing, the Bank shall be entitled, at any time and from time to time, (a) to setoff and apply any and all deposits (general or special, time or demand,

provisional or final, matured or unmatured) at any time held, and other obligations at any time owing, by the Bank to or for the credit or the account of the Applicant, against any and all of the Obligations, and (b) to advance funds to the Applicant under any line of credit (committed or uncommitted) made available to the Applicant by the Bank and to apply such funds against any and all of the Obligations, irrespective of, in the case of both (a) and (b), whether or not the Bank shall have made any demand under this Agreement or any other Facility Document and although such Obligations may be contingent or unmatured or are owed to a branch or office of the Bank different from the branch or office that is holding such deposit, obligated on such indebtedness or extending such credit line, as applicable. The rights of the Bank under this Section are in addition to other rights and remedies (including other rights of setoff) that the Bank may have. The Bank agrees to notify the Applicant promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 9.09. Foreign Currency Indemnity. The Applicant's obligation to make payments in any currency (the “**Contract Currency**”) shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment or otherwise, that is expressed in or converted into any currency other than the Contract Currency, except to the extent that such tender or recovery results in the actual receipt by the Bank at its designated office of the full amount of the Contract Currency specified to be payable hereunder. The Applicant's obligation to make payments in the Contract Currency shall be enforceable as an alternative or additional cause of action to the extent that such actual receipt is less than the full amount of the Contract Currency specified to be payable hereunder, and shall not be affected by judgment being obtained for other sums due hereunder. The Applicant shall indemnify the Bank for any shortfall in such actual receipt.

Section 9.10. Governing Law; Jurisdiction; Consent to Service of Process; Etc.

(a) This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to principles of conflict of laws. The UCP and the ISP are incorporated by reference into this Agreement provided, however, that to the extent permitted by applicable law, this Agreement shall prevail in case of a conflict between this Agreement, the New York UCC, the UCP, ISP and/or Standard Letter of Credit Practice and the UCP shall prevail in case of conflict between the UCP and the New York UCC or other Standard Letter of Credit Practice, if the Credit is governed by the UCP and the ISP shall prevail in case of a conflict between the ISP and the New York UCC and other Standard Letter of Credit Practice if the Credit is a standby Credit governed by the ISP.

(b) The Applicant consents to the nonexclusive jurisdiction and venue of the federal courts located in the Borough of Manhattan, City of New York (or New York state courts sitting in the Borough of Manhattan in the event that the federal court lacks subject matter jurisdiction) and any appellate court from any thereof in any action or proceeding arising out of or relating to this Agreement, any other Facility Document, any Instruction or any Credit; provided that, a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Service of process in any legal action or proceeding arising out of or in connection with this Agreement, any other Facility Document, any Instruction or any Credit may be made upon the Applicant by mailing a copy of the summons to the Applicant either at the address set forth in the applicable Application or at the Applicant's last address appearing in the Bank's records. In addition, if the Applicant is organized in a jurisdiction outside the United States of America, service of process by the Bank in connection with any dispute shall be binding on the Applicant if sent to the Process Agent (as defined below) by registered mail at the address specified below. The Applicant hereby irrevocably appoints C T Corporation System (the “**Process Agent**”), presently located at 28 Liberty Street, New York, New York 10005, as its agent to receive, on its behalf and on behalf of its property, service of copies of the summons and complaint and any other process which may be served in any such action or proceeding. Such service may be made by mailing or delivering a copy of such process to the Applicant in care of the Process Agent at its address, and service so made shall be deemed effective service of process of the Applicant. The Process Agent's duties are limited solely to the receipt and forwarding of service of process and related notices. Nothing herein shall affect the right of the Bank to serve legal process in any other manner permitted by law or affect the right of the Bank to bring any action or proceeding against the Applicant or its property in the courts of any other jurisdiction.

(d) No legal action or proceeding arising out of or in connection with this Agreement, any Facility Document, any Instruction or any Credit may be brought by the Applicant against the Bank (i) except in a state or federal court located in the Borough of Manhattan, City of New York, State of New York and (ii) unless commenced within one (1) year after (x) the expiration date of the applicable Credit or (y) the alleged breach shall have purportedly occurred, whichever is earlier.

Section 9.11. WAIVER OF JURY TRIAL. THE APPLICANT HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO JURY TRIAL IN ANY LEGAL PROCEEDING DIRECTLY OR

INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER FACILITY DOCUMENT, ANY INSTRUCTION, ANY CREDIT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

Section 9.12. Disclosure. The Bank may disseminate information relating to the Applicant, this Agreement and any Credit (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors, and third parties (including any correspondent bank) selected by any of the foregoing, wherever situated, for confidential use in connection with Bank's performance, administration or enforcement of this Agreement or any other Facility Document (including in connection with the provision of any service and for data processing, statistical and risk analysis purposes); (b) to the extent requested by any Governmental Authority; (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) in connection with the exercise of any remedies hereunder or under any other Facility Document or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder or under any other Facility Document, (e) subject to an agreement containing customary confidentiality provisions, to any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement or any Credit; (f) with the consent of the Applicant or (g) to the extent such information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Bank on a non-confidential basis from a source other than the Applicant.

Section 9.13. Waiver of Immunity. The Applicant acknowledges that this Agreement and each Credit is entered into (or will be entered into) for commercial purposes. To the extent that the Applicant may now or hereafter be entitled, in any jurisdiction in which judicial proceedings may at any time be commenced with respect to this Agreement, any other Facility Document or any Credit, to claim for itself or its revenues or properties any immunity from the jurisdiction of any court or from legal process (whether from service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise), and to the extent that in any such jurisdiction there may be attributed to the Applicant any such immunity (whether or not claimed), the Applicant hereby irrevocably agrees not to claim, and hereby waives, such immunity in respect of its obligations under this Agreement, any other Facility Document or any Credit.

Section 9.14. Interest Rate Limitation. In no case shall the interest which may be charged by the Bank hereunder exceed the maximum amount which the Bank may charge or collect under the law applicable to it.

Section 9.15. Headings. Article and Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

IN WITNESS WHEREOF, the Applicant has caused this Agreement to be duly executed and delivered by its authorized officer as of the day and year written below. By signing below, the Applicant confirms that it has reviewed and is responsible for the accuracy and completeness of all information in this Application. The Bank is not responsible for any errors or omissions, even if the Application was prepared by the Bank.

APPLICANT

By: _____
Name:
Title:
Date:

Without limiting the terms above, the Applicant hereby authorizes the Bank to debit Applicant's account no. _____ unless the Applicant shall have agreed in writing to other payment arrangements with the Bank for the amount of each drawing and/or the Bank's commissions and charges.

ANNEX A - DEFINITIONS

The following terms shall have the following meanings:

“Affiliate” means, with respect to a specific Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under the common Control with the Person specified.

“Agreement” means this Continuing Agreement for Standby Letters of Credit, including the Annex hereto, as it may be amended, supplemented, or otherwise modified from time to time.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Applicant or any of its subsidiaries or Affiliates from time to time concerning or relating to bribery or corruption.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City, New York are authorized or required by law to remain closed.

“Change of Control” means the acquisition of direct or indirect Control of the Applicant or any Guarantor by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the SEC thereunder as in effect on the date hereof).

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. **“Controlling”** and **“Controlled”** have meanings correlative thereto.

“Costs” means any and all claims, suits, judgments, costs, losses, fines, penalties, damages, liabilities, and expenses, including expert witness fees and legal fees, charges and disbursements of any counsel for any Indemnified Person.

“Default Rate” means a rate per annum equal to 2% above the Prime Rate.

“Deposit Account” has the meaning set forth in the New York UCC.

“Drawing Document” means any draft, demand or claim for payment under any Credit or other document presented for purposes of drawing under a Credit.

“Electronic Signature” means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

“Electronic Transmission” means any electronic transmission using SWIFT, electronic mail, facsimile, any other computer generated telecommunications, or any electronic platform as agreed by the Bank from time to time.

“Excluded Taxes” means any (i) Taxes imposed on or measured by net income (however denominated), franchise taxes or branch profit taxes, in each case imposed by the jurisdiction in which the Bank is organized or in which its applicable office issuing any Credit hereunder is located, and (ii) U.S. Federal withholding taxes imposed under Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended, (the **“Code”**) as of the date hereof (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

“Facility Document” means this Agreement and any other agreement entered into in connection herewith by the Applicant or any Guarantor with or in favor of the Bank, including any Application but excluding any Credit.

“Good Faith” means honesty in fact in the conduct or transaction concerned.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Guarantor” means any Person that has guaranteed or provided credit support for all or part of the Obligations.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Instruction” means each Application, any inquiries, communications and instructions (in any form, whether oral, telephonic, written, electronic mail or transmission or facsimile) regarding a Credit.

“ISP” means, with respect to any Credit, International Standby Practices 1998 (International Chamber of Commerce Publication No. 590) and any subsequent revision thereof adhered to by the Bank on the date such Credit is issued.

“New York UCC” means the Uniform Commercial Code as from time to time in effect in the State of New York.

“Obligations” means all obligations and liabilities of the Applicant to the Bank under any Facility Document or otherwise with respect to any and all Credits issued hereunder (if any), whether matured or unmatured, absolute or contingent, now existing or hereafter incurred. Without limiting the foregoing, the Obligations include (a) the obligation to pay interest, commissions, charges, expenses, fees, indemnities and other amounts payable by the Applicant under any Facility Document and (b) the obligation of the Applicant to reimburse any amount in respect of any of the foregoing that the Bank may elect to pay or advance on behalf of the Applicant.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

“Prime Rate” means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Bank) or any similar release by the Federal Reserve Board (as determined by the Bank). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

“Regulatory Change” means any change after the date hereof in United States federal, state or foreign laws or regulations (including Regulation D of the Board of Governors of the Federal Reserve System) or the adoption or making after such date of any interpretations, directives or requests applying to a class of banks including the Bank of or under any United States federal or state, or any foreign, laws or regulations (whether or not having the force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith or in the implementation thereof and (y) all requests, rules, guidelines or directives promulgated by Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall, in each case, be deemed to be a “Regulatory Change”, regardless of the date enacted, adopted, issued, or implemented.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Released Merchandise” means, with respect to a Credit, all Underlying Property released (including pursuant to a forwarders cargo receipt or by any other means whatsoever) or consigned to the Applicant or any Person designated by the Applicant in connection with such Credit.

“Sanctioned Country” means, at any time, a country, region or territory which is itself the subject or target of any Sanctions.

“Sanctioned Person” means, at any time, any individuals or entities (a) listed in any Sanctions-related list of designated individuals or entities maintained by any Sanctions Authority, (b) operating, organized or resident in a Sanctioned Country, (c) owned or controlled by one or more of any such individuals or entities described in the foregoing clauses (a) or (b), or (d) otherwise the subject of any Sanctions.

“Sanctions” means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state, His

Majesty's Treasury of the United Kingdom or other relevant sanctions authority (collectively, the **"Sanctions Authorities"**, each a **"Sanctions Authority"**).

"Securities Account" has the meaning set forth in the New York UCC.

"Standard Letter of Credit Practice" means, for the Bank, any domestic or foreign law or letter of credit practices applicable in the city in which the Bank issued the applicable Credit or for its branch or correspondent, such laws and practices applicable in the city in which it has advised, confirmed or negotiated such Credit, as the case may be. Such practices shall be (i) of banks that regularly issue Credits in the particular city and (ii) required or permitted under the UCP or the ISP, as chosen in the applicable Credit.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees, value added tax or any other goods and services, use or sales tax or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"UCP" means, with respect to any Credit, Uniform Customs and Practice for Documentary Credits 2007 Revision, International Chamber of Commerce Publication No. 600 and any subsequent revision thereof adhered to by the Bank on the date such Credit is issued.

"UN Convention" means the United Nations Convention on Independent Guarantees and Standby Letters of Credit.

"Underlying Property" means all property of any kind whatsoever (now existing or hereafter acquired) referred to, or relating to, an applicable Credit including, without limitation, any and all right, title and interest of the Applicant in any goods, equipment, inventory, money, documents, letters of credit, warehouse receipts, instruments, securities, security entitlements, financial assets, investment property, precious and base metals, chattel paper, electronic chattel paper, accounts, commercial tort claims, deposit accounts, general intangibles (including any claims for breach of contract, breach of warranty claims and any insurance policies and proceeds), letter of credit rights, choses in action and the proceeds of any and all thereof (including any and all of the aforesaid referred to in any Credit or the Drawing Documents relating thereto).

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 9.6

To: Orange County Power Authority Board of Directors

From: Tiffany Law, Chief Financial Officer
Hongyan Sheng, Finance & Risk Manager
Carlo Bencomo-Jasso, Rates & Revenue Manager

Approved by: Joe Mosca, Chief Executive Officer

Subject: APPROVAL OF OCPA'S CLEAN ENERGY ACCESS (CEA) TARIFF AND RATES

Date: September 14, 2026

STRATEGIC GOALS

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

RECOMMENDED ACTION(S)

1. Approve OCPA's Clean Energy Access (CEA) Tariff and Rates, substantially in the forms attached, effective September 15, 2026.
2. Authorize the Chief Executive Officer, or designee, to make administrative updates to the CEA Rates resulting from changes to Southern California Edison (SCE) rates or charges, as necessary to maintain the required 20% discount on participating customers' total electric bills, without further Board approval. This delegated authority does not extend to establishing or changing OCPA generation rates, which will remain subject to Board approval.

BACKGROUND

In June 2018, the California Public Utilities Commission (CPUC) issued Decision 18-06-027, establishing three programs to promote the development of renewable energy generation and expand access to clean energy for residential customers in disadvantaged communities (DACs). One of these programs is the Disadvantaged Communities Green Tariff (DAC-GT) program, which provides eligible residential customers in DACs with 100% renewable energy and a 20% discount on their total electric bill. OCPA will offer its DAC-GT program to customers under the name Clean Energy Access (CEA).

The DAC-GT program is available to eligible residential customers who reside in DACs and meet applicable income eligibility requirements under the California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) programs¹.

Pursuant to CPUC Resolution E-4999, OCPA requested a transfer of DAC-GT program capacity from SCE so that eligible customers within OCPA's service territory could receive program benefits directly through OCPA. Using the CPUC-approved allocation methodology, SCE and OCPA calculated OCPA's program capacity allocation at 0.53 megawatts (MW) based on OCPA's share of eligible residential DAC customers as of March 2025. On August 14, 2025, OCPA submitted Advice Letter 13-E/E-A to the CPUC requesting approval to administer the transferred DAC-GT capacity.

On February 5, 2026, the CPUC Energy Division issued Resolution E-5435 approving OCPA's DAC-GT program, including \$395,051 in approved program funding covering calendar years 2026 and 2027 and its proposed automatic enrollment approach. Beginning July 1, 2026, eligible program expenditures are funded through the Public Purpose Program in accordance with CPUC requirements. Resolution E-5435 also approved OCPA's automatic enrollment approach, which prioritizes eligible customers at high risk of disconnection, and the use of DAC-GT Marketing, Education and Outreach funding to educate eligible customers, notify customers of their enrollment, and support enrollment of additional eligible customers as program capacity becomes available.

To implement CEA, staff recommends Board approval of the attached CEA Tariff and Rates, effective September 15, 2026. The proposed CEA Tariff establishes customer eligibility, enrollment, bill discount methodology, qualified resource requirements, and other terms and conditions for participation. The proposed CEA Rates establish the generation rates necessary to provide participating customers with the required 20% total bill discount.

¹ See CARE/FERA Program (<https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/care-fera-program>).

DISCUSSION / ANALYSIS

CEA Overview

The CEA Tariff details program eligibility criteria, the methodology for applying the 20% discount to participating customers' bills, and the terms and conditions for customer participation. Eligible customers must be residential OCPA customers who meet applicable CARE or FERA requirements and reside in a DAC consistent with applicable CPUC program requirements. Participating customers will receive 100% renewable electricity generation and a 20% discount on their total electric bill. Enrollment is limited by OCPA's CPUC-approved program capacity of 0.53 MW.

Customer Enrollment

OCPA will use an automatic enrollment process to facilitate participation by eligible customers and direct available program capacity to customers most in need of assistance. Eligible customers will be automatically enrolled based on OCPA's approved prioritization criteria, with priority given to customers at high risk of disconnection, including customers identified through available SCE customer eligibility and payment-assistance information. Enrollment will continue until customer enrollments reach OCPA's 0.53 MW program cap.

Staff anticipates initially enrolling approximately 250 eligible customers based on available program capacity and estimated customer enrollment requirements. Actual enrollment may vary based on participating customers' usage. Following enrollment, OCPA will notify participating customers through direct outreach regarding their enrollment and program benefits. If capacity subsequently becomes available because of customer attrition or changes in customer usage, additional eligible customers will be enrolled in accordance with OCPA's approved prioritization methodology.

CEA Rates and Customer Bill Discount

The 20% CEA discount applies to the customer's total electric bill under their otherwise applicable tariff (OAT), including OCPA generation charges at the Basic Choice rate tier, SCE delivery charges, and applicable CCA cost responsibility surcharges. The discount will be calculated based on the customer's total bill under the OAT but reflected through the OCPA generation portion of the bill. The customer's OCPA rate schedule will identify the customer as participating in CEA, and participating customers will be notified accordingly.

Customers participating in CEA will retain their CARE or FERA discount. The additional 20% CEA discount will be applied to the customer's otherwise applicable CARE or FERA rate. Based on current discount levels, participating customers may receive an aggregate bill reduction of approximately 45% for CARE customers and 35% for FERA

customers, although actual bill impacts may vary based on applicable rates and charges.

Future Rate Adjustments

Because the 20% CEA discount applies to the customer's total electric bill, CEA Rates will need to be adjusted when SCE changes applicable delivery, Power Charge Indifference Adjustment (PCIA), or other rates or charges, as well as when OCPA changes its generation rates.

SCE may adjust its applicable rates or charges multiple times during the year without a corresponding change to OCPA generation rates. To maintain a consistent 20% total bill discount for CEA customers, staff recommends authorizing the Chief Executive Officer, or designee, to make administrative updates to the CEA Rates resulting from SCE rate or charge changes without returning to the Board for each adjustment. These administrative updates would be limited solely to maintaining the Board-approved 20% total bill discount.

OCPA generation rates will continue to be established and changed through the Board's normal rate-setting process. Following any Board-approved change to OCPA generation rates, the corresponding CEA Rates may be adjusted administratively, without returning to the Board for separate approval of the CEA Rate adjustment, as necessary to implement the Board-approved generation rates and maintain the required 20% total bill discount.

Local Renewable Project Development

Following CPUC approval of OCPA's program, staff initiated a competitive solicitation to procure a long-term qualified renewable energy resource to serve CEA customers.

On June 5, 2026, OCPA received CPUC approval of its DAC-GT solicitation materials. Consistent with applicable CPUC requirements, OCPA launched the DAC-GT Request for Offers (RFO) on August 5, 2026, within the required 60-day period following CPUC approval of the solicitation materials. OCPA subsequently conducted a public bidder webinar on August 21, 2026, to address questions from interested bidders and support a competitive solicitation process. A recording of the webinar was made publicly available².

The solicitation is intended to secure a qualified long-term solar photovoltaic resource, which may include paired energy storage where permitted under the approved solicitation requirements, to support the provision of 100% renewable energy to

² OCPA DAC-GT Proposer Webinar: <https://www.ocpower.org/wp-content/uploads/8.2026-DAC-GT-Proposer-Webinar.mp4>

participating CEA customers over the program's 20-year term. Once a new qualified facility is selected, developed, and placed into commercial operation, the renewable energy associated with that facility will be used to serve CEA customer participation consistent with applicable CPUC program requirements.

Interim Program Implementation

To make the 20% bill discount available to eligible customers while OCPA completes its competitive solicitation and the long-term qualified renewable facility is developed, OCPA will initially serve CEA customers using existing qualified renewable resources, as permitted under the CPUC-approved program.

Staff has worked with Calpine Community Energy, OCPA's data management and billing services provider, to complete the system configuration necessary to automatically enroll eligible customers, apply the required 20% bill discount, and implement the CEA Rates on customer bills. CEA customer enrollment and service are scheduled to commence on September 15, 2026.

Staff will continue to monitor customer eligibility, usage, enrollment, available program capacity, billing implementation, and customer communications to ensure compliance with applicable program requirements. Staff has also coordinated with other CCAs administering DAC-GT programs to incorporate relevant implementation experience and best practices.

FISCAL IMPACT

The CPUC approved \$395,051 in program funding covering calendar years 2026 and 2027. OCPA's FY2026-27 budget includes \$291,384 in Public Purpose Program grant revenue based on estimated eligible program activity during OCPA's fiscal year from July 2026 through June 2027. The amounts differ because they cover different time periods.

Eligible program expenditures include customer bill discounts, program administration, and marketing, education and outreach activities. Because eligible program costs are funded through the Public Purpose Program, implementation of CEA is not expected to result in a material net impact to OCPA's operating budget, subject to continued program funding and applicable CPUC requirements.

ATTACHMENT(S)

1. OCPA Clean Energy Access Tariff
2. OCPA Clean Energy Access Rates



Clean Energy Access Tariff

The Orange County Power Authority ("OCPA") Clean Energy Access Tariff (referred to as "Clean Energy Access" or "CEA") supports low-income residential customers living in disadvantaged communities who cannot afford, or are unable, to install their own distributed renewable energy generation system. OCPA CEA program participants receive 100% renewable energy from qualified renewable generating facilities in disadvantaged communities ("qualified facilities," as defined below) procured by OCPA to serve enrolled customers.

A. APPLICABILITY

To be eligible for the CEA program, an OCPA customer must be a residential, non-Net Energy Metering ("NEM") customer on a California Alternate Rates for Energy ("CARE") or Family Electric Rate Assistance ("FERA") rate residing within a disadvantaged community ("DAC") as defined and detailed in the Terms and Conditions below.

OCPA will use an auto-enrollment procedure for the CEA program that prioritizes eligible customers at high risk of disconnection, including customers who have received past-due or discontinuation notices. Eligible customers will be automatically enrolled based on OCPA's prioritized eligibility list until total customer enrollment for the CEA program reaches 0.53 megawatts ("MW") (OCPA's "Clean Energy Access Program Cap"). Customers will receive a notification after they have been enrolled in the program. If additional capacity becomes available, new enrollments will continue to follow OCPA's prioritized eligibility list.

This program is not available to customers on certain rate schedules or products as detailed in the Terms and Conditions below.

OCPA will procure energy to serve customers enrolled in this program via Power Purchase Agreements with qualified facilities as detailed in the Terms and Conditions below.

The CEA program will commence service effective September 15, 2026.

B. RATES AND CREDITS

Customers enrolled in the CEA program will receive 100% renewable electricity generation priced the same as OCPA's Basic Choice rate tier prior to application of a 20% discount as described below. Customers will remain on their current applicable Southern California Edison ("SCE") rate schedule(s) for transmission and delivery charges. All charges, credits and provisions of a customer's otherwise applicable tariffs, rates, or policies ("OAT") apply.

The total amount billed to the customer will be adjusted by applying a credit and/or discounted generation rate to the customer's monthly usage that provides the equivalent of a 20% discount on their total bill under the OAT (including OCPA generation charges at the Basic Choice rate tier, SCE delivery charges, and applicable CCA cost responsibility surcharges) prior to the application of any fixed charges, credits, state and local taxes, or fees. The discount will be calculated based on the customer's total applicable bill but reflected through the OCPA generation portion of the bill. OCPA will adjust the CEA program rates to maintain the 20% bill discount whenever the otherwise

applicable OCPA or SCE rates change. Notice of any change to the CEA program rates arising from a change to SCE rates or other charges will be posted to OCPA's website at www.ocpower.org. If SCE changes its applicable rates or charges, the CEA program rates may be changed (to preserve the required 20% discount on participating customers' total electric bills) without returning to OCPA's Board of Directors for approval of the CEA program rate changes. Following any approved change to OCPA generation rates by OCPA's Board of Directors, the corresponding CEA program rates will be adjusted as necessary, without returning to OCPA's Board of Directors for approval of the CEA program rate changes, to implement the approved OCPA generation rates and maintain the required 20% total bill discount.

Existing CARE or FERA customers enrolled in the CEA program will retain their CARE or FERA discount and the 20% CEA program discount will be applied to the customer's CARE or FERA rate.

C. TERMS AND CONDITIONS

1. **Customer eligibility.** To enroll in OCPA's CEA program, customers must meet the following eligibility criteria (Note: Eligibility for the CEA program does not guarantee enrollment):
 - a. **OCPA enrollment:** Participants must be residential, non- NEM OCPA customers. SCE bundled customers and customers served by Direct Access providers are not eligible to participate. Customers enrolled in the CEA program are not eligible for any of OCPA's other rate discount programs.
 - b. **CARE/FERA eligibility:** Customers must be enrolled in the CARE program or FERA program. If a customer is not already enrolled in CARE or FERA, they must enroll in CARE or FERA first before becoming eligible for the CEA program.
 - c. **Disadvantaged community:** The customer's service address must be located in a DAC, which is a census tract that is either (1) identified by CalEnviroScreen 4.0, or CalEnviroScreen 5.0, or a subsequent version of CalEnviroScreen as scoring among the top 25% of census tracts statewide, (2) a census tract scoring in the highest 5% of the Pollution Burden score in CalEnviroScreen 4.0, or CalEnviroScreen 5.0, or a subsequent version of CalEnviroScreen that does not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data, or (3) is located in California Indian Country as defined in 18 United States Code Section 1151, with the exception of privately held in-holdings, which are defined as non-Indian owned fee land located within the exterior boundaries of California Indian Country; in the event of multiple owners, such land shall be considered Indian owned if at least one owner is a tribe or tribal member, regardless of the use of the land.

In the event the census tract in which a customer resides is not scored in a subsequent version of the CalEnviroScreen tool as a top 25% DAC or as one of the census tracts in the top 5% of pollution burden, the customer may retain their eligibility for the CEA program, so long as such customer continues to meet all other eligibility criteria.

2. **Ineligible rates.** Customers served under the following rate schedules cannot concurrently participate in the CEA program:
 - a. NEM
 - b. A master meter rate schedule (Schedules DM, DMS-1, DMS-2, DMS-3)
 - c. TOU-EV-1
 - d. TOU-D-T
 - e. DE (utility employee) rate schedule
 - f. Non-residential rate schedules
3. **Customer enrollment and term.** After the program start date, service under the CEA program rates will become effective for selected customers within two billing periods after OCPA completes the auto-enrollment procedure for eligible CARE/FERA customers.

There is no minimum length of time that a customer must take service under this program. There is also no termination fee associated with de-enrolling from the CEA program. If a customer elects to no longer receive service under this program, the change will take effect no later than two billing periods after OCPA receives the customer's request to de-enroll from the CEA program. Customers can remain on the CEA program rates for a period of up to 20 years from the date the customer first begins service under the program, subject to continued program funding, applicable law, and CPUC requirements, as long as the customer continues to meet the program qualifications.

If a CEA program customer turns off their service at their current address and moves to a new location, the customer will need to recertify their eligibility for the CEA program at the new location by calling or emailing OCPA at (866) 262-7693 or answers@ocpower.org.

Customers enrolled in CARE or FERA must recertify their CARE or FERA eligibility with SCE as required by SCE tariffs. Customers who, after being enrolled in the CEA program, become ineligible for the program, will be de-enrolled from the CEA program and returned to their previous OCPA rate option. CEA program customers who request to opt up from Basic Choice to a different OCPA product will be de-enrolled from the CEA program.

4. **Qualified facilities.** In order to serve the customers enrolled in the CEA program, OCPA will procure energy resources, up to the Clean Energy Access Program Cap, from qualified facilities which are defined as new Renewable Portfolio Standard ("RPS") eligible solar photovoltaic ("PV") generating facilities and RPS-eligible solar PV generating facilities paired with storage, with a nameplate rated generating capacity between 500 kilowatts ("kW") and 1 MW that are:
 - a. Located within a DAC in OCPA or SCE territory; and
 - b. Contracted with OCPA via a Power Purchase Agreement to supply energy to OCPA for the purpose of meeting customer enrollment under the CEA program;

Before new qualified facilities come online, OCPA will serve CEA program customers on an interim basis using existing resources that otherwise meet all CEA program

requirements. Once new qualified facilities come online, CEA program customers will be served by these projects.

5. **OCPA's Clean Energy Access Program Cap.** Enrollment for the CEA program will be capped once customer enrollments reach a capacity of 0.53 MW for the program.
6. **Metering.** All customers must be metered according to the requirements of their OAT.
7. **Reservation of Rights.** OCPA reserves the right to modify, suspend, or terminate one or more components of, or all of, the CEA program at a duly noticed public meeting of OCPA's Board of Directors. By enrolling or remaining enrolled in the CEA program, customers acknowledge and accept OCPA's reservation of rights.
8. **LIMITATION OF LIABILITY.** FOR ANY ACT OR OMISSION IN THE PERFORMANCE OF THIS TARIFF, THE SOLE AND EXCLUSIVE REMEDY SHALL BE THE AMOUNT OF DIRECT DAMAGE ACTUALLY INCURRED. IN NO EVENT SHALL ANY PARTY SUBJECT TO THIS TARIFF BE LIABLE FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES, INCLUDING LOST PROFITS, BUSINESS INTERRUPTION DAMAGES, OR ATTORNEY'S FEES WHETHER IN CONTRACT, TORT, OR STRICT LIABILITY.

OCA Clean Energy Access			
OCA Rate Schedule	Period	Basic Choice	Time Period Definitions
DOMESTIC			
GENERATION CHARGE (\$/KWH)	YEAR-ROUND	\$ 0.13983	All electric usage
CLEAN ENERGY ACCESS CREDIT (\$/KWH) - TIER 1 (WITHIN BASELINE)	YEAR-ROUND	\$ (0.07098)	All electric usage
CLEAN ENERGY ACCESS CREDIT (\$/KWH) - TIER 2 (OVER BASELINE)	YEAR-ROUND	\$ (0.09117)	All electric usage
DOMESTIC - CARE			
GENERATION CHARGE (\$/KWH)	YEAR-ROUND	\$ 0.13983	All electric usage
CLEAN ENERGY ACCESS CREDIT (\$/KWH) - TIER 1 (WITHIN BASELINE)	YEAR-ROUND	\$ (0.04937)	All electric usage
CLEAN ENERGY ACCESS CREDIT (\$/KWH) - TIER 2 (OVER BASELINE)	YEAR-ROUND	\$ (0.06300)	All electric usage
DOMESTIC - FERA			
GENERATION CHARGE (\$/KWH)	YEAR-ROUND	\$ 0.13983	All electric usage
CLEAN ENERGY ACCESS CREDIT (\$/KWH) - TIER 1 (WITHIN BASELINE)	YEAR-ROUND	\$ (0.05886)	All electric usage
CLEAN ENERGY ACCESS CREDIT (\$/KWH) - TIER 2 (OVER BASELINE)	YEAR-ROUND	\$ (0.07542)	All electric usage
TOU-D-4 Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.27772	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.15845	4pm - 9pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ 0.09541	All other hours
	WINTER MID-PEAK	\$ 0.20482	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.12398	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.10466	8am - 4pm, every day
CLEAN ENERGY ACCESS CREDIT (\$/KWH)	SUMMER ON-PEAK	\$ (0.10776)	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ (0.08391)	4pm - 9pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ (0.05953)	All other hours
	WINTER MID-PEAK	\$ (0.09318)	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ (0.06524)	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ (0.05714)	8am - 4pm, every day
TOU-D-4 - CARE Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.27772	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.15845	4pm - 9pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ 0.09541	All other hours
	WINTER MID-PEAK	\$ 0.20482	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.12398	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.10466	8am - 4pm, every day
CLEAN ENERGY ACCESS CREDIT (\$/KWH)	SUMMER ON-PEAK	\$ (0.07435)	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ (0.05829)	4pm - 9pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ (0.04159)	All other hours
	WINTER MID-PEAK	\$ (0.06455)	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ (0.04545)	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ (0.03989)	8am - 4pm, every day
TOU-D-4 - FERA Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.27772	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.15845	4pm - 9pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ 0.09541	All other hours
	WINTER MID-PEAK	\$ 0.20482	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.12398	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.10466	8am - 4pm, every day
CLEAN ENERGY ACCESS CREDIT (\$/KWH)	SUMMER ON-PEAK	\$ (0.08911)	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ (0.06957)	4pm - 9pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ (0.04945)	All other hours
	WINTER MID-PEAK	\$ (0.07718)	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ (0.05413)	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ (0.04744)	8am - 4pm, every day
TOU-D-5 Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.42963	5pm - 8pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.23069	5pm - 8pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ 0.08550	All other hours
	WINTER MID-PEAK	\$ 0.29519	5pm - 8pm, every day
	WINTER OFF-PEAK	\$ 0.12225	8pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.09415	8am - 5pm, every day
CLEAN ENERGY ACCESS CREDIT (\$/KWH)	SUMMER ON-PEAK	\$ (0.13828)	5pm - 8pm, Monday - Friday
	SUMMER MID-PEAK	\$ (0.09849)	5pm - 8pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ (0.05947)	All other hours
	WINTER MID-PEAK	\$ (0.11139)	5pm - 8pm, every day
	WINTER OFF-PEAK	\$ (0.06682)	8pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ (0.05579)	8am - 5pm, every day
TOU-D-5 - CARE Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.42963	5pm - 8pm, Monday - Friday

	SUMMER MID-PEAK	\$ 0.23069	5pm - 8pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ 0.08550	All other hours
	WINTER MID-PEAK	\$ 0.29519	5pm - 8pm, every day
	WINTER OFF-PEAK	\$ 0.12225	8pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.09415	8am - 5pm, every day
CLEAN ENERGY ACCESS CREDIT (\$/KWH)	SUMMER ON-PEAK	\$ (0.09453)	5pm - 8pm, Monday - Friday
	SUMMER MID-PEAK	\$ (0.06775)	5pm - 8pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ (0.04162)	All other hours
	WINTER MID-PEAK	\$ (0.07646)	5pm - 8pm, every day
	WINTER OFF-PEAK	\$ (0.04658)	8pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ (0.03923)	8am - 5pm, every day
TOU-D-5 - FERA Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.42963	5pm - 8pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.23069	5pm - 8pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ 0.08550	All other hours
	WINTER MID-PEAK	\$ 0.29519	5pm - 8pm, every day
	WINTER OFF-PEAK	\$ 0.12225	8pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.09415	8am - 5pm, every day
CLEAN ENERGY ACCESS CREDIT (\$/KWH)	SUMMER ON-PEAK	\$ (0.11390)	5pm - 8pm, Monday - Friday
	SUMMER MID-PEAK	\$ (0.08132)	5pm - 8pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ (0.04944)	All other hours
	WINTER MID-PEAK	\$ (0.09190)	5pm - 8pm, every day
	WINTER OFF-PEAK	\$ (0.05547)	8pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ (0.04647)	8am - 5pm, every day
TOU-D-PRIME Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.33509	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.12780	4pm - 9pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ 0.08974	All other hours
	WINTER MID-PEAK	\$ 0.29466	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.07790	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.07790	8am - 4pm, every day
CLEAN ENERGY ACCESS CREDIT (\$/KWH)	SUMMER ON-PEAK	\$ (0.13237)	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ (0.09091)	4pm - 9pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ (0.06335)	All other hours
	WINTER MID-PEAK	\$ (0.12535)	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ (0.05903)	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ (0.05903)	8am - 4pm, every day
TOU-D-PRIME - CARE Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.33509	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.12780	4pm - 9pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ 0.08974	All other hours
	WINTER MID-PEAK	\$ 0.29466	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.07790	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.07790	8am - 4pm, every day
CLEAN ENERGY ACCESS CREDIT (\$/KWH)	SUMMER ON-PEAK	\$ (0.09186)	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ (0.06282)	4pm - 9pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ (0.04403)	All other hours
	WINTER MID-PEAK	\$ (0.08656)	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ (0.04105)	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ (0.04105)	8am - 4pm, every day
TOU-D-PRIME - FERA Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.33509	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.12780	4pm - 9pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ 0.08974	All other hours
	WINTER MID-PEAK	\$ 0.29466	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.07790	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.07790	8am - 4pm, every day
CLEAN ENERGY ACCESS CREDIT (\$/KWH)	SUMMER ON-PEAK	\$ (0.10979)	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ (0.07521)	4pm - 9pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ (0.05250)	All other hours
	WINTER MID-PEAK	\$ (0.10372)	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ (0.04893)	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ (0.04893)	8am - 4pm, every day

*Holidays are New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, and Christmas.

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 10.1

To: Orange County Power Authority Board of Directors
Subject: INCREASE IN MONTHLY LIMIT ON COMPENSABLE DIRECTOR MEETINGS AND ACTIVITIES FROM SIX TO EIGHT (Director Jung)
Date: September 14, 2026

RECOMMENDED ACTION(S)

Approve an amendment to Policy No. 5 to increase the maximum number of meetings and activities for which Directors may receive compensation from six to eight per month, and direct the Chief Executive Officer and General Counsel to implement the amendment.

BACKGROUND

Director Jung has submitted a Director-Initiated Agenda Item regarding an increase in the monthly limit on compensable Director meetings and activities from six(6) to eight(8).

ATTACHMENT(S)

Policy Number 005: Board of Directors and Community Advisory Committee Members' Compensation and Expense Reimbursement Policy. Revised: 03/09/2026

ORANGE COUNTY POWER AUTHORITY
Policy Number 005: Board of Directors and Community
Advisory Committee Members' Compensation and Expense
Reimbursement Policy
Approved: 11/20/2023 | Revised: 03/09/2026

This Policy governs compensation and reimbursement of expenses for members of the Authority's Board of Directors and Community Advisory Committee (Committee Members). The Policy applies to both regular members of the Board and alternate members, as well as Committee Members as specified herein.

DIRECTORS' COMPENSATION

Pursuant to this Policy adopted by the Board of Directors, the Authority is authorized to compensate Board members in the amount described below for (1) attending each meeting of the Board of Directors, and (2) otherwise providing a day of service to the Authority. Pursuant to Section 3.8 of the Authority's Joint Powers Agreement, the Authority's Board members shall receive the then-current amount provided to directors of the Orange County Sanitation District (OCSD). In compliance with OCSD's current ordinance relating to OCSD director compensation, on January 1 of each year, beginning with January 1, 2025, the amount of compensation for attending each meeting of the Board of Directors or otherwise providing a day of service to the Authority shall increase automatically by five percent (5%) unless said increase is waived by the OCSD board of directors or OCSD's ordinance is repealed or amended to eliminate such automatic increases. The Policy limits compensation to a specified maximum number of days per month. The Board of Directors may, from time to time, amend the Policy to change the amount of compensation and/or the maximum number of compensable days per month.

The following activities are compensable.

Compensable Activities

1. Meetings
Each regular Director shall be entitled to compensation for attendance at (1) each meeting of the Board of Directors; (2) each meeting of a standing committee on which the Director serves; (3) each meeting of an ad hoc committee to which the Director has been duly appointed; (4) each meeting of any joint governmental board, committee, or association to which the Director has been appointed as the Authority's representative; and (5) attendance at California Community Choice Association (CalCCA) annual conferences. Each alternate Director shall be entitled to compensation for attendance at a meeting when, and only when, the alternate Director attends the meeting in place of the regular Director.
2. Required Training
Each Director shall be entitled to compensation for attendance at the ethics training required by Government Code Section 53235 and the sexual harassment training and education required by Government Code Section 12950.1.
3. Other Activities
The Chair of the Board of Directors and Chief Executive Officer may, on a case-by-case basis, authorize compensation of individual Directors for a day of service when participating in the following types of activities: (1) meetings with representatives of local, regional, state, or national government on issues affecting the Authority; (2) meetings, conferences, and seminars relating to the business and operation of community choice aggregation entities,

(3) ceremonial events sponsored by the Authority; (4) ceremonial events sponsored by another organization; (5) meetings of agencies, nonprofit organizations, or service clubs where the Director makes a presentation on behalf of the Authority; and (6) meetings with Authority staff, including telephone conferences when physical attendance is impractical.

4. Considerations

The Board Chair and the Chief Executive Officer shall approve compensation under Section 3 above only for activities that provides a benefit to the Authority. Benefits include, but are not necessarily limited to, the acquisition of information, education, training, and skills that will further the Authority's mission and purpose. Other benefits include positive changes to federal and state statutes and regulations that govern the Authority, and maintenance of positive relations with the public and other governmental agencies.

Limitation

In no event shall a Director receive compensation for more than one meeting or other activity on the same day. Directors may not be compensated for more than six meetings per month.

Non-Compensable Activities

Notwithstanding the section above, Board members shall not receive compensation for the following activities: (1) attendance at meetings or events of nonprofit organizations or service clubs, except when the Board Chair and Chief Executive Officer have authorized the Director to make a presentation on behalf of the Authority as described above; (2) Authority sponsored employee events including, but not limited to, the annual employee holiday luncheon and retirement events; (3) parades, festivals, holiday events, or retirement dinners; (4) meetings, without Authority staff present, with existing or potential contractors, vendors, or consultants; (5) meetings of partisan political organizations; (6) meetings, tours, and similar events conducted at the request of the Board member; or (7) any activity not described above.

COMMUNITY ADVISORY COMMITTEE MEMBERS COMPENSATION

Community Advisory Committee members shall be compensated in the amount of \$50 for attending each meeting of the Community Advisory Committee, limited to one (1) meeting per month.

REIMBURSEMENT OF DIRECTORS' AND COMMITTEE MEMBERS' EXPENSES

Approved Activities

In accordance with the terms of this Policy, the Authority will reimburse Directors for certain expenses incurred in connection with the compensable activities described above in Directors Compensation, including without limitation attendance at Board or committee meetings; provided, however, that alternate Directors shall be authorized to attend CalCCA conferences and shall be eligible for reimbursement of associated expenses as set forth below, whether or not the alternate Director is attending the conference in place of the regular Director. The Authority will not reimburse Directors for any other expenses.

In accordance with the terms of this Policy, the Authority will reimburse Committee Members for certain expenses set forth below incurred solely in connection with their attendance at CalCCA annual conferences. The number of Committee Members eligible to attend a CalCCA annual conference and receive reimbursement under this Policy shall be determined prior to each CalCCA annual conference by the Chief Executive Officer, in consultation with the Board Chair. To be eligible to receive reimbursement for expenses incurred in connection with attendance at a CalCCA annual conference, the Committee Member must successfully complete ethics training required by

Government Code Section 53235 and the sexual harassment prevention training and education required by Government Code Section 53237.1. The Authority will not compensate or otherwise reimburse any expenses of Committee Members.

Reimbursable Expenses

1. Transportation

In travelling to and from activities or events, Directors and Committee Members must use the most economical form of transportation that is reasonably consistent with the Director's or Committee Member's travel and scheduling requirements.

2. Mileage for Personal Vehicles

- a. The Authority will reimburse Directors and Committee Members for use of personal vehicles based on actual miles traveled at the then-current "standard mileage rate" adopted by the U.S. Internal Revenue Service for use in deducting the cost of operating an automobile for business purposes. The Authority will not reimburse Directors or Committee Members for any other personal vehicle expenses.
- b. When calculating mileage traveled by a Director or Committee Member to attend an activity or event, the Authority will use the lesser of (1) the distance from the administrative headquarters of the Director's or Committee Member's appointing member agency to the event, and (2) the actual distance traveled. Mileage reimbursements shall not exceed the cost of the lowest available airfare.

3. Other Transportation Expenses

- a. When travel by personal vehicle is impractical, the Authority will reimburse Directors and Committee Members for the actual cost of (1) regularly-scheduled travel by airplane, train, bus, or other commercial carrier, (2) rental cars, and (3) taxis and other comparably-priced for-hire vehicles. The Authority will also reimburse Directors and Committee Members for related necessary travel expenses such as baggage fees, toll charges, and parking fees. Directors and Committee Members must take advantage of any government or group rates offered by a transportation provider.
- b. Before deciding to travel by air, each Director and Committee Member must consider the total cost of alternatives, including the cost of ground transportation and any necessary lodging. Each Director and Committee Member should also consider alternative departure times, departure and arrival airports, dates, departure times, and stopovers to minimize airfare. Directors and Committee Members should request travel arrangements as early as possible to take advantage of lower airfares.
- c. Generally, the Authority will reimburse Directors and Committee Members only for air travel in coach class. When necessary based on a Director's or Committee Members' physical needs and/or the need to conduct meaningful work during a flight, the Board Chair has the discretion to approve reimbursement of first-class air travel. For trips that will exceed 24 hours, Directors and Committee Members must use their personal cars to travel to and from the airport, and utilize long-term airport parking, rather than pay for a taxi or other transportation to and from the airport.

4. Lodging

- a. The Authority will reimburse Directors and Committee Members for actual and necessary lodging expenses incurred in attending a conference, seminar, or meeting

(for Committee Members, attendance is limited to annual CalCCA conferences). Directors and Committee Members must take advantage of any government rate or group rate for lodging whenever possible. If there is no government or group rate, the Authority will reimburse Directors and Committee Members for lodging up to the per diem rate used by the U.S. Internal Revenue Service as the maximum allowable deduction for business-related lodging expenses. The per diem rates are set by the General Service Administration (“GSA”) for federal employees. The rates are set forth at <https://www.gsa.gov/travel/plan-book/per-diem-rates>.

- b. Lodging in connection with an activity that lasts only one day is considered “necessary” when the travel time to and from the activity exceeds two hours.

5. Meals

The Authority will reimburse Directors and Committee Members for actual and necessary dining expenses incurred while attending (1) a conference, seminar, or meeting outside of the Authority, or (2) an Authority-related business meeting within the Authority. The Authority will reimburse Directors and Committee Members up to the applicable daily total GSA per diem rate for meals as set forth at <https://www.gsa.gov/travel/plan-book/per-diem-rates>. Reasonable tipping up to 20% of the meal is acceptable.

6. Incidentals

The Authority will reimburse Directors and Committee Members for actual and necessary incidental expenses incurred while attending a conference, seminar, or meeting outside the Authority, up to the applicable GSA per diem rate set forth at <https://www.gsa.gov/travel/plan-book/per-diem-rates>. Reimbursable expenses include tips given to drivers, porters, bellhops, baggage carriers, and hotel housekeepers.

7. Travel Arrangements

Each Director and Committee Member must utilize Authority staff to arrange all travel, lodging, and event registrations. The Chief Executive Officer shall designate an Authority employee responsible for making these arrangements. The Chief Executive Officer shall designate a single travel agency for use in making all travel arrangements.

Expenses That Are Not Reimbursable

The Authority will not reimburse Directors or Committee Members for the costs of: (1) barber and/or beauty shop services; (2) fines for traffic or parking violations; (3) any person accompanying a Director or Committee Member on a Authority-approved trip or event; (4) personal telephone calls; (5) fitness/health facility use; (6) massages; (7) alcoholic beverages; (8) entertainment (movies, sporting events, etc.); or (9) vehicle expenses other than the standard mileage charge.

Reimbursement Procedure

Each Director or Committee Member seeking reimbursement must file with the Secretary of the Board an expense report no later than three weeks after the conclusion of the compensable or reimbursable activity. The report shall attach detailed, actual receipts for all expenses. The report shall document that each expense meets the requirements for reimbursement set forth in this Policy. Without limiting the foregoing, each report shall identify the compensable activity and the date, nature, and purpose of each expense for which reimbursement is sought. For reimbursement of a personal vehicle expense at the standard mileage rate, the expense report shall identify the date of the travel, the actual miles traveled, and the business purpose of the travel. The Chief Executive Officer shall prepare a standard form of expense report for use by Directors and Committee Members in seeking reimbursement.

Board Reports

Each Director and Committee Member seeking reimbursement of expenses incurred in connection with an activity shall provide a brief report of the activity at the next regular meeting of the Board of Directors or Community Advisory Committee, as applicable.

Other Expenses

Any expense that does not meet the requirements of this Policy may be reimbursed only if the Board of Directors approves the expense at a public meeting before the expense is incurred.

PENALTIES

Any Director or Committee Member that misuses public resources or falsifies an expense report required by this Policy is subject to the following penalties: (1) loss of reimbursement privileges; (2) restitution of the Authority; (3) civil penalties for misuse of public resources pursuant to Government Code Section 8314; and/or (4) prosecution for misuse of public resources pursuant to Penal Code Section 424.

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 11

To: Orange County Power Authority Board of Directors
From: Joe Mosca, Chief Executive Officer
Subject: CHIEF EXECUTIVE OFFICER'S REPORT
Date: September 14, 2026

Risk Management Update

Over the past few months, the OCPA team has continued strengthening the procurement hedging framework, including standardizing the procurement memo process, clarifying risk management roles and responsibilities, and reviewing industry practices with other mature CCAs to help inform OCPA's approach.

The team has also continued evaluating the financial impacts and risks associated with PCIA, including how changes in PCIA may affect OCPA's hedge position, liquidity, and future procurement strategy. This work is helping inform development of OCPA's longer-term procurement hedging framework and related risk management practices.

As part of this effort, staff has developed proposed amendments to the Energy Risk Management Policy. The amendments would generally maintain the existing CEO delegation structure while clarifying the distinction between contract tenor and the five-year forward procurement window, as well as clarifying that volumetric and notional limits apply on a per-transaction basis. The proposed amendments would also reduce the prompt-month minimum hedge requirement from 90% to 80%, providing additional procurement flexibility while staff continues developing the longer-term hedging framework and supporting analyses.

The proposed Energy Risk Management Policy amendments are expected to be presented to the Risk Oversight Committee on September 24, 2026, followed by Board consideration on October 19, 2026.

Cost-of-Service Study Update

Advancing OCPA's cost-of-service analysis and evaluating potential product pathways is a key FY2026/27 Strategic Plan initiative supporting fiscal sustainability and customer affordability. The work began in mid-April 2026 with the launch of the project workplan, consultant kickoff, and internal coordination.

A cost-of-service study is a structured analytical process used to determine OCPA's overall revenue requirement and how costs should be allocated among customer classes and product options based on cost-causation principles. The data request process was completed in early May, followed by development of initial pro forma financial scenarios in late May. These scenarios included the status quo and preliminary alternative planning scenarios and established the analytical foundation for evaluating affordability, rate competitiveness, financial sustainability, and potential product structures. In early June, procurement, compliance, portfolio, and other cost considerations were incorporated into the analysis. Following Board feedback, staff and the consultant further refined the alternative planning scenario, completing that phase of the analysis in early July.

The Board briefing process began in June 2026. The first briefing provided a Cost-of-Service 101 overview and presented initial findings, including preliminary revenue requirements and product scenarios. In August 2026, staff completed the second briefing, which focused on PCIA fundamentals and updated cost-of-service results based on the refined planning scenario. The briefing also provided Board members with an opportunity to provide feedback before staff moved into the detailed rate-design phase.

Current efforts are focused on refining the cost-of-service model, validating cost allocators and customer-class assignments, developing preliminary rate-design scenarios, and evaluating customer bill impacts. Staff is also assessing affordability, competitiveness with SCE, and financial sustainability using updated forecast information. Future briefings will focus on preliminary rate-design results, customer bill impacts, and further refinement of the product framework. These briefings are informational and are intended to gather Board feedback before staff develops final recommendations.

OCPA currently anticipates presenting proposed 2027 rates to the Board for consideration at a public rate-adoption meeting in December 2026. If approved, the new rates would take effect in January 2027.

Annual Tracking Survey – Presentation in October

Annual Tracking Survey is Underway: Beginning August 3rd, OCPA began gathering data for its annual tracking survey. This year's survey will once again measure OCPA's effectiveness of marketing and public outreach efforts, and analyze awareness and favorability in member cities. Insight will be solicited from registered voters in member and prospective cities. Telephone interviews will be conducted on both landlines and cell phones, and online respondents will be invited to take the survey via email and text message. Results from this survey will be presented at the October Board meeting.

Communications & External Affairs

Communications

- Staff launched a multi-channel outreach campaign to promote OCPA's Clean Energy Lesson Plans, including social media, direct outreach to educators across member cities, and local media engagement, to advance Community Partnerships and Clean Energy & Program Development objectives, expanding awareness of clean energy education resources and strengthening OCPA's presence in local classrooms.
- Staff secured media coverage for OCPA's Clean Energy Lesson Plans in the Fullerton Observer, supporting growth objectives and increasing community awareness of OCPA's educational resources and supporting public understanding of renewable energy and sustainability.
<https://fullertonobserver.com/2026/08/27/free-lesson-plans-on-clean-energy-are-available-for-classrooms/>
- Staff enhanced OCPA's digital outreach efforts by launching new website features highlighting the Clean Energy Lesson Plans, Home Energy Score Assessor Training Program, and Solar / Net Energy Metering resources, improving visibility of customer programs and increasing access to energy-related resources.
- Staff developed a targeted promotional campaign for the Home Energy Score Assessor Training Program to help support workforce development efforts and expand opportunities for participation in energy efficiency initiatives within OCPA communities.
- OCPA hosted multicultural media outlets for the State of the Agency media briefing on August 18. The briefing provided an opportunity to share the latest on OCPA's clean energy programs, community investments, upcoming initiatives, and continued commitment to serving Orange County's diverse communities. A special thank you to Vice Chair Mai for his attendance and support.

Community Engagement & External Affairs

- OCPA's summer interns hosted and facilitated an Environmental Leadership and Career Day at the office last week. Over 20 students from across Orange County attended, as well as Irvine Unified School District Board Member Dr. Jeff Kim. Students shared positive feedback about the program and getting to learn directly from college students.
- Staff attended the annual IgniteHer summit co-sponsored by Assemblywoman Cottie Petrie-Noris and Girls Inc., and hosted by Irvine Valley College. OCPA was an in-kind sponsor and donated notebooks for the three hundred middle school girl attendees. Staff met multiple school-board members and discussed OCPA workforce development goals and cleantech career outreach efforts.

- OCPA presented at the Filipino American Chamber of Commerce Power Lunch and discussed upcoming programs for FY26/27. We received a positive response and multiple requests for more information.
- OCPA sponsored Buena Park's inaugural energy expo, LumiPalooza. We brought the US Green Business Council's BuildSMART trailer that provided a hands-on opportunity for residents to learn about tools for at-home energy efficiency.
- OCPA sponsored and participated in Santa Ana's State of the City event. Staff leveraged OCPA's participation in Santa Ana's State of the City event to promote awareness of the EBD Program among community organizations, government agencies, and regional leaders. Conversations with prospective partners helped identify opportunities to expand program outreach and increase participation among eligible households in priority communities. Staff connected with local elected officials, agency representatives, educational institutions, nonprofit organizations, and community leaders during the event. These engagements strengthened OCPA's regional visibility and helped identify potential partnerships that support community outreach, sustainability initiatives, and customer program participation.
- OCPA sponsored, shared a brief presentation, and tabled at the event held by Irvine's Office of Economic Development, The Sustainability Transition – Green Business Strategies for the Future. Staff finalized and delivered presentation materials to the City of Irvine highlighting Green P100NEER and OCPA's business sustainability support services. OCPA will participate as a sponsor and exhibitor to increase program awareness and engage local businesses interested in sustainability initiatives.
- The Programs team coordinated with the organizers of Buena Park Career and Trades Day for OCPA inclusion in the event to help highlight clean tech careers for youth in our service territory.
- Staff worked on strengthening school outreach efforts by connecting with IUSD leadership and establishing an introduction with the Director of K-12 Career Development to explore future career and environmental education partnerships.
- Staff met with business and community stakeholders in Placentia to advance Community Partnerships and Customer Growth & Retention objectives, helping OCPA assess opportunities for future membership expansion while identifying local organizations and community leaders that could support education and outreach efforts within the city.
- Staff engaged with Chapman University through the Irvine Chamber of Commerce to support community partnerships objectives by exploring potential internship partnerships and opportunities to collaborate on sustainability and energy initiatives affecting the university's Irvine campus.
- Staff attended and presented at the Filipino Chamber's "Sama Sama Mixer," hosted at the Irvine Company Oak Canyon Suite. Staff shared updates on

current news and upcoming program initiatives, including the intersection of community clean energy with health and safety efforts. Several attendees stayed after the presentation to ask questions and continue the discussion.

- Staff participated in the Orange County Public Affairs Association Legislative Aide Luncheon and the OC Around the Table VIP Luncheon to help strengthen relationships with state and county government staff, chamber leadership, and municipal executives, including representatives from Fountain Valley.
- Staff engaged with the OC Breakfast Club to advance Regional Leadership & Advocacy objectives, positioning OCPA for greater participation in regional infrastructure discussions and identifying opportunities to present OCPA programs and priorities to influential public affairs and government relations professionals.
- Staff conducted business outreach as part of the Green P100 Program to advance Customer Growth & Retention and Clean Energy & Program Development objectives, supporting efforts to expand participation in OCPA's 100% renewable energy offerings. Outreach included engagement with Blue Hummingbird Café, conversations with Costco sustainability representatives, and relationship-building with Masimo on renewable energy participation and account opportunities.
- Staff engaged with IEC Colleges regarding outreach and collaboration opportunities for the Home Electrification and Appliance Training (HEAT) Program to advance Clean Energy & Program Development and Community Partnerships objectives, supporting workforce development and expanding awareness of electrification career pathways within OCPA communities.

Customer Programs

- Community Power Plan: The full plan is now published on the [OCPA website](#), where you can click a link to view a reactive [dashboard](#) of data.
- BuildSMART Trailer (US Green Building Council): The team is partnering with the U.S. Green Building Council (USGBC) to bring its BuildSMART Trailer to member cities. OCPA is hoping to bring this to each member city by the end of 2026.
- Equitable Building Decarbonization Direct Install Grant: The program has launched, with participant enrollment and community outreach underway. Orange County United Way will support outreach and engagement efforts as a program subgrantee.
- Bright Futures Grant: The evaluations were completed, and OCPA staff is working on sharing the recommendations with the Board in October.
- Home Energy Audit Training program: The program has launched, and outreach has commenced.

**Future programs in development*:*

- Small commercial energy audit program + support for energy efficiency implementation (funding support through SoCalREN) — Draft scope and budget approved by the County of Los Angeles and SoCalREN administrators
- anticipated launch in Q3 2026.
- Multifamily housing energy efficiency rebate program – anticipated launch in 2026 Q4, subject to the findings of the needs assessment.
- Residential energy audit program + support for energy efficiency implementation (funding support through StopWaste) — anticipated launch in Q2 2027.
- Second round of Renter Energy Efficiency Program — anticipated launch in Q1 2027.

Human Resources Updates

- Director of Communications & External Affairs: Recruitment is now open, and phone interviews are underway.

Events & Stakeholder Outreach

The OCPA team attended the following events and community meetings since our last Board meeting:

DATZE	HOST	EVENT/MEETING	CITY	START	END
7/15/2026	Asian Business Association - Orange County	Summer Mixer	Orange County (All)	5:30 PM	8:30 PM
7/16/2026	City of Irvine	Business Preparedness Series: Emergency Response & Fire Safety Workshop	Irvine	9:00 AM	11:00 AM
7/16/2026	Fullerton-Senior Food Distribution	EBD-DI Tabling	Fullerton	10:30 AM	12:30 AM
7/22/2026	City of Buena Park	Lumi-Palooza Energy Fair	Buena Park	5:30 PM	9:00 PM
7/23/2026	City of Fullerton	Waste and Recycling Event	Fullerton	6:00 PM	7:30 PM
7/24/2026	Girls Inc.	IgniteHer Event	Irvine	10:00 AM	2:30 PM
7/30/2026	Filipino American Chamber of Commerce Orange County	Power Networking Lunch	Irvine	11:00 AM	1:00 PM
7/30/2026	OC United Way	Emergency Table Top Exercise with OC Sheriff	Orange County (All)	2:00 PM	4:00 PM

8/6/2026	Santa Ana Chamber	Santa Ana State of the City	Orange County (All)	11:00 AM	1:15 PM
8/7/2026	OCICC and County of Orange	Orange County State of the County	Orange County (All)	11:30 AM	1:30 AM
8/8/2026	Fountain Valley Kiwanis Club	Pins For Kids	Fountain Valley	5:30 PM	8:30 PM
8/8/2026	City of Buena Park	Super Senior Saturdays	Buena Park	9:00 AM	12:00 PM
8/11/2026	City of Irvine	The Sustainability Transition: Green Business Event	Irvine	9:00 AM	11:00 AM
8/11/2026	City of Irvine	Jeffrey Open Space Trail Bicycle & Pedestrian Bridge Opening Celebration	Irvine	9:00 AM	10:00 AM
8/13/2026	Sustain SoCal	Water Solutions Event			
8/18/2026	OCPA	Multicultural Media Event	Orange County (All)	10:30 AM	11:30 AM
8/26/2026	Orange County Public Affairs Association	OCPAA 25th Annual Legislative Aide Luncheon	Orange County (All)	11:30am	1:00 PM
8/29/2026	Families Forward	Light Up The Night Gala	Irvine	5:30 PM	10:00 PM
9/3/2026	USGBC	Pathways to Impact	Orange County (All)	5:00 PM	8:00 PM
9/13/2026	City of Irvine	Fiesta Latina	Irvine	11:00 AM	4:00 PM

We are looking forward to many opportunities to engage with the community and key stakeholders, including:

DATE	HOST	EVENT/MEETING	CITY	START	END
9/16/2026	Orange County Business Council	OCBC 2026 First Responders Dinner	Orange County (All)	5:30 PM	7:30 PM
9/17/2026	Pathways of Hope	Hope Can't Wait Luncheon	Fullerton	11:30 AM	1:00 PM
9/23/2026	Go Green and Health Expo	Filipino Chamber	Orange County (All)	9:00 AM	3:00 PM
9/23/2026	League of California Cities	2026 Annual Conference and Expo	Orange County (All)	8:00 AM	5:00 PM
9/24/2026-9/27/2026	The City of Westminster/Little Saigon TV	2026 Moon Lantern Celebration	Orange County (All)	5:00 PM	11:00 PM
9/26/2026	City of Fountain Valley	Hyundai Hope On Wheels	Fountain Valley	6:00 AM	12:00 PM

10/1/2026	OC Grantmakers	Annual Forum	Orange County (All)	8:00 AM	6:00 PM
10/2/2026	City of Irvine	Stronger Together Non-Profit Leadership Conf	Irvine	10:00 AM	1:00 PM
10/7/2026	Fullerton High School	3rd Annual Career Fair	Fullerton	TBD	TBD
10/10/2026	City of Irvine	Global Village Festival	Irvine	10:00 AM	6:00 PM
10/17/2026	Huntington Valley Boys and Girls Club	Edward Arnold Gala	Fountain Valley	5:00 PM	10:00 PM

Attachments

Attachment A – Non-Power Supply Contracts In Excess of \$50,000 to Under \$100,000

Attachment B – OCPA Contract Tracker as of 06.30.2026

Orange County Power Authority
Non Power Supply Contracts In Excess of \$50,000 to Under \$100,000

Item No	Vendor	Term	Contract Amount	Brief Service Description	Remark
1	JHenderson Consulting LLC	08/04/2026-12/31/2026	\$50,000	Communication Advisory Support	

Orange County Power Authority Contracts
As of June 30, 2026

No.	Vendor	Start Date	End Date	NTE Amount	Expenses recorded against contract	Amount for Work Performed and Invoiced but Not Yet Paid	Remaining NTE Amount	Notes	Contract Approved by the Board?	Contract Reported to the Board?	RFP to be Issued?
1	Best Best & Krieger	12/16/2020	See Notes	See Notes	3,233,592.08		See Notes	General Counsel, Financial & Power Procurement, Regulatory, Labor Related, and Special Legal Services. No NTE amount and contract end date. Costs are variable (time and materials).	Yes	Yes	RFP was issued on 2/24/2023 with one proposal rec'd on 3/17/2023. Pending for Board direction.
2	Calpine Energy Solutions	9/14/2021	3/31/2027	See Notes	8,070,241.85		See Notes	Data Management & Call Center Services. NTE and Amount Paid depend on the number of active accounts during the month.	Yes		
3	Golden Communications	3/1/2026	2/29/2028	47,000.00	14,996.00		32,004.00	Digital Services - Strategic Marketing, Branding, Communications, and Public Education and Outreach Campaign/Program, Website Development Svc.		Yes	
4	Lakeview Business Center LLC (The Irvine Company)	2/19/2024	See Notes	See Notes	429,247.92		See Notes	New office lease 15310 Barranca Parkway, Irvine, CA 92618. The agreement was signed February 19, 2024 but the commencement date is approximately 22 weeks from that date. It is for 84 months (to end at the end of the month). The lease agreement does not have an NTE. The first 5 months are abated. Security deposit, 1st month rent and operating expense was paid in Apr-24.	Yes		
5	Maier Accountancy	1/1/2026	12/31/2026	297,300.00	140,400.00		156,900.00	Accounting Service and Annual Financial Audit Support	Yes		
6	Newgen Strategies & Solutions	7/19/2023	6/30/2027	495,750.00	284,376.54		211,373.46	Rates Strategies, Budget and Projection Modeling, and FP&A Services	Yes		
7	Orange County Printing Company/ R.R. Donneytley the DOT Corp. We Mail For You	8/1/2025	7/31/2027	260,000.00	109,483.84		150,516.16	Print House Services and Promotional Services. Three new contracts effective Aug 2025 to Jul 2027, include the option for the CEO to extend each agreement for up to 3 additional one-year terms, subject to satisfactory performance.	Yes		
8	Pacific Energy Advisors, Inc.	1/1/2026	12/31/2026	588,000.00	294,000.00		294,000.00	Portfolio Management Services	Yes		
9	Sorren CPAs P.C.	8/1/2025	7/31/2028	91,200.00	32,920.00		58,280.00	3-Year External Financial Audit Services		Yes	
10	Reveille, Inc.	7/1/2023	6/30/2027	4,919,686.00	3,432,228.09		1,487,457.91	Strategic Marketing and Branding Material, PR and Social Media Support	Yes		
11	SDI Presence LLC	4/1/2024	3/31/2027	387,636.00	151,190.60		236,445.40	Managed IT Support	Yes		
12	Southern California Edison	3/28/2021	See Notes	See Notes	1,711,147.69		See Notes	CCA Service Agreement. Contract term from 3/28/2021 to CCA termination date. Billing provided by SCE is set forth in SCE's community choice aggregation tariff, as stated in SCE's Electric Rule 23 and SCE's rate schedules.		Yes	
13	The Energy Authority	4/1/2022	9/30/2026	See Notes	808,332.42		See Notes	Scheduling Coordinator, Day-Ahead Load Forecasting, and CRR Management Services. Amendment to add the load forecast service for \$12,160. NTE and amount paid depend on Exhibit B/fee schedules.	Yes	Yes	RFP was issued on 3/25/2026
14	The Energy Federation/ AM Conservation	7/1/2023	6/30/2026	480,000.00	452,700.17		27,299.83	Online marketplace services for residential energy efficient products and smart home devices	Yes		
15	Amperon	5/1/2024	5/11/2026	122,000.00	122,000.00		-	Long- and short-term load forecast services agreement for risk management	Yes		
16	Gofarth & Marti, DBA GM Business interiors, a Corporation	5/1/2024	4/30/2026	275,000.00	272,836.73		2,163.27	Furniture for OCPA's new office	Yes	Yes	
17	The Energy Coalition	9/17/2024	9/17/2027	1,240,000.00	805,519.19		434,480.81	Develop the Community Power Plan, technical assistance, grant and program support for OCPA's customer programs	Yes		