



UTILITIES ADVISORY COMMISSION
Special Meeting
Thursday, March 14, 2024
Community Meeting Room & Hybrid
5:00 PM

Utilities Advisory Commission meetings will be held as “hybrid” meetings with the option to attend by teleconference/video conference or in person. To maximize public safety while still maintaining transparency and public access, members of the public can choose to participate from home or attend in person. Information on how the public may observe and participate in the meeting is located at the end of the agenda. Masks are strongly encouraged if attending in person. The meeting will be broadcast on Cable TV Channel 26, live on YouTube <https://www.youtube.com/c/cityofpaloalto>, and streamed to Midpen Media Center <https://midpenmedia.org>.

VIRTUAL PARTICIPATION [CLICK HERE TO JOIN](https://cityofpaloalto.zoom.us/j/96691297246) (https://cityofpaloalto.zoom.us/j/96691297246)
Meeting ID: 966 9129 7246 Phone: 1(669)900-6833

PUBLIC COMMENTS

Public comments will be accepted both in person and via Zoom for up to three minutes or an amount of time determined by the Chair. All requests to speak will be taken until 5 minutes after the staff’s presentation. Written public comments can be submitted in advance to UACPublicMeetings@CityofPaloAlto.org and will be provided to the Council and available for inspection on the City’s website. Please clearly indicate which agenda item you are referencing in your subject line.

PowerPoints, videos, or other media to be presented during public comment are accepted only by email to UACPublicMeetings@CityofPaloAlto.org at least 24 hours prior to the meeting. Once received, the Clerk will have them shared at public comment for the specified item. To uphold strong cybersecurity management practices, USB’s or other physical electronic storage devices are not accepted.

Signs and symbolic materials less than 2 feet by 3 feet are permitted provided that: (1) sticks, posts, poles or similar/other type of handle objects are strictly prohibited; (2) the items do not create a facility, fire, or safety hazard; and (3) persons with such items remain seated when displaying them and must not raise the items above shoulder level, obstruct the view or passage of other attendees, or otherwise disturb the business of the meeting.

TIME ESTIMATES

Listed times are estimates only and are subject to change at any time, including while the meeting is in progress. The Commission reserves the right to use more or less time on any item, to change the order of items and/or to continue items to another meeting. Particular items may be heard before or after the time estimated on the agenda. This may occur in order to best manage the time at a meeting to adapt to the participation of the public, or for any other reason intended to facilitate the meeting.

CALL TO ORDER 5:00 PM - 5:05 PM

AGENDA CHANGES, ADDITIONS AND DELETIONS 5:05 PM - 5:10 PM

The Chair or Board majority may modify the agenda order to improve meeting management.

PUBLIC COMMENT 5:10 PM - 5:25 PM

Members of the public may speak to any item NOT on the agenda.

APPROVAL OF MINUTES

UTILITIES DIRECTOR REPORT

NEW BUSINESS

1. Staff Recommends that the Utilities Advisory Commission Recommend that the City Council Approve Amended Palo Alto CLEAN Program Rules and Requirements, Handbook, and Power Purchase Agreement; CEQA Status: Not a Project under CEQA Guidelines Sections 15378(a) and (b) (**ACTION 5:25 PM – 6:10 PM**) Staff: Jim Stack, PhD

COMMISSIONER COMMENTS AND REPORTS FROM MEETINGS/EVENTS

FUTURE TOPICS FOR UPCOMMING MEETING

ADJOURNMENT

SUPPLEMENTAL INFORMATION

The materials below are provided for informational purposes, not for action or discussion during UAC Meetings (Govt. Code Section 54954.2(a)(3)).

INFORMATIONAL REPORTS

12-Month Rolling Calendar

Public Letter(s) to the UAC

PUBLIC COMMENT INSTRUCTIONS

Members of the Public may provide public comments to teleconference meetings via email, teleconference, or by phone.

1. **Written public comments** may be submitted by email to UACPublicMeetings@cityofpaloalto.org.
2. **Spoken public comments using a computer** will be accepted through the teleconference meeting. To address the Council, click on the link below to access a Zoom-based meeting. Please read the following instructions carefully.
 - You may download the Zoom client or connect to the meeting in- browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30 , Firefox 27 , Microsoft Edge 12 , Safari 7 . Certain functionality may be disabled in older browsers including Internet Explorer.
 - You may be asked to enter an email address and name. We request that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.
 - When you wish to speak on an Agenda Item, click on “raise hand.” The Clerk will activate and unmute speakers in turn. Speakers will be notified shortly before they are called to speak.
 - When called, please limit your remarks to the time limit allotted. A timer will be shown on the computer to help keep track of your comments.
3. **Spoken public comments using a smart phone** will be accepted through the teleconference meeting. To address the Council, download the Zoom application onto your phone from the Apple App Store or Google Play Store and enter the Meeting ID below. Please follow the instructions B-E above.
4. **Spoken public comments using a phone** use the telephone number listed below. When you wish to speak on an agenda item hit *9 on your phone so we know that you wish to speak. You will be asked to provide your first and last name before addressing the Council. You will be advised how long you have to speak. When called please limit your remarks to the agenda item and time limit allotted.

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Utilities Advisory Commission Staff Report

From: Dean Batchelor, Director Utilities
Lead Department: Utilities

Meeting Date: March 14, 2024
Staff Report: 2403-2747

TITLE

Staff Recommends that the Utilities Advisory Commission Recommend that the City Council Approve Amended Palo Alto CLEAN Program Rules and Requirements, Handbook, and Power Purchase Agreement; CEQA Status: Not a Project under CEQA Guidelines Sections 15378(a) and (b)

RECOMMENDATION

Staff recommends that the Utilities Advisory Commission recommend that the City Council:

1. Approve the attached amended Clean Local Energy Accessible Now (CLEAN) Program Eligibility Rules and Regulations (Attachment A) as follows:
 - a. Continue the CLEAN Program rate structure for local solar energy resources at 16.5 cents per kilowatt-hour (¢/kWh) until the program reaches 3 MW of solar energy resource capacity, after which the contract rate for solar energy resources reduces to the City's estimated avoided cost of energy generated by these resources, which is updated to:
 - i. 9.5 ¢/kWh for a 15-Year Contract Term,
 - ii. 9.8 ¢/kWh for a 20-Year Contract Term, and
 - iii. 10.2 ¢/kWh for a 25-Year Contract Term; and
 - b. Continue the CLEAN Program rate structure for local non-solar eligible renewable resources without any participation cap at a contract price equal to the City's estimated avoided cost of energy generated by these resources, which is updated to:
 - i. 9.4 ¢/kWh for a 15-Year Contract Term,
 - ii. 9.8 ¢/kWh for a 20-Year Contract Term, and
 - iii. 10.1 ¢/kWh for a 25-Year Contract Term.
2. Approve the attached amended CLEAN Program Handbook (Attachment B) to extend the allowable time to complete a project to three years from the date of execution of the Power Purchase Agreement (PPA) for affordable housing developments.
3. Approve the attached amended Palo Alto CLEAN Program Eligible Renewable Energy Resource PPA (Attachment C) to implement the recommended changes to the CLEAN

Program.

EXECUTIVE SUMMARY

The Palo Alto CLEAN program, established in March 2012, aimed to encourage local generation of solar energy by allowing property owners to install solar systems and sell energy to the City under a fixed-rate, long-term contract. Initially priced at 14 ¢/kWh for a 20-year term, the program failed to attract interest. In December 2012, the Council increased the contract price to 16.5 ¢/kWh, which has been maintained since. Despite no applications in the first four years, since 2016 the program has enrolled six currently operating solar projects totaling 2.84 MW of capacity.

Currently, a customer planning an affordable housing development wishes to submit a CLEAN solar project application but requires an extension of the completion deadline from one to three years to align with permitting and construction timelines for housing projects in Palo Alto. This modification, while maintaining the same initial rate and program capacity, would have minimal financial impact on the City. Staff supports the request and has proposed changes to the program rules and contract designed to accommodate the customer's needs as well as the needs of future residential construction developments that satisfy the basic affordable housing requirements. Council action will also update the avoided costs for CLEAN projects and make conforming changes in the City's CLEAN Power Purchase Agreement.

BACKGROUND

In March 2012 the Council adopted the Palo Alto CLEAN program (also commonly referred to as a feed-in tariff, or FIT, program). The program was designed to address the City's objective of enhancing supply reliability through the pursuit of local generation opportunities. Palo Alto CLEAN enabled property owners to build a new solar system on their property and sell the energy to CPAU under a long-term, fixed-rate, standardized contract rather than simply using the energy on-site.

Though solar developers expressed interest in Palo Alto CLEAN in 2012, the initial contract price (14 ¢/kWh for a 20-year term) proved insufficient to attract any program applications. Council increased the Palo Alto CLEAN price to 16.5 ¢/kWh in December 2012, and has maintained it at that level ever since (last reaffirming it in May 2017). In May 2015, Council added a 25-year contract term option, and expanded the program to include non-solar eligible renewable energy resources, setting their contract prices at the avoided cost level. In May 2017, Council added a 15-year contract term option and updated the avoided cost rates. After receiving zero applications in its first four years, since 2016, the CLEAN program has executed contracts for six solar projects that account for about 2.84 MW of capacity.

ANALYSIS

Staff has recently discussed the program structure with a customer who is working on a residential development that consists of 100% affordable housing units and who intends to

submit an application for a CLEAN solar project that would consume a significant portion of the remaining 160 kW of solar program capacity available at the 16.5 ¢/kWh rate. In order for this solar project to go forward, the customer requested that the CLEAN program rules be modified to extend the project completion deadline to align with the City’s permitting and construction timeline for housing developments, from the current one-year timeline up to three years.

Making this modification for the CLEAN program – while maintaining the same contract rate and program capacity available at this rate – would have virtually no financial impact on the City. As such, staff supports the customer’s request, and the proposed program changes are designed to accommodate that request. Council action will also update the avoided costs for CLEAN projects for the first time since 2017. This change would result in no financial impact to the City.

FISCAL/RESOURCE IMPACT

The following table summarizes staff’s estimates of the current cost of buying energy from solar resources outside of Palo Alto (including transmission and capacity) over a 15-year, 20-year, or 25-year term, as well as the annual excess costs of purchasing the output from an additional 160 kW of local solar projects at a contract price of 16.5 ¢/kWh over those terms. (For non-solar renewable energy projects and for solar capacity that exceeds the 3 MW program cap on the 16.5 ¢/kWh contract rate the excess cost is zero, because the contract rate is set based on the City’s avoided cost for the energy.)

Contract Term	Contract Rate	Avoided Cost	Annual Excess Cost
15 years	16.5 ¢/kWh	9.5 ¢/kWh	\$24,500
20 years		9.8 ¢/kWh	\$23,500
25 years		10.2 ¢/kWh	\$22,000

STAKEHOLDER ENGAGEMENT

In considering the proposal to extend the completion deadline for certain projects in the CLEAN Program, staff has had multiple conversations with the customer who requested this modification about the impact it would have on their affordable housing development as well as the future residents of this development. Utilities staff also consulted with Planning and Development Services staff with regard to the City’s affordable housing standards and the typical timeline for completion of new residential housing developments.

ENVIRONMENTAL REVIEW

Adoption of the attached resolution and the associated amendment of the CLEAN Program Eligibility Rules and Requirements and Power Purchase Agreement is not subject to California Environmental Quality Act (CEQA) review these are administrative government activities that will not result in any direct or indirect physical change to the environment as a result (CEQA Guidelines section 15378(b)(5)). Eligible customer projects are subject to CEQA analysis on a project-level basis through the City’s development permitting process.

ATTACHMENTS

Attachment A: Palo Alto CLEAN Program Rules & Requirements (redline)

Attachment B: Palo Alto CLEAN Program Handbook (redline)

Attachment C: Palo Alto CLEAN Program Power Purchase Agreement (redline)

AUTHOR/TITLE:

Dean Batchelor, Director of Utilities

Staff: James Stack, Ph.D., Senior Resource Planner

**PALO ALTO CLEAN (CLEAN LOCAL ENERGY ACCESSIBLE NOW)
PROGRAM ELIGIBILITY RULES AND REQUIREMENTS**

A. PARTICIPATION ELIGIBILITY:

The Palo Alto Clean Local Energy Accessible Now Program (the “CLEAN Program”) is open to participation by any Eligible Renewable Energy Resource, as defined in Section D.4, that satisfies these Program Eligibility Rules and Requirements.

B. TERRITORIALITY REQUIREMENT:

In order to be eligible to participate in the CLEAN Program, an Eligible Renewable Energy Resource must be located in and generating electricity from within the utility service area of the City of Palo Alto.

C. PRICES AND TERM FOR ELIGIBLE RENEWABLE RESOURCES:

The following purchase prices shall apply to the electricity produced by an Eligible Renewable Energy Resource participating in the Program, except as provided in Section D.5.

Solar Energy Resources:

<u>Total Solar Capacity Reserved</u>	<u>Contract Term</u>	<u>Contract Price</u>
0-3 MW	15, 20 or 25 years	\$0.165 / kWh
More than 3 MW	15 years	\$0. 088 <u>095</u> / kWh
More than 3 MW	20 years	\$0. 089 <u>098</u> / kWh
More than 3 MW	25 years	\$0. 091 <u>102</u> / kWh

For Solar Energy Resources that straddle ~~multiple pricing tiers~~ more than one capacity tier, the purchase price shall ~~receive~~ be a weighted- ~~average purchase price of the above values~~ based on the amount of their capacity that is contained in each tier.

Non-Solar Eligible Renewable Energy Resources:

<u>Contract Term</u>	<u>Contract Price</u>
15 years	\$0. 083 <u>094</u> / kWh
20 years	\$0. 084 <u>098</u> / kWh
25 years	\$0. 085 <u>101</u> / kWh

D. ADDITIONAL RULES AND REQUIREMENTS:

1. The owner of the Eligible Renewable Energy Resource shall enter into an Eligible Renewable Energy Resource Power Purchase Agreement (“PPA”) with the City of Palo Alto prior to delivering energy to the City.
2. An application for participation in the CLEAN Program to sell output to the City (the

**PALO ALTO CLEAN (CLEAN LOCAL ENERGY ACCESSIBLE NOW)
PROGRAM ELIGIBILITY RULES AND REQUIREMENTS**

“Application”) may be submitted at any time. Applications will be considered in the order received.

3. Eligible Renewable Energy Resource means an electric generating facility that: (a) is defined and qualifies as an “eligible renewable energy resource” under California Public Utilities Code Section 399.12(e) and California Public Resources Code Section 25471, respectively, as amended; and (b) meets the territoriality requirement set forth in Section B.
4. The California Energy Commission’s (“CEC”) certification of the Eligible Renewable Energy Resource shall be required within six (6) months of the commercial operation date of the generating facility; the facility’s owner shall provide written notice of the CEC’s certification to the City within ten (10) business days of receipt of said certification. If the City agrees, in its sole discretion, to take delivery of the generating facility’s electricity prior to the CEC’s certification, then, as the facility’s electricity cannot be considered in fulfillment of the City’s RPS requirements, the price that the City will pay for the generating facility’s electricity (the “Pre-Certification Price”) will be set to \$0.072 per kWh (for a 15-year contract term), \$0.076 per kWh (for a 20-year contract term), or \$0.08 per kWh (for a 25-year contract term), based on the City’s estimated levelized cost of brown generic power over a 15-year, 20-year, or 25-year period, respectively. Upon the CEC’s certification of the generating facility and the provision of notice of such certification to the City in accordance with this section, the City will pay the Price set forth in Section C of these CLEAN Program Rules and Requirements and the PPA (collectively referred to as the “Contract Price”) for the generating facility’s electricity delivered on and after the date of the CEC’s certification. The City will, in its sole discretion, “true-up”, as appropriate, the difference between the Contract Price and the Pre-Certification Price for any electricity received and paid for by the City, effective as of the date of certification of the Eligible Renewable Energy Resource.
5. If an Eligible Renewable Energy Resource is authorized to participate in the CLEAN Program, then that Resource shall not be entitled to receive any rebate or other incentive from the City’s Photovoltaic (PV) Partners Program or any other similar incentive program funded by the City’s ratepayers. To the extent any rebate or incentive is paid to the owner of the Resource, that rebate or incentive shall be disgorged and refunded to the City upon 30 days’ notice, if the Eligible Renewable Energy Resource continues to participate in the CLEAN Program. If a rebate or an incentive has been paid to the Eligible Renewable Energy Resource, then that Resource shall be ineligible to participate in the CLEAN Program.
6. All electricity generated by the Eligible Renewable Energy Resource shall be delivered only to the City. No portion of the electricity may be used to offset any load of the generating facility (other than incidental loads associated with operating the generating facility).
7. A metering and administration fee will be charged to each Eligible Renewable Energy

PALO ALTO CLEAN (CLEAN LOCAL ENERGY ACCESSIBLE NOW)
PROGRAM ELIGIBILITY RULES AND REQUIREMENTS

Resource that participates in the CLEAN Program. See Utilities Rate Schedule E-15 (Electric Service Connection Fees).



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PALO ALTO CLEAN

CLEAN LOCAL ENERGY ACCESSIBLE NOW

PROGRAM HANDBOOK

City of Palo Alto Utilities

~~May 9, 2017~~

March 2024

Questions about Palo Alto CLEAN?

Contact:

Palo Alto CLEAN Program Manager

Ph: 650-329-2241

Email: PACLEAN@cityofpaloalto.org

City of Palo Alto Utilities
250 Hamilton Ave, 3rd Floor
Palo Alto, CA 94301

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Program Overview

Palo Alto CLEAN (Clean Local Energy Accessible Now) is a program to purchase electricity generated by eligible renewable energy resources located in City of Palo Alto Utilities (CPAU) service territory, which coincides with the Palo Alto city boundaries. The power is separately metered and delivered wholesale to CPAU, and it is then used to fulfill CPAU's renewable goals. Programs like this are also known as "feed-in tariff" programs in reference to the fact that the power is "fed into" the electric grid. None of the power is used to offset the host customer's load, in contrast to a net metering program.

The program was adopted in March 2012, and was revised in January 2013, February 2014, May 2015, March 2016, February 2017, ~~and~~ May 2017, and March 2024. CPAU is currently offering to purchase the output from renewable energy generation facilities according to the rates in the following table.

Resource Description	Contract Term	Contract Rate
Solar resources, up to 3 MW total	15, 20, or 25 years	16.5 ¢/kWh
Solar resources, greater than 3 MW total	15 years	8.8 <u>9.5</u> ¢/kWh
	20 years	9.8 <u>9</u> ¢/kWh
	25 years	9.1 <u>10.2</u> ¢/kWh
Non-solar resources	15 years	8.3 <u>9.4</u> ¢/kWh
	20 years	9.8 <u>4</u> ¢/kWh
	25 years	8.5 <u>10.1</u> ¢/kWh

As shown in the table, there is no total program cap on the capacity participating in the program; there is only a cap on the solar capacity that can receive the 16.5 ¢/kWh contract rate.

CPAU staff will review and re-evaluate the program status, terms, and contract rates with the Palo Alto City Council ~~and Utilities Advisory Commission on an approximately annual~~ on a regular basis.

Summary of Program Rules

- CPAU will sign power purchase agreements (PPAs) for the output of eligible renewable energy generation facilities.
- There is no total program capacity limit.

- Each PPA will entitle CPAU to the entire output of the generating facility, including all energy, renewable energy credits (RECs), and capacity attributes, if any.
- The energy from the generating facility must be delivered to CPAU. No part of the energy may be used to serve the customer load on the host site or any other customer load.
- Generating facilities must be located in the CPAU service territory (which corresponds to the Palo Alto city limits).
- Generating facilities required by the California Independent System Operator (CAISO) to participate in ISO markets (typically those facilities larger than 1 MW) are subject to additional scheduling and forecasting requirements.
- There are no limitations on how many generating facilities any single developer or customer may develop.
- Developers are responsible for obtaining CEC Certification. RECs from the project will be created and tracked in the Western Renewable Energy Generation Information System (WREGIS). CPAU will register each generator under the CPAU WREGIS account and will be responsible for uploading meter data.
- Project developers may not seek other CPAU ratepayer—funded rebates for the generating facility. Any facility that has already received a rebate is not eligible for the program.

Timeline of a Palo Alto CLEAN Project

The chart below shows how you can expect your Palo Alto CLEAN project to progress:

<u>Site Identification</u>	Identify a site for your project.
<u>Site Control</u>	Obtain site control for the entire term of the PPA.
<u>Preliminary Design</u>	Develop a preliminary design for the project.
<u>Application Submittal</u>	Submit an application. Applications are accepted in the order received. Pay reservation deposit within ten days.
<u>Permit Submittal</u>	Prepare your project for Building Permit and Interconnection Submittal. Your permit application will be accepted at the City's Development Center and routed to our Electric Engineering Division for interconnection review.
<u>Permit Review</u>	The Development Center and Electric Engineering Division will return initial comments. At this time, if the interconnection will require no significant review or costs, the Electric Engineering Division will send an interconnection agreement for your signature. If additional interconnection review is required, an Advance Engineering Fee may be required.
<u>Interconnection Agreement</u>	Upon receipt of the Interconnection Agreement you will be required to submit a deposit for any interconnection costs. At this time you may terminate your PPA instead of submitting the deposit and proceeding with interconnection. If you exercise this option your full reservation deposit will be returned, but not any permit review fees.
<u>Project Construction</u>	Following Building Permit issuance and signature of the Interconnection Agreement the applicant can proceed with project construction. At some point prior to completing construction CPAU recommends you apply for pre-certification of the project with the California Energy Commission (CEC) to ensure the entire output of the project is certified as eligible to fulfill Renewable Portfolio Standard (RPS) requirements starting on the Commercial Operation Date. Uncertified energy is not eligible for the full contract price. CPAU will commence registration of the project with WREGIS during this time.
<u>Commercial Operation</u>	Upon final building inspection CPAU will send a letter memorializing the commercial operation date. At this

point CPAU will return your total reservation deposit or any smaller portion of the deposit you are eligible to receive. CPAU will begin sending payments for energy produced, but the payments will be made at the pre-certification rate until the CEC certifies the project as eligible to fulfill RPS requirements.

Development of Palo Alto CLEAN Projects

1.0 Site Identification and Control

1.1 Types of Projects Accepted

All projects must be eligible renewable energy resources. There are no limitations on the type of solar technology used to receive the contract price for solar resources. The eligible renewable energy generating facility may be located anywhere in Palo Alto city limits so long as it complies with all City codes and generator interconnection requirements. Ground mounted, rooftop mounted, or carport solar projects are acceptable, but CPAU recommends you investigate the codes and requirements applicable to your site prior to submitting an application.

1.2 Proof of Site Control

Evidence of site control for the entire term of the contract is required in order to submit an application. CPAU requires documentation showing ownership of, a leasehold interest in, or a right to develop property upon which the Generating Facility will be located for the entire term of the contract being requested, or an option to acquire such ownership, leasehold interest, or right to develop.

2.0 Application Process

2.1 Submittal Process

Applications will only be accepted by e-mail, and must be sent to PACLEAN@cityofpaloalto.org. Applications will be considered in the order received.

2.2 Where and When to Submit

The application is considered “submitted” on the date and time CPAU has received all required documents in Section 2.3, below, with the exception of the reservation deposit, which must be paid within ten business days following application submittal. See Section 2.4, below, for instructions on how to submit a reservation deposit. If the deposit is not received by the end of the tenth business day, the application will be rejected. Please note that the maximum attachment size accepted by the City’s e-mail system is 20 MB. To ensure your application is accepted, we recommend sending attachments no larger than 10 MB. If it is necessary to send multiple e-mails to send all of the application materials, please note that fact in your first e-mail. The time and date of the first e-mail will be considered the time and date your application was submitted so long as all application materials are received within two hours of that e-mail.

CPAU will notify applicants of their application’s status by e-mail within five business days, and will mail a copy of the executed PPA within ten business days of receipt of the reservation deposit (see Section 2.4, below).

2.3 Submittal Requirements

All of the following items are required before an application will be considered “submitted,” with the exception of the reservation deposit, which must be paid within ten business days of the submittal date of the application:

- Applicant, system owner, and site owner contact information.
- Description of the generating system
- Preliminary single-line diagram
- Preliminary site diagram showing the project site and layout
- Two signed copies of the Palo Alto CLEAN standard Power Purchase Agreement
- Proof of site control (see 1.2, above)
- Two signed copies of the WREGIS Assignment of Registration Rights Agreement (see 4.3, below)
- Federal Internal Revenue Service Form W-9
- Reservation deposit (see 2.4, below)

2.4 Reservation Deposit

The reservation deposit must be paid within ten business days of application submittal. The preferred method for submitting a reservation deposit is a certificate of deposit payable to the City of Palo Alto, but submitting a payment by check or wire transfer is also acceptable.

- **Check:** Checks should be made out to the City of Palo Alto and may be submitted by mail to:

City of Palo Alto, Attn: PA CLEAN
 Utilities RMD, 3rd Floor
 250 Hamilton Ave
 Palo Alto, CA 94301

or in person at the Revenue Collections Desk in the lobby of the Civic Center at 250 Hamilton Ave, Palo Alto, CA during normal business hours.

- **Wire Transfer:** To submit by wire transfer, send notification of the payment to both PACLEAN@cityofpaloalto.org and TreasuryNotice2@cityofpaloalto.org. The City's wire transfer information is as follows:

Bank Name: Wells Fargo Bank, N.A.
Bank Routing (RTN/ABA) Number: 121 000 248
Account Number: 412 107 6145
Beneficiary Account Name: City of Palo Alto
Type of Account: Checking
Bank Address, City, State:
 420 Montgomery Street, San Francisco, CA 94104
Federal Tax ID #: 94 6000 389
For International Transfer Only:
 International SWIFT BIC WFBIUS6S

The deposit will be returned:

- If, for whatever reason, CPAU is unable to accept the application.
- Upon early termination of the PPA by the applicant prior to Commercial Operation Date, subject to the rules regarding such early termination in Section 7.0 of the PPA.
- Upon the commercial operation date of the project, subject to the rules regarding timely completion of the project in Section 7.0 of the PPA.

2.5 Determining Priority

Applications are accepted in the order received based on the date and time stamp of the e-mailed application received by the City at paclean@cityofpaloalto.org. In the event multiple applications are received simultaneously, all will be assigned an application number and precedence will be established by the use of the random number generator at random.org, or another publicly verifiable random number generator in the event random.org is not available.

For the purpose of determining whether applications were received simultaneously, applications will be considered received based on the date and time stamp on the e-mail. If multiple copies of the same application are received, the time stamp on the first e-mail received will be used. The time stamp on the City's e-mail system shows the hour, minute, and second the e-mail was received.

3.0 Permitting

3.1 Time to Complete Project

Applicants have one year from the execution date of the PPA to achieve Commercial Operation for the proposed project, or three years from the PPA execution date if the project site is a new residential construction development that satisfies the basic affordable housing requirement for residential ownership projects under Palo Alto Municipal Code section 16.65.030. If Commercial Operation is achieved after that time, the amount of the Reservation Deposit returned is reduced for each full week the project is delayed (see Section 5.1 and Section 7.0 of the PPA). If Commercial Operation has not been achieved by ten weeks after the applicable deadline to complete the project ~~one year plus ten weeks after the execution date of the PPA~~, CPAU retains the option to terminate the PPA.

3.2 Permit Submittal

Applicants apply for a building permit and interconnection agreement at the City's Development Center. The Building Division manages the routing of applications for review by all necessary departments. Consult the City's Building Division with questions about building permit requirements and the project review process. The Division maintains pre-submittal and inspection checklists that detail the City's code requirements. Visit the City's website (<http://www.cityofpaloalto.org/gov/depts/ds/default.asp>) for the most recent versions of these checklists.

The City's Planning Division typically does not review rooftop solar projects, but if a project will involve landscape changes or carport or ground mounted solar systems, the applicant should consult the Planning Division to understand the code requirements applicable to the proposed project site.

3.3 Interconnection Review

Upon receipt of a project application routed from the City's Building Division, the Electric Engineering Division will review the project to determine whether it qualifies for simplified review or whether supplemental review or an interconnection study is required. If the project qualifies for simplified review the Electric Engineering Division will send the applicant an Interconnection Agreement for signature.

If the project does not qualify, the applicant must pay an Advance Engineering Fee for additional evaluation work. Once the additional review is complete the Electric Engineering Division will send the applicant an Interconnection Agreement with an

estimate of any additional interconnection costs. Upon receiving the interconnection agreement the applicant may either 1) execute and return the interconnection agreement along with payment for any additional estimated interconnection costs, or 2) notify CPAU in writing that the applicant is terminating the agreement. If this notification is received within 30 calendar days of the day CPAU notifies the applicant of the interconnection costs, the reservation deposit will be returned in full per Section 7.0 of the PPA. No portion of the building permit fees or Advance Engineering Fees will be returned.

See Utility Rule and Regulation 27 (Generator Interconnection) for more detail on the interconnection process.

4.0 Construction

4.1 Building Inspection

Consult the City's Building Division with questions about the building inspection process. The Division maintains inspection checklists that detail the City's code requirements. If there are any interconnection facilities to be constructed CPAU will build those facilities during the construction process. Once construction is completed and actual costs are known, CPAU will issue a final invoice for the interconnection facilities. CPAU may require the applicant to make an additional payment to the extent actual costs differ from the estimated costs.

4.2 CEC Pre-Certification

CPAU recommends that the applicant apply for pre-certification of the project from the California Energy Commission (CEC) at some point prior to Commercial Operation. Once the generating facility is completed the applicant must apply for CEC certification (see Section 5.2, below), and pre-certification ensures that certification will begin on the Commercial Operation Date, meaning that all energy output will be certified as eligible to fulfill Renewable Portfolio Standard (RPS) requirements. Per Section 2.4 of the PPA, CPAU will pay for any energy not certified by the CEC at the "Pre-Certification Price" rather than the contract price. See form CEC-RPS-1 published by the CEC for instructions on how to apply.

4.3 WREGIS Registration

During the construction process CPAU will begin registration of the project in WREGIS (the Western Renewable Energy Generation Information System). The system owner is required to assign to CPAU the right to register the project in WREGIS when submitting an application to the Palo Alto CLEAN program. This will enable CPAU to receive Renewable Energy Credits (RECs) from the system directly in its WREGIS account rather than having to execute a transfer of RECs each month. CPAU will be responsible for uploading the meter data to WREGIS each month to enable creation of the RECs.

5.0 Commercial Operation

5.1 Meter Set and Commercial Operation Date

The Commercial Operation Date for the generator is the date of the final building inspection by the City's Building Division. Prior to that CPAU's Electric Meter Shop will set a revenue meter that will be used for billing. Following the final inspection CPAU will send the applicant a letter memorializing the Commercial Operation Date, and the applicant must return a signed copy to CPAU. This letter is required before CPAU can complete WREGIS registration (see Section 4.3 above). WREGIS registration is a prerequisite for CEC Certification (see Section 5.2 below). At this time CPAU will return the entire reservation deposit or any portion of that deposit that the applicant is entitled to under Section 7.0 of the PPA.

5.2 CEC Certification

Within six months following the Commercial Operation Date the applicant is required to have the system certified by the California Energy Commission as eligible to fulfill Renewable Portfolio Standard (RPS) requirements. CPAU will pay for the output of the system at the pre-certification price until this certification is granted (see Section 2.4 of the PPA).

Typically CEC Certification is retroactive to the Commercial Operation Date if 1) the applicant has obtained CEC Pre-Certification for the project (see Section 4.2 above) or 2) the applicant has submitted an application for CEC Certification prior to the commercial operation date. If CPAU receives energy prior to certification and pays for it at the Pre-Certification Price, and that energy is later certified by the CEC as eligible to fulfill RPS requirements, CPAU will issue a true-up equal to the difference between the Pre-Certification Price and the Contract Price upon CEC certification.

See also Sections 2.4 and 3.1 of the PPA, as well as form CEC-RPS-1 published by the CEC.

5.3 Metering and Payment

Payment for the project output will be made monthly by check based on a City-provided revenue meter. The applicant will be responsible for the cost associated with the meter's telemetry system.

Additional Resources

Palo Alto CLEAN program website

<https://www.cityofpaloalto.org/Departments/Utilities/Business/Ways-to-Save/CLEAN>

City of Palo Alto Utilities Electric Engineering and Operations

<https://www.cityofpaloalto.org/Departments/Utilities/Utilities-Services-Safety/Engineering-and-Operations>

City of Palo Alto Utilities Rule and Regulation 27 (Generator Interconnection)

<https://www.cityofpaloalto.org/civicax/filebank/blobdload.aspx?BlobID=28741>

City of Palo Alto Utilities Electric Standard Drawings

<https://www.cityofpaloalto.org/Departments/Utilities/Utilities-Services-Safety/Engineering-and-Operations/Electric-Service-Requirements>

City of Palo Alto Development Services

<http://www.cityofpaloalto.org/gov/depts/ds/default.asp>

California Energy Commission Renewables Portfolio Standard Handbook and Generator Certification Application Forms

<https://www.energy.ca.gov/programs-and-topics/programs/renewables-portfolio-standard/renewables-portfolio-standard-0>

Western Renewable Energy Generation Information System (WREGIS)

<https://www.wecc.org/WREGIS/Pages/Default.aspx>

POWER PURCHASE AGREEMENT
ELIGIBLE RENEWABLE ENERGY RESOURCE
(Palo Alto Clean Local Energy Accessible Now Program)

This Power Purchase Agreement - Eligible Renewable Energy Resource, dated, for convenience, _____ (the “Effective Date”), is entered into by and between the CITY OF PALO ALTO, a California chartered municipal corporation, and _____, a _____ corporation (individually, a “Party” and, collectively, the “Parties”).

RECITALS

1. The Buyer has adopted and implemented its CLEAN Program, which allows an owner of a qualifying electric generation system to sell to the Buyer the power output of a small-scale distributed generation Eligible Renewable Energy Resource, subject to the CLEAN Program’s rules and requirements.

2. The Seller owns or operates and desires to interconnect its Facility in parallel with Buyer’s Distribution System and sell the Energy produced by its Facility, net of Station Service Load, directly to the Buyer in furtherance of the CLEAN Program.

3. The Parties do not intend this Agreement to constitute an agreement by the Buyer to provide retail electrical service to the Seller.

4. The Parties wish to enter into a power purchase agreement for the sale and purchase of the Output of the Facility. The Parties will enter into a separate “Interconnection Agreement” in connection with this Agreement.

NOW THEREFORE, in consideration of the foregoing recitals and the following covenants, terms and conditions, the Parties agree, as follows:

AGREEMENT

1.1 DEFINITIONS

The initially capitalized terms, whenever used in this Agreement, have the meanings set forth below, unless they are otherwise herein defined. The terms “include,” “includes,” and “including,” when used in this Agreement, shall mean, respectively, “include, without limitation,” “includes, without limitation” and “including, without limitation.”

“Affordable Housing Development” means a new residential construction development that satisfies the [basic affordable housing requirement for residential ownership projects under Palo Alto Municipal Code section 16.65.030](#).

“Agreement” means this Power Purchase Agreement – Eligible Renewable Energy Resource between the Buyer and the Seller.

“Business Day” means any day except a Saturday, Sunday, or a day that the City observes as a regular holiday under Palo Alto Municipal Code section 2.08.100(a).

“Buyer” refers to the City of Palo Alto, California, with a principal place of business at 250 Hamilton Avenue, Palo Alto, California 94301.

“Buyer’s Distribution System” means the wires, transformers, and related equipment used by the Buyer to deliver electric power to the Buyer’s retail customers, typically at sub-transmission level voltages or lower.

“CAISO” means the California Independent System Operator Corporation, or successor entity.

“CAISO Tariff” means the CAISO FERC Electric Tariff, as amended.

“**Capacity**” means the ability of a generator at any given time to produce Energy at a specified rate, as measured in megawatts (“MW”) or kilowatts (“kW”), and any reporting rights associated with it.

“**Capacity Attributes**” means any current or future defined characteristic, certificate, tag, credit, or ancillary service attribute, whether general in nature or specific as to the location or any other attribute of the Facility, intended to value any aspect of the Contract Capacity of the Facility to produce Energy or ancillary services, including contributions towards Resource Adequacy (including those requirements defined in Section 40 of the CAISO Tariff) or reserve requirements (if any), and any other reliability or power attributes.

“**CEC**” means the California Energy Resources Conservation and Development Commission, or successor agency.

“**Certificate of RPS Eligibility**” means a certificate issued by the CEC as evidence of RPS Certification of the Facility.

“**City**” means the government of the City of Palo Alto, California.

“**CLEAN Program**” refers to the Palo Alto Clean Local Energy Accessible Now Program, a renewable energy program established by the City by adoption of resolution number_____, dated_____, of the Palo Alto City Council, whereby the Buyer will purchase from the Seller the Output of Eligible Renewable Energy Resources that meet specified criteria set forth in the City’s applicable ordinances and resolutions.

“**Commercial Operation**” means the period of operation of the Facility, once the Commercial Operation Date has occurred.

“**Commercial Operation Date**” means the date specified in the Commercial Operation Date Confirmation Letter, which the Parties execute and exchange in accordance with this Agreement.

“**Contract Capacity**” means the installed electrical Capacity available upon the Commercial Operation Date of the Facility in an amount, as specified in Exhibit “PPA-A.” “Contract Capacity” is measured at the Buyer’s revenue meter at the Delivery Point and is net of any Station Service Loads, any applicable Facility step-up transformer losses, and distribution losses on Buyer’s Distribution System up to the Delivery Point.

“**Contract Price**” means the price paid by the Buyer to the Seller for the Output generated at the Facility and received by the Buyer, as set forth in Exhibit “PPA-A.”

“**CPUC**” means the California Public Utilities Commission, or successor agency.

“**Delivery Point**” means the point of interconnection to Buyer’s Distribution System, where the Buyer accepts title to the Output.

“**Delivery Term**” has the meaning set forth in Section 14.2 hereof.

“**Eligible Renewable Energy Resource**” means an electric generating facility that is defined and qualified as an “eligible renewable energy resource” under California Public Utilities Code Section 399.12(e) and California Public Resources Code Section 25471, respectively, as amended.

“**Energy**” means electrical energy generated from the Facility and delivered to Buyer’s Distribution System with the voltage and quality required by the Buyer, and measured in megawatt-hours (“MWh”) or kilowatt-hours (“kWh”), as metered at the Delivery Point.

“**Facility**” means the qualifying renewable energy generation equipment and associated power conditioning and interconnection equipment that deliver the Output to the Buyer at the Delivery Point.

“**FERC**” means the Federal Energy Regulatory Commission, or successor agency.

“Forced Outage” means an unplanned outage of one or more of the Facility’s components that results in a reduction of the ability of the Facility to produce Capacity.

“Force Majeure” means an event or circumstance, which prevents a Party from performing its obligations under this Agreement, and which is not in the reasonable control of, or the result of negligence of, the Party claiming Force Majeure, and which by the exercise of due diligence is unable to overcome or cause to be avoided. “Force Majeure” shall include: (a) An act of nature, riot, insurrection, war, explosion, labor dispute, fire, flood, earthquake, storm, lightning, tidal wave, backwater caused by flood, act of the public enemy, terrorism, or epidemic; (b) Interruption of transmission or generation services as a result of a physical emergency condition (and not congestion-related or economic curtailment) not caused by the fault or negligence of the Party claiming Force Majeure and reasonably relied upon and without a reasonable source of substitution to make or receive deliveries hereunder, civil disturbances, strike, labor disturbances, labor or material shortage, national emergency, restraint by court order or other public authority or governmental agency, actions taken to limit the extent of disturbances on the electrical grid; or (c) Other similar causes beyond the control of the Party affected, which causes such Party could not have avoided by the exercise of due diligence and reasonable care. A Party’s financial incapacity, the Seller’s ability to sell the Output at a more favorable price or under more favorable conditions, or the Buyer’s ability to acquire the Output at a more favorable price or under more favorable conditions or other economic reasons shall not constitute an event of Force Majeure. “Force Majeure” does not include a Forced Outage to the extent such event is not caused or exacerbated by an event of Force Majeure, as described above, and does not include the Seller’s inability to obtain financing, permits, or other equipment and instruments necessary to plan for, construct, or operate the Facility.

“Good Utility Practice” means those practices, methods and acts that would be implemented and followed by prudent operators of electric energy generating facilities in the western United States, similar to the Facility, during the relevant time period, which practices, methods and acts, in the exercise of prudent and responsible professional judgment in the light of the facts known at the time the decision was made, could reasonably have been expected to accomplish the desired result consistent with good business practices, reliability, and safety. The Seller acknowledges that its use of Good Utility Practice does not exempt it from performing any of its obligations arising under this Agreement. “Good Utility Practice” includes, at a minimum, those professionally responsible practices, methods and acts described in the preceding paragraph that comply with manufacturers’ warranties, restrictions in this Agreement, the interconnection requirements of Buyer, the requirements of governmental authorities, and WECC and NERC standards. “Good Utility Practice” also includes the taking of reasonable steps to ensure that:

- (a) Equipment, materials, resources, and supplies, including spare parts inventories, are available to meet the Facility’s needs;
- (b) Sufficient operating personnel are available at all times and are adequately experienced and trained and licensed as necessary to operate the Facility properly and efficiently, and are capable of responding to reasonably foreseeable emergency conditions at the Facility and emergencies whether caused by events on or off the Facility’s site;
- (c) Preventive, routine, and non-routine maintenance and repairs are performed on a basis that ensures reliable, long-term and safe operation of the Facility, and are performed by knowledgeable, trained, and experienced personnel utilizing proper equipment and tools;
- (d) Appropriate monitoring and testing are performed to ensure equipment is functioning as designed; and
- (e) Equipment is not operated in a reckless manner, in violation of manufacturer’s guidelines or in a manner unsafe to workers, the general public, or the connecting utility’s electric system or contrary to environmental laws, permits or regulations or without regard to defined limitations such as, flood conditions, safety inspection requirements, operating voltage, current, volt ampere reactive (VAR) loading, frequency, rotational speed, polarity, synchronization, and control system limits; and equipment and components are designed and manufactured to meet or exceed the standard of durability that is generally used for electric energy generating facilities operating in the western United States and will function properly over the full range of ambient temperature and weather conditions reasonably expected to occur at the Facility site and under both normal and emergency conditions.

“Green Attributes” refers to the definition set forth in the Standard Terms and Conditions, Appendix A-2, as amended, Decision D.07-02-011, as modified by D.07-05-057, of the CPUC, which incorporates the definition of “Environmental Attributes” set forth in the Standard Terms and Conditions, Appendix A-1, as amended, D. 04-06-014. “Green Attributes” includes any and all credits, benefits, emissions reductions, environmental air quality credits, offsets, and allowances, howsoever entitled, attributable to the generation from the Facility, and its displacement of conventional energy generation, whether existing now or arising in the future. “Green Attributes” includes RECs, as well as (1) any avoided emissions of pollutants to the air, soil or water, such as sulfur oxides (“SOx”), nitrogen oxides (“NOx”), carbon monoxide (“CO”) and other pollutants; (2) any avoided emissions of carbon dioxide (“CO2”), methane (“CH4”), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and other greenhouse gases (“GHGs”) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; and (3) the reporting rights to these avoided emissions such as Green Tag Reporting Rights and RECs. “Green Tag Reporting Rights” are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser’s discretion, and include those Green Tag Reporting Rights accruing under Section 1605(b) of the Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a kWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. “Green Attributes” do not include (i) any Energy, Capacity, reliability, or other power attributes of the Facility, (ii) production or investment tax credits associated with the construction or operation of the Facility and other financial incentives in the form of credits, grants, reductions, or allowances associated with the Facility that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or “tipping fees” that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular pre-existing pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered, used or created by the Facility for compliance with or sale under local, state, or federal operating and/or air quality permits or programs. If the Facility is a biomass or landfill facility and the Seller receives any tradable Green Attributes based on the Facility’s greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, the Seller shall provide the Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Facility. “Green Attributes” includes any other environmental credits or benefits recognized in the future and attributable to Energy generated by the Facility during the Term that may not be represented by Green Tag Reporting Rights or RECs, unless otherwise excluded herein. Any Green Attributes provided under this Agreement shall be documented by RECs, or any other representation of the environmental benefits of the Output, the monthly cumulative total of which shall be provided to the Buyer, as specified herein.

“Interconnection Agreement” refers to the agreement between the Buyer and the Seller, specific to the interconnection of the Facility to Buyer’s Distribution System.

“NERC” means the North American Electric Reliability Corporation, or successor organization.

“NCPA” means Northern California Power Agency, a California joint action agency, or successor agency.

“Output” means all Capacity associated with Contract Capacity and associated Energy made available from the Facility, as well as any Capacity Attributes, Green Attributes, or other attributes existing now or in the future associated with Contract Capacity and/or associated Energy. “Output” does not include production or investment tax credits associated with the construction or operation of the Facility and other financial incentives in the form of credits, grants, reductions, or allowances associated with the Facility that are applicable to a state or federal income taxation obligation.

“Planned Outage” means an outage, scheduled in advance, of one or more of the Facility’s components that results in a reduction of the ability of the Facility to produce Capacity.

“Pre-Certification Price” means the contract price to be paid for all Energy delivered to the Buyer prior to the RPS Certification Date, as specified in Exhibit “PPA-A”.

“Renewable Energy Credit” or “REC” has the meaning set forth in Section 399.12(h)(1) and (2) of the California Public Utilities Code, and includes a certificate of proof that one unit of electricity was generated by an Eligible Renewable Energy Resource. Currently, RECs are used to convey all Green Attributes associated with electricity production by a renewable energy resource. RECs are accumulated on a kWh basis and one REC represents the Green Attributes associated with the generation of 1 MWh (1,000 kWhs) from the Facility. For purposes of this Agreement, the term REC shall be synonymous with the term Green Tag, green ticket, bundled or unbundled renewable energy credit, tradable renewable energy certificates, or any other term used to describe the documentation that evidences the renewable and Green Attributes associated with electricity production by an Eligible Renewable Energy Resource.

“Renewables Portfolio Standard” or “RPS” means the standard adopted by the State of California pursuant to Senate Bill 2 1st Extraordinary Session (SBX1 2, Chapter 1, Statutes 2011-12), and California Public Utilities Code Sections 399.11 through 399.31, inclusive, as may be amended, setting minimum renewable energy targets for local publicly owned electric utilities.

“Reservation Deposit” means the monetary deposit submitted by the Seller (or the Facility sponsor on behalf of the Seller) to secure a reservation of the CLEAN Program’s prices. The Reservation Deposit is set forth in Exhibit “PPA-A.”

“Resource Adequacy” means a requirement by a governmental authority or in accordance with its FERC-approved tariff, or a policy approved by a local regulatory authority, that is binding upon either Party and that requires that Party to procure a certain amount of electric generating capacity.

“RPS Certification” means certification by the CEC that the Facility qualifies as an Eligible Renewable Energy Resource for RPS purposes, and that all Energy produced by the Facility qualifies as generation from an Eligible Renewable Energy Resource, as evidenced by a Certificate of RPS Eligibility.

“RPS Certification Date” means the date on which the RPS Certification begins, as specified in the Certificate of RPS Eligibility.

“Seller” means _____ with a principal place of business at _____.

“Station Service Load” means the electrical loads associated with the operation and maintenance of the Facility, which may at times be supplied from the Facility’s Energy.

“Term” has the meaning set forth in Section 14.1 hereof.

“WECC” means the Western Electricity Coordinating Council, the regional entity responsible for coordinating and promoting regional bulk electric system reliability in the Western Canada and the United States, or any successor organization.

2.0 SELLER’S GENERATING FACILITY, PURCHASE PRICE AND PAYMENT

2.1 Facility. This Agreement governs the Buyer’s purchase of the Output from the Facility, as described in Exhibit “PPA-A.” The Seller shall not modify the Facility to increase or decrease the Contract Capacity after the Commercial Operation Date.

2.2 Products Purchased. During the Delivery Term, the Seller shall sell and deliver, or cause to be delivered, and the Buyer shall purchase and receive, or cause to be received, the Output from the Facility. The Seller shall not have the right to procure the Output from sources other than the Facility for sale or delivery to the Buyer under this Agreement or to substitute the Output.

2.3 Delivery Term. The Delivery Term shall commence on the Commercial Operation Date under this Agreement, and shall continue for an uninterrupted period of [fifteen (15), twenty (20), or twenty-five (25) years]. This period will commence on the first day of the calendar month immediately following the Commercial Operation Date. As evidence of the Commercial Operation Date, the Parties shall execute and exchange the “Commercial Operation Date Confirmation Letter,” attached hereto as Exhibit “PPA-B.” The Commercial Operation Date shall be the date on which the Parties acknowledge, in writing, that the Facility starts operating and is otherwise in compliance with applicable interconnection and system protection requirements, including the final approvals by the City’s building department official.

2.4 Payment for Products Purchased.

2.4.1 Deliveries Prior to RPS Certification Date. Once the Facility has achieved Commercial Operation, if the CEC has not issued a Certificate of RPS Eligibility for the Facility or the Facility has not been registered with the appropriate entity for the tracking of Green Attributes, the Buyer will pay the Seller for the Output by multiplying the Pre-Certification Price by the quantity of Energy.

2.4.2 Deliveries After RPS Certification Date. Once the Facility has achieved Commercial Operation, the CEC has issued a Certificate of RPS Eligibility for the Facility, and the Facility has been registered with the appropriate entity for the tracking of Green Attributes, the Buyer shall pay the Seller for all Output on or after the RPS Certification Date by multiplying the Contract Price by the quantity of Energy.

2.4.3 True-up Upon Issuance of Certificate of RPS Eligibility. Once the Facility has achieved Commercial Operation, the CEC has issued a Certificate of RPS Eligibility for the Facility, and the Facility has been registered with the appropriate entity for the tracking of Green Attributes, the Buyer will pay the Seller an amount equal to the difference between the Contract Price and the Pre-Certification Price for the Output (a) that was delivered on or after the RPS Certification Date and (b) for which the Seller has already received payment at the Pre-Certification Energy Price.

2.4.4 Energy in Excess of Contract Capacity. The Seller shall not receive payment for any Energy or Green Attributes delivered in any hour to the Buyer in excess of the following amount of energy (in kilowatt-hours): 110% of the Contract Capacity (in kilowatts) multiplied by one hour. Any payment in excess of this amount shall be refunded to the Buyer, on demand.

2.5 Billing. The Buyer shall pay the Seller by check or electronic funds transfer, on a monthly basis, within thirty (30) days of the meter reading date.

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

2.7 No Additional Incentives. The Seller warrants that it has not received any other incentives funded by the Buyer’s ratepayers and it further agrees that, during the Term, it shall not seek additional compensation or other benefits from the Buyer pursuant to the following programs of the Buyer: (a) Photovoltaic (PV) Partners Program; (b) Power from Local Ultra-Clean Generation Incentive (PLUG-In) Program; or (c) other similar programs that are or may be funded by the Buyer’s ratepayers.

3.0 RPS CERTIFICATION; GREEN ATTRIBUTES

3.1 CEC Certification. The Seller, at its own cost and expense, shall obtain the RPS Certification within six (6) months of the Commercial Operation Date. The Seller shall maintain the RPS Certification at all times during the Delivery Term. The foregoing provision notwithstanding, the Seller shall not be in breach of this Agreement and the Buyer shall not have the right to terminate this Agreement, if the Seller's failure to obtain or maintain the RPS Certification is due to a change in California law, occurring after the Commercial Operation Date, so long as the Seller has used commercially reasonable efforts to obtain and maintain the RPS Certification and the Seller's actions or omissions did not contribute to its inability to obtain and maintain the RPS Certification.

3.2 Obligation to Deliver Green Attributes. The Seller shall sell and deliver to the Buyer, and the Buyer shall buy and receive from the Seller, all right, title, and interest in and to Green Attributes associated with Energy, produced by the Facility and delivered to the Buyer at the Delivery Point, whether now existing or that hereafter come into existence during the Term, except as otherwise excluded herein; provided, the Buyer shall not be obligated to purchase and pay the Seller for any Green Attributes associated with any amount of the Output, that is generated by any fuel which is not renewable and which cannot be counted for the purpose of the production of Green Attributes. The Seller agrees to sell and make all such Green Attributes available to the Buyer to the fullest extent allowed by applicable law, in accordance with the terms and conditions of this Agreement. The Seller warrants that the Green Attributes provided under this Agreement to the Buyer shall be free and clear of all liens, security interests, claims and encumbrances.

3.3 Conveyance of Green Attributes. The Seller shall provide Green Attributes associated with the Facility, which shall be documented and conveyed to the Buyer in accordance with the procedure described in Exhibit "PPA-D."

3.4 Additional Evidence of Green Attributes Conveyance. At the Buyer's request, the Seller shall provide additional reasonable evidence to the Buyer or to third parties of the Buyer's right, title, and interest in the Green Attributes and any other information with respect to Green Attributes, as may be requested by the Buyer.

3.5 Modification of Green Attributes Conveyance Procedure. The Buyer may unilaterally modify Exhibit "PPA-D" in order to reflect changes necessary in the Green Attributes conveyance procedures, so that the Buyer may be able to receive and report the Green Attributes, purchased under this Agreement, as belonging to the Buyer.

3.6 Reporting of Ownership of Green Attributes. The Seller shall not report to any person or entity that the Green Attributes sold and conveyed to the Buyer belong to any person other than the Buyer. The Buyer may report under any applicable program that Green Attributes purchased by the Buyer hereunder belong to it.

3.7 Greenhouse Gas Emissions. The Seller shall comply with any laws and/or regulations regarding the need to offset emissions of GHGs by delivering to the Buyer the Energy from the Facility with a net zero GHG impact.

4.0 CONVEYANCE OF CAPACITY ATTRIBUTES

4.1 Conveyance of Resource Adequacy Capacity. The Seller shall not report to any person or entity that the Resource Adequacy Capacity, as defined in the CAISO Tariff) associated with the Facility, if any, belongs to a person other than the Buyer, which may report that Resource Adequacy Capacity purchased hereunder belongs to it to fulfill the Resource Adequacy requirements, as defined in Section 40 of the CAISO Tariff, as amended, or any successor program. The Seller shall take those actions described in Section 6.0 hereof, as applicable, to secure recognition of Resource Adequacy Capacity by the CAISO.

4.2 Conveyance of Other Capacity Attributes. In addition to the obligations imposed on the

Seller under Section 4.1, the Seller will undertake any and all actions reasonably needed to enable the Buyer to effect the recognition and transfer of any Capacity Attributes in addition Resource Adequacy, to the extent that such Capacity Attributes exist now or will exist in the future; provided, if such actions require any actions beyond the giving of notice by the Seller, then the Buyer shall reimburse all out-of-pocket costs and charges of such actions.

4.3 Reporting of Ownership of Capacity Attributes. The Seller shall not report to any person or entity that the Capacity Attributes sold and conveyed to the Buyer belong to any person other than the Buyer. The Buyer may report under any such program that such Capacity Attributes purchased hereunder belong to it.

5.0 METERING AND OPERATIONS

5.1 Timing of Outages. The Seller may not schedule or take any Planned Outage from 12:00 p.m. through 7:00 p.m. Pacific Time during the months of June through October.

5.2 Outage Reporting.

5.2.1 Buyer Request. The Seller is not required to report any Planned Outage or Forced Outage, unless the Buyer first submits a written request to the Seller to commence Outage reporting. Upon receipt of such a request, the Seller shall report all subsequent Planned Outages and the Forced Outages according to the procedures described in subsections 5.2.2 and 5.2.3, and shall continue such reporting until (a) the termination of this Agreement for any reason, or (b) the Buyer subsequently provides written notice to the Seller that the Seller may cease such reporting in the future.

5.2.2 Planned Outage Notifications. The Seller shall notify the Buyer at least 72 hours in advance of any Planned Outage that would result in a reduction in the effective Output of the Facility during the period over which the Planned Outage is scheduled. Notification shall be provided by e-mail to the e-mail address (or addresses) set forth in Exhibit "PPA-F."

5.2.3 Forced Outage Notifications. Within 24 hours of the occurrence of a Forced Outage of the Facility that impacts the ability of the Facility to produce Energy, the Seller shall notify the Buyer of the Forced Outage, including the Capacity of the Facility that is impacted, and the expected duration of the Forced Outage. Within 24 hours of the return of the Facility to service following the Forced Outage, the Seller shall notify the Buyer of the return-to-service details. Notification shall be made by e-mail to the address (or addresses) set forth in Exhibit "PPA-F."

5.3 Metering. The Buyer shall furnish and install one or more standard watt-hour meters to read Energy generated by the Facility, and it will charge a meter fee to the Seller to cover the costs associated with the meter's purchase and installation. As requested, the Seller shall provide and install a meter socket in accordance with the Buyer's metering standards. The Buyer reserves the right to install additional metering equipment at its sole cost and expense.

6.0 PARTICIPATING GENERATORS

6.1 Applicability. This Section 6.0 shall apply if the Facility meets the definition of a "Participating Generator," as may be defined by the CAISO Tariff. This Section 6.0 shall not apply if the definition applies to the Facility only upon the election by the Seller. For the purposes of this Section 6.0, all special terms not otherwise defined in Section 1.0 are defined in the CAISO Tariff.

6.2 Participating Generator Agreement. The Buyer will notify the CAISO of the Seller's interconnection to Buyer's Distribution System. If the CAISO requires it, the Seller, at its own expense, shall negotiate and enter in to two contracts, a "Participating Generator Agreement" and a "Meter Services Agreement for CAISO Metered Entities," with the CAISO.

6.3 Scheduling Coordination. If the CAISO requires the Seller to enter in to a Participating Generator Agreement, then the Seller shall designate NCPA as the Buyer's scheduling coordinator. The Buyer, acting in its sole discretion, may replace NCPA as the scheduling coordinator for the Facility. If NCPA ceases to be the scheduling coordinator for the Facility and the Buyer has not, upon fourteen (14) days' prior written notice of inquiry from the Seller, appointed a replacement scheduling coordinator, then the Seller shall have the right to appoint a replacement scheduling coordinator on the Buyer's behalf. Thereafter, the Buyer shall enter into all reasonable and appropriate agreements with such replacement scheduling coordinator at its own costs.

6.4 Scheduling Procedure. The Buyer may require the Seller to provide the Buyer with Energy forecasts on a periodic basis, as may be necessary for the Buyer to account for expected Facility generation in its daily power scheduling process. The requirements are set forth in Exhibit "PPA-C."

6.5 Modification of Scheduling and Outage Notification Procedure. The Buyer may unilaterally modify Exhibit "PPA-C" to reflect changes necessary in the scheduling and Outage notification procedures. The Buyer shall give the Seller reasonable notice of any such changes.

6.6 Provision of Other Equipment. If the Seller is required to enter into a Participating Generator Agreement with the CAISO, then the Seller, at its own cost and expense, shall provide and maintain data transmission-grade phone line and telecommunications equipment at the meter location that complies with applicable requirements of the CAISO, the Buyer, and NCPA. Any meter installed by the Seller shall comply at all times with the CAISO's metering requirements. If the Seller fails to provide or maintain any such required equipment or data connection, then the Buyer shall acquire, install and maintain the same at the Seller's sole cost and expense.

6.7 Designation as Resource Adequacy Resource. The Buyer may submit a written request to the Seller to obtain the CAISO's designation of the Facility as a Resource Adequacy Resource. Upon receipt of such request, the Seller shall provide such information and undertake such steps as may be required by the CAISO in order to complete such an assessment. If the Buyer makes such a request, then the Buyer shall be responsible for the following: (1) any costs charged to the Seller by the CAISO as a condition of applying for or receiving designation as a Resource Adequacy Resource, including any deposits required during the study process or the cost of any related studies or deliverability assessments performed by the CAISO; (2) the capital, installation, and maintenance costs of any additional equipment required by the CAISO as a condition of receiving designation as a Resource Adequacy Resource; (3) the costs of any Network Upgrades, as defined in the CAISO Tariff, as may be required by the CAISO, provided, the Buyer shall receive any subsequent repayments from the CAISO or the Participating Transmission Owner related to such upgrades; and (4) any charges or penalties assessed by the CAISO as a consequence of the Facility's designation as a Resource Adequacy Resource.

6.8 CAISO Charges. The Buyer shall be solely responsible for paying all costs and charges associated with the receipt of Energy under this Agreement, at the Delivery Point, and for the transmission and delivery of Energy from the Delivery Point to any other point downstream of the Delivery Point, including transmission costs and charges, competition transition charges, applicable control area service charges, transmission congestion charges, inadvertent energy flows, any other CAISO charges related to the transmission of such Energy by the CAISO and any charge assessed or collected in the future pursuant to any utility tariff or rate schedule, however defined, for transmission or transmission-related service rendered by or for any transmission-owning or operating entity. The Seller will undertake any and all actions reasonably needed to allow the Buyer to comply with any obligations, and minimize any potential liability, under the CAISO tariff. If and to the extent that the Seller fails to comply with the notice provision in Exhibit "PPA-C," concerning Outages, or with its obligations as outlined in the previous sentence, the Seller shall be wholly responsible for all imbalances, deviations, or any other CAISO charges or penalties associated with such Outage or other CAISO Tariff obligation.

6.9 Inclusion in Metered Subsystem. At the option of the Buyer, the Facility may be included within NCPA's metered sub-system in connection with the scheduling of power over the CAISO grid and related functions; provided, however, that such inclusion shall have no adverse effect on the Facility's operations or the Seller (or any such effect shall be fully mitigated by the Buyer). The Seller will undertake any and all actions reasonably needed to allow the Buyer to comply with ~~any obligations and~~

minimize any potential liability, under the CAISO Tariff; provided, that if such actions require any actions beyond the giving of notice to be provided by the Buyer, then the Buyer shall reimburse the Seller for all out-of-pocket costs and charges of such actions.

7.0 COMMERCIAL OPERATION DATE; REFUND OF RESERVATION DEPOSIT

7.1 Commercial Operation Date. The Facility shall achieve Commercial Operation by the Commercial Operation Date deadline (the "Deadline"), which is one (1) year from the Effective Date, or, for Affordable Housing Developments, three (3) years from the Effective Date.

7.2 Reservation Deposit. The Buyer acknowledges that, as of the Effective Date or other date established by the Buyer, the Seller has provided the Reservation Deposit to the Buyer.

7.2.1 If the Commercial Operation Date occurs on or prior to the Deadline, the Buyer shall refund to the Seller the Reservation Deposit without interest.

7.2.2 If the Commercial Operation Date commences within seventy (70) days of the Deadline, the Seller, as liquidated damages and not as a penalty, shall relinquish its claim to a ten percent (10%) portion of the amount of the Reservation Deposit for every full week transpiring between the Deadline and the Commercial Operation Date, but the total amount to be relinquished to the Buyer shall not exceed 100% of the Reservation Deposit.

7.2.3 If the Facility has not achieved Commercial Operation within seventy (70) days of the Deadline, then the Buyer may terminate this Agreement without liability of either Party to the other (other than as set forth in Section 7.2.2) by giving written notice of termination to the Seller.

7.2.4 If the Seller gives notice of termination to terminate the Agreement before Commercial Operation occurs, then the Buyer shall refund a percentage of the Reservation Deposit equal to the following: the percentage to be refunded will equal A/B, where A equals the number of days between the date of the Seller's notice of termination, received by the Buyer, and the Deadline, and B equals the number of days between the Effective Date and the Deadline.

7.3 Return of Reservation Deposit. The Buyer shall return to the Seller the Reservation Deposit, without interest, in the event that (a) the Buyer furnishes written notice of the costs of interconnection (defined in the Interconnection Agreement to include the costs related to the Interconnection Facilities and Distribution Upgrades) to the Seller and (b) within thirty (30) days of receipt of the notice regarding costs of interconnection, the Seller provides the Buyer with written notice that the Seller does not intend to sign the Interconnection Agreement and does intend to proceed with the project.

8.0 REPRESENTATION AND WARRANTIES; COVENANTS

8.1 Representations and Warranties. On the Effective Date, each Party represents and warrants to the other Party that:

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

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

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

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

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

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

8.2 General Covenants. Each Party covenants that, during the Term:

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

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

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

8.3 Covenant by Seller. The Seller covenants that, during the Term:

8.3.1 If the Eligible Renewal Energy Resource or the Facility is considered an ‘eligible qualifying facility’ under applicable law and has a net power production capacity of greater than one (1) megawatt, then the Seller covenants and agrees that, within thirty (30) days of the Effective Date or longer period allowed by law, it will complete and file Form No. 556 or other similar form with FERC as the same may be required by law.”

9.0 GENERAL CONDITIONS

9.1 Facility Care and Interconnection. During the Delivery Term, the Seller shall execute and maintain an “Interconnection Agreement” with the Buyer, whereby the Seller shall pay and be responsible for designing, installing, operating, and maintaining the Facility in accordance with all applicable laws and regulations and shall comply with all applicable Buyer, WECC, FERC, and NERC requirements, including applicable interconnection and metering requirements. The Seller shall also comply with any modifications, amendments or additions to the applicable tariff and protocols. The Seller also shall arrange and pay independently for any and all necessary costs under the Interconnection Agreement with the Buyer.

9.2 Standard of Care. The Seller shall: (a) operate and maintain the Facility in a safe manner in accordance with its existing applicable interconnection agreements, manufacturer's guidelines, warranty requirements, Good Utility Practice, industry norms (including standards of the National Electrical Code, Institute of Electrical and Electronic Engineers, American National Standards Institute, and the Underwriters Laboratories, and in accordance with the requirements of all applicable federal, state and local laws and the National Electric Safety Code, as such laws and code norms may be amended from time to time; (b) obtain any governmental authorizations and permits required for the construction and operation thereof. The Seller shall make any necessary and commercially reasonable repairs with the intent of optimizing the availability of electricity to the Buyer. The Seller shall reimburse the Buyer for any and all losses, damages, claims, penalties, or liability that the Buyer incurs as a result of the Seller's failure to obtain or maintain any governmental authorizations and permits required for the construction and operation of the Facility throughout the Term.

9.3 Access Rights. The Buyer, its authorized agents, employees and inspectors shall have the right to inspect the Facility on reasonable advance notice during normal business hours and for any purposes reasonably connected with this Agreement or the exercise of any and all rights secured to the Buyer by law, including, without limitation, its ordinances, resolutions, tariffs, utility rate schedules or utilities rules and regulations. The Buyer shall make reasonable efforts to coordinate its emergency activities with the safety and security departments, if any, of the Facility's operator. The Seller shall keep the Buyer advised of current procedures for communicating with the Facility operator's safety and security departments.

9.4 Protection of Property. Each Party shall be responsible for protecting its own facilities from possible damage resulting from electrical disturbances or faults caused by the operation, faulty operation, or non-operation of the other Party's facilities and such other Party shall not be liable for any such damages so caused.

9.5 Insurance. During the Term, the Seller shall obtain and maintain and otherwise comply with the insurance requirements, as set forth in Exhibit "PPA-E."

9.6 Buyer's Performance Excuse; Seller Curtailment.

9.6.1 Buyer Performance Excuse. The Buyer shall not be obligated to accept or pay for the Output during Force Majeure that affects the Buyer's ability to accept Energy.

9.6.2 Seller Curtailment. The Buyer may require the Seller to interrupt or reduce deliveries of Energy: (a) whenever necessary to construct, install, maintain, repair, replace, remove, or investigate any of its equipment or part of the Buyer's Distribution System or facilities; or (b) if the Buyer determines that curtailment, interruption, or reduction is necessary due to a System Emergency, as defined in the CAISO Tariff, an unplanned outage on Buyer's Distribution System, Force Majeure, or compliance with Good Utility Practice.

9.7 Notices of Outages. Whenever possible, the Buyer shall give the Seller reasonable notice of the possibility that interruption or reduction of deliveries may be required.

9.8 No Additional Loads. The Seller shall not connect any loads not associated with Station Service Loads at the location of the Facility in a manner that would reduce Energy provided from the Facility to the Buyer hereunder. The Seller shall obtain separate retail electric service under the Buyer's rate schedules for the service of such additional loads.

10.0 FORCE MAJEURE

10.1 Effect of Force Majeure. A Party shall be excused from its performance under this Agreement to the extent, but only to the extent, that its performance hereunder is prevented by Force Majeure. A Party claiming Force Majeure shall exercise due diligence to overcome or mitigate the effects of Force Majeure; provided, that nothing in this Agreement shall be deemed to obligate the Party affected by Force Majeure (a) to forestall or settle any strike, lock-out or other labor dispute against its will; or (b) for Force Majeure affecting the Seller only, to purchase electric power to cure Force Ma

10.2 Remedial Action. A Party shall not be liable to the other Party if the Party is prevented from performing its obligations hereunder due to Force Majeure. The Party rendered unable to fulfill an obligation by reason of Force Majeure shall take all action necessary to remove such inability with all due speed and diligence. The nonperforming Party shall be prompt and diligent in attempting to remove the cause of its failure to perform, and nothing herein shall be construed as permitting that Party to continue to fail to perform after that cause has been removed. Notwithstanding the foregoing, the existence of Force Majeure shall not excuse any Party from its obligations to make payment of amounts due hereunder.

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

10.4 Termination Due to Force Majeure. If a Party will be prevented from performing its material obligations under this Agreement for an estimated period of twelve (12) consecutive months or longer due to Force Majeure, then the unaffected Party may terminate this Agreement, without liability of either Party to the other (other than any liability set forth in Section 7.2.2 arising prior to such extended Force Majeure), upon thirty (30) Days' prior written notice at any time during Force Majeure.

11.0 INDEMNITY

11.1 Indemnity by the Seller. The Seller shall indemnify, defend, and hold harmless the Buyer, its elected and appointed officials, directors, officers, employees, agents, and representatives against and from any and all losses, claims, demands, liabilities and expenses, actions or suits, including reasonable costs and attorney's fees, resulting from, or arising out of or in any way connected with claims by third parties associated with (A) (i) Energy delivered at the Delivery Point; (ii) the Seller's operation and/or maintenance of the Facility; or (iii) the Seller's actions or inactions with respect to this Agreement, and (B) any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to or destruction of property belonging to the Buyer or other third party, excepting only such loss, claim, action or suit as may be caused solely by the willful misconduct or gross negligence of the Buyer, its agents, employees, directors or officers.

11.2 Indemnity by the Buyer. The Buyer shall indemnify, defend, and hold harmless the Seller, its directors, officers, employees, agents, and representatives against and from any and all losses, claims, demands, liabilities and expenses, actions or suits, including reasonable costs and attorney's fees resulting from, or arising out of or in any way connected with claims by third parties associated with acts of the Buyer, its officers, employees, agents, and representatives, relating to: (A) Energy delivered by the Seller under this Agreement after the Delivery Point, and (B) any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to or destruction of property belonging to the Seller or other third party, excepting only such loss, claim, action or suit as may be caused solely by the willful misconduct or gross negligence of the Seller, its agents, employees, directors or officers.

12.0 LIMITATION OF DAMAGES

EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS EXPRESSLY HEREIN PROVIDED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR

CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. UNLESS EXPRESSLY HEREIN PROVIDED, AND SUBJECT TO THE PROVISIONS OF SECTION 11 (INDEMNITY), IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE.

13.0 NOTICES

Notices shall, unless otherwise specified herein, be given, in writing, and may be delivered by hand delivery, United States mail, overnight courier service, facsimile or electronic messaging (e-mail) to the addresses set forth in Exhibit "PPA-F.". Whenever this Agreement requires or permits delivery of a "notice" (or requires a Party to "notify"), the Party with such right or obligation shall provide a written communication in the manner specified below. A notice sent by facsimile transmission or electronic mail will be recognized and shall be deemed received on the Business Day on which such notice was transmitted if received before 5 p.m. Pacific Time (and if received after 5 p.m., on the next Business Day) and a notice by overnight mail or courier shall be deemed to have been received two (2) Business Days after it was sent or such earlier time as is confirmed by the receiving Party unless it confirms a prior oral communication, in which case any such notice shall be deemed received on the day sent. A Party may change its addresses by providing notice of same in accordance with this provision. A Party may request a change to Exhibit "PPA-F" as necessary to keep the information current.

14.0 TERM, TERMINATION EVENT AND TERMINATION

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

14.2 Delivery Term. The Delivery Term of the Agreement is _____ years and is defined as the period of time from the Commercial Operation Date through the expiration or early termination of this Agreement.

14.3 Termination Event.

14.3.1 The Buyer shall have the right, but not the obligation, to terminate this Agreement upon the occurrence of any of the following, each of which is a "Termination Event": (a) The Facility has not achieved Commercial Operation within seventy (70) days following the Deadline; (b) After the Commercial Operation Date, the Seller has not sold or delivered Energy from the Facility to the Buyer for a period of twelve (12) consecutive months; (c) If the Facility does not obtain RPS Certification within six (6) months of the Commercial Operation Date and maintain RPS Certification as required by Section 3.2; or (d) The Seller breaches any other material obligation of this Agreement.

14.3.2 The Seller shall have the right, but not the obligation, to terminate this Agreement upon the occurrence of any of the following, each of which is a "Termination Event": (a) The Buyer fails to make a payment due and payable under this Agreement within thirty (30) days after written notice that such payment is due; or (b) The Buyer breaches any other material obligation of this Agreement. The preceding sentence notwithstanding, the Seller may terminate this Agreement without cause at any time prior to the Commercial Operation Date, subject to the provisions of Section 7 of this Agreement.

14.4 Time to Cure. None of the events described in Section 14.3.1 and 14.3.2 shall constitute a Termination Event if the Buyer or the Seller cures the event, failure, or circumstance within thirty (30) days after receipt of written notification sent by the other Party, seeking termination, or such longer period as may be necessary to cure so long as the Party subject to the Terminating Event is exercising diligent efforts to cure.

14.5 Termination.

14.5.1 Declaration of a Termination Event. If a Termination Event has occurred and is continuing, the Party with the right to terminate shall have the right to: (a) send notice, designating a day, no earlier than thirty (30) days after such notice is deemed to be received (as provided in Section 13), as an early termination date of this Agreement (the “Early Termination Date”), unless the Seller has timely communicated with the Buyer and the Parties have agreed to resolve the circumstances giving rise to the Termination Event; (b) accelerate all amounts owing between the Parties; and (c) terminate this Agreement and end the Delivery Term effective as of the Early Termination Date.

14.5.2 Release of Liability for Termination Event. Upon termination of this Agreement pursuant to this section neither Party shall be under any further obligation or subject to liability hereunder, except with respect to the indemnity provision in Section 11 hereof, which shall remain in effect for a period of 12 months following the Early Termination Date.

14.6 No Limitation on Damages. Nothing in this Agreement shall be deemed or construed to limit a Party’s right to recover damages from the other Party, except as otherwise provided in this Agreement.

15.0 **RELEASE OF DATA**

Except as may be exempt from disclosure under applicable law, the Seller authorizes the Buyer to release to any regulatory authority having jurisdiction over the Facility or a Party, or to any request made pursuant to the California Constitution or the California Public Records Act, information regarding the Facility, including the Seller’s name and location, operational characteristics, the Term of this Agreement, the Facility resource type, the scheduled Commercial Operation Date, the actual Commercial Operation Date, the Contract Capacity, payments made to the Seller and Energy production information. The Seller acknowledges that this information may be made publicly available.

16.0 **ASSIGNMENT**

Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

16.1 Upon the written request of the Seller, the Buyer will execute a “Lender Consent and Agreement” between the Seller and the Seller’s lender(s), if any, in the form acceptable to the Parties; provided, for illustration purposes only, an exemplar is attached hereto as Exhibit “PPA-G.”

16.2 Notwithstanding the foregoing, no Consent and Agreement shall be required for:

16.2.1 Any assignment or transfer of this Agreement by the Seller to an affiliate of the Seller, provided that such affiliate’s creditworthiness is equal to or better than that of Seller, as reasonably determined by the non-assigning or non-transferring Party; or

16.2.2 Any assignment or transfer of this Agreement by the Seller or the Buyer to a person succeeding to all or substantially all of the assets of such Party, provided that such person’s creditworthiness is equal to or greater than that of such Party, as reasonably determined by the non-assigning or non-transferring Party.

16.2.3 Notification of any assignment or transfer of this Agreement under Section 16.2.1 or 16.2.2 shall be given to the non-assigning or non-transferring Party in accordance with Exhibit “PPA-F.”

17.0 **APPLICABLE LAW, VENUE, ATTORNEYS’ FEES, AND INTERPRETATION**

This Agreement will be governed by and construed in accordance with the laws of the State of California. The Parties will comply with applicable laws pertaining to their obligations under this

Agreement. In the event that an action is brought, the Parties agree that trial of such action will be vested exclusively in the state courts of California or in the United States District Court for the Northern District of California in the County of Santa Clara, State of California. The prevailing party in any action brought to enforce the provisions of this Agreement may recover its reasonable costs and attorneys' fees expended in connection with that action. If a court of competent jurisdiction finds or rules that any provision of this Agreement, the Exhibits, or any amendment thereto is void or unenforceable, the unaffected provisions of this Agreement, the Exhibits, or any amendment thereto will remain in full force and effect. The Parties agree that the normal rule of construction to the effect that any ambiguity is to be resolved against the drafting party will not be employed in the interpretation of this Agreement or any Exhibit or any amendment thereof.

18.0 SEVERABILITY

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

19.0 COUNTERPARTS; INTERPRETATION OF CONFLICTING PROVISIONS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. Delivery of an executed counterpart of this Agreement by facsimile or portable document format ("PDF") transmission will be deemed as effective as delivery of an originally executed counterpart. Each Party delivering an executed counterpart of this Agreement by facsimile or PDF transmission will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this Agreement will not affect the validity or effectiveness of this Agreement. In the event of a conflict between the Agreement and any, some or all of the Exhibits, the document imposing the more specific duty or obligation will prevail.

20.0 GENERAL

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

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21. EXHIBITS

The following exhibits shall be deemed incorporated in and made a part of this Agreement.

- Exhibit "PPA-A" - Facility Description, Prices, and Reservation Deposit
- Exhibit "PPA-B" - Commercial Operation Date Confirmation Letter
- Exhibit "PPA-C" - Scheduling and Outage Notification Procedure
- Exhibit "PPA-D" - Green Attributes Reporting and Conveyance Procedures
- Exhibit "PPA-E" - Insurance Requirements
- Exhibit "PPA-F" - Notices
- Exhibit "PPA-G" - Form of Lender Consent and Agreement

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their authorized representatives as of the Effective Date.

CITY OF PALO ALTO

SELLER

APPROVED AS TO FORM

Senior Deputy City Attorney

APPROVED

City Manager

Director of Utilities

EXHIBIT "PPA-A"

Facility Description, Rates, and Reservation Deposit

Program Rates

Contract Term: [Fifteen (15), twenty (20), or twenty-five (25) years]

Contract rate: \$0.165 per kWh for solar resources, 15- or 20- or 25-year contract term (up to 3 MW solar energy resources program capacity)
 \$0.~~088-095~~ per kWh for solar resources, 15-year contract term (beyond 3 MW)
 \$0.~~089-098~~ per kWh for solar resources, 20-year contract term (beyond 3 MW)
 \$0.~~091-102~~ per kWh for solar resources, 25-year contract term (beyond 3 MW)
 \$0.~~083-094~~ per kWh for non-solar resources, 15-year contract term
 \$0.~~084-098~~ per kWh for non-solar resources, 20-year contract term
 \$0.~~085-101~~ per kWh for non-solar resources, 25-year contract term

Pre-certification rate: \$0.08 per kWh

Reservation Deposit

Reservation Deposit (\$20/kW of Contract Capacity): \$ _____

Service address: _____

Facility Description:

Contract Capacity: _____ kW (CEC-AC), based on solar array rating (Panel rated output at PV USA test conditions x inverter efficiency) or inverter rating

Facility primary fuel/technology: _____

EXHIBIT "PPA-B"

Commercial Operation Date Confirmation Letter

In accordance with the terms of the Power Purchase Agreement (Palo Alto CLEAN), dated _____ (the "Agreement") by and between the City of Palo Alto, as the Buyer, and _____, as the Seller, this Confirmation Letter serves to document the Parties' agreement that (i) the conditions precedent to the occurrence of the Commercial Operation Date have been satisfied, and (ii) the Buyer has received Energy, as specified in the Agreement, as of _____, _____. The actual installed Contract Capacity is _____ kW.

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

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

Buyer

Seller

By: _____

By: _____

Name:

Name: _____

Title: Director of Utilities

Title: _____

Date: _____

Date: _____

In recognition of the Commercial Operation Date relative to the Effective Date of the Agreement by and between the Buyer and the Seller, the Seller hereby calculates the amount to return, if any, of the Seller's deposit, as follows:

Original Reservation Deposit Amount: \$ _____

Commercial Operation Date Deadline: _____

- Commercial Operation Date is prior to Deadline
- Commercial Operation Date occurred _ _____ weeks following the Deadline, meaning that _____ % of the Reservation Deposit is relinquished by Seller per Section 7.2.2 of the Power Purchase Agreement.

Amount (if any) of Reservation Deposit to return to the Seller is: \$ _____

EXHIBIT "PPA-C"

Scheduling and Outage Notification Procedure

C.1 Applicability. This Exhibit "PPA-C" shall apply if the Facility is subject to Section 6.0 of this Agreement.

C.2 Annual Operations Forecast

C.2.1 By the tenth (10th) day September of each calendar year, the Seller will provide NCPA with an annual operations forecast detailing hourly expected generation and all proposed planned Outages for the next calendar year. The annual operations forecast for the calendar year shall be provided by not later than ninety (90) days prior to the scheduled Commercial Operation Date of the Generating Facility.

C.2.2 NCPA may request modifications to the annual operations forecast at any time, and the Seller shall use good faith efforts to accommodate the requested modifications.

C.2.3 The Seller shall not conduct Planned Outages at times other than as set forth in its annual operations forecast, unless approved in advance by NCPA, which approval shall not be withheld or delayed unreasonably.

C.2.4 The Seller shall not schedule or conduct Planned Outages from 12:00 p.m. through 7:00 p.m. Pacific Time during the months of June through October.

C.3. Short Term Operations Forecasts

C.3.1. Quarterly Operations Forecast

C.3.1.1 By the fifth (5th) day of January, April and July of each Contract Year, the Seller shall provide a calendar quarter-operations forecast by hour of expected generation and all proposed Planned Outages for the next full calendar quarter and the twelve (12) months following that calendar quarter. As an example, by January 5, 2014, the Seller would provide a calendar quarter-operations forecast by hour of expected generation for the period, April 1, 2014 through June 30, 2014, and identify all proposed Planned Outages for the period, April 1, 2014 through June 30, 2015.

C.3.1.2 NCPA will approve or require modifications to the proposed calendar quarter-operations forecast within ten (10) days of receipt of the forecast.

C.3.1.3 If required by NCPA, the Seller will provide a modified calendar quarter-operations forecast within seven (7) days after receipt of required modifications from NCPA.

C.3.2 Weekly Update

C.3.2.1 By 14:00 of each Wednesday, the Seller shall provide an electronic update, in a format specified by NCPA, to the calendar quarter-operations forecast for the following seven (7) days (Thursday through the next Wednesday).

C.3.2.2 The weekly update shall include hourly expected generation and all proposed planned Outages for the relevant seven (7) day period.

C.4 Outage Detail for Annual and Short Term Operations Forecasts. Outage information provided by the Seller shall include, at a minimum, the start time and stop time of the Outage, capacity out of service (kW), the equipment that is or will be out of service, and the reason for the Outage.

C.5 General Scheduling Protocols

C.5.1 Daily Modifications to Forecasts. Unless otherwise mutually agreed, the Seller may make changes to the weekly update to the calendar quarter-operations forecast by providing such changes to NCPA prior to 08:00 of the day that is two (2) Business Days before the active scheduling day as determined by the WECC prescheduling calendar. Example: For power that is scheduled for generation or delivery on Friday, March 29, 2014, changes must be submitted to NCPA by 08:00 on Wednesday, March 27, 2014.

C.5.2 Hourly Modifications to Active Schedules. Unless otherwise mutually agreed, the Seller may request changes to active schedules by providing such changes to NCPA with a minimum of four (4) hours' notice prior to the applicable CAISO market deadline (e.g. Hour Ahead Scheduling Process ("HASP") Scheduling deadline, as defined in the CAISO Tariff). Active day Schedule changes are not binding. Changes to active Schedules are limited to two (2) changes per day, excluding forced Outages, unless otherwise agreed to between the Parties. One request for a Schedule change, of one-hour or multiple-hours duration, constitutes one Schedule change. Example: For power that is scheduled for generation or delivery in hour ending 15:00 (for the period from 14:01 to 15:00), changes must be submitted to NCPA by 10:00.

C.5.3. Unforeseen Circumstances. At the Seller's request, NCPA may, but is not required to, modify the Schedules for the Generation Facility Output due to unforeseen circumstances in accordance with the above scheduling timeline constraints described in this Exhibit PPA-C.

C.5.4. Absence of Forecasts. In the absence of forecasts and schedules as required by this Agreement or this Exhibit, NCPA shall utilize the most current information the Seller provides in the development and submission of Schedules.

C.6 Outage Reporting Protocols

C.6.1. Notification. The Seller shall notify NCPA of all planned or forced Outages of the Generating Facility to ensure compliance with the CAISO Outage Coordination and Enforcement Protocols.

C.6.1.1 Outage information provided by the Seller shall include, at a minimum, the start time and stop time of the Outage, Capacity out of service (kW), equipment out of service, and the reason for the Outage.

C. 6.1.2 Seller shall provide the Planned Outages not included in the annual operations forecast, the calendar quarter-operations forecast, or the weekly update, to NCPA at least four (4) Business Days prior to the start of the requested outage.

C. 6.1.3 At any time prior to the start of a Planned Outage, the CAISO may deny the Outage due to a System Emergency (as defined in the CAISO Tariff) or as otherwise permitted under the CAISO Tariff. If NCPA receives notice that the CAISO has denied an Outage in accordance with the CAISO Tariff, NCPA will notify the Seller as soon as possible and the Seller shall modify the planned Outage as required by the CAISO.

C.6.2 Commencement of an Outage. The Seller shall not begin any Planned Outage without the prior approval of NCPA and the CAISO.

C.6.3 Forced Outages

C.6.3.1 The Seller shall report the Forced Outages to NCPA within twenty (20)

minutes of such Outages.

C.6.3.2 The Seller's notice of a Forced Outage sent to NCPA shall include the reason for the Outage (if known), expected duration of the Outage, and the Capacity reduction.

C.6.3.3 By the end of the next Business Day following the day on which a Forced Outage has occurred, the Seller shall provide to NCPA a detailed written report, specifying the reason for the Outage, expected duration of such Outage, capacity reduction, and actions taken to mitigate such Outage.

C.6.4 Return to Service. The Seller shall notify NCPA as soon as possible, but in any case before the Generating Facility is returned to service.

C.7 Notices. All Scheduling notices and Schedules shall be submitted to NCPA by phone, fax or email, or other means as may be mutually agreed by the Parties, to the persons designated in Exhibit "PPA-F."

C.8 Changes in Scheduling and Outage Procedure. The Buyer shall revise Exhibit "PPA-C," or, as appropriate, give written notice to the Seller regarding the revision, and issue a new Exhibit "PPA-C," which shall then become part of the Agreement to reflect changes in the scheduling and outage notification procedure.

EXHIBIT “PPA-D”**Green Attributes Reporting and Conveyance Procedures****D.1 Additional Definitions for the Conveyance of Green Attributes**

D.1.1 “Certificate Transfers” means the process, as described in the WREGIS Operating Rules, whereby a WREGIS account holder may request that WREGIS Certificates from a specific generating unit shall be directly deposited to another WREGIS account.

D.1.2 “WREGIS Certificates” means a certificate created within the WREGIS system that represents all Renewable and Green Attributes from one MWh of electricity generation from an Eligible Renewable Energy Resource that is registered with WREGIS.

D.1.3 “WREGIS Operating Rules” means the document published by WREGIS that governs the operation of the WREGIS system for registering, tracking, and conveying, among others, RECs produced from Eligible Renewable Energy Resources that shall be registered with WREGIS.

D.1.4 “WREGIS” means Western Renewable Energy Generation Information System.

D.2 RECs. Green Attributes shall be conveyed by the Seller to the Buyer through RECs, which shall be registered tracked and conveyed to the Buyer, using WREGIS.

D.3 WREGIS Registration. Prior to the Commercial Operation Date, the Buyer will register the Facility in the Buyer’s WREGIS account on behalf of the Seller. The Buyer shall charge back to the Seller any costs of registering and maintaining the registration of the Facility with WREGIS. The Seller shall provide to the Buyer any documents required by WREGIS and assign the Seller’s rights to register the Facility in WREGIS, using agreements provided by WREGIS.

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

D.5 Qualified Reporting Entity. The Buyer shall be the Qualified Reporting Entity (as such term is defined by WREGIS) for the Facility, and shall be responsible for providing the metered Output data to WREGIS.

D.6 Reporting of Environmental Attributes. In lieu of the Seller’s transfer of the WREGIS Certificates using Certificate Transfers from the Seller’s WREGIS account to the Buyer’s WREGIS account, the Buyer shall report the Facility as being held directly in its WREGIS account, which will preclude the Seller from reporting the Facility in its own WREGIS account.

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

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

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

MWh of Environmental Attributes will then be available to Buyer.

D.6.4 If a WREGIS Certificate Modification (as such term is defined by WREGIS) will be required to reflect any errors or omissions regarding the Green Attributes from the Facility, then the Buyer will manage the submission of the WREGIS Certificate Modification.

D.6.5 Due to the expected delay in the creation of WREGIS Certificates relative to the timing of invoice payments under Section 2, the Buyer will normally be making an invoice payment for the Output for a given month in accordance with Section 2 before the WREGIS Certificates for such month may be created in the Buyer's WREGIS account. Notwithstanding this delay, the Buyer shall have all right and title to all such WREGIS Certificates upon payment to the Seller in accordance with Section 2.

D.7 Changes in Green Attributes Reporting and Conveyance Procedures. The Buyer shall revise this Exhibit "PPA-D," as appropriate, give written notice to the Seller regarding the revision, and issue a new Exhibit "PPA-D," which shall then become part of this Agreement in the event that:

D.7.1 WREGIS changes the WREGIS Operating Rules (as defined by WREGIS) after the Effective Date or applies the WREGIS Operating Rules in a manner inconsistent with this Exhibit "PPA-D" after the Effective Date; or,

D.7.2 WREGIS is replaced as the primary method that the Buyer uses for conveyance of Green Attributes, or additional methods to convey all Green Attributes, are required.

EXHIBIT “PPA-E”

Insurance Requirements

CONTRACTORS TO THE CITY OF PALO ALTO (CITY), AT THEIR SOLE EXPENSE, WILL FOR THE TERM OF THE CONTRACT OBTAIN AND MAINTAIN INSURANCE IN THE AMOUNTS FOR THE COVERAGE SPECIFIED BELOW, **AFFORDED BY COMPANIES WITH A BEST’S KEY RATING OF A:VII, OR HIGHER, LICENSED OR AUTHORIZED TO TRANSACT INSURANCE BUSINESS IN THE STATE OF CALIFORNIA.**

AWARD IS CONTINGENT ON COMPLIANCE WITH CITY’S INSURANCE REQUIREMENTS, AS SPECIFIED, BELOW:

REQUIRED	TYPE OF COVERAGE	REQUIREMENT	MINIMUM LIMITS	
			EACH OCCURRENCE	AGGREGATE
YES YES	WORKER’S COMPENSATION AUTOMOBILE LIABILITY	STATUTORY STATUTORY		
YES	COMMERCIAL GENERAL LIABILITY, INCLUDING PERSONAL INJURY, BROAD FORM PROPERTY DAMAGE BLANKET CONTRACTUAL, AND FIRE LEGAL LIABILITY	BODILY INJURY	\$1,000,000	\$2,000,000
		PROPERTY DAMAGE	\$1,000,000	\$2,000,000
		BODILY INJURY & PROPERTY DAMAGE COMBINED.	\$1,000,000	\$2,000,000
YES	COMPREHENSIVE AUTOMOBILE LIABILITY, INCLUDING, OWNED, HIRED, NON-OWNED	BODILY INJURY	\$1,000,000	\$1,000,000
		- EACH PERSON	\$1,000,000	\$1,000,000
		- EACH OCCURRENCE	\$1,000,000	\$1,000,000
		PROPERTY DAMAGE	\$1,000,000	\$1,000,000
		BODILY INJURY AND PROPERTY DAMAGE, COMBINED	\$1,000,000	\$1,000,000
NO	PROFESSIONAL LIABILITY, INCLUDING, ERRORS AND OMISSIONS, MALPRACTICE (WHEN APPLICABLE), AND NEGLIGENT PERFORMANCE	ALL DAMAGES	\$1,000,000	
YES	THE CITY OF PALO ALTO IS TO BE NAMED AS AN ADDITIONAL INSURED: PROPOSER, AT ITS SOLE COST AND EXPENSE, SHALL OBTAIN AND MAINTAIN, IN FULL FORCE AND EFFECT THROUGHOUT THE ENTIRE TERM OF ANY RESULTANT AGREEMENT, THE INSURANCE COVERAGE HEREIN DESCRIBED, INSURING NOT ONLY PROPOSER AND ITS SUBCONSULTANS, IF ANY, BUT ALSO, WITH THE EXCEPTION OF WORKERS’ COMPENSATION, EMPLOYER’S LIABILITY AND PROFESSIONAL INSURANCE, NAMING AS ADDITIONAL INSURES CITY, ITS COUNCIL MEMBERS, OFFICERS, AGENTS, AND EMPLOYEES.			

- I. INSURANCE COVERAGE MUST INCLUDE:
 - A. A PROVISION FOR A WRITTEN THIRTY DAY ADVANCE NOTICE TO CITY OF CHANGE IN COVERAGE OR OF COVERAGE CANCELLATION; AND
 - B. A CONTRACTUAL LIABILITY ENDORSEMENT PROVIDING INSURANCE COVERAGE FOR CONTRACTOR’S AGREEMENT TO INDEMNIFY CITY – SEE, SAMPLE AGREEMENT FOR SERVICES.
- II. SUBMIT CERTIFICATE(S) OF INSURANCE EVIDENCING REQUIRED COVERAGE, **OR** COMPLETE THIS SECTION AND IV THROUGH V, BELOW.
 - A. NAME AND ADDRESS OF COMPANY AFFORDING COVERAGE (NOT AGENT OR BROKER):

 - B. NAME, ADDRESS, AND PHONE NUMBER OF YOUR INSURANCE AGENT/BROKER:

C. POLICY NUMBER(S):

D. DEDUCTIBLE AMOUNT(S) (DEDUCTIBLE AMOUNTS IN EXCESS OF \$5,000 REQUIRE CITY'S PRIOR APPROVAL):

III. AWARD IS CONTINGENT ON COMPLIANCE WITH CITY'S INSURANCE REQUIREMENTS, AND PROPOSER'S SUBMITTAL OF CERTIFICATES OF INSURANCE EVIDENCING COMPLIANCE WITH THE REQUIREMENTS SPECIFIED HEREIN.

IV. ENDORSEMENT PROVISIONS, WITH RESPECT TO THE INSURANCE AFFORDED TO "ADDITIONAL INSURES"

A. PRIMARY COVERAGE

WITH RESPECT TO CLAIMS ARISING OUT OF THE OPERATIONS OF THE NAMED INSURED, INSURANCE AS AFFORDED BY THIS POLICY IS PRIMARY AND IS NOT ADDITIONAL TO OR CONTRIBUTING WITH ANY OTHER INSURANCE CARRIED BY OR FOR THE BENEFIT OF THE ADDITIONAL INSURES.

B. CROSS LIABILITY

THE NAMING OF MORE THAN ONE PERSON, FIRM, OR CORPORATION AS INSURES UNDER THE POLICY SHALL NOT, FOR THAT REASON ALONE, EXTINGUISH ANY RIGHTS OF THE INSURED AGAINST ANOTHER, BUT THIS ENDORSEMENT, AND THE NAMING OF MULTIPLE INSUREDS, SHALL NOT INCREASE THE TOTAL LIABILITY OF THE COMPANY UNDER THIS POLICY.

C. NOTICE OF CANCELLATION

1. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR ANY REASON OTHER THAN THE NON-PAYMENT OF PREMIUM, THE ISSUING COMPANY SHALL PROVIDE CITY AT LEAST A THIRTY (30) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

2. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR THE NON-PAYMENT OF PREMIUM, THE ISSUING COMPANY SHALL PROVIDE CITY AT LEAST A TEN (10) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

V. PROPOSER CERTIFIES THAT PROPOSER'S INSURANCE COVERAGE MEETS THE ABOVE REQUIREMENTS:

THE INFORMATION HEREIN IS CERTIFIED CORRECT BY SIGNATURE(S) BELOW. SIGNATURE(S) MUST BE SAME SIGNATURE(S) AS APPEAR(S) ON SECTION II, ATTACHMENT A, PROPOSER'S INFORMATION FORM.

Firm: _____

Signature: _____

Name: _____
(Print or type name)

Signature: _____

Name: _____
(Print or type name)

NOTICES SHALL BE MAILED TO:

**PURCHASING AND
CONTRACT ADMINISTRATION
CITY OF PALO ALTO
P.O. BOX 10250
PALO ALTO, CA 94303.**

EXHIBIT "PPA-F"

Notices

Contract Administration

BUYER:
City of Palo Alto
Utilities Resource Management
250 Hamilton Avenue
Palo Alto, CA 94301
Ph: 650-329-2689
Email: UtilityCommoditySettlements@CityofPaloAlto.Org

SELLER:

Billing and Settlements

BUYER:
City of Palo Alto
Utilities Resource Management
250 Hamilton Avenue
Palo Alto, CA 94301
Ph: 650-329-2689
Email: UtilityCommoditySettlements@CityofPaloAlto.Org

SELLER:

Forecasting and Outage Reporting under Section 6 of this Agreement

Planned Outages:

BUYER:
Northern California Power Agency Real-
Time Dispatch
651 Commerce Drive
Roseville, CA 95678
Ph: 916-786-3518

SELLER:

Forced Outages

BUYER:
Northern California Power Agency Real-
Time Dispatch
651 Commerce Drive
Roseville, CA 95678
Ph: 916-786-3518

SELLER:

Forecasting and Scheduling

BUYER:
Northern California Power Agency
Operations and Pre-Scheduling
651 Commerce Drive
Roseville, CA 95678
Ph: 916-786-0123

SELLER:

EXHIBIT "PPA-G"**Form of Lender Consent and Agreement**

This CONSENT AND AGREEMENT (this "Consent"), dated as of _____, 20____, is entered into by and among the CITY OF PALO ALTO, a California chartered municipal corporation (the "City"), _____, a _____ corporation (the "Lender)," by its agent, _____ (the "Administrative Agent"), and _____, a _____ corporation (the "Borrower") (collectively, the "Parties"). Unless otherwise defined, all capitalized terms have the meaning given in the Contract (as hereinafter defined).

RECITALS

A. Borrower intends to develop, construct, install, test, own, operate and use an approximately MW electric generating facility located in the city of Palo Alto in the State of California, known as the Project (the "Project").

B. In order to partially finance the development, construction, installation, testing, operation and use of the Project, Borrower has entered into that certain financing agreement dated as of _____ (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Financing Agreement"), among Borrower, the financial institutions from time to time parties thereto (collectively, the "Lenders"), and Administrative Agent for the Lenders, pursuant to which, among other things, Lenders have extended commitments to make loans and other financial accommodations to, and for the benefit of, Borrower.

C. The City and Borrower have entered into that certain Power Purchase Agreement, dated as of _____ (attached hereto and incorporated herein by reference, as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and hereof, the "Power Purchase Agreement").

D. The City and Borrower have entered into that certain Interconnection Agreement, dated as of _____ (attached hereto and incorporated herein by reference, as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and hereof, the "Interconnection Agreement").

E. Pursuant to a security agreement executed by Borrower and Administrative Agent for the Lenders (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement"), Borrower has agreed, among other things, to assign, as collateral security for its obligations under the Financing Agreement and related documents (collectively, the "Financing Documents"), all of its right, title and interest in, to and under the Power Purchase Agreement and Interconnection Agreement to Administrative Agent for the benefit of itself, the Lenders and each other entity or person providing collateral security under the Financing Documents.

F. It is a requirement under the Financing Agreement that the Parties hereto execute this Consent.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the Parties agree, as follows:

1. CONSENT TO ASSIGNMENT. The City acknowledges the assignment referred to in Recital E above, consents to an assignment of the Power Purchase Agreement and Interconnection Agreement pursuant thereto, and agrees with Administrative Agent, as follows:

(a) Administrative Agent shall be entitled (but not obligated) to exercise all ri

defaults of Borrower under the Power Purchase Agreement or Interconnection Agreement, as the case may be, subject to applicable notice and cure periods provided in the Power Purchase Agreement and Interconnection Agreement. Upon receipt of notice from Administrative Agent, the City agrees to accept such exercise and cure by Administrative Agent if timely made by Administrative Agent under the Power Purchase Agreement or Interconnection Agreement, as the case may be, and this Consent. Upon receipt of Administrative Agent's written instructions and to the extent allowed by law, the City agrees to make directly to such account as Administrative Agent may direct the City, in writing, from time to time, all payments to be made by the City to Borrower under the Power Purchase Agreement or Interconnection Agreement, as the case may be, from and after the City's receipt of such instructions, and Borrower consents to any such action. The City shall not incur any liability to Borrower under the Power Purchase Agreement, Interconnection Agreement, or this Consent for directing such payments to Administrative Agent in accordance with this subsection (a).

(b) The City will not, without the prior written consent of Administrative Agent (such consent not to be unreasonably withheld), (i) cancel or terminate the Power Purchase Agreement or Interconnection Agreement, or consent to or accept any cancellation, termination or suspension thereof by Borrower, except as provided in the Power Purchase Agreement or Interconnection Agreement and in accordance with subparagraph 1(c) hereof, (ii) sell, assign or otherwise dispose (by operation of law or otherwise) of any part of its interest in the Power Purchase Agreement or Interconnection Agreement, except as provided in the Power Purchase Agreement or Interconnection Agreement, or (iii) amend or modify the Power Purchase Agreement or Interconnection Agreement in any manner materially adverse to the interest of the Lenders in the Power Purchase Agreement and Interconnection Agreement as collateral security under the Security Agreement.

(c) The City agrees to deliver duplicates or copies of all notices of default delivered by the City under or pursuant to the Power Purchase Agreement or Interconnection Agreement to Administrative Agent in accordance with the notice provisions of this Consent. The City shall deliver any such notices concurrently with delivery of the notice to Borrower under the Power Purchase Agreement or Interconnection Agreement. To the extent that a cure period is provided under the Power Purchase Agreement or Interconnection Agreement, Administrative Agent shall have the same period of time to cure the breach or default that Borrower is entitled to under the Power Purchase Agreement or Interconnection Agreement, except that if the City does not deliver the default notice to Administrative Agent concurrently with delivery of the notice to Borrower under the Power Purchase Agreement or Interconnection Agreement, then as to Administrative Agent, the applicable cure period under the Power Purchase Agreement or Interconnection Agreement shall begin on the date on which the notice is given to Administrative Agent. If possession of the Project is necessary to cure such breach or default, and Administrative Agent or its designee(s) or assignee(s) declare Borrower in default and commence foreclosure proceedings, Administrative Agent or its designee(s) or assignee(s) will be allowed a reasonable period to complete such proceedings so long as Administrative Agent or its designee(s) continue to perform any monetary obligations under the Power Purchase Agreement or Interconnection Agreement, as the case may be. The City consents to the transfer of Borrower's interest under the Power Purchase Agreement and Interconnection Agreement to the Lenders or Administrative Agent or their designee(s) or assignee(s) or any of them or a purchaser or grantee at a foreclosure sale by judicial or nonjudicial foreclosure and sale or by a conveyance by Borrower in lieu of foreclosure and agrees that upon such foreclosure, sale or conveyance, the City shall recognize the Lenders or Administrative Agent or their designee(s) or assignee(s) or any of them or other purchaser or grantee as the applicable party under the Power Purchase Agreement and Interconnection Agreement (provided that such Lenders or Administrative Agent or their designee(s) or assignee(s) or purchaser or grantee assume the obligations of Borrower under the Power Purchase Agreement and Interconnection Agreement, including, without limitation, satisfaction and compliance with all credit provisions of the Power Purchase Agreement and Interconnection Agreement, if any, and provided further that such Lenders or Administrative Agent or their designee(s) or assignee(s) or purchaser or grantee has a creditworthiness equal to or better than

Borrower, as reasonably determined by City).

(d) In the event that either the Power Purchase Agreement or Interconnection Agreement, or both is rejected by a trustee or debtor-in-possession in any bankruptcy or insolvency proceeding, and if, within forty-five (45) days after such rejection, Administrative Agent shall so request, the City will execute and deliver to Administrative Agent a new power purchase agreement or interconnection agreement, as the case may be, which power purchase agreement or interconnection agreement shall be on the same terms and conditions as the original Power Purchase Agreement or Interconnection Agreement for the remaining term of the original Power Purchase Agreement or Interconnection Agreement before giving effect to such rejection, and which shall require Administrative Agent to cure any defaults then existing under the original Power Purchase Agreement or Interconnection Agreement. Notwithstanding the foregoing, any new renewable power purchase agreement or interconnection agreement will be subject to all regulatory approvals required by law. The City will use good faith efforts to promptly obtain any necessary regulatory approvals.

(e) In the event Administrative Agent, the Lenders or their designee(s) or assignee(s) elect to perform Borrower's obligations under the Power Purchase Agreement and Interconnection Agreement, succeed to Borrower's interest under the Power Purchase Agreement and Interconnection Agreement, or enter into a new power purchase agreement or interconnection agreement as provided in subparagraph 1(d) above, the recourse of the City against Administrative Agent, Lenders or their designee(s) and assignee(s) shall be limited to such Parties' interests in the Project, and the credit support required under the Power Purchase Agreement and Interconnection Agreement, if any.

(f) In the event Administrative Agent, the Lenders or their designee(s) or assignee(s) succeed to Borrower's interest under the Power Purchase Agreement and Interconnection Agreement, Administrative Agent, the Lenders or their designee(s) or assignee(s) shall cure any then-existing payment and performance defaults under the Power Purchase Agreement or Interconnection Agreement, except any performance defaults of Borrower itself, which by their nature are not susceptible of being cured. Administrative Agent, the Lenders and their designee(s) or assignee(s) shall have the right to assign all or a pro rata interest in the Power Purchase Agreement and Interconnection Agreement to a person or entity to whom Borrower's interest in the Project is transferred, provided such transferee assumes the obligations of Borrower under the Power Purchase Agreement and Interconnection Agreement and has a creditworthiness equal to or better than Borrower, as reasonably determined by the City. Upon such assignment, Administrative Agent and the Lenders and their designee(s) or assignee(s) (including their agents and employees) shall be released from any further liability thereunder accruing from and after the date of such assignment, to the extent of the interest assigned.

2. REPRESENTATIONS AND WARRANTIES. The City hereby represents and warrants that as of the date of this Consent:

(a) It (i) is duly formed and validly existing under the laws of the State of California, and (ii) has all requisite power and authority to enter into and to perform its obligations hereunder and under the Power Purchase Agreement and Interconnection Agreement, and to carry out the terms hereof and thereof and the transactions contemplated hereby and thereby;

(b) the execution, delivery and performance of this Consent, the Power Purchase Agreement and the Interconnection Agreement have been duly authorized by all necessary action on its part and do not require any approvals, material filings with, or consents of any entity or person which have not previously been obtained or made;

(c) each of this Consent, the Power Purchase Agreement, and the Interconnection Agreement is in full force and effect;

(d) each of this Consent, the Power Purchase Agreement, and the Interconnection Agreement has been duly executed and delivered on its behalf and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as the enforceability thereof may be limited by (i) bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and (ii) general equitable principles (whether considered in a proceeding in equity or at law);

(e) there is no litigation, arbitration, investigation or other proceeding pending for which the City has received service of process or, to the City's actual knowledge, threatened against the City relating solely to this Consent, the Power Purchase Agreement, or the Interconnection Agreement and the transactions contemplated hereby and thereby;

(f) the execution, delivery and performance by it of this Consent, the Power Purchase Agreement, and the Interconnection Agreement, and the consummation of the transactions contemplated hereby, will not result in any violation of, breach of or default under any term of any material contract or material agreement to which it is a party or by which it or its property is bound, or of any material requirements of law presently in effect having applicability to it, the violation, breach or default of which could have a material adverse effect on its ability to perform its obligations under this Consent;

(g) neither the City nor, to the City's actual knowledge, any other party to the Power Purchase Agreement or Interconnection Agreement, is in default of any of its obligations thereunder; and

(h) to the City's actual knowledge, (i) no Force Majeure Event exists under, and as defined in, the Power Purchase Agreement or Interconnection Agreement and (ii) no event or condition exists which would either immediately or with the passage of any applicable grace period or giving of notice, or both, enable either the City or Borrower to terminate or suspend its obligations under the Power Purchase Agreement or the Interconnection Agreement.

Each of the representations and warranties set forth herein shall survive the execution and delivery of this Consent and the consummation of the transactions contemplated hereby.

3. NOTICES. All notices required or permitted hereunder shall be given, in writing, and shall be effective (a) upon receipt if hand delivered, (b) upon telephonic verification of receipt if sent by facsimile and (c) if otherwise delivered, upon the earlier of receipt or three (3) Business Days after being sent registered or certified mail, return receipt requested, with proper postage affixed thereto, or by private courier or delivery service with charges prepaid, and addressed as specified below:

If to the City:
[_____
[_____
[_____
Telephone No.: [_____
Facsimile No.: [_____
Attn: [_____

If to Administrative Agent:
[_____
[_____
[_____
Telephone No.: [_____
Facsimile No.: [_____
Attn: [_____

If to Borrower:
 [_____
 [_____
 [_____
 Telephone No.: [_____
 Facsimile No.: [_____
 Attn: [_____]

Any party shall have the right to change its address for notice hereunder to any other location within the United States by giving thirty (30) days written notice to the other parties in the manner set forth above.

4. ASSIGNMENT, TERMINATION, AMENDMENT. This Consent shall be binding upon and benefit the successors and assigns of the Parties hereto and their respective successors, transferees and assigns (including without limitation, any entity that refinances all or any portion of the obligations under the Financing Agreement). The City agrees (a) to confirm such continuing obligation, in writing, upon the reasonable request of (and at the expense of) Borrower, Administrative Agent, the Lenders or any of their respective successors, transferees or assigns, and (b) to cause any successor-in-interest to the City with respect to its interest in the Power Purchase Agreement or Interconnection Agreement to assume, in writing and in form and substance reasonably satisfactory to Administrative Agent, the obligations of City hereunder. Any purported assignment or transfer of the Power Purchase Agreement or Interconnection Agreement not in conjunction with the written instrument of assumption contemplated by the foregoing clause (b) shall be null and void. No termination, amendment, or variation of any provisions of this Consent shall be effective unless in writing and signed by the parties hereto. No waiver of any provisions of this Consent shall be effective unless in writing and signed by the party waiving any of its rights hereunder.

5. GOVERNING LAW. This Consent shall be governed by the laws of the State of California applicable to contracts made and to be performed in California. The federal courts or the state courts located in California shall have exclusive jurisdiction to resolve any disputes with respect to this Consent with the City, Assignor, and the Lender or Lenders irrevocably consenting to the jurisdiction thereof for any actions, suits, or proceedings arising out of or relating to this Consent.

6. COUNTERPARTS. This Consent may be executed in one or more duplicate counterparts, and when executed and delivered by all the parties listed below, shall constitute a single binding agreement.

7. SEVERABILITY. In case any provision of this Consent, or the obligations of any of the Parties hereto, shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions, or the obligations of the other Parties hereto, shall not in any way be affected or impaired thereby.

8. ACKNOWLEDGMENTS BY BORROWER. Borrower, by its execution hereof, acknowledges and agrees that neither the execution of this Consent, the performance by the City of any of the obligations of the City hereunder, the exercise of any of the rights of the City hereunder, or the acceptance by the City of performance of the Power Purchase Agreement by any party other than Borrower shall (1) release Borrower from any obligation of Borrower under the Power Purchase Agreement or Interconnection Agreement, (2) constitute a consent by the City to, or impute knowledge to the City of, any specific terms or conditions of the Financing Agreement, the Security Agreement or any of the other Financing Documents, or (3) except as expressly set forth in this Consent, constitute a waiver by the City of any of its rights under the Power Purchase Agreement or Interconnection Agreement. Borrower and Administrative Agent acknowledge hereby for the benefit of City that none of the Financing Agreement, the Security

Agreement, the Financing Documents or any other documents executed in connection therewith alter, amend, modify or impair (or purport to alter, amend, modify or impair) any provisions of the Power Purchase Agreement.

CITY OF PALO ALTO

ADMINISTRATIVE AGENT

APPROVED AS TO FORM

Senior Deputy City Attorney

BORROWER

APPROVED

City Manager

Director of Utilities