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SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTICE OF REGULAR MEETING
Board of Directors

NOTICE IS HEREBY GIVEN by the undersigned, as the Executive Director of the Southern California Public Power Authority, that a regular meeting of the Board of Directors is to be held as follows:

Thursday, April 16, 2026

10:00 AM

Southern California Public Power Authority

1160 Nicole Court

Glendora, CA 91740

Any writings or documents provided to the Board of Directors regarding any item on this agenda subsequent to distribution of the agenda packet will be made available for public inspection at SCPPA's Office set forth above, during normal business hours. Members of the public may participate in the meeting in person or via teleconferencing and may also view any documents made available during the meeting, using the following information:

Call	Meeting
Call-In Number: 888-788-0099	Zoom: Join Meeting
Meeting ID: 923 7238 1802	Meeting Materials: Access Here
Passcode: 914368	

SCPPA, upon request, will provide reasonable accommodation to the disabled to ensure equal access to its meetings. To ensure availability, such request should be made 72 hours in advance of the Meeting by contacting the Authority at (626) 793-9364 or administration@scppa.org during business hours.

The following matters are the business to be transacted and considered by the Board of Directors:

1. **NOTICE / AGENDA AND OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD**
   Members of the public may address the Board at this time on any item on today's agenda or any other item that is within the subject matter jurisdiction of the Board. Comments from members of the public shall be limited to three (3) minutes unless additional time is approved by the Board. Any member of the Board may request that items on the agenda be taken out of order, or that items be added to the agenda pursuant to the provisions of Section 54954.2(b) of the California Government Code.

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2. EXECUTIVE DIRECTOR REPORT

The Executive Director will report on the activities of the Authority since the last Board Meeting.

3. CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine and will all be enacted by one motion. There will be no separate discussion of these items prior to the time the Board votes on the motion, unless one or more Board members, staff, or a member of the public requests that specific items be discussed and/or removed for separate discussion or action.

A. Minutes of the Board of Directors Meeting

- Regular Meeting Minutes: March 19, 2026

B. Receive and File:

1. FY 2025-26 Q2 Budget-to-Actual Variance Report
2. Finance Committee Meeting Minutes: March 2, 2026
3. Monthly Investment Report: February 2026
4. SCPPA A&G Budget Comparison Report: February 2026
5. FY 2025-26 Q2 Financial Report
6. Working Group Update: April 2026
7. Magnolia Power Project Operations Report: March 2026
8. 2025 Palo Verde Decommissioning Annual Funding Status Report
9. Palo Verde Nuclear Generating Station Status Report: February 2026
10. Federal Legislative Report: March 2026

C. Resolution 2026-018

Approval of a Letter Agreement between SCPPA and GE Vernova International, LLC, to Provide for a Stator Blade Credit to SCPPA for the Magnolia Power Project; Finding such action exempt from the California Environmental Quality Act

D. Resolution 2026-019

Approve Amendment No. 5 to a Master Professional Services Agreement for Web-Based Residential Energy Efficiency Customer Engagement Platform and Marketplace Services with Brillion, Inc. to Extend the Term of the Agreement through July 22, 2026

4. GENERAL COUNSEL REPORT

Appointment of David W. Hanson, Interim General Manager of Los Angeles Department of Water & Power, as Secretary of the Authority

5. CHIEF FINANCIAL & ADMINISTRATIVE OFFICER REPORT

A. Resolution 2026-020

Authorizing: (I) the Issuance of Bonds for the Southern Transmission System Renewal Project, (II) the Execution and Delivery of (A) a Sixth Supplemental Indenture of Trust Relating to the Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, (B) a Purchase Contract Relating to Such Bonds, and (C) a Continuing Disclosure Undertaking; (III) the Delivery of a Preliminary Official Statement and the Execution and Delivery of an Official Statement; (IV) Certain Related Actions, and (V) the Officers, Executive Director, and Chief Financial and Administrative Officer of the Authority to do all Other Things Deemed Necessary or Advisable

B. Resolution 2026-021

Award and Authorize Execution of a Professional Services Agreement with Baker Tilly US, LLP for Independent Professional Auditing Services

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C. **Proposed Amendment of SCPPA Classification and Salary Schedule and Employee Benefits Policy**
Resolution 2026-022
Establishing Two New Part-Time Employment Positions, Revising the Authority's Salary Schedule, and Authorizing the Executive Director to take Specified Actions with Respect Thereto
Resolution 2026-023
Providing Certain Employment Benefits to the Employees of the Authority

6. **ASSET MANAGEMENT**
   A. **FY 2025-26 Q2 Budget-to-Actual Variance Report**

7. **PROJECT DEVELOPMENT REPORT**
   A. **Resolution 2026-024**
   Approval of a Power Purchase Agreement and an Option Agreement with Notch Peak Project, LLC for the Notch Peak Project, Power Sales Agreements with each of the City of Los Angeles, acting by and through the Los Angeles Department of Water and Power (LADWP) and the City of Glendale, and an Agency Agreement with LADWP; and finding such action exempt from the California Environmental Quality Act

8. **PROGRAM DEVELOPMENT REPORT**
   A. **Resolution 2026-025**
   Award and Authorize Execution of a Master Professional Services Agreement with Accent Gold Solutions, LLC for an Online Rebate Processing and Energy Efficiency Platform
   B. **Resolution 2026-026**
   Award and Authorize Execution of a Master Professional Services Agreement with Rock Rabbit, Inc. for an Online Rebate Processing and Energy Efficiency Platform

9. **GOVERNMENT AFFAIRS REPORT**
   The Director of Government Affairs will report on regional, state, and/or federal legislative and regulatory activities affecting Southern California public power utilities, including climate change, air quality, wildfire mitigation, renewable energy and traditional energy resources, transportation and building electrification, alternative energy supplies, resource planning, market and utility operations, and joint powers agreements.
   A. **State Regulatory Update, Including the Joint Agency Energy Working Group Meeting with Publicly Owned Electric Utilities, Updates regarding the California Air Resources Board, and the California Earthquake Authority's SB 254 Wildfire Liability Reform Report**
   B. **State Legislative Update, Including Bills Related to Utility Automation, Clean Hydrogen, and Nuclear Power, and Recently Amended Bills**

10. **BOARD MEMBER COMMENTS**
    A. **Opportunity for Board Members to bring up informational items or request that an item be added to a future Board Agenda.**

11. ADJOURNMENT

Signed by:
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Daniel E Garcia
Executive Director
Southern California Public Power Authority

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on ***March 19, 2026,*** *at Southern California Public Power Authority*, 1160 Nicole Court, Glendora, CA 91740 and via teleconference from:

The meeting was called to order at **10:00 AM** by the Board President, Mandip Samra. Daniel Garcia, Executive Director, went through the emergency safety protocols for the in-person meeting participants. Ms. Samra went through the web conference protocol. Salpi Ortiz took attendance.

The following Board Members (B) or Alternates (A) were present:

Anaheim: Dukku Lee (B)
Azusa: Tikan Singh (B)
Banning: Fred Lyn (B)
Burbank: Mandip Samra (B)
Cerritos: Alvin Papa (A)
Colton: Charles Berry (B)
Glendale: Scott Mellon (B)
LADWP: Ashkan Nassiri (A)
IID: Sabrina Barber (A)
Pasadena: Kelly Nguyen (A)
Riverside: Scott Lesch (A)
Vernon: Todd Dusenberry (B)

1. **NOTICE/AGENDA AND OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD**
   Ms. Samra noted that the meeting was noticed and posted as required under the Brown Act. She invited public comment on any items on the agenda. There were no public comments.

2. **EXECUTIVE DIRECTOR REPORT**
   Mr. Garcia provided a recap of the annual SCPPA Working Group Open House, noting that approximately 90 member staff attended. The event was successful, offering working groups an opportunity to network and connect with one another. Mr. Garcia also thanked Board President Ms. Samra for her opening remarks and for attending and engaging with the membership.
3. **CONSENT CALENDAR**
   A. Minutes of the Board of Directors Meeting
   - Regular Meeting Minutes: March 19, 2026

   B. Receive and File:
   1. Finance Committee Meeting Minutes: February 2, 2026
   2. Monthly Investment Report: January 2026

3. SCPPA A&G Budget Comparison Report: January 2026
4. CY 2025 Q4 Renewables Operating Report
5. Working Group Update: March 2026
6. Magnolia Power Project Operations Report: February 2026
7. Palo Verde Nuclear Generating Station Status Report: January 2026
8. Federal Legislative Report: February 2026

C. Resolution 2026-013
Amendment No. 1 to Snowcat Agreement with Benton Rural Electric Association for Operation and Maintenance of the Tieton Hydro Project to extend the term through 2035 and increase annual payments to $8,000

D. Resolution 2026-014
Amendment No. 1 to Legal Services Agreement with Cameron-Daniel P.C. to assign the Agreement to Griffiths, P.C.

E. Resolution 2026-015
Amendment No. 4 to Master Professional Services Agreement for Web-Based Residential Energy Efficiency Customer Engagement Platform and Marketplace Services with Brillion, Inc. to Extend the Term of the Agreement for One Month

Moved by: Sabrina Barber, *Imperial Irrigation District*
Seconded: Tikan Singh, *Azusa Light & Water*

Ms. Ortiz took a Roll Call vote:

	Yes	***No***	***Present, Not Voting***	***Absent***
Anaheim	***X***			
Azusa	***X***			
Banning	***X***			
Burbank	***X***			
Cerritos	***X***			
Colton	***X***			
Glendale				***X***
IID	***X***			
LADWP	***X***			
Pasadena	***X***			
Riverside	***X***			
Vernon	***X***			

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4. GENERAL COUNSEL REPORT

A. Fair Political Practices Commission Statement of Electronic Interests Form 700 Requirements

Christine Godinez, General Counsel presented the Fair Political Practices Commission Statement of Electronic Interests Form 700 Requirements and answered questions from the Board of Directors regarding filing.

5. CHIEF FINANCIAL & ADMINISTRATIVE OFFICER REPORT

A. Clean Energy II Project Revenue Bonds, Series 2026

1. Resolution 2026-016

Establishing the Clean Energy II Project and Authorizing the Officers of the Authority to do all things deemed necessary or appropriate

Aileen Ma, Chief Financial Officer, presented Resolution 2026-016 for consideration and approval.

Moved by: Kelly Nguyen, *Pasadena Water & Power*
Seconded: Todd Dusenberry, *Vernon Public Utilities*

Ms. Ortiz took a Roll Call vote:

	Yes	***No***	***Present, Not Voting***	***Absent***
Anaheim	***X***			
Azusa	***X***			
Banning	***X***			
Burbank	***X***			
Cerritos	***X***			
Colton	***X***			
Glendale	***X***			
IID	***X***			
LADWP	***X***			
Pasadena	***X***			
Riverside	***X***			
Vernon	***X***			

2. **Resolution 2026-017**

Authorizing: (I) the Execution and Delivery of (A) a Trust Indenture Authorizing the Issuance of Clean Energy II Project Revenue Bonds, Series 2026; (B) a Bond Purchase Contract, (C) a Master Power Supply Agreement, (D) Four Clean Energy Purchase Contracts, (E) a Re-Pricing Agreement, (F) Various Limited Assignment Agreements, (G) an SPE Master Custodial Agreement, (H) a Commodity Swap Agreement, (I) a Commodity Swap Agreement, (J) one or More Interest Rate Swap Agreements; (K) a Continuing Disclosure Undertaking, (L) A Financial Guaranty Agreement, (M) Investment Agreements and Guaranteed Investment Contracts and (N) a Project Coordination and Governance Agreement; (II) the Delivery of a Preliminary Official Statement and the Execution and Delivery of an Official Statement; and (III) the Officers of the Authority to do all other things deemed Necessary or Advisable

Aileen Ma, Chief Financial Officer, presented Resolution 2026-017 for consideration and approval and responded to questions from Board Members.

Moved by: Todd Dusenberry, *Vernon Public Utilities*
Seconded: Kelly Nguyen, *Pasadena Water & Power*

Ms. Ortiz took a Roll Call vote (Project Vote of the Clean Energy II Project and the following underlying Projects participating in the prepay transaction: Antelope Big Sky Ranch Solar Project; Antelope DSR I Solar Project; Astoria 2 Solar Project; Casa Diablo IV Geothermal Project; Columbia Two Solar Project; Copper Mountain Solar 3 Project; Daggett Solar Power 2 Project; Desert Harvest II Solar Project; Don A. Campbell I Geothermal Project; Kingbird Solar B Project; and Summer Solar Project):

	Yes	***No***	***Present, Not Voting***	***Absent***
Anaheim	***X***			
Azusa	***X***			
Banning	***X***			
Burbank	***X***			
Cerritos	***X***			
Colton	***X***			
Glendale	***X***			
IID	***X***			

LADWP	***X***			
Pasadena	***X***			
Riverside	***X***			
Vernon	***X***			

6. PROJECT DEVELOPMENT REPORT

A. Update regarding SCPPA's 2025 Renewable Energy Resource and Energy Storage Project Procurements

Randy Krager, Project Development Report presented an update regarding SCPPA's 2025 Renewable Energy Resource and Energy Storage Project Procurements and current market factors and risks affecting procurement and responded to questions and comments from the Board Members.

7. GOVERNMENT AFFAIRS REPORT

A. State Regulatory Update, Including Cap-and-Invest and Advanced Clean Fleets

Elisabeth de Jong, Government Affairs Manager, presented a state regulatory update including Cap-and-Invest and Advanced Clean Fleets.

B. State Legislative Update, Including Cap-and-Invest and Bills Introduced by February 20th Deadline

Mario de Bernardo, Government Affairs Director, and Natalie Seitzman, Government Affairs Manager, presented a state legislative update, including Cap-and-Invest and bills introduced by February 20th deadline.

C. Federal Rally Recap

Mr. De Bernardo provided a recap on the APPA Federal Rally.

7. BOARD MEMBER COMMENTS

A. Opportunity for Board Members to bring up informational items or request that an item be added to a future Board Agenda.

Fred Lyn, Board Member for City of Banning, thanked Pasadena Water & Power for assisting through mutual aid. Ashkan Nassiri, Assistant Board Member for LADWP, shared information on project risk and development from the Solar + Wind Finance & Investment Summit in Phoenix, Arizona and encouraged SCPPA Members to consider attending the conference which typically occurs each spring.

8. ADJOURNMENT

The meeting was adjourned at 11:44 a.m.

Respectfully Submitted,

_____

Daniel E Garcia
Executive Director

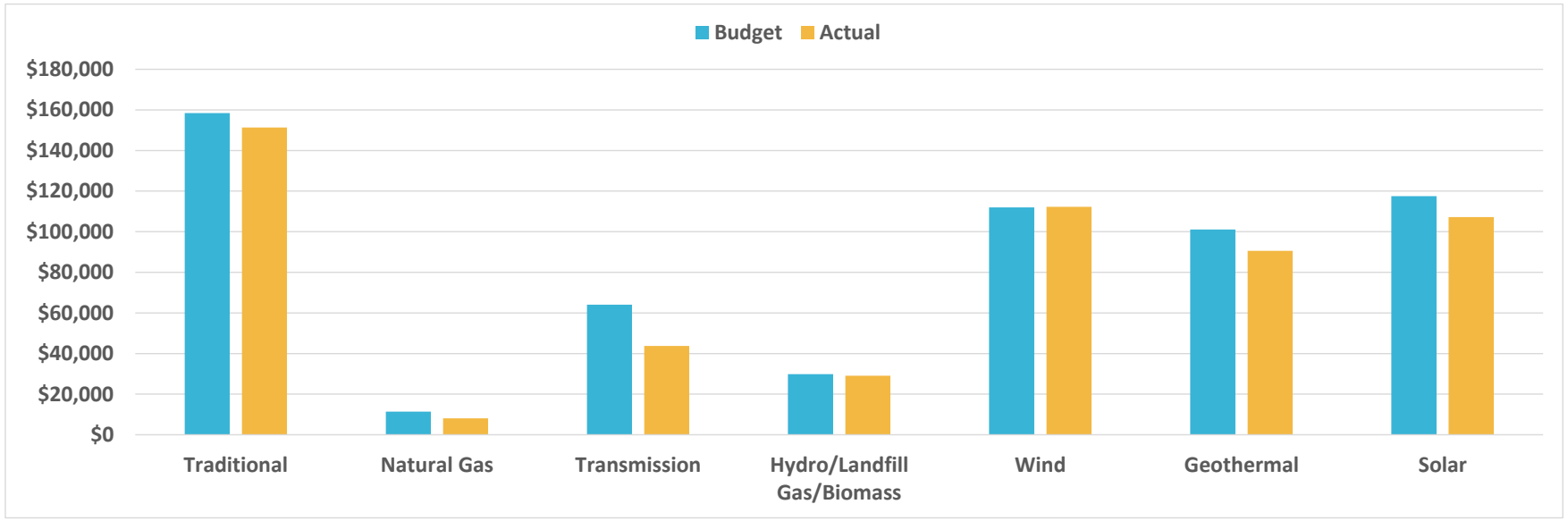
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SCPPA Quarterly Budget Comparisons

Quarter Ending December 31, 2025

($000s)

Project Type	Budget	Actual	Under / (Over) Budget	% Variance	$/MWh Budget	$/MWh Actual
Traditional	$ 158,452	$ 151,369	$ 7,082	4%	$ 56.60	$ 65.29
Natural Gas	$ 11,396	$ 8,079	$ 3,317	29%	NA	NA
Transmission	$ 64,062	$ 43,759	$ 20,303	32%	NA	NA
Hydro/Landfill Gas/Biomass	$ 29,844	$ 29,064	$ 780	3%	$ 81.62	$ 78.00
Wind	$ 111,948	$ 112,253	$ (305)	0%	$ 87.75	$ 85.45
Geothermal	$ 101,098	$ 90,566	$ 10,532	10%	$ 82.07	$ 75.12
Solar	$ 117,490	$ 107,232	$ 10,258	9%	$ 74.13	$ 69.56
Total	**$ 594,290**	**$ 542,323**	**$ 51,967**	**9%**		



SCPPA Quarterly Budget Comparisons

Quarter Ending December 31, 2025

Traditional Projects

Apex Combined Cycle	($000s)	Direct Admin & General	Indirect Admin & General	O&M	Capital Improvements	Fuel & Holdback Release Capital	Transmission	Insurance	Net Debt Service	Taxes	Total Cost	MWHs Delivered	$/MWh
	YTD Budget	$ 138	$ 72	$ 11,766	$ 3,600	$ 24,222	$ 9,768	$ 234	$ 10,986	$ 624	$ 61,410	1,041,898	$ 58.94
	YTD Actual	$ 118	$ 78	$ 8,332	$ 3,213	$ 24,222	$ 10,278	$ 209	$ 10,995	$ 625	$ 58,069	672,330	$ 86.37
	Variance	$ 20	$ (6)	$ 3,434	$ 387	$ -	$ (510)	$ 25	$ (9)	$ (1)	**$ 3,341**	369,568	$ (27)
	% Variance	15%	-8%	29%	11%	0%	-5%	11%	0%	0%	**5%**	35%	-47%

Canyon Power	($000s)	Direct Admin & General	Indirect Admin & General	O&M*	Capital Expenses	Non-Operating Income	Variable Fuel	Insurance	Net Debt Service	Taxes	Total Cost	MWHs Delivered	$/MWh
	YTD Budget	$ 108	$ 102	$ 5,766	$ -	$ -	$ 437	$ -	$ 9,426	$ -	$ 15,839	51,291	$ 308.81
	YTD Actual	$ 105	$ 107	$ 2,308	$ -	$ -	$ 437	$ -	$ 8,818	$ -	$ 11,774	9,486	$ 1,241.23
	Variance	$ 3	$ (5)	$ 3,458	$ -	$ -	$ -	$ -	$ 608	$ -	**$ 4,065**	41,805	$ (932)
	% Variance	3%	-5%	60%			0%		6%		**26%**	82%	-302%

Palo Verde	($000s)	Direct Admin & General	Indirect Admin & General	O&M	Renewal & Replacements	APS Admin & General	Other Income	Insurance & Neil Reinbursement	Net Investment Income	Taxes	Minimum Cost	MWHs Delivered	
	YTD Budget	$ 150	$ 306	$ 19,362	$ 10,026	$ 3,690	$ -	$ 120	$ (786)	$ 1,248	$ 34,116	966,484	
	YTD Actual	$ 303	$ 324	$ 18,349	$ 12,644	$ 6,177	$ (909)	$ 166	$ (730)	$ 1,316	$ 37,640	914,809	
	Variance	$ (153)	$ (18)	$ 1,013	$ (2,618)	$ (2,487)	$ 909	$ (46)	$ (56)	$ (68)	$ (3,524)	51,675	
	% Variance	-102%	-6%	5%	-26%	-67%		-38%	7%	-5%	**-10%**	5%	
	($000s)	Nuclear Fuel	Payments to SRP for Transmission		PV Switchyard O&M,Taxes	Debt Service ANPP Trans. Sys	Debt Service PV Swyd.				Variable Costs	Total Costs	$/MWh
	YTD Budget	$ 5,783	$ 222		$ 72	$ (12)	$ (1)				$ 6,064	$ 40,180	$ 41.57
	YTD Actual	$ 4,905	$ -		$ 91	-	-				$ 4,997	$ 42,637	$ 46.61
	Variance	$ 878	$ 222	$ -	$ (19)	$ (12)	$ (1)				$ 1,068	**$ (2,457)**	$ (5)
	% Variance	15%		100%	-26%	100%	100%				**18%**	**-6%**	-12%

Magnolia	($000s)	Direct Admin & General	Indirect Admin & General	O&M	Combined Capital Improvements	Major Maintenance	Fuel Transportation & Common Costs	Project A Net Debt Service	Project B Net Debt Service	Fuel	Total Cost	MWHs Delivered	$/MWh
	YTD Budget	$ 186	$ 396	$ 13,926	$ 90	$ 8,802	$ 4,116	$ 9,342	$ 372	$ 3,493	$ 40,723	740,046	$ 55.03
	YTD Actual	$ 234	$ 425	$ 13,212	$ 3	$ 8,802	$ 3,566	$ 8,557	$ 337	3,493	$ 38,628	721,849	$ 53.51
	Variance	$ (48)	$ (29)	$ 714	$ 87	$ -	$ 550	$ 785	$ 35	$ (0)	**$ 2,095**	18,197	$ 2
	% Variance	-26%	-7%	5%	97%	0%	13%	8%	9%	0%	**5%**	2%	3%

San Juan	($000s)	Direct Admin & General	Indirect Admin & General	PNM A&G	Reclamation Trust Contribution	Decommisisoning Trust Contribution	Property Taxes	Insurance	Net Debt Service	Reclamation Study	Total Cost	MWHs Delivered	
	YTD Budget	$ 18	$ 6	$ -	$ 276	$ -	$ -	$ -	$ -	$ -	$ 300	-	
	YTD Actual	$ 18	$ 6	$ -	$ 276	$ -	$ -	$ -	$ (39)	$ -	$ 261	-	
	Variance	$ 0	$ 0	$ -	$ -	$ -	$ -	$ -	$ 39	$ -	**$ 39**	-	
	% Variance	1%	7%		0%						**13%**		

SCPPA Quarterly Budget Comparisons

Quarter Ending December 31, 2025

Natural Gas Projects

Barnett	($000s)	Direct Admin & General	Indirect Admin & General	O&M	Pasadena Capital (Drilling & Completion)	Net Royalty Gas Tax Income	Investment Income	Cost of Gas	Net Debt Service	Taxes	Total Cost	MMBTUs Delivered	$/MMBtu
	YTD Budget	$ 120	$ 24	$ 384	$ 6	$ -	$ -	$ -	$ 1,740	$ -	2274.00		
	YTD Actual	$ 61	$ 16	$ 351	$ 9	$ -	$ -	$ (26)	$ 1,732	$ -	2143.18	146,265	$ 14.65
	Variance	$ 59	$ 8	$ 33	$ (3)	$ -	$ -	$ 26	$ 8	$ -	**130.82**		
	% Variance	49%	35%	8%	-48%				0%		**0.06**		

Pinedale	($000s)	Direct Admin & General	Indirect Admin & General	O&M	Capital Improvements	Net Royalty Gas Tax Income	Net Oil Income	Cost of Gas	Net Debt Service	Taxes	Total Cost	MMBTUs Delivered	$/MMBtu
	YTD Budget	$ 138	$ 6	$ 1,536	$ 30	$ 186	$ (444)	$ -	$ 732	$ 474	2658.00		
	YTD Actual	$ 108	$ 11	$ 1,274	$ 38	$ (2,440)	$ (247)	$ 2,373	$ 742	$ 328	2186.60	768,081	$ 2.85
	Variance	$ 30	$ (5)	$ 262	$ (8)	$ 2,626	$ (197)	$ (2,373)	$ (10)	$ 146	**471.40**		
	% Variance	22%	-88%	17%	-27%	1412%	44%		-1%	31%	**0.18**		

Prepay		Direct Admin & General	Indirect Admin & General	O&M	Capital Improvements	Net Royalty Gas Tax Income	Net Oil Income	Cost of Gas	Net Debt Service	Taxes	Total Cost	MMBTUs Delivered	$/MMBtu
	YTD Budget	$ 48	$ 102	$ -	$ -	$ -	$ -	$ 9,012	$ -	$ -	9162.00	1,688,415	
	YTD Billed	$ 48	$ 102	$ -	$ -	$ -	$ -	$ 6,314	$ -	$ -	6464.03		
	YTD Actual	$ 151	$ 109	$ -	$ -	$ -	$ -	$ 3,489	$ -	$ -	3749.34	1,997,609	$ 1.88
	Variance	$ (103)	$ (7)	$ -	$ -	$ -	$ -	$ 2,825	$ -	$ -	**2714.68**	309,195	
	% Variance	-215%	-7%					45%			**0.42**		

SCPPA Quarterly Budget Comparisons

Quarter Ending December 31, 2025

Transmission Projects

Southern Transmission System	($000s)	Direct Admin & General	Indirect Admin & General	IPA Billings	Non-Operating Income	STS Renewal Billing	Capital Improvements	Net Debt Service	Taxes	Total Cost
	YTD Budget	$ 138	$ 288	$ 39,570	$ -	$ 90	$ -	$ 16,074	$ -	$ 56,160
	YTD Actual	$ 127	$ 305	$ 22,173	$ (1)	$ (27)	$ -	$ 15,720	$ -	$ 38,297
	Variance	$ 11	$ (17)	$ 17,397	$ 1	$ 117	$ -	$ 354	$ -	**$ 17,863**
	% Variance	8%	-6%	44%		130%		2%		**32%**
Mead- Adelanto	($000s)	Direct Admin & General	Indirect Admin & General	O&M A	Insurance Reimbursement	Non-Operating Income	Capital Improvements	Net Debt Service	Taxes	Total Cost
	YTD Budget	$ 66	$ 24	$ 1,518	$ -	$ -	$ 414	$ (24)	$ 78	$ 2,076
	YTD Actual	$ 60	$ 18	$ 1,583	$ -	$ -	$ 182	$ (55)	$ 70	$ 1,858
	Variance	$ 6	$ 6	$ (65)	$ -	$ -	$ 232	$ 31	$ 8	**$ 218**
	% Variance	9%	25%	-4%			56%	-127%	11%	**10%**
Mead- Adelando (LADWP)	($000s)	Direct Admin & General	Indirect Admin & General	O&M A	Working Capital	Non-Operating Income	Capital Improvements	Net Debt Service	Taxes	Total Cost
	YTD Budget	$ 30	$ 6	$ 390	$ -	$ -	$ 108	$ 1,356	$ 30	$ 1,920
	YTD Actual	$ 19	$ 4	$ 408	$ -	$ -	$ 47	$ 1,327	$ 28	$ 1,833
	Variance	$ 11	$ 2	$ (18)	$ -	$ -	$ 61	$ 29	$ 2	**$ 87**
	% Variance	36%	33%	-5%			57%	2%	6%	**5%**
Mead-Phoenix	($000s)	Direct Admin & General	Indirect Admin & General	O&M A	O&M B	O&M C	Capital Improvements	Debt Service	Taxes	Total Cost
	YTD Budget	$ 30	$ 18	$ 294	$ 102	$ 222	$ 1,284	$ (24)	$ 78	$ 2,004
	YTD Actual	$ 26	$ 8	$ 122	$ 35	$ 153	$ 67	$ (27)	$ 62	$ 445
	Variance	$ 4	$ 10	$ 172	$ 67	$ 69	$ 1,217	$ 3	$ 16	**$ 1,559**
	% Variance	12%	57%	59%	66%	31%	95%	-13%	21%	**78%**
Mead-Phoenix (LADWP)	($000s)	Direct Admin & General	Indirect Admin & General	O&M A	Working Capital	O&M C	Capital Improvements	Net Debt Service	Taxes	Total Cost
	YTD Budget	$ 30	$ 6	$ 186	$ -	$ 72	$ 432	$ 1,098	$ 78	$ 1,902
	YTD Actual	$ 17	$ 4	$ 77	$ -	$ 55	$ 27	$ 1,078	$ 67	$ 1,325
	Variance	$ 13	$ 2	$ 109	$ -	$ 17	$ 405	$ 20	$ 11	**$ 577**
	% Variance	42%	33%	59%		23%	94%	2%	14%	**30%**

SCPPA Quarterly Budget Comparisons

Quarter Ending December 31, 2025

Hydro/Landfill Gas/Biomass Projects

	($000s)	Direct Admin & General	Indirect Admin & General	Capital & Operating Expense	PPA Payments	BWP Project Manager	Non-Operating Income	Net Debt Service	Total Cost	MWHs Delivered	$/MWh
Tieton	YTD Budget	$ 114	$ 24	$ 1,290	$ -	$ 114	$ -	$ 1,224	$ 2,766	21,348	$ 129.57
	YTD Actual	$ 80	$ 28	$ 754	$ -	$ 344	$ (3)	$ 1,148	$ 2,351	33,546	$ 70.09
	Variance	$ 34	$ (4)	$ 536	$ -	$ (230)	$ 3	$ 76	**$ 415**	$ (12,198)	$ 59
	% Variance	29%	-15%	42%		-202%		6%	**15%**	-57%	46%
	($000s)	Direct Admin & General	Indirect Admin & General	Capital & Operating Expense	PPA Payments	Scheduling Fees	ISO Charges	Interest Received	Total Cost	MWHs Delivered	$/MWh
Chiquita Canyon	YTD Budget	$ 12	$ -	$ -	$ -	$ -	$ -	$ -	$ 12	-	
	YTD Actual	$ 10	$ 0	$ -	$ -	$ -	$ -	$ (2)	$ 9	-	
	Variance	$ 2	$ (0)	$ -	$ -	$ -	$ -	$ 2	**$ 3**	$ -	
	% Variance	15%							**27%**		
	($000s)	Direct Admin & General	Indirect Admin & General	Capital & Operating Expense	PPA Payments	Scheduling Fees	ISO Charges	Interest Received	Total Cost	MWHs Delivered	$/MWh
Puente Hills	YTD Budget	$ 12	$ 114	$ -	$ 5,838	$ -	$ -	$ -	$ 5,964	73,000	$ 81.70
	YTD Actual	$ 10	$ 123	$ -	$ 5,785	$ -	$ -	$ (6)	$ 5,913	72,318	$ 81.76
	Variance	$ 2	$ (9)	$ -	$ 53	$ -	$ -	$ 6	**$ 51**	$ 682	$ (0)
	% Variance	17%	-8%		1%				**1%**	1%	0%
	($000s)	Direct Admin & General	Indirect Admin & General	Capital & Operating Expense	PPA Payments	Scheduling Fees	Net Cost Recovery	Interest Received	Total Cost	MWHs Delivered	$/MWh
Roseburg	YTD Budget	$ 36	$ 12	$ -	$ 666	$ -	$ -	$ -	$ 714	14,430	$ 49.48
	YTD Actual	$ 15	$ 3	$ -	$ 428	$ -	$ -	$ (4)	$ 442	9,915	$ 44.56
	Variance	$ 21	$ 9	$ -	$ 238	$ -	$ -	$ 4	**$ 272**	$ 4,515	$ 5
	% Variance	59%	74%		36%				**38%**	31%	10%
	($000s)	Direct Admin & General	Indirect Admin & General	Working Capital	PPA Payments	Scheduling Fees	Net Cost Recovery	Interest Received	Total Cost	MWHs Delivered	$/MWh
Clean Energy	YTD Budget	$ 36	$ -	$ -	$ 20,352	$ -	$ -	$ -	$ 20,388	256,858	$ 79.38
	YTD Actual	$ 38	$ 0	$ -	$ 20,352	$ -	$ -	$ (41)	$ 20,349	256,858	$ 79.22
	Variance	$ (2)	$ (0)	$ -	$ -	$ -	$ -	$ 41	**$ 39**	$ -	$ 0
	% Variance	-6%			0%				**0%**	0%	0%

SCPPA Quarterly Budget Comparisons

Quarter Ending December 31, 2025

Wind Projects

	($000s)	Direct Admin & General	Indirect Admin & General	Project Manager	O&M	Transmisson/ Exchange	BPA Wind Integration	BPA Generation Imbalance Charge	Lease Expense	Insurance	Net Debt Service	Property Tax	Total Cost	MWHs Delivered	$/MWh
Linden	**YTD Budget**	$ 72	$ 24	$ 90	$ 2,214	$ 3,276	$ 228	$ -	$ 276	$ 60	$ 4,902	$ 150	$ 11,292	56,437	$ 200.08
	YTD Actual	$ 93	$ 24	$ 83	$ 2,358	$ 2,370	$ 209	$ (154)	$ 326	$ 86	$ 4,902	$ 137	$ 10,434	55,771	$ 187.08
	Variance	$ (21)	$ 0	$ 7	$ (144)	$ 906	$ 19	$ 154	$ (50)	$ (26)	$ -	$ 13	**$ 858**	666	$ 13
	% Variance	-30%	2%	7%	-6%	28%	8%		-18%	-43%	0%	9%	**8%**	1%	6%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**Excess Energy**	**O&M**	**Transmisson/ Exchange**	**BPA Wind Integration**	**LADWP Project Manager**	**Environmental Attributes**	**Property Tax & Insurance**	**Net Debt Service (On Prepay)**	**Non-Operating Income**	**Total Cost**	**MWHs Delivered**	**$/MWh**
Milford I	**YTD Budget**	$ 66	$ 36	$ 726	$ -	$ -	$ -	$ 18	$ 2,946	$ 1,398	$ 7,200	$ -	$ 12,390	178,626	$ 69.36
	YTD Actual	$ 71	$ 35	$ 5,043	$ -	$ -	$ -	$ 20	$ 3,421	$ 1,150	$ 7,197	$ -	$ 16,938	209,260	$ 80.94
	Variance	$ (5)	$ 1	$ (4,317)	$ -	$ -	$ -	$ (2)	$ (475)	$ 248	$ 3	$ -	**$ (4,548)**	(30,634)	$ (12)
	% Variance	-8%	2%	-595%				-11%	-16%	18%	0%		**-37%**	-17%	-17%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**Excess Energy**	**O&M**	**Transmisson/ Exchange**	**BPA Wind Integration**	**LADWP Project Manager**	**Environmental Attributes**	**Taxes/ Insurance**	**Net Debt Service (On Prepay)**	**Property Tax**	**Total Cost**	**MWHs Delivered**	**$/MWh**
Milford II	**YTD Budget**	$ 66	$ 18	$ -	$ -	$ -	$ -	$ 18	$ 1,890	$ 750	$ 5,016	$ -	$ 7,758	84,992	$ 91.28
	YTD Actual	$ 67	$ 16	$ -	$ -	$ -	$ -	$ 16	$ 2,162	$ 691	$ 4,959	$ -	$ 7,910	97,003	$ 81.55
	Variance	$ (1)	$ 2	$ -	$ -	$ -	$ -	$ 2	$ (272)	$ 59	$ 57	$ -	**$ (152)**	(12,012)	$ 10
	% Variance	-1%	10%					11%	-14%	8%	1%		**-2%**	-14%	11%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**PPA Payments**	**LADWP Project Manager**	**Transmisson/ Exchange**	**Avangrid Wind Integration**	**Transmission &Generation Imbalance Charge**	**Environmental Attributes**	**Reserves**	**Interest Received**	**Property Tax**	**Total Cost**	**MWHs Delivered**	**$/MWh**
Pebble Springs	**YTD Budget**	$ 24	$ 60	$ 7,350	$ 30	$ 4,404	$ 708	$ 786	$ -	$ -	$ -	$ -	$ 13,362	99,429	$ 134.39
	YTD Actual	$ 26	$ 64	$ 6,930	$ 11	$ 3,179	$ 707	$ 884	$ -	$ -	$ (74)	$ -	$ 11,729	93,164	$ 125.89
	Variance	$ (2)	$ (4)	$ 420	$ 19	$ 1,225	$ 1	$ (98)	$ -	$ -	$ 74	$ -	**$ 1,633**	6,265	$ 8
	% Variance	-10%	-7%	6%	63%	28%	0%	-12%					**12%**	6%	6%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**PPA Payments**	**LADWP Project Manager**	**Transmisson/ Exchange**	**Test Energy**	**Transmission & Generation Imbalance Charge**	**Environmental Attributes**	**Reserves**	**Interest Received**	**Property Tax**	**Total Cost**	**MWHs Delivered**	**$/MWh**
Red Cloud	**YTD Budget**	$ 24	$ 42	$ 22,398	$ 18	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,482	546,341	$ 41.15
	YTD Actual	$ 24	$ 47	$ 22,711	$ 10	$ -	$ -	$ -	$ -	$ -	$ (85)	$ -	$ 22,706	541,536	$ 41.93
	Variance	$ 0	$ (5)	$ (313)	$ 8	$ -	$ -	$ -	$ -	$ -	$ 85	$ -	**$ (224)**	4,805	$ (1)
	% Variance	1%	-12%	-1%	43%								**-1%**	1%	-2%
	($000s)	**Direct Admin & General**	**Indirect Admin & General**	**Excess Energy**	**O&M**	**Transmisson/ Exchange**	**BPA Wind Integration**	**BPA Generation Imbalance Charge**	**Environmental Attributes**	**Project Manager**	**Net Debt Service**	**Non-Operating Income**	**Total Cost**	**MWHs Delivered**	**$/MWh**
Windy Flats	**YTD Budget**	$ 66	$ 90	$ 1,074	$ 8,826	$ 13,836	$ 4,590	$ -	$ 1,860	$ 42	$ 14,280	$ -	$ 44,664	309,909	$ 144.12
	YTD Actual	$ 75	$ 93	$ 2,025	$ 8,803	$ 10,582	$ 5,091	$ -	$ 1,911	$ 11	$ 13,944	$ -	$ 42,536	316,990	$ 134.19
	Variance	$ (9)	$ (3)	$ (951)	$ 23	$ 3,254	$ (501)	$ -	$ (51)	$ 31	$ 336	$ -	**$ 2,128**	(7,082)	$ 10
	% Variance	-14%	-4%	-89%	0%	24%	-11%		-3%	73%	2%		**5%**	-2%	7%

SCPPA Quarterly Budget Comparisons

Quarter Ending December 31, 2025

Geothermal Projects

	($000s)	Direct Admin & General	Indirect Admin & General	Excess Energy	Working Capital	PPA Payments	Interest Received	Total Cost	MWHs Delivered	$/MWh
Mammoth Casa Diablo IV	YTD Budget	$ 12	$ 66	$ -	$ -	$ 4,452	$ -	$ 4,530	$ 69,733	$ 64.96
	YTD Actual	$ 12	$ 70	$ -	$ -	$ 4,194	$ (6)	$ 4,270	66,002	$ 64.70
	Variance	$ (0)	$ (4)	$ -	$ -	$ 258	$ 6	**$ 260**	3,731	$ 0
	% Variance	-1%	-7%			6%		**6%**	5%	0%

	($000s)	Direct Admin & General	Indirect Admin & General	Excess Energy	Working Capital	PPA Payments	Interest Received	Total Cost	MWHs Delivered	$/MWh
Coso	YTD Budget	$ 12	$ 90	$ -	$ -	$ 5,190	$ -	$ 5,292	75,186	$ 70.39
	YTD Actual	$ 11	$ 97	$ -	$ -	$ 4,757	$ (8)	$ 4,857	69,482	$ 69.91
	Variance	$ 1	$ (7)	$ -	$ -	$ 433	$ 8	**$ 435**	5,704	$ 0
	% Variance	8%	-8%			8%		**8%**	8%	1%

	($000s)	Direct Admin & General	Indirect Admin & General	LADWP Project Manager	Non-Operating Income (PEC Sale)	PPA Payments	Interest Received	Total Cost	MWHs Delivered	$/MWh
DAC I	YTD Budget	$ 18	$ 18	$ 18	$ -	$ 5,562	$ -	$ 5,616	$ 56,200	$ 99.93
	YTD Actual	$ 24	$ 17	$ 12	$ -	$ 4,472	$ (65)	$ 4,460	49,155	$ 90.73
	Variance	$ (6)	$ 1	$ 6	$ -	$ 1,090	$ 65	**$ 1,156**	7,045	$ 9
	% Variance	-32%	7%	31%		20%		**21%**	13%	9%

	($000s)	Direct Admin & General	Indirect Admin & General	LADWP Project Manager	Non-Operating Income (PEC Sale)	PPA Payments	Interest Received	Total Cost	MWHs Delivered	$/MWh
DAC II	YTD Budget	$ 18	$ 6	$ 18	$ -	$ 3,864	$ -	$ 3,906	47,557	$ 82.13
	YTD Actual	$ 27	$ 8	$ 11	$ -	$ 3,519	$ (70)	$ 3,496	47,108	$ 74.21
	Variance	$ (9)	$ (2)	$ 7	$ -	$ 345	$ 70	**$ 410**	449	$ 8
	% Variance	-52%	-35%	39%		9%		**10%**	1%	10%

	($000s)	Direct Admin & General	Indirect Admin & General	LADWP Project Manager	Working Capital	PPA Payments	Interest Received	Total Cost	MWHs Delivered	$/MWh
Heber I	YTD Budget	$ 24	$ 150	$ 24	$ -	$ 20,968	$ -	$ 21,166	$ 189,980	$ 111.41
	YTD Actual	$ 22	$ 162	$ 11	$ -	$ 17,022	$ (130)	$ 17,087	187,089	$ 91.33
	Variance	$ 2	$ (12)	$ 13	$ -	$ 3,946	$ 130	**$ 4,079**	2,891	$ 20
	% Variance	10%	-8%	53%		19%		**19%**	2%	18%

	($000s)	Direct Admin & General	Indirect Admin & General	LADWP Project Manager	Working Capital	PPA Payments	Interest Received	Total Cost	MWHs Delivered	$/MWh
NNGP	YTD Budget	$ 24	$ 96	$ 36	$ -	$ 48,108	$ -	$ 48,264	637,204	$ 75.74
	YTD Actual	$ 29	$ 101	$ 10	$ -	$ 44,800	$ (511)	$ 44,429	623,879	$ 71.21
	Variance	$ (5)	$ (5)	$ 26	$ -	$ 3,308	$ 511	**$ 3,835**	13,325	$ 5
	% Variance	-21%	-5%	71%		7%		**8%**	2%	6%

	($000s)	Direct Admin & General	Indirect Admin & General	LADWP Project Manager	Working Capital	PPA Payments	Interest Received	Total Cost	MWHs Delivered	$/MWh
Ormesa	YTD Budget	$ 24	$ 60	$ 18	$ -	$ 9,786	$ -	$ 9,888	$ 126,670	$ 78.06
	YTD Actual	$ 26	$ 62	$ 4	$ -	$ 9,758	$ (59)	$ 9,791	127,060	$ 77.06
	Variance	$ (2)	$ (2)	$ 14	$ -	$ 28	$ 59	**$ 97**	(390)	$ 1
	% Variance	-9%	-3%	77%		0%		**1%**	0%	1%

	($000s)	Direct Admin & General	Indirect Admin & General	Delay Damages	Interest Received	PPA Payments	Excess Monthly Generation	Total Cost	MWHs Delivered	$/MWh
Star Peak	YTD Budget	$ 36	$ 18	$ -	$ -	$ 1,410	$ 216	$ 1,680	20,028	$ 83.88
	YTD Actual	$ 11	$ 21	$ (159)	$ (8)	$ 1,365	$ 277	$ 1,506	25,191	$ 59.79
	Variance	$ 25	$ (3)	$ 159	$ 8	$ 45	$ (61)	**$ 174**	(5,164)	$ 24
	% Variance	70%	-16%			3%	-28%	**10%**	-26%	29%

	($000s)	Direct Admin & General	Indirect Admin & General	Interest Received	Delay Damages	PPA Payments	Excess Monthly Generation	Total Cost	MWHs Delivered	$/MWh
WhiteGrass No. 1	YTD Budget	$ 18	$ 6	$ -	$ -	$ 624	$ 108	$ 756	$ 9,238	$ 81.84
	YTD Actual	$ 9	$ 10	$ (3)	$ (14)	$ 542	$ 125	$ 669	10,730	$ 62.36
	Variance	$ 9	$ (4)	$ 3	$ 14	$ 82	$ (17)	**$ 87**	(1,493)	$ 19
	% Variance	50%	-61%			13%	-16%	**11%**	-16%	24%

SCPPA Quarterly Budget Comparisons

Quarter Ending December 31, 2025

Solar Projects

	($000s)	Direct Admin & General	Indirect Admin & General	Interest Received	Scheduling Fees	PPA Payments	Total Cost	MWHs Delivered	$/MWh
Big Sky Ranch	YTD Budget	$ 12	$ 42		$ 18	$ 1,818	$ 1,890	25,509	$ 74.09
	YTD Actual	$ 9	$ 48	$ (3)	$ 18	$ 1,632	$ 1,704	22,912	$ 74.39
	Variance	$ 3	$ (6)	$ 3	$ (0)	$ 186	$ 186	$ 2,597	$ (0.30)
	% Variance	22%	-13%		-1%	10%	**10%**	10%	0%
	($000s)	Direct Admin & General	Indirect Admin & General	Interest Received	Other Operating Income	PPA Payments	Total Cost	MWHs REC Quantity	$/MWh
Desert Harvest II	YTD Budget	$ 12	$ 6		$ -	$ 960	$ 978	62,930	$ 15.54
	YTD Actual	$ 12	$ 9	$ (7)	$ -	$ 1,695	$ 1,708	126,310	$ 13.52
	Variance	$ 0	$ (3)	$ 7	$ -	$ (735)	**$ (730)**	(63,380)	2
	% Variance	2%	-45%			-77%	**-75%**	-101%	13%
	($000s)	Direct Admin & General	Indirect Admin & General	Interest Received	Scheduling Fees	PPA Payments	Total Cost	MWHs Delivered	$/MWh
DSR I	YTD Budget	$ 12	$ 48		$ 18	$ 3,306	$ 3,384	61,455	$ 55.06
	YTD Actual	$ 12	$ 51	$ (8)	$ 20	$ 3,088	$ 3,164	57,460	$ 55.06
	Variance	$ 0	$ (3)	$ 8	$ (2)	$ 218	**$ 220**	3,995	0
	% Variance	0%	-7%		-13%	7%	**7%**	7%	0%
	($000s)	Direct Admin & General	Indirect Admin & General	Interest Received	Scheduling Fees	PPA Payments	Total Cost	MWHs Delivered	$/MWh
DSR II	YTD Budget	$ 12	$ 24		$ -	$ 348	$ 384	6,428	$ 59.74
	YTD Actual	$ 9	$ 26	$ (1)	$ -	$ 352	$ 386	6,549	$ 58.99
	Variance	$ 3	$ (2)	$ 1	$ -	$ (4)	**$ (2)**	(121)	1
	% Variance	28%	-10%			-1%	**-1%**	-2%	1%
	($000s)	Direct Admin & General	Indirect Admin & General	Interest Received	Scheduling Fees	PPA Payments	Total Cost	MWHs Delivered	$/MWh
Astoria 2	YTD Budget	$ 12	$ 72	$ -	$ -	$ 3,648	$ 3,732	57,912	$ 64.44
	YTD Actual	$ 13	$ 74	$ (14)	$ (11)	$ 3,075	$ 3,136	48,803	$ 64.25
	Variance	$ (1)	$ (2)	$ 14	$ 11	$ 573	**$ 596**	9,109	0
	% Variance	-10%	-2%			16%	**16%**	16%	0%
	($000s)	Direct Admin & General	Indirect Admin & General	Interest Received	Scheduling Fees	PPA Payments	Total Cost	MWHs Delivered	$/MWh
Columbia Two	YTD Budget	$ 12	$ 24	$ -	$ 18	$ 1,246	$ 1,300	17,802	$ 73.03
	YTD Actual	$ 11	$ 24	$ (2)	$ 18	$ 1,385	$ 1,436	19,835	$ 72.39
	Variance	$ 1	$ 0	$ 2	$ (0)	$ (139)	**$ (136)**	(2,033)	1
	% Variance	12%	0%		-1%	-11%	**-10%**	-11%	1%
	($000s)	Direct Admin & General	Indirect Admin & General	LADWP O&M	Interest Received	PPA Payments	Total Cost	MWHs Delivered	$/MWh
Copper Mountain 3	YTD Budget	$ 24	$ 84	$ 18	$ -	$ 28,422	$ 28,548	296,839	$ 96.17
	YTD Actual	$ 29	$ 87	$ 12	$ (76)	$ 27,222	$ 27,273	284,196	$ 95.97
	Variance	$ (5)	$ (3)	$ 6	$ 76	$ 1,200	**$ 1,275**	12,643	0
	% Variance	-22%	-3%	35%		4%	**4%**	4%	0%
	($000s)	Direct Admin & General	Indirect Admin & General	Scheduling Coordinator	Interest Received	PPA Payments (PV & BESS)	Total Cost	MWHs Delivered (PV)	$/MWh
Daggett Solar + Storage	YTD Budget	$ 12	$ 96	$ 60	$ -	$ 4,482	$ 4,650	$ 103,728	$ 44.83
	YTD Actual	$ 13	$ 99	$ 59	$ (7)	$ 4,136	$ 4,300	91,600	$ 46.94
	Variance	$ (1)	$ (3)	$ 2	$ 7	$ 346	**$ 350**	12,128	(2)
	% Variance	-12%	-3%	3%		8%	**8%**	12%	-5%
	($000s)	Direct Admin & General	Indirect Admin & General	Project Manager	Working Capital & Interest Received	PPA Payments & Test Energy	Total Cost	MWHs Delivered	$/MWh
Eland 1 Solar + Storage	YTD Budget	$ 36	$ 54	$ 24	$ -	$ 17,004	$ 17,118	429,200	$ 39.88
	YTD Actual	$ 27	$ 58	$ 5	$ (497)	$ 16,402	$ 15,996	387,794	$ 41.25
	Variance	$ 9	$ (4)	$ 19	$ 497	$ 602	**$ 1,122**	41,406	(1)
	% Variance	24%	-8%	78%		4%	**7%**	10%	-3%
	($000s)	Direct Admin & General	Indirect Admin & General	Project Manager	Working Capital & Interest Received	PPA Payments & Test Energy	Total Cost	Test Energy MWHs Delivered	$/MWh
Eland 2 Solar + Storage	YTD Budget	$ 24	$ 48	$ 24	$ 1,500	$ 21,546	$ 23,142	429,200	$ 53.92
	YTD Actual	$ 14	$ 49	$ 4	$ 1,096	$ 17,257	$ 18,419	345,204	$ 53.36
	Variance	$ 10	$ (1)	$ 20	$ 404	$ 4,289	**$ 4,723**	83,996	1
	% Variance	43%	-1%	84%	27%	20%	**20%**	20%	1%
	($000s)	Direct Admin & General	Indirect Admin & General	Interest Received	Scheduling Fees	PPA Payments	Total Cost	MWHs Delivered	$/MWh
Kingbird B	YTD Budget	$ 12	$ 42		$ 48	$ 2,040	$ 2,142	29,686	$ 72.16
	YTD Actual	$ 11	$ 45	$ (3)	$ 49	$ 1,852	$ 1,953	26,932	$ 72.53
	Variance	$ 1	$ (3)	$ 3	$ (1)	$ 188	**$ 189**	2,754	(0)
	% Variance	8%	-8%		-2%	9%	**9%**	9%	-1%
	($000s)	Direct Admin & General	Indirect Admin & General	LADWP O&M	Interest Received	PPA Payments	Total Cost	MWHs Delivered	$/MWh
Springbok I	YTD Budget	$ 24	$ 18	$ 18	$ -	$ 10,122	$ 10,182	147,537	$ 69.01
	YTD Actual	$ 29	$ 21	$ 17	$ (86)	$ 8,879	$ 8,860	139,255	$ 63.62
	Variance	$ (5)	$ (3)	$ 1	$ 86	$ 1,243	**$ 1,322**	8,282	5
	% Variance	-19%	-17%	4%		12%	**13%**	6%	8%
	($000s)	Direct Admin & General	Indirect Admin & General	LADWP O&M	Interest Received	PPA Payments	Total Cost	MWHs Delivered	$/MWh
Springbok II	YTD Budget	$ 24	$ 24	$ 18	$ -	$ 11,898	$ 11,964	202,826	$ 58.99
	YTD Actual	$ 29	$ 25	$ 3	$ (105)	$ 10,801	$ 10,753	184,153	$ 58.39
	Variance	$ (5)	$ (1)	$ 15	$ 105	$ 1,097	**$ 1,211**	18,673	1
	% Variance	-22%	-4%	81%		9%	**10%**	9%	1%
	($000s)	Direct Admin & General	Indirect Admin & General	LADWP O&M	Interest Received	PPA Payments	Total Cost	MWHs Delivered	$/MWh
Springbok III	YTD Budget	$ 24	$ 12	$ 18	$ -	$ 6,054	$ 6,108	116,481	$ 52.44
	YTD Actual	$ 26	$ 13	$ 4	$ (49)	$ 6,217	$ 6,209	119,618	$ 51.91
	Variance	$ (2)	$ (1)	$ 14	$ 49	$ (163)	**$ (101)**	(3,138)	1
	% Variance	-6%	-6%	78%		-3%	**-2%**	-3%	1%
	($000s)	Direct Admin & General	Indirect Admin & General	Interest Received	Scheduling Fees	PPA Payments	Total Cost	MWHs Delivered	$/MWh
Summer	YTD Budget	$ 12	$ 48	$ -	$ 18	$ 1,890	$ 1,968	26,506	$ 74.25
	YTD Actual	$ 10	$ 49	$ (4)	$ 18	$ 1,861	$ 1,934	26,122	$ 74.02
	Variance	$ 2	$ (1)	$ 4	$ (0)	$ 29	**$ 34**	383	0
	% Variance		-3%		-1%	2%	**2%**	1%	0%

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
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MINUTES OF THE REGULAR MEETING OF THE FINANCE COMMITTEE OF SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

The meeting of the Finance Committee was held on **March 2, 2026**, at the SCPPA Glendora office and by teleconference from Imperial Irrigation District. The meeting commenced at 10:30 A.M. and adjourned at 11:29 A.M.

Mr. Lillio (Committee Chair) took attendance. **Committee members/Alternate Committee members present for the Finance Committee Meeting were:** Andrew Nguyen *(Anaheim)*; Daniel Smith *(Azusa)*; Jim Steffens (*Banning*); Joseph Lillio *(Burbank)*; Tom Miller *(Colton)*; Adrine Isayan *(Glendale)*; Belen Valenzuela *(IID-Teleconference-joined at 10:34 am)*; Phillip Chou *(LADWP)*; Lynne Chaimowitz *(Pasadena);* Brian Seinturier *(Riverside)*; and Richard Corbi *(Vernon).*

Others attendees were: Herman Leung *(Pasadena-Teleconference)*; Claudia Huerta and Rita Rivera *(Riverside-Teleconference)*; Victor Hsu *(Norton Rose Fulbright*); Mike Berwanger *(PFM Financial Advisors)*; Louise Houghton and Jim Carbone (*PFM Financial Advisors-Teleconference*); Grace Mao and Francisco Olivares-Ortiz *(LADWP/SCPPA-LA);* Houbert Yousef and Leriza Flores (*LADWP/SCPPA-LA-Teleconference);* Daniel Garcia, Aileen Ma, Charles Guss, Christine Godinez, Anna Mendoza and Armando Arballo *(SCPPA)*; Arsineh Aghasian and Luis Castaneda *(SCPPA-Teleconference).*

1. Opportunity for the Public to Address the Committee

Mr. Lillio invited any members of the public to provide comments. No public comments were made.

2. Consent Calendar

Mr. Lillio presented the Consent Calendar to the Committee for consideration. The Committee recommended forwarding the following reports to the Board of Directors (Board) for receipt and filing.

A. Minutes of the February 2, 2026 Finance Committee meeting
B. Investment Report for the month ended January 31, 2026
C. Administrative & General Expense (A&G) Budget Comparison Report for the month ended January 31, 2026

Moved By: Richard Corbi
Seconded By: Daniel Smtih

The following roll call vote was taken:

	Yes	No	Present, Not Voting	Absent
Anaheim	X			
Azusa	X			
Banning	X			
Burbank	X			
Colton	X			
Glendale	X			
IID	X			
LADWP	X			
Pasadena	X			
Riverside	X			
Vernon	X			

3. Fiscal Year 2026-27 Budget Timeline

Anna Mendoza, SCPPA Senior Utility Analyst, provided the Committee with the timeline for the fiscal year 2026-27 budget process.

4. Pension Funding

Aileen Ma, SCPPA Chief Financial & Administrative Officer, provided the Committee with an update on SCPPA's funding level in the California Public Employees' Retirement System (CalPERS) pension plan for Classic and PEPRA Member employees. Ms. Ma noted that last year, the Committee reviewed the funded status of the pension plans and the Committee recommended using the soft fresh start option as a method to shorten the amortization period for the unfunded accrued liability to reach the funding goals as established in SCPPA's Pension and Other Post-Employment Benefits Funding Policy (Funding Policy). With the soft fresh start, a 15-year amortization schedule was used for the Classic Plan and a 10-year amortization schedule was used for the PEPRA Plan in determining the additional contribution for FY 2025-26, which was included in the FY 2025-26 budget. In continuing the soft fresh start method for FY 2026-207, the Committee was informed on the additional contribution that will be included in the fiscal year 2026-27 budget. There was no objection from the Committee on continuing the soft fresh start method.

5. Renewable Energy Prepayment

Ms. Ma provided the Committee with the updated timeline for the proposed renewable energy prepayment financing on behalf of Burbank, Colton, Pasadena and Vernon. The documents are expected to be presented to the SCPPA Board for approval in March. Mike Berwanger, PFM, also provided the Committee with a market update on recent prepay transactions that went to the market.

6. Geothermal and/other Renewable Energy Prepayment

Ms. Ma and Mr. Berwanger provided the Committee with an update on the proposed financing of the new geothermal and/or other renewable energy prepayment on behalf of LADWP. The transaction documents are continued to be worked on by the financing team.

7. Southern Transmission System (STS) Renewal Project Revenue Bonds

Ms. Ma and Mr. Berwanger provided the Committee with an update on the financing plan for the issuance of the fourth tranche of revenue bonds for the STS Renewal Project. The Committee discussed the selection of the investment banking team for the financing, taking into consideration the firm's experience, underwriting strengths, and coverage of SCPPA and its Members. The Committee recommended, from SCPPA's Underwriter Pool, Wells Fargo as the senior manager and TD Securities as the co-senior manager, with BofA Securities, RBC Capital Markets, PNC Capital Markets, J.P. Morgan and Truist Securities as co-managers. Project Vote with LADWP, Glendale, and Burbank as project participants.

Moved By: Phillip Chou
Seconded By: Joseph Lillio

The following roll call vote was taken:

	Yes	No	Present, Not Voting	Absent
Anaheim	X			
Azusa	X			
Banning	X			
Burbank	X			
Colton	X			
Glendale	X			
IID			X	
LADWP	X			
Pasadena	X			
Riverside	X			
Vernon	X			

8. Linden Wind Energy Project, Refunding Revenue Bonds, 2024 Series A Liquidity Facility

Ms. Ma and Mr. Berwanger provided the Committee with an update on the anticipated schedule in completing the replacement liquidity facility for the Linden Wind Energy Project, Refunding Revenue Bonds, 2024 Series A. SCPPA has issued a Request for Proposals (RFP) for a replacement liquidity facility and is waiting for responses to the RFP.

9. Mead-Adelanto Project and Mead-Phoenix Project Revenue Bonds, Authority Interest (LADWP Only)

Ms. Ma and Mr. Berwanger updated the Committee on the results of the competitive pricing of the Mead-Adelanto Project (LADWP) and Mead-Phoenix Project (LADWP), Refunding Revenue Bonds, 2026 Series A to refinance the Mead-Adelanto Project (LADWP) and Mead-Phoenix Project (LADWP) 2016 Series A Bonds.

10. Market and Variable Rate Demand Obligation (VRDO) Update

Mr. Berwanger provided the Committee with a market update and VRDO status report.

11. Unsolicited Proposals

Mr. Berwanger provided a brief summary of the unsolicited proposals received.

12. Committee Member and Staff Comments

Mr. Lillio opened the item for comments. No comments were received.

THE NEXT FINANCE COMMITTEE MEETING WILL BE APRIL 6, 2026.

Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
(626) 793-9364

March 20, 2026

Mr. Daniel E Garcia
Executive Director
Southern California Public Power Authority
1160 Nicole Court
Glendora, California 91740

Dear Mr. Garcia:

Enclosed is the ***February 2026 Investment Report*** for the Palo Verde, Southern Transmission System (STS), Southern Transmission System Renewal, San Juan, Magnolia Power, Natural Gas, Natural Gas Prepaid, Mead-Adelanto, Mead-Phoenix, Don A. Campbell/Wild Rose Geothermal, Don A. Campbell 2 Geothermal, Canyon Power, Pebble Springs Wind, Tieton Hydropower, Linden Wind, Clean Energy, Milford Wind I, Milford Wind II, Windy Point/Flats, Ameresco, Apex Power, Copper Mountain Solar 3, Columbia 2 Solar, Eland 1, Eland 2, Heber 1 Geothermal, Ormat No. Nevada Geothermal, Ormesa Geothermal, ARP – Loyalton Biomass, Springbok 1 Solar, Springbok 2 Solar, Springbok 3 Solar, Kingbird Solar, Summer Solar, Astoria 2 Solar, Antelope Big Sky Ranch, Antelope DSR 1, Antelope DSR 2, Puente Hills Landfill Gas, Whitegrass No. 1 Geothermal, Star Peak Geothermal, Desert Harvest II, Roseburg Biomass, Red Cloud Wind, Coso Geothermal, Mammoth Casa Diablo IV, and Daggett Solar Power 2 Projects; and for the Project Stabilization, San Juan Mine Reclamation Trust, San Juan Decommissioning Trust, and the SCPPA Decommissioning Trust Funds. The Portfolios for the Projects and Funds included in the Investment Report are in compliance with the SCPPA Investment Policy.

During the month of February, the Investment Group coordinated variable debt service payments of $189,990 for the Magnolia Power, Linden Wind and Canyon Power Projects. Net swap payments of $556,066 were made in accordance with the Interest Swap agreements for Canyon Power, Magnolia Power, and Natural Gas Prepaid Projects. The net commodity swap receipt for the Natural Gas Prepaid Project was $1,110,039.

$339.8 million cash and maturities were invested in the various SCPPA project trust funds. Assets managed by the Investment Group for these funds had a market value of $1.55 billion as of February 28, 2026, with an average yield of 3.76%. Total interest earned on the project funds for the month was $5.6 million and year to date was $42.8 million.

Based upon anticipated expenditures for each Project and required receipts from each Participant, SCPPA believes that it will be able to meet all its expenditure requirements for the next six months.

Sincerely,

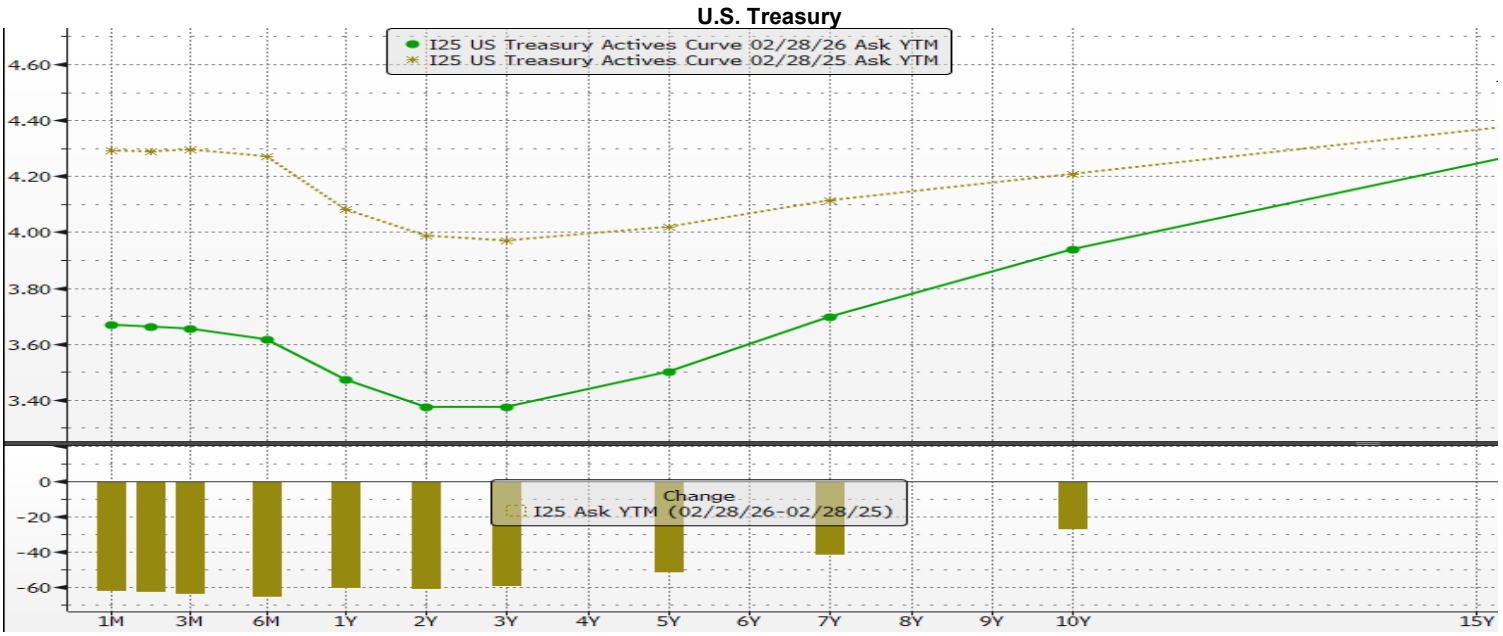
Grace Mao

GRACE MAO
Manager of Finance
Los Angeles Department of Water & Power

Monthly Investment Report
February 28, 2026

Projects	Portfolio Yield	Investment Cost	Carrying Value	Market Value	Portfolio Life[2]	Cost of Capital[3]
Palo Verde	3.37%	33,662,900	33,699,042	33,702,552	1.37	N/A
San Juan	3.56%	441,937	441,937	441,937	0.00	N/A
Magnolia	3.80%	57,571,885	57,789,284	57,801,234	0.45	2.97%
STS	3.74%	26,887,142	26,999,520	26,997,180	0.52	4.70%
STS Renewal	3.88%	655,380,467	658,033,706	657,987,319	0.46	4.01%
Mead-Phoenix	3.74%	5,143,533	5,146,977	5,146,908	0.11	2.53%
Mead-Adelanto	3.68%	4,185,579	4,185,719	4,185,770	0.08	2.53%
Natural Gas	3.80%	51,308,916	51,326,410	51,351,547	1.09	6.06%
Natural Gas Prepaid[1]	4.66%	21,745,668	21,745,668	21,744,932	8.53	5.09%
Canyon Power	3.69%	21,286,016	21,402,118	21,398,765	0.21	2.74%
Apex Power	3.77%	42,078,924	42,197,212	42,206,487	1.36	4.32%
SCPPA Decomm Trust Fund	3.48%	205,014,233	205,109,870	204,838,865	1.17	N/A
Project Stabilization Fund	3.87%	170,373,271	170,417,342	170,539,218	1.79	N/A
Tieton	3.94%	4,097,387	4,102,453	4,098,908	2.46	2.67%
Clean Energy[1]	4.09%	29,280,009	29,280,009	29,280,009	1.76	N/A
Linden Wind	4.05%	19,433,890	19,434,172	19,446,824	1.07	3.15%
Milford Wind 1	3.67%	11,119,352	11,179,775	11,178,298	0.26	5.08%
Milford Wind 2	3.69%	7,926,735	7,967,321	7,966,772	0.25	1.05%
Windy Point Flats	3.70%	25,710,503	25,852,834	25,849,845	0.23	3.55%
Pwr Purchase Agreements Combined	**3.38%**	**134,783,732**	**135,132,716**	**135,127,026**	**0.08**	**N/A**
San Juan Reclaim Trust Fund	2.82%	14,753,085	14,789,038	14,778,819	1.27	N/A
San Juan Decomm Trust Fund	3.83%	1,170,328	1,170,735	1,170,480	2.06	N/A

[1] *Weighted average remaining portfolio life for NG Prepaid and Clean Energy Projects include Guaranteed Investment Contracts (GICs).*
[2] *In years*
[3] *Cost of capital as of January 31, 2024 as provided by PFM.*



Tenor	I25 Ask YTM US Treasury Actives Curve 02/27/26	I25 Ask YTM US Treasury Actives Curve 02/28/25	I25 Ask YTM (Change) 02/27/26-02/28/25
1M	3.668	4.293	-62.50
2M	3.661	4.287	-62.60
3M	3.656	4.294	-63.80
6M	3.616	4.272	-65.60
1Y	3.475	4.082	-60.80
2Y	3.375	3.989	-61.40
3Y	3.377	3.969	-59.30
5Y	3.502	4.019	-51.70

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
1160 NICOLE COURT
GLENDORA, CA 91740
(626) 793-9364 – FAX: (626) 793-9461
WWW.SCPPA.ORG

MEMO

To: SCPPA Finance Committee

From: Aileen Ma, Chief Financial & Administrative Officer

Date: April 6, 2026

Re: **FY 2025-26 Administrative & General (A&G) Expense Budget to Actual Comparison Report – February 2026**

As of February 28, 2026, total A&G expenditures were $6,745,501, which was $610,075 or 8.3% under the year-to-date budget.

Total Indirect A&G expenditures were $3,746,642, which was $400,446 or 9.7% under budget. The under budget was primarily due to the timing of expenditures and invoices from vendors and consultants. The under budget was partially offset by higher office expenses due to a delay in transitioning to a lower-cost phone and internet service plan that can still meet SCPPA's operational needs. Meeting expenses were also slightly higher due to higher than anticipated in-person working group meetings.

Total Direct A&G expenditures were $2,998,859, which was $209,629 or 6.5% under budget. The under budget was primarily due to the timing of expenditures for legal services and trustee fees and slightly lower agent billable costs due to savings in other support services, including supplies, equipment and software maintenance and upgrades.

Southern California Public Power Authority
FY 2025-26 Adminstrative & General (A&G) Expense Budget to Actual
February 28, 2026

	ANNUAL BUDGET FY 2025-2026	YTD BUDGET 2/28/2026	ACTUAL 2/28/2026	Under / (Over) Budget	% Variance
Salaries	$ 3,094,900	$ 2,086,420	$ 2,018,558	$ 67,862	3.3%
Employee Benefits	993,200	753,003	683,054	69,949	9.3%
Office Building Costs	181,810	121,214	91,529	29,685	24.5%
Office Equipment and IT	156,500	112,320	95,077	17,243	15.4%
Office Expenses	55,540	37,852	44,406	(6,554)	-17.3%
Insurance	183,500	163,332	151,203	12,129	7.4%
Meeting Expense	39,300	27,893	29,637	(1,744)	-6.3%
Travel and Conferences	64,500	42,996	30,001	12,995	30.2%
Staff Training/Development	44,000	29,332	17,102	12,230	41.7%
Memberships and Dues	29,550	3,266	2,805	461	14.1%
Subscriptions	20,715	15,043	13,201	1,842	12.2%
Gov't Affairs (Sacramento Office)	206,910	127,874	103,875	23,999	18.8%
Legislative Advocacy	401,000	280,332	245,249	35,083	12.5%
Regulatory Advocacy	220,000	146,668	107,925	38,743	26.4%
General Legal Services	150,000	100,000	46,703	53,298	53.3%
Auditing Services	5,075	5,075	5,075	-	0.0%
Consulting & Other Services	106,000	70,668	52,027	18,641	26.4%
Financial Advisor	90,000	60,000	52,500	7,500	12.5%
Budget Contingency	151,060	-	-	-	0.0%
Subtotal	**$ 6,193,560**	**$ 4,183,288**	**$ 3,789,925**	**$ 393,363**	**9.4%**
Glendora Project Accounting - Direct A&G	(54,300)	(36,200)	(43,283)	7,083	-19.6%
TOTAL INDIRECT A&G	**$ 6,139,260**	**$ 4,147,088**	**$ 3,746,642**	**$ 400,446**	**9.7%**
Outside Counsels	$ 523,000	$ 348,668	$ 260,980	$ 87,688	25.1%
Auditing Services	380,985	380,985	380,925	60	0.0%
Consulting & Other Services	40,500	27,000	20,220	6,780	25.1%
Project Travel Costs	9,000	6,000	580	5,420	90.3%
WREGIS Fees	21,355	14,235	4,320	9,915	69.6%
Agent Billable Costs	3,116,150	2,077,433	2,041,300	36,133	1.7%
Trustee Fees	302,200	201,467	132,250	69,217	34.4%
Rating Agency Fees	166,000	116,500	115,000	1,500	1.3%
Subtotal	**$ 4,559,190**	**$ 3,172,288**	**$ 2,955,576**	**$ 216,712**	**6.8%**
Glendora Project Accounting	54,300	36,200	43,283	(7,083)	-19.6%
TOTAL DIRECT A&G	**$ 4,613,490**	**$ 3,208,488**	**$ 2,998,859**	**$ 209,629**	**6.5%**
TOTAL A&G EXPENSES	**$ 10,752,750**	**$ 7,355,576**	**$ 6,745,501**	**$ 610,075**	**8.3%**



Southern California Public Power Authority

Combined Financial Statements

December 31, 2025 and 2024

(Unaudited)

Southern California Public Power Authority
Combined Financial Statements (Unaudited)
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Southern California Public Power Authority

Combined Financial Statements for the Quarter Ended December 31, 2025

The Authority's net position increased by $78 million mainly due to an increase in assets and deferred outflows of resources of $686 million and an increase in liabilities and deferred inflows of resources of $608 million.

Assets and deferred outflows of resources increased primarily due to:

- Construction costs incurred in the Southern Transmission System Renewal Project (STSR) and ongoing capital expenditures in Palo Verde (PV), Magnolia Power (MPP), and Apex Power (APP) projects,
- The increase in advances to Intermountain Power Agency (IPA) in the STSR project,
- The increase to regulatory assets in the STSR project,
- The increase in investments, cash and cash equivalents from the issuance of the STSR 2025-1 and 2025-2 Revenue Bonds;

The increase was partially offset by:

- The scheduled depreciation in the generation and transmission projects and scheduled depletion in the Natural Gas Reserve projects,
- The scheduled amortization of prepaid assets in Windy Point/Flats (WP), Milford I (MIL1), Milford II (MIL2), Clean Energy (CEP), and Prepaid Natural Gas (NGPP) projects.

Liabilities and deferred inflows of resources increased primarily due to:

- The increase in long-term debt due to the issuance of the STSR 2025-1 and 2025-2 Revenue Bonds,
- The increase in accounts payable in Southern Transmission System (STS), STSR, MPP, and various Power Purchase Agreements (PPAs), and project over billings.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Summary of Financial Condition and Changes in Net Position
Combined All Projects
(Amounts in Thousands)

	DECEMBER 2025	DECEMBER 2024
Assets		
Net utility plant	$ 2,237,792	$ 1,810,105
Net lease asset	5,903	6,439
Investments	1,315,194	1,194,035
Cash and cash equivalents	384,263	274,680
Prepaid and other assets	1,120,251	1,094,488
Total assets	5,063,403	4,379,747
Deferred ouflows of resources	72,237	70,008
Total assets and deferred outflows of resources	$ 5,135,640	$ 4,449,755
Liabilities		
Noncurrent liabilities		
Long-term debt	$ 3,755,404	$ 3,349,952
Long-term lease liabilities	6,475	6,947
Fair value of derivative instruments	5,022	3,822
Notes payable, other and net pension liabilities	3,162	3,210
Advances from participants	9,118	11,273
Reclamation and decommissioning obligation	249,679	248,835
Total noncurrent liabilities	4,028,860	3,624,039
Current liabilities		
Debt due within one year	140,560	134,685
Current portion of long-term lease liabilities	286	269
Notes payable and other liabilities due within one year	21,075	15,887
Advances from participants due within one year	104,985	90,898
Accrued interest	78,820	67,576
Accounts payable and accruals	329,163	156,560
Total current liabilities	674,889	465,875
Deferred inflows of resources	14,098	20,325
Total liabilities and deferred inflows of resources	4,717,847	4,110,239
Net position		
Net investment in capital assets	305,053	(463,282)
Restricted	295,330	897,313
Unrestricted	(182,590)	(94,515)
Total net position	417,793	339,516
Total liabilities, deferred inflows of resources, and net position	$ 5,135,640	$ 4,449,755
Revenues, Expenses and Changes in Net Position		
Operating revenues	$ 574,142	$ 522,395
Operating expenses	(554,355)	(507,614)
Operating income	19,787	14,781
Investment and other income	46,477	38,521
Derivative gain (loss)	1,790	(258)
Other interest and debt expense	(39,481)	(36,466)
Net non-operating revenues (expenses)	8,786	1,797
Change in net position	28,573	16,578
Net position - beginning of year	376,286	310,811
Net contributions/(distributions) by participants	12,934	12,127
Net position - end of period	$ 417,793	$ 339,516

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Net Position
As of December 31, 2025
(Amounts in Thousands)

	GENERATION				
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project
ASSETS					
Noncurrent assets					
Net utility plant	$ 231,767	$ -	$ 122,610	$ 153,146	$ 213,122
Net lease asset	-	-	2,655	1,485	-
Investments - restricted	211,600	16,597	26,021	8,585	23,679
Investments - unrestricted	2,000	-	-	2,477	-
Advance to IPA - restricted	-	-	-	-	-
Fair value of derivative instruments	-	-	2,788	-	-
Regulatory asset	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-
Total noncurrent assets	445,367	16,597	154,074	165,693	236,801
Current assets					
Cash and cash equivalents - restricted	11,535	-	18,769	2,640	3,434
Cash and cash equivalents - unrestricted	11,070	503	22,583	5,939	14,014
Interest receivable	2,039	104	274	15	131
Accounts receivable	5,181	154	364	111	1
Materials and supplies	14,011	-	12,135	806	4,856
Prepaid and other assets	543	20	1,041	11	314
Total current assets	44,379	781	55,166	9,522	22,750
DEFERRED OUTFLOWS OF RESOURCES					
Deferred items related to pensions	-	-	-	-	-
Unamortized loss on refunding	-	-	6,461	10,880	-
Reclamation and decommissioning obligation	41,276	-	-	-	4,857
Accumulated decrease in fair value of hedging derivatives	-	-	1,123	573	-
Total deferred outflows of resources	41,276	-	7,584	11,453	4,857
Total assets and deferred outflows of resources	$ 531,022	$ 17,378	$ 216,824	$ 186,668	$ 264,408
LIABILITIES					
Noncurrent liabilities					
Long-term debt	$ -	$ -	$ 193,553	$ 215,457	$ 180,265
Long-term lease liabilities	-	-	2,778	1,641	-
Fair value of derivative instruments	-	-	1,863	573	-
Notes payable, other, net pension liabilities	-	-	-	-	-
Advances from participants	-	-	-	-	-
Reclamation and decommissioning obligation	216,650	16,423	-	-	12,509
Total noncurrent liabilities	216,650	16,423	198,194	217,671	192,774
Current Liabilities					
Debt due within one year	-	-	12,530	10,785	14,285
Current portion of long-term lease liabilities	-	-	132	43	-
Notes payable and other liabilities due within one year	-	-	21,075	-	-
Advances from participants due within one year	-	-	23,453	4,095	24,707
Accrued interest	-	-	5,865	3,649	4,493
Accounts payable and accruals	10,045	466	19,936	7,110	6,053
Accrued property tax	1,287	-	-	-	-
Total current liabilities	11,332	466	82,991	25,682	49,538
Total liabilities	227,982	16,889	281,185	243,353	242,312
DEFERRED INFLOWS OF RESOURCES					
Deferred items related to pensions	-	-	-	-	-
Unamortized gain on refunding	-	-	-	-	5,871
Total deferred inflows of resources	-	-	-	-	5,871
NET POSITION					
Net investment in capital assets	231,766	-	(77,266)	(62,415)	12,701
Restricted	49,768	-	6,771	3,484	-
Unrestricted	21,506	489	6,134	2,246	3,524
Total net position	303,040	489	(64,361)	(56,685)	16,225
Total liabilities, deferred inflows of resources, and net position	$ 531,022	$ 17,378	$ 216,824	$ 186,668	$ 264,408

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2025

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Net Position
As of December 31, 2024
(Amounts in Thousands)

	GENERATION				
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project
ASSETS					
Noncurrent assets					
Net utility plant	$ 233,391	$ -	$ 115,614	$ 163,229	$ 218,711
Net lease asset	-	-	2,920	1,595	-
Investments - restricted	208,821	20,809	38,174	9,353	21,142
Investments - unrestricted	7,910	2,000	2,500	-	2,965
Advance to IPA - restricted	-	-	-	-	-
Fair value of derivative instruments	-	-	1,460	-	-
Regulatory asset	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-
Total noncurrent assets	450,122	22,809	160,668	174,177	242,818
Current assets					
Cash and cash equivalents - restricted	5,406	-	12,016	2,666	3,179
Cash and cash equivalents - unrestricted	7,774	114	7,267	9,588	18,771
Interest receivable	2,189	150	302	39	98
Accounts receivable	2,762	8	1,964	7	757
Materials and supplies	12,848	-	11,978	806	6,053
Prepaid and other assets	666	24	578	29	490
Total current assets	31,645	296	34,105	13,135	29,348
DEFERRED OUTFLOWS OF RESOURCES					
Deferred items related to pensions	-	-	-	-	-
Unamortized loss on refunding	-	-	7,781	18,602	-
Reclamation and decommissioning obligation	29,209	-	-	-	5,223
Accumulated decrease in fair value of hedging derivatives	-	-	382	308	-
Total deferred outflows of resources	29,209	-	8,163	18,910	5,223
Total assets and deferred outflows of resources	$ 510,976	$ 23,105	$ 202,936	$ 206,222	$ 277,389
LIABILITIES					
Noncurrent liabilities					
Long-term debt	$ -	$ -	$ 207,907	$ 233,735	$ 199,082
Long-term lease liabilities	-	-	3,042	1,726	-
Fair value of derivative instruments	-	-	1,729	-	-
Notes payable, other, net pension and OPEB liabilities	-	-	-	-	-
Advances from participants	-	-	-	-	-
Reclamation and decommissioning obligation	211,017	21,644	-	-	12,184
Total noncurrent liabilities	211,017	21,644	212,678	235,461	211,266
Current Liabilities					
Debt due within one year	-	-	11,905	13,695	12,915
Current portion of long-term lease liabilities	-	-	125	40	-
Notes payable and other liabilities due within one year	-	-	15,887	-	-
Advances from participants due within one year	-	-	23,296	2,465	26,097
Accrued interest	-	-	5,429	1,902	5,538
Accounts payable and accruals	8,310	525	3,118	9,720	11,447
Accrued property tax	1,257	-	-	-	-
Total current liabilities	9,567	525	59,760	27,822	55,997
Total liabilities	220,584	22,169	272,438	263,283	267,263
DEFERRED INFLOWS OF RESOURCES					
Accumulated increase in fair value of hedging derivatives	-	-	-	308	-
Deferred items related to pensions	-	-	-	-	-
Unamortized gain on refunding	-	-	-	8	7,044
Total deferred inflows of resources	-	-	-	316	7,044
NET POSITION					
Net investment in capital assets	233,391	-	(96,663)	(65,778)	(331)
Restricted	34,495	-	17,842	7,680	-
Unrestricted	22,506	936	9,319	721	3,413
Total net position	290,392	936	(69,502)	(57,377)	3,082
Total liabilities, deferred inflows of resources, and net position	$ 510,976	$ 23,105	$ 202,936	$ 206,222	$ 277,389

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2024

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Net Position
As of December 31, 2025
(Amounts in Thousands)

	GREEN POWER					
	Tieton Hydropower Project	Milford I Wind Project	Milford II Wind Project	Windy Point/ Windy Flats Project	Linden Wind Project	Clean Energy Project
ASSETS						
Noncurrent assets						
Net utility plant	$ 25,819	$ -	$ -	$ -	$ 57,613	$ -
Net lease asset	-	-	-	-	1,763	-
Investments - restricted	2,709	7,313	5,225	14,699	12,508	20,233
Investments - unrestricted	-	-	-	-	-	-
Advance to IPA - restricted	-	-	-	-	-	-
Fair value of derivative instruments	-	-	-	-	-	-
Regulatory asset	-	-	-	-	-	-
Prepaid and other assets	-	39,466	44,920	114,989	-	578,674
Total noncurrent assets	28,528	46,779	50,145	129,688	71,884	598,907
Current assets						
Cash and cash equivalents - restricted	604	1,273	23	120	3,291	3,115
Cash and cash equivalents - unrestricted	895	577	1,678	11,123	2,422	-
Interest receivable	33	3	3	12	151	46
Accounts receivable	3	4,548	152	-	103	6,384
Materials and supplies	-	-	-	-	-	-
Prepaid and other assets	3	5,843	4,350	13,735	30	5,794
Total current assets	1,538	12,244	6,206	24,990	5,997	15,339
DEFERRED OUTFLOWS OF RESOURCES						
Deferred items related to pensions	-	-	-	-	-	-
Unamortized loss on refunding	-	-	-	-	2,182	-
Reclamation and decommissioning obligation	331	-	-	-	223	-
Accumulated decrease in fair value of hedging derivatives	-	-	-	-	-	-
Total deferred outflows of resources	331	-	-	-	2,405	-
Total assets and deferred outflows of resources	$ 30,397	$ 59,023	$ 56,351	$ 154,678	$ 80,286	$ 614,246
LIABILITIES						
Noncurrent liabilities						
Long-term debt	$ 29,059	$ 44,501	$ 50,674	$ 107,387	$ 74,765	$ 619,710
Long-term lease liabilities	-	-	-	-	2,056	-
Fair value of derivative instruments	-	-	-	-	-	-
Notes payable, other, net pension liabilities	-	-	-	-	-	-
Advances from participants	-	-	-	-	-	-
Reclamation and decommissioning obligation	1,074	-	-	-	880	-
Total noncurrent liabilities	30,133	44,501	50,674	107,387	77,701	619,710
Current Liabilities						
Debt due within one year	1,235	12,255	7,665	22,925	-	2,320
Current portion of long-term lease liabilities	-	-	-	-	111	-
Notes payable and other liabilities due within one year	-	-	-	-	-	-
Advances from participants due within one year	202	2,770	250	1,000	14,432	-
Accrued interest	630	1,321	1,303	3,166	143	9,862
Accounts payable and accruals	542	661	420	8,787	2,143	5,062
Accrued property tax	-	-	-	355	137	-
Total current liabilities	2,609	17,007	9,638	36,233	16,966	17,244
Total liabilities	32,742	61,508	60,312	143,620	94,667	636,954
DEFERRED INFLOWS OF RESOURCES						
Deferred items related to pensions	-	-	-	-	-	-
Unamortized gain on refunding	373	-	657	7,151	-	-
Total deferred inflows of resources	373	-	657	7,151	-	-
NET POSITION						
Net investment in capital assets	(4,848)	-	-	-	(15,375)	-
Restricted	1,973	-	-	-	-	-
Unrestricted	157	(2,485)	(4,618)	3,907	994	(22,708)
Total net position	(2,718)	(2,485)	(4,618)	3,907	(14,381)	(22,708)
Total liabilities, deferred inflows of resources, and net position	$ 30,397	$ 59,023	$ 56,351	$ 154,678	$ 80,286	$ 614,246

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2025

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Net Position
As of December 31, 2024
(Amounts in Thousands)

	GREEN POWER					
	Tieton Hydropower Project	Milford I Wind Project	Milford II Wind Project	Windy Point/ Windy Flats Project	Linden Wind Project	Clean Energy Project
ASSETS						
Noncurrent assets						
Net utility plant	$ 27,254	$ -	$ -	$ -	$ 63,427	$ -
Net lease asset	-	-	-	-	1,924	-
Investments - restricted	2,650	10,250	4,435	14,725	-	18,996
Investments - unrestricted	-	-	-	-	4,656	-
Advance to IPA - restricted	-	-	-	-	-	-
Fair value of derivative instruments	-	-	-	-	-	-
Regulatory asset	-	-	-	-	-	-
Prepaid and other assets	-	51,143	53,617	142,440	-	590,260
Total noncurrent assets	29,904	61,393	58,052	157,165	70,007	609,256
Current assets						
Cash and cash equivalents - restricted	1,530	1,556	25	100	340	1,518
Cash and cash equivalents - unrestricted	42	3,502	3,774	6,590	4,549	-
Interest receivable	4	62	10	26	7	76
Accounts receivable	455	2,519	-	1,026	-	3,473
Materials and supplies	-	-	-	-	-	-
Prepaid and other assets	4	5,843	4,351	13,735	30	5,178
Total current assets	2,035	13,482	8,160	21,477	4,926	10,245
DEFERRED OUTFLOWS OF RESOURCES						
Deferred items related to pensions	-	-	-	-	-	-
Unamortized loss on refunding	-	-	-	-	2,412	-
Reclamation and decommissioning obligation	354	-	-	-	246	-
Accumulated decrease in fair value of hedging derivatives	-	-	-	-	-	-
Total deferred outflows of resources	354	-	-	-	2,658	-
Total assets and deferred outflows of resources	$ 32,293	$ 74,875	$ 66,212	$ 178,642	$ 77,591	$ 619,501
LIABILITIES						
Noncurrent liabilities						
Long-term debt	$ 30,878	$ 58,918	$ 60,551	$ 132,402	$ 74,765	$ 623,254
Long-term lease liabilities	-	-	-	-	2,179	-
Fair value of derivative instruments	-	-	-	-	-	-
Notes payable, other, net pension and OPEB liabilities	-	-	-	-	-	-
Advances from participants	-	-	-	-	-	-
Reclamation and decommissioning obligation	1,046	-	-	-	857	-
Total noncurrent liabilities	31,924	58,918	60,551	132,402	77,801	623,254
Current Liabilities						
Debt due within one year	2,915	11,675	7,300	21,830	-	550
Current portion of long-term lease liabilities	-	-	-	-	104	-
Notes payable and other liabilities due within one year	-	-	-	-	-	-
Advances from participants due within one year	202	2,770	250	1,000	6,028	-
Accrued interest	715	1,612	1,486	3,712	161	9,871
Accounts payable and accruals	32	4,756	1,560	5,305	1,740	4,861
Accrued property tax	-	-	-	357	138	-
Total current liabilities	3,864	20,813	10,596	32,204	8,171	15,282
Total liabilities	35,788	79,731	71,147	164,606	85,972	638,536
DEFERRED INFLOWS OF RESOURCES						
Accumulated increase in fair value of hedging derivatives	-	-	-	-	-	-
Deferred items related to pensions	-	-	-	-	-	-
Unamortized gain on refunding	417	305	1,123	11,032	-	-
Total deferred inflows of resources	417	305	1,123	11,032	-	-
NET POSITION						
Net investment in capital assets	(6,956)	-	-	-	(9,286)	-
Restricted	2,776	-	-	-	-	-
Unrestricted	268	(5,161)	(6,058)	3,004	905	(19,035)
Total net position	(3,912)	(5,161)	(6,058)	3,004	(8,381)	(19,035)
Total liabilities, deferred inflows of resources, and net position	$ 32,293	$ 74,875	$ 66,212	$ 178,642	$ 77,591	$ 619,501

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2024

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Net Position
As of December 31, 2025
(Amounts in Thousands)

	TRANSMISSION			
	Southern Transmission System Project	Southern Transmission System Renewal Project	Mead-Phoenix Project	Mead-Adelanto Project
ASSETS				
Noncurrent assets				
Net utility plant	$ 81,880	$ 1,224,325	$ 30,171	$ 59,700
Net lease asset	-	-	-	-
Investments - restricted	17,998	675,432	1,697	1,642
Investments - unrestricted	-	-	-	-
Advance to IPA - restricted	10,930	54,352	-	-
Fair value of derivative instruments	-	-	-	-
Regulatory asset	-	43,856	-	-
Prepaid and other assets	-	-	-	-
Total noncurrent assets	110,808	1,997,965	31,868	61,342
Current assets				
Cash and cash equivalents - restricted	4,253	131,078	2,111	2,123
Cash and cash equivalents - unrestricted	741	-	527	330
Interest receivable	46	4,390	6	10
Accounts receivable	17,556	-	-	-
Materials and supplies	-	-	-	-
Prepaid and other assets	33	-	216	50
Total current assets	22,629	135,468	2,860	2,513
DEFERRED OUTFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	-	-
Unamortized loss on refunding	541	-	-	-
Reclamation and decommissioning obligation	-	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	-	-
Total deferred outflows of resources	541	-	-	-
Total assets and deferred outflows of resources	$ 133,978	$ 2,133,433	$ 34,728	$ 63,855
LIABILITIES				
Noncurrent liabilities				
Long-term debt	$ 32,234	$ 1,964,684	$ 8,474	$ 10,436
Long-term lease liabilities	-	-	-	-
Fair value of derivative instruments	-	-	-	-
Notes payable, other, net pension liabilities	-	-	-	-
Advances from participants	-	-	-	-
Reclamation and decommissioning obligation	-	-	-	-
Total noncurrent liabilities	32,234	1,964,684	8,474	10,436
Current Liabilities				
Debt due within one year	29,805	3,500	1,755	2,165
Current portion of long-term lease liabilities	-	-	-	-
Notes payable and other liabilities due within one year	-	-	-	-
Advances from participants due within one year	-	-	504	504
Accrued interest	1,473	43,832	243	299
Accounts payable and accruals	17,897	115,421	2,175	1,412
Accrued property tax	-	-	-	-
Total current liabilities	49,175	162,753	4,677	4,380
Total liabilities	81,409	2,127,437	13,151	14,816
DEFERRED INFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	-	-
Unamortized gain on refunding	-	-	-	-
Total deferred inflows of resources	-	-	-	-
NET POSITION				
Net investment in capital assets	20,381	95,431	19,941	47,099
Restricted	31,755	-	3,571	2,969
Unrestricted	433	(89,435)	(1,935)	(1,029)
Total net position	52,569	5,996	21,577	49,039
Total liabilities, deferred inflows of resources, and net position	$ 133,978	$ 2,133,433	$ 34,728	$ 63,855

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2025

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Net Position
As of December 31, 2024
(Amounts in Thousands)

	TRANSMISSION			
	Southern Transmission System Project	Southern Transmission System Renewal Project	Mead-Phoenix Project	Mead-Adelanto Project
ASSETS				
Noncurrent assets				
Net utility plant	$ 85,926	$ 760,557	$ 32,522	$ 65,736
Net lease asset	-	-	-	-
Investments - restricted	12,346	621,422	1,432	1,645
Investments - unrestricted	-	-	-	-
Advance to IPA - restricted	10,930	5,960	-	-
Fair value of derivative instruments	-	-	-	-
Regulatory asset	-	10,216	-	-
Prepaid and other assets	-	-	-	-
Total noncurrent assets	109,202	1,398,155	33,954	67,381
Current assets				
Cash and cash equivalents - restricted	9,947	28,707	1,042	2,071
Cash and cash equivalents - unrestricted	283	-	653	403
Interest receivable	48	4,653	12	11
Accounts receivable	7,747	293	116	6
Materials and supplies	-	-	-	-
Prepaid and other assets	28	-	57	57
Total current assets	18,053	33,653	1,880	2,548
DEFERRED OUTFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	-	-
Unamortized loss on refunding	2,046	-	-	-
Reclamation and decommissioning obligation	-	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	-	-
Total deferred outflows of resources	2,046	-	-	-
Total assets and deferred outflows of resources	$ 129,301	$ 1,431,808	$ 35,834	$ 69,929
LIABILITIES				
Noncurrent liabilities				
Long-term debt	$ 63,430	$ 1,397,950	$ 10,478	$ 12,907
Long-term lease liabilities	-	-	-	-
Fair value of derivative instruments	-	-	-	-
Notes payable, other, net pension and OPEB liabilities	-	-	-	-
Advances from participants	-	-	-	-
Reclamation and decommissioning obligation	-	-	-	-
Total noncurrent liabilities	63,430	1,397,950	10,478	12,907
Current Liabilities				
Debt due within one year	28,390	1,135	1,675	2,060
Current portion of long-term lease liabilities	-	-	-	-
Notes payable and other liabilities due within one year	-	-	-	-
Advances from participants due within one year	-	-	504	504
Accrued interest	2,183	31,547	285	350
Accounts payable and accruals	7,935	50	928	1,448
Accrued property tax	-	-	-	-
Total current liabilities	38,508	32,732	3,392	4,362
Total liabilities	101,938	1,430,682	13,870	17,269
DEFERRED INFLOWS OF RESOURCES				
Accumulated increase in fair value of hedging derivatives	-	-	-	-
Deferred items related to pensions	-	-	-	-
Unamortized gain on refunding	-	-	-	-
Total deferred inflows of resources	-	-	-	-
NET POSITION				
Net investment in capital assets	(3,848)	(628,313)	20,369	50,769
Restricted	31,089	629,195	2,200	2,017
Unrestricted	122	244	(605)	(126)
Total net position	27,363	1,126	21,964	52,660
Total liabilities, deferred inflows of resources, and net position	$ 129,301	$ 1,431,808	$ 35,834	$ 69,929

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2024

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Net Position
As of December 31, 2025
(Amounts in Thousands)

	NATURAL GAS			PPAs
	Pinedale Project	Barnett Project	Prepaid Natural Gas Project	Power Purchase Agreements Combined Projects
ASSETS				
Noncurrent assets				
Net utility plant	$ 15,172	$ 17,115	$ -	$ -
Net lease asset	-	-	-	-
Investments - restricted	500	38,758	13,641	-
Investments - unrestricted	1,019	-	-	53,418
Advance to IPA - restricted	-	-	-	-
Fair value of derivative instruments	-	-	-	-
Regulatory asset	-	-	-	-
Prepaid and other assets	126	-	110,014	-
Total noncurrent assets	16,817	55,873	123,655	53,418
Current assets				
Cash and cash equivalents - restricted	2,153	4,061	3,283	6
Cash and cash equivalents - unrestricted	2,920	1,709	945	98,689
Interest receivable	35	401	67	117
Accounts receivable	903	228	1,869	2,691
Materials and supplies	-	-	-	-
Prepaid and other assets	510	2	6,111	160
Total current assets	6,521	6,401	12,275	101,663
DEFERRED OUTFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	-	-
Unamortized loss on refunding	-	-	-	-
Reclamation and decommissioning obligation	248	59	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	2,586	-
Total deferred outflows of resources	248	59	2,586	-
Total assets and deferred outflows of resources	$ 23,586	$ 62,333	$ 138,516	$ 155,081
LIABILITIES				
Noncurrent liabilities				
Long-term debt	$ 5,855	$ 13,795	$ 204,555	$ -
Long-term lease liabilities	-	-	-	-
Fair value of derivative instruments	-	-	2,586	-
Notes payable, other, net pension liabilities	-	-	-	-
Advances from participants	6,344	2,774	-	-
Reclamation and decommissioning obligation	1,768	375	-	-
Total noncurrent liabilities	13,967	16,944	207,141	-
Current Liabilities				
Debt due within one year	1,098	2,582	15,655	-
Current portion of long-term lease liabilities	-	-	-	-
Notes payable and other liabilities due within one year	-	-	-	-
Advances from participants due within one year	2,925	822	-	29,321
Accrued interest	207	488	1,846	-
Accounts payable and accruals	1,448	339	2,789	124,474
Accrued property tax	204	-	-	-
Total current liabilities	5,882	4,231	20,290	153,795
Total liabilities	19,849	21,175	227,431	153,795
DEFERRED INFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	-	-
Unamortized gain on refunding	-	-	-	-
Total deferred inflows of resources	-	-	-	-
NET POSITION				
Net investment in capital assets	15,172	17,114	-	-
Restricted	-	22,439	-	-
Unrestricted	(11,435)	1,605	(88,915)	1,286
Total net position	3,737	41,158	(88,915)	1,286
Total liabilities, deferred inflows of resources, and net position	$ 23,586	$ 62,333	$ 138,516	$ 155,081

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2025

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Net Position
As of December 31, 2024
(Amounts in Thousands)

	NATURAL GAS			PPAs
	Pinedale Project	Barnett Project	Prepaid Natural Gas Project	Power Purchase Agreements Combined Projects
ASSETS				
Noncurrent assets				
Net utility plant	$ 17,937	$ 20,253	$ -	$ -
Net lease asset	-	-	-	-
Investments - restricted	850	38,121	14,067	-
Investments - unrestricted	1,000	-	-	3,952
Advance to IPA - restricted	-	-	-	-
Fair value of derivative instruments	-	-	-	-
Regulatory asset	-	-	-	-
Prepaid and other assets	126	-	122,870	-
Total noncurrent assets	19,913	58,374	136,937	3,952
Current assets				
Cash and cash equivalents - restricted	1,798	3,203	2,598	12
Cash and cash equivalents - unrestricted	3,807	1,707	876	103,710
Interest receivable	19	270	64	120
Accounts receivable	929	118	1,845	2,546
Materials and supplies	-	-	-	-
Prepaid and other assets	511	2	6,083	163
Total current assets	7,064	5,300	11,466	106,551
DEFERRED OUTFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	-	-
Unamortized loss on refunding	-	-	-	-
Reclamation and decommissioning obligation	287	68	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	2,093	-
Total deferred outflows of resources	287	68	2,093	-
Total assets and deferred outflows of resources	$ 27,264	$ 63,742	$ 150,496	$ 110,503
LIABILITIES				
Noncurrent liabilities				
Long-term debt	$ 6,953	$ 16,377	$ 220,365	$ -
Long-term lease liabilities	-	-	-	-
Fair value of derivative instruments	-	-	2,093	-
Notes payable, other, net pension and OPEB liabilities	-	-	-	-
Advances from participants	7,810	3,463	-	-
Reclamation and decommissioning obligation	1,722	365	-	-
Total noncurrent liabilities	16,485	20,205	222,458	-
Current Liabilities				
Debt due within one year	1,144	2,691	14,805	-
Current portion of long-term lease liabilities	-	-	-	-
Notes payable and other liabilities due within one year	-	-	-	-
Advances from participants due within one year	3,472	495	-	23,815
Accrued interest	241	567	1,977	-
Accounts payable and accruals	1,474	372	2,586	86,210
Accrued property tax	160	-	-	-
Total current liabilities	6,491	4,125	19,368	110,025
Total liabilities	22,976	24,330	241,826	110,025
DEFERRED INFLOWS OF RESOURCES				
Accumulated increase in fair value of hedging derivatives	-	-	-	-
Deferred items related to pensions	-	-	-	-
Unamortized gain on refunding	-	-	-	-
Total deferred inflows of resources	-	-	-	-
NET POSITION				
Net investment in capital assets	17,563	20,253	-	-
Restricted	-	17,699	-	-
Unrestricted	(13,275)	1,460	(91,330)	478
Total net position	4,288	39,412	(91,330)	478
Total liabilities, deferred inflows of resources, and net position	$ 27,264	$ 63,742	$ 150,496	$ 110,503

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2024

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Net Position
As of December 31, 2025
(Amounts in Thousands)

	MISCELLANEOUS			
	Project Development Fund	Project Stabilization Fund	SCPPA Fund	**Total Combined**
ASSETS				
Noncurrent assets				
Net utility plant	$ -	$ -	$ 5,352	$ 2,237,792
Net lease asset	-	-	-	5,903
Investments - restricted	-	157,443	-	1,256,280
Investments - unrestricted	-	-	-	58,914
Advance to IPA - restricted	-	-	-	65,282
Fair value of derivative instruments	-	-	-	2,788
Regulatory asset	-	-	-	43,856
Prepaid and other assets	-	-	-	888,189
Total noncurrent assets	-	157,443	5,352	4,559,004
Current assets				
Cash and cash equivalents - restricted	-	13,726	-	207,598
Cash and cash equivalents - unrestricted	-	-	-	176,665
Interest receivable	-	1,431	-	9,314
Accounts receivable	-	-	-	40,248
Materials and supplies	-	-	-	31,808
Prepaid and other assets	-	-	-	38,766
Total current assets	-	15,157	-	504,399
DEFERRED OUTFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	897	897
Unamortized loss on refunding	-	-	-	20,064
Reclamation and decommissioning obligation	-	-	-	46,994
Accumulated decrease in fair value of hedging derivatives	-	-	-	4,282
Total deferred outflows of resources	-	-	897	72,237
Total assets and deferred outflows of resources	$ -	$ 172,600	$ 6,249	$ 5,135,640
LIABILITIES				
Noncurrent liabilities				
Long-term debt	$ -	$ -	$ -	$ 3,755,404
Long-term lease liabilities	-	-	-	6,475
Fair value of derivative instruments	-	-	-	5,022
Notes payable, other, net pension liabilities	-	-	3,162	3,162
Advances from participants	-	-	-	9,118
Reclamation and decommissioning obligation	-	-	-	249,679
Total noncurrent liabilities	-	-	3,162	4,028,860
Current Liabilities				
Debt due within one year	-	-	-	140,560
Current portion of long-term lease liabilities	-	-	-	286
Notes payable and other liabilities due within one year	-	-	-	21,075
Advances from participants due within one year	-	-	-	104,985
Accrued interest	-	-	-	78,820
Accounts payable and accruals	-	-	-	327,180
Accrued property tax	-	-	-	1,983
Total current liabilities	-	-	-	674,889
Total liabilities	-	-	3,162	4,703,749
DEFERRED INFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	46	46
Unamortized gain on refunding	-	-	-	14,052
Total deferred inflows of resources	-	-	46	14,098
NET POSITION				
Net investment in capital assets	-	-	5,352	305,053
Restricted	-	172,600	-	295,330
Unrestricted	-	-	(2,311)	(182,590)
Total net position	-	172,600	3,041	417,793
Total liabilities, deferred inflows of resources, and net position	$ -	$ 172,600	$ 6,249	$ 5,135,640

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2025

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Net Position
As of December 31, 2024
(Amounts in Thousands)

	MISCELLANEOUS			
	Project Development Fund	Project Stabilization Fund	SCPPA Fund	**Total Combined**
ASSETS				
Noncurrent assets				
Net utility plant	$ -	$ -	$ 5,548	$ 1,810,105
Net lease asset	-	-	-	6,439
Investments - restricted	-	129,814	-	1,169,052
Investments - unrestricted	-	-	-	24,983
Advance to IPA - restricted	-	-	-	16,890
Fair value of derivative instruments	-	-	-	1,460
Regulatory asset	-	-	-	10,216
Prepaid and other assets	-	-	-	960,456
Total noncurrent assets	-	129,814	5,548	3,999,601
Current assets				
Cash and cash equivalents - restricted	2,224	21,332	-	101,270
Cash and cash equivalents - unrestricted	-	-	-	173,410
Interest receivable	2	1,174	-	9,336
Accounts receivable	45	-	-	26,616
Materials and supplies	-	-	-	31,685
Prepaid and other assets	-	-	-	37,829
Total current assets	2,271	22,506	-	380,146
DEFERRED OUTFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	997	997
Unamortized loss on refunding	-	-	-	30,841
Reclamation and decommissioning obligation	-	-	-	35,387
Accumulated decrease in fair value of hedging derivatives	-	-	-	2,783
Total deferred outflows of resources	-	-	997	70,008
Total assets and deferred outflows of resources	$ 2,271	$ 152,320	$ 6,545	$ 4,449,755
LIABILITIES				
Noncurrent liabilities				
Long-term debt	$ -	$ -	$ -	$ 3,349,952
Long-term lease liabilities	-	-	-	6,947
Fair value of derivative instruments	-	-	-	3,822
Notes payable, other, net pension and OPEB liabilities	-	-	3,210	3,210
Advances from participants	-	-	-	11,273
Reclamation and decommissioning obligation	-	-	-	248,835
Total noncurrent liabilities	-	-	3,210	3,624,039
Current Liabilities				
Debt due within one year	-	-	-	134,685
Current portion of long-term lease liabilities	-	-	-	269
Notes payable and other liabilities due within one year	-	-	-	15,887
Advances from participants due within one year	-	-	-	90,898
Accrued interest	-	-	-	67,576
Accounts payable and accruals	2,271	-	-	154,648
Accrued property tax	-	-	-	1,912
Total current liabilities	2,271	-	-	465,875
Total liabilities	2,271	-	3,210	4,089,914
DEFERRED INFLOWS OF RESOURCES				
Accumulated increase in fair value of hedging derivatives	-	-	-	308
Deferred items related to pensions	-	-	88	88
Unamortized gain on refunding	-	-	-	19,929
Total deferred inflows of resources	-	-	88	20,325
NET POSITION				
Net investment in capital assets	-	-	5,548	(463,282)
Restricted	-	152,320	-	897,313
Unrestricted	-	-	(2,301)	(94,515)
Total net position	-	152,320	3,247	339,516
Total liabilities, deferred inflows of resources, and net position	$ 2,271	$ 152,320	$ 6,545	$ 4,449,755

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2024

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Revenues, Expenses, and Changes in Net Position
For the Six Months Ended December 31, 2025
(Amounts in Thousands)

	GENERATION				
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project
Operating revenues					
Sales of electric energy	$ 42,642	$ -	$ 48,307	$ 17,689	$ 55,471
Sales of transmission services	-	-	-	-	-
Sales of natural gas	-	-	-	-	-
Total operating revenues	42,642	-	48,307	17,689	55,471
Operating expenses					
Operations and maintenance	26,731	-	39,205	8,781	41,263
Depreciation, depletion, and amortization	12,460	-	5,394	4,891	9,297
Amortization of nuclear fuel	4,905	-	-	-	-
Decommissioning	1,002	-	-	-	183
Total operating expenses	45,098	-	44,599	13,672	50,743
Operating income (loss)	(2,456)	-	3,708	4,017	4,728
Non-operating revenues (expenses)					
Investment and other income	6,383	-	972	317	670
Derivative gain (loss)	-	-	1,790	-	-
Other interest and debt expense	-	(1)	(2,920)	(4,119)	(1,989)
Net-non operating revenues (expenses)	6,383	(1)	(158)	(3,802)	(1,319)
Change in net position	3,927	(1)	3,550	215	3,409
Net position - beginning of year	299,113	490	(67,911)	(56,900)	12,816
Net contributions/(distributions) by participants	-	-	-	-	-
Net position - end of period	$ 303,040	$ 489	$ (64,361)	$ (56,685)	$ 16,225

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2025

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Revenues, Expenses, and Changes in Net Position
For the Six Months Ended December 31, 2024
(Amounts in Thousands)

	GENERATION				
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project
Operating revenues					
Sales of electric energy	$ 36,598	$ (47)	$ 69,328	$ 13,519	$ 47,664
Sales of transmission services	-	-	-	-	-
Sales of natural gas	-	-	-	-	-
Total operating revenues	36,598	(47)	69,328	13,519	47,664
Operating expenses					
Operations and maintenance	23,994	31	58,449	4,422	33,576
Depreciation, depletion and amortization	12,493	-	4,367	4,464	8,816
Amortization of nuclear fuel	5,672	-	-	-	-
Decommissioning	676	-	-	-	183
Total operating expenses	42,835	31	62,816	8,886	42,575
Operating income (loss)	(6,237)	(78)	6,512	4,633	5,089
Non operating revenues (expenses)					
Investment and other income	7,006	667	1,574	279	979
Derivative gain (loss)	-	-	(258)	-	-
Other interest and debt expense	-	-	(3,114)	(3,140)	(1,935)
Net non operating revenues (expenses)	7,006	667	(1,798)	(2,861)	(956)
Change in net position	769	589	4,714	1,772	4,133
Net position - beginning of year	289,623	347	(74,216)	(59,149)	(1,051)
Net contributions/(distributions) by participants	-	-	-	-	-
Net position - end of year	$ 290,392	$ 936	$ (69,502)	$ (57,377)	$ 3,082

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2024

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Revenues, Expenses, and Changes in Net Position
For the Six Months Ended December 31, 2025
(Amounts in Thousands)

	GREEN POWER					
	Tieton Hydropower Project	Milford I Wind Project	Milford II Wind Project	Windy Point/ Windy Flats Project	Linden Wind Project	Clean Energy Project
Operating revenues						
Sales of electric energy	$ 2,351	$ 16,938	$ 7,910	$ 42,536	$ 6,104	$ 20,560
Sales of transmission services	-	-	-	-	-	-
Sales of natural gas	-	-	-	-	-	-
Total operating revenues	2,351	16,938	7,910	42,536	6,104	20,560
Operating expenses						
Operations and maintenance	1,206	15,548	7,273	42,278	5,444	26,394
Depreciation, depletion, and amortization	705	-	-	-	2,987	-
Amortization of nuclear fuel	-	-	-	-	-	-
Decommissioning	11	-	-	-	11	-
Total operating expenses	1,922	15,548	7,273	42,278	8,442	26,394
Operating income (loss)	429	1,390	637	258	(2,338)	(5,834)
Non-operating revenues (expenses)						
Investment and other income	58	118	86	420	388	17,137
Derivative gain (loss)	-	-	-	-	-	-
Other interest and debt expense	(316)	(362)	(73)	(412)	(1,049)	(14,190)
Net-non operating revenues (expenses)	(258)	(244)	13	8	(661)	2,947
Change in net position	171	1,146	650	266	(2,999)	(2,887)
Net position - beginning of year	(2,889)	(3,631)	(5,268)	3,641	(11,382)	(19,821)
Net contributions/(distributions) by participants	-	-	-	-	-	-
Net position - end of period	$ (2,718)	$ (2,485)	$ (4,618)	$ 3,907	$ (14,381)	$ (22,708)

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2025

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Revenues, Expenses, and Changes in Net Position
For the Six Months Ended December 31, 2024
(Amounts in Thousands)

	GREEN POWER					
	Tieton Hydropower Project	Milford I Wind Project	Milford II Wind Project	Windy Point/ Windy Flats Project	Linden Wind Project	Clean Energy Project
Operating revenues						
Sales of electric energy	$ 3,947	$ 13,792	$ 7,473	$ 42,632	$ 5,422	$ 10,130
Sales of transmission services	-	-	-	-	-	-
Sales of natural gas	-	-	-	-	-	-
Total operating revenues	3,947	13,792	7,473	42,632	5,422	10,130
Operating expenses						
Operations and maintenance	1,897	12,692	6,908	42,139	4,404	12,742
Depreciation, depletion and amortization	749	-	-	-	2,987	-
Amortization of nuclear fuel	-	-	-	-	-	-
Decommissioning	11	-	-	-	12	-
Total operating expenses	2,657	12,692	6,908	42,139	7,403	12,742
Operating income (loss)	1,290	1,100	565	493	(1,981)	(2,612)
Non operating revenues (expenses)						
Investment and other income	108	390	159	394	187	4,951
Derivative gain (loss)	-	-	-	-	-	-
Other interest and debt expense	(401)	(168)	(92)	(574)	(1,252)	(14,306)
Net non operating revenues (expenses)	(293)	222	67	(180)	(1,065)	(9,355)
Change in net position	997	1,322	632	313	(3,046)	(11,967)
Net position - beginning of year	(4,909)	(6,483)	(6,690)	2,691	(5,335)	(7,068)
Net contributions/(distributions) by participants	-	-	-	-	-	-
Net position - end of year	$ (3,912)	$ (5,161)	$ (6,058)	$ 3,004	$ (8,381)	$ (19,035)

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2024

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Revenues, Expenses, and Changes in Net Position
For the Six Months Ended December 31, 2025
(Amounts in Thousands)

	TRANSMISSION			
	Southern Transmission System Project	Southern Transmission System Renewal Project	Mead-Phoenix Project	Mead-Adelanto Project
Operating revenues				
Sales of electric energy	$ -	$ -	$ -	$ -
Sales of transmission services	38,334	8,997	1,770	3,691
Sales of natural gas	-	-	-	-
Total operating revenues	38,334	8,997	1,770	3,691
Operating expenses				
Operations and maintenance	22,287	85	629	2,188
Depreciation, depletion, and amortization	2,023	1,227	1,402	3,174
Amortization of nuclear fuel	-	-	-	-
Decommissioning	-	-	-	-
Total operating expenses	24,310	1,312	2,031	5,362
Operating income (loss)	14,024	7,685	(261)	(1,671)
Non-operating revenues (expenses)				
Investment and other income	386	2,234	61	85
Derivative gain (loss)	-	-	-	-
Other interest and debt expense	(1,485)	(5,525)	(132)	(162)
Net-non operating revenues (expenses)	(1,099)	(3,291)	(71)	(77)
Change in net position	12,925	4,394	(332)	(1,748)
Net position - beginning of year	39,644	1,602	21,909	50,787
Net contributions/(distributions) by participants	-	-	-	-
Net position - end of period	$ 52,569	$ 5,996	$ 21,577	$ 49,039

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2025

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Revenues, Expenses, and Changes in Net Position
For the Six Months Ended December 31, 2024
(Amounts in Thousands)

	TRANSMISSION			
	Southern Transmission System Project	Southern Transmission System Renewal Project	Mead-Phoenix Project	Mead-Adelanto Project
Operating revenues				
Sales of electric energy	$ -	$ -	$ -	$ -
Sales of transmission services	32,763	2,464	2,044	3,298
Sales of natural gas	-	-	-	-
Total operating revenues	32,763	2,464	2,044	3,298
Operating expenses				
Operations and maintenance	17,119	64	984	2,010
Depreciation, depletion and amortization	2,023	731	1,399	3,169
Amortization of nuclear fuel	-	-	-	-
Decommissioning	-	-	-	-
Total operating expenses	19,142	795	2,383	5,179
Operating income (loss)	13,621	1,669	(339)	(1,881)
Non operating revenues (expenses)				
Investment and other income	392	1,125	73	73
Derivative gain (loss)	-	-	-	-
Other interest and debt expense	(2,283)	(1,668)	(146)	(180)
Net non operating revenues (expenses)	(1,891)	(543)	(73)	(107)
Change in net position	11,730	1,126	(412)	(1,988)
Net position - beginning of year	15,633	-	22,376	54,648
Net contributions/(distributions) by participants	-	-	-	-
Net position - end of year	$ 27,363	$ 1,126	$ 21,964	$ 52,660

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2024

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Revenues, Expenses, and Changes in Net Position
For the Six Months Ended December 31, 2025
(Amounts in Thousands)

	NATURAL GAS			PPAs
	Pinedale Project	Barnett Project	Prepaid Natural Gas Project	Power Purchase Agreements Combined Projects
Operating revenues				
Sales of electric energy	$ -	$ -	$ -	$ 252,390
Sales of transmission services	-	-	-	-
Sales of natural gas	1,638	3,065	3,749	-
Total operating revenues	1,638	3,065	3,749	252,390
Operating expenses				
Operations and maintenance	490	1,146	6,359	254,688
Depreciation, depletion, and amortization	1,109	1,310	-	-
Amortization of nuclear fuel	-	-	-	-
Decommissioning	19	4	-	-
Total operating expenses	1,618	2,460	6,359	254,688
Operating income (loss)	20	605	(2,610)	(2,298)
Non-operating revenues (expenses)				
Investment and other income	84	954	9,903	2,665
Derivative gain (loss)	-	-	-	-
Other interest and debt expense	(207)	(488)	(6,051)	-
Net-non operating revenues (expenses)	(123)	466	3,852	2,665
Change in net position	(103)	1,071	1,242	367
Net position - beginning of year	3,840	40,087	(90,157)	919
Net contributions/(distributions) by participants	-	-	-	-
Net position - end of period	$ 3,737	$ 41,158	$ (88,915)	$ 1,286

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2025

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Revenues, Expenses, and Changes in Net Position
For the Six Months Ended December 31, 2024
(Amounts in Thousands)

	NATURAL GAS			PPAs
	Pinedale Project	Barnett Project	Prepaid Natural Gas Project	Power Purchase Agreements Combined Projects
Operating revenues				
Sales of electric energy	$ -	$ -	$ -	$ 226,701
Sales of transmission services	-	-	-	-
Sales of natural gas	1,563	3,063	-	-
Total operating revenues	1,563	3,063	-	226,701
Operating expenses				
Operations and maintenance	460	1,040	6,318	228,539
Depreciation, depletion and amortization	788	981	-	-
Amortization of nuclear fuel	-	-	-	-
Decommissioning	19	4	-	-
Total operating expenses	1,267	2,025	6,318	228,539
Operating income (loss)	296	1,038	(6,318)	(1,838)
Non operating revenues (expenses)				
Investment and other income	114	1,066	13,217	1,909
Derivative gain (loss)	-	-	-	-
Other interest and debt expense	(241)	(568)	(6,398)	-
Net non operating revenues (expenses)	(127)	498	6,819	1,909
Change in net position	169	1,536	501	71
Net position - beginning of year	4,119	37,876	(91,831)	407
Net contributions/(distributions) by participants	-	-	-	-
Net position - end of year	$ 4,288	$ 39,412	$ (91,330)	$ 478

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2024

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Revenues, Expenses, and Changes in Net Position
For the Six Months Ended December 31, 2025
(Amounts in Thousands)

	MISCELLANEOUS			
	Project Development Fund	Project Stabilization Fund	SCPPA Fund	**Total Combined**
Operating revenues				
Sales of electric energy	$ -	$ -	$ -	$ 512,898
Sales of transmission services	-	-	-	52,792
Sales of natural gas	-	-	-	8,452
Total operating revenues	-	-	-	574,142
Operating expenses				
Operations and maintenance	-	-	140	502,135
Depreciation, depletion, and amortization	-	-	106	46,085
Amortization of nuclear fuel	-	-	-	4,905
Decommissioning	-	-	-	1,230
Total operating expenses	-	-	246	554,355
Operating income (loss)	-	-	(246)	19,787
Non-operating revenues (expenses)				
Investment and other income	-	3,416	140	46,477
Derivative gain (loss)	-	-	-	1,790
Other interest and debt expense	-	-	-	(39,481)
Net-non operating revenues (expenses)	-	3,416	140	8,786
Change in net position	-	3,416	(106)	28,573
Net position - beginning of year	-	156,263	3,134	376,286
Net contributions/(distributions) by participants	-	12,921	13	12,934
Net position - end of period	$ -	$ 172,600	$ 3,041	$ 417,793

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2025

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Revenues, Expenses, and Changes in Net Position
For the Six Months Ended December 31, 2024
(Amounts in Thousands)

	MISCELLANEOUS			
	Project Development Fund	Project Stabilization Fund	SCPPA Fund	**Total Combined**
Operating revenues				
Sales of electric energy	$ 41	$ -	$ -	$ 477,200
Sales of transmission services	-	-	-	40,569
Sales of natural gas	-	-	-	4,626
Total operating revenues	41	-	-	522,395
Operating expenses				
Operations and maintenance	45	-	133	457,966
Depreciation, depletion and amortization	-	-	104	43,071
Amortization of nuclear fuel	-	-	-	5,672
Decommissioning	-	-	-	905
Total operating expenses	45	-	237	507,614
Operating income (loss)	(4)	-	(237)	14,781
Non operating revenues (expenses)				
Investment and other income	4	3,711	143	38,521
Derivative gain (loss)	-	-	-	(258)
Other interest and debt expense	-	-	-	(36,466)
Net non operating revenues (expenses)	4	3,711	143	1,797
Change in net position	-	3,711	(94)	16,578
Net position - beginning of year	-	136,482	3,341	310,811
Net contributions/(distributions) by participants	-	12,127	-	12,127
Net position - end of year	$ -	$ 152,320	$ 3,247	$ 339,516

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2024

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Cash Flows
For the Six Months Ended December 31, 2025
(Amounts in Thousands)

	GENERATION				
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project
Cash flows from operating activities					
Receipts from participants	$ 40,001	$ 300	$ 39,551	$ 15,402	$ 37,188
Receipts from sale of oil and gas	-	-	-	-	-
Payments to operating managers	(23,755)	(91)	(25,233)	(8,418)	(17,820)
Other receipts and disbursements	2	(1,476)	555	60	27
Net cash flows provided by (used for) operating activities	16,248	(1,267)	14,873	7,044	19,395
Cash flows from noncapital financing activities					
Advances/(withdrawals) by participants,net	-	-	-	-	-
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	(15,518)	-	(7)	(112)	(3,255)
Debt interest and swap payments	-	-	(3,873)	(1,096)	(4,816)
Lease interest payments	-	-	(132)	(47)	-
Principal payments on leases	-	-	(84)	(43)	-
Proceeds from sale of bonds	-	-	-	-	-
Principal payments on debt	-	-	(11,905)	(13,695)	(12,915)
Payment for bond issue costs	-	-	-	(323)	-
Net cash provided by (used for) capital and related financing activities	(15,518)	-	(16,001)	(15,316)	(20,986)
Cash flows from investing activities					
Interest received on investments	752	38	951	220	546
Purchases of investments	(12,000)	-	(32,978)	(10,969)	(19,566)
Proceeds from sale/maturity of investments	21,214	1,000	61,980	12,150	14,550
Net cash provided by (used for) investing activities	9,966	1,038	29,953	1,401	(4,470)
Net increase (decrease) in cash and cash equivalents	10,696	(229)	28,825	(6,871)	(6,061)
Cash and cash equivalents, beginning of year	11,909	732	12,527	15,450	23,509
Cash and cash equivalents, end of period	$ 22,605	$ 503	$ 41,352	$ 8,579	$ 17,448
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	$ (2,456)	$ -	$ 3,708	$ 4,017	$ 4,728
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation, depletion, and amortization	12,460	-	5,394	4,891	9,297
Decommissioning	1,002	-	-	-	183
Amortization of nuclear fuel	4,905	-	-	-	-
Changes in assets and liabilities					
Accounts receivable	(3,546)	-	(71)	(72)	(1)
Accounts payable and accruals	2,220	(23)	(868)	1,273	2,071
Other	1,663	(1,244)	6,710	(3,065)	3,117
Net cash provided by (used for) operating activities	$ 16,248	$ (1,267)	$ 14,873	$ 7,044	$ 19,395
Cash and cash equivalents as stated in the Individual Statements of Net Position					
Cash and cash equivalents - restricted	$ 11,535	$ -	$ 18,769	$ 2,640	$ 3,434
Cash and cash equivalents - unrestricted	11,070	503	22,583	5,939	14,014
	$ 22,605	$ 503	$ 41,352	$ 8,579	$ 17,448

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2025

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Cash Flows
For the Six Months Ended December 31, 2024
(Amounts in Thousands)

	GENERATION				
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project
Cash flows from operating activities					
Receipts from participants	$ 35,926	$ 304	$ 33,818	$ 18,913	$ 31,782
Receipts from sale of oil and gas	-	-	-	-	-
Payments to operating managers	(22,490)	(120)	(49,759)	(2,422)	(17,617)
Other receipts and disbursements	2	(1,283)	891	47	23
Net cash flows provided by (used for) operating activities	13,438	(1,099)	(15,050)	16,538	14,188
Cash flows from noncapital financing activities					
Advances/(withdrawals) by participants,net	-	-	-	-	-
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	(15,516)	-	(674)	-	(4,249)
Debt interest and swap payments	-	-	(4,147)	(2,773)	-
Lease interest payments	-	-	(91)	(50)	-
Principal payments on leases	-	-	(125)	(40)	-
Principal payments on debt	-	-	(11,325)	(13,560)	-
Payment for bond issue costs	-	-	-	-	(321)
Net cash provided by (used for) capital and related financing activities	(15,516)	-	(16,362)	(16,423)	(4,570)
Cash flows from investing activities					
Interest received on investments	725	56	1,269	173	645
Purchases of investments	(21,006)	(2,986)	(35,095)	(9,256)	(28,894)
Proceeds from sale/maturity of investments	21,685	3,487	43,620	13,100	10,500
Net cash provided by (used for) investing activities	1,404	557	9,794	4,017	(17,749)
Net increase (decrease) in cash and cash equivalents	(674)	(542)	(21,618)	4,132	(8,131)
Cash and cash equivalents, beginning of year	13,854	656	40,901	8,122	30,081
Cash and cash equivalents, end of period	$ 13,180	$ 114	$ 19,283	$ 12,254	$ 21,950
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	$ (6,237)	$ (78)	$ 6,512	$ 4,633	$ 5,089
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation, depletion, and amortization	12,493	-	4,367	4,464	8,816
Decommissioning	676	-	-	-	183
Amortization of nuclear fuel	5,672	-	-	-	-
Changes in assets and liabilities					
Accounts receivable	(676)	$ (8)	(1,769)	-	(757)
Accounts payable and accruals	1,411	$ (11)	(3,215)	8,205	763
Other	99	$ (1,002)	(20,945)	(764)	94
Net cash provided by operating activities	$ 13,438	$ (1,099)	$ (15,050)	$ 16,538	$ 14,188
Cash and cash equivalents as stated in the Individual Statements of Net Position					
Cash and cash equivalents - restricted	$ 5,406	$ -	$ 12,016	$ 2,666	$ 3,179
Cash and cash equivalents - unrestricted	7,774	114	7,267	9,588	18,771
	$ 13,180	$ 114	$ 19,283	$ 12,254	$ 21,950

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2024

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Cash Flows
For the Six Months Ended December 31, 2025
(Amounts in Thousands)

	GREEN POWER					
	Tieton Hydropower Project	Milford I Wind Project	Milford II Wind Project	Windy Point/ Windy Flats Project	Linden Wind Project	Clean Energy Project
Cash flows from operating activities						
Receipts from participants	$ 3,323	$ 15,958	$ 7,889	$ 44,664	$ 11,292	$ 30
Receipts from sale of oil and gas	-	-	-	-	-	-
Payments to operating managers	(1,491)	(10,422)	(3,107)	(32,011)	(8,004)	(36)
Other receipts and disbursements	4	7	2	-	397	432
Net cash flows provided by (used for) operating activities	1,836	5,543	4,784	12,653	3,685	426
Cash flows from noncapital financing activities						
Advances/(withdrawals) by participants,net	-	-	-	-	-	18,793
Cash flows from capital financing activities						
Additions to plant and prepaid projects, net	-	-	-	-	-	-
Debt interest and swap payments	(715)	(1,613)	(1,486)	(3,713)	(882)	(14,807)
Lease interest payments	-	-	-	-	(39)	-
Principal payments on leases	-	-	-	-	(50)	-
Proceeds from sale of bonds	-	-	-	-	-	-
Principal payments on debt	(2,915)	(11,675)	(7,300)	(21,830)	-	(550)
Payment for bond issue costs	-	-	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(3,630)	(13,288)	(8,786)	(25,543)	(971)	(15,357)
Cash flows from investing activities						
Interest received on investments	23	87	57	332	344	428
Purchases of investments	(2,704)	(7,749)	(5,174)	(14,561)	(15,498)	(16,606)
Proceeds from sale/maturity of investments	3,820	11,100	6,440	18,530	13,620	14,041
Net cash provided by (used for) investing activities	1,139	3,438	1,323	4,301	(1,534)	(2,137)
Net increase (decrease) in cash and cash equivalents	(655)	(4,307)	(2,679)	(8,589)	1,180	1,725
Cash and cash equivalents, beginning of year	2,154	6,157	4,380	19,832	4,533	1,390
Cash and cash equivalents, end of period	$ 1,499	$ 1,850	$ 1,701	$ 11,243	$ 5,713	$ 3,115
Reconciliation of operating income (loss) to net cash provided by operating activities						
Operating income (loss)	$ 429	$ 1,390	$ 637	$ 258	$ (2,338)	$ (5,834)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation, depletion, and amortization	705	-	-	-	2,987	-
Decommissioning	11	-	-	-	11	-
Amortization of nuclear fuel	-	-	-	-	-	-
Changes in assets and liabilities						
Accounts receivable	554	(981)	(21)	-	153	146
Accounts payable and accruals	137	(673)	(153)	(1,666)	2,801	322
Other	-	5,807	4,321	14,061	71	5,792
Net cash provided by (used for) operating activities	$ 1,836	$ 5,543	$ 4,784	$ 12,653	$ 3,685	$ 426
Cash and cash equivalents as stated in the Individual Statements of Net Position						
Cash and cash equivalents - restricted	$ 604	$ 1,273	$ 23	$ 120	$ 3,291	$ 3,115
Cash and cash equivalents - unrestricted	895	577	1,678	11,123	2,422	-
	$ 1,499	$ 1,850	$ 1,701	$ 11,243	$ 5,713	$ 3,115

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2025

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Cash Flows
For the Six Months Ended December 31, 2024
(Amounts in Thousands)

	GREEN POWER					
	Tieton Hydropower Project	Milford I Wind Project	Milford II Wind Project	Windy Point/ Windy Flats Project	Linden Wind Project	Clean Energy Project
Cash flows from operating activities						
Receipts from participants	$ 3,301	$ 9,614	$ 6,490	$ 41,606	$ 9,966	$ 39
Receipts from sale of oil and gas	-	-	-	-	-	-
Payments to operating managers	(2,374)	(7,010)	(2,650)	(30,444)	(5,615)	(7)
Other receipts and disbursements	3	2	369	343	156	1,333
Net cash flows provided by (used for) operating activities	930	2,606	4,209	11,505	4,507	1,365
Cash flows from noncapital financing activities						
Advances/(withdrawals) by participants,net	-	-	-	-	-	4,419
Cash flows from capital financing activities						
Additions to plant and prepaid projects, net	-	-	-	-	-	-
Debt interest and swap payments	(752)	(1,891)	(1,660)	(4,046)	(1,134)	(7,486)
Lease interest payments	-	-	-	-	(41)	-
Principal payments on leases	-	-	-	-	(44)	-
Principal payments on debt	(1,300)	(11,115)	(6,950)	(13,340)	-	-
Payment for bond issue costs	-	-	-	(2)	-	(792)
Net cash provided by (used for) capital and related financing activities	(2,052)	(13,006)	(8,610)	(17,388)	(1,219)	(8,278)
Cash flows from investing activities						
Interest received on investments	51	272	101	240	172	463
Purchases of investments	(2,596)	(10,664)	(4,382)	(14,586)	(4,639)	(4,833)
Proceeds from sale/maturity of investments	2,420	10,700	5,530	7,000	-	7,449
Net cash provided by (used for) investing activities	(125)	308	1,249	(7,346)	(4,467)	3,079
Net increase (decrease) in cash and cash equivalents	(1,247)	(10,092)	(3,152)	(13,229)	(1,179)	585
Cash and cash equivalents, beginning of year	2,819	15,150	6,951	19,919	6,068	933
Cash and cash equivalents, end of period	$ 1,572	$ 5,058	$ 3,799	$ 6,690	$ 4,889	$ 1,518
Reconciliation of operating income (loss) to net cash provided by operating activities						
Operating income (loss)	$ 1,290	$ 1,100	$ 565	$ 493	$ (1,981)	$ (2,612)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation, depletion, and amortization	749	-	-	-	2,987	-
Decommissioning	11	-	-	-	12	-
Amortization of nuclear fuel	-	-	-	-	-	-
Changes in assets and liabilities						
Accounts receivable	(455)	(2,315)	362	(687)	67	(3,473)
Accounts payable and accruals	(666)	(1,986)	(1,040)	(2,659)	3,356	4,861
Other	1	5,807	4,322	14,358	66	2,589
Net cash provided by operating activities	$ 930	$ 2,606	$ 4,209	$ 11,505	$ 4,507	$ 1,365
Cash and cash equivalents as stated in the Individual Statements of Net Position						
Cash and cash equivalents - restricted	$ 1,530	$ 1,556	$ 25	$ 100	$ 340	$ 1,518
Cash and cash equivalents - unrestricted	42	3,502	3,774	6,590	4,549	-
	$ 1,572	$ 5,058	$ 3,799	$ 6,690	$ 4,889	$ 1,518

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2024

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Cash Flows
For the Six Months Ended December 31, 2025
(Amounts in Thousands)

	TRANSMISSION			
	Southern Transmission System Project	Southern Transmission System Renewal Project	Mead-Phoenix Project	Mead-Adelanto Project
Cash flows from operating activities				
Receipts from participants	$ 51,301	$ 9,114	$ 3,841	$ 3,519
Receipts from sale of oil and gas	-	-	-	-
Payments to operating managers	(35,396)	(101)	(1,053)	(2,334)
Other receipts and disbursements	26	(112)	22	13
Net cash flows provided by (used for) operating activities	15,931	8,901	2,810	1,198
Cash flows from noncapital financing activities				
Advances/(withdrawals) by participants,net	-	-	-	-
Cash flows from capital financing activities				
Additions to plant and prepaid projects, net	-	(121,832)	(95)	(229)
Debt interest and swap payments	(2,182)	(31,547)	(285)	(350)
Lease interest payments	-	-	-	-
Principal payments on leases	-	-	-	-
Proceeds from sale of bonds	-	581,658	-	-
Principal payments on debt	(28,390)	(1,135)	(1,675)	(2,060)
Payment for bond issue costs	-	(2,816)	-	-
Net cash provided by (used for) capital and related financing activities	(30,572)	424,328	(2,055)	(2,639)
Cash flows from investing activities				
Interest received on investments	242	9,145	44	73
Purchases of investments	(19,553)	(748,433)	(1,683)	(1,632)
Proceeds from sale/maturity of investments	28,567	257,089	1,030	1,270
Net cash provided by (used for) investing activities	9,256	(482,199)	(609)	(289)
Net increase (decrease) in cash and cash equivalents	(5,385)	(48,970)	146	(1,730)
Cash and cash equivalents, beginning of year	10,379	180,048	2,492	4,183
Cash and cash equivalents, end of period	$ 4,994	$ 131,078	$ 2,638	$ 2,453
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	$ 14,024	$ 7,685	$ (261)	$ (1,671)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation, depletion, and amortization	2,023	1,227	1,402	3,174
Decommissioning	-	-	-	-
Amortization of nuclear fuel	-	-	-	-
Changes in assets and liabilities				
Accounts receivable	(11,662)	-	-	-
Accounts payable and accruals	11,549	(11)	1,882	(892)
Other	(3)	-	(213)	587
			-	-
Net cash provided by (used for) operating activities	$ 15,931	$ 8,901	$ 2,810	$ 1,198
Cash and cash equivalents as stated in the Individual Statements of Net Position				
Cash and cash equivalents - restricted	$ 4,253	$ 131,078	$ 2,111	$ 2,123
Cash and cash equivalents - unrestricted	741	-	527	330
	$ 4,994	$ 131,078	$ 2,638	$ 2,453

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2025

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Cash Flows
For the Six Months Ended December 31, 2024
(Amounts in Thousands)

	TRANSMISSION			
	Southern Transmission System Project	Southern Transmission System Renewal Project	Mead-Phoenix Project	Mead-Adelanto Project
Cash flows from operating activities				
Receipts from participants	$ 40,790	$ 2,502	$ 1,841	$ 4,269
Receipts from sale of oil and gas	-	-	-	-
Payments to operating managers	(25,202)	(60)	(1,334)	(2,235)
Other receipts and disbursements	(56)	6	2	-
Net cash flows provided by (used for) operating activities	15,532	2,448	509	2,034
Cash flows from noncapital financing activities				
Advances/(withdrawals) by participants,net	-	-	-	-
Cash flows from capital financing activities				-
Additions to plant and prepaid projects, net	-	(221,746)	(38)	-
Debt interest and swap payments	(2,850)	(21,484)	(324)	(400)
Lease interest payments	-	-	-	-
Principal payments on leases	-	-	-	-
Principal payments on debt	(27,055)	-	(1,595)	(1,965)
Payment for bond issue costs	-	(360)	-	-
Net cash provided by (used for) capital and related financing activities	(29,905)	(243,590)	(1,957)	(2,365)
Cash flows from investing activities				
Interest received on investments	207	9,362	65	58
Purchases of investments	(12,182)	(395,577)	(1,424)	(1,135)
Proceeds from sale/maturity of investments	26,730	320,263	880	960
Net cash provided by (used for) investing activities	14,755	(65,952)	(479)	(117)
Net increase (decrease) in cash and cash equivalents	382	(307,094)	(1,927)	(448)
Cash and cash equivalents, beginning of year	9,848	335,801	3,622	2,922
Cash and cash equivalents, end of period	$ 10,230	$ 28,707	$ 1,695	$ 2,474
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	$ 13,621	$ 1,669	$ (339)	$ (1,881)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation, depletion, and amortization	2,023	731	1,399	3,169
Decommissioning	-	-	-	-
Amortization of nuclear fuel	-	-	-	-
Changes in assets and liabilities				
Accounts receivable	(7,577)	-	(84)	102
Accounts payable and accruals	7,468	47	(412)	73
Other	(3)	1	(55)	571
			-	-
Net cash provided by operating activities	$ 15,532	$ 2,448	$ 509	$ 2,034
Cash and cash equivalents as stated in the Individual Statements of Net Position				
Cash and cash equivalents - restricted	$ 9,947	$ 28,707	$ 1,042	$ 2,071
Cash and cash equivalents - unrestricted	283	-	653	403
	$ 10,230	$ 28,707	$ 1,695	$ 2,474

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2024

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Cash Flows
For the Six Months Ended December 31, 2025
(Amounts in Thousands)

	NATURAL GAS			PPAs
	Pinedale Project	Barnett Project	Prepaid Natural Gas Project	Power Purchase Agreements Combined Projects
Cash flows from operating activities				
Receipts from participants	$ 986	$ 2,185	$ 6,111	$ 245,786
Receipts from sale of oil and gas	171	573	-	-
Payments to operating managers	(586)	(1,247)	(701)	(237,353)
Other receipts and disbursements	32	-	8	9,786
Net cash flows provided by (used for) operating activities	603	1,511	5,418	18,219
Cash flows from noncapital financing activities				
Advances/(withdrawals) by participants,net	(146)	(11)	9,754	9,145
Cash flows from capital financing activities				
Additions to plant and prepaid projects, net	(51)	(67)	-	-
Debt interest and swap payments	(241)	(568)	(5,928)	-
Lease interest payments	-	-	-	-
Principal payments on leases	-	-	-	-
Proceeds from sale of bonds	-	-	-	-
Principal payments on debt	(1,144)	(2,691)	(14,805)	-
Payment for bond issue costs	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(1,436)	(3,326)	(20,733)	-
Cash flows from investing activities				
Interest received on investments	76	872	593	1,663
Purchases of investments	(500)	(36,661)	(16,391)	(84,493)
Proceeds from sale/maturity of investments	1,220	37,210	20,279	76,400
Net cash provided by (used for) investing activities	796	1,421	4,481	(6,430)
Net increase (decrease) in cash and cash equivalents	(183)	(405)	(1,080)	20,934
Cash and cash equivalents, beginning of year	5,256	6,175	5,308	77,761
Cash and cash equivalents, end of period	$ 5,073	$ 5,770	$ 4,228	$ 98,695
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	$ 20	$ 605	$ (2,610)	$ (2,298)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation, depletion, and amortization	1,109	1,310	-	-
Decommissioning	19	4	-	-
Amortization of nuclear fuel	-	-	-	-
Changes in assets and liabilities				
Accounts receivable	(44)	(29)	130	10,687
Accounts payable and accruals	34	(169)	2,225	9,845
Other	(535)	(210)	5,673	(15)
Net cash provided by (used for) operating activities	$ 603	$ 1,511	$ 5,418	$ 18,219
Cash and cash equivalents as stated in the Individual Statements of Net Position				
Cash and cash equivalents - restricted	$ 2,153	$ 4,061	$ 3,283	$ 6
Cash and cash equivalents - unrestricted	2,920	1,709	945	98,689
	$ 5,073	$ 5,770	$ 4,228	$ 98,695

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2025

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Cash Flows
For the Six Months Ended December 31, 2024
(Amounts in Thousands)

	NATURAL GAS			PPAs
	Pinedale Project	Barnett Project	Prepaid Natural Gas Project	Power Purchase Agreements Combined Projects
Cash flows from operating activities				
Receipts from participants	$ 1,014	$ 2,321	$ 3,653	$ 219,583
Receipts from sale of oil and gas	182	490	-	-
Payments to operating managers	(714)	(997)	(547)	$ (220,663)
Other receipts and disbursements	74	3	(1)	11,458
Net cash flows provided by (used for) operating activities	556	1,817	3,105	10,378
Cash flows from noncapital financing activities				
Advances/(withdrawals) by participants,net	804	1	11,254	-
Cash flows from capital financing activities				
Additions to plant and prepaid projects, net	(31)	(13)	-	-
Debt interest and swap payments	(274)	(647)	(6,265)	-
Lease interest payments	-	-	-	-
Principal payments on leases	-	-	-	-
Principal payments on debt	(1,201)	(2,824)	(12,850)	-
Payment for bond issue costs	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(1,506)	(3,484)	(19,115)	-
Cash flows from investing activities				
Interest received on investments	90	1,173	564	1,913
Purchases of investments	(846)	(65,053)	(14,544)	(3,931)
Proceeds from sale/maturity of investments	500	63,724	17,134	-
Net cash provided by (used for) investing activities	(256)	(156)	3,154	(2,018)
Net increase (decrease) in cash and cash equivalents	(402)	(1,822)	(1,602)	8,360
Cash and cash equivalents, beginning of year	6,007	6,732	5,076	95,362
Cash and cash equivalents, end of period	$ 5,605	$ 4,910	$ 3,474	$ 103,722
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	$ 296	$ 1,038	$ (6,318)	$ (1,838)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation, depletion, and amortization	788	981	-	-
Decommissioning	19	4	-	-
Amortization of nuclear fuel	-	-	-	-
Changes in assets and liabilities				
Accounts receivable	33	155	52	7,499
Accounts payable and accruals	(302)	(183)	1,904	4,749
Other	(278)	(178)	7,467	(32)
Net cash provided by operating activities	$ 556	$ 1,817	$ 3,105	$ 10,378
Cash and cash equivalents as stated in the Individual Statements of Net Position				
Cash and cash equivalents - restricted	$ 1,798	$ 3,203	$ 2,598	$ 12
Cash and cash equivalents - unrestricted	3,807	1,707	876	103,710
	$ 5,605	$ 4,910	$ 3,474	$ 103,722

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2024

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Cash Flows
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(Amounts in Thousands)

	MISCELLANEOUS			
	Project Development Fund	Projects Stabilization Fund	SCPPA Fund	**Total Combined**
Cash flows from operating activities				
Receipts from participants	$ -	$ -	$ -	$ 538,441
Receipts from sale of oil and gas	-	-	-	744
Payments to operating managers	-	-	-	(409,159)
Other receipts and disbursements	-	-	(140)	9,645
Net cash flows provided by (used for) operating activities	-	-	(140)	139,671
Cash flows from noncapital financing activities				
Advances/(withdrawals) by participants,net	(9,145)	12,921	140	41,451
Cash flows from capital financing activities				
Additions to plant and prepaid projects, net	-	-	-	(141,166)
Debt interest and swap payments	-	-	-	(74,102)
Lease interest payments	-	-	-	(218)
Principal payments on leases	-	-	-	(177)
Proceeds from sale of bonds	-	-	-	581,658
Principal payments on debt	-	-	-	(134,685)
Payment for bond issue costs	-	-	-	(3,139)
Net cash provided by (used for) capital and related financing activities	-	-	-	228,171
Cash flows from investing activities				
Interest received on investments	-	3,168	-	19,654
Purchases of investments	-	(126,871)	-	(1,174,022)
Proceeds from sale/maturity of investments	-	109,555	-	711,065
Net cash provided by (used for) investing activities	-	(14,148)	-	(443,303)
Net increase (decrease) in cash and cash equivalents	(9,145)	(1,227)	-	(34,010)
Cash and cash equivalents, beginning of year	9,145	14,953	-	418,273
Cash and cash equivalents, end of period	$ -	$ 13,726	$ -	$ 384,263
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	$ -	$ -	$ (246)	$ 19,787
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation, depletion, and amortization	-	-	106	46,085
Decommissioning	-	-	-	1,230
Amortization of nuclear fuel	-	-	-	4,905
Changes in assets and liabilities				
Accounts receivable	-	-	-	(4,757)
Accounts payable and accruals	-	-	-	29,904
Other	-	-	-	42,517
Net cash provided by (used for) operating activities	$ -	$ -	$ (140)	$ 139,671
Cash and cash equivalents as stated in the Individual Statements of Net Position				
Cash and cash equivalents - restricted	$ -	$ 13,726	$ -	$ 207,598
Cash and cash equivalents - unrestricted	-	-	-	176,665
	$ -	$ 13,726	$ -	$ 384,263

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2025

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Individual Statements of Cash Flows
For the Six Months Ended December 31, 2024
(Amounts in Thousands)

	MISCELLANEOUS			
	Project Development Fund	Projects Stabilization Fund	SCPPA Fund	**Total Combined**
Cash flows from operating activities				
Receipts from participants	$ 2,217	$ -	$ -	$ 469,949
Receipts from sale of oil and gas	-	-	-	672
Payments to operating managers	(3)	-	-	(392,263)
Other receipts and disbursements	-	-	(133)	13,239
Net cash flows provided by (used for) operating activities	2,214	-	(133)	91,597
Cash flows from noncapital financing activities				
Advances/(withdrawals) by participants,net	-	12,127	133	28,738
Cash flows from capital financing activities				
Additions to plant and prepaid projects, net	-	-	-	(242,267)
Debt interest and swap payments	-	-	-	(56,133)
Lease interest payments	-	-	-	(182)
Principal payments on leases	-	-	-	(209)
Principal payments on debt	-	-	-	(105,080)
Payment for bond issue costs	-	-	-	(1,475)
Net cash provided by (used for) capital and related financing activities	-	-	-	(405,346)
Cash flows from investing activities				
Interest received on investments	10	2,729	-	20,338
Purchases of investments	-	(98,739)	-	(732,368)
Proceeds from sale/maturity of investments	-	93,300	-	648,982
Net cash provided by (used for) investing activities	10	(2,710)	-	(63,048)
Net increase (decrease) in cash and cash equivalents	2,224	9,417	-	(348,059)
Cash and cash equivalents, beginning of year	-	11,915	-	622,739
Cash and cash equivalents, end of period	$ 2,224	$ 21,332	$ -	$ 274,680
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	$ (4)	$ -	$ (237)	$ 14,781
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation, depletion, and amortization	-	-	104	43,071
Decommissioning	-	-	-	905
Amortization of nuclear fuel	-	-	-	5,672
Changes in assets and liabilities				
Accounts receivable	-	-	-	(9,531)
Accounts payable and accruals	2,263	-	-	24,626
Other	(45)	-	-	12,073
Net cash provided by operating activities	$ 2,214	$ -	$ (133)	$ 91,597
Cash and cash equivalents as stated in the Individual Statements of Net Position				
Cash and cash equivalents - restricted	$ 2,224	$ 21,332	$ -	$ 101,270
Cash and cash equivalents - unrestricted	-	-	-	173,410
	$ 2,224	$ 21,332	$ -	$ 274,680

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2024

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Net Position
As of December 31, 2025
(Amounts in Thousands)

	POWER PURCHASE AGREEMENTS														
	MWD Small Hydro Project	Pebble Springs Project	Ameresco Chiquita Landfill Gas Project	Don A. Campbell I/ Wild Rose Project	Copper Mountain Solar 3 Project	Columbia2 Solar Project	Heber 1 Geothermal Project	Kingbird Solar Project	Don A. Campbell II Project	Springbok I Project	Springbok II Project	Summer Solar Project	Astoria 2 Solar Project	Antelope Big Sky Ranch Project	Antelope DSR I Solar Project
ASSETS															
Noncurrent assets															
Investments - unrestricted	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Current assets															
Cash and cash equivalents - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents - unrestricted	-	5,303	462	3,370	4,328	572	11,282	589	3,207	4,219	4,272	1,074	2,368	868	1,820
Interest receivable	-	4	-	5	6	-	3	-	5	4	4	-	2	-	1
Accounts receivable	-	-	-	-	-	164	-	50	-	-	-	58	139	49	115
Prepaid and other assets	-	7	-	2	9	2	17	5	1	2	3	5	8	5	6
Total current assets	-	5,314	462	3,377	4,343	738	11,302	644	3,213	4,225	4,279	1,137	2,517	922	1,942
Total assets	$ -	$ 5,314	$ 462	$ 3,377	$ 4,343	$ 738	$ 11,302	$ 644	$ 3,213	$ 4,225	$ 4,279	$ 1,137	$ 2,517	$ 922	$ 1,942
LIABILITIES															
Current Liabilities															
Advances from participants due within one year	$ -	$ 1,650	$ 400	$ 960	$ -	$ 400	$ 400	$ 171	$ 960	$ 2,000	$ 2,000	$ 600	$ 800	$ 300	$ 900
Accounts payable and accruals	-	3,647	62	2,403	4,334	338	10,843	473	2,241	2,212	2,265	537	1,715	622	1,041
Total current liabilities	-	5,297	462	3,363	4,334	738	11,243	644	3,201	4,212	4,265	1,137	2,515	922	1,941
Total liabilities	-	5,297	462	3,363	4,334	738	11,243	644	3,201	4,212	4,265	1,137	2,515	922	1,941
NET POSITION															
Unrestricted	-	17	-	14	9	-	59	-	12	13	14	-	2	-	1
Total net position	-	17	-	14	9	-	59	-	12	13	14	-	2	-	1
Total liabilities and net position	$ -	$ 5,314	$ 462	$ 3,377	$ 4,343	$ 738	$ 11,302	$ 644	$ 3,213	$ 4,225	$ 4,279	$ 1,137	$ 2,517	$ 922	$ 1,942

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Net Position
As of December 31, 2025
(Amounts in Thousands)

	POWER PURCHASE AGREEMENTS																
	Antelope DSR II Solar Project	Puente Hills Landfill Gas Project	Ormat Nevada Geothermal Project	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok III Project	Whitegrass Geothermal Project	Desert Harvest Project	Roseburg Biomass Project	Red Cloud Wind Project	COSO Project	Star Peak Geothermal Project	Mammoth Casa Diablo IV Energy Project	Dagget Solar 2 Project	Eland 1 Solar + Storage Project	Eland 2 Solar + Storage Project	**Totals**
ASSETS																	
Noncurrent assets																	
Investments - unrestricted	$ -	$ -	$ 12,966	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,942	$ 31,510	$ 53,418
Current assets																	
Cash and cash equivalents - restricted	-	-	-	-	1	-	-	-	5	-	-	-	-	-	-	-	6
Cash and cash equivalents - unrestricted	158	1,896	9,164	2,416	9,674	2,499	749	1,443	422	10,600	2,294	1,363	2,072	1,473	7,866	866	98,689
Interest receivable	-	1	20	8	10	3	-	1	1	11	1	1	1	1	14	10	117
Accounts receivable	2	-	-	254	-	101	-	827	-	224	-	6	447	255	-	-	2,691
Prepaid and other assets	4	14	12	7	-	1	2	1	1	5	10	2	7	11	6	5	160
Total current assets	164	1,911	9,196	2,685	9,685	2,604	751	2,272	429	10,840	2,305	1,372	2,527	1,740	7,886	881	101,663
Total assets	$ 164	$ 1,911	$ 22,162	$ 2,685	$ 9,685	$ 2,604	$ 751	$ 2,272	$ 429	$ 10,840	$ 2,305	$ 1,372	$ 2,527	$ 1,740	$ 16,828	$ 32,391	$ 155,081
LIABILITIES																	
Current Liabilities																	
Advances from participants due within one year	$ 90	$ 420	$ 400	$ -	$ 400	$ 2,000	$ 400	$ 400	$ 12	$ 4,600	$ 174	$ 500	$ 504	$ 374	$ 3,000	$ 4,506	$ 29,321
Accounts payable and accruals	74	1,490	21,575	2,675	8,684	598	342	1,871	416	6,215	2,130	868	2,022	1,365	13,736	27,680	124,474
Total current liabilities	164	1,910	21,975	2,675	9,084	2,598	742	2,271	428	10,815	2,304	1,368	2,526	1,739	16,736	32,186	153,795
Total liabilities	164	1,910	21,975	2,675	9,084	2,598	742	2,271	428	10,815	2,304	1,368	2,526	1,739	16,736	32,186	153,795
NET POSITION																	
Unrestricted	-	1	187	10	601	6	9	1	1	25	1	4	1	1	92	205	1,286
Total net position	-	1	187	10	601	6	9	1	1	25	1	4	1	1	92	205	1,286
Total liabilities and net position	$ 164	$ 1,911	$ 22,162	$ 2,685	$ 9,685	$ 2,604	$ 751	$ 2,272	$ 429	$ 10,840	$ 2,305	$ 1,372	$ 2,527	$ 1,740	$ 16,828	$ 32,391	$ 155,081

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Net Position
As of December 31, 2024
(Amounts in Thousands)

	POWER PURCHASE AGREEMENTS														
	MWD Small Hydro Project	Pebble Springs Project	Ameresco Chiquita Landfill Gas Project	Don A. Campbell I/ Wild Rose Project	Copper Mountain Solar 3 Project	Columbia2 Solar Project	Heber 1 Geothermal Project	Kingbird Solar Project	Don A. Campbell II Project	Springbok I Project	Springbok II Project	Summer Solar Project	Astoria 2 Solar Project	Antelope Big Sky Ranch Project	Antelope DSR I Solar Project
ASSETS															
Noncurrent assets															
Investments - unrestricted	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Current assets															
Cash and cash equivalents - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents - unrestricted	661	2,973	473	2,818	3,859	637	7,325	608	2,886	3,508	4,249	1,207	2,320	768	2,056
Interest receivable	1	6	1	5	5	1	12	-	5	5	5	1	2	1	2
Accounts receivable	104	265	-	-	-	101	1,208	42	-	-	-	47	78	42	98
Prepaid and other assets	-	7	1	2	11	3	13	6	1	3	3	6	8	6	6
Total current assets	766	3,251	475	2,825	3,875	742	8,558	656	2,892	3,516	4,257	1,261	2,408	817	2,162
Total assets	$ 766	$ 3,251	$ 475	$ 2,825	$ 3,875	$ 742	$ 8,558	$ 656	$ 2,892	$ 3,516	$ 4,257	$ 1,261	$ 2,408	$ 817	$ 2,162
LIABILITIES															
Current Liabilities															
Advances from participants due within one year	$ 500	$ 1,650	$ 400	$ 960	$ -	$ 400	$ 400	$ 171	$ 960	$ 2,000	$ 2,000	$ 600	$ 800	$ 300	$ 900
Accounts payable and accruals	265	1,591	75	1,850	3,858	342	8,134	485	1,917	1,501	2,233	660	1,606	516	1,260
Total current liabilities	765	3,241	475	2,810	3,858	742	8,534	656	2,877	3,501	4,233	1,260	2,406	816	2,160
Total liabilities	765	3,241	475	2,810	3,858	742	8,534	656	2,877	3,501	4,233	1,260	2,406	816	2,160
NET POSITION															
Unrestricted	1	10	-	15	17	-	24	-	15	15	24	1	2	1	2
Total net position	1	10	-	15	17	-	24	-	15	15	24	1	2	1	2
Total liabilities and net position	$ 766	$ 3,251	$ 475	$ 2,825	$ 3,875	$ 742	$ 8,558	$ 656	$ 2,892	$ 3,516	$ 4,257	$ 1,261	$ 2,408	$ 817	$ 2,162

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Net Position
As of December 31, 2024
(Amounts in Thousands)

	POWER PURCHASE AGREEMENTS															
	Antelope DSR II Solar Project	Puente Hills Landfill Gas Project	Ormat Nevada Geothermal Project	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok III Project	Whitegrass Geothermal Project	Desert Harvest Project	Roseburg Biomass Project	Red Cloud Wind Project	COSO Project	Star Peak Geothermal Project	Mammoth Casa Diablo IV Energy Project	Dagget Solar 2 Project	Eland 1 Solar + Storage Project	Totals
ASSETS																
Noncurrent assets																
Investments - unrestricted	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,952	$ 3,952
Current assets																
Cash and cash equivalents - restricted	-	-	-	-	-	-	-	-	12	-	-	-	-	-	-	12
Cash and cash equivalents - unrestricted	200	1,442	18,867	2,983	9,182	2,841	645	1,202	57	13,368	1,323	2,107	1,534	1,525	10,086	103,710
Interest receivable	-	2	12	6	19	3	1	1	-	12	2	3	1	2	4	120
Accounts receivable	-	19	-	-	6	-	-	219	96	-	-	-	-	221	-	2,546
Prepaid and other assets	3	14	14	7	-	2	1	1	1	6	11	3	8	10	6	163
Total current assets	203	1,477	18,893	2,996	9,207	2,846	647	1,423	166	13,386	1,336	2,113	1,543	1,758	10,096	106,551
Total assets	$ 203	$ 1,477	$ 18,893	$ 2,996	$ 9,207	$ 2,846	$ 647	$ 1,423	$ 166	$ 13,386	$ 1,336	$ 2,113	$ 1,543	$ 1,758	$ 14,048	$ 110,503
LIABILITIES																
Current Liabilities																
Advances from participants due within one year	$ 90	$ 420	$ 400	$ -	$ 400	$ 2,000	$ 400	$ 400	$ 12	$ 4,600	$ 174	$ 500	$ 504	$ 374	$ 1,500	$ 23,815
Accounts payable and accruals	113	1,056	18,394	2,974	8,787	834	237	1,022	154	8,684	1,161	1,608	1,038	1,382	12,473	86,210
Total current liabilities	203	1,476	18,794	2,974	9,187	2,834	637	1,422	166	13,284	1,335	2,108	1,542	1,756	13,973	110,025
Total liabilities	203	1,476	18,794	2,974	9,187	2,834	637	1,422	166	13,284	1,335	2,108	1,542	1,756	13,973	110,025
NET POSITION																
Unrestricted	-	1	99	22	20	12	10	1	-	102	1	5	1	2	75	478
Total net position	-	1	99	22	20	12	10	1	-	102	1	5	1	2	75	478
Total liabilities and net position	$ 203	$ 1,477	$ 18,893	$ 2,996	$ 9,207	$ 2,846	$ 647	$ 1,423	$ 166	$ 13,386	$ 1,336	$ 2,113	$ 1,543	$ 1,758	$ 14,048	$ 110,503

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Revenues, Expenses, and Changes in Net Position
For the Six Months Ended December 31, 2025
(Amounts in Thousands)

	POWER PURCHASE AGREEMENTS														
	MWD Small Hydro Project	Pebble Springs Project	Ameresco Chiquita Landfill Gas Project	Don A. Campbell I/ Wild Rose Project	Copper Mountain Solar 3 Project	Columbia 2 Solar Project	Heber 1 Geothermal Project	Kingbird Solar Project	Don A. Campbell II Project	Springbok I Project	Springbok II Project	Summer Solar Project	Astoria 2 Solar Project	Antelope Big Sky Ranch Project	Antelope DSR I Solar Project
Operating revenues															
Sales of electric energy	$ -	$ 11,729	$ 9	$ 4,460	$ 27,273	$ 1,935	$ 17,087	$ 2,646	$ 3,496	$ 8,860	$ 10,753	$ 2,616	$ 4,394	$ 2,294	$ 4,674
Total operating revenues	-	11,729	9	4,460	27,273	1,935	17,087	2,646	3,496	8,860	10,753	2,616	4,394	2,294	4,674
Operating expenses															
Operations and maintenance	-	11,803	11	4,525	27,349	1,937	17,217	2,649	3,566	8,946	10,858	2,620	4,408	2,297	4,682
Total operating expenses	-	11,803	11	4,525	27,349	1,937	17,217	2,649	3,566	8,946	10,858	2,620	4,408	2,297	4,682
Operating income (loss)	-	(74)	(2)	(65)	(76)	(2)	(130)	(3)	(70)	(86)	(105)	(4)	(14)	(3)	(8)
Non operating revenues (expenses)															
Investment and other income	-	73	1	73	67	2	173	2	75	80	93	3	14	2	7
Change in net position	-	(1)	(1)	8	(9)	-	43	(1)	5	(6)	(12)	(1)	-	(1)	(1)
Net position - beginning of year	-	18	1	6	18	-	16	1	7	19	26	1	2	1	2
Net position - end of period	$ -	$ 17	$ -	$ 14	$ 9	$ -	$ 59	$ -	$ 12	$ 13	$ 14	$ -	$ 2	$ -	$ 1

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Revenues, Expenses, and Changes in Net Position
For the Six Months Ended December 31, 2025
(Amounts in Thousands)

	POWER PURCHASE AGREEMENTS																
	Antelope DSR II Solar Project	Puente Hills Landfill Gas Project	Ormat Nevada Geothermal Project	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok III Project	Whitegrass Geothermal Project	Desert Harvest Project	Roseburg Biomass Project	Red Cloud Wind Project	COSO Project	Star Peak Geothermal Project	Mammoth Casa Diablo IV Energy Project	Daggett Solar 2 Project	Eland 1 Solar + Storage Project	Eland 2 Solar + Storage Project	**Totals**
Operating revenues																	
Sales of electric energy	$ 386	$ 8,806	$ 44,429	$ 9,791	$ -	$ 6,209	$ 683	$ 3,930	$ 442	$ 22,706	$ 4,857	$ 1,665	$ 6,498	$ 6,847	$ 15,996	$ 16,919	$ 252,390
Total operating revenues	386	8,806	44,429	9,791	-	6,209	683	3,930	442	22,706	4,857	1,665	6,498	6,847	15,996	16,919	252,390
Operating expenses																	
Operations and maintenance	387	8,812	44,940	9,850	1	6,258	686	3,937	446	22,791	4,865	1,673	6,504	6,854	16,493	17,323	254,688
Total operating expenses	387	8,812	44,940	9,850	1	6,258	686	3,937	446	22,791	4,865	1,673	6,504	6,854	16,493	17,323	254,688
Operating income (loss)	(1)	(6)	(511)	(59)	(1)	(49)	(3)	(7)	(4)	(85)	(8)	(8)	(6)	(7)	(497)	(404)	(2,298)
Non operating revenues (expenses)																	
Investment and other income	1	6	578	60	189	44	3	7	5	103	8	8	6	7	436	539	2,665
Change in net position	-	-	67	1	188	(5)	-	-	1	18	-	-	-	-	(61)	135	367
Net position - beginning of year	-	1	120	9	413	11	9	1	-	7	1	4	1	1	153	70	919
Net position - end of period	$ -	$ 1	$ 187	$ 10	$ 601	$ 6	$ 9	$ 1	$ 1	$ 25	$ 1	$ 4	$ 1	$ 1	$ 92	$ 205	$ 1,286

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Revenues, Expenses, and Changes in Net Position
For the Six Months Ended December 31, 2024
(Amounts in Thousands)

	POWER PURCHASE AGREEMENTS														
	MWD Small Hydro Project	Pebble Springs Project	Ameresco Chiquita Landfill Gas Project	Don A. Campbell I/ Wild Rose Project	Copper Mountain Solar 3 Project	Columbia 2 Solar Project	Heber 1 Geothermal Project	Kingbird Solar Project	Don A. Campbell II Project	Springbok I Project	Springbok II Project	Summer Solar Project	Astoria 2 Solar Project	Antelope Big Sky Ranch Project	Antelope DSR I Solar Project
Operating revenues															
Sales of electric energy	$ -	$ 12,157	$ 16	$ 5,397	$ 28,568	$ 1,919	$ 16,748	$ 2,641	$ 3,793	$ 9,739	$ 11,131	$ 2,414	$ 4,685	$ 2,600	$ 4,473
Total operating revenues	-	12,157	16	5,397	28,568	1,919	16,748	2,641	3,793	9,739	11,131	2,414	4,685	2,600	4,473
Operating expenses															
Operations and maintenance	-	12,218	20	5,468	28,744	1,925	16,870	2,645	3,856	9,870	11,274	2,424	4,701	2,606	4,489
Total operating expenses	-	12,218	20	5,468	28,744	1,925	16,870	2,645	3,856	9,870	11,274	2,424	4,701	2,606	4,489
Operating income (loss)	-	(61)	(4)	(71)	(176)	(6)	(122)	(4)	(63)	(131)	(143)	(10)	(16)	(6)	(16)
Non operating revenues (expenses)															
Investment and other income	-	51	3	75	137	5	129	3	70	108	127	9	15	6	15
Change in net position	-	(10)	(1)	4	(39)	(1)	7	(1)	7	(23)	(16)	(1)	(1)	-	(1)
Net position - beginning of year	1	20	1	11	56	1	17	1	8	38	40	2	3	1	3
Net position - end of period	$ 1	$ 10	$ -	$ 15	$ 17	$ -	$ 24	$ -	$ 15	$ 15	$ 24	$ 1	$ 2	$ 1	$ 2

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Revenues, Expenses, and Changes in Net Position
For the Six Months Ended December 31, 2024
(Amounts in Thousands)

	POWER PURCHASE AGREEMENTS															
	Antelope DSR II Solar Project	Puente Hills Landfill Gas Project	Ormat Nevada Geothermal Project	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok III Project	Whitegrass Geothermal Project	Desert Harvest Project	Roseburg Biomass Project	Red Cloud Wind Project	COSO Project	Star Peak Geothermal Project	Mammoth Casa Diablo IV Energy Project	Daggett Solar 2 Project	Eland 1 Solar + Storage Project	**Totals**
Operating revenues																
Sales of electric energy	$ 365	$ 9,218	$ 45,387	$ 9,527	$ -	$ 5,991	$ 704	$ 3,939	$ 788	$ 21,225	$ 4,951	$ 1,543	$ 6,228	$ 8,120	$ 2,434	$ 226,701
Total operating revenues	365	9,218	45,387	9,527	-	5,991	704	3,939	788	21,225	4,951	1,543	6,228	8,120	2,434	226,701
Operating expenses																
Operations and maintenance	367	9,230	45,646	9,621	-	6,072	710	3,948	791	21,624	4,963	1,573	6,241	8,136	2,507	228,539
Total operating expenses	367	9,230	45,646	9,621	-	6,072	710	3,948	791	21,624	4,963	1,573	6,241	8,136	2,507	228,539
Operating income (loss)	(2)	(12)	(259)	(94)	-	(81)	(6)	(9)	(3)	(399)	(12)	(30)	(13)	(16)	(73)	(1,838)
Non operating revenues (expenses)																
Investment and other income	2	11	325	104	-	76	6	9	2	405	11	29	12	16	148	1,909
Change in net position	-	(1)	66	10	-	(5)	-	-	(1)	6	(1)	(1)	(1)	-	75	71
Net position - beginning of year	-	2	33	12	20	17	10	1	1	96	2	6	2	2	-	407
Net position - end of period	$ -	$ 1	$ 99	$ 22	$ 20	$ 12	$ 10	$ 1	$ -	$ 102	$ 1	$ 5	$ 1	$ 2	$ 75	$ 478

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Cash Flows
For the Six Months Ended December 31, 2025
(Amounts in Thousands)

	POWER PURCHASE AGREEMENTS														
	MWD Small Hydro Project	Pebble Springs Project	Ameresco Chiquita Landfill Gas Project	Don A. Campbell I/ Wild Rose Project	Copper Mountain Solar 3 Project	Columbia 2 Solar Project	Heber 1 Geothermal Project	Kingbird Solar Project	Don A. Campbell II Project	Springbok I Project	Springbok II Project	Summer Solar Project	Astoria 2 Solar Project	Antelope Big Sky Ranch Project	Antelope DSR I Solar Project
Cash flows from operating activities															
Receipts from participants	$ -	$ 14,201	$ 10	$ 4,825	$ 29,394	$ 1,062	$ 19,826	$ 1,415	$ 3,255	$ 9,782	$ 11,131	$ 1,328	$ 2,845	$ 1,286	$ 1,822
Payments to operating managers	-	(12,808)	(30)	(4,169)	(30,123)	(1,531)	(12,897)	(2,572)	(3,164)	(10,352)	(12,583)	(2,020)	(5,644)	(1,791)	(3,745)
Other receipts and disbursements	-	2	(2)	-	1	534	4	730	3	1	(1)	709	1,227	615	1,580
Net cash provided by (used for) operating activities	-	1,395	(22)	656	(728)	65	6,933	(427)	94	(569)	(1,453)	17	(1,572)	110	(343)
Cash flows from noncapital financing activities															
Advances/(withdrawals) by participants, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities															
Interest received on investments	-	76	2	72	71	2	179	3	74	81	93	4	14	3	8
Purchases of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale/maturity of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used for) investing activities	-	76	2	72	71	2	179	3	74	81	93	4	14	3	8
Net inc (dec) in cash and cash equivalents	-	1,471	(20)	728	(657)	67	7,112	(424)	168	(488)	(1,360)	21	(1,558)	113	(335)
Cash and cash equivalents, beg. of year	-	3,832	482	2,642	4,985	505	4,170	1,013	3,039	4,707	5,632	1,053	3,926	755	2,155
Cash and cash equivalents, end of period	$ -	$ 5,303	$ 462	$ 3,370	$ 4,328	$ 572	$ 11,282	$ 589	$ 3,207	$ 4,219	$ 4,272	$ 1,074	$ 2,368	$ 868	$ 1,820
Reconciliation of operating income (loss) to net cash provided by operating activities															
Operating income (loss)	$ -	$ (74)	$ (2)	$ (65)	$ (76)	$ (2)	$ (130)	$ (3)	$ (70)	$ (86)	$ (105)	$ (4)	$ (14)	$ (3)	$ (8)
Changes in assets and liabilities															
Accounts receivable	-	839	-	-	846	184	3,428	44	-	-	-	94	(4)	35	83
Accounts payable and accruals	-	631	(20)	721	(1,496)	(117)	3,637	(467)	164	(484)	(1,348)	(72)	(1,553)	78	(417)
Other	-	(1)	-	-	(2)	-	(2)	(1)	-	1	-	(1)	(1)	-	(1)
Net cash provided by (used for) operating activities	$ -	$ 1,395	$ (22)	$ 656	$ (728)	$ 65	$ 6,933	$ (427)	$ 94	$ (569)	$ (1,453)	$ 17	$ (1,572)	$ 110	$ (343)
Cash and cash equivalents as stated in the Combining Statement of Net Position															
Cash and cash equivalents - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents - unrestricted	-	5,303	462	3,370	4,328	572	11,282	589	3,207	4,219	4,272	1,074	2,368	868	1,820
	$ -	$ 5,303	$ 462	$ 3,370	$ 4,328	$ 572	$ 11,282	$ 589	$ 3,207	$ 4,219	$ 4,272	$ 1,074	$ 2,368	$ 868	$ 1,820

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Cash Flows
For the Six Months Ended December 31, 2025 (Amounts in Thousands)

	POWER PURCHASE AGREEMENTS																
	Antelope DSR II Solar Project	Puente Hills Landfill Gas Project	Ormat Nevada Geothermal Project	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok III Project	Whitegrass Geothermal Project	Desert Harvest Project	Roseburg Biomass Project	Red Cloud Wind Project	COSO Project	Star Peak Geothermal Project	Mammoth Casa Diablo IV Energy Project	Daggett 2 Solar Project	Eland 1 Solar + Storage Project	Eland 2 Solar + Storage Project	**Totals**
Cash flows from operating activities																	
Receipts from participants	$ 394	$ 3,587	$ 40,220	$ 9,618	$ 1	$ 6,510	$ 756	$ 991	$ 870	$ 28,149	$ 5,292	$ 1,680	$ 5,982	$ 1,787	$ 14,625	$ 23,142	$ 245,786
Payments to operating managers	(415)	(2,958)	(42,234)	(9,745)	(2)	(7,137)	(723)	(1,051)	(577)	(19,778)	(5,011)	(2,740)	(5,538)	(4,859)	(19,787)	(11,369)	(237,353)
Other receipts and disbursements	(1)	(3)	(2)	3	-	1	(1)	(1,220)	5	-	(1)	(3)	(1)	2,725	4	2,877	9,786
Net cash provided by (used for) operating activities	(22)	626	(2,016)	(124)	(1)	(626)	32	(1,280)	298	8,371	280	(1,063)	443	(347)	(5,158)	14,650	18,219
Cash flows from noncapital financing activities																	
Advances/(withdrawals) by participants, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,145	9,145
Cash flows from investing activities																	
Interest received on investments	1	6	175	55	96	47	2	7	4	96	8	9	6	7	262	200	1,663
Purchases of investments	-	-	(25,687)	-	(8,404)	-	-	-	-	-	-	-	-	-	(11,673)	(38,729)	(84,493)
Proceeds from sale/maturity of investments	-	-	29,900	-	8,500	-	-	-	-	-	-	-	-	-	22,400	15,600	76,400
Net cash provided by (used for) investing activities	1	6	4,388	55	192	47	2	7	4	96	8	9	6	7	10,989	(22,929)	(6,430)
Net inc (dec) in cash and cash equivalents	(21)	632	2,372	(69)	191	(579)	34	(1,273)	302	8,467	288	(1,054)	449	(340)	5,831	866	20,934
Cash and cash equivalents, beg. of year	179	1,264	6,792	2,485	9,484	3,078	715	2,716	125	2,133	2,006	2,417	1,623	1,813	2,035	-	77,761
Cash and cash equivalents, end of period	$ 158	$ 1,896	$ 9,164	$ 2,416	$ 9,675	$ 2,499	$ 749	$ 1,443	$ 427	$ 10,600	$ 2,294	$ 1,363	$ 2,072	$ 1,473	$ 7,866	$ 866	$ 98,695
Reconciliation of operating income (loss) to net cash provided by operating activities																	
Operating income (loss)	$ (1)	$ (6)	$ (511)	$ (59)	$ (1)	$ (49)	$ (3)	$ (7)	$ (4)	$ (85)	$ (8)	$ (8)	$ (6)	$ (7)	$ (497)	$ (404)	$ (2,298)
Changes in assets and liabilities																	
Accounts receivable	7	396	-	(254)	1	300	-	(618)	152	5,443	-	(6)	(431)	148	-	-	10,687
Accounts payable and accruals	(28)	237	(1,504)	190	(1)	(877)	35	(655)	151	3,014	288	(1,049)	881	(487)	(4,661)	15,054	9,845
Other	-	(1)	(1)	(1)	-	-	-	-	(1)	(1)	-	-	(1)	(1)	-	-	(15)
Net cash provided by (used for) operating activities	$ (22)	$ 626	$ (2,016)	$ (124)	$ (1)	$ (626)	$ 32	$ (1,280)	$ 298	$ 8,371	$ 280	$ (1,063)	$ 443	$ (347)	$ (5,158)	$ 14,650	$ 18,219
Cash and cash equivalents as stated in the Combining Statement of Net Position																	
Cash and cash equivalents - restricted	-	-	-	-	1	-	-	-	5	-	-	-	-	-	-	-	6
Cash and cash equivalents - unrestricted	158	1,896	9,164	2,416	9,674	2,499	749	1,443	422	10,600	2,294	1,363	2,072	1,473	7,866	866	98,689
	$ 158	$ 1,896	$ 9,164	$ 2,416	$ 9,675	$ 2,499	$ 749	$ 1,443	$ 427	$ 10,600	$ 2,294	$ 1,363	$ 2,072	$ 1,473	$ 7,866	$ 866	$ 98,695

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Cash Flows
For the Six Months Ended December 31, 2024
(Amounts in Thousands)

	POWER PURCHASE AGREEMENTS														
	MWD Small Hydro Project	Pebble Springs Project	Ameresco Chiquita Landfill Gas Project	Don A. Campbell I/ Wild Rose Project	Copper Mountain Solar 3 Project	Columbia 2 Solar Project	Heber 1 Geothermal Project	Kingbird Solar Project	Don A. Campbell II Project	Springbok I Project	Springbok II Project	Summer Solar Project	Astoria 2 Solar Project	Antelope Big Sky Ranch Project	Antelope DSR I Solar Project
Cash flows from operating activities															
Receipts from participants	$ -	$ 13,386	$ 24	$ 5,507	$ 27,921	$ 903	$ 18,029	$ 1,517	$ 4,275	$ 9,472	$ 11,169	$ 1,532	$ 2,714	$ 1,349	$ 2,193
Payments to operating managers	-	(13,395)	(336)	(5,806)	(31,404)	(1,699)	(16,091)	(2,349)	(3,368)	(11,239)	(12,818)	(2,483)	(4,565)	(2,265)	(4,304)
Other receipts and disbursements	-	1	(2)	3	2	513	3	733	1	1	3	637	1,471	702	1,494
Net cash provided by (used for) operating activities	-	(8)	(314)	(296)	(3,481)	(283)	1,941	(99)	908	(1,766)	(1,646)	(314)	(380)	(214)	(617)
Cash flows from noncapital financing activities															
Advances from participants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities															
Interest received on investments	-	54	4	75	142	6	131	4	72	110	131	10	16	6	16
Purchases of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale/maturity of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used for) investing activities	-	54	4	75	142	6	131	4	72	110	131	10	16	6	16
Net inc (dec) in cash and cash equivalents	-	46	(310)	(221)	(3,339)	(277)	2,072	(95)	980	(1,656)	(1,515)	(304)	(364)	(208)	(601)
Cash and cash equivalents, beg. of year	661	2,927	783	3,039	7,198	914	5,253	703	1,906	5,164	5,764	1,511	2,684	976	2,657
Cash and cash equivalents, end of period	$ 661	$ 2,973	$ 473	$ 2,818	$ 3,859	$ 637	$ 7,325	$ 608	$ 2,886	$ 3,508	$ 4,249	$ 1,207	$ 2,320	$ 768	$ 2,056
Reconciliation of operating income (loss) to net cash provided by operating activities															
Operating income (loss)	$ -	$ (61)	$ (4)	$ (71)	$ (176)	$ (6)	$ (122)	$ (4)	$ (63)	$ (131)	$ (143)	$ (10)	$ (16)	$ (6)	$ (16)
Changes in assets and liabilities:															
Accounts receivable	-	1,229	-	-	-	(12)	3,292	99	-	-	(1,502)	194	108	85	196
Accounts payable and accruals	-	(1,175)	(310)	(225)	(3,304)	(265)	(1,228)	(194)	971	(1,635)	(1)	(497)	(471)	(292)	(796)
Other	-	(1)	-	-	(1)	-	(1)	-	-	-	-	(1)	(1)	(1)	(1)
Net cash provided by (used for) operating activities	$ -	$ (8)	$ (314)	$ (296)	$ (3,481)	$ (283)	$ 1,941	$ (99)	$ 908	$ (1,766)	$ (1,646)	$ (314)	$ (380)	$ (214)	$ (617)
Cash and cash equivalents as stated in the Combining Statement of Net Position															
Cash and cash equivalents - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents - unrestricted	661	2,973	473	2,818	3,859	637	7,325	608	2,886	3,508	4,249	1,207	2,320	768	2,056
	$ 661	$ 2,973	$ 473	$ 2,818	$ 3,859	$ 637	$ 7,325	$ 608	$ 2,886	$ 3,508	$ 4,249	$ 1,207	$ 2,320	$ 768	$ 2,056

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Combining Statements of Cash Flows
For the Six Months Ended December 31, 2024
(Amounts in Thousands)

	POWER PURCHASE AGREEMENTS															
	Antelope DSR II Solar Project	Puente Hills Landfill Gas Project	Ormat Nevada Geothermal Project	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok III Project	Whitegrass Geothermal Project	Desert Harvest Project	Roseburg Biomass Project	Red Cloud Wind Project	COSO Project	Star Peak Geothermal Project	Mammoth Casa Diablo IV Energy Project	Daggett 2 Solar Project	Eland 1 Solar + Storage Project	**Totals**
Cash flows from operating activities																
Receipts from participants	$ 396	$ 3,479	$ 55,139	$ 9,115	$ -	$ 5,929	$ 309	$ 1,055	$ 722	$ 18,525	$ 5,292	$ 935	$ 3,286	$ 1,144	$ 14,266	$ 219,583
Payments to operating managers	(500)	(4,020)	(43,167)	(9,416)	-	(6,818)	(1,103)	(1,436)	(796)	(19,301)	(5,882)	(5,326)	(3,802)	(5,774)	(1,200)	(220,663)
Other receipts and disbursements	-	-	1	2	-	16	15	(2)	-	(2)	(1)	2,041	(1)	3,821	6	11,458
Net cash provided by (used for) operating activities	(104)	(541)	11,973	(299)	-	(873)	(779)	(383)	(74)	(778)	(591)	(2,350)	(517)	(809)	13,072	10,378
Cash flows from noncapital financing activities																
Advances from participants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities																
Interest received on investments	2	12	322	102	-	78	7	9	2	408	12	30	13	16	123	1,913
Purchases of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,931)	(3,931)
Proceeds from sale/maturity of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used for) investing activities	2	12	322	102	-	78	7	9	2	408	12	30	13	16	(3,808)	(2,018)
Net inc (dec) in cash and cash equivalents	(102)	(529)	12,295	(197)	-	(795)	(772)	(374)	(72)	(370)	(579)	(2,320)	(504)	(793)	9,264	8,360
Cash and cash equivalents, beg. of year	302	1,971	6,572	3,180	9,182	3,636	1,417	1,576	141	13,738	1,902	4,427	2,038	2,318	822	95,362
Cash and cash equivalents, end of period	$ 200	$ 1,442	$ 18,867	$ 2,983	$ 9,182	$ 2,841	$ 645	$ 1,202	$ 69	$ 13,368	$ 1,323	$ 2,107	$ 1,534	$ 1,525	$ 10,086	$ 103,722
Reconciliation of operating income (loss) to net cash provided by operating activities																
Operating income (loss)	$ (2)	$ (12)	$ (259)	$ (94)	$ -	$ (81)	$ (6)	$ (9)	$ (3)	$ (399)	$ (12)	$ (30)	$ (13)	$ (16)	$ (73)	$ (1,838)
Changes in assets and liabilities:																
Accounts receivable	-	273	647	-	-	13	632	(219)	(79)	-	1	2,065	199	278	-	7,499
Accounts payable and accruals	(101)	(800)	11,586	(204)	-	(805)	(1,404)	(155)	8	(378)	(579)	(4,385)	(702)	(1,061)	13,151	4,749
Other	(1)	(2)	(1)	(1)	-	-	(1)	-	-	(1)	(1)	-	(1)	(10)	(6)	(32)
Net cash provided by (used for) operating activities	$ (104)	$ (541)	$ 11,973	$ (299)	$ -	$ (873)	$ (779)	$ (383)	$ (74)	$ (778)	$ (591)	$ (2,350)	$ (517)	$ (809)	$ 13,072	$ 10,378
Cash and cash equivalents as stated in the Combining Statement of Net Position																
Cash and cash equivalents - restricted	-	-	-	-	-	-	-	-	12	-	-	-	-	-	-	12
Cash and cash equivalents - unrestricted	200	1,442	18,867	2,983	9,182	2,841	645	1,202	57	13,368	1,323	2,107	1,534	1,525	10,086	103,710
	$ 200	$ 1,442	$ 18,867	$ 2,983	$ 9,182	$ 2,841	$ 645	$ 1,202	$ 69	$ 13,368	$ 1,323	$ 2,107	$ 1,534	$ 1,525	$ 10,086	$ 103,722

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SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
1160 NICOLE COURT
GLENDORA, CA 91740
(626) 793-9364
WWW.SCPPA.ORG

MEMO

TO: SCPPA Board of Directors

FROM: Daniel E Garcia, Executive Director

DATE: April 8, 2026

RE: Working Group Updates

WORKING GROUP SUMMARY

ASSET MANAGEMENT

The SCPPA Asset Management Working Group meets quarterly, and the next meeting will be held on April 23, 2026.

ASSISTANT GENERAL MANAGER (AGM)

The SCPPA Assistant General Manager Working Group meets quarterly, and the next meeting will be held on April 22, 2026.

CUSTOMER PROGRAMS

The Customer Programs Working Group (CPWG) met on March 17, 2026. The meeting included general updates and discussion among members on ongoing customer program activities.

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The group received a presentation from Carrier Group on its new distributed energy resource (DER) HVAC system with integrated battery storage. The presentation provided an overview of the technology, its functionality, and potential applications within utility energy efficiency and electrification programs.

The meeting concluded with a roundtable discussion on the presentation, member updates, and potential topics for future meetings.

On the same day the Government Affairs team provided a presentation to the sub working group on Solar and invited participation from the Customer Programs, Transportation Electrification, and Financial Incentives Working Groups as part of a working lunch session. The presentation focused on balcony solar and provided insights into the potential implications of this emerging technology, as well as recent legislation surrounding its implementation.

The next CPWG meeting will be on April 14th.

CYBERSECURITY

The Cybersecurity Working Group (CWG) has not met as a group in over a year and a half, currently meeting on an ad-hoc basis. SCPPA continues to encourage the CWG to meet, but required documents to participate in the CWG have not been received nor has interest continued in this group from the SCPPA Members. SCPPA may disband the CWG if Members have no further interest in this working group in 2026.

FINANCIAL INCENTIVES and RATES

The Financial Incentives Working Group (FIWG) did not hold a formal meeting in March. However, FIWG members were invited to participate in a working lunch session hosted by the Government Affairs team in coordination with the sub working group on Solar. The presentation focused on balcony solar and provided insights into the potential implications of this emerging technology, as well as recent legislation surrounding its implementation.

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The next FIPWG meeting will be on April 28.

HYDROGEN & OTHER EMERGING TECHNOLOGIES

This working group meets on an ad hoc basis. No meeting is currently scheduled.

KEY ACCOUNTS

This group meets on an ad hoc basis. No meeting is currently scheduled.

LEGAL

The SCPPA Legal Working Group meets quarterly, and the next meeting is scheduled for April 23rd.

LEGISLATIVE

The Legislative Working Group met on March 18th, March 26th, and April 2nd. The working group discussed bills going through the policy committee process in their house of origin, took support positions on bills removing barriers to nuclear energy and clean hydrogen, and adopted oppose positions for bills proposing limits on utilities' ability to manage their grids. The LWG also discussed multiple bills proposing changes to resource adequacy, attempting to reduce metal theft, regulating EV charging, and a variety of other policy topics. The working group received updates and developed strategies for state priorities including cap-and-invest.

The next LWG meeting will be held on April 15th.

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MUTUAL ASSISTANCE

The Mutual Assistance Sub-Working Group (MASG) met on April 7, 2026. Good news, there were no Mutual Assistance requests from any of the SCPPA Members between March and April, 2026.

The next MASG meeting will be held on May 5, 2026.

NATURAL GAS

The SCPPA Natural Gas Working Group (NGWG) meets quarterly, and the next meeting is scheduled for April 28, 2026.

PREPAY

A future meeting is currently not scheduled for the Prepay Working Group. The majority of the members of this Group are moving forward with working on new energy prepay transactions and are meeting weekly to continue working on the transactions. General Prepay Working Group meetings will be scheduled in the future on an as needed basis.

REGULATORY

The Regulatory Working Group (RWG) met on March 18th and April 2nd.

The RWG discussed matters at the California Air Resources Board (CARB) including Advanced Clean Fleets (ACF) rule engagement, and comments on the Cap-and-Invest program proposed amendments; the California Energy Commission (CEC) Demand Side Grid Support (DSGS) program, 2026 IEPR Update scope, POU Infrastructure Strike Team meeting, and AB 1373 Capacity Payments; Department of Energy (DOE) Speed to Power (SPARK) Grant; and State Water Resources Control Board (SWRCB) General Order.

Docusign Envelope ID: 9FC7CF93-8011-846D-8308-32915B79D829

On April 2nd, guests from the Sacramento Municipal Utility District (SMUD) joined the meeting to discuss their concerns with certain regulations that may hinder cost effective wildfire mitigation. SMUD has requested that CMUA submit a letter to the SWRCB questioning their legal jurisdiction in regulating electric utility work outside of water with a potential to discharge, in general. SMUD and SCPPA Members discussed these concerns and proposed next step.

The next RWG meeting will be held on April 15th.

RENEWABLES

The Renewables Working Group (ReWG) met on March 17, 2026. The ReWG discussed issues regarding the ten projects currently in development. Many of the issues holding back projects in development include shipping concerns due to the war in Iran, federal agency approval delays of project sites, and interconnection delays. Members also reviewed the projects currently on the Back-up List and added or removed projects as appropriate with Member requested project capacities.

The next ReWG meeting will be held on April 21, 2026.

RESOURCE PLANNING

The Resource Planning Working Group (RPWG) met on April 2, 2026. The RPWG discussed future RFPs that SCPPA can release on their behalf including services to assist in formulating their Integrated Resource Plans (IRP) and engineering services for future projects in their territory. SCPPA plans to release the 2026 Standalone Energy Storage RFP in April since Members still have an interest in procuring standalone storage and developers have been reaching out about their projects. There will be no RPWG meeting in May due to SCPPA and a few SCPPA Members attending a renewable site tour of a SCPPA project currently in construction at that time.

The next RPWG will be held on June 2, 2026.

Docusign Envelope ID: 9FC7CF93-8011-846D-8308-32915B79D829

RISK MANAGEMENT

The Risk Management Working Group (RMWG) met on April 1, 2026. StoneX presented its Annual Customer Hedging Survey Results. Group members also shared information on companies that assist their utilities with their energy hedging program. The Group also discussed potential topics for future meetings.

The next meeting is scheduled for May 6, 2026.

SAFETY

The Safety Working Group (SWG) has not yet met in 2026 as they typically meet on an ad hoc basis. However, SWG is still working to resume meeting quarterly. SCPPA will continue to reach out to the SWG to schedule the quarterly meetings along with having a Chair and Vice Chair established for the Group.

TRANSPORTATION ELECTRIFICATION

The Transportation Electrification Working Group met on March 17, 2026. The meeting opened with introductions and general updates, including discussion of upcoming conferences, funding opportunities, and California Energy Commission (CEC) EV regulation workshops.

The meeting featured guest presentations from SmarterHelp and ChargerHelp, who provided insights into EV charging maintenance, operations support, and service solutions for charging infrastructure.

Additional updates were provided on CalETC Board activities, followed by a roundtable discussion. Topics included key takeaways from the guest presentations, the CalETC participation letter, EV charging network costs (including EvGateway, Lynkwell SIM card fees, and ChargePoint service fees), and potential volunteers and topics for future meetings.

Docusign Envelope ID: 9FC7CF93-8011-846D-8308-32915B79D829

The next meeting is scheduled for April 14, 2026

TRANSMISSION & DISTRIBUTION ENGINEERING & OPERATIONS (TD E&O)

The Transmission Distribution Engineering & Operation (TDE&O) Working Group (TDE&O WG)) met on April 7, 2026. The group received a presentation from Riverside on their LED Street light conversion. Riverside described the entire project and shared details on the challenges they faced. Some of the challenges were keeping historical light fixtures in place and upgrading them with the new LED lighting. In addition, there were public concerns about the amount of brightness and nuisance the changeout may cause while the lighting system was being upgraded. The presentation was well received and Riverside concluded that over 25,000 lights had been converted. SCPPA's Governmental Affairs Team joined the meeting and shared updates with the group on bills concerning supply chain procurement and the high-speed rail. Members will provide feedback to the Governmental Affairs team as needed.

The next TDE&O WG meeting will be held on May 5, 2026.

Docusign Envelope ID: 9FC7CF93-8011-846D-8308-32915B79D829

RECURRING/ROLLING SOLICITATIONS:

NAME: Request for Proposals: 2026 Q1/Q2 SCPPA Renewable Energy Resources and Energy Storage Solutions

WORKING GROUP: Renewables

ISSUE DATE: February 27, 2026 CLOSE DATE: June 30, 2026

DESCRIPTION:

SCPPA's semi-annual rolling RFP to solicit proposals from developers for renewable resources with or without energy storage (Solar, Wind, Geothermal, Biomass, and Small Hydro) to meet Members' IRP, Clean Energy, and RPS goals.

UPCOMING/RECENT SOLICITATIONS (NEW/CONTINUED SERVICES):

NAME: Request for Proposals: New Resources and Transmission

WORKING GROUP: Renewables

ISSUE DATE: February 5, 2026 CLOSE DATE: August 31, 2026

DESCRIPTION:

SCPPA's seeks proposal from developers on Carbon-Free projects and related Transmission for Members in particular areas where the Members can receive the energy.

Docusign Envelope ID: 9FC7CF93-8011-846D-8308-32915B79D829

NAME: Linden Wind Power Project WEC Maintenance Agreement RFP

DEPARTMENT: Asset Management

ISSUE DATE: December 23, 2025 CLOSE DATE: January 20, 2026

DESCRIPTION:

SCPPA seeks proposals related to the specified Areas of Interest set forth in Section III (see RFP), to enable informed decisions and to potentially proceed to more specific negotiations on contract development with one or more qualified Respondents to this Request for Proposals (RFP). To submit a Proposal in response to this RFP, Respondents must meet the following minimum qualifications: Employs personnel who have had experience working on REpower/Senvion MM92 WEC and Experience servicing and maintaining wind facilities at least 50MW in size.

NAME: Engineering Services for Customer Programs & Utility Fleet Electrification

DEPARTMENT: Program Development

ISSUE DATE: April 10, 2026 CLOSE DATE: April 30, 2026

DESCRIPTION:

SCPPA seeks to issue an RFP For Engineering Services to provide integrated support for the design, implementation, and evaluation of energy efficiency, demand reduction, utility fleet electrification, and related customer programs for SCPPA members.

NAME: Request for Proposals: 2026 Stand-Alone Energy Storage Systems

WORKING GROUP: Resource Planning

ISSUE DATE: April 28, 2026 CLOSE DATE: November 30, 2026

Docusign Envelope ID: 9FC7CF93-8011-846D-8308-32915B79D829

DESCRIPTION:

SCPPA Members seek an annual rolling Standalone Energy Storage Systems (ESS) RFP to support Members' procurement of renewable resources in meeting their Renewable Portfolio Standards (RPS) and procurement targets regarding Assembly Bill (AB) 2514. This RFP seeks proposals for stand-alone ESS in areas relevant to SCPPA Members' territories (CAISO Balancing Authority (BA), IID BA, and at specific locations within the LADWP BA system).

NON-BOARD APPROVED CONTRACT EXTENSIONS:

None

Signed by:
DAE0F3A6ECDE496...

Daniel E Garcia, Executive Director
Southern California Public Power Authority

Matt VanPuyvelde
(818) 238-1859
April 16, 2026

MAGNOLIA POWER PLANT
OPERATIONS REPORT
March 2026

Reporting Period

March 1-31, 2026

Workforce Safety Statistics

- There were zero (0) lost time accidents this month and zero (0) year-to-date (YTD).
- There were zero (0) reportable incidents in March and zero (0) YTD.

Plant Performance Information

- **Availability:** 100.0% in March, 88.9% fiscal year-to-date (FYTD), and 73.0% YTD. (A table showing monthly plant availability for the past fifteen months is attached.)
- **Unit Capacity Factor (240 MW):** 52.9% in March, 58.8% FYTD, and 39.9% YTD.
- **Fired Factored Hours:** 743.0 hours in March 2026.
- **Plant Starts (5 starts/month allowed):** Zero (0) starts used in March 2026.
- **Plant Operating Hours (8,322 hours/year allowed):** 1,575.7 hours YTD.
- **Statistics:** Details are provided on the attached monthly production report entitled “Year-to-Date Summary of Statistics “FY2025-26 & CY2026”.

Plant Outage Summary and Other Information

- There were no outages at MPP during the month of March 2026. A table entitled “Outage Summary” is attached which shows all the outages that have occurred over the past twelve (12) months. The “2026-2030 Scheduled Inspection Plan” is also attached showing the calendar for future planned outages at MPP.
- There was one (1) instance of stranded energy in March 2026 (a table showing stranded energy by month is attached).

MAGNOLIA MONTHLY PRODUCTION REPORT

Year-to-Date Summary of Statistics

FY2025-26 & CY2026

		2025	2025	2025	2025	2025	2025	2026	2026	2026	2026	2026	2026		
		Jul	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**FYTD**	**YTD**
ENERGY															
Combustion Turbine (Gross)	MWh	71,842	82,644	80,827	66,145	75,823	75,171	43,154	22,044	52,872				570,521	118,070
Steam Turbine	MWh	48,336	53,316	51,572	45,436	49,932	51,726	35,017	17,752	46,336				399,424	99,105
Plant Generation (Gross)	MWh	120,178	135,960	132,399	111,581	125,755	126,897	78,171	39,796	99,208				969,945	217,175
Plant Auxiliaries (Unit Aux.)	MWh	4,972	5,486	5,192	4,723	5,197	5,351	3,729	1,748	4,908				41,306	10,385
Plant Auxiliaries (Reserve)	MWh	253	7	107	269	7	6	392	1,241	7				2,289	1,640
Plant Generation (Net)	MWh	115,206	130,474	127,206	106,858	120,558	121,546	74,442	38,048	94,300				928,639	206,790
Capacity Factor (240 MW Net)	%	64.5%	73.1%	73.6%	59.8%	69.7%	68.1%	41.7%	23.6%	52.9%				58.8%	39.9%
THERMAL EFFICIENCY															
Combustion Turbine (Gross)	Btu/kWh	12,395	12,077	12,056	12,696	12,294	12,648	14,173	14,082	15,029				12,799	14,539
Total Plant (Gross)	Btu/kWh	7,412	7,344	7,370	7,526	7,413	7,492	7,824	7,800	8,033				7,533	7,915
Total Plant (Net)	Btu/kWh	7,731	7,653	7,671	7,859	7,732	7,822	8,216	8,159	8,451				7,868	8,313
AVAILABILITY															
Hours in the Month	Hours	744.0	744.0	720.0	744.0	721.0	744.0	744.0	672.0	743.0				6,576.0	2,159.0
Plant Operating Hours	Hours	683.5	744.0	707.8	671.2	721.0	744.0	546.0	286.6	743.0				5,847.1	1,575.7
Duct Burner Operating Hours	Hours	2.0	3.9	5.1	0.1	0.2	0.2	0.0	0.0	10.8				22.3	10.8
Plant Availability	%	91.9%	100.0%	98.3%	90.2%	100.0%	100.0%	73.4%	42.7%	100.0%				88.9%	73.0%
Offline yet Available Hours	Hours	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				0.0	0.0
Planned Outage Hours	Hours	60.5	0.0	0.0	72.8	0.0	0.0	132.0	0.0	0.0				265.3	132.0
Forced Outage Hours	Hours	0.0	0.0	12.2	0.0	0.0	0.0	66.0	385.4	0.0				463.6	451.4
Forced Outage	%	0.0%	0.0%	1.7%	0.0%	0.0%	0.0%	8.9%	57.3%	0.0%				7.0%	20.9%
Total Hours Offline	Hours	60.5	0.0	12.2	72.8	0.0	0.0	198.0	385.4	0.0				728.9	583.4
Forced Derated Hours	Hours	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				0.0	0.0
(FFH) From Peak Power	Hours	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				0.0	0.0
Total Factored Fired Hours	Hours	683.5	744.0	707.8	671.2	721.0	744.0	546.0	286.6	743.0				5,847.1	1,575.7
(FFH) Before Next Inspection	Hours	29,875	29,131	28,424	27,752	27,031	26,287	25,741	25,455	24,712				-	-
Estimated Date of Next Major Outage														Feb 2029	
FUEL USAGE AND QUALITY															
Combustion Turbine	MMSCF	859	965	941	815	904	926	601	301	757				7,068	1,658
Combustion Turbine	DTH	890,449	998,092	974,482	839,754	932,195	950,750	611,604	310,422	794,604				7,302,353	1,716,631
Duct Burner	MMSCF	0.2	0.4	1.3	0.0	0.0	0.0	0.0	0.0	2.2				4	2.2
Duct Burner	DTH	257	398	1,307	6	13	15	5	0	2,355				4,357	2,360
Duct Burner Fuel Remaining	MMSCF	552.8	552.4	551.1	551.1	551.1	551.1	551.1	551.1	548.8				-	-
Total Plant Usage	DTH	890,706	998,490	975,790	839,760	932,208	950,765	611,609	310,422	796,959				7,306,710	1,718,990
Gas Btu (HHV)*	Btu/SCF	1,037	1,034	1,036	1,030	1,031	1,027	1,018	1,032	1,050				1,033	1,033

*1,050 assumed pending bill

Magnolia Power Plant - Outage Summary

Outages During the Reporting Period March 1-31, 2026				
Outage Type	**Start Date/Time**	**End Date/Time**	**Hours**	**Comments**
N/A				

Summary of Outages During the Past Twelve Months				
Outage Type	**Start Date**	**End Date**	**Hours**	**Cause**
PO	April 1, 2025	April 22, 2025	510.00	Minor Inspection/Rotor Replacement
OMC	April 22, 2025	April 25, 2025	72.50	MPP power outage due to Burbank 34.5 kv bus failure
FO	April 25, 2025	April 26, 2025	18.77	ST bearing vibration
FO	May 29, 2025	June 2, 2025	78.12	Fuel gas compressor "B" gas leak
RS	June 2, 2025	June 3, 2025	24.50	Off-line but available
FO	June 22, 2025	June 24, 2025	37.85	Fuel gas compressor "A" high motor temperature
PO	July 18, 2025	July 21, 2025	60.53	CT water wash
FO	September 30, 2025	September 30, 2025	12.20	Fuel gas compressor "A" suction valve repair
PO	October 17, 2025	October 20, 2025	72.82	CT water wash
PO	January 23, 2026	January 29, 2026	131.97	CT borescope/boiler inspection
FO	January 29, 2026	February 16, 2026	432.55	HRSG/boiler desuperheater spray liner repairs
FO	February 16, 2026	February 17, 2026	18.82	ST bearing vibration

Outage Type Legend
RS - Reserve Shutdown
PO - Planned Outage
FO - Forced Outage
OMC - Outside of Management Control

Magnolia Power Plant - Availability Summary Table

Monthly	Quarterly	Semi-Annually	Annually
Jan-25 100.0%	Q1 '25 65.3%	H1 '25 66.2%	Yr '25 81.6%
Feb-25 99.1%			
Mar-25 0.0%			
Apr-25 16.5%	Q2 '25 67.1%		
May-25 93.5%			
Jun-25 90.4%			
Jul-25 91.9%	Q3 '25 96.7%	H2 '25 96.7%	
Aug-25 100.0%			
Sep-25 98.3%			
Oct-25 90.2%	Q4 '25 96.7%		
Nov-25 100.0%			
Dec-25 100.0%			
Jan-26 73.4%	Q1 '26 73.0%		
Feb-26 42.7%			
Mar-26 100.0%			

2026-2030

Scheduled Inspection Plan with 32K Hardware

Magnolia Power Project

Offline Water Wash

Hot Gas Path / Minor Inspection

Major Inspection

As of Mar. **12th, 2026**

Total Fired Time	**151,663 Hours**

Total Fired Hours PROJECTED ANNUALLY	**2026** (7,938 Hours)	**2027** (6,096 Hours)	**2028** (8,472 Hours)	**2029** (8,448 Hours)	**2030** (8,448 Hours)
INSPECTIONS **Water Wash** 90 Day Intervals Every 2,160 Hours **Hot Gas Path / Minor Inspection** Every 32,000 Hours Last HGP @ 144,837 Hrs **Major Inspection** Every 64,000 Hours Last Major @ 112,229 Hrs **Upcoming Inspections** CT Enhancement Boiler Inspection **01/28/2027-05/12/2027** All future dates are estimates based on run hours and are subject to change.	76 — 151,104 Hrs January 2026 **Offline 6:00 PM 1/23/2026** **Online 6:00 AM 1/29/2026** **CT Borescope/Boiler Inspection**	81 January 2027 **Offline 6:00 PM 1/18/2027** **Online 6:00 AM 1/22/2027**	85 February 2028 **Offline 6:00 PM 2/4/2028** **Online 6:00 AM 2/10/2028** **CT Borescope/Boiler Inspection**	89 February 2029 **Offline 6:00 PM 2/2/2029** **Online 6:00 AM 2/8/2029** **CT Borescope/Boiler Inspection**	93 February 2030 **Offline 6:00 PM 1/25/20230** **Online 6:00 AM 1/31/2030** **CT Borescope/Boiler Inspection**
	77 May 2026 **Offline 6:00 PM 5/1/2026** **Online 6:00 AM 5/04/2026**	82 — 4 January 2027 **Offline 6:00 PM 1/28/2027** **Online 6:00 AM 5/12/2027** **CT Enhancement / Boiler Inspection**	86 May 2028 **Offline 6:00 PM 5/5/2028** **Online 6:00 AM 5/8/2028**	90 May 2029 **Offline 6:00 PM 5/11/2029** **Online 6:00 AM 5/14/2029**	94 May 2030 **Offline 6:00 PM 5/3/2030** **Online 6:00 AM 5/6/2030**
	78 June 2026 **Offline 6:00 AM 06/26/2026** **Online 6:00 PM 06/29/2026** **SoCal Gas Curtailment**	83 August 2027 **Offline 6:00 PM 8/13/2027** **Online 6:00 AM 8/16/2027**	87 August 2028 **Offline 6:00 PM 8/4/2028** **Online 6:00 AM 8/7/2028**	91 August 2029 **Offline 6:00 PM 8/10/2029** **Online 6:00 AM 8/13/2029**	95 August 2030 **Offline 6:00 PM 8/2/2030** **Online 6:00 AM 8/5/2030**
	79 September 2026 **Offline 6:00 PM 9/18/2026** **Online 6:00 AM 9/21/2026**	84 November 2027 **Offline 6:00 PM 11/5/2027** **Online 6:00 AM 11/8/2027**	88 November 2028 **Offline 6:00 PM 11/3/2028** **Online 6:00 AM 11/6/2028**	92 November 2029 **Offline 6:00 PM 11/2/2029** **Online 6:00 AM 11/5/2029**	96 November 2030 **Offline 6:00 PM 11/1/2030** **Online 6:00 AM 11/4/2030**
	80 December 2026 **Offline 6:00 PM 12/11/2026** **Online 6:00 AM 12/14/2026**				
End Of Year Totals	158,471 Hours	164,567 Hours	173,039 Hours	181,487 Hours	189,935 Hours

Stranded Energy Monthly Report

Month	Participant	Energy (MWh)
Apr-25	-	-
May-25	-	-
Jun-25	-	-
Jul-25	-	-
Aug-25	-	-
Sep-25	-	-
Oct-25	-	-
Nov-25	-	-
Dec-25	Glendale	47
Jan-26	-	-
Feb-26	-	-
Mar-26	Anaheim	34

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

PALO VERDE PROJECT
ANNUAL FUNDING STATUS REPORT
FOR THE YEAR ENDING DECEMBER 31, 2025 (Reporting Period)

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Southern California Public Power Authority
Annual Funding Status Report
For the Year Ending December 31, 2025

PART 1. GENERAL INFORMATION

1.1 Description of Funds:

1.1.1 FUND I – DECOMMISSIONING TRUST FUND I

- Units 1, 2, and 3
- Tax Status: Exempt from Federal and State Taxes
- Independent Trustee: U.S. Bank Trust Company, National Association
  633 W. Fifth Street, 24th Floor
  Los Angeles, California 90071
- Investment Manager: None
- Basic Documents:
  - Decommissioning Trust Fund Agreement I, dated July 13, 1990, by and between the Southern California Public Power Authority (SCPPA) and U.S. Bank Trust Company, National Association (Trustee).
  - Amendment No. 1 to the Decommissioning Trust Fund Agreement I, dated October 27, 1992.
  - Amendment No. 2 to the Decommissioning Trust Fund Agreement I, dated November 20, 2003.
- Changes since prior Annual Funding Status Report (AFSR): None

1.1.2 FUND #2 - DECOMMISSIONING TRUST FUND II

- Units 1, 2, and 3

- Tax Status: Exempt from State and Federal Taxes

- Independent Trustee: U.S. Bank Trust Company, National Association
  633 W. Fifth Street, 24th Floor
  Los Angeles, California 90071

- Investment Manager: None

- Basic Documents:
  - Decommissioning Trust Fund Agreement I, dated July 13, 1990, by and between the Southern California Public Power Authority (SCPPA) and U.S. Bank Trust Company, National Association (Trustee).
  - Amendment No. 1 to the Decommissioning Trust Fund Agreement 1, dated October 27, 1992.
  - Amendment No. 2 to the Decommissioning Trust Fund Agreement 1, dated November 20, 2003.

- Changes since prior AFSR: None

1.2 Pro Rata Share:

- Generation Entitlement Share 5.91%
- Section 23.5.1 Obligations 0%
- Pro Rata Share 5.91%

Palo Verde Project SCPPA Participants	**Participation %**
City of Los Angeles	67.0%
Imperial Irrigation District	6.5
City of Riverside	5.4
City of Vernon	4.9
City of Burbank	4.4
City of Glendale	4.4
City of Pasadena	4.4
City of Azusa	1.0
City of Banning	1.0
City of Colton	1.0
Total	100.0%

1.3 Sale and Leaseback Transactions

Unit	Lessor/ Trustee	Lessor Ownership	Termination Funding Required	Date Full Funding Required	Funding Basis	Funding Compliance Status
1						
2						
3	NONE					

1.4 Summary of Non-NRC Laws and Regulatory Requirements Respecting Trusts, Electric Rates and Termination Funding:

- **SCPPA** is a joint powers authority and public entity organized under the laws of the State of California and a Joint Powers Agreement.
- As a public entity, **SCPPA**'s revenues from participants' billings and investment earnings are exempt from federal and state taxes.
- **SCPPA** issues tax-exempt and taxable debt that is secured by project participants' take-or-pay contracts to accomplish its purpose.

1.5 Statement of Adherence to Prudent Investment Criterion in Section 5.3, Termination Fund Investments Criterion in Section 5.4, and Investment Guidelines in Appendix 5-A:

SCPPA's Decommissioning Trust Funds comply with Sections 5.3, 5.4, and Appendix 5-A of the TFC Manual.

Investment Policy Objectives

- Safety of Principal
- Diversification of Risk
- Achievement of Maximum Allowable Yield

Restrictions

SCPPA's investments are governed by the State of California Government Code, Section 53601 et seq., and are limited to:

- U.S. Government Securities
- Federal Agency & U.S. Government Sponsored Enterprise Obligations
- Repurchase Agreements
- Commercial Paper
- Bankers' Acceptances
- Medium Term Corporate Notes
- Money Market Funds
- Negotiable Certificates of Deposits
- Tax-exempt and/or taxable debt of the State of California or any of its political subdivisions
- Supranational Obligations of the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank

Southern California Public Power Authority
Annual Funding Status Report
For the Year Ending December 31, 2025

PART 2. SUMMARY OF STATUS OF TERMINATION FUNDS AT THE END OF THE REPORTING PERIOD

2.1 Committed Accumulations at End of Reporting Period in ($000):

	Unit 1	Unit 2	Unit 3	Total
2.1.1 Latest Estimated Termination Costs	$ 1,275,690	$ 1,269,887	$ 1,268,545	$ 3,814,122
2.1.2 Generation Entitlement Share of Estimated Termination Costs	$ 75,393	$ 75,050	$ 74,971	$ 225,414
2.1.3 Cumulative Escalation Adjustment Factor	1.123600	1.123600	1.123600	1.123600
2.1.4 Adjusted Share of Estimated Termination Costs as of End of Reporting Period (2.1.2 x 2.1.3)	$ 84,712	$ 84,326	$ 84,237	$ 253,276
2.1.5 Percent Funding Requirement at End of Reporting Period from Percent Funded Curve	83.82%	85.64%	81.73%	83.73%
2.1.6 Committed Accumulations at End of Reporting Period (2.1.4 x 2.1.5)	$ 71,008	$ 72,221	$ 68,850	$ 212,080

2.1.7 Assumptions used to support a finding of reasonable assurance that the accumulations in SCPPA's Termination Fund(s) will be sufficient to meet its obligations under Section 8A.7.2.3 of the Arizona Nuclear Power Project Participation Agreement.

Estimated Termination Costs:	2023 Decommissioning Cost Study for Palo Verde Nuclear Generating Station (PVNGS), prepared by TLG Services, LLC (Document A04-1815-001, Rev 0)
Generation Entitlement Share:	5.91%
Escalation Factors:	6.0% escalation rate applied to the Generation Entitlement Share of Estimated Termination Costs for two years to escalate 2023 dollars to 2025 dollars.
Percent Funded Curve:	Revised Percent Funded Curves consistent with the 20-year extension of the operating license of the Palo Verde Nuclear Generating Station reflected in the Participation Agreement as amended on April 28, 2014.

Southern California Public Power Authority
Annual Funding Status Report
For the Year Ending December 31, 2025

2.2.1 Actual Accumulations at End of the Reporting Period in ($000):

Fund	Unit 1	Unit 2	Unit 3	Total
I	$ 38,754	$ 38,471	$ 38,414	$ 115,639
II	27,458	27,720	34,665	89,842
Total	$ 66,212	$ 66,191	$ 73,078	$ 205,481

2.2.2 Computation of Actual Accumulations:

Fund	Unit 1	Unit 2	Unit 3	Total
Money Market Fund	$ 1,100,551	$ 1,295,712	$ 1,423,292	$ 3,819,555
Market Value of Securities	64,345,567	64,385,877	71,016,263	199,747,707
Accrued Interest	765,698	509,531	638,653	1,913,882
Total	$ 66,211,816	$ 66,191,120	$ 73,078,208	$ 205,481,144
Total ($000)	$ 66,212	$ 66,191	$ 73,078	$ 205,481

2.3 Funding Floor Amount at End of Reporting Period:

	Unit 1	Unit 2	Unit 3	Total
2.3.1 Percentage of Committed Accumulations	67.06%	68.52%	65.39%	66.99%
2.3.2 Funding Floor Amount in ($000)	$ 56,807	$ 57,777	$ 55,080	$ 169,664

2.4 Deposits Made During Reporting Period (All Termination Funds):

	Unit 1	Unit 2	Unit 3	Total
NRC Required Deposits	$ 0	$ 0	$ 0	$ 0
Normal Annual Deposits	0	0	0	0
Recovery Deposits	0	0	0	0
Correcting Deposits	0	0	0	0
Total	$ 0	$ 0	$ 0	$ 0

Southern California Public Power Authority
Annual Funding Status Report
For the Year Ending December 31, 2025

2.5 Mandatory Deposits During Reporting Period:

Unit #1	Unit #2	Unit #3	Total
$ 0	$ 0	$ 0	$ 0

2.6 Estimated Outstanding Balance of Recovery Deposits and Correction Deposits Outstanding at End of Reporting Period:

	Recovery Deposits		Correction Deposits	
	Amt. Outstanding	Due Date	Amt. Outstanding	Due Date
Unit #1	$ 0	N/A	$ 0	N/A
Unit #2	0	N/A	0	N/A
Unit #3	0	N/A	0	N/A
Total	$ 0		$ 0	

2.7 Annual Net Income (Loss) During Reporting Period (Each Fund; All Units):

Fund	Amount	Rate
Fund I - Unit 1	$ 1,489,608	3.99%
Fund I - Unit 2	1,110,965	2.98%
Fund I - Unit 3	1,497,273	4.03%
Fund II - Unit 1	1,254,670	4.75%
Fund II - Unit 2	989,163	3.69%
Fund II - Unit 3	1,337,195	3.98%
Total	$ 7,678,875	3.87%

Southern California Public Power Authority
Annual Funding Status Report
For the Year Ending December 31, 2025

Calculations:	Fund I			Fund II			TOTAL
	Unit #1	Unit #2	Unit #3	Unit #1	Unit #2	Unit #3	
Realized Income	$ 1,489,608	$ 1,110,965	$ 1,497,273	$ 1,254,670	$ 989,163	$ 1,337,195	$ 7,678,875
Unrealized Income (Loss)	(30,867)	(185,748)	(167,042)	30,626	(152,273)	(52,419)	(557,723)
	1,458,741	925,218	1,330,231	1,285,296	836,890	1,284,776	7,121,151
Less:							
Taxes Paid & Accrued	0	0	0	0	0	0	0
Expenses Paid & Accrued	0	0	0	0	0	0	0
Net Income	$ 1,458,741	$ 925,218	$ 1,330,231	$ 1,285,296	$ 836,890	$ 1,284,776	$ 7,121,151

2.8 Summary of Market Values of Permitted Investments at End of the Reporting Period:

Category	Fund I	Fund II	Total
Cash & Cash Equivalents	$ 2,301,491	$ 1,529,855	$ 3,831,346
Debt Securities	113,337,439	88,312,359	201,649,798
Equity Securities	0	0	0
Derivatives	0	0	0
Alternative Investment Assets	0	0	0
Total	$ 115,638,930	$ 89,842,214	$ 205,481,144

2.9 Inventory and Market Values of Investments at End of the Reporting Period:

Permitted Investments Type	Value	Basis of Valuation
U.S. Federal Agencies	$ 163,440,110	Market value provided by Trustee Bank
U.S. Treasury Bills	0	Market value provided by Trustee Bank
Municipal Bonds	5,041,170	Market value provided by Trustee Bank
Corporate Notes	33,168,518	Market value provided by Trustee Bank
Certificates of Deposit	0	Market value provided by Trustee Bank
Commercial Paper	0	Market value provided by Trustee Bank
U.S. Money Market Fund	3,831,346	Market value provided by Trustee Bank
Total	$ 205,481,144	

2.10 Fund Liabilities at End of Reporting Period: NONE

2.11 Defaults, if any, Experienced on Investments: NONE

2.12 Summary of Fixed Income Securities Investment Ratings and Average Credit Quality:

	All Units
AAA/Aaa	1.88%
AA/Aa	87.57%
A/A	10.55%
BBB/Baa	0%
Other	0%
Average	AA/Aa2

PART 3. TABLES & CURVES

3.1 Table and Chart of Percent Funded Curve, Funding Floor Curve, and Actual Accumulations for Each Generating/Terminated Unit:

See attached Part 3.1 table and chart for each Generating Unit.

3.2 Table and Chart of Percent Funded Curve, Funding Floor Curve, and Actual Accumulations for All Generating/Terminated Units:

See attached Part 3.2 table and chart.

Note: The Termination Funding Committee approved the revised Percent Funded Curves and Funding Floor Curves consistent with the 20-year extension of the operating license of the Palo Verde Nuclear Generating Station at its June 18, 2012 meeting subject to the amendment of the Participation Agreement to reflect the operating license extension. The Participation Agreement was amended to reflect the operating license extension on April 28, 2014 and SCPPA began using the revised curves for its 2013 Annual Funding Status Report which was approved by the Termination Funding Committee at its June 25, 2014 meeting.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

3.1 TABLE OF PERCENT FUNDED CURVE, FUNDING FLOOR CURVE, AND ACTUAL ACCUMULATIONS

2025 PALO VERDE FOR UNIT 1

	EST. COST	PERCENT FUNDED CURVE		FUNDING FLOOR CURVE			ACTUAL ACCUMULATIONS		
Year	Dollars ($)	Committed Accumulations	% of Est. Cost	% of Comm. Accumulations	Funding Floor ($)	% of Est. Cost	Dollars ($)	% of Est. Cost	Floor Satisfied?
DEC 2013	46,031,000	35,620,456	77.38%	80%	28,496,365	61.91%	52,827,000	115%	Yes
DEC 2014	48,793,000	37,991,935	77.86%	80%	30,393,548	62.29%	54,275,000	111%	Yes
DEC 2015	51,721,000	40,524,961	78.35%	80%	32,419,969	62.68%	55,141,000	107%	Yes
DEC 2016	54,824,000	43,230,022	78.85%	80%	34,584,018	63.08%	55,324,000	101%	Yes
DEC 2017	56,812,000	45,087,003	79.36%	80%	36,069,602	63.49%	56,134,000	99%	Yes
DEC 2018	60,221,000	48,105,373	79.88%	80%	38,484,298	63.91%	56,954,000	95%	Yes
DEC 2019	57,223,000	46,013,855	80.41%	80%	36,811,084	64.33%	58,736,000	103%	Yes
DEC 2020	61,053,000	49,423,747	80.95%	80%	39,538,998	64.76%	59,493,000	97%	Yes
DEC 2021	64,716,000	52,745,999	81.50%	80%	42,196,799	65.20%	59,239,109	92%	Yes
DEC 2022	68,599,000	56,296,789	82.07%	80%	45,037,431	65.65%	57,100,785	83%	Yes
DEC 2023	72,715,000	60,092,027	82.64%	80%	48,073,622	66.11%	60,128,586	83%	Yes
DEC 2024	79,917,000	66,511,736	83.23%	80%	53,209,389	66.58%	62,902,952	79%	Yes
DEC 2025	84,712,000	71,008,412	83.82%	80%	56,806,730	67.06%	66,211,816	78%	Yes
DEC 2026			84.43%	81%		68.39%			
DEC 2027			85.05%	82%		69.74%			
DEC 2028			85.69%	83%		71.12%			
DEC 2029			86.34%	84%		72.52%			
DEC 2030			86.99%	85%		73.95%			
DEC 2031			87.67%	86%		75.39%			
DEC 2032			88.35%	87%		76.87%			
DEC 2033			89.05%	88%		78.37%			
DEC 2034			89.77%	89%		79.89%			
DEC 2035			90.50%	90%		81.45%			
DEC 2036			91.24%	91%		83.03%			
DEC 2037			92.00%	92%		84.64%			
DEC 2038			92.77%	93%		86.28%			
DEC 2039			93.56%	94%		87.95%			
DEC 2040			94.37%	95%		89.65%			
DEC 2041			95.19%	96%		91.38%			
DEC 2042			96.02%	97%		93.14%			
DEC 2043			96.87%	98%		94.94%			
DEC 2044			97.74%	99%		96.76%			
DEC 2045			98.38%	100%		98.38%			

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

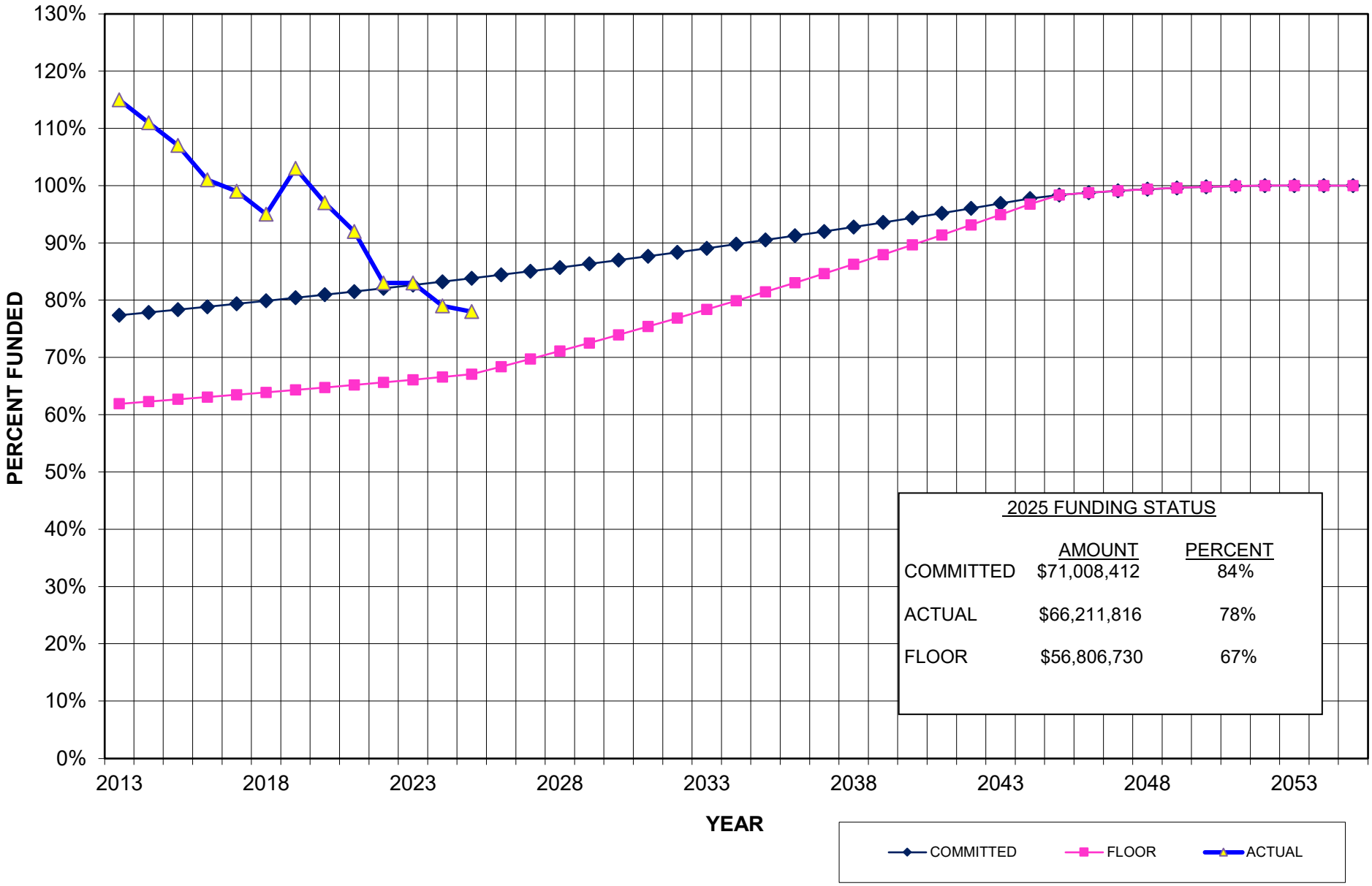
3.1 TABLE OF PERCENT FUNDED CURVE, FUNDING FLOOR CURVE, AND ACTUAL ACCUMULATIONS

2025 PALO VERDE FOR UNIT 1

	EST. COST	PERCENT FUNDED CURVE		FUNDING FLOOR CURVE			ACTUAL ACCUMULATIONS		
Year	Dollars ($)	Committed Accumulations	% of Est. Cost	% of Comm. Accumulations	Funding Floor ($)	% of Est. Cost	Dollars ($)	% of Est. Cost	Floor Satisfied?
DEC 2046			98.76%	100%		98.76%			
DEC 2047			99.09%	100%		99.09%			
DEC 2048			99.37%	100%		99.37%			
DEC 2049			99.60%	100%		99.60%			
DEC 2050			99.79%	100%		99.79%			
DEC 2051			99.94%	100%		99.94%			
DEC 2052			100.00%	100%		100.00%			
DEC 2053			100.00%	100%		100.00%			
DEC 2054			100.00%	100%		100.00%			
DEC 2055			100.00%	100%		100.00%			
DEC 2056			100.00%	100%		100.00%			
DEC 2057			100.00%	100%		100.00%			

SCPPA

3.1 CHART OF PERCENT FUNDED CURVE, FUNDING FLOOR CURVE, & ACTUAL ACCUMULATIONS FOR UNIT 1



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

3.1 TABLE OF PERCENT FUNDED CURVE, FUNDING FLOOR CURVE, AND ACTUAL ACCUMULATIONS

2025 PALO VERDE FOR UNIT 2

	EST. COST	PERCENT FUNDED CURVE		FUNDING FLOOR CURVE			ACTUAL ACCUMULATIONS		
Year	Dollars ($)	Committed Accumulations	% of Est. Cost	% of Comm. Accumulations	Funding Floor ($)	% of Est. Cost	Dollars ($)	% of Est. Cost	Floor Satisfied?
DEC 2013	44,782,000	35,904,047	80.18%	80%	28,723,238	64.14%	53,435,000	119%	Yes
DEC 2014	47,468,920	38,251,763	80.58%	80%	30,601,410	64.47%	55,281,000	116%	Yes
DEC 2015	50,317,055	40,756,072	81.00%	80%	32,604,858	64.80%	56,328,000	112%	Yes
DEC 2016	53,336,079	43,427,648	81.42%	80%	34,742,118	65.14%	56,320,000	106%	Yes
DEC 2017	55,043,680	45,056,169	81.86%	80%	36,044,935	65.48%	56,895,000	103%	Yes
DEC 2018	58,346,301	48,017,050	82.30%	80%	38,413,640	65.84%	57,801,000	99%	Yes
DEC 2019	56,156,000	46,467,331	82.75%	80%	37,173,865	66.20%	59,722,000	106%	Yes
DEC 2020	59,866,825	49,812,871	83.21%	80%	39,850,297	66.56%	60,629,000	101%	Yes
DEC 2021	63,458,834	53,098,947	83.67%	80%	42,479,158	66.94%	60,448,042	95%	Yes
DEC 2022	67,266,364	56,606,361	84.15%	80%	45,285,089	67.32%	57,277,581	85%	Yes
DEC 2023	71,302,346	60,350,358	84.64%	80%	48,280,286	67.71%	60,224,449	84%	Yes
DEC 2024	79,553,000	67,729,352	85.14%	80%	54,183,482	68.11%	63,072,903	79%	Yes
DEC 2025	84,326,180	72,220,914	85.64%	80%	57,776,731	68.52%	66,191,120	78%	Yes
DEC 2026			86.16%	80%		68.93%			
DEC 2027			86.69%	81%		70.22%			
DEC 2028			87.23%	82%		71.53%			
DEC 2029			87.78%	83%		72.86%			
DEC 2030			88.34%	84%		74.20%			
DEC 2031			88.91%	85%		75.57%			
DEC 2032			89.49%	86%		76.96%			
DEC 2033			90.09%	87%		78.38%			
DEC 2034			90.69%	88%		79.81%			
DEC 2035			91.31%	89%		81.27%			
DEC 2036			91.95%	90%		82.75%			
DEC 2037			92.59%	91%		84.26%			
DEC 2038			93.25%	92%		85.79%			
DEC 2039			93.92%	93%		87.34%			
DEC 2040			94.60%	94%		88.92%			
DEC 2041			95.30%	95%		90.53%			
DEC 2042			96.01%	96%		92.17%			
DEC 2043			96.74%	97%		93.83%			
DEC 2044			97.48%	98%		95.53%			
DEC 2045			98.23%	99%		97.25%			

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

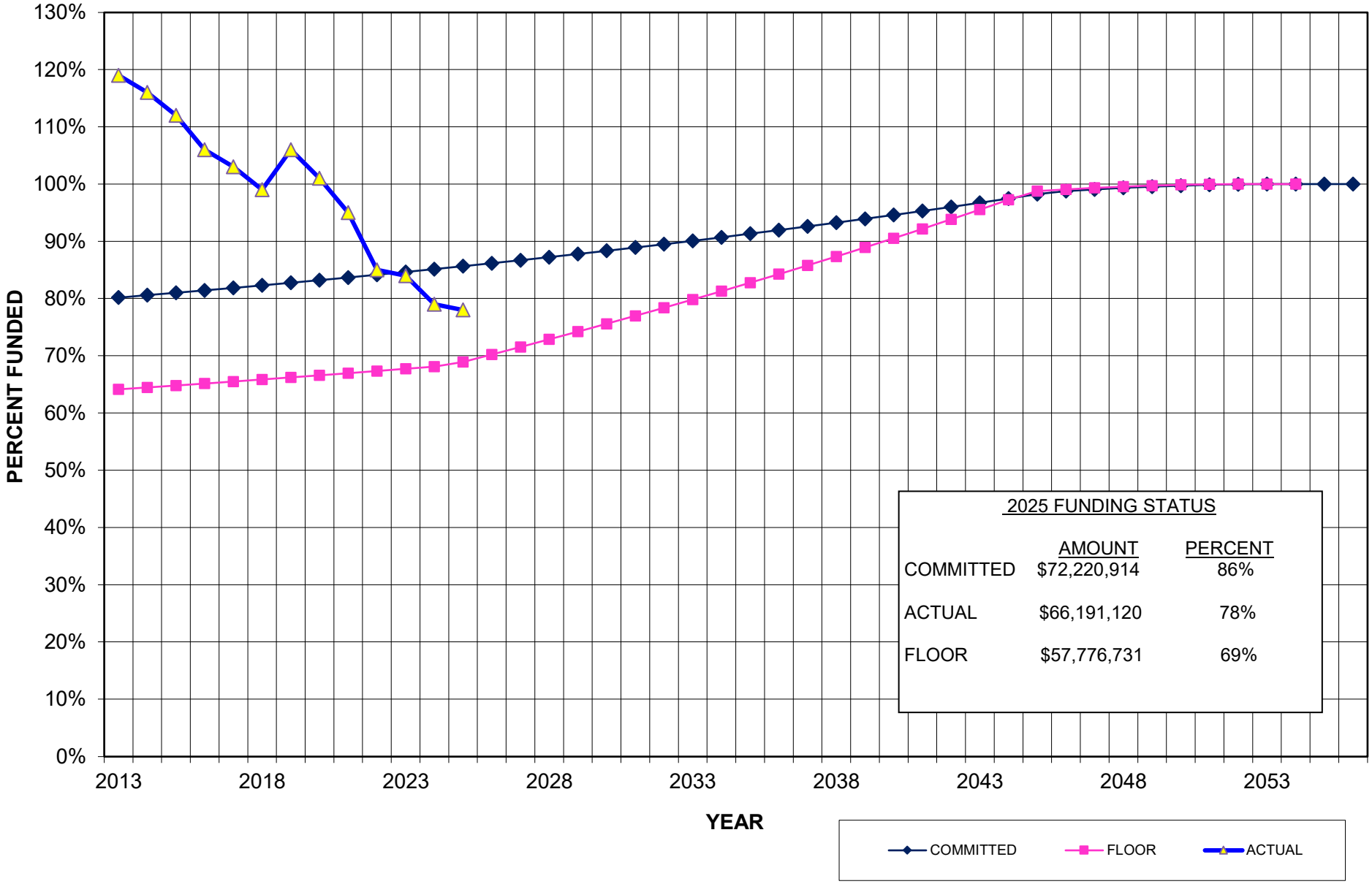
3.1 TABLE OF PERCENT FUNDED CURVE, FUNDING FLOOR CURVE, AND ACTUAL ACCUMULATIONS

2025 PALO VERDE FOR UNIT 2

	EST. COST	PERCENT FUNDED CURVE		FUNDING FLOOR CURVE			ACTUAL ACCUMULATIONS		
Year	Dollars ($)	Committed Accumulations	% of Est. Cost	% of Comm. Accumulations	Funding Floor ($)	% of Est. Cost	Dollars ($)	% of Est. Cost	Floor Satisfied?
DEC 2046			98.76%	100%		98.76%			
DEC 2047			99.07%	100%		99.07%			
DEC 2048			99.32%	100%		99.32%			
DEC 2049			99.53%	100%		99.53%			
DEC 2050			99.71%	100%		99.71%			
DEC 2051			99.85%	100%		99.85%			
DEC 2052			99.96%	100%		99.96%			
DEC 2053			100.00%	100%		100.00%			
DEC 2054			100.00%	100%		100.00%			
DEC 2055			100.00%	100%		100.00%			
DEC 2056			100.00%	100%		100.00%			
DEC 2057			100.00%	100%		100.00%			

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3.1 CHART OF PERCENT FUNDED CURVE, FUNDING FLOOR CURVE, & ACTUAL ACCUMULATIONS FOR UNIT 2



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

3.1 TABLE OF PERCENT FUNDED CURVE, FUNDING FLOOR CURVE, AND ACTUAL ACCUMULATIONS

2025 PALO VERDE FOR UNIT 3

	EST. COST	PERCENT FUNDED CURVE		FUNDING FLOOR CURVE			ACTUAL ACCUMULATIONS		
Year	Dollars ($)	Committed Accumulations	% of Est. Cost	% of Comm. Accumulations	Funding Floor ($)	% of Est. Cost	Dollars ($)	% of Est. Cost	Floor Satisfied?
DEC 2013	51,584,000	38,877,721	75.37%	80%	31,102,177	60.29%	58,696,000	114%	Yes
DEC 2014	54,679,040	41,469,771	75.84%	80%	33,175,817	60.67%	60,501,000	111%	Yes
DEC 2015	57,959,782	44,238,434	76.33%	80%	35,390,747	61.06%	61,483,000	106%	Yes
DEC 2016	61,437,369	47,196,021	76.82%	80%	37,756,817	61.46%	61,853,000	101%	Yes
DEC 2017	59,737,360	46,190,894	77.32%	80%	36,952,715	61.86%	62,521,000	105%	Yes
DEC 2018	63,321,602	49,287,622	77.84%	80%	39,430,098	62.27%	63,580,000	100%	Yes
DEC 2019	61,413,000	48,123,835	78.36%	80%	38,499,068	62.69%	65,515,000	107%	Yes
DEC 2020	65,440,254	51,629,438	78.90%	80%	41,303,550	63.12%	66,609,000	102%	Yes
DEC 2021	69,366,669	55,105,451	79.44%	80%	44,084,361	63.55%	66,330,168	96%	Yes
DEC 2022	73,528,669	58,820,781	80.00%	80%	47,056,625	64.00%	63,227,743	86%	Yes
DEC 2023	77,940,389	62,792,284	80.56%	80%	50,233,827	64.45%	66,424,809	85%	Yes
DEC 2024	79,469,260	64,484,006	81.14%	80%	51,587,205	64.91%	69,649,209	88%	Yes
DEC 2025	84,237,416	68,850,442	81.73%	80%	55,080,354	65.39%	73,078,208	87%	Yes
DEC 2026			82.34%	80%		65.87%			
DEC 2027			82.95%	80%		66.36%			
DEC 2028			83.58%	81%		67.70%			
DEC 2029			84.22%	82%		69.06%			
DEC 2030			84.87%	83%		70.44%			
DEC 2031			85.53%	84%		71.85%			
DEC 2032			86.21%	85%		73.28%			
DEC 2033			86.91%	86%		74.74%			
DEC 2034			87.61%	87%		76.22%			
DEC 2035			88.33%	88%		77.73%			
DEC 2036			89.07%	89%		79.27%			
DEC 2037			89.82%	90%		80.84%			
DEC 2038			90.58%	91%		82.43%			
DEC 2039			91.36%	92%		84.05%			
DEC 2040			92.16%	93%		85.71%			
DEC 2041			92.97%	94%		87.39%			
DEC 2042			93.80%	95%		89.11%			
DEC 2043			94.64%	96%		90.86%			
DEC 2044			95.50%	97%		92.64%			
DEC 2045			96.38%	98%		94.45%			

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

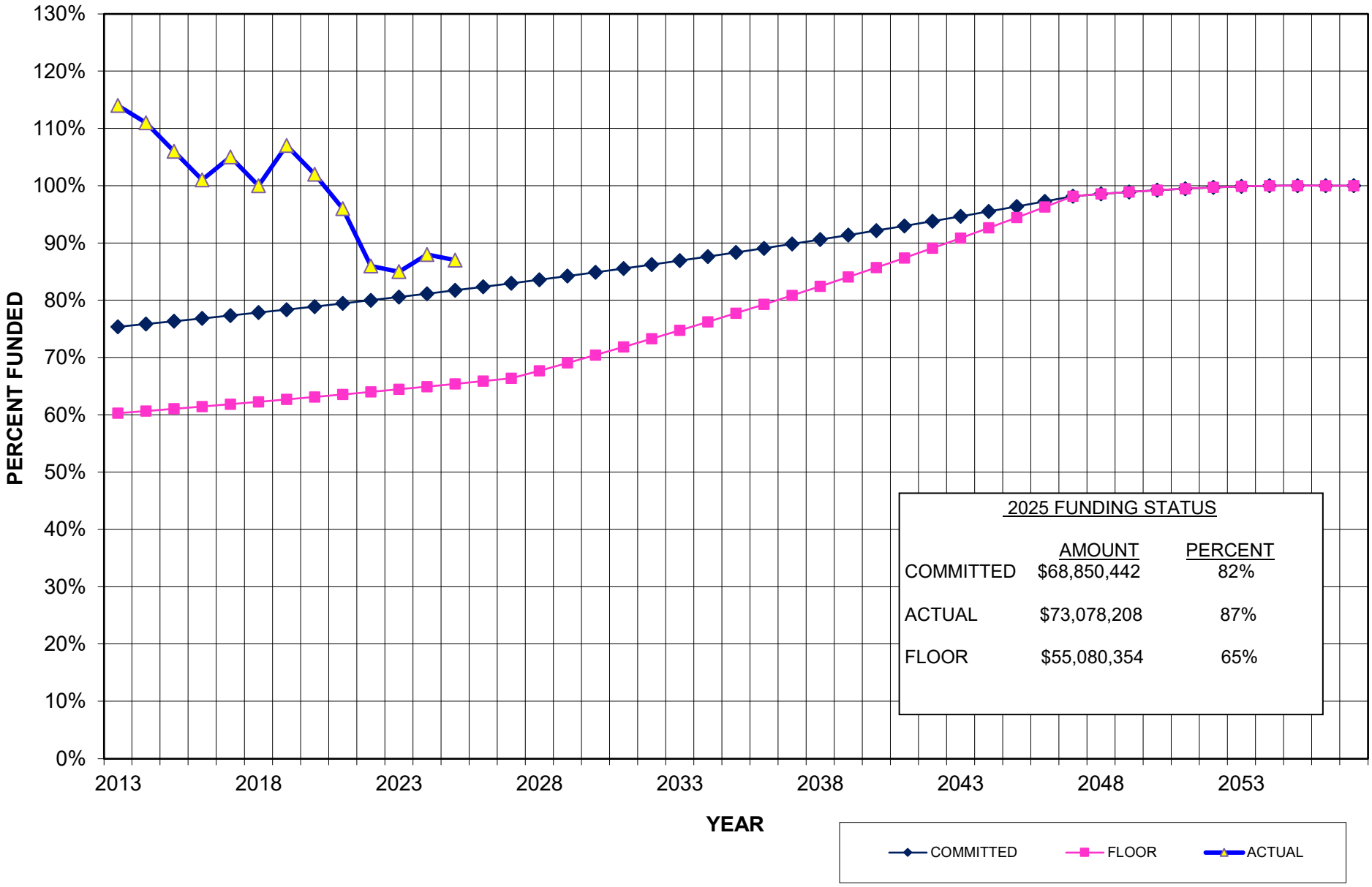
3.1 TABLE OF PERCENT FUNDED CURVE, FUNDING FLOOR CURVE, AND ACTUAL ACCUMULATIONS

2025 PALO VERDE FOR UNIT 3

	EST. COST	PERCENT FUNDED CURVE		FUNDING FLOOR CURVE			ACTUAL ACCUMULATIONS		
Year	Dollars ($)	Committed Accumulations	% of Est. Cost	% of Comm. Accumulations	Funding Floor ($)	% of Est. Cost	Dollars ($)	% of Est. Cost	Floor Satisfied?
DEC 2046			97.26%	99%		96.29%			
DEC 2047			98.15%	100%		98.15%			
DEC 2048			98.55%	100%		98.55%			
DEC 2049			98.91%	100%		98.91%			
DEC 2050			99.21%	100%		99.21%			
DEC 2051			99.48%	100%		99.48%			
DEC 2052			99.70%	100%		99.70%			
DEC 2053			99.87%	100%		99.87%			
DEC 2054			100.00%	100%		100.00%			
DEC 2055			100.00%	100%		100.00%			
DEC 2056			100.00%	100%		100.00%			
DEC 2057			100.00%	100%		100.00%			

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3.1 CHART OF PERCENT FUNDED CURVE, FUNDING FLOOR CURVE, & ACTUAL ACCUMULATIONS FOR UNIT 3



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

3.2 TABLE OF COMPOSITE PERCENT FUNDED CURVE, FUNDING FLOOR CURVE, AND ACTUAL ACCUMULATIONS

2025 PALO VERDE FOR ALL UNITS

	EST. COST	PERCENT FUNDED CURVE		FUNDING FLOOR CURVE			ACTUAL ACCUMULATIONS		
Year	Dollars ($)	Committed Accumulations	% of Est. Cost	% of Comm. Accumulations	Funding Floor ($)	% of Est. Cost	Dollars ($)	% of Est. Cost	Floor Satisfied?
DEC 2013	142,397,000	110,402,224	77.53%	80%	88,321,780	62.03%	164,958,000	116%	Yes
DEC 2014	150,940,960	117,713,469	77.99%	80%	94,170,775	62.39%	170,057,000	113%	Yes
DEC 2015	159,997,838	125,519,467	78.45%	80%	100,415,574	62.76%	172,952,000	108%	Yes
DEC 2016	169,597,448	133,853,691	78.92%	80%	107,082,953	63.14%	173,497,000	102%	Yes
DEC 2017	171,593,040	136,334,066	79.45%	80%	109,067,252	63.56%	175,550,000	102%	Yes
DEC 2018	181,888,902	145,410,045	79.94%	80%	116,328,036	63.96%	178,335,000	98%	Yes
DEC 2019	174,792,000	140,605,021	80.44%	80%	112,484,017	64.35%	183,973,000	105%	Yes
DEC 2020	186,360,079	150,866,056	80.95%	80%	120,692,845	64.76%	186,730,999	100%	Yes
DEC 2021	197,541,503	160,950,397	81.48%	80%	128,760,318	65.18%	186,017,320	94%	Yes
DEC 2022	209,394,034	171,723,931	82.01%	80%	137,379,145	65.61%	177,606,110	85%	Yes
DEC 2023	221,957,736	183,234,669	82.55%	80%	146,587,735	66.04%	186,777,844	84%	Yes
DEC 2024	238,939,260	198,725,094	83.17%	80%	158,980,076	66.54%	195,625,064	82%	Yes
DEC 2025	253,275,596	212,079,768	83.73%	80%	169,663,815	66.99%	205,481,144	81%	Yes
DEC 2026									
DEC 2027									
DEC 2028									
DEC 2029									
DEC 2030									
DEC 2031									
DEC 2032									
DEC 2033									
DEC 2034									
DEC 2035									
DEC 2036									
DEC 2037									
DEC 2038									
DEC 2039									
DEC 2040									
DEC 2041									
DEC 2042									
DEC 2043									
DEC 2044									
DEC 2045									

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

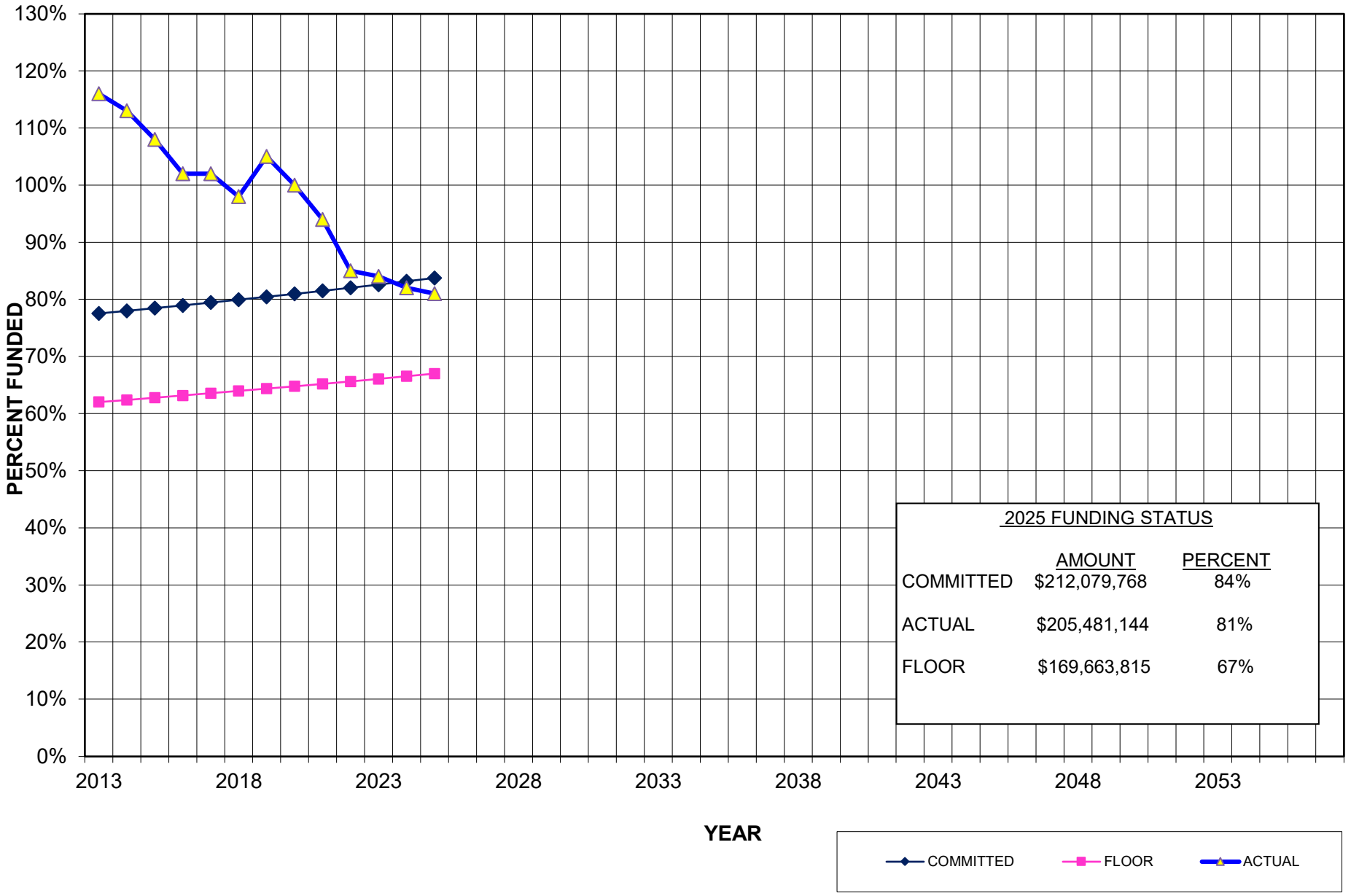
3.2 TABLE OF COMPOSITE PERCENT FUNDED CURVE, FUNDING FLOOR CURVE, AND ACTUAL ACCUMULATIONS

2025 PALO VERDE FOR ALL UNITS

	EST. COST	PERCENT FUNDED CURVE		FUNDING FLOOR CURVE			ACTUAL ACCUMULATIONS		
Year	Dollars ($)	Committed Accumulations	% of Est. Cost	% of Comm. Accumulations	Funding Floor ($)	% of Est. Cost	Dollars ($)	% of Est. Cost	Floor Satisfied?
DEC 2046									
DEC 2047									
DEC 2048									
DEC 2049									
DEC 2050									
DEC 2051									
DEC 2052									
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DEC 2057									

SCPPA

3.2 CHART OF COMPOSITE PERCENT FUNDED CURVE, FUNDING FLOOR CURVE, & ACTUAL ACCUMULATIONS FOR ALL UNITS



Southern California Public Power Authority
111 North Hope Street, Room 462
Los Angeles, CA 90012
(213) 367 - 4668 • Fax (213) 367 - 4330
www.scppa.org

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
CERTIFICATE FOR ANNUAL FUNDING STATUS REPORT
FOR THE YEAR ENDING DECEMBER 31, 2025

Aileen Ma, Chief Financial and Administrative Officer of Southern California Public Power Authority (SCPPA) certifies on behalf of SCPPA that the provisions of the trust agreements establishing, and all other instruments providing for investment management of the Termination Funds of SCPPA, taken together, comply with Section 8A.7.2.2 and all other provisions of the Arizona Nuclear Power Project Participation Agreement, dated August 23, 1973, as amended by Amendment Nos. 1 through 16, establishing requirements for such agreements and instruments; and further certifies that, to the best of the knowledge of Aileen Ma, the information contained in the report to which this certificate is attached is true and correct and accurately sets forth the status of the Termination Funds of SCPPA as of the date stated.

Dated: February 27, 2026

AILEEN MA
Chief Financial and Administrative Officer
Southern California Public Power Authority

SCPPA BOARD MEETING
PALO VERDE NUCLEAR GENERATING STATION (PVNGS)
STATUS REPORT

Plant Operations - Following is the status of the plant as of March 1st, 2026:

- Unit 1 is at full power in its 295th day of continuous operation.
- Unit 2 is at full power in its 475th day of continuous operation.
- Unit 3 is at full power in its 88th day of continuous operation.

February 2026, the year-to-date maximum dependable capacity factor is as follows:

	Capacity Factor
Unit 1	99.8%
Unit 2	99.7%
Unit 3	97.1%
Station	98.9%

Budget:

February 2026, the cost report is summarized as follows:

(In $millions)

	YTD-Budget	YTD-Actual	YTD-Variance	Year-End Budget
O&M	106.96	108.58	1.62	800.00
Capital	26.42	39.48	13.06	377.00
Fuel	89.66	44.03	(45.63)	205.24
Total	223.05	192.09	(30.96)	1,382.24

Developments:

- The PVNGS Unit 2 planned outage is scheduled from March 28 to May 2, 2026. Major scope items include carbon-fiber repair of underground cooling-water piping, installation of the Fire Protection South Loop valve, replacement of buried plant cooling-water piping, and spray-pond piping replacement.
- The APS PWC CY2025 Prevailing Wage Evaluation is targeted for completion by July 31, 2026, supporting SCPPA's 45U Nuclear Production Tax Credit efforts for CY2025.

- APS has initiated the vendor quote process for the decommissioning study update, with a project kickoff on February 4, 2026, and an initial vendor quote expected by February 18, 2026. The study results will inform SCPPA participants of decommissioning funding obligations and current funding status.

Memo

TO: Southern California Public Power Authority
FROM: TFG
RE: Federal Legislative Report
DATE: April 7, 2026

March 2026 Federal Report

This legislative report covers activities related to appropriations, energy, and environment as well as telecommunication and cybersecurity issues from March 1 through March 31 2026.

Executive Summary

Congressional Calendar. The House and Senate were in session most of March.

FY 2026/2027 Appropriations. While 11 of the 12 FY 2026 appropriations bills have been signed into law, the disruption from the partial Department of Homeland Security shutdown continues.

Energy and Environment. Permitting reform is back on track, and congressional and agency efforts to advance nuclear energy programs and funding continue apace.

Telecommunications and Cybersecurity. On the cyber front, In a Public Notice, the Federal Communications Commission announced a significant expansion of the agency's Covered List under the Secure and Trusted Communications Networks Act to include routers produced in foreign countries. On the telecom front, much is happening, including the development of separate bills involving grid resiliency and a federal AI framework.

FY 2026/2027 Appropriations Process

Eleven of the 12 regular Fiscal Year (FY) 2026 appropriations bills have been enacted into law, providing funding through September 30, 2026. The TFG Special Report highlights certain provisions of the enacted full-year FY26 spending bills. President Donald Trump signed into law a Continuing Resolution (CR) for the Department of Homeland Security (DHS), providing temporary funding to DHS at enacted FY25 funding levels through February 13, 2026. Funding for DHS lapsed at 12:00 am ET on February 14; after numerous attempts to pass an identical funding bill for DHS through both chambers since Feb. 14, DHS remains shut down, marking the longest shutdown of any federal department or agency in U.S. history.

The shutdown continues to be of ongoing concern. If there were to be an earthquake, severe wildfire, or other natural disaster to impact Southern California for example, it's not at all clear how long the traditional personnel that customarily would be deployed in such a situation, given the funding that would pay them, in absence of regular appropriations, is limited and could "run dry" at some point.

As for ongoing activities, including last year's LA area fires, there are impacts from the shutdown. Specifically, FEMA has paused non-emergency recovery work, including: processing public assistance reimbursements to state and local governments, long-term recovery planning and administrative reviews, and some hazard mitigation flows not tied to imminent threats.

This pause is explicitly acknowledged by FEMA and DHS and has directly affected reimbursement for LA County fire recovery, which county officials described as "frustrating" and "highly disappointing.

Energy and Environment

Permitting Reform Talks Back on Track

Negotiations over broad energy and infrastructure permitting reform in Congress have restarted after collapsing late last year, with Senate Democrats signaling conditional willingness to reengage. Senate Environment and Public Works (EPW) Ranking Member Sheldon Whitehouse (D-RI) and Senate Energy and Natural Resources Ranking Member Martin Heinrich (D-NM) announced in early March that they were returning to the bargaining table after what they indicated were positive signals from the Trump Administration, including progress on solar and onshore wind permits and a pause in interference with previously approved renewable projects. Sen. Whitehouse has been explicit that Democratic participation hinges on "credible confidence" that the executive branch will honor existing permits and refrain from further stop-work actions, warning that any renewed disruption would immediately derail negotiations again.

What happens next is likely a cautious, committee-driven restart rather than a fast-moving deal. EPW Chair Shelley Moore Capito (R-WV) and Whitehouse have resumed direct discussions, with staff negotiations underway and regular meetings expected, but both sides continue to stress the need for a bipartisan, project-neutral package that can clear the Senate's 60-vote threshold.

While Republicans are separately exploring whether narrower permitting provisions could ride a second budget reconciliation bill, key negotiators on both sides have emphasized that comprehensive, durable reform must move through regular order. As a result, the conventional wisdom in DC is that in the near-term, we will see incremental actions, including potential issuance of a bipartisan framework or discussion draft, and close monitoring of administration actions before lawmakers commit to legislation capable of advancing this Congress.

Progress on Nuclear Energy Matters

In recent weeks, congressional activity has centered on oversight and implementation of previously established nuclear authorities and funding. Notably, the Senate Energy and Natural Resources Committee held a hearing examining the Department of Energy's implementation of President Trump's 2025 nuclear energy executive orders, with testimony focused on accelerating deployment of advanced reactors, strengthening the domestic nuclear fuel cycle, and reducing regulatory barriers to new nuclear construction.

At DOE, meanwhile, the agency continued programmatic implementation of the FY2026 budget for nuclear energy, including national lab support, advanced reactor development, and fuel-cycle resilience, as well as ongoing coordination with the NRC on reactor prototype licensing timelines.

Telecommunications and Cybersecurity

Telecommunications and Technology

Grid Resilience Bill: Senators Catherine Cortez-Masto (D-NV) and Lisa Murkowski (R-AK) introduced the *Securing Community Upgrades for a Resilient Grid Act* (S. 4166), which amends the *Energy Policy and Conservation Act* to strengthen the security and resilience of local electric distribution systems by requiring states to explicitly address these systems in their State Energy Security Plans submitted to the U.S. Department of Energy. The bill defines "local distribution systems" as infrastructure operating at 100 kilovolts or less and directs states to assess a full spectrum of risks—including cyber threats, physical attacks, extreme weather, and other hazards that could disrupt service—while also expanding planning requirements to include consultation with utilities, infrastructure owners, and key equipment suppliers across the electricity value chain.

In addition, the legislation requires states to evaluate supply chain vulnerabilities and related risks affecting local distribution utilities, with the overall objective of ensuring that state-level energy security planning more comprehensively accounts for the operational and infrastructure risks facing the distribution grid, a critical component of system-wide reliability and resilience. A House companion bill, H.R. 7257, was introduced in January by Reps. Bob Latta (R-OH) and Doris Matsui (D-CA).

Draft AI Framework Legislation: Senator Marsha Blackburn (R-TN) introduced draft legislation that would establish a unified national framework for artificial intelligence that both promotes innovation and imposes new safeguards on developers, platforms, and deployers. Senator Blackburn's discussion draft and the broader TRUMP AMERICA AI Act propose federal preemption, duty-of-care standards for AI systems, expanded liability frameworks, workforce impact reporting, and strong protections for children and digital content creators, while reducing regulatory fragmentation across states. For public utilities like SCPPA, these proposals signal increased compliance obligations, potential liability exposure for AI-enabled operations, and new requirements around transparency, cybersecurity, and workforce impacts as utilities integrate AI into grid management and operations.

NTIA Broadband Programs Status Report: The Department of Commerce Office of Inspector General's March 2026 semiannual report on NTIA broadband programs highlights significant federal investment and ongoing implementation challenges across six major grant initiatives central to national broadband expansion. NTIA has awarded more than $46.2 billion in funding across 591 grants, though only

approximately 3.5 percent of funds have been drawn down, reflecting early-stage deployment activity. The Broadband Equity, Access, and Deployment (BEAD) program accounts for the vast majority of funding ($41.6 billion), with states nearing final proposal approvals and implementation expected to accelerate in 2026. Other programs—including Tribal Broadband Connectivity, Middle Mile Infrastructure, and the Broadband Infrastructure Program—are advancing deployment, with measurable outputs such as fiber construction, household connections, and increased access in rural and underserved areas.

However, the report underscores notable program disruptions, including the termination of most Digital Equity Act grants, and identifies administrative, performance measurement, and oversight challenges across programs. The OIG also emphasizes heightened fraud risk associated with the scale and speed of funding, noting expanded audit activity, interagency coordination, and enforcement actions to safeguard federal investments. For public power utilities, the report signals continued federal prioritization of broadband infrastructure—particularly middle-mile and rural deployment—while highlighting evolving compliance expectations, oversight scrutiny, and opportunities for utility participation in federally funded broadband expansion initiatives.

USAC Annual Report: The Universal Service Administrative Company's (USAC) 2025 Annual Report continued progress in administering the Universal Service Fund (USF), with a focus on modernization, program integrity, and broadband expansion. In 2025, USAC authorized approximately $8.45 billion in support across its four core programs—E-Rate, High Cost, Lifeline, and Rural Health Care—with the High Cost program alone distributing over $4.5 billion to expand broadband in rural areas. USAC advanced multiple FCC initiatives, including the Schools and Libraries Cybersecurity Pilot Program and system transitions tied to broadband deployment reporting requirements.

The organization also prioritized IT modernization and cybersecurity, implementing a Zero Trust architecture and enhancing data systems to improve oversight and reduce fraud risk. Program integrity efforts included 128 audits and expanded data analytics to detect improper payments. Operationally, USAC improved efficiency through vendor transitions and insourcing key functions, while supporting over 900,000 stakeholder inquiries. Overall, the report reflects a stable but evolving USF environment, with increasing emphasis on cybersecurity, compliance, and streamlined program delivery relevant to public utilities and broadband stakeholders

Cybersecurity

FCC Foreign Routers Expanded Covered List: In a Public Notice (DA 26-278, released March 23, 2026), the Federal Communications Commission announced a significant expansion of the agency's Covered List under the Secure and Trusted Communications Networks Act to include routers produced in foreign countries, based on a formal Executive Branch national security determination that such equipment poses an "unacceptable risk" to U.S. national security, critical infrastructure, and public safety. The determination is grounded in documented cyber incidents—such as the Volt, Flax, and Salt Typhoon campaigns—where compromised foreign-manufactured routers were exploited for espionage, botnet operations, and disruption of essential systems, including energy, water, transportation, and communications networks. As a result, routers falling within this category are now ineligible for FCC equipment authorization unless they receive a case-by-case "Conditional Approval" from the

Department of Homeland Security or Department of War, contingent on rigorous supply chain transparency, cybersecurity assurances, and a demonstrated pathway toward U.S.-based manufacturing.

For public utilities, this action has immediate and material implications across procurement, cybersecurity, and capital planning: utilities must reassess existing and planned network infrastructure (including operational technology (OT) and IT environments that rely on edge networking devices), ensure compliance with federal authorization requirements, and potentially accelerate costly replacement or upgrade cycles to avoid reliance on non-compliant equipment; moreover, the rule reinforces a broader federal policy shift toward supply chain “onshoring” and trusted vendor requirements, which could constrain vendor pools, increase equipment costs, and introduce project delays. At the same time, the policy elevates baseline cybersecurity expectations for critical infrastructure operators, effectively signaling that utilities will be held to higher standards in defending against nation-state threats that increasingly target distributed network devices as entry points into grid operations and other essential services.

Docusign Envelope ID: 9FC7CF93-8011-846D-8308-32915B79D829

AGENDA ITEM STAFF REPORT

MEETING DATE: April 16, 2026 **RESOLUTION NUMBER:** 2026-018

SUBJECT: Approval of Letter Agreement between SCPPA and GE Vernova International, LLC, for Stator Blade Credit to SCPPA; Finding Such Action Exempt from the California Environmental Quality Act

DISCUSSION: ☐ **OR** **CONSENT:** ☒

Select the appropriate box(es):

FROM:		**METHOD OF SELECTION:**	
Finance	☐	Competitive	☐
Project Development	☐	Cooperative Purchase	☐
Program Development	☐	Sole Source	☐
Regulatory/Legislative	☐	Other	☐
Project Administration	☒	*Other (Please describe):*	
Legal	☐		
Executive Director	☐		

MEMBER PARTICIPATION:

Sponsoring Member: Burbank, Anaheim, Cerritos, Colton, Glendale, and Pasadena

Other Members Potentially Participating: N/A

Approved by Executive Director: Signed by: DAE0F3A6ECDE496... _____

RECOMMENDATION:

It is recommended that the Board of Directors (Board) approve a Letter Agreement between SCPPA and GE Vernova International, LLC ("GE") for a Stator Blade Credit to SCPPA in the amount of $1.8 million for the Magnolia Power Project (the "Project").

Docusign Envelope ID: 9FC7CF93-8011-846D-8308-32915B79D829

BACKGROUND:

The Project consists of a combined-cycle natural gas fired electric generating plant with a nominally rated net capacity of 242 MW and auxiliary facilities located in and operated by Burbank Water and Power ("BWP") for the benefit of the cities of Anaheim, Burbank, Cerritos, Colton, Glendale and Pasadena.

SCPPA and GE are parties to a Parts and Special Services Agreement ("PSAA") dated as of September 29, 2005 (as amended from time to time) pursuant to which GE provides SCPPA with certain maintenance services related to the Project, including periodic gas turbine hot gas path inspections and related work.

After the execution of the PSSA, SCPPA and GE determined that a replacement of the combustion turbine rotor was necessary due to its end-of-life operating hours. Accordingly, SCPPA and GE executed Amendment 3 of the PSSA, which required that GE replace the combustion turbine rotor, inlet guide vanes ("IGVs"), exhaust guide vanes ("EGVs"), and stator vanes, in addition to performing routine maintenance activities. The PSSA explicitly defined both the scope and associated costs for procurement and installation of these components.

These components described above were ordered in the first quarter of 2024, with planned delivery in the first quarter of 2025. However, material and manufacturing delays resulted in a delivery delay of all the components except the combustion turbine rotor such that the components did not arrive in time for the 2025 scheduled maintenance outage.

Due to the delay in delivery of the components, GE engineers conducted a formal evaluation to assess the feasibility of continued operation with the existing components and concluded that the unit could continue in operation without increased risk of failure through 2029, which aligned with the then next scheduled major outage. Based on this determination, the combustion turbine was reassembled in 2025 utilizing the existing IGVs, EGVs, and stator vanes and returned to service.

Throughout this process, BWP has been working with GE to evaluate a potential combustion turbine uprate enhancement intended to increase plant output. This uprate enhancement would include installation of redesigned components that would eliminate the need to install the originally specified IGVs, EGVs, and stator vanes during the 2029 outage. To accommodate the possibility of the turbine uprate enhancement, BWP requested that GE provide flexible commercial options to address both scenarios. As a result, BWP and GE developed a letter agreement that provides:

- A financial credit of $1,800,000 to SCPPA for the IGVs, EGVs, and stator vanes if SCPPA proceeds with the uprate enhancement; or

- Replacement of like-in-kind IGVs, EGVs, and stator vanes during the 2029 Major Inspection if the uprate enhancement is not implemented.

DISCUSSION:

The Letter Agreement preserves the full value of the originally contracted scope under the PSSA by providing SCPPA with the option to either receive a financial credit for the IGVs, EGVs, and stator vanes if the combustion turbine uprate enhancement is implemented, or have like-in-kind components installed during the next scheduled major outage in 2029, if the uprate enhancement is not implemented.

Docusign Envelope ID: 9FC7CF93-8011-846D-8308-32915B79D829

SCPPA's Authority:

SCPPA's Joint Powers Agreement provides SCPPA with the authority to develop, finance, construct, operate and maintain electric energy generation and transmission projects. The proposed action is within the scope of SCPPA's authority.

Environmental Review:

The current actions are exempt from CEQA pursuant to Cal. Code Regs. Tit. 14, § 15301 because they relate to the repair, maintenance or minor alteration of existing facilities of publicly owned utilities used to provide electric power and, with respect to the uprate enhancement, the SCPPA of Directors has already made a finding through Resolution No. 2025-098 that with certain amendments to the conditions of certification, the uprate enhancement will not have any significant environmental impact.

FISCAL IMPACT:

There is a potential $1,800,000 credit for the benefit of the project participants if SCPPA proceeds with the uprate enhancement, and Magnolia Power Plant participants will be responsible for paying all costs incurred for services provided.

ATTACHMENT:

1) Resolution 2026-018

RESOLUTION NO. 2026-018

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE A LETTER AGREEMENT BETWEEN SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AND GE VERNOVA INTERNATIONAL, LLC FOR A STATOR BLADE CREDIT FOR THE MAGNOLIA POWER PROJECT; FINDING SUCH ACTION EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the Southern California Public Power Authority ("Authority" or "SCPPA") was created pursuant to provisions contained in the joint exercise of powers act found in Chapter 5 of Division 7 of Title 1 of the Government Code of California, as amended from time to time (the "Act"), by its members for the purpose of jointly and cooperatively undertaking planning, financing, development, acquisition, construction, operation, maintenance and repair of projects for the generation or transmission of electric energy and all rights, properties and improvements necessary therefor, including fuel; and

WHEREAS, the Magnolia Power Project ("MPP") is a two-stage combustion turbine generator and heat steam recovery generator facility that is owned by Authority and operated by Burbank Water and Power ("BWP", or "Operator"), as operating agent for SCPPA on behalf of its participants: Anaheim, Burbank, Cerritos, Colton, Glendale and Pasadena (together with BWP, the "Project Participants"); and

WHEREAS, SCPPA and GE are parties to a Parts and Special Services Agreement ("PSAA") dated as of September 29, 2005 (as amended from time to time) pursuant to which GE provides SCPPA with certain maintenance services related to the Project, including periodic gas turbine hot gas path inspections and related work; and

WHEREAS, after the execution of the PSSA, SCPPA and GE determined that a replacement of the combustion turbine rotor was necessary due to its end-of-life operating hours; and accordingly, SCPPA and GE executed Amendment 3 of the PSSA, which required that GE replace the combustion turbine rotor, inlet guide vanes ("IGVs"), exhaust guide vanes ("EGVs"), and stator vanes, in addition to performing routine maintenance activities; and

WHEREAS, the combustion turbine rotor, IGVs, EGVs, and stator vanes were ordered in the first quarter of 2024, with planned delivery in the first quarter of 2025; but material and manufacturing delays resulted in a delivery delay of all such components (except the combustion turbine rotor) such that the components did not arrive in time for the 2025 scheduled maintenance outage; and

WHEREAS, due to the delayed delivery of the components, GE engineers conducted a formal evaluation and concluded that the unit could continue in operation without increased risk of failure through 2029, and therefore, the combustion turbine was reassembled in 2025 utilizing the existing IGVs, EGVs, and stator vanes and returned to service; and

WHEREAS, BWP has been working with GE to evaluate a potential combustion turbine uprate enhancement intended to increase plant output, that would eliminate the need to install the originally specified IGVs, EGVs, and stator vanes during the currently scheduled 2029 outage;

WHEREAS, on December 4, 2025, the Authority's Board of Directors adopted Resolution 2025-098, approving the turbine uprate enhancement and finding that such action is exempt from the California Environmental Quality Act; and

WHEREAS, to accommodate the possibility for SCPPA to implement the turbine uprate enhancement, SCPPA and GE desire to enter into a letter agreement (the "Letter Agreement") to provide SCPPA a financial credit of $1,800,000 for the IGVs, EGVs, and stator vanes if SCPPA proceeds with the uprate enhancement; or the replacement of like-in-kind IGVs, EGVs, and stator vanes during the 2029 Major Inspection if the uprate enhancement is not implemented.

THEREFORE, BE IT RESOLVED by the Board of Directors of the Southern California Public Power Authority as follows:

1. The current actions are exempt from CEQA pursuant to Cal. Code Regs. Tit. 14, § 15301 because they relate to the repair, maintenance or minor alteration of existing facilities of publicly owned utilities used to provide electric power and, with respect to the uprate enhancement, SCPPA has already made a finding through Resolution No. 2025-098 that with certain amendments to the conditions of certification, the uprate enhancement will not have any significant environmental impact.

2. The Executive Director is authorized and directed to negotiate and execute a Letter Agreement with GE Vernova International, LLC, for a Stator Blade Credit for the Magnolia Power Project.

3. The President, Vice President, Secretary, any Assistant Secretary, Executive Director and any other officer of the Authority are each hereby authorized to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.

4. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION NO. 2026-018 is approved and adopted by the Authority this 16th day of April 2026.

TIKAN SINGH
VICE PRESIDENT
Southern California Public
Power Authority

ATTEST:

DANIEL E GARCIA
ASSISTANT SECRETARY
Southern California Public
Power Authority

Docusign Envelope ID: 9FC7CF93-8011-846D-8308-32915B79D829

AGENDA ITEM STAFF REPORT

MEETING DATE: April 16, 2026 **RESOLUTION NUMBER:** 2026-019

SUBJECT: Amendment No. 5 to a Master Professional Services Agreement for Web-Based Residential Energy Efficiency Customer Engagement Platform and Marketplace Services with Brillion, Inc. to Extend the Term of the Agreement for Three Months

DISCUSSION: ☐ **OR** **CONSENT:** ☒

Select the appropriate box(es):

FROM:

Finance	☐
Project Development	☒
Program Development	☐
Regulatory/Legislative	☐
Project Administration	☐
Legal	☐
Executive Director	☐

METHOD OF SELECTION:

Competitive	☐
Cooperative Purchase	☐
Sole Source	☒
Other	☐

Other (Please describe):

MEMBER PARTICIPATION:

Sponsoring Member: Colton

Other Members Potentially Participating: N/A

Approved by Executive Director: Signed by: DAE0F3A6ECDE496... _____

RECOMMENDATION:

Approve Amendment No. 5 to a Master Professional Services Agreement ("Agreement" or "MPSA") with Brillion Inc. ("Brillion") to extend the term of the Agreement for one additional month. Under the MPSA, Brillion provides a Web-Based Residential Energy Efficiency Customer Engagement Platform and Rebate Processing Services. The additional month of service provided by Amendment No. 5 to the Agreement would allow SCPPA to provide continuity of services to its members pending completion of SCPPA's competitive Request for Proposals ("RFP") process.

Docusign Envelope ID: 9FC7CF93-8011-846D-8308-32915B79D829

BACKGROUND:

Brillion is a U.S. based software company headquartered in Pittsburgh, Pennsylvania. The company provides utilities with digital tools to support energy efficiency programs, including online rebate processing, customer energy reports, and data management platforms designed to streamline program administration and reporting.

In 2019, the SCPPA Board authorized a MPSA with EnergyX Solutions, Inc. ("EnergyX"), as predecessor to Brillion, Inc., through Resolution 2019-101. The term of the MPSA was three years with an option for SCPPA to extend for an additional three-year term.

In 2021, the SCPPA Board authorized Amendment No.1 to the MPSA through Resolution 2021-100. Amendment No. 1 established a not-to-exceed amount of $500,000, updated the insurance and standard of care provisions in the Agreement, and extended the term of the MPSA for three years.

In 2025, the SCPPA Board authorized Amendment No. 2 to the MPSA through Resolution 2025-079 to extend the term of the Agreement for an additional six months.

In January 2026, the SCPPA Board authorized Amendment No. 3 to the Agreement through Resolution 2026-001 to extend the term of the Agreement for an additional two months.

In January 2026, SCPPA, EnergyX and Brillion executed an Assignment Agreement through which all rights and obligations of EnergyX under the Agreement were assigned to Brillion.

In March 2026, the SCPPA Board authorized Amendment No. 4 to the Agreement through Resolution 2026-015 to extend the term of the Agreement for an additional one month.

On November 21, 2025, SCPPA issued an RFP seeking competitive proposals for online rebate processing and energy efficiency platforms with a deadline that was subsequently extended to January 9, 2026, to provide additional time for interested parties to submit proposals.

The purpose of the proposed Amendment No. 5 to the Agreement is to extend the Agreement with Brillion for three additional months to avoid a disruption in services, pending completion of the RFP process and contract negotiations.

Three SCPPA Members – Azusa, Colton and Imperial Irrigation District – have entered into Task Orders with Brillion under the Agreement. The MPSA is currently set to expire on April 22, 2026. Through the Customer Programs Working Group, one Member, Colton, expressed a desire to continue utilizing Brillion's services at this time.

DISCUSSION:

SCPPA staff recommend that SCPPA extend the current Agreement with Brillion by three months to allow sufficient time to complete the competitive RFP process. The proposed extension will help ensure continuity of service and avoid any potential lapse in critical support provided to SCPPA Members during the transition period until SCPPA presents is recommendations for award of contract to the Board for its consideration.

- **Scope of Contract Services:**
  Web-based residential energy efficiency customer engagement platform and marketplace services to assist SCPPA and its Members in improving the operations of their electric utility systems by implementing energy savings measures for residential customers.

Docusign Envelope ID: 9FC7CF93-8011-846D-8308-32915B79D829

Brillion's scope of services includes, but is not limited to, the following core services:

1. Residential Platform
2. Residential Platform + Marketplace
3. C&I Platform

- **Selection Method:**
  In 2019, EnergyX was selected on a sole source basis, due to their unique combination of the following services: an automated online customer engagement platform, engineering-grade walkthrough auditing, an online marketplace for energy efficient products, built-in fulfillment services, customized marketing services and plans, turnkey business intelligence reports, and billing integration. At the time, SCPPA had not found any other provider that offers all the above listed functions and services under a single, comprehensive platform, as provided by EnergyX.

- **SCPPA's Authority:**
  SCPPA has the authority to execute this Amendment No. 5 to the Agreement under the California Joint Exercise of Powers Act, the SCPPA Joint Powers Agreement and the provisions of Section 9615 of the California Public Utilities Code ("Section 9615"). The SCPPA Joint Powers Agreement provides SCPPA with the authority to develop, finance, construct, operate and maintain electric energy generation and transmission projects. SCPPA's ability to exercise this right is supplemented by the requirements of Section 9615 which requires that each local publicly owned electric utility, in procuring energy, "shall first acquire all available energy efficiency and demand reduction resources that are cost effective, reliable and feasible." As a local publicly owned utility, as that term is defined by the California Public Utilities Code, SCPPA and its Members are subject to the requirements of Section 9615. Amendment No. 5 to the Agreement will extend for three months the term of a contract to provide a web-based residential energy efficiency customer engagement platform and rebate processing services to help SCPPA Members satisfy the energy efficiency and demand reduction requirements of Section 9615 by delivering cost-effective programs to residents, reducing demand through energy efficiency measures, ensuring equitable access across all customer classes, and providing measurable, reportable savings in alignment with industry best practices.

FISCAL IMPACT:

The MPSA has a not-to-exceed amount of five hundred thousand ($500,000.00). No additional funding will be required for this Amendment.

Participating Members have committed in writing to paying for any, and all, services procured from Brillion under the MPSA pursuant to separate Task Orders signed by each SCPPA Member that elects to receive such services from Brillion.

ATTACHEMENTS:

1. Resolution No. 2026-019
2. MPSA Amendment No. 5

RESOLUTION NO. 2026-019

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AMENDMENT NO. 5 TO THE MASTER AGREEMENT WITH BRILLION INC. TO EXTEND THE TERM OF THE AGREEMENT FOR AN ADDITIONAL ONE MONTH AND AUTHORIZING CERTAIN RELATED ACTION

WHEREAS, Southern California Public Power Authority ("SCPPA") and SCPPA member utilities ("Members") are engaged in the procurement, generation, transmission, and distribution of electrical energy to retail customers, including assisting such customers with the efficient use of said energy; and

WHEREAS, as a local publicly owned utility, as that term is defined by the California Public Utilities Code, SCPPA and its Members are subject to the requirements of Section 9615 of the California Public Utilities Code ("Section 9615)", which requires that each local publicly owned electric utility, in procuring energy, "shall first acquire all available energy efficiency and demand reduction resources that are cost effective, reliable and feasible"; and

WHEREAS, to comply with the requirements of Section 9615, SCPPA and certain of its Members have a need for the procurement of efficiency-related services and products, including web-based residential energy efficiency customer engagement platform and marketplace services (the "Services"); and

WHEREAS, on July 22, 2019, the SCPPA Board of Directors approved Resolution 2019-101, pursuant to which SCPPA executed a Master Professional Services Agreement ("Agreement") with EnergyX Solutions, Inc. ("EnergyX") for the Services; and

WHEREAS, on December 16, 2021, the SCPPA Board of Directors approved Resolution 2021-100, pursuant to which SCPPA executed Amendment No. 1 to the Agreement to add a contract not to exceed amount, add additional insurance provisions, and extend the term of the Agreement for an additional term of three (3) years so that the Agreement would expire on July 22, 2025; and

WHEREAS, on July 17, 2025, the SCPPA Board of Directors approved Resolution 2025-079, pursuant to which SCPPA executed Amendment No. 2 to the Agreement to extend the term of the Agreement for an additional six (6) months so that the Agreement would expire on January 22, 2026, and update the contact information for SCPPA's representative identified in the Agreement; and

WHEREAS, on January 15, 2026, the SCPPA Board of Directors approved Resolution 2026-001, pursuant to which SCPPA executed Amendment No. 3 to the Agreement to extend the term of the Agreement for an additional two (2) months so that the Agreement would expire on March 22, 2026; and

WHEREAS, on January 22, 2026, SCPPA, EnergyX and Brillion Inc. ("Brillion") executed the Assignment Agreement between Southern California Public Power Authority and EnergyX Solution Inc. and Brillion Inc., pursuant to which EnergyX, SCPPA, and Brillion agreed to assign all rights and obligations of EnergyX under the Agreement to Brillion; and

WHEREAS, on March 19, 2026, the SCPPA Board of Directors approved Resolution 2026-015, pursuant to which SCPPA executed Amendment No. 4 to the Agreement to extend the term of the Agreement for an additional one (1) month so that the Agree will expire on April 22, 2026; and

SCPPA and Brillion desire to extend the term of the agreement for an additional three (3) months so that the agreement will expire on July 22, 2026.

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

1. The Executive Director is authorized and directed to execute Amendment No. 5 to the Agreement, which has been presented to the Board in substantial final form in connection with this matter.

2. The President, Vice President, Secretary, any Assistant Secretary, Executive Director and any other officer of the Authority are each hereby authorized to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.

3. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 16th day of April 2026.

TIKAN SINGH
VICE PRESIDENT
Southern California Public Power Authority

ATTEST:

DANIEL E GARCIA
ASSISTANT SECRETARY
Southern California Public Power Authority

AMENDMENT NO. 5
TO THE MASTER PROFESSIONAL SERVICES AGREEMENT BETWEEN SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AND BRILLION INC.

This Amendment No. 5 ("Amendment") is dated for convenience as April 16, 2026, and is made to the Master Professional Services Agreement between the Southern California Public Power Authority ("SCPPA") and Brillion Inc. ("Consultant"), dated July 22, 2019 ("Agreement") to extend the duration of Agreement. SCPPA and Consultant are also referred to herein individually as ("Party") and together as ("Parties").

RECITALS

WHEREAS, on July 22, 2019, SCPPA and EnergyX Solutions Inc. ("EnergyX") executed the Agreement for Web-Based Residential Energy Efficiency Customer Engagement Platform and Marketplace Services; and

WHEREAS, on December 16, 2021, the SCPPA and EnergyX executed Amendment No. 1 to the Agreement to, among other things, extend the term of the Agreement for an additional term of three (3) years so that the Agreement would expire on July 22, 2025; and

WHEREAS, on July 17, 2025, the SCPPA and EnergyX executed Amendment No. 2 to the Agreement to extend the term of the Agreement for an additional six (6) months so that the Agreement would expire on January 22, 2026, and update the contact information for SCPPA's representative identified in the Agreement; and

WHEREAS, on January 15, 2026, SCPPA and EnergyX executed Amendment No. 3 to the Agreement to extend the term of the Agreement for an additional two (2) so that the Agreement would expire on March 22, 2026; and

WHEREAS, on January 22, 2026, SCPPA, EnergyX and Consultant executed the Assignment Agreement between Southern California Public Power Authority and Energyx, and Consultant, pursuant to which EnergyX and the Parties agreed to assign all rights and obligations of EnergyX under the Agreement to Consultant; and

WHEREAS, on March 19, SCPPA and Consultant executed Amendment No. 4 to the Agreement to extend the term of the Agreement for one (1) additional month so that the Agreement will expire on April 22, 2026; and

WHEREAS, SCPPA and Consultant desire to extend the term of the agreement for an additional three (3) months so that the agreement will expire on July 22, 2026.

AGREEMENT

NOW, THEREFORE, in consideration of the promises herein, and for good and valuable consideration, the Parties agree to amend the Agreement as follows:

1. Notwithstanding Section 10 of the Agreement, the term of the Agreement is hereby extended from its current expiration of April 22, 2026, up to and including July 22, 2026.

2. Except as provided herein, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, each signatory hereto represents that he or she has been properly authorized to execute and deliver this Amendment No. 5 to the Agreement on behalf of the party for which he or she signs.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____
DANIEL E GARCIA
Executive Director

Approved as to Legal Form:

_____
ARMANDO V. ARBALLO
Assistant General Counsel

BRILLION INC.

By: _____
[Name]

Docusign Envelope ID: 9FC7CF93-8011-846D-8308-32915B79D829

AGENDA ITEM STAFF REPORT

MEETING DATE: April 16, 2026 **RESOLUTION NUMBER:** 2026-020

SUBJECT: Issuance of Southern Transmission System Renewal Project, Revenue Bonds, 2026-1 (Fourth Tranche)

DISCUSSION: ☒ **OR** **CONSENT:** ☐

Select the appropriate box(es):

FROM:		**METHOD OF SELECTION:**	
Finance	☒	Competitive	☐
Project Development	☐	Cooperative Purchase	☐
Program Development	☐	Sole Source	☐
Regulatory/Legislative	☐	Other	☒
Project Administration	☐	*Other (Please describe):*	
Legal	☐	In accordance with SCPPA Policy for Financing and Selection of Financing Team	
Executive Director	☐		

MEMBER PARTICIPATION:

Sponsoring Member: LADWP, Burbank and Glendale

Other Members Potentially Participating: None

Approved by Executive Director: Signed by: DAE0F3A6ECDE496... _____

RECOMMENDATION:

Adopt a Resolution authorizing the issuance of the Southern Transmission System Renewal Project, Revenue Bonds, 2026-1 and the execution and delivery of various agreements relating to the issuance of the revenue bonds.

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BACKGROUND:

The Intermountain Power Agency ("IPA") is undertaking capital improvements to the Southern Transmission System ("STS") that include the construction of new transformers and the replacement, renewal and expansion of converter stations, AC switchyards and associated facilities. These improvements are known as the STS Renewal Project. Components of these planned upgraded facilities are currently scheduled to enter service on various dates through April 2028. The total estimated cost of the project is $2.8 billion.

SCPPA Member participants of the STS Renewal Project are LADWP, Burbank, and Glendale ("Project Participants").

DISCUSSION:

The Project Participants desire SCPPA to provide the financing of the STS Renewal Project with payments-in-aid of construction to IPA. All necessary agreements between SCPPA and IPA and between SCPPA and Project Participants to provide for the financing of the STS Renewal Project are in place.

The financing plan anticipates issuing bonds in multiple tranches instead of one upfront issuance to reduce the amount of capitalized interest and debt service. The first tranche of bonds was issued in May 2023 with the issuance of the Southern Transmission System Renewal Project, Revenue Bonds, 2023-1 and 2023-1A, for $254,695,000 and $431,495,000, respectively. The second tranche was issued in May 2024 with the issuance of the Southern Transmission System Renewal Project, Revenue Bonds, 2024-1 for $562,855,000. The third tranche was issued in July 2025 with the issuance of the Southern Transmission System Renewal Project, Revenue Bonds, 2025-1 and 2025-2, for $303,895,000 and $250,000,000, respectively. The three tranches will cover approximately $1.7 billion in project costs through July 2026. The balance of $1.1 billion is anticipated to be funded with two additional tranches of bonds, the fourth and fifth tranches.

The proposed financing plan is for the issuance of the fourth tranche of bonds. The plan anticipates issuing fixed rate tax-exempt project revenue bonds structured with approximately level aggregate debt service to final maturity in 2053. The bond size is anticipated to be similar to the three tranches that have been issued, $600 million to $700 million. Currently, bond pricing is anticipated to be in May 2026.

On February 19, 2026, the Board of Directors adopted Resolution No. 2026-009 authorizing the preparation of all documents necessary for the sale and issuance of the fourth tranche of revenue bonds for the STS Renewal Project.

Resolution No. 2026-020 (Authorizing Resolution) attached will authorize the issuance of the Southern Transmission System Renewal Project, Revenue Bonds, 2026-1 and the execution and delivery of the various documents relating to the revenue bonds, including those attached to this report. The Finance Committee recommended approval of the Resolution at the April 6, 2026 Finance Committee meeting.

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- **Selection Method:**

  The financing team consists of SCPPA staff, Project Participants' staff, Norton Rose Fulbright serving as Bond Counsel and Disclosure Counsel, Nixon Peabody serving as Special Tax Counsel, and PFM Financial Advisors serving as Municipal Advisor.

  Under the provisions of SCPPA's Policy for Financing and Selection of the Financing Team (Policy), the Finance Committee (Committee) recommended Wells Fargo as the senior managing underwriter and TD Financial Products as the co-senior manager, with BofA Securities, J.P. Morgan, PNC Capital Markets, RBC Capital Markets and Truist Securities as co-managers. The senior, co-senior, and co-managers were selected from SCPPA's established underwriting pool. The Committee considered the qualification criteria as provided in the Policy taking into consideration the firm's experience and coverage of SCPPA and its Members, and provided its recommendation on the firms that will deliver the overall best value for the transaction.

  An additional member of the financing team is U.S. Bank, serving as Trustee/Paying Agent. Fees for services will be paid from bond proceeds.

- **Environmental Review:**

  The proposed Resolution would authorize the execution and delivery of documents for financing to fund the STS Renewal Project previously approved by the Board and Project Participants and determined to be exempt from the California Environmental Quality Act ("CEQA") by the Project Participants. The Board's action is exempt from CEQA under Section 15601(b)(3) of the CEQA Guidelines, the "common sense exemption," as it would not have a significant effect on the environment.

- **SCPPA's Authority:**

  The financing of the STS Renewal Project is in accordance with the California Joint Exercise of Powers Act and the SCPPA Joint Powers Agreement. The SCPPA Joint Powers Agreement provides the authority for SCPPA to finance generation and transmission projects.

FISCAL IMPACT:

Interest during the construction period will be capitalized. The debt service for each component facility will start as each facility is placed in service. Prior to the transition date of June 16, 2027, debt service payments will be billed to IPA under the Second Amendment to the STS Agreement, where in turn IPA will bill the six California participants in IPA, in proportion to their respective capacity rights in the existing STS Project. Debt service payments from Project Participants under the Renewal Transmission Service Contracts will start after the transition date of June 16, 2027.

Exhibit A of Resolution No. 2026-020 provides good faith estimates of various financial information regarding the STS Renewal Project revenue bonds to be issued, which include principal amount, true interest cost, finance charge, amount of proceeds, and total payment.

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ATTACHMENTS:

1. Resolution No. 2026-020
2. Sixth Supplemental Indenture of Trust
3. Purchase Contract
4. Preliminary Official Statement
5. Continuing Disclosure Undertaking

RESOLUTION NO. 2026-020

RESOLUTION RELATING TO THE SOUTHERN TRANSMISSION SYSTEM RENEWAL PROJECT AUTHORIZING: (I) THE ISSUANCE OF BONDS FOR THE SOUTHERN TRANSMISSION SYSTEM RENEWAL PROJECT, (II) THE EXECUTION AND DELIVERY OF (A) A SIXTH SUPPLEMENTAL INDENTURE OF TRUST RELATING TO THE SOUTHERN TRANSMISSION SYSTEM RENEWAL PROJECT, REVENUE BONDS, 2026-1, (B) A PURCHASE CONTRACT RELATING TO SUCH BONDS AND (C) A CONTINUING DISCLOSURE UNDERTAKING; (III) THE DELIVERY OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT; (IV) CERTAIN RELATED ACTIONS; AND (V) THE OFFICERS, EXECUTIVE DIRECTOR AND CHIEF FINANCIAL AND ADMINISTRATIVE OFFICER OF THE AUTHORITY TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE

WHEREAS, the Southern California Public Power Authority (the "Authority") has heretofore established the STS Renewal Project as an Authority project on behalf of the Los Angeles Department of Water and Power ("LADWP") and the cities of Burbank and Glendale (together with LADWP, the "Project Participants") to assist with financing the acquisition and construction of improvements to existing electric transmission facilities known as the Southern Transmission System (as so improved, the "Renewal Southern Transmission System"; such acquisition and construction and related acquisition of transmission capacity referred to herein as the "Southern Transmission System Renewal Project"); and

WHEREAS, the Authority has entered into (i) Renewal Agreements for the Acquisition of Capacity between the Authority and each Project Participant, (ii) Renewal Transmission Service Contracts between the Authority and each Project Participant and (iii) a Renewal Agency Agreement between the Authority and LADWP (collectively, the "STS Renewal Agreements") each relating to the Renewal Southern Transmission System and the Southern Transmission System Renewal Project; and

WHEREAS, the Project Participants have requested that the Authority now authorize the issuance of the 2026-1 Bonds (as hereinafter defined, the "2026-1 Bonds") (i) to provide for the financing of a portion of the costs of the Southern Transmission System Renewal Project, (ii) fund capitalized interest, (iii) if determined to be necessary or desirable, make a deposit to a debt service reserve account for the 2026-1 Bonds, and (iv) pay the costs of issuance of the 2026-1 Bonds; and

WHEREAS, there has been presented to this meeting proposed forms of certain financing documents relating to the 2026-1 Bonds; and

WHEREAS, LADWP, as operating agent, has undertaken environmental review and permitting for the proposed project in accordance with the California Environmental Quality Act

("CEQA"); and the Authority's authorization of the issuance of bonds and related agreements and actions for the STS Renewal Project is exempt from CEQA under CEQA Guidelines Sections 15600(c)(3) ("project" definition) and 15601(b)(3) (the "common sense exemption").

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

1. Each of the President, any Vice President, Executive Director and Chief Financial and Administrative Officer of the Authority (each, an "Authorized Representative") is hereby authorized to execute and deliver a Sixth Supplemental Indenture of Trust, from the Authority to the Trustee, relating to the Southern Transmission System Renewal Project, Revenue Bonds, 2026-1 (the "2026-1 Bonds"), in the form on file with an Assistant Secretary of the Authority, with such changes, insertions and omissions (subject to Section 7 hereof) as shall be approved by said Authorized Representative to provide for the issuance and terms of said 2026-1 Bonds, such approval to be conclusively evidenced by such Authorized Representative's execution and delivery thereof; and each of the Secretary and any Assistant Secretary is hereby authorized to attest thereto and to affix the seal of the Authority. The Sixth Supplemental Indenture of Trust, in the form in which executed and delivered, is hereinafter referred to as the "Sixth Supplemental Indenture," and shall supplement and amend the Indenture of Trust, dated as of April 1, 2023 (the "Original Indenture"), from the Authority to U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The form of Sixth Supplemental Indenture is hereby made a part of this Resolution as though set forth in full herein and the same hereby is approved. The Original Indenture, as heretofore supplemented and amended and as further supplemented and amended by the Sixth Supplemental Indenture is hereinafter referred to as the "Indenture."

The issuance of the 2026-1 Bonds is hereby authorized, subject to the provisions of this Resolution and the Indenture. The 2026-1 Bonds shall be dated, shall mature on the date and in the years and shall bear interest all as provided in the Indenture. The form of the 2026-1 Bonds and the provisions for signatures, authentication, payment, registration, numbers, denominations, redemption (if any), sinking fund installments (if any), and other terms thereof shall be as set forth in the Indenture.

Proceeds of the 2026-1 Bonds will be used primarily to provide financing for (i) a portion of the cost of the Southern Transmission System Renewal Project pursuant to the terms of the STS Renewal Agreements, (ii) fund capitalized interest, (iii) if determined to be necessary or desirable, make a deposit to a debt service reserve account for the 2026-1 Bonds, and (iv) pay the costs of issuance of such 2026-1 Bonds.

The 2026-1 Bonds shall be secured by the pledge effected by the Indenture and shall be special, limited obligations of the Authority payable solely from the sources specified in the Indenture. Neither the State of California nor any public agency thereof (other than the Authority) nor the Project Participants nor any other member of the Authority shall be obligated to pay the principal or Redemption Price (as defined in the Indenture) of, or interest on, the 2026-1 Bonds. Neither the faith and credit nor the taxing power of the State of California nor any public agency thereof nor the Project Participants nor any other member of the Authority is pledged to the payment of the principal or Redemption Price of, or interest on, the 2026-1 Bonds. The 2026-1 Bonds shall not constitute a debt or indebtedness of the Authority within the meaning of any

provision or limitation of the constitution or statutes of the State of California, and they shall not constitute or give rise to a pecuniary liability of the Authority or a charge against its general credit.

2. Each of the Authorized Representatives is hereby authorized (i) to execute and deliver a purchase contract for the 2026-1 Bonds (the "Purchase Contract"), between the Authority and the senior manager (*i.e.,* Wells Fargo Bank, National Association) as representative of itself and the other underwriters named therein (the "Underwriters") in the form on file with an Assistant Secretary of the Authority, with such changes, insertions and omission (subject to Section 7 hereof) as shall be approved by said Authorized Representative, such approval to be conclusively evidenced by such Authorized Representative's execution and delivery thereof, and (ii) to negotiate the Underwriters' fee or discount relating to the 2026-1 Bonds. The purchase price at which the 2026-1 Bonds are to be sold to the Underwriters and the related Underwriters' discount shall each be determined in accordance with this Resolution. The form of Purchase Contract on file with an Assistant Secretary is hereby made a part of this Resolution as though set forth in full herein and the same hereby is approved.

3. Each Authorized Representative is hereby authorized to execute and deliver the Continuing Disclosure Undertaking (the "Continuing Disclosure Undertaking"), in substantially the form on file with the Authority, with such changes, insertions and omissions as shall be approved by said Authorized Representative (such approval to be conclusively evidenced by such Authorized Representative's execution and delivery thereof). The form of the Continuing Disclosure Undertaking is hereby made a part of this Resolution as though set forth in full herein and the same hereby is approved.

4. Each Authorized Representative is hereby authorized to approve a Preliminary Official Statement relating to the 2026-1 Bonds in the form on file with the Assistant Secretary of the Authority (such approval to be conclusively evidenced by the delivery thereof) (the "Preliminary Official Statement"), and the Board of Directors hereby approves the use of the Preliminary Official Statement in connection with the offering and sale of the 2026-1 Bonds, with such additions thereto and changes therein as are determined necessary or appropriate by such Authorized Representative to make such Preliminary Official Statement final as of its date, including, if applicable, for purposes of Rule 15c2-12 of the Securities and Exchange Commission (except for the omission of those items permitted to be omitted therefrom by said Rule). Each Authorized Representative is authorized to deem the Preliminary Official Statement to be final within the meaning of such Rule 15c2-12. The Board of Directors hereby further approves the use of any supplement or amendment to the Preliminary Official Statement that is necessary or appropriate so that, in the opinion of an Authorized Representative (after consultation with the Authority's Disclosure Counsel), such Preliminary Official Statement does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which such statements were made, not misleading. The Underwriters are hereby authorized to distribute (including by electronic delivery) the Preliminary Official Statement to potential purchasers of the 2026-1 Bonds.

5. Each Authorized Representative is hereby authorized to approve an Official Statement relating to the 2026-1 Bonds (such approval to be conclusively evidenced by such Authorized Representative's execution and delivery thereof) (the "Official Statement"), and the Board of Directors hereby approves the use of the Official Statement in connection with the offering and sale of the 2026-1 Bonds. The Board of Directors hereby further approves the use of

any supplement or amendment to such Official Statement that is necessary or appropriate so that, in the opinion of an Authorized Representative (after consultation with the Authority's Disclosure Counsel), such Official Statement does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which such statements were made, not misleading. Each Authorized Representative is hereby authorized to execute the Official Statement and any amendment or supplement thereto, in the name and on behalf of the Authority, and thereupon to cause such Official Statement and any such amendment or supplement to be delivered to the Underwriters. The Underwriters are hereby authorized to distribute (including by electronic delivery) the Official Statement and any such amendment or supplement thereto to the purchasers of the 2026-1 Bonds.

6. Each Authorized Representative is hereby authorized to determine, in connection with the issuance and delivery of the 2026-1 Bonds, (i) whether to obtain municipal bond insurance for all or any portion of the 2026-1 Bonds, and if it is determined that municipal bond insurance shall be obtained, the particular provider or providers of municipal bond insurance with whom the Authority shall contract for such municipal bond insurance and (ii) whether to obtain a Debt Service Reserve Account Policy (as defined in the Indenture), if any debt service reserve account is to be funded, and if it is determined that a Debt Service Reserve Account Policy shall be obtained, the particular provider or providers thereof with whom the Authority shall contract for such Debt Service Reserve Account Policy. The premium to be paid with respect to any municipal bond insurance policy or any Debt Service Reserve Account Policy shall be approved by representatives of the Project Participants on the Authority's Finance Committee.

7. Each Authorized Representative is hereby authorized to determine, in connection with the execution and delivery of the Indenture, the Continuing Disclosure Undertaking and the Purchase Contract, and the sale of the 2026-1 Bonds, and in consultation with the representatives of the Project Participants on the Authority's Finance Committee, the following:

(i) the aggregate principal amount of 2026-1 Bonds, which shall not exceed $800,000,000.00; and

(ii) the interest rates of the 2026-1 Bonds, the true interest cost of which in the aggregate shall not exceed 6.50% per annum;

(iii) the maturity dates for the 2026-1 Bonds, with the final maturity being no later than July 1, 2053;

(vi) the principal amount of each maturity of the 2026-1 Bonds and the sinking fund amount (if any) for any term 2026-1 Bonds;

(vii) the purchase price of the 2026-1 Bonds;

(viii) the interest payment dates for the 2026-1 Bonds;

(ix) the terms and conditions for delivery of the 2026-1 Bonds;

(x) the redemption terms (if any) and prices of the 2026-1 Bonds;

(xii) the application of the proceeds of the 2026-1 Bonds and any other available moneys;

(xiii) whether or not to acquire municipal bond insurance in connection with the issuance of the 2026-1 Bonds, such determination to be made in accordance with Section 6 of this Resolution, provided the premium for such insurance shall not exceed 2.0% of the payments insured, calculated as provided in the bond insurance commitment agreement (or similar agreement) between the Authority and the provider of any such municipal bond insurance;

(xiv) in the event a debt service reserve account is to be funded in connection with the 2026-1 Bonds, whether or not to acquire a Debt Service Reserve Account Policy therefor, such determination to be made in accordance with Section 6 of this Resolution, provided the premium for such Debt Service Reserve Account Policy shall not exceed 2.0% of the amount of the debt service reserve requirement for the 2026-1 Bonds, calculated as provided in the Debt Service Reserve Account Policy commitment agreement (or similar agreement) between the Authority and the provider of any such Debt Service Reserve Account Policy; and

(xv) such other matters as may be determined by the Finance Committee.

8. Each Authorized Representative and any other officer or official of the Authority is hereby authorized to take any and all actions which such person deems necessary or advisable in order to effect the registration or qualification (or exemption therefrom) of the 2026-1 Bonds or any portion thereof, for issue, offer, sale or trade under the Blue Sky or securities laws of any of the states of the United States of America and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports, consents to service of process, appointments of attorneys to receive service of process and other papers and instruments which may be required under such laws, and to take any and all further actions which such person may deem necessary or advisable in order to maintain any such registration or qualification for as long as such person deems necessary or as required by law or by the Underwriters, and any such action previously taken is hereby ratified, confirmed and approved.

9. The Board hereby approves (i) the fee of PFM Financial Advisors LLC (the "Municipal Advisor") as the municipal advisor to the Authority in connection with the sale and issuance of the 2026-1 Bonds, which fee shall not exceed $100,000, (ii) the fee of Norton Rose Fulbright US LLP as Bond Counsel and Disclosure Counsel to the Authority in connection with the sale and issuance of the 2026-1 Bonds, which fee shall not exceed $180,000, and (iii) the fee of Nixon Peabody LLP as Special Tax Counsel to the Authority, which fee shall not exceed $45,000.

10. U.S. Bank Trust Company, National Association is hereby appointed as the Trustee and Paying Agent under the Indenture. Each Authorized Representative is hereby authorized to appoint from time to time any additional fiduciaries, depositaries or agents in connection with the 2026-1 Bonds or any portion thereof and to execute and deliver any and all agreements, documents and instruments necessary or advisable in connection with such appointment of U.S. Bank Trust Company, National Association and with any other such appointment.

11. The following are hereby designated as Renewal Transmission Project Agreements under the Indenture and the Renewal Southern Transmission System Agreement (as defined in the

Indenture): (a) the Original Indenture, as heretofore supplemental and amended; (b) the Sixth Supplemental Indenture; (c) the Continuing Disclosure Undertaking; (d) any resolution of this Board of Directors as to the provision of certain continuing disclosure information with respect to the 2026-1 Bonds; and (e) any municipal bond insurance policy or Debt Service Reserve Account Policy relating to the 2026-1 Bonds obtained in accordance with Section 6 of this Resolution.

12. The Executive Director of the Authority, in addition to the other offices or positions with the Authority he already holds, is hereby appointed an Authorized Authority Representative under the Indenture for the purpose of taking any and all required or permitted actions in connection with the issuance and delivery of the 2026-1 Bonds.

13. Each of Authorized Representative and any other officer or official of the Authority is hereby authorized to execute and deliver any and all agreements, amendments, documents and instruments and to do and cause to be done any and all acts and things deemed necessary or advisable for carrying out the transactions contemplated by this Resolution and to do and cause to be done any and all acts and things required to perform the Authority's obligations under the Sixth Supplemental Indenture, the Indenture and any other agreements, amendments, documents and instruments relating to the 2026-1 Bonds (including, but not limited to, (i) executing and delivering, or approving, as applicable, any investment agreement or agreements relating to the investment of 2026-1 Bonds proceeds, (ii) providing for the giving of written directions and notices, and the securing any necessary third party consents or approvals, as required by the Indenture or any other documents relating to the 2026-1 Bonds or the STS Renewal Agreements and (iii) making such changes to the agreements, documents and instruments referred to in this Resolution, and such changes as shall be requested by any rating agency, the Underwriters or any other entity, if such changes are determined by any such officer or official of the Authority to be necessary or advisable, such necessity or advisability to be conclusively evidenced by such officer's or official's execution and delivery thereof). Each reference in this Resolution to an Authorized Representative or other officer or official shall refer to the person holding such office or position, as applicable, at the time a given action is taken and shall not be limited to the person holding such office or position at the time of the adoption of this Resolution. All actions heretofore taken by the officers, officials, employees and agents of the Authority in furtherance of the transactions contemplated by this Resolution are hereby approved, ratified and confirmed.

14. The Board hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transaction Act and digital signatures as may be permitted under Section 16.5 of the California Government Code.

15. In compliance with California Government Code Section 5852.1, the Authority has obtained from the Municipal Advisor the required good faith estimates in connection with the 2026-1 Bonds required by such section, which estimates are disclosed and set forth on Exhibit A attached hereto.

16. The Board finds that this action is statutorily exempt from the requirements of CEQA under Sections 15060(c)(3) and 15601(b)(3) of the State CEQA Guidelines.

17. This Resolution 2026-020 shall become effective immediately.

THE FOREGOING RESOLUTION NO. 2026-020 is approved and adopted by the Authority this 16th day of April, 2026.

TIKAN SINGH
VICE PRESIDENT
Southern California Public
Power Authority

ATTEST:

DANIEL E GARCIA
ASSISTANT SECRETARY
Southern California Public
Power Authority

EXHIBIT A

GOOD FAITH ESTIMATES
(UNDER SECTION 5852.1 OF THE CALIFORNIA GOVERNMENT CODE)

The good faith estimates set forth herein are provided with respect to the 2026-1 Bonds in compliance with Section 5852.1 of the California Government Code. Such good faith estimates have been provided to the Authority by PFM Financial Advisors LLC, as municipal advisor to the Authority (the "Municipal Advisor").

Principal Amount. The Municipal Advisor has informed the Authority that, based on the Authority's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the 2026-1 Bonds to be sold is $615,115,000.00(the "Estimated Principal Amount"), which reflects issuance of 2026-1 Bonds.

True Interest Cost of the 2026-1 Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2026-1 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the initial true interest cost in aggregate of the 2026-1 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2026-1 Bonds, is 4.52%. This estimate is based on a finance charge for the 2026-1 Bonds as described below.

Finance Charge for the 2026-1 Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2026-1 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the 2026-1 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2026-1 Bonds), is $2,095,783.16.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2026-1 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Authority for sale of the 2026-1 Bonds, less the finance charge of the 2026-1 Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the 2026-1 Bonds, is $648,435,525.89.

Total Payment Amount. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2026-1 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the 2026-1 Bonds, plus the finance charge for the 2026-1 Bonds, as described above, not paid with the proceeds of the 2026-1 Bonds, calculated to the final maturity of the 2026-1 Bonds, is $1,155,868,488.20.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the 2026-1 Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the

amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the 2026-1 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2026-1 Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the 2026-1 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2026-1 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions or (f) alterations in the Authority's financing plan, or a combination of such factors. The actual date of sale of the 2026-1 Bonds and the actual principal amount of 2026-1 Bonds sold will be determined by the Authority based on market and other factors. The actual interest rates borne by the 2026-1 Bonds will depend on, among other things, market interest rates at the time of sale thereof. The actual amortization of the 2026-1 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Authority.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

To

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

SIXTH SUPPLEMENTAL INDENTURE OF TRUST

Dated as of May 1, 2026

$[PAR AMOUNT]
Southern Transmission System Renewal Project, Revenue Bonds, 2026-1

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SIXTH SUPPLEMENTAL INDENTURE OF TRUST

THIS SIXTH SUPPLEMENTAL INDENTURE OF TRUST (the "Sixth Supplemental Indenture") dated as of May 1, 2026 from Southern California Public Power Authority, established under the laws of the State of California (the "Authority"), to U.S. Bank Trust Company, National Association, a national banking association, as trustee (the "Trustee");

W I T N E S S E T H :

WHEREAS, the Authority has entered into an Indenture of Trust, dated as of April 1, 2023 (the "Original Indenture" and, as supplemented and amended, including as supplemented by this Sixth Supplemental Indenture, the "Indenture"), from the Authority to the Trustee to provide for the securing of Bonds; and

WHEREAS, the Authority has heretofore entered into a First Supplemental Indenture of Trust, dated as of April 1, 2023 (the "First Supplemental Indenture"), from the Authority to the Trustee, providing for the issuance of its Southern Transmission System Renewal Project, Revenue Bonds, 2023-1 (the "2023-1 Bonds") in the aggregate principal amount of $254,695,000, in order to finance a portion of the Cost of Acquisition of Capacity; and

WHEREAS, the Authority has heretofore entered into a Second Supplemental Indenture of Trust, dated as of May 1, 2023 (the "Second Supplemental Indenture"), from the Authority to the Trustee, providing for the issuance of its Southern Transmission System Renewal Project, Revenue Bonds, 2023-1A (the "2023-1A Bonds") in the aggregate principal amount of $431,495,000, in order to finance a portion of the Cost of Acquisition of Capacity; and

WHEREAS, the Authority has heretofore entered into a Third Supplemental Indenture of Trust, dated as of May 1, 2024 (the "Third Supplemental Indenture"), from the Authority to the Trustee, providing for the issuance of its Southern Transmission System Renewal Project, Revenue Bonds, 2024-1 (the "2024-1 Bonds") in the aggregate principal amount of $562,855,000, in order to finance a portion of the Cost of Acquisition of Capacity; and

WHEREAS, the Authority has heretofore entered into a Fourth Supplemental Indenture of Trust, dated as of July 1, 2025 (the "Fourth Supplemental Indenture"), from the Authority to the Trustee, providing for the issuance of its Southern Transmission System Renewal Project, Revenue Bonds, 2025-1 (the "2025-1 Bonds") in the aggregate principal amount of $303,895,000, in order to finance a portion of the Cost of Acquisition of Capacity; and

WHEREAS, the Authority has heretofore entered into a Fifth Supplemental Indenture of Trust, dated as of July 1, 2025 (the "Fifth Supplemental Indenture"), from the Authority to the Trustee, providing for the issuance of its Southern Transmission System Renewal Project, Revenue Bonds, 2025-2 (the "2025-2 Bonds") in the aggregate principal amount of $250,000,000, in order to finance a portion of the Cost of Acquisition of Capacity; and

WHEREAS, the Authority desires to issue its Southern Transmission System Renewal Project, Revenue Bonds, 2026-1 (the "2026-1 Bonds") in the aggregate principal amount of $[PAR AMOUNT], in order to finance a portion of the Cost of Acquisition of Capacity; and

WHEREAS, the 2026-1 Bonds will be issued and secured under the Indenture; and

WHEREAS, all acts and things have been done and performed that are necessary to make the 2026-1 Bonds, when executed and issued by the Authority, authenticated by the Trustee and delivered, the valid and binding legal obligations of the Authority in accordance with their terms and to make this Sixth Supplemental Indenture a valid and binding agreement for the security of the 2026-1 Bonds authenticated and delivered under the Indenture;

NOW, THEREFORE, THIS SIXTH SUPPLEMENTAL INDENTURE WITNESSETH:

That, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created and originally created by the Original Indenture, the mutual covenants herein contained and the purchase and acceptance of the 2026-1 Bonds issued hereunder by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal or Redemption Price (if any) of, and interest on, the 2026-1 Bonds issued hereunder according to their tenor and effect, and the performance and observance by the Authority of all the covenants and conditions contained herein and in the Indenture on its part to be performed, it is agreed by and between the Authority and the Trustee as follows:

ARTICLE I

AUTHORITY AND DEFINITIONS

101. Authority for this Sixth Supplemental Indenture. This Sixth Supplemental Indenture is a Supplemental Indenture executed pursuant to the provisions of the Act and in accordance with Article II and Article X of the Original Indenture.

102. Definitions.

(1) Except as provided by this Sixth Supplemental Indenture, all terms that are defined in the Original Indenture shall have the same meanings in this Sixth Supplemental Indenture as such terms are given in the Original Indenture.

(2) In this Sixth Supplemental Indenture:

Fourth Supplemental Indenture shall mean the Fourth Supplemental Indenture of Trust dated as of July 1, 2025 from Authority to the Trustee, supplementing and amending the Original Indenture.

Insured 2026-1 Bonds shall mean the 2026-1 Bonds maturing on July 1 in the years 20[___] through 20[___], inclusive, and 20[___].

Interest Payment Date shall mean, with respect to the 2026-1 Bonds, January 1 and July 1 of each year, commencing [July 1, 2026], as specified in Section 203 of this Sixth Supplemental Indenture.

[Late Payment Rate shall mean the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 5%, and (ii) the then applicable highest rate of interest on the Insured 2026-1 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as the 2026-1 Insurer, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to the 2026-1 Insurer shall be computed on the basis of the actual number of days elapsed in a year of 360 days.]

Sixth Supplemental Indenture shall mean this Sixth Supplemental Indenture of Trust dated as of May 1, 2026 from Authority to the Trustee, supplementing and amending the Original Indenture.

Third Supplemental Indenture shall mean the Third Supplemental Indenture of Trust dated as of May 1, 2024 from Authority to the Trustee, supplementing and amending the Original Indenture.

2023-1 and 2023-1A Supplemental Capitalized Interest Account shall mean the Southern Transmission System Renewal Project, Revenue Bonds, 2023-1 and 2023-1A, Supplemental Capitalized Interest Account established pursuant to Section 303 of the Third Supplemental Indenture.

2024-1 Supplemental Capitalized Interest Account shall mean the Southern Transmission System Renewal Project, Revenue Bonds, 2024-1, Supplemental Capitalized Interest Account established pursuant to Section 303 of the Fourth Supplemental Indenture.

2025-1 and 2025-2 Supplemental Capitalized Interest Account shall mean the Southern Transmission System Renewal Project, Revenue Bonds, 2025-1, Supplemental Capitalized Interest Account established pursuant to Section 303 of this Sixth Supplemental Indenture.

2026-1 Bonds shall mean the Authority's Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, authorized by Article II of this Sixth Supplemental Indenture.

2026-1 Capitalized Interest Account shall mean the Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Capitalized Interest Account established pursuant to Section 303 of this Sixth Supplemental Indenture.

2026-1 Costs of Issuance Subaccount shall mean the special subaccount in the 2026-1 Project Account designated as the Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Costs of Issuance Subaccount established pursuant to Section 301 of this Sixth Supplemental Indenture.

2026-1 Debt Service Account shall mean the Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Debt Service Account established pursuant to Section 302 of this Sixth Supplemental Indenture.

2026-1 Debt Service Reserve Account shall mean the Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Debt Service Reserve Account established pursuant to Section 304 of this Sixth Supplemental Indenture.

2026-1 Debt Service Reserve Account Policy shall mean a surety bond, insurance policy, line of credit, letter of credit or similar instrument issued to the Trustee by an entity licensed to issue a surety bond, insurance policy, line of credit, letter of credit or similar instrument guaranteeing the timely payment of debt service on the 2026-1 Bonds (such entity, a "municipal bond insurer"), which municipal bond insurer, at the time any such surety bond, insurance policy, line of credit, letter of credit or similar instrument is issued, shall have its claims paying ability rated in not lower than the second highest rating category (without regard to any gradations within any such category) by at least two nationally-recognized credit rating agencies.

2026-1 Debt Service Reserve Requirement shall mean $0.

2026-1 Insurance Policy shall mean the Municipal Bond Insurance Policy issued by the 2026-1 Insurer which guarantees the scheduled payment of principal of and interest on the Insured 2026-1 Bonds when due.

2026-1 Insurer shall mean [_____] or any successor thereto.

2026-1 Parity Swap shall mean any Parity Swap hereafter entered into by the Authority which shall be designated to the Trustee by an Authorized Authority Representative as a 2026-1 Parity Swap (whether or not such Parity Swap shall relate to any particular Series of Bonds as provided in such Parity Swap).

2026-1 Parity Swap Provider shall mean the provider of any 2026-1 Parity Swap.

2026-1 Project Account shall mean the Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Project Account established pursuant to Section 301 of this Sixth Supplemental Indenture.

ARTICLE II

AUTHORIZATION OF 2026-1 BONDS

201. Principal Amount, Designation and Series. Pursuant to the provisions of the Indenture, a Series of Bonds entitled to the benefit, protection and security of such provisions is hereby authorized in the aggregate principal amount of $[PAR AMOUNT]. Such Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, "Southern Transmission System Renewal Project, Revenue Bonds, 2026-1."

202. Purposes.

(1) The 2026-1 Bonds are issued for the purposes of financing a portion of the Cost of Acquisition of Capacity.

(2) The purposes set forth in paragraph (1) of this Section 202 shall constitute purposes described in Section 203 of the Original Indenture.

Pursuant to Section 202 of the Original Indenture, it is hereby determined that the 2026-1 Bonds shall not be Participating Bonds pursuant to the Original Indenture and that a Series Debt Service Reserve Account shall instead be established and maintained for the 2026-1 Bonds. The Debt Service Reserve Requirement for the 2026-1 Bonds is hereby determined to be an amount equal to the 2026-1 Debt Service Reserve Requirement (i.e., $0).

203. Date, Maturities and Interest. The 2026-1 Bonds shall be dated their date of delivery. Interest on the 2026-1 Bonds shall be payable [July 1, 2026], and semiannually thereafter on each January 1 and July 1, which dates are hereby specified as the Interest Payment Dates for the 2026-1 Bonds pursuant to the provisions of the Original Indenture. The 2026-1 Bonds shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless such 2026-1 Bonds are authenticated on an Interest Payment Date, in which event from such Interest Payment Date; provided, however, that if the date of authentication shall be prior to the first Interest Payment Date for the 2026-1 Bonds, such 2026-1 Bonds shall bear interest from their date of delivery; and provided, further, that if, on the date of authentication thereof, interest on the 2026-1 Bonds shall be in default as shown by the records of the Trustee, such 2026-1 Bonds shall bear interest from the Interest Payment Date to which interest has been paid or duly provided for in full. Interest on the 2026-1 Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The 2026-1 Bonds shall mature on July 1 in the years and in the principal amounts, and shall bear interest payable semiannually on each Interest Payment Date therefor, at the respective interest rates and yields per annum, shown below:

Year	Principal Amount	Interest Rate	Yield
	$	%	%

204. Registered Form, Denomination, Numbers and Letters. The 2026-1 Bonds shall be issued in fully registered form in the denominations of $5,000 or any integral multiple of $5,000. The 2026-1 Bonds shall be registered in book-entry format as provided in Section 309 of the Original Indenture. The 2026-1 Bonds initially issued shall be numbered in a manner determined by the Trustee so as to be distinguished from every other such 2026-1 Bond, with each such number designation preceded by the letter "R."

205. Place of Payment and Paying Agents. Subject to Section 309 of the Original Indenture, the principal and Redemption Price (if any) of the 2026-1 Bonds shall be payable upon presentation and surrender at the corporate trust office of U.S. Bank Trust Company, National Association, St. Paul, Minnesota, or such other office designated by the Trustee, and U.S. Bank Trust Company, National Association is hereby appointed as Paying Agent for the 2026-1 Bonds. The principal and Redemption Price (if any) of the 2026-1 Bonds shall also be payable at any other place that may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by the Indenture. Interest on the 2026-1 Bonds shall be payable by check of the Trustee mailed by first-class mail to the registered owners shown on the registration books of the Authority kept by the Bond Registrar as of the close of business on the record date (established as provided below) immediately preceding each Interest Payment Date, except that in the case of an Owner of $1,000,000 or more in aggregate principal amount of 2026-1 Bonds, upon written request of such Owner to the Trustee received at least ten (10) days prior to the applicable record date, specifying the account or accounts to which such payment shall be made (which request shall remain in effect until revoked or reversed by such Owner in a subsequent writing delivered to the Trustee), such interest shall be paid in immediately available funds by wire transfer to such account or accounts on each such following Interest Payment Date. As provided in subsection 4 of Section 301 of the Original Indenture, the record dates for the payment of interest on the 2026-1 Bonds are hereby established as the fifteenth (15th) day of the calendar month immediately preceding each Interest Payment Date.

206. Redemption Prices and Terms.

(1) Sinking Fund Redemption. The 2026-1 Bonds due July 1, 20[__] and July 1, 20[__] shall be subject to redemption prior to maturity as provided in Article IV of the Original Indenture by operation of the Debt Service Fund to satisfy Sinking Fund Installments, on and after July 1, 20[__] and July 1, 20[__], respectively, at a Redemption Price equal to the principal amount of the 2026-1 Bonds to be so redeemed (together with accrued interest thereon), without premium, in the amounts and on the dates set forth in Section 207 hereof.

(2) Optional Redemption. The 2026-1 Bonds maturing on or after July 1, 20[__] shall be subject to redemption prior to maturity, at the option of the Authority, from any source of available funds, in whole or in part (and, if in part, from such maturities as the Authority

shall direct), on any date on or after July 1, 20[__], at a Redemption Price equal to the principal amount of the 2026-1 Bonds, or portions thereof, to be redeemed, without premium, in each case together with accrued interest to the redemption date.

(3) Selection of 2026-1 Bonds for Redemption. Whenever by the terms of the Indenture, 2026-1 Bonds are to be redeemed at the direction of the Authority, the Authority shall select the maturity or maturities of the 2026-1 Bonds to be redeemed. If less than all of the 2026-1 Bonds of a maturity are called for prior redemption, the particular 2026-1 Bonds or portions of such maturity to be redeemed shall be selected by lot, subject to the authorized denominations applicable to the 2026-1 Bonds, and otherwise as provided in Section 404 of the Original Indenture. The Trustee shall promptly notify the Authority in writing of the 2026-1 Bonds so selected for redemption.

207. Sinking Fund Installments. Sinking Fund Installments are hereby established for the 2026-1 Bonds maturing on July 1, 20[__] and July 1, 20[__]. Such Sinking Fund Installments shall be due on July 1 of each of the years set forth in the following tables in the redemption amounts set forth opposite such years in said tables:

2026-1 Bonds Due July 1, 20[__]

July 1	Redemption Amount $
†	

† Maturity.

2026-1 Bonds Due July 1, 20[__]

July 1	Redemption Amount $
†	

† Maturity.

In connection with any optional redemption pursuant to subsection (2) of Section 206 hereof of any 2026-1 Bonds that are term 2026-1 Bonds subject to mandatory sinking fund redemption, the principal amount of such 2026-1 Bonds being redeemed shall be allocated against the scheduled sinking fund redemption amounts in such manner as the Authority may direct and the scheduled sinking fund installments payable after such redemption shall be modified as to such term 2026-1 Bonds. In such event, the Authority shall provide to the Trustee a revised schedule of Sinking Fund Installments for purposes of this Section 207.

208. Application of Proceeds of 2026-1 Bonds; Deposit of Moneys. In accordance with subsection 2 of Section 203 of the Original Indenture, the proceeds of the 2026-1 Bonds, being $[_____] (representing the $[PAR AMOUNT].00 aggregate principal amount of the 2026-1 Bonds plus $[_____] original issue premium and less $[_____] underwriters' discount), shall be applied simultaneously with the delivery of the 2026-1 Bonds, as follows:

(i) There shall be transferred to the 2026-1 Insurer the premium for the 2026-1 Insurance Policy in the amount of $[_____];

(ii) There shall be deposited in the 2026-1 Capitalized Interest Account in the amount of $[_____];

(iii) [There shall be deposited in the 2025-1 and 2025-2 Supplemental Capitalized Interest Account in the amount of $[_____];

(iv) There shall be deposited in the 2024-1 Supplemental Capitalized Interest Account in the amount of $[_____];

(v) There shall be deposited in the 2023-1 and 2023-1A Supplemental Capitalized Interest Account in the amount of $[_____]; and]

(vi) The remaining balance of proceeds of the 2026-1 Bonds (i.e., $[_____]) shall be deposited in the Construction Fund, of which $[_____] shall be deposited in the 2026-1 Project Account to be used to pay certain Cost of Acquisition of Capacity and $[_____] shall be deposited in the 2026-1 Costs of Issuance Subaccount to be used to pay costs of issuance relating to the 2026-1 Bonds.

209. Investment Income. Interest and other investment income (net of that which (i) represents a return of accrued interest paid in connection with the purchase of any investment and (ii) is required to offset the amortization of any premium paid in connection with the purchase of any investment) earned on any moneys or investments in the Funds and Accounts (other than any Rebate Fund) established under the Indenture, to the extent resulting in a balance that is in excess of any requirement for such Fund or Account, shall be paid into the Revenue Fund.

210. Form of 2026-1 Bonds; Trustee's Certificate of Authentication; Execution. Subject to the provisions of the Indenture, the form of the 2026-1 Bonds and the Trustee's certificate of authentication shall be of substantially the tenor set forth in Article XIII of the Original Indenture. The 2026-1 Bonds may be executed by manual or facsimile signature of the President or a Vice President of the Authority and the seal may be attested by the manual or facsimile signature of the Secretary or an Assistant Secretary of the Authority.

ARTICLE III

ESTABLISHMENT OF 2026-1 PROJECT ACCOUNT, 2026-1 DEBT SERVICE ACCOUNT AND 2026-1 DEBT SERVICE RESERVE ACCOUNT

301. Establishment and Application of 2026-1 Project Account.

(1) The Authority shall establish and the Trustee shall maintain and hold in trust in the Construction Fund a separate account designated as the "Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Project Account," with a separate subaccount therein designated as the "Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Costs of Issuance Subaccount." Amounts in the 2026-1 Project Account and 2026-1 Costs of Issuance Subaccount shall be applied as set forth in Section 503 of the Original Indenture and in this Section 301.

(2) Upon receipt of any requisition signed by an Authorized Authority Representative for payment or reimbursement from the Construction Fund pursuant to Section 503 of the Original Indenture, the Trustee shall, unless instructed by the Authority in such requisition that such payment is to be made from another project account established pursuant to a Supplemental Indenture entered into subsequent to this Sixth Supplemental Indenture, (i) to the extent such requisition is for the payment of costs of issuance of the 2025 Bonds, pay such requisitioned amounts out of the 2026-1 Costs of Issuance Subaccount, and (ii) to the extent that such requisition is for the payment of other items of the Cost of Acquisition of Capacity, pay such requisitioned amounts out of the 2026-1 Project Account. If any amount shall remain in the 2026-1 Costs of Issuance Subaccount after all costs of issuance of the 2026-1 Bonds have been paid, as stated in a certificate of an Authorized Authority Representative, such remainder shall be transferred to the 2026-1 Debt Service Account (with such transferred amount to be used to pay interest on the 2026-1 Bonds), or if no such certificate is received, then 180 days after the date of issuance of the 2026-1 Bonds, the Trustee shall make such transfer and the Trustee shall close the 2026-1 Costs of Issuance Subaccount.

302. Establishment and Application of 2026-1 Debt Service Account.

(1) The Authority shall establish and the Trustee shall maintain and hold in trust in the Debt Service Fund a separate account designated as the "Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Debt Service Account." Amounts in the 2026-1 Debt Service Account shall be applied as set forth in this Section 302.

(2) The Trustee shall pay out of the 2026-1 Debt Service Account subject to subsections (3) and (4) of this Section 302, without preference or priority of one transfer over the others (a) to the Paying Agents, if any, (i) on or before each January 1 and July 1 the amount required for the interest payable on such date, (ii) on or before each Principal Installment due date, the amount required for the Principal Installment payable on such due date, and (iii) on or before any redemption date for 2026-1 Bonds, the amount required for the payment of the Redemption Price thereof and interest on the 2026-1 Bonds then to be redeemed and (b) to the 2026-1 Parity Swap Providers, if any, any regularly-scheduled amounts due and payable by the Authority under any 2026-1 Parity Swap on the due date therefor. Amounts so paid to the Paying Agents with

respect to the 2026-1 Bonds shall be applied by any such Paying Agents on the due dates thereof. The Trustee shall also pay out of the 2026-1 Debt Service Account the accrued interest included in the purchase price of any 2026-1 Bonds purchased for retirement. Notwithstanding anything to the contrary in this Sixth Supplemental Indenture or the Original Indenture, any termination payments payable by the Authority under any 2026-1 Parity Swap shall be payable on a basis subordinate and junior to the payments due to 2026-1 Parity Swap Providers described in clause (b) of this subsection (2).

(3) Except as provided in subsection (2) of this Section 302, all amounts held at any time in the 2026-1 Debt Service Account shall be held until applied on a parity basis for the ratable security and payment of (i) Accrued Debt Service on the 2026-1 Bonds and (ii) amounts due and payable by the Authority under the 2026-1 Parity Swaps, if any, at any time in proportion to the amounts accrued or due and payable, as applicable.

(4) In the event of the refunding (or other defeasance) of any 2026-1 Bonds, the Trustee shall, upon the direction of an Authorized Authority Representative acting with the advice of Bond Counsel, withdraw from the 2026-1 Debt Service Account amounts accumulated therein with respect to Debt Service on the 2026-1 Bonds being refunded (or otherwise defeased) and, unless otherwise instructed in writing for an alternative use of such amounts, deposit such amounts with itself as escrow agent to be held for the payment of the principal or Redemption Price, if applicable, of, and interest on the 2026-1 Bonds being refunded (or otherwise defeased); provided that such withdrawal shall not be made unless (a) immediately thereafter the 2026-1 Bonds being refunded (or otherwise defeased) shall be deemed to have been paid pursuant to subsection 2 of Section 1201 of the Original Indenture, and (b) the amount remaining in the 2026-1 Debt Service Account after such withdrawal shall not be less than the amount required to be held therein pursuant to subsection 1 of Section 506 of the Original Indenture.

303. Establishment and Application of 2026-1 Capitalized Interest Account.

(1) The Authority shall establish and the Trustee shall maintain and hold in trust in the Debt Service Fund a separate account designated as the "Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Capitalized Interest Account." The 2026-1 Capitalized Interest Account shall be initially funded upon the issuance and delivery of the 2026-1 Bonds, pursuant to Section 208 hereof. Amounts in the 2026-1 Capitalized Interest Account, together with amounts in the 2025-1 and 2025-2 Supplemental Capitalized Interest Account, the 2024-1 Supplemental Capitalized Interest Account and the 2023-1 and 2023-1A Supplemental Capitalized Interest Account, shall be initially invested in Investment Securities consisting of U.S. Treasury Securities—State and Local Government Series as set forth in Schedule I hereto and shall be applied as set forth in this Section 303. On each date set forth in the table under subsection (2) below through and including July 1, 20[___], interest and other investment income from investments in the 2026-1 Capitalized Interest Account received on such date and remaining after the payment of interest due on the 2026-1 Bonds on such date set forth in such table shall be invested in U.S. Treasury Securities—State and Local Government Series in accordance with instructions from the Authority to the Trustee. The Trustee shall request instructions from the Authority not less than 20 days before each such date. Interest and other investment income earned on investments in the 2026-1 Capitalized Interest Account shall remain therein, to be applied as set forth in this Section 303.

(2) The Trustee shall pay out of the 2026-1 Capitalized Interest Account to the Paying Agents, if any, on or before each January 1 and July 1, from [July 1, 2026] to July 1, 20[__], inclusive, from the interest and maturing principal of the investments therein, together with any uninvested cash held thereunder, the amounts set forth in the table below. Amounts so paid to the Paying Agents shall be applied by any such Paying Agents to the payment of interest on the 2026-1 Bonds on the due dates thereof.

Date	Amount to be Transferred from 2026-1 Capitalized Interest Account
[July 1, 2026]	$[___]

July 1, 20[___]

(3) On or after July 2, 20[__], the Trustee shall transfer any amounts remaining in the 2026-1 Capitalized Interest Account to the Rebate Fund or the 2026-1 Project Account, as instructed by an Authorized Authority Representative.

(4) [The Authority shall establish and the Trustee shall maintain and hold in trust in the Debt Service Fund a separate account designated as the "Southern Transmission System Renewal Project, Revenue Bonds, 2025-1 and 2025-2 Supplemental Capitalized Interest Account." The 2025-1 and 2025-2 Supplemental Capitalized Interest Account shall be initially funded upon the issuance and delivery of the 2026-1 Bonds, pursuant to Section 208 hereof. Amounts in the 2025-1 and 2025-2 Supplemental Capitalized Interest Account shall be initially invested in Investment Securities consisting of U.S. Treasury Securities—State and Local Government Series as set forth in Section 303(1) above and shall be applied as set forth in this Section 303. On each date set forth in the table under subsection (5) below through January 1, 20[__], maturing principal, interest and other investment income from investments in the 2025-1 and 2025-2 Supplemental Capitalized Interest Account received on such date and remaining after the payment of interest due on the 2025-1 Bonds on such date set forth in such table shall be invested in U.S. Treasury Securities—State and Local Government Series in accordance with instructions from the Authority to the Trustee. The Trustee shall request instructions from the Authority not less than 20 days before each such date. Interest and other investment income earned on investments in the 2025-1 and 2025-2 Supplemental Capitalized Interest Account shall remain therein, to be applied as set forth in this Section 303.]

(5) [The Trustee shall pay out of the 2025-1 Supplemental Capitalized Interest Account to the Paying Agents, if any, on or before [July 1, 2026] and January 1, 20[__], from the interest and maturing principal of the investments therein, together with any uninvested cash held thereunder, the amounts set forth in the table below. Amounts so paid to the Paying Agents shall be applied by any such Paying Agents to the payment of interest on the 2025-1 Bonds and 2025-2 Bonds due and payable on [July 1, 2026] and January 1, 20[__].

Date	Amount to be Transferred from 2025-1 and 2025-2 Supplemental Capitalized Interest Account
[July 1, 2026]	$
January 1, 20[__]	

(6) On or after [January 2, 20__], the Trustee shall transfer any amounts remaining in the 2025-1 and 2025-2 Supplemental Capitalized Interest Account to the Rebate Fund, the 2023-1 Project Account, the 2023-1A Project Account, the 2024-1 Project Account, the 2025-1 Project Account, the 2025-2 Project Account or the 2026-1 Project Account, as instructed by an Authorized Authority Representative.]

(7) The Authority has heretofore established and the Trustee currently maintains and holds in trust in the Debt Service Fund a separate account designated as the "Southern Transmission System Renewal Project, Revenue Bonds, 2024-1 Supplemental Capitalized Interest Account." The 2024-1 Supplemental Capitalized Interest Account shall be funded upon the issuance and delivery of the 2026-1 Bonds, pursuant to Section 208 hereof. Amounts in the 2024-1 Supplemental Capitalized Interest Account shall be invested in Investment Securities consisting of U.S. Treasury Securities—State and Local Government Series as set forth in Section 303(1) above and shall be applied as set forth in this Section 303.

(8) The Trustee shall pay out of the 2024-1 Supplemental Capitalized Interest Account to the Paying Agents, if any, on or before [July 1, 2026], from the interest and maturing principal of the investments therein, together with any uninvested cash held thereunder, $[____] to be applied by any such Paying Agents to the payment of interest on the 2024-1 Bonds due and payable on [July 1, 20__].

(9) On or after [January 2, 20__], the Trustee shall transfer any amounts remaining in the 2024-1 Supplemental Capitalized Interest Account to the Rebate Fund, the 2023-1 Project Account, the 2023-1A Project Account, the 2024-1 Project Account, the 2025-1 Project Account, the 2025-2 Project Account or the 2026-1 Project Account, as instructed by an Authorized Authority Representative.

304. Establishment, Pledge, Funding and Application of 2026-1 Debt Service Reserve Account.

(1) The Authority shall establish and the Trustee shall maintain and hold in trust in the Debt Service Fund a separate account designated as the "Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Debt Service Reserve Account." The 2026-1 Debt Service Reserve Account shall not be initially funded upon the issuance and delivery of the 2026-1 Bonds. At the sole discretion of the Board of Directors, the 2026-1 Debt Service Reserve Account may thereafter be funded from time to time or at any time at such level as determined by the Board of Directors. In the event the 2026-1 Debt Service Reserve Account shall at any time be funded pursuant to this subsection (1) of Section 304, such 2026-1 Debt Service Reserve Account.

(2) During any period in which the Authority has determined, in its sole discretion, to fund the 2026-1 Debt Service Reserve Account as provided in subsection (1) of this Section 304, the amount determined by the Authority to be maintained therein shall, during such period, constitute the 2026-1 Debt Service Reserve Requirement for purposes of this Section 304. Except as provided in subsection (5) of this Section 304, the Authority shall at all times maintain an amount equal to the 2026-1 Debt Service Reserve Requirement in the 2026-1 Debt Service Reserve Account until the 2026-1 Bonds are discharged in accordance with the provisions of the Indenture. In the event of any deficiency in the 2026-1 Debt Service Reserve Account, the Authority shall replenish such deficiency by depositing monthly at least one twelfth (1/12th) of the aggregate amount of each unreplenished prior draw on the 2026-1 Debt Service Reserve Account and the full amount of any deficiency due to any required valuations of the investments in the 2026-1 Debt Service Reserve Account until the balance in the 2026-1 Debt Service Reserve Account is at least equal to the 2026-1 Debt Service Reserve Requirement.

(3) All Investment Securities credited to the 2026-1 Debt Service Reserve Account shall be valued as of July 1 of each year (or the next preceding or succeeding Business Day, as determined by the Authority, if any such July 1 is not a Business Day) at the greater of the cost of such Investment Securities or the amortized value thereof, exclusive of accrued interest.

(4) Notwithstanding anything to the contrary in the Original Indenture or this Sixth Supplemental Indenture, all amounts in the 2026-1 Debt Service Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of (i) paying principal of and interest on the 2026-1 Bonds in the event moneys in the 2026-1 Debt Service Account are insufficient, or (ii) making the final principal and interest payment on the 2026-1 Bonds.

(5) In the event of the refunding (or other defeasance) of any 2026-1 Bonds, the Trustee, upon the direction of an Authorized Authority Representative acting with the advice of Bond Counsel, shall withdraw from the 2026-1 Debt Service Reserve Account amounts accumulated therein with respect to Debt Service on the 2026-1 Bonds being refunded (or otherwise defeased) and, unless otherwise instructed in writing for an alternative use of such amounts, deposit such amounts with itself as escrow agent to be held for the payment of the principal or Redemption Price, if applicable, of, and interest on the 2026-1 Bonds being refunded (or otherwise defeased); provided that such withdrawal shall not be made unless (a) immediately thereafter the 2026-1 Bonds being refunded (or otherwise defeased) shall be deemed to have been paid pursuant to subsection 2 of Section 1201 of the Original Indenture, and (b) the amount remaining in the 2026-1 Debt Service Reserve Account after such withdrawal shall not be less than the requirement of such Account pursuant to subsection (2) of this Section 304.

(6) Notwithstanding anything herein to the contrary, at the option of the Authority amounts required to be held in the 2026-1 Debt Service Reserve Account may be substituted, in whole or in part, by the deposit with the Trustee of a 2026-1 Debt Service Reserve Account Policy in a stated amount equal to the amounts so substituted and any 2026-1 Debt Service Reserve Account Policy then held in the 2026-1 Debt Service Reserve Account may be replaced at the option of the Authority by cash or by another 2026-1 Debt Service Reserve Account Policy in whole or in part; provided that prior to the substitution or replacement of such 2026-1 Debt Service Reserve Account Policy the credit rating agencies then rating the 2026-1 Bonds shall have been notified by the Authority of such proposed substitution or replacement and the substitution

or replacement shall not result, as evidenced by letters from such rating agencies, in a downgrading or withdrawal of any rating of the 2026-1 Bonds then in effect by such rating agencies; and provided further that the Authority shall have first received an Opinion of Bond Counsel to the effect that such substitution or replacement will not adversely affect, if applicable, the exclusion of interest on the 2026-1 Bonds from the gross income of the owners thereof for federal income tax purposes. Any moneys so withdrawn from the 2026-1 Debt Service Reserve Account shall, with the prior approval of Bond Counsel, be transferred to the General Reserve Fund and used in accordance with the provisions of Section 512 of the Original Indenture or otherwise used in a manner that is consistent with such Opinion of Bond Counsel.

So long as a 2026-1 Debt Reserve Account Policy shall be in full force and effect, any deposits required to be made with respect to the 2026-1 Debt Service Reserve Account pursuant to Section 506 of the Original Indenture shall include any amounts due to the provider of the 2026-1 Debt Service Reserve Account Policy resulting from a draw on the 2026-1 Debt Service Reserve Account Policy (which amounts shall constitute a deficiency or withdrawal from the 2026-1 Debt Service Reserve Account within the meaning of Section 506 of the Original Indenture). Any such amounts shall be paid to the provider of such 2026-1 Debt Service Reserve Account Policy as provided in such 2026-1 Debt Service Reserve Account Policy or any related agreement.

ARTICLE IV

TAX COVENANTS

401. Tax Covenant. The Authority shall not take any action or omit to take any action that, if taken or omitted, respectively, would adversely affect the excludability of interest on any 2026-1 Bond from the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes and, furtherance thereof, shall comply with the Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986 executed and delivered by the Authority on the date of delivery of the 2026-1 Bonds, as the same may be supplemented or amended, including any and all exhibits attached thereto. The Authority and the Trustee shall execute such amendments hereof and supplements hereto (and shall comply with the provisions thereof) as are, in the Opinion of Bond Counsel, necessary to preserve such exclusion. The Authority shall comply with this covenant at all times prior to the last maturity of 2026-1 Bonds or, if necessary, until no longer required to maintain the excludability of interest on any 2026-1 Bond from the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes, unless to comply with such covenant, either generally or to the extent stated therein, shall not adversely affect the excludability of interest on any 2026-1 Bond from the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes, and thereafter such covenant shall no longer be binding upon the Authority, generally or to such extent as the case may be.

ARTICLE V

[2026-1 INSURANCE POLICY PROVISIONS]

501. Notice and Other Information to be Given to the 2026-1 Insurer. The Authority will provide the 2026-1 Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Undertaking for the 2026-1 Bonds and (ii) to the holders of Insured 2026-1 Bonds or the Trustee under the Indenture. The notice address of the 2026-1 Insurer is: [_____], [_____], Attention: [_____], Re: Policy No. [_____], Telephone: [_____], Telecopier: [_____], Email: [_____]. In each case in which notice or other communication refers to an Event of Default or a claim on the 2026-1 Insurance Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at [_____] or at Telecopier: [_____] and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

502. Defeasance.

(1) The investments in any defeasance escrow relating to Insured 2026-1 Bonds shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise may be authorized under State law and approved by the 2026-1 Insurer.

(2) At least three Business Days prior to any defeasance with respect to the Insured 2026-1 Bonds, the Authority shall deliver to the 2026-1 Insurer draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Insured 2026-1 Bonds, a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to the 2026-1 Insurer and shall be in form and substance satisfactory to the 2026-1 Insurer. In addition, the escrow agreement shall provide that:

(i) Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of bond counsel that such substitution will not adversely affect the exclusion from gross income of the holders of the Insured 2026-1 Bonds of the interest on the Insured 2026-1 Bonds for federal income tax purposes and the prior written consent of the 2026-1 Insurer, which consent will not be unreasonably withheld.

(ii) The Authority will not exercise any prior optional redemption of Insured 2026-1 Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to the 2026-1 Insurer a Verification Report as to the sufficiency of escrow receipts

without reinvestment to meet the escrow requirements remaining following any such redemption.

(iii) The Authority shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of the 2026-1 Insurer.

503. Trustee.

(1) The 2026-1 Insurer shall receive prior written notice of any name change of the trustee (the "Trustee") or, if applicable, the paying agent (the "Paying Agent") for the Insured 2026-1 Bonds or the resignation or removal of the Trustee or, if applicable, the Paying Agent. Any Trustee must be (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least $250 million of assets, (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least $1 billion of assets, or (C) otherwise approved by the 2026-1 Insurer in writing.

(2) No removal, resignation or termination of the Trustee or, if applicable, the Paying Agent shall take effect until a successor, meeting the requirements above or acceptable to the 2026-1 Insurer, shall be qualified and appointed.

504. Amendments, Supplements and Consents; Insolvency; Insurer Default.

(1) *Copies of Amendments or Supplements.* The Authority shall send copies of any Indenture amendments or supplements to the 2026-1 Insurer and the rating agencies which have assigned a rating to the Insured 2026-1 Bonds.

(2) *Consent of the 2026-1 Insurer in Addition to Bondholder Consent*. Whenever the Indenture requires the consent of holders of Insured 2026-1 Bonds, the 2026-1 Insurer's consent shall also be required. In addition, any amendment, supplement, modification to, or waiver of, any provision of the Indenture that materially and adversely affects the rights or interests of the 2026-1 Insurer shall be subject to the prior written consent of the 2026-1 Insurer.

(3) *Insolvency*. Any reorganization or liquidation plan with respect to the Authority must be acceptable to the 2026-1 Insurer. Each owner of the Insured 2026-1 Bonds hereby appoints the 2026-1 Insurer as their agent and attorney-in-fact with respect to the Insured 2026-1 Bonds and agrees that the 2026-1 Insurer may at any time during the continuation of any proceeding by or against the Authority under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each owner of the Insured 2026-1 Bonds delegates and assigns to the 2026-1 Insurer, to the fullest extent permitted by law, the rights of each owner of the Insured 2026-1 Bonds with respect to the Insured 2026-1 Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any

party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

(4) *2026-1 Insurer as Owner*. Upon the occurrence and continuance of an Event of Default, the 2026-1 Insurer shall be deemed to be the sole owner of the Insured 2026-1 Bonds for all purposes under the Indenture, including, without limitations, for purposes of exercising remedies and approving amendments.

(5) *No Grace Period for Payment Defaults*. No grace period shall be permitted for payment defaults on the Insured 2026-1 Bonds.

(6) *Special Provisions for Insurer Default*. If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraphs (1)-(5) of Section 504 above to the contrary, (1) if at any time prior to or following an Insurer Default, the 2026-1 Insurer has made payment under the 2026-1 Insurance Policy, to the extent of such payment the 2026-1 Insurer shall be treated like any other holder of the Insured 2026-1 Bonds for all purposes, including giving of consents, and (2) if the 2026-1 Insurer has not made any payment under the 2026-1 Insurance Policy, the 2026-1 Insurer shall have no further consent rights until the particular Insurer Default is no longer continuing or the 2026-1 Insurer makes a payment under the 2026-1 Insurance Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, "Insurer Default" means: (A) the 2026-1 Insurer has failed to make any payment under the 2026-1 Insurance Policy when due and owing in accordance with its terms; or (B) the 2026-1 Insurer shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the 2026-1 Insurance Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of the 2026-1 Insurer (including without limitation under the New York Insurance Law).

505. The 2026-1 Insurer as Third Party Beneficiary. To the extent that the Indenture confers upon or gives or grants to the 2026-1 Insurer any right, remedy or claim under or by reason of the Indenture, the 2026-1 Insurer is explicitly recognized as and shall be deemed to be a third party beneficiary of the Indenture and may enforce such provisions of the Indenture as if it were a party thereto.

506. Payment Procedure Under the 2026-1 Insurance Policy

(1) In the event that principal and/or interest due on the Insured 2026-1 Bonds shall be paid by the 2026-1 Insurer pursuant to the 2026-1 Insurance Policy, the Insured 2026-1 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Authority, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Authority to the registered owners shall continue to exist

and shall run to the benefit of the 2026-1 Insurer, and the 2026-1 Insurer shall be subrogated to the rights of such registered owners.

(2) In the event that on the second Business Day prior to any payment date on the Insured 2026-1 Bonds, the Paying Agent or Trustee has not received sufficient moneys to pay all principal of and interest on the Insured 2026-1 Bonds due on such payment date, the Paying Agent or Trustee shall immediately notify the 2026-1 Insurer or its designee on the same Business Day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent or Trustee shall so notify the 2026-1 Insurer or its designee.

(3) In addition, if the Paying Agent or Trustee has notice that any holder of the Insured 2026-1 Bonds has been required to disgorge payments of principal of or interest on the Insured 2026-1 Bonds pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Paying Agent or Trustee shall notify the 2026-1 Insurer or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of the 2026-1 Insurer.

(4) The Paying Agent or Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Insured 2026-1 Bonds as follows:

(i) If there is a deficiency in amounts required to pay interest and/or principal on the Insured 2026-1 Bonds, the Paying Agent or Trustee shall (i) execute and deliver to the 2026-1 Insurer, in form satisfactory to the 2026-1 Insurer, an instrument appointing the 2026-1 Insurer as agent and attorney-in-fact for such holders of the Insured 2026-1 Bonds in any legal proceeding related to the payment and assignment to the 2026-1 Insurer of the claims for interest on the Insured 2026-1 Bonds, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the 2026-1 Insurance Policy payment from the 2026-1 Insurer with respect to the claims for interest so assigned, (iii) segregate all such payments in a separate account (the "2026-1 Insurer Policy Payment Account") to only be used to make scheduled payments of principal of and interest on the Insured 2026-1 Bonds, and (iv) disburse the same to such respective holders; and

(ii) If there is a deficiency in amounts required to pay principal of the Insured 2026-1 Bonds, the Paying Agent or Trustee shall (i) execute and deliver to the 2026-1 Insurer, in form satisfactory to the 2026-1 Insurer, an instrument appointing the 2026-1 Insurer as agent and attorney-in-fact for such holder of the Insured 2026-1 Bonds in any legal proceeding related to the payment of such principal and an assignment to the 2026-1 Insurer of the Insured 2026-1 Bonds surrendered to the 2026-1 Insurer, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the 2026-1 Insurance Policy payment therefore from the 2026-1 Insurer, (iii) segregate all such payments

in the 2026-1 Insurer Policy Payment Account to only be used to make scheduled payments of principal of and interest on the Insured 2026-1 Bonds, and (iv) disburse the same to such holders.

The Trustee shall designate any portion of payment of principal of Insured 2026-1 Bonds paid by the 2026-1 Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured 2026-1 Bonds registered to the then current holder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured 2026-1 Bond to the 2026-1 Insurer, registered in the name directed by the 2026-1 Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured 2026-1 Bond shall have no effect on the amount of principal or interest payable by the Authority on any Insured 2026-1 Bond or the subrogation or assignment rights of the 2026-1 Insurer.

(5) Payments with respect to claims for interest on and principal of Insured 2026-1 Bonds disbursed by the Paying Agent or Trustee from proceeds of the 2026-1 Insurance Policy shall not be considered to discharge the obligation of the Authority with respect to such Insured 2026-1 Bonds, and the 2026-1 Insurer shall become the owner of such unpaid Insured 2026-1 Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise. The Indenture shall not be discharged or terminated unless all amounts due or to become due to the 2026-1 Insurer have been paid in full or duly provided for.

(6) Irrespective of whether any such assignment is executed and delivered, the Authority, and the Paying Agent and Trustee agree for the benefit of the 2026-1 Insurer that:

(i) They recognize that to the extent the 2026-1 Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent or Trustee), on account of principal of or interest on the Insured 2026-1 Bonds, the 2026-1 Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Authority, with interest thereon, as provided and solely from the sources stated in the Indenture and the Insured 2026-1 Bonds; and

(ii) They will accordingly pay to the 2026-1 Insurer the amount of such principal and interest, with interest thereon as provided in the Indenture and the Insured 2026-1 Bonds, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Insured 2026-1 Bonds to holders, and will otherwise treat the 2026-1 Insurer as the owner of such rights to the amount of such principal and interest.

507. Additional Payments.

(1) The Authority agrees unconditionally that it will pay or reimburse the 2026-1 Insurer (solely from the Revenues and other collateral pledged to the Insured 2026-1 Bonds) on

demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the 2026-1 Insurer may pay or incur, including, but not limited to, fees and expenses of the 2026-1 Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Indenture ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the 2026-1 Insurer spent in connection with the actions described in the preceding sentence. The Authority agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the 2026-1 Insurer until the date the 2026-1 Insurer is paid in full.

(2) Notwithstanding anything herein to the contrary, the Authority agrees to pay to the 2026-1 Insurer (i) a sum equal to the total of all amounts paid by the 2026-1 Insurer under the 2026-1 Insurance Policy ("2026-1 Insurer Policy Payment"); and (ii) interest on such 2026-1 Insurer Policy Payments from the date paid by the 2026-1 Insurer until payment thereof in full by the Authority, payable to the 2026-1 Insurer at the Late Payment Rate per annum (collectively, "2026-1 Insurer Reimbursement Amounts") compounded semi-annually. Notwithstanding anything to the contrary, including without limitation the post default application of revenue provisions, 2026-1 Insurer Reimbursement Amounts shall be, and the Authority hereby covenants and agrees that the 2026-1 Insurer Reimbursement Amounts are, solely payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the Insured 2026-1 Bonds on a parity with debt service due on the Insured 2026-1 Bonds.

508. 2026-1 Debt Service Reserve Fund. The prior written consent of the 2026-1 Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the 2026-1 Debt Service Reserve Fund, if any. Amounts on deposit in the 2026-1 Debt Service Reserve Fund shall be applied solely to the payment of debt service due on the 2026-1 Bonds.

509. Exercise of Rights by the 2026-1 Insurer.

(1) The rights granted to the 2026-1 Insurer under the Indenture to request, consent to or direct any action are rights granted to the 2026-1 Insurer in consideration of its issuance of the 2026-1 Insurance Policy. Any exercise by the 2026-1 Insurer of such rights is merely an exercise of the 2026-1 Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Insured 2026-1 Bonds and such action does not evidence any position of the 2026-1 Insurer, affirmative or negative, as to whether the consent of the holders of the Insured 2026-1 Bonds or any other person is required in addition to the consent of the 2026-1 Insurer.

(2) The 2026-1 Insurer shall be entitled to pay principal of or interest on the Insured 2026-1 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Authority (as such terms are defined in the 2026-1 Insurance Policy) and any amounts due on the Insured 2026-1 Bonds as a result of acceleration of the maturity thereof in

accordance with the Indenture, whether or not the 2026-1 Insurer has received a claim upon the 2026-1 Insurance Policy.

(3) So long as the Insured 2026-1 Bonds are outstanding or any amounts are due and payable to the 2026-1 Authority, the Authority shall not sell, lease, transfer, encumber or otherwise dispose of the Southern Transmission Capital Improvements or any material portion thereof, except upon obtaining the prior written consent of the 2026-1 Insurer.

(4) No contract shall be entered into or any action taken by which the rights of the 2026-1 Insurer or security for or source of payment of the Insured 2026-1 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the 2026-1 Insurer.

(5) If an event of default occurs under any agreement pursuant to which any Obligation of the Authority has been incurred or issued and that permits the holder of such Obligation or the Trustee to accelerate the Bonds or otherwise exercise rights or remedies that are adverse to the interest of the holders of the Insured 2026-1 Bonds or the 2026-1 Insurer, as the 2026-1 Insurer may determine in its sole discretion, then an Event of Default shall be deemed to have occurred under the Indenture for which the 2026-1 Insurer or the Trustee, at the direction of the 2026-1 Insurer, shall be entitled to exercise all available remedies under the Indenture, at law and in equity. For purposes of the foregoing "Obligation" shall mean any bonds, loans, certificates, installment or lease payments or similar obligations that are payable and/or secured by Revenues on a parity or subordinate basis to the Insured 2026-1 Bonds.

ARTICLE VI

MISCELLANEOUS

601. Indenture to Remain in Effect. Except as supplemented by this Sixth Supplemental Indenture, the Original Indenture shall remain in full force and effect.

602. Counterparts. This Sixth Supplemental Indenture may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; such counterparts shall together constitute but one and the same instrument.

603. Performance of Duties. The Trustee, including in its capacity as Paying Agent hereunder, agrees to perform its duties set forth herein.

604. Severability. If any one or more of the covenants or agreements provided in this Sixth Supplemental Indenture to be performed on the part of the Authority or the Trustee, including in its capacity as Paying Agent hereunder, should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements contained herein and shall in no way affect the validity of the remaining provisions of this Sixth Supplemental Indenture.

605. Assignment. The rights, obligations and duties of the Trustee set forth herein, including its rights, obligations and duties as Paying Agent, shall not be assigned by the Trustee or any successor thereto without the prior written consent of the Authority.

606. Effective Date. This Sixth Supplemental Indenture shall become effective at such time as this Sixth Supplemental Indenture shall be executed and delivered by the Authority and the Trustee.

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IN WITNESS WHEREOF, Southern California Public Power Authority has caused this Sixth Supplemental Indenture of Trust to be signed in its name and on its behalf by its President (or a Vice President), and its seal to be hereunto affixed and attested by its Secretary (or an Assistant Secretary), thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized officer.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

[Authority Seal]

By: _____
President

Attest _____
Assistant Secretary

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

SCHEDULE I

U.S. Treasury Securities – State and Local Government Series
Invested in 2026-1 Capitalized Interest Account, 2025-1 and 2025-2 Supplemental Capitalized Interest Account and 2024-1 Supplemental Capitalized Interest Account

[insert table]

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

$_____
Southern Transmission System Renewal Project, Revenue Bonds, 2026-1

PURCHASE CONTRACT

May 6, 2026

SOUTHERN CALIFORNIA PUBLIC
POWER AUTHORITY
1160 Nicole Court
Glendora, California 91740
Attention: Executive Director

Ladies and Gentlemen:

The undersigned, Wells Fargo Bank, National Association, as representative (the "Representative") of itself, and [co-managers] (the "Underwriters"), offers to enter into the following agreement (this "Purchase Contract") with Southern California Public Power Authority ("SCPPA") which, upon SCPPA's acceptance of this offer, will be binding upon SCPPA and upon the Underwriters. This offer is made subject to SCPPA's written acceptance hereof on or before 5:00 P.M., Los Angeles time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriters upon written notice (by facsimile transmission or otherwise) delivered to SCPPA by the Representative at any time prior to the acceptance hereof by SCPPA. Terms used herein and not defined shall have the respective meanings assigned to them in the Official Statement (as defined in Section 3). The Representative represents that it has been duly authorized by the other Underwriters to act hereunder on their behalf and shall have full authority to take such action as it may deem advisable in respect of all matters pertaining to this Purchase Contract and that the Representative has been duly authorized to execute this Purchase Contract. Any action taken under this Purchase Contract by the Representative will be binding upon all the Underwriters.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriters hereby agree, jointly and severally, to purchase from SCPPA, and SCPPA hereby agrees to sell and deliver to the Underwriters, $_____ aggregate principal amount of Southern California Public Power Authority, Southern Transmission System Renewal Project, Revenue Bonds, 2026-1 (the "Bonds"). The Bonds shall be dated their date of delivery and shall mature on July 1 of the years and in the principal amounts and bear interest at the rates (payable on January 1 and July 1 in each year, commencing [July 1, 2026]), as set forth on Schedule I hereto and shall subject to redemption prior to their maturity, if applicable, as shown on Schedule II hereto. The purchase price for the Bonds shall be $_____ (representing the $_____ par amount of the Bonds, plus original issue premium of $_____, and less Underwriters' discount of $_____).

2. The Bonds. The Bonds shall be issued and secured pursuant to, the provisions relating to the joint exercise of powers found in Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, as amended (the "Act"), and, as described in, that certain Indenture of Trust, dated as of April 1, 2023 (the "Indenture of Trust"), from SCPPA to U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as previously supplemented and as supplemented by a Sixth Supplemental Indenture of Trust, dated as of May 1, 2026 (the "Sixth Supplemental Indenture"), relating to the Bonds, from SCPPA to the Trustee (the Indenture of Trust as supplemented being hereinafter referred to as the "Indenture"). The Bonds shall be payable from the Revenues (as defined in the Indenture) and certain other funds, as provided in the Indenture, and shall be as described in the Official Statement. SCPPA shall provide annual updates of certain financial information and operating data contained or incorporated by reference in the Official Statement and notice of certain specified events with respect to the Bonds pursuant to that certain Continuing Disclosure Undertaking relating to the Bonds (the "Disclosure Undertaking") dated the closing date, executed by SCPPA.

The Bonds are being issued to: (i) provide money to fund payments-in-aid of construction made to Intermountain Power Agency, a political subdivision of the State of Utah ("IPA"), for application to a portion of the costs of the Southern Transmission System Renewal Project, (ii) fund capitalized interest for the Bonds and (iii) pay costs of issuance relating to the Bonds.

3. Delivery of Official Statement. SCPPA has heretofore delivered to the Underwriters a Preliminary Official Statement, dated April 27, 2026, relating to the Bonds (the "Preliminary Official Statement"), that SCPPA has deemed final as of its date in accordance with paragraph (b)(1) of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"). SCPPA shall deliver or cause to be delivered to the Underwriters, within seven (7) business days from the date hereof and, in any event, in sufficient time to accompany any customer confirmations requesting payment, copies of an official statement, dated the date hereof, relating to the Bonds executed on behalf of and approved for distribution by SCPPA in the form of the Preliminary Official Statement, as amended to conform to the terms of this Purchase Contract and to reflect the reoffering terms of the Bonds, and with such other changes as shall have been consented to by SCPPA and acceptable to the Representative (the "Official Statement"). SCPPA shall deliver the Official Statement in such quantities as the Underwriters may request in order to comply with paragraph (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the "MSRB"). SCPPA shall also prepare and provide or cause to be provided to the Underwriters no later than one (1) business day prior to the Closing Date (as defined in Section 7) an electronic copy of the Official Statement, including any amendments thereto, in word-searchable PDF format as described in the MSRB's Rule G-32 to enable the Underwriters to comply with MSRB Rule G-32. The Representative agrees to deliver a copy of the Official Statement to the MSRB in accordance and to otherwise comply with all applicable MSRB rules.

4. Public Offering; Determination of Issue Price.

(a) It shall be a condition to SCPPA's obligation to sell and deliver the Bonds to the Underwriters, and it shall be a condition to the Underwriters' obligation to purchase, to accept delivery of and to pay for the Bonds that the entire aggregate principal amount of the Bonds shall be issued, sold, and delivered by SCPPA and purchased, accepted, and paid for by the Underwriters

on the Closing Date. The Underwriters agree to make a bona fide public offering of all of the Bonds at prices not in excess of the initial, respective public offering prices or at yields not lower than the initial, respective yields shown or derived from information shown on the inside cover of the Official Statement. Except as set forth in subsection (d) below, the Underwriters reserve the right to change such initial offering prices after such offering as they shall deem necessary in connection with the marketing of the Bonds.

(b) The Underwriters agree to assist SCPPA in establishing the issue price of the Bonds and shall execute and deliver to SCPPA at Closing an issue price certificate or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form or forms, as applicable, attached hereto as Exhibit E, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, SCPPA, and Nixon Peabody LLP, Special Tax Counsel to SCPPA, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by SCPPA under this section to establish the issue price of the Bonds may be taken on behalf of SCPPA by SCPPA's municipal advisor, PFM Financial Advisors LLC (the "Municipal Advisor"), and any notice or report to be provided to SCPPA may be provided to the Municipal Advisor.

(c) Except for the Hold the Price Maturities described in subsection (d) below and Schedule I attached hereto, SCPPA will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity. For purposes of this Section 4, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds. Schedule I attached hereto sets forth, as of the date of this Purchase Contract, the maturities of the Bonds for which the 10% test has been satisfied (the "10% Test Maturities") and the price or prices at which the Underwriters have sold such 10% Test Maturities to the public.

(d) With respect to the maturities of the Bonds that are not 10% Test Maturities, if any, as described in Schedule I attached hereto (the "Hold the Price Maturities"), the Representative confirms that the Underwriters have offered such maturities of the Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth on Schedule I attached hereto. SCPPA and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply to the Hold the Price Maturities, which will allow SCPPA to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold the offering price rule"). So long as the hold the offering price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell any portion of such maturity of the Hold the Price Maturities to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the Underwriters have sold at least 10% of that maturity of the Hold the Price Maturities to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise SCPPA promptly after the close of the 5th business day after the sale date whether the Underwriters have sold 10% of that maturity of the Hold the Price Maturities to the public at a price that is no higher than the initial offering price to the public.

(e) The Representative confirms that:

(1) any agreement among underwriters, any selling group agreement and each third party distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker dealer that is a party to such third party distribution agreement, as applicable, to:

(A) (i) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, and (ii) comply with the hold the offering price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires;

(B) promptly notify the Representative of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) acknowledge that, unless otherwise advised by the Underwriter, dealer or broker dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker dealer is a sale to the public; and

(2) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker dealer that is a party to such third party distribution agreement to

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Representative or the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public; and

(B) comply with the hold the offering price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires

(f) SCPPA acknowledges that, in making the representations set forth in this Section 4, the Representative will rely on:

(1) the agreement of each Underwriter to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold the offering price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(2) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold the offering price rule, as set forth in a selling group agreement and the related pricing wires, and

(3) in the event that an Underwriter or a dealer who is a member of the selling group is a party to a third party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold the offering price rule, if applicable to the Bonds, as set forth in the third party distribution agreement and the related pricing wires.

(g) SCPPA further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold the offering price rule, if applicable to the Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker dealer that is a party to a third party distribution agreement, to comply with its corresponding agreement.

(h) The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term as defined below) shall not constitute sales to the public for purposes of this Section 4.

(i) Further, for purposes of this Section 4:

(1) "public" means any person other than an underwriter or a related party,

(2) "underwriter" (when used with a lower case "u") means:

(i) any person that agrees pursuant to a written contract with SCPPA (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public, and

(ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the public),

(3) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are

corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(4) "sale date" means the date of execution of this Purchase Contract by all parties.

5. Use and Preparation of Documents. SCPPA hereby authorizes the use (including in designated electronic format as permitted by applicable MSRB rules) by the Underwriters of the Official Statement (including any supplements or amendments thereto) and, subject to any restrictions on the disclosure of their contents contained therein, the Basic Documents (as defined in Section 6(b) hereof), and the information therein contained, in connection with the public offering and sale of the Bonds. SCPPA hereby ratifies and approves the use (including electronic delivery) by the Underwriters prior to the date hereof of the Preliminary Official Statement and the forms of the Indenture and the Renewal Transmission Service Contracts (as defined in Section 6(b) hereof) in connection with the public offering of the Bonds.

6. Representations, Warranties and Agreements. SCPPA hereby represents, warrants and agrees as follows:

(a) SCPPA is an entity duly organized and validly existing pursuant to the Act and that certain Southern California Public Power Authority Joint Powers Agreement, dated as of November 1, 1980, as amended (the "SCPPA Organization Agreement"), among the parties therein named (hereinafter referred to as the "Members"), and the SCPPA Organization Agreement has been duly authorized, executed and delivered by each of the Members in accordance with the Act and other applicable provisions of the Constitution and laws of the State of California and the city charters or other applicable instruments or statutes of or pertaining to the Members;

(b) SCPPA has full legal right, power and authority (i) to enter into this Purchase Contract and the Disclosure Undertaking and to issue, sell and deliver the Bonds to the Underwriters as provided herein; (ii) to carry out and consummate the transactions contemplated by the Indenture, this Purchase Contract, the Disclosure Undertaking and the Official Statement; and (iii) to carry out and consummate the transactions contemplated by the Southern Transmission System Agreement, dated as of May 1, 1983, as amended by the First Amendment to the Southern Transmission System Agreement, dated as of November 1, 2008, and as further amended by the Second Amendment to Southern Transmission System Agreement, dated as of March 1, 2023, each between IPA and SCPPA (as so amended, the "Existing Southern Transmission System Agreement"), the Renewal Southern Transmission System Agreement, dated March 1, 2023 (the "Renewal Southern Transmission System Agreement"), between IPA and SCPPA, the Renewal Agreements for the Acquisition of Capacity, dated as of March 1, 2023 (collectively, the "Renewal Capacity Acquisition Agreements"), by and between SCPPA and each of the Department of Water and Power of The City of Los Angeles ("LADWP") and the California cities of Burbank and Glendale (which, together with LADWP, are hereinafter collectively referred to as the "Project

Participants"), the Renewal Transmission Service Contracts, dated as of March 1, 2023 (the "Renewal Transmission Service Contracts"), by and between SCPPA and each of the Project Participants), and the Renewal Agency Agreement, dated as of March 1, 2023 (the "Renewal Agency Agreement"), by and between SCPPA and LADWP (the Existing Southern Transmission System Agreement, the Renewal Southern Transmission System Agreement, the Renewal Capacity Acquisition Agreements, the Renewal Transmission Service Contracts, the Renewal Agency Agreement and the Indenture being herein collectively referred to as the "Basic Documents"); the Basic Documents have all been duly authorized by all necessary action on the part of SCPPA, and, except for those of the Basic Documents which by their terms become effective only upon the consummation of the transactions contemplated under this Purchase Contract, are in full force and effect; SCPPA has complied, or will on the Closing Date be in compliance in all material respects, with the terms of the Act, the SCPPA Organization Agreement and the Basic Documents and with the obligations in connection with the issuance of the Bonds on its part contained in the Bonds and this Purchase Contract; the Basic Documents and this Purchase Contract and the Disclosure Undertaking constitute the legal, valid and binding agreements or obligations of SCPPA, and in the case of the Renewal Capacity Acquisition Agreements, the Renewal Transmission Service Contracts, the Power Sales Contracts, dated as of August 6, 1980, as amended, including as amended by the Second Amendatory Power Sales Contract, dated as of December 8, 2015 (as so amended, the "IPP Existing Power Sales Contracts"), by and between each of LADWP and the California cities of Anaheim, Burbank, Glendale, Pasadena and Riverside (collectively, the "Original Transmission Service Purchasers") and IPA, and the Renewal Power Sales Contracts, dated as of January 16, 2017, as amended (the "IPP Renewal Power Sales Contracts"), by and between each of the Project Participants and IPA, constitute the legal, valid and binding agreements of the respective Original Transmission Service Purchasers or Project Participants party thereto (as applicable), enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally and by limitations on legal remedies against public agencies in the State of California; and payments by each of the Original Transmission Service Purchasers under its IPP Existing Power Sales Contract constituting Interim Revenues (as defined in the Indenture), and by each of the Project Participants under its Renewal Transmission Service Contract will constitute an operating expense of the electric utility system of such entity;

(c) By all necessary official action, SCPPA has duly authorized the execution and delivery of the Indenture and the Disclosure Undertaking, has duly authorized and approved the preparation and use of the Preliminary Official Statement and the Official Statement to be distributed in connection with the offering, sale and distribution of the Bonds and has duly authorized and approved (i) the execution and delivery of the Bonds, this Purchase Contract, the Disclosure Undertaking and the Basic Documents, (ii) the performance by SCPPA of the obligations in connection with the issuance of the Bonds on its part contained in the Bonds, this Purchase Contract, the Disclosure Undertaking and the Basic Documents, and (iii) the consummation by it of all other transactions contemplated by this Purchase Contract, the Disclosure Undertaking and the Basic Documents in connection with the issuance of the Bonds; the Bonds, when issued and delivered to the Underwriters in accordance with the Indenture and this Purchase Contract, will constitute legal, valid and binding obligations of SCPPA, enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors'

rights generally and by limitations on legal remedies against public agencies in the State of California;

(d) SCPPA is not, and will not be, in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of the United States or any state thereof or any agency or instrumentality of either or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, any of the Basic Documents) or other instrument to which SCPPA is a party or to which SCPPA or any of its property or assets is otherwise subject, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument, in any case where such breach or default would materially adversely affect (i) the marketability of the Bonds or the market prices thereof, or (ii) SCPPA or its ability to perform its obligations under this Purchase Contract, the Disclosure Undertaking and the Basic Documents; the execution and delivery of the Bonds, this Purchase Contract, the Disclosure Undertaking and the Basic Documents, and compliance with the provisions on SCPPA's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which SCPPA is a party or to which SCPPA or any of its property or assets is otherwise subject, the result of which would materially adversely affect SCPPA's ability to meet its obligations under the Bonds, this Purchase Contract, the Disclosure Undertaking or the Basic Documents or the validity or enforceability thereof, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of SCPPA or under the terms of any such law, provision, regulation or instrument, except as provided by the Bonds, the Indenture and the other Basic Documents;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, SCPPA of its obligations in connection with the issuance of the Bonds under this Purchase Contract or under the Indenture have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds; and, except as described in or contemplated by the Preliminary Official Statement and the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, SCPPA of its respective obligations under this Purchase Contract, the Disclosure Undertaking and the Basic Documents have been duly obtained, except those which need not be obtained until a future date;

(f) The Bonds when issued will conform to the descriptions thereof contained in the Preliminary Official Statement (except for the omission of certain information permitted to be omitted therefrom in accordance with Rule 15c2-12) and the Official Statement under the captions "INTRODUCTION," "DESCRIPTION OF THE 2026-1 BONDS,"; the Indenture, when

executed, will conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement under the captions "INTRODUCTION," "DESCRIPTION OF THE 2026-1 BONDS," and "SECURITY AND SOURCES OF PAYMENT FOR THE 2026-1 BONDS" and contained in APPENDIX C thereto; the Renewal Transmission Service Contracts will conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement under the captions "INTRODUCTION" and "SECURITY AND SOURCES OF PAYMENT FOR THE 2026-1 BONDS" and contained in APPENDIX C thereto; the Existing Southern Transmission System Agreement, the Renewal Southern Transmission System Agreement, the Renewal Capacity Acquisition Agreements and the IPP Existing Power Sales Contracts conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement under the captions "INTRODUCTION" and "SECURITY AND SOURCES OF PAYMENT FOR THE 2026-1 BONDS" and contained in APPENDIX C thereto; the IPP Renewal Power Sales Contracts conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement under the captions "INTRODUCTION" and contained in APPENDIX C thereto; the SCPPA Organization Agreement conforms to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement under the captions "INTRODUCTION" and "SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY"; and the Renewal Agency Agreement conforms to the description thereof contained in the Preliminary Official Statement and the Official Statement under the caption "SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY" and contained in Appendix C thereto;

(g) The Bonds, when issued, authenticated and delivered in accordance with the Indenture and sold to the Underwriters as provided herein, will be validly issued and outstanding obligations of SCPPA, entitled to the benefits of the Indenture; and upon such issuance and delivery, the Indenture will provide, for the benefit of the owners from time to time of the Bonds, the legally valid and binding pledge and lien and security interest it purports to create;

(h) Between the date of this Purchase Contract and the Closing Date, SCPPA will not, without the prior written consent of the Representative, offer or issue any notes, bonds or other obligations for borrowed money, or incur any material liabilities, direct or contingent, with respect to the Southern Transmission System Renewal Project, except in the course of normal business operations of SCPPA or except for refinancings for savings on outstanding bonds or except for such borrowings as may be described in or contemplated by the Official Statement or otherwise disclosed in writing to the Representative, nor will there be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of SCPPA;

(i) As of the date hereof, except for the litigation (A) described or referred to in the Preliminary Official Statement and the Official Statement under the caption "LITIGATION," and the subcaption "Litigation" under the caption "The Department of Water and Power of the City of Los Angeles" contained in APPENDIX A thereto, or (B) otherwise disclosed in writing to the Representative on or before the date of this Purchase Contract, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government agency, public board or body, pending or, to the knowledge of the officer of SCPPA executing this Purchase Contract, threatened against SCPPA (nor to the best knowledge of such officer is there any such action, suit, proceeding, inquiry or investigation pending or threatened against any Project Participant or Original Transmission Service Purchaser), affecting the existence of SCPPA or the

titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of the revenues of SCPPA pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge of and lien on the Revenues or other funds and accounts to be established pursuant to the Indenture, or contesting or affecting as to SCPPA the validity or enforceability of the Act, the SCPPA Organization Agreement, the Bonds, this Purchase Contract, the Disclosure Undertaking or any Basic Document or the IPP Existing Power Sales Contracts or IPP Renewal Power Sales Contracts, or contesting the tax-exempt status of interest on the Bonds for federal or State of California income tax purposes, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of SCPPA or any authority for the issuance of the Bonds or the execution and delivery or adoption, as applicable, by SCPPA of this Purchase Contract, the Disclosure Undertaking or any Basic Document, or in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby, or which would result in a material adverse change in the financial condition of SCPPA or which would materially adversely affect the transmission capacity of the Southern Transmission System or the acquisition and construction of the Southern Transmission System Renewal Project; nor, to the best knowledge of SCPPA, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Act or the performance by SCPPA of the SCPPA Organization Agreement or the authorization, execution, delivery or performance by SCPPA of the Bonds, any Basic Document, this Purchase Contract or the Disclosure Undertaking;

(j) SCPPA will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Representative may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate, and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that SCPPA shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction;

(k) As of its date and at the time of SCPPA's acceptance hereof, the Preliminary Official Statement (as supplemented and amended, if applicable, but in all cases excluding information under the caption "UNDERWRITING" and information concerning DTC, Cede & Co. and the book-entry system (collectively, the "Excluded Information")) was and is true, complete, correct and final in all material respects, except for the omission of certain information permitted to be omitted therefrom in accordance with Rule 15c2-12, and did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(l) At the time of delivery thereof to the Underwriters and (unless an event occurs of the nature described in paragraph (n) of this Section 6) at all times subsequent thereto to and including the Closing Date, the Official Statement (excluding the Excluded Information, as to which no representation is made) will be true, complete, correct and final in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary

to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(m) If the Official Statement is supplemented or amended pursuant to paragraph (n) of this Section 6, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto to and including the Closing Date, the Official Statement as so supplemented or amended (excluding the Excluded Information, as to which no representation is made) will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(n) If between the date of this Purchase Contract and that date which is 25 days after the end of the underwriting period (as determined in accordance with Section 15 hereof) any event shall occur or be discovered by SCPPA affecting SCPPA, the Revenues pledged or to be pledged to pay the principal of and interest on the Bonds or the Project Participants which might adversely affect the marketability of the Bonds or the market prices thereof, or which might cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, SCPPA shall notify the Representative thereof (and shall provide to the Representative such information concerning such event as the Representative may reasonably request) and, if in the opinion of the Representative such event requires the preparation and publication of a supplement or amendment to the Official Statement, SCPPA will at its expense prepare and furnish to the Underwriters a reasonable number of copies of such supplement to, or amendment of, the Official Statement, in a form and in a manner approved by the Representative;

(o) The financial statements of, and other financial information regarding the Project in the Preliminary Official Statement and the Official Statement fairly present the financial position and results of the Project as of the dates and for the periods therein set forth. Prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Project that was not disclosed in the Preliminary Official Statement and the Official Statement. Except as disclosed in the Preliminary Official Statement and the Official Statement, SCPPA is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the SCPPA, would have a materially adverse effect on the financial condition of the Project.

(p) The charges to be made by SCPPA for transmission service sold to the Project Participants under the Renewal Transmission Service Contracts are not subject to regulation by any authority of the State of California or the United States;

(q) Interest on the Bonds will be exempt from California personal income taxation under existing statutes, regulations, rulings and court decisions, and the federal income tax treatment of interest on the Bonds will be as described in the form of opinion of Special Tax Counsel included in the Official Statement as Appendix F thereto;

(r) SCPPA will apply the proceeds from the sale of the Bonds for the purposes specified in the Official Statement;

(s) Except as disclosed in the Preliminary Official Statement and the Official Statement, SCPPA has not failed during the previous five years to comply in any material respect with any previous undertakings in any written continuing disclosure contract or agreement under Rule 15c2-12; and

(t) Any certificate signed by an official of SCPPA authorized to do so in connection with the transactions described in this Purchase Contract and delivered pursuant to Section 8(e) shall be deemed a representation by SCPPA to the Underwriters as to the statements made therein.

7. Closing. At 8:00 a.m., Los Angeles time, on May 20, 2026 or at such earlier or later time or date as shall be mutually agreed upon by SCPPA and the Representative (such time and date being herein referred to as the "Closing Date"), SCPPA will, subject to the terms and conditions hereof, sell and deliver the Bonds to or for the account of the Underwriters in definitive form, duly executed and authenticated, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by federal funds wire or certified or official bank check or checks in federal funds immediately available in Los Angeles, California to the order of SCPPA. Sale, delivery and payment as aforesaid shall be made at the offices of Norton Rose Fulbright US LLP, 555 South Flower Street, 41st Floor, Los Angeles, California, or such other place as shall have been mutually agreed upon by SCPPA and the Representative, except that the Bonds shall be delivered through the facilities of The Depository Trust Company ("DTC") in New York, New York, or at such other place as shall have been mutually agreed upon by SCPPA and the Representative, in fully registered, book-entry eligible form (which may be typewritten) and registered in the name of Cede & Co. as nominee of DTC.

8. Closing Conditions. The Underwriters have entered into this Purchase Contract in reliance upon the representations and warranties of SCPPA contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered pursuant hereto on or prior to the Closing Date and upon the performance by SCPPA of its obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriters' obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by SCPPA of its obligations to be performed hereunder and under such documents and instruments on or prior to the Closing Date, and shall also be subject to the following additional conditions:

(a) The representations and warranties of SCPPA contained herein shall be true, complete and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

(b) As of the Closing Date, the SCPPA Organization Agreement, each of the Basic Documents, the IPP Existing Power Sales Contracts and the IPP Renewal Power Sales Contracts shall be in full force and effect in accordance with their respective terms and, shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Representative;

(c) As of the Closing Date, all necessary official action of SCPPA and of the other parties thereto relating to this Purchase Contract, the Disclosure Undertaking, the SCPPA

Organization Agreement and the Basic Documents shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect, except in any such case as may have been agreed to by the Representative;

(d) As of the Closing Date, there shall not have occurred any change in or affecting particularly SCPPA or the Project Participants, the Bonds, the Revenues, the status of construction, required permits, licenses or approvals relating to the Southern Transmission System Renewal Project, or arrangements for financing for the Southern Transmission System Renewal Project by SCPPA, as the foregoing matters are described in the Official Statement, which in the opinion of the Representative materially impairs the investment quality or marketability of the Bonds;

(e) On or prior to the Closing Date, the Representative, on behalf of the Underwriters, shall have received a copy of each of the following documents:

(1) The Official Statement and each supplement or amendment, if any, thereto, executed on behalf of SCPPA by its President, Vice President or Executive Director;

(2) A copy of each of the Basic Documents as executed by the parties thereto;

(3) The approving legal opinion, dated the Closing Date and addressed to SCPPA, of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel to SCPPA, substantially in the form included in the Official Statement as Appendix E thereto;

(4) The opinion, dated the Closing Date and addressed to SCPPA, of Nixon Peabody LLP, Los Angeles, California, Special Tax Counsel to SCPPA, substantially in the form included in the Official Statement as Appendix F thereto;

(5) An opinion, dated the Closing Date and addressed to the Underwriters, of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel and Disclosure Counsel to SCPPA, substantially in the form attached hereto as Exhibit A;

(6) An opinion, dated the Closing Date and addressed to the Underwriters, of Nixon Peabody LLP, Los Angeles, California, Special Tax Counsel to SCPPA, substantially in the form attached hereto as Exhibit F.

(7) An opinion, dated the Closing Date and addressed to the Underwriters, of General Counsel to SCPPA, substantially in the form attached hereto as Exhibit B;

(8) A certificate, dated the Closing Date, signed by the President, Vice President or Executive Director of SCPPA, substantially in the form attached hereto as Exhibit C (but in lieu of or in conjunction with paragraph 2 of such certificate the Representative may, in its sole discretion, accept certificates or opinions of Norton Rose Fulbright US LLP, Los Angeles, California, or of other counsel acceptable to the Representative, that in the opinion of such counsel the issues raised in any pending or threatened litigation referred to in such certificate are without substance or that the contentions of all plaintiffs therein are without merit);

(9) Certificates, dated the Closing Date, signed by an authorized representative of each of the Department and the Cities of Burbank and Glendale, with respect to certain matters, including with respect to the Department, the information pertaining to it contained in the Preliminary Official Statement and the Official Statement, such certificate of the Department being substantially in the form attached hereto as Exhibit D-1 and the certificates of each of the Cities of Burbank and Glendale being substantially in the form attached hereto as Exhibit D-2;

(10) An opinion, dated the Closing Date and addressed to the Underwriters, of Hawkins Delafield & Wood LLP, counsel for the Underwriters, to the effect that (i) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended, (ii) based upon the participation of such firm in the preparation of the Preliminary Official Statement and the Official Statement, as the case may be, and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, nothing has come to the attention of the attorneys in such firm rendering legal services in connection with such representation that caused them to believe that the Preliminary Official Statement, as of its date and as of May 6, 2026, or the Official Statement, as of its date and as of the Closing Date (excluding the financial statements or other financial or statistical data or forecasts and the information concerning DTC and the book-entry only system, the discussions of permits, licenses and approvals required for the construction and operation of Intermountain Power Project, including the Southern Transmission System Renewal Project, or the other activities or projects of SCPPA or other projects of the Project Participants, and the status of each, the description of any litigation, the financial and statistical information with respect to the Project Participants contained in the Preliminary Official Statement and the Official Statement, and Appendices A (as to information relating to any financial, statistical or economic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion expressed or set forth therein) and B through G thereto, as to all of which no opinion is expressed), contained or contains an untrue statement of material fact or omitted or omits to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (iii) assuming the due execution and delivery of the Disclosure Undertaking by SCPPA and the enforceability thereof, the Disclosure Undertaking satisfies clause (b)(5)(i) of Rule 15c2-12 of the Securities Exchange Act, which requires an undertaking for the benefit of the holders, including beneficial owners, of the Bonds to provide annual updates of certain Official Statement information and certain event notices to the MSRB at the times and in the manner required by such Rule;

(11) A transcript of all proceedings relating to the authorization and issuance of the Bonds certified by the Secretary or an Assistant Secretary of SCPPA, including the Disclosure Undertaking;

(12) An opinion of counsel to each of the Project Participants, dated the Closing Date and addressed to SCPPA and the Underwriters, in substantially the form attached as Exhibit B to the Renewal Transmission Service Contacts, and including, among other

things, the opinion of such counsel to the effect that the IPP Renewal Power Sales Contract, the Renewal Capacity Acquisition Agreement and the Renewal Transmission Service Contract executed by such Project Participant have been duly authorized, executed and delivered and constitute the legal, valid and binding obligation of such Project Participant, enforceable against such Project Participant in accordance with their respective terms;

(13) A letter from counsel to each of the Original Transmission Service Purchasers, dated the Closing Date and addressed to SCPPA and the Underwriters, confirming as of the Closing Date, and entitling the Underwriters to rely upon, the conclusions contained in the opinions of such counsel to the effect that the IPP Existing Power Sales Contract executed by such Original Transmission Service Purchaser has been duly authorized, executed and delivered and constitutes the legal, valid and binding obligation of such Original Transmission Service Purchaser, enforceable against such Original Transmission Service Purchaser in accordance with its terms;

(14) An opinion, dated the Closing Date and addressed to SCPPA and the Underwriters, of counsel to the Trustee, in form and substance acceptable to SCPPA and the Representative, to the effect that the Trustee is duly authorized to execute, deliver and perform its obligations under the Indenture, and that the same is valid, binding and enforceable against the Trustee in accordance with its terms;

(15) [Evidence reasonably satisfactory to the Underwriters that, as of the date of the Closing, the Bonds shall have been rated at least "Aa2" and "AA–" by Moody's Investors Service, Inc. and Fitch Ratings, Inc., respectively, and neither such rating shall have been suspended, revoked or downgraded]; and

(16) Such additional legal opinions, certificates, instruments and other documents as the Representative may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of SCPPA's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by SCPPA on or prior to the Closing Date of all the agreements then to be performed and conditions then to be satisfied by it; and

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Representative; provided, however, the opinions and certificates referred to in subparagraphs (3), (4), (5), (6), (7), (8) and (9) of paragraph (e) of this Section, inclusive, shall be deemed satisfactory provided they are substantially in the respective forms attached as an appendix to the Official Statement or as exhibits to this Purchase Contract, as applicable.

If SCPPA shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Contract, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriters nor SCPPA shall be under any further obligation

hereunder, except that the respective obligations of SCPPA and the Underwriters set forth in Sections 10 and 12 hereof shall continue in full force and effect.

9. Termination. The Underwriters shall have the right to terminate its obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds by the Representative notifying SCPPA of their election to do so if, after the execution hereof and prior to the Closing Date:

(i) an event or circumstance shall occur or be discovered which makes untrue or incorrect in any material respect, any statement or information contained in the Official Statement or which is not reflected in the Official Statement but should be reflected therein in order to make the statements contained therein in the light of the circumstances under which they were made not misleading in any material respect and, in either such event, (a) SCPPA refuses to permit the Official Statement to be supplemented to supply such statement or information in a manner satisfactory to the Representative or (b) the effect of the Official Statement as so supplemented is, in the reasonable judgment of the Representative, to materially adversely affect the market prices or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds; or

(ii) legislation shall be enacted by the State of California or by the United States, recommended to the legislature of the State of California by the Governor or to the Congress for passage by the President of the United States, or favorably reported for passage to either house of the legislature of the State of California or either house of the Congress by any committee of any such house to which such legislation has been referred for consideration, or a decision shall be rendered by any court of the State of California or the United States of competent jurisdiction, or a ruling or regulation (final, temporary or proposed) shall be issued on behalf of the Treasury Department of the United States, the Internal Revenue Service or any other authority of the United States, affecting the tax-exempt status of SCPPA or the interest on its bonds or its notes (including the Bonds) for federal or State of California income tax purposes which, in the reasonable judgment of the Representative, materially adversely affects the market prices or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds; or

(iii) any action shall have been taken by (a) the Securities and Exchange Commission or by a court of competent jurisdiction which would require registration of the Bonds under the Securities Act of 1933, as amended, or qualification of any indenture under the Trust Indenture Act of 1939, as amended, in connection with the public offering of the Bonds or the effect of which is that the issuance, offering or sale of the Bonds as contemplated would be in violation of the federal securities laws as amended and in effect; or (b) any court or by any governmental authority suspending the offering or sale of the Bonds or the use of the Official Statement or any amendment or supplement thereto; or

(iv) there shall have been (1) a declaration of war or engagement in or escalation of military hostilities by the United States or any act of terrorism or (2) any other calamity or crisis (or material escalation in any calamity or crisis), which in the reasonable judgment

of the Representative, materially adversely affects the market prices or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds; or

(v) there shall have occurred the declaration of a general banking moratorium by any authority of the United States or the States of New York or California or a material disruption in commercial banking or securities settlement or clearance services or payment services shall have occurred which, in the reasonable judgment of the Representative, materially adversely affects the market prices or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds; or

(vi) there shall have occurred a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required on the New York Stock Exchange or other national stock exchange whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental agency having jurisdiction or any national securities exchange shall have (a) imposed additional material restrictions not in force as of the date hereof with respect to trading in securities generally, or to the Bonds or similar obligations; or (b) materially increased restrictions now in force with respect to the charge to the net capital requirements of Underwriters or broker dealers which, in the reasonable judgment of the Representative, materially adversely affects the market prices or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds; or

(vii) there shall have been a downgrading, suspension or withdrawal of the rating on the Bonds, or the rating on the Bonds shall have been placed on "credit watch" or "negative outlook" or similar qualification.

10. Expenses. (a) The Underwriters shall be under no obligation to pay, and SCPPA shall pay, any expenses incident to the performance of SCPPA's obligations hereunder including, but not limited to: (i) the cost of preparation and printing of the Indenture, the Preliminary Official Statement and the Official Statement and any supplements or amendments thereto; (ii) the cost of preparation and printing of the Bonds; (iii) the fees and disbursements of Norton Rose Fulbright US LLP, Bond Counsel to SCPPA, Nixon Peabody LLP, Special Tax Counsel to SCPPA, and the fees and expenses of counsel to SCPPA; (iv) the fees and disbursements, if any, of the Trustee; (v) the fees and disbursements of PFM Financial Advisors LLC for its services as financial advisor to SCPPA with regards to the Southern Transmission System Renewal Project; (vi) the fees and disbursements of any engineers, accountants and other experts, consultants or advisers retained by SCPPA or providing letters, opinions or reports to SCPPA or the Underwriters pursuant to this Purchase Contract; (vii) fees for bond ratings; (viii) the cost of preparation and printing of this Purchase Contract and the Blue Sky Memorandum; (ix) all advertising expenses and Blue Sky filing fees in connection with the public offering of the Bonds; (x) any expenses for air travel, hotel costs, meals and transportation for SCPPA employees in connection with the pricing of the Bonds, any investor meetings, any rating agency trips and the Closing; and (xi) any other miscellaneous Closing costs. SCPPA acknowledges that it has had an opportunity, in consultation with such

advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

(b) SCPPA has agreed to pay the Underwriters' discount set forth in Section 1 of this Purchase Contract, and inclusive in the expense component of the Underwriters' discount are expenses incurred or paid for by the Underwriters on behalf of SCPPA in connection with the marketing, issuance, and delivery of the Bonds, including, but not limited to, advertising expenses, fees and expenses of Underwriters' Counsel, the costs of any Preliminary and Final Blue Sky Memoranda, fees payable to the California Debt and Investment Advisory Commission, CUSIP Global Services and DTC in connection with the issuance of the Bonds, and transportation, lodging, and meals for SCPPA's employees and representatives in connection with the sale and issuance of the Bonds.

SCPPA and the Representative acknowledge that expenses included in the expense component of the Underwriters' discount are based upon estimates. SCPPA and the Representative agree that in the event the aggregate estimated expenses exceed the aggregate actual expenses incurred by the Representative in an amount equal to or greater than $1,000 (the "Reimbursement Threshold"), the Representative shall reimburse to SCPPA the aggregate amount of expenses equal to or greater than the Reimbursement Threshold. For the avoidance of doubt, SCPPA acknowledges and agrees that in the event the aggregate estimated expenses exceed the aggregate actual expenses incurred by the Representative in an amount less than the Reimbursement Threshold, no reimbursement will be made by the Representative. SCPPA acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

(c) Notwithstanding the foregoing, if the Underwriters or SCPPA shall bring an action to enforce any part of this Purchase Contract against the other, each party shall bear its attorneys' fees and costs incurred in connection with such action.

11. Notices. Any notice or other communication to be given to SCPPA under this Purchase Contract may be given by delivering the same in writing at SCPPA's address set forth above, and any notice or other communication to be given to the Underwriters under this Purchase Contract may be given by delivering the same in writing to the Representative as Wells Fargo Bank, National Association, Wells Fargo Corporate & Investment Banking, 333 S. Grand Ave., 9th Floor, Los Angeles, CA 90071, Attention: Michael Engelbrecht.

12. Parties in Interest. This Purchase Contract is made solely for the benefit of SCPPA and the Underwriters (including the successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. All of SCPPA's representations, warranties and agreements contained in this Purchase Contract shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds pursuant to this Purchase Contract; and (iii) any termination of this Purchase Contract.

13. Effectiveness. This Purchase Contract shall become effective upon the execution of the acceptance by the President, any Vice President, the Executive Director or the Chief

Financial and Administrative Officer of SCPPA and shall be valid and enforceable at the time of such acceptance.

14. Headings. The headings of the sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

15. End of Underwriting Period. The term "end of the underwriting period" referred to in Section 6(n) of this Purchase Contract shall mean the later of such time as (i) SCPPA delivers the Bonds to the Underwriters and (ii) the Underwriters does not retain an unsold balance of the Bonds for sale to the public. Unless the Representative gives notice to the contrary, the end of the underwriting period shall be deemed to be the Closing Date. Any notice delivered pursuant to this Section 15 shall be delivered in writing to SCPPA at or prior to the Closing Date, and shall specify a date, other than the Closing Date (or such other date previously specified by notice delivered pursuant to this Section 15), to be deemed the end of the underwriting period. In no event, without the prior agreement of SCPPA, shall the end of the underwriting period be a date more than 30 days after the Closing Date.

16. Counterparts. This Purchase Contract may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

17. Representation By Counsel; Drafting. The Underwriters and SCPPA each acknowledge that it has been represented by counsel in negotiating and drafting this Purchase Contract. Each provision of this Purchase Contract shall be construed with the recognition that both parties participated in the drafting of the same. Thus, any rule of construction that requires this Purchase Contract to be construed against the drafting party shall not be applicable.

18. Arm's Length Commercial Transaction. The primary role of the Underwriters is to purchase the Bonds for resale to investors, in an arm's length commercial transaction between SCPPA and the Underwriters. The Underwriters and SCPPA acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between SCPPA, on the one hand, and the Underwriters, on the other hand, (ii) in connection with such transaction and with the discussions, undertakings and procedures leading up to the consummation of such transaction, each Underwriter is and has been acting solely as a principal and not as a municipal advisor, a financial advisor, or a fiduciary of SCPPA, and may have financial and other interests that differ from those of SCPPA, (iii) the Underwriters have not assumed (individually or collectively) a fiduciary responsibility in favor of SCPPA with respect to the offering of the Bonds or the discussions, undertakings and procedures leading thereto (whether or not any Underwriter, or any affiliate of an Underwriter, has provided or is currently providing services or advice to SCPPA on other matters), (iv) the only obligations the Underwriters have to SCPPA with respect to the transactions contemplated hereby are expressly set forth in this Purchase Contract, and (v) SCPPA and the Underwriters have consulted with their respective legal, financial, accounting, tax and other advisors to the extent they deemed appropriate in connection with the offering of the Bonds. None of the Underwriters is acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended) in connection with the matters contemplated by this Purchase Contract.

19. Compensation. The Underwriters acknowledge and agree that (1) the compensation received by the Underwriters in connection with this Purchase Contract was determined pursuant to an arm's length transaction as specified in Section18 above; (2) no other compensation received for such services was received from sources other than proceeds of the Bonds; and (3) such compensation only covers services in connection with the issuance of the Bonds and this Purchase Contract.

20. Governing Law. This Purchase Contract shall be construed in accordance with the laws of the State of California. Any action arising hereunder shall be filed and maintained in Los Angeles County, California.

21. Severability. If any provision of this Purchase Contract shall be held to be invalid, illegal or unenforceable in any respect, then such provision shall be deemed severable from the remaining provisions contained in this Purchase Contract and such invalidity, illegality or unenforceability shall not affect any other provision of this Purchase Contract.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

22. Entire Agreement; Amendments. This Purchase Contract constitutes the entire agreement between the parties hereto with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties. This Purchase Contract shall only be amended, supplemented or modified in a writing signed by both of the parties hereto.

Very truly yours,

Wells Fargo Bank, National Association
[co-managers]

By: Wells Fargo Bank, National Association,
as Representative of the Underwriters

By: _____
Managing Director

Accepted on this _ day of May, 2026:

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____
Executive Director

SCHEDULE I

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR YIELD

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Southern Transmission System Renewal Project, Revenue Bonds, 2026-1

Serial Bonds

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	Price

$_____ _____% Term Bonds due July 1, 20_____ – Yield _____%; Price _____

$_____ _____% Term Bonds due July 1, 20_____ – Yield _____%; Price _____

[C] Price to par call date of July 1, 203_.
[*] 10% Test Maturities.

SCHEDULE II
REDEMPTION PROVISIONS

Optional Redemption. The Bonds maturing on and after July 1, 20__ are subject to redemption prior to maturity, at the option of SCPPA, from any source of available funds, in whole or in part (and, if in part, from such maturities as SCPPA shall direct), on any date on or after July 1, 20__, at a redemption price equal to the principal amount of the Bonds, or portions thereof, to be redeemed, without premium, in each case together with accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The Bonds maturing on July 1, 20__ are subject to mandatory sinking fund redemption, on July 1 of each of the years set forth in the following table in the respective redemption amounts set forth opposite such years in said table (together with accrued interest thereon), without premium:

Bonds
Maturing on July 1, 20__

Redemption Date (July 1)	Redemption Amount

†

† Maturity.

The Bonds maturing on July 1, 20__ are subject to mandatory sinking fund redemption, on July 1 of each of the years set forth in the following table in the respective redemption amounts set forth opposite such years in said table (together with accrued interest thereon), without premium:

Bonds
Maturing on July 1, 20__

Redemption Date (July 1)	Redemption Amount

†

† Maturity.

EXHIBIT A

Opinion to the Underwriters of Bond and Disclosure Counsel

[Letterhead of Norton Rose Fulbright LLP]

[Closing Date]

[co-managers]
Wells Fargo Bank, National Association
c/o Wells Fargo Bank, National Association,
as Representative of the Underwriters

Re: Southern California Public Power Authority
Southern Transmission System Renewal Project, Revenue Bonds, 2026-1

Ladies and Gentlemen:

This letter is delivered to you, as underwriters, pursuant to Section 8(e)(5) of the Purchase Contract, dated May 6, 2026 (the "Purchase Contract"), between Wells Fargo Bank, National Association, as your Representative, and Southern California Public Power Authority (the "Authority").

As used herein, the terms "Basic Documents," "Indenture," "Disclosure Undertaking," "Preliminary Official Statement," "Official Statement," "Renewal Transmission Service Contract," "Renewal Capacity Acquisition Agreement," "IPP Existing Power Sales Contracts," "IPP Renewal Power Sales Contracts," "Original Transmission Service Purchasers" and "Project Participants," shall have the respective meanings ascribed thereto in the Purchase Contract.

We deliver herewith a copy of our opinion, dated the date hereof and addressed to the Authority, as to the validity of the Authority's Southern Transmission System Renewal Project, Revenue Bonds, 2026-1 (the "Bonds"). This will confirm that you may rely upon such opinion as if the same were addressed to you. We express no view or opinion as to the validity or binding or enforceable nature of any of the Basic Documents, except as set forth in such opinion.

We are of the opinion that:

1. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

2. The statements contained in the Preliminary Official Statement and the Official Statement under the captions "INTRODUCTION," "DESCRIPTION OF THE 2026-1 BONDS," and "SECURITY AND SOURCES OF PAYMENT FOR THE 2026-1 BONDS" and contained in APPENDIX C thereto (excluding the statements under each such caption relating to The Depository Trust Company ("DTC"), Cede & Co. or the book-entry only system, as to all of which we express no view), insofar as the statements contained under such captions purport to summarize certain provisions of the Bonds, the

Indenture, the Renewal Transmission Service Contracts, and the other Basic Documents, the IPP Existing Power Sales Contracts and the IPP Renewal Power Sales Contracts, present an accurate summary of such provisions and opinion for the purpose of use in the Preliminary Official Statement and the Official Statement;

3. No order, filing, consent, approval, exemption of or registration with any governmental authority (other than such filings or registration as have been completed or orders, consents, or approvals as have been obtained) is required in connection with the execution and delivery by the Authority of the Bonds, the Indenture, the Renewal Transmission Service Contracts or the other Basic Documents;

4. Under the Constitution and laws of the State of California, each IPP Existing Power Sales Contract, IPP Renewal Power Sales Contract, Renewal Capacity Acquisition Agreement and Renewal Transmission Service Contract constitutes a valid and binding agreement of the Original Transmission Service Purchaser or Project Participant party thereto (as applicable) enforceable in accordance with its terms. In rendering the foregoing opinion, we have made no investigation of, and do not express any opinion with respect to, the following as they may relate to the valid, binding and enforceable nature of such agreements and contracts: (i) the legal existence or formation of any Original Transmission Service Purchaser or Project Participant or the incumbency of any official or officer thereof, (ii) any local or special acts or any ordinance, resolution or other proceedings of any Original Transmission Service Purchaser or Project Participant, including, without limitation, any proceedings relating to the negotiation or authorization of any IPP Existing Power Sales Contract, IPP Renewal Power Sales Contract, Renewal Capacity Acquisition Agreement or Renewal Transmission Service Contract, or the execution, delivery or performance thereof (except that we have examined the respective ordinances and resolutions pursuant to which such agreements and contracts were authorized by the respective Original Transmission Service Purchasers and Project Participants), (iii) any bond resolution, indenture, contract, debt instrument, agreement or other instrument (other than such agreements or contracts) or any governmental order, regulation or rule of or applicable to any Original Transmission Service Purchaser or Project Participant, (iv) any judicial order, judgment or decree in a proceeding to which any Original Transmission Service Purchaser or Project Participant is a party, or (v) any approval, consent, filing, registration or authorization by or with any regulatory authority or other governmental or public agency, authority or person which may be or has been required for the authorization, execution, delivery or performance by any Original Transmission Service Purchaser or Project Participant of its IPP Existing Power Sales Contract, IPP Renewal Power Sales Contract, Renewal Capacity Acquisition Agreement or Renewal Transmission Service Contract. The Authority has heretofore received, independent from this opinion, opinions with respect to, among other things, the validity and enforceability of the IPP Existing Power Sales Contracts, IPP Renewal Power Sales Contracts, Renewal Capacity Acquisition Agreements and Renewal Transmission Service Contracts rendered by legal counsel to the respective Original Transmission Service Purchasers and Project Participants; and

5. The Purchase Contract and the Disclosure Undertaking have been duly authorized, executed and delivered by the Authority, and assuming due authorization,

execution and delivery by the other party thereto in the case of the Purchase Contract, each constitutes a legal, valid and binding agreement of the Authority.

The opinions expressed in paragraphs 4 and 5 hereof are qualified to the extent that the enforceability of the IPP Existing Power Sales Contracts, the IPP Renewal Power Sales Contracts, the Renewal Capacity Acquisition Agreements, the Renewal Transmission Service Contracts and the Purchase Contract and the Disclosure Undertaking may be limited by any applicable bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases or as to the availability of a particular remedy. In addition, the enforceability of the IPP Existing Power Sales Contracts, the IPP Renewal Power Sales Contracts, the Renewal Capacity Acquisition Agreements, the Renewal Transmission Service Contracts, the Purchase Contract and the Disclosure Undertaking is subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, to the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and to the limitations on legal remedies against public agencies in the State of California. We express no opinion as to any indemnification, contribution, penalty, choice of law, choice of forum or waiver provisions contained in the foregoing documents.

Based upon our participation in the preparation of the Preliminary Official Statement and the Official Statement as Bond Counsel and Disclosure Counsel to SCPPA and upon the information made available to us in the course of the foregoing, but without having undertaken to determine or verify independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement (except to the extent expressly set forth in paragraph 2 above), as of the date hereof, nothing has come to the attention of the personnel directly involved in rendering legal advice and assistance in connection with the preparation of the Preliminary Official Statement and the Official Statement that causes us to believe that (a) the Preliminary Official Statement, as of its date or as of May 6, 2026, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading (excluding therefrom the discussions contained in the Preliminary Official Statement of permits, licenses and approvals required for the construction and operation of the Southern Transmission System Renewal Project (as defined in the Preliminary Official Statement) or other activities of the Authority or other projects of the Authority or the Project Participants, and the status thereof, the description of any litigation, any information relating to DTC, Cede & Co., the book-entry only system, the financial, statistical and other information with respect to the Project Participants, forecasts, projections, estimates, assumptions and expressions of opinions and the other financial and statistical data included therein and information in the first paragraph of the cover page, under the caption "TAX MATTERS" and in Appendix F—"PROPOSED FORM OF SPECIAL TAX COUNSEL OPINION," as to all of which we express no view) and except for such information as is permitted to be excluded from the Preliminary Official Statement pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, including, but not limited to information as to pricing, yields, interest rates, maturities, amortization, redemption provisions, debt service requirements, underwriters' discount and CUSIP numbers, or (b) the Official Statement, as of its date or as of the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact

necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (excluding therefrom the discussions contained in the Official Statement of permits, licenses and approvals required for the construction and operation of the Southern Transmission System Renewal Project (as defined in the Official Statement) or other activities of the Authority or other projects of the Authority or the Project Participants, and the status thereof, the description of any litigation, any information relating to DTC, Cede & Co., the book-entry only system, the financial, statistical and other information with respect to the Project Participants, forecasts, projections, estimates, assumptions and expressions of opinions and the other financial and statistical data included therein and information in the first paragraph of the cover page, under the caption "TAX MATTERS" and in Appendix F—"PROPOSED FORM OF SPECIAL TAX COUNSEL OPINION," as to all of which we express no view).

During the period from the date of the Preliminary Official Statement to the date of this opinion, except for our review of the certificates and opinions regarding the Preliminary Official Statement and the Official Statement delivered on the date hereof, we have not undertaken any procedures or taken any actions which were intended or likely to elicit information concerning the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or the Official Statement.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions. Such opinions may be adversely affected by actions taken or events occurring, including a change in law, regulation or ruling (or in the application or official interpretation of any law, regulation or ruling) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions are taken or such events occur, and we have no obligation to update this opinion in light of any such actions or events.

We are furnishing you this letter at the request of the Authority and solely for the information of, and assistance to, you in conducting and documenting your investigation of the affairs of the Authority in connection with the offering of the Bonds and it is not to be used, circulated, quoted or otherwise referred to for any other purpose, including but not limited to the purchase or sale of the Bonds, nor is it to be referred to in whole or in part in the Preliminary Official Statement or the Official Statement or any other document, except that it may be included in, and reference may be made to it in any list of, the closing documents pertaining to the delivery of the Bonds. The provision of this opinion letter to you shall not create any attorney-client relationship between our firm and you. This opinion letter may not be relied upon by any other person, firm, corporation or other entity without our prior written consent, and we have no obligation to update this opinion.

Very truly yours,

EXHIBIT B

[Opinion to the Underwriters of Counsel to SCPPA]

[Letterhead of Counsel to SCPPA]

[Closing Date]

[Co-managers]
Wells Fargo Bank, National Association
c/o Wells Fargo Bank, National Association, LLC,
as Representative of the Underwriters

Re: Southern California Public Power Authority
Southern Transmission System Renewal Project, Revenue Bonds, 2026-1

Ladies and Gentlemen:

I am General Counsel to Southern California Public Power Authority ("SCPPA"), a joint exercise of powers agency organized and existing pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, as amended (the "Act"). This opinion is rendered pursuant to Section 8(e)(7) of the Purchase Contract, dated May 6, 2026 (the "Purchase Contract"), by and between SCPPA and Wells Fargo Bank, National Association, as representative (the "Representative") of the underwriters named therein (the "Underwriters") relating to the sale of $_____ aggregate principal amount of SCPPA's Southern Transmission System Renewal Project, Revenue Bonds, 2026-1 (the "Bonds").

As used herein the terms "SCPPA Organization Agreement," "Indenture," "Basic Documents," "Renewal Transmission Service Contracts," "IPP Existing Power Sales Contracts," "IPP Renewal Power Sales Contracts," "Renewal Capacity Acquisition Agreements," "Original Transmission Service Purchasers," "Project Participants," "Cede & Co.," "DTC," "Preliminary Official Statement," and "Official Statement," shall have the respective meanings ascribed thereto in the Purchase Contract.

I am of the opinion that:

1. SCPPA is a joint powers authority duly organized and validly existing under the Act and the SCPPA Organization Agreement, and has full legal right, power and authority to execute and deliver, and to perform its obligations under, the Basic Documents and, the Purchase Contract and the Disclosure Undertaking.

2. Assuming the due authorization, execution and delivery of the SCPPA Organization Agreement by the parties thereto (the "Members"), the SCPPA Organization Agreement constitutes the legal, valid and binding obligation of the Members, enforceable against the Members in accordance with its terms.

3. The Purchase Contract, the Disclosure Undertaking and the Basic Documents have been duly authorized, executed and delivered by SCPPA, and, assuming

due authorization, execution and delivery by each of the other respective parties thereto, the Purchase Contract, the Disclosure Undertaking and the Basic Documents constitute the legal, valid and binding obligations of SCPPA, enforceable against SCPPA in accordance with their respective terms.

4. Except as disclosed in the Preliminary Official Statement and the Official Statement, no order, filing, consent, approval, exemption of or registration with any governmental authority (other than such filings or registrations as have been completed or orders, consents or approvals as have been obtained) is required in connection with the execution and delivery by SCPPA of the Bonds, the Basic Documents, the Purchase Contract or the Disclosure Undertaking; provided, however, that no opinion is expressed with respect to qualification of the Bonds for sale under blue sky or other state securities laws.

5. The statements contained in the Preliminary Official Statement and the Official Statement under the caption "SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY" present a fair and accurate description of SCPPA for the purpose of use in the Preliminary Official Statement and the Official Statement, respectively.

6. SCPPA is not in material breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which SCPPA is a party or to which SCPPA or any of its property or assets are otherwise subject, the result of which would materially adversely affect SCPPA's ability to meet its obligations under the Bonds, the Purchase Contract, the Disclosure Undertaking or the Basic Documents or the validity or enforceability thereof, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or event of default under any such instrument, the result of which would materially adversely affect SCPPA's ability to meet its obligations under the Bonds, the Purchase Contract, the Disclosure Undertaking or the Basic Documents or the validity or enforceability thereof.

7. The execution and delivery of the Bonds, the Purchase Contract, the Disclosure Undertaking and the Basic Documents and compliance with the provisions on SCPPA's part contained therein, will not conflict with or constitute a material breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which SCPPA is a party or to which SCPPA or any of its property or assets are otherwise subject, the result of which would materially adversely affect SCPPA's ability to meet its obligations under the Bonds, the Purchase Contract, the Disclosure Undertaking or the Basic Documents or the validity or enforceability thereof, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of SCPPA or under the terms of any such provision, law, regulation, resolution or instrument, except as provided by the Bonds, the Indenture and the other Basic Documents.

8. The charges to be made by SCPPA for transmission service sold to the Project Participants under the Renewal Transmission Service Contracts are not subject to regulation by any authority of the State of California or the United States.

9. As of the date hereof, except as described in the Preliminary Official Statement and the Official Statement under the caption "LITIGATION" or otherwise disclosed in writing to the Representative, to the best of my knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or threatened against SCPPA affecting the corporate existence of SCPPA or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain, or enjoin the issuance or delivery of the Bonds or the collection of the Revenues of SCPPA pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge of and lien on the revenues, funds and accounts established pursuant to the Indenture, or contesting or affecting as to SCPPA the validity or enforceability of the Act, the SCPPA Organization Agreement, the Bonds, the Purchase Contract, the Disclosure Undertaking or any Basic Document, or SCPPA's ability to perform its obligations and transactions under the Basic Documents, or contesting the tax-exempt status of interest on the Bonds for federal or State of California income tax purposes or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of SCPPA or any authority for the issuance of the Bonds, or the execution and delivery by SCPPA of the Purchase Contract, the Disclosure Undertaking or any Basic Document, nor, to the best of my knowledge, is there any basis for any such action, suit, proceeding, inquiry or investigation wherein any unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Act or the performance by SCPPA of the SCPPA Organization Agreement or the authorization, execution, delivery or performance by SCPPA of the Bonds, any Basic Document, the Purchase Contract or the Disclosure Undertaking.

Based upon my participation in the preparation of the Preliminary Official Statement and the Official Statement as counsel for SCPPA and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement (except to the extent expressly set forth in paragraph 5 above), as of the date hereof, nothing has come to my attention which would cause me to believe that: (A) the Preliminary Official Statement, as of its date and as of May 6, 2026 (as supplemented or amended pursuant to paragraph (n) of Section 6 of the Purchase Contract, if applicable), contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for the discussion contained in the Preliminary Official Statement of permits, licenses and approvals required for the construction and operation of the Southern Transmission System Renewal Project (as defined in the Preliminary Official Statement), or other activities of SCPPA or other projects of the Project Participants, and the status of each, any information relating to DTC, Cede & Co. or the book-entry only system, the financial, statistical and other information with respect to the Project Participants and the other financial and statistical data included therein, as to all of which I express no view); or (B) the Official Statement, as of its date and as of the date hereof (as supplemented or amended pursuant to paragraph (n) of Section 6 of the Purchase Contract, if applicable), contained or contains any untrue statement of a

material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for the discussion contained in the Official Statement of permits, licenses and approvals required for the construction and operation of the Southern Transmission System Renewal Project (as defined in the Official Statement), or other activities of SCPPA or other projects of the Project Participants, and the status of each, any information relating to DTC, Cede & Co. or the book-entry only system, the financial, statistical and other information with respect to the Project Participants and the other financial and statistical data included therein, as to all of which I express no view).

Insofar as the foregoing opinions relate to the legal, valid and binding effect, and the enforceability, of any instrument, such opinions are subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and are subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against public agencies in the State of California. Also, a court may refuse to enforce a provision if it deems that such provision is in violation of public policy.

The opinions expressed herein are based upon the laws and other matters in effect on the date hereof. The opinions expressed are matters of professional judgment and are not a warranty or guarantee of result. I assume no obligation to revise or supplement this opinion letter should any law be changed by legislative action, judicial decision or otherwise, or should any facts or other matters upon which I have relied be changed.

The opinions which are set forth or which are expressed herein are limited to the laws of the State of California and the federal laws of the United States.

The opinions herein are furnished exclusively to the above recipients to whom this opinion letter is addressed. This opinion letter may not be provided to, made available to, or relied upon by any other party.

Respectfully submitted,

Christine Godinez
General Counsel
Southern California Public Power Authority

EXHIBIT C

CERTIFICATE OF SCPPA

I, Daniel E Garcia, Executive Director of Southern California Public Power Authority ("SCPPA"), **DO HEREBY CERTIFY** as follows:

1. The representations and warranties of SCPPA contained in the Purchase Contract, dated May 6, 2026, by and between SCPPA and Wells Fargo Bank, National Association, as representative (the "Representative") of the underwriters named therein (the "Purchase Contract") with respect to the sale by SCPPA of its Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, issued in the aggregate principal amount of $_____ (the "Bonds"), are true and correct in all material respects on and as of the date hereof as if made on this date.

2. As of the date hereof, except for the litigation (A) described or referred to in the Preliminary Official Statement of SCPPA, dated April 27, 2026 (the "Preliminary Official Statement"), and in the Official Statement of SCPPA, dated May 6, 2026 (the "Official Statement"), relating to the Bonds, under the caption "LITIGATION" and the subcaption "Litigation" under the caption "The Department of Water and Power of the City of Los Angeles" contained in APPENDIX A thereto, or (B) otherwise disclosed in writing to the Representative, to the best of my knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government agency, public board or body, pending or threatened against SCPPA (nor to the best of my knowledge is there any such action, suit, proceeding, inquiry or investigation pending or threatened against any Project Participant or Original Transmission Service Purchaser), affecting the existence of SCPPA or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of the revenues of SCPPA pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge of and lien on the Revenues (as defined in the Indenture) or other funds and accounts to be established pursuant to the Indenture, or contesting or affecting as to SCPPA the validity or enforceability of the Act, the SCPPA Organization Agreement, the Bonds, the Purchase Contract, the Disclosure Undertaking, any Basic Document or the IPP Existing Power Sales Contracts or IPP Renewal Power Sales Contracts, or contesting the tax exempt status of interest on the Bonds for federal or California income tax purposes, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of SCPPA or any authority for the issuance of the Bonds or the execution and delivery or adoption by SCPPA of the Purchase Contract, the Disclosure Undertaking or any Basic Document, or in any way contesting or challenging the consummation of the transactions contemplated thereby, or which might result in a material adverse change in the financial condition of SCPPA or which might materially adversely affect the transmission capacity of the Southern Transmission System or the acquisition and construction of the Southern Transmission System Renewal Project (as such terms are defined

in the Preliminary Official Statement and the Official Statement); nor, to the best of my knowledge, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Act or the performance by SCPPA of the SCPPA Organization Agreement or the authorization, execution, delivery or performance by SCPPA of the Bonds, any Basic Document, the Purchase Contract or the Disclosure Undertaking.

3. To the best of my knowledge, no event affecting SCPPA or the Southern Transmission System Renewal Project has occurred since the date of the Official Statement which should be disclosed in the Official Statement so that the Official Statement will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and which has not been disclosed in a supplement or amendment to the Official Statement.

4. SCPPA has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the date hereof pursuant to the Purchase Contract with respect to the issuance of the Bonds.

All capitalized terms used herein which are not otherwise defined shall have the same meanings as in the Purchase Contract.

Dated: [Closing Date]

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____
Daniel E Garcia
Executive Director
Southern California Public Power Authority

EXHIBIT D-1

CERTIFICATE OF THE DEPARTMENT OF WATER AND POWER

I, Ann M. Santilli, Chief Financial Officer of the Department of Water and Power of The City of Los Angeles (the "Department"), do hereby certify on behalf of the Department as of the date hereof, as follows:

1. This certificate is furnished to the Underwriters pursuant to Section 8(e)(9) of the Purchase Contract, dated May 6, 2026 (the "Purchase Contract"), by and between Southern California Public Power Authority ("SCPPA") and Wells Fargo Bank, National Association, as representative (the "Representative") of the underwriters named therein (the "Underwriters"), relating to the sale by SCPPA of its Southern Transmission System Renewal Project, Revenue Bonds, 2026-1 (the "Bonds"), as more fully described in the Preliminary Official Statement, dated April 27, 2026 (as supplemented or amended, if applicable) (the "Preliminary Official Statement"), and the Official Statement, dated May 6, 2026 (as supplemented or amended, if applicable) (the "Official Statement"), of SCPPA prepared in connection with the sale of said Bonds.

2. To my knowledge, the ordinance of the City Council of the City of Los Angeles set forth in Attachment 1 hereto: (i) is in full force and effect; (ii) has not been amended, rescinded, supplemented or modified; and (iii) is not the subject of any actual or overtly threatened in writing, legal or administrative action by or before any court, commission, regulatory agency, arbitrator, mediator, negotiator, governmental entity (federal, state, municipal or other) or any other tribunal or body established to resolve disputes or enforce applicable constitutions, laws, ordinances, regulations, rules, customs or practices.

3. I have read the Preliminary Official Statement and the Official Statement and to my knowledge, but without having made an independent investigation, the Preliminary Official Statement as of its date and as of May 6, 2026, and the Official Statement as of its date and as of the date hereof, including APPENDIX A thereto, as to matters known or made known to me relating to the Department did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. The description of the business and properties of the power system of the Department included in the Preliminary Official Statement, including APPENDIX A thereto, as of its date and as of May 6, 2026, and in the Official Statement, including APPENDIX A thereto, as of the date of the Official Statement and as of the date hereof (in each case, including the data, schedules and statistics pertaining to the operations of the power system of the Department but excluding the financial statements, other schedules and other financial data included therein), did not and does not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

5. The financial information regarding the power system of the Department contained in the Preliminary Official Statement and the Official Statement, including APPENDIX A thereto,

fairly presents in all material respects the financial position and results of operations of such power system as of the dates and for the periods set forth therein and, to the undersigned's knowledge, the financial statements of the power system of the Department included therein have been prepared in accordance with generally accepted accounting principles consistently applied and, except as otherwise indicated in the Preliminary Official Statement and Official Statement, based upon the audited financial statements of the power system of the Department.

6. Except for the litigation described or referred to in the Preliminary Official Statement and the Official Statement, including APPENDIX A thereto, no litigation is pending against the Department with service of process against the Department having been made, or, to the knowledge of the undersigned, overtly threatened in writing in any way, (i) contesting or impairing the validity of the IPP Existing Power Sales Contract, the IPP Renewal Power Sales Contract, the Renewal Capacity Acquisition Agreement or the Renewal Transmission Service Contract to which the Department is a party, or the Renewal Agency Agreement, or the performance by the Department of the provisions thereof, or (ii) involving the Department or its Power Assets (as defined in the City of Los Angeles City Charter) which would result in any material adverse change in the Power Revenue Fund (as defined in the City of Los Angeles City Charter) of the Department, other than routine litigation of the type which normally accompanies the construction and/or operation of municipal electric facilities.

7. The obligations of the Department to make payments under the Renewal Transmission Service Contract constitute a cost of transmission service and an operating expense of the Department payable solely from its electric revenue funds.

8. The obligations of the Department to make payments to Intermountain Power Agency under the IPP Existing Power Sales Contract and the IPP Renewal Power Sales Contract constitute a cost of purchased electricity and energy and an operating expense of the Department payable solely from its electric revenue funds.

9. The Department hereby acknowledges its obligation and agrees that, upon the occurrence of any of the following events with respect to the Department, the Department shall give notice of the occurrence of such event to SCPPA not later than five (5) business days after the occurrence of the event, together with all such information concerning such Financial Obligation (as defined below) of the Department, as may be necessary for SCPPA to satisfy its notice obligations under the Continuing Disclosure Undertaking dated the date hereof, executed by SCPPA, relating to the provision of certain continuing disclosure information with respect to the Bonds:

(i) incurrence of a Financial Obligation of the Department, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Department, any of which affect holders of the Bonds, if material; or

(ii) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Department, any of which reflect financial difficulties.

For purposes of this paragraph 9, the term "Financial Obligation" shall mean (a) a debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule")) has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

This Certificate is solely for the information of, and assistance to, SCPPA and the Underwriters in conducting and documenting their investigation of the matters covered by the Official Statement in connection with the offering pursuant thereto, and is not to be used, circulated, quoted or otherwise referred to for any other purpose, including but not limited to the purchase or sale of securities, nor is it to be referred to in whole or in part in the Official Statement or any other document, except that references may be made to it in the Purchase Contract or in any list of closing documents pertaining to such offering.

All capitalized terms used herein shall have the respective meanings set forth in the Purchase Contract.

Dated: [Closing Date]

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES

By: _____
Ann M. Santilli
Chief Financial Officer

EXHIBIT D-2

CERTIFICATE OF PROJECT PARTICIPANT
[(Burbank)] [(Glendale)]

I, _____ [Title] of the City of [Burbank, California ("Burbank")] [Glendale, California ("Glendale")], hereby certify that:

1. This certificate is furnished to the Underwriters pursuant to Section 8(e)(9) of the Purchase Contract, dated May 6, 2026 (the "Purchase Contract"), by and between Southern California Public Power Authority ("SCPPA") and Wells Fargo Bank, National Association, as representative (the "Representative") of the underwriters named therein (the "Underwriters"), relating to the sale by SCPPA of its Southern Transmission System Renewal Project, Revenue Bonds, 2026-1

2. , issued in the aggregate principal amount of $_____ (the "Bonds"), as more fully described in the Preliminary Official Statement, dated April 27, 2026 (the "Preliminary Official Statement"), and the Official Statement, dated May 6, 2026 (the "Official Statement"), of SCPPA prepared in connection with the sale of said Bonds.

2. The action [or actions] of the City Council of the City of [Burbank] [Glendale] referenced in Attachment 1 hereto authorizing the execution and delivery by the City of [Burbank] [Glendale] of its Renewal Capacity Acquisition Agreement and Renewal Transmission Service Contract with SCPPA: (i) [is][are] in full force and effect; (ii) [has][have] not been amended, rescinded, supplemented or modified; and (iii) [is][are] not the subject of any known, or after due inquiry, threatened, legal or administrative action by or before any court, commission, regulatory agency, arbitrator, mediator, negotiator, governmental entity (federal, state, municipal or other) or any other tribunal or body established to resolve disputes or enforce applicable constitutions, laws, ordinances, regulations, rules, customs or practices.

3. Other than as set forth in the Preliminary Official Statement and the Official Statement or otherwise disclosed in writing to the Representative, no litigation is pending or, to the knowledge of the undersigned, after reasonable investigation, threatened in any way contesting or affecting (i) the validity of the IPP Existing Power Sales Contract, the IPP Renewal Power Sales Contract, the Renewal Capacity Acquisition Agreement or the Renewal Transmission Service Contract to which [Burbank] [Glendale] is a party or the performance by [Burbank] [Glendale] of the provisions thereof, or involving [Burbank] [Glendale] or (ii) any of the property or assets which comprise the electric plant of [Burbank] [Glendale] which involves the possibility of any judgment or uninsured liability which may result in any material adverse change in the business, properties or assets or in the condition, financial or otherwise, of the electric department or electric plant of [Burbank] [Glendale], other than routine litigation of the type which normally accompanies the construction and/or operation of municipal electric facilities.

4. [Burbank][Glendale]'s IPP Existing Power Sales Contract and IPP Renewal Power Sales Contract with IPA, and Renewal Capacity Acquisition Agreement and Renewal Transmission Service Contract with SCPPA are in full force and effect, and neither

[Burbank][Glendale] nor, to the best of my current actual knowledge, after due investigation, IPA or SCPPA (as applicable) is in default of its obligations thereunder.

5. The obligations of [Burbank] [Glendale] to make payments under the Renewal Transmission Service Contract constitute a cost of transmission service and an operating expense of [Burbank][Glendale] payable solely from its electric revenue funds.

6. The obligations of [Burbank] [Glendale] to make payments to IPA under the IPP Existing Power Sales Contract and the IPP Renewal Power Sales Contract constitute a cost of purchased electricity and energy and an operating expense of [Burbank] [Glendale] payable solely from its electric revenue funds.

This Certificate is solely for the information of, and assistance to, SCPPA and the Underwriters in conducting and documenting their investigation of the matters covered by the Preliminary Official Statement and the Official Statement in connection with the offering pursuant thereto, and is not to be used, circulated, quoted or otherwise referred to for any other purpose, including but not limited to the purchase or sale of securities, nor is it to be referred to in whole or in part in the Preliminary Official Statement or the Official Statement or any other document, except that reference may be made to it in the Purchase Contract or in any list of closing documents pertaining to such offering.

All capitalized terms used herein shall have the meanings set forth in the Purchase Contract.

Dated: [Closing Date], 2026

CITY OF [BURBANK] [GLENDALE]

By:_____
[Title]

EXHIBIT E

[FORM OF ISSUE PRICE CERTIFICATE]

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

$_____
Southern Transmission System Renewal Project, Revenue Bonds, 2026-1

UNDERWRITER'S CERTIFICATE

The undersigned, on behalf of Wells Fargo Bank, National Association (the "**Representative**"), on behalf of itself and [co-managers] (together with the Representative, the "**Underwriting Group**"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "**Bonds**").

[**Appropriate provisions to be selected based on results of sale of Bonds**]:

1. **Sale of the General Rule Maturities**. As of the date of this certificate, for each Maturity of the [General Rule Maturities/Bonds], the first price at which at least 10% of such Maturity of the Bonds was sold to the Public (the "Sale Price") is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities***.

(a) [The Underwriting Group offered the [Hold-the-Offering-Price Maturities/Bonds] to the Public for purchase at the respective initial offering prices listed in Schedule A (the "**Initial Offering Prices**") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.]

(b) As set forth in the Purchase Contract for the Bonds, the members of the Underwriting Group have agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "**hold-the-offering-price rule**"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. [***Issue Price***. The aggregate of the Sale Prices of the General Rule Maturities and the Initial Offering Prices of the Hold-the-Offering-Price Maturities is $[_____] (the "Issue Price").]

4. ***Defined Terms***.

(a) [*General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."]

(b) [*Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."]

(c) *[Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means Southern California Public Power Authority.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

5. **Yield**.

(a) **No Discount Maturities**. No Maturity was sold at an original issue discount.

(b) **Premium Maturities Subject to Optional Redemption**. The Maturities that mature in the year[s] 20__ are the only Maturities that are subject to optional redemption before maturity and have an Initial Offering Price or Sale Price, as applicable, that exceeds their stated redemption price at maturity by more than one fourth of 1% multiplied by the product of their stated redemption price at maturity and the number of

complete years to their first optional redemption date. Accordingly, in computing the Yield on the Bonds stated below in paragraph 5(d), each such Maturity was treated as retired on its optional redemption date or at maturity to result in the lowest yield on that Maturity. No Maturity is subject to optional redemption within five years of the Delivery Date of the Bonds.]

(c) **No Stepped Coupon Maturities**. No Maturity bears interest at an increasing interest rate.

(d) **Yield**. The Yield on the Bonds is [-]%, being the discount rate that, when used in computing the present worth of all payments of principal and interest to be paid on the Bonds, computed on the basis of a 360-day year and semi-annual compounding, produces an amount equal to the Issue Price of the Bonds as stated above in paragraph [-] [computed with the adjustments stated above in paragraph [-]].

6. **Weighted Average Maturity**. We have been asked to calculate the weighted average maturity of the Bonds in the following manner: divide (a) the sum of the products determined by taking the issue price of each maturity times the number of years from the date hereof to the date of such maturity (determined separately for each maturity and by taking into account mandatory redemptions), by (b) the aggregate issue price of such Bonds. Based solely on these calculations, the weighted average maturity of the Bonds is [-] years.

(signature page follows)

The representations set forth in this certificate are limited to factual matters and the accuracy of certain computations only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986, and with respect to compliance with the federal income tax rules affecting the Bonds, and by Nixon Peabody LLP, Special Tax Counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

Wells Fargo Bank, National Association, for itself and on behalf of the Underwriters

By: _____
Managing Director

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES AND

INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(*Attached*)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(*Attached*)

EXHIBIT F

Opinion to the Underwriters of Special Tax Counsel

[Letterhead of Nixon Peabody LLP]

[Closing Date]

[co-manager]
Wells Fargo Bank, National Association
c/o Wells Fargo Bank, National Association,
as Representative of the Underwriters

Re: Southern California Public Power Authority
Southern Transmission System Renewal Project, Revenue Bonds, 2026-1

Ladies and Gentlemen:

This letter is delivered to you, as underwriters, pursuant to Section 8(e)(6) of the Purchase Contract, dated May 6, 2026 (the "Purchase Contract"), between Wells Fargo Bank, National Association, as your Representative, and Southern California Public Power Authority (the "Authority").

We deliver herewith a copy of our opinion, dated the date hereof and addressed to the Authority, as to certain tax matters pertaining to the Authority's Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, issued in the aggregate principal amount of $_____ (the "Bonds"). This will confirm that you may rely upon such opinion as if the same were addressed to you.

We are of the opinion that the statements in the Preliminary Official Statement and the Official Statement under the caption "TAX MATTERS", Appendix F –"PROPOSED FORM OF SPECIAL TAX COUNSEL OPINION", and in the first paragraph of the cover of the Preliminary Official Statement and Official Statement, to the extent such statements purport to summarize certain provisions of federal or state tax law, are fair and accurate summaries of such provisions.

We are furnishing you this letter at the request of the Authority and solely for the information of, and assistance to, you in conducting and documenting your investigation of the affairs of the Authority in connection with the offering of the Bonds and it is not to be used, circulated, quoted or otherwise referred to for any other purpose, including but not limited to the purchase or sale of the Bonds, nor is it to be referred to in whole or in part in the Preliminary Official Statement or the Official Statement or any other document, except that it may be included in, and reference may be made to it in any list of, the closing documents pertaining to the delivery of the Bonds. The provision of this opinion letter to you shall not create any attorney-client relationship between our firm and you. This opinion letter may not be relied upon by any other person, firm, corporation or other entity without our prior written consent, and we have no obligation to update this opinion.

Very truly yours,

PRELIMINARY OFFICIAL STATEMENT DATED [_____], 2026

NEW ISSUE – BOOK-ENTRY ONLY

Ratings: Moody's: "[___]"
Fitch: "[___]"
(See "RATINGS" herein.)

In the opinion of Nixon Peabody LLP, Los Angeles, California, Special Tax Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Authority described herein, interest on the 2026-1 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Special Tax Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Special Tax Counsel is further of the opinion that interest on the 2026-1 Bonds is exempt from personal income taxes of the State of California (the "State") under present State law. See "TAX MATTERS" herein regarding certain other tax considerations.

$[PAR]*
Southern California Public Power Authority
(a public entity organized under the laws of the State of California)
Southern Transmission System Renewal Project,
Revenue Bonds, 2026-1

This cover page contains certain information for general reference only. It is not intended to be a summary of the security for or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to making an informed investment decision. Capitalized terms used on this cover page not otherwise defined shall have the meanings set forth herein.

The Southern Transmission System Renewal Project, Revenue Bonds, 2026-1 (the "2026-1 Bonds") will be issued by the Southern California Public Power Authority (the "Authority") under and pursuant to an Indenture of Trust, dated as of April 1, 2023, from the Authority to U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as previously supplemented and as further supplemented (the "Indenture").

The 2026-1 Bonds are being issued to (i) finance a portion of the costs of acquisition and construction of capital improvements to the Southern Transmission System, an approximately 488-mile power transmission line and related facilities, which constitute part of the Intermountain Power Project (such improvements are part of the "Project" and part of the "Southern Transmission System Renewal Project," all as further described herein), (ii) fund capitalized interest and (iii) pay costs of issuance relating to the 2026-1 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "SOUTHERN TRANSMISSION SYSTEM AND THE PROJECT" herein. *The Southern Transmission System Renewal Project is to be distinguished from the Authority's existing Southern Transmission Project.*

The 2026-1 Bonds will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the 2026-1 Bonds. Purchasers of the 2026-1 Bonds will not receive physical certificates representing their interest in the 2026-1 Bonds purchased. Individual purchases of the 2026-1 Bonds will be made in book-entry form only, in denominations of $5,000 principal amount or any integral multiple thereof. Interest on the 2026-1 Bonds is payable semiannually on January 1 and July 1 of each year, commencing [July 1, 2026]. Principal of, premium, if any, and interest on, the 2026-1 Bonds are payable directly to DTC by the Trustee. Upon receipt of payments of such principal, premium, if any, and interest, DTC is obligated to remit such principal, premium, if any, and interest to its DTC participants for subsequent disbursement to the beneficial owners of the 2026-1 Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein.

The 2026-1 Bonds are subject to redemption prior to maturity as described herein.

[The Authority has applied for a municipal bond insurance policy with respect to the 2026-1 Bonds. If a municipal bond insurance policy is obtained, it would guarantee the scheduled payment of the principal of and interest on only specified maturities of the 2026-1 Bonds. No assurance can be given as to whether the Authority will purchase a municipal bond insurance policy. See "INTRODUCTION."]

The 2026-1 Bonds are special, limited obligations of the Authority payable solely from and secured, as to payment of the principal or redemption price thereof, and interest thereon, solely by a pledge and assignment of the Revenues and certain other moneys described herein. Revenues consist primarily of payments to be made to the Authority by the Department of Water and Power of The City of Los Angeles ("LADWP") and the California cities of Burbank and Glendale (which, together with LADWP, are hereinafter collectively referred to as the "Project Participants"), for Bond debt service due on or after the Transition Date (as defined herein), pursuant to the respective Renewal Transmission Service Contracts, between the Authority and such Project Participants, as more fully described herein. Pursuant to the Renewal Transmission Service Contracts, the payments to be made by the applicable Project Participant thereunder will constitute operating expenses of the Project Participant's electric system. The payment obligations of a Project Participant under its Renewal Transmission Service Contract are not contingent upon the completion of the Southern Transmission System Renewal Project or any part thereof, the operation of the Southern Transmission System or the performance or nonperformance by any party of any agreement for any cause whatsoever. Revenues also include Interim Revenues (as defined herein) during the period to, but excluding, the Transition Date. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2026-1 BONDS" herein.

Upon the issuance of the 2026-1 Bonds, there will be outstanding and on a parity with the 2026-1 Bonds, bonds previously issued under the Indenture in the aggregate outstanding principal amount of $[____]. The Authority has reserved its right to issue additional parity bonds under the Indenture and to enter into Parity Swaps on the terms and conditions and for the purposes stated in the Indenture.

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The 2026-1 Bonds are not obligations of the State of California, any public agency thereof (other than the Authority), any of the Project Participants or any other member of the Authority and neither the faith and credit nor the taxing power of any of the foregoing (including the Authority) is pledged for the payment of the 2026-1 Bonds. The Authority has no taxing power.

Maturity Schedule
(see inside cover)

The 2026-1 Bonds are offered when, as and if issued and received by the Underwriters, and subject to the approval of legality by Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the Authority by its General Counsel, Christine Godinez, Esq. and by Nixon Peabody LLP, Los Angeles, California, Special Tax Counsel, and for the Underwriters by their counsel, [____], [____], California. PFM Financial Advisors LLC is serving as Municipal Advisor to the Authority in connection with the issuance of the 2026-1 Bonds. Norton Rose Fulbright US LLP is also serving as Disclosure Counsel to the Authority in connection with the 2026-1 Bonds. It is expected that the 2026-1 Bonds will be available for delivery through the facilities of DTC in New York, New York, by Fast Automated Securities Transfer (FAST) on or about _____, 2026.

[_____] **[_____]**

[_____] **[_____]** **[_____]** **[_____]** **[_____]**

Dated: _____, 2026

MATURITY SCHEDULE*

$[PAR]
Southern Transmission System Renewal Project, Revenue Bonds, 2026-1

$_____ Serial Bonds

Due July 1	Principal Amount	Interest Rate	Yield	Price	CUSIP†
	$	%	%		

$_____ ____% Term Bonds due July 1, 20__, Yield: ____%; Price: _____ CUSIP†: _____

$_____ ____% Term Bonds due July 1, 20__, Yield: ____%; Price: _____ CUSIP†: _____

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Authority and are included solely for the convenience of the holders of the 2026-1 Bonds. None of the Authority, its Municipal Advisor or the Underwriters is responsible for the selection or use of these CUSIP numbers and no representation is made as to their correctness on the 2026-1 Bonds or as indicated above. The CUSIP number for a specific bond is subject to being changed after the issuance of the bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such bonds.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

BOARD OF DIRECTORS

Dukku Lee (Anaheim)
Tikan Singh (Azusa)
Fred Lyn (Banning)
Mandip Samra (Burbank)
Robert Lopez (Cerritos)
Thomas Miller (Colton)
Scott Mellon (Glendale)
Jamie L. Asbury (Imperial)
David Hanson (Los Angeles)
David Reyes (Pasadena)
David A. Garcia (Riverside)
Todd Dusenberry (Vernon)

MANAGEMENT

Mandip Samra – *President*
Tikan Singh – *First Vice President*
Dukku Lee – *Second Vice President*
Vacant – *Secretary*
John Equina – *Assistant Secretary*
Daniel E Garcia – *Executive Director, Treasurer/Auditor and Assistant Secretary*
Aileen Ma – *Chief Financial and Administrative Officer*
Christine Godinez, Esq. – *General Counsel*

PROJECT PARTICIPANTS

Department of Water and Power of The City of Los Angeles
City of Burbank
City of Glendale

MUNICIPAL ADVISOR

PFM Financial Advisors LLC
Los Angeles, California

BOND COUNSEL AND DISCLOSURE COUNSEL

Norton Rose Fulbright US LLP
Los Angeles, California

SPECIAL TAX COUNSEL

Nixon Peabody LLP
Los Angeles, California

TRUSTEE AND PAYING AGENT

U.S. Bank Trust Company, National Association
Los Angeles, California

No dealer, broker, salesperson or other person has been authorized by the Authority or by the Underwriters (as defined herein) to give any information or to make any representations, other than as contained in this Official Statement, and if given or made such other information or representations must not be relied upon as having been authorized by the Authority or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2026-1 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the 2026-1 Bonds. Statements contained in this Official Statement that involve estimates, forecasts or matters of opinion, whether or not expressly described herein, are intended solely as such and are not to be construed as representations of fact.

The information set forth herein has been furnished by the Authority and certain of the Project Participants, and includes information obtained from other sources that are believed to be reliable. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or any Project Participant since the date hereof.

The Underwriters have provided the following paragraph for inclusion in this Official Statement:

The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "project," "expect," "anticipate," "intend," "believe," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Authority does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur or fail to occur.

This Official Statement, including any supplement or amendment hereto, is intended to be filed with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access (EMMA) website. The Authority and Project Participants each also maintains a website and certain social media accounts. However, the information presented therein is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the 2026-1 Bonds.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

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Official Statement
relating to

$[PAR]
Southern California Public Power Authority
(a public entity organized under the laws of the State of California)
Southern Transmission System Renewal Project,
Revenue Bonds, 2026-1

INTRODUCTION

Purpose; Authority for Issuance

This Official Statement (which includes the cover page, the table of contents and the appendices attached hereto) is furnished by the Southern California Public Power Authority (the "Authority"), a joint powers agency and a public entity organized under the laws of the State of California, to provide information concerning the Southern Transmission System Renewal Project described herein, the $[PAR] aggregate principal amount of the Authority's Southern Transmission System Renewal Project, Revenue Bonds, 2026-1 (the "2026-1 Bonds"). The 2026-1 Bonds are being issued pursuant to the provisions relating to the joint exercise of powers found in Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, as amended (the "Act") and pursuant to an Indenture of Trust, dated as of April 1, 2023 (the "Indenture of Trust"), from the Authority to U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as previously supplemented and as supplemented by the Sixth Supplemental Indenture of Trust, dated as of May 1, 2026 (the "Sixth Supplemental Indenture"), from the Authority to the Trustee. Such Indenture of Trust, as so supplemented, is herein referred to as the "Indenture."

The 2026-1 Bonds are being issued to (i) finance a portion of the costs of acquisition and construction of capital improvements to the Southern Transmission System, an approximately 488-mile power transmission line and related facilities, which constitute part of the Intermountain Power Project (such improvements are part of the "Project" and part of the "Southern Transmission System Renewal Project," all as further described herein), (ii) fund capitalized interest and (iii) pay costs of issuance relating to the 2026-1 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "SOUTHERN TRANSMISSION SYSTEM AND THE PROJECT" herein. *The Southern Transmission System Renewal Project is to be distinguished from the Authority's existing Southern Transmission Project.*

Background; Development of the Southern Transmission System and Related Contracts

The Existing Southern Transmission System and Intermountain Power Project

The Southern Transmission System was developed in conjunction with the Intermountain Power Project (hereinafter, the "IPP"). The IPP was acquired and constructed by the Intermountain Power Agency, a political subdivision of the State of Utah ("IPA"). The IPP was originally constructed as a coal-fired, steam electric generating plant with a net rating of 1,800 MW. In December 2025, a repowering of the generating station to replace the coal units with combined cycle natural gas units as the source of generation for the IPP (the "IPP Repowering Project") was completed. With completion of such repowering, the IPP consists of: (i) a two-unit, combined-cycle natural gas-fired electric generating plant, consisting of two power blocks, each with one gas turbine, a heat recovery steam generator train and a single steam turbine, with an approximate combined net generation capability of 840 MW and a switchyard (the "Switchyard"), located near Lynndyl, in Millard County, Utah; (ii) the Southern Transmission System (described below); (iii) two 50-mile, 345 kV, alternating current transmission lines from the Switchyard to the Mona

Switchyard in the vicinity of Mona, Utah and a 144-mile, 230 kV, alternating current transmission line from the Switchyard to the Gonder Switchyard near Ely, Nevada; (iv) a microwave communications system; (v) certain water rights; and (vi) coal generating units and related facilities which are not in operation. The estimated cost of the repowering of the plant to the new combined cycle units at IPP was approximately $1.7 billion. This estimate does not include the hydrogen facilities being constructed as described below under the caption " - Further Development of the Intermountain Power Project and the Southern Transmission System." See "INTERMOUNTAIN POWER AGENCY AND INTERMOUNTAIN POWER PROJECT –INTERMOUNTAIN POWER PROJECT" in Appendix B hereto for a more detailed description of the IPP.

The Southern Transmission System is a high-voltage direct current electrical transmission line running from the IPP generation station and switchyard to the Adelanto Converter Station in Adelanto, California, and is approximately 488 miles in length. The Southern Transmission System commenced commercial operations in July 1986. The Southern Transmission System includes a ±500-kV DC bi-pole transmission line and an AC/DC converter station at each end and related microwave communication system facilities. Construction to upgrade the two AC/DC converter stations and increase their combined rating was completed in May 2011. The capacity of the Southern Transmission System is currently 2,400 MW.

Under a Construction Management and Operating Agreement (as amended, the "Construction Management and Operating Agreement"), participants in IPP have designated LADWP as Project Manager and Operating Agent for IPP, including the Southern Transmission System Renewal Project.

Contracts and Parties Related to the Existing Southern Transmission System and Intermountain Power Project

IPA has sold the entire capability of the IPP through June 15, 2027 to 35 entities pursuant to separate power sales contracts (the "Original Power Sales Contracts") between IPA and each power purchaser. The IPP power purchasers include the Department of Water and Power of The City of Los Angeles ("LADWP"), and the California cities of Anaheim, Burbank, Glendale, Pasadena and Riverside. Under their respective Original Power Sales Contracts, each of the California purchasers receives certain entitlements to the use of the transmission capacity of the Southern Transmission System. LADWP and California cities of Anaheim, Burbank, Glendale, Pasadena and Riverside are hereinafter referred to as the "Original Transmission Service Purchasers."

Pursuant to the Southern Transmission System Agreement dated as of May 1, 1983 (the "Original STS Agreement"), by and between IPA and the Authority, the Authority agreed to make payments-in-aid of construction to fund the costs of initially constructing and installing the existing Southern Transmission System and, following a first amendment to the Original STS Agreement, the costs of the construction of later additions and improvements to and renewals (including those described above) of the existing Southern Transmission System (such project is referred to herein as the Authority's existing "Southern Transmission Project").

The Authority has previously financed and refinanced a portion of the Southern Transmission Project through issuance of its bonds (the "Existing STS Bonds"). In connection therewith, each of the Original Transmission Service Purchasers assigned its entitlement to the transmission capacity of the Southern Transmission System to the Authority and entered into certain transmission service contracts (the "Original Transmission Service Contracts") between the Authority and each of the Original Transmission Service Purchasers for their respective share of the use of such transmission capacity. The Existing STS Bonds are payable from and secured primarily by payments made by the Original Transmission Service Purchasers under the Original Transmission Service Contracts.

In addition to their participation in the IPP, LADWP and the California city of Burbank are among the project participants in the Authority's Milford Wind Corridor Phase I Project (the "Milford Phase I Project") and utilize their capacity rights to receive energy delivered from the Milford Phase I Project over the Southern Transmission System to the Adelanto Converter Station. Additionally, LADWP and the California city of Glendale are also project participants in the Authority's Milford Wind Corridor Phase II Project (the "Milford Phase II Project") and utilize their capacity rights to receive energy delivered from the Milford Phase II Project over the Southern Transmission System to the Adelanto Converter Station. See "SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY – Other Bond–Financed Projects of the Authority – *Milford Wind Corridor Phase I Project*" and "– *Milford Wind Corridor Phase II Project*."

LADWP acts as project manager and operating agent of the IPP, and is responsible for, among other things, administering, operating and maintaining the IPP.

Further Development of the Intermountain Power Project and the Southern Transmission System

Further development of the IPP and the Southern Transmission System is underway and proposed. In future stages of the IPP Repowering Project, IPP plans to use renewable energy-powered electrolysis to split water into oxygen and hydrogen, storing the latter in underground salt caverns for use as fuel to drive the new electricity-generating turbines. The recently-completed natural gas generating units are designed to be capable of utilizing 30% hydrogen fuel at start-up, transitioning to 100% hydrogen fuel by 2045 as technology improves. IPA executed a contract in early 2022 securing energy conversion and storage services to supply the IPP units with green hydrogen fuel (i.e., hydrogen created solely by use of renewable energy) to support the goal of operating with a blend of 30% green hydrogen starting in 2026 and the subsequent goal of reaching 100% green hydrogen-fueled operation by 2045.

See also ["THE PROJECT PARTICIPANT WITH THE LARGEST RENEWAL TRANSMISSION SERVICE SHARE – THE POWER SYSTEM – Jointly-Owned Generating Units and Contracted Capacity Rights in Generating Units – Intermountain Power Project"] in Appendix A.

Construction and installation of major additions and improvements to, and renewals of, the Southern Transmission System to extend its useful life are contemplated in connection with the IPP Repowering Project (such additions, improvements and renewals, as they may be modified and amended from time to time, are referred to herein as the "Southern Transmission System Renewal Project").

The Southern Transmission System Renewal Project will include new converter stations and AC switchyard expansions at the Adelanto Converter Station and the Intermountain Converter Station, and reactive power equipment, as further described below. The new converter stations will include new HVDC converter buildings; new HVDC converter equipment, including thyristor valves, cooling equipment, AC filters, converter transformers, smoothing reactors, and protection and control systems; new DC switchyards, including DC filters and neutral bus breakers and repairs and upgrades to the electrode sites; and other work such as site preparation and grounding. The AC switchyard expansion at the Adelanto Converter Station and the Intermountain Converter Station will include additional bays for the new converter stations and the associated protections and controls for those bay positions. Additional AC system support and reactive power support in the form of new synchronous condensers will be installed at Intermountain Converter Station due to the reduction from 1,800 MW of coal-fueled to 840 MW of natural gas-fueled generation. All such additions and improvements to, and renewals of, the Southern Transmission System are referred to herein as the "Project." Estimated project costs increased and the final in-service date was extended primarily due to a change in scope requested by LADWP and the cities of Burbank and Glendale to upgrade portions of the design to facilitate a future project to increase the Southern Transmission System rating to 3,000 MW. The current cost estimate for the Project is approximately $2.8 billion. Project components are currently scheduled to enter service on various dates through April 2028.

As described above, the components of the Project comprise the current additions, improvements and renewals that constitute the Southern Transmission System Renewal Project, which may, in the future, be expanded to include other capital improvements to the Southern Transmission System. See "THE SOUTHERN TRANSMISSION SYSTEM AND THE PROJECT." Additional capital improvements to the Southern Transmission System may be approved and added to the Southern Transmission System Renewal Project in the future and financed with Bonds.

IPA and each of the parties to the Original Power Sales Contracts have authorized the Project.

Contracts Related to the Southern Transmission System Renewal Project

The Project was also authorized under the Renewal Power Sales Contracts (collectively, the "Renewal Power Sales Contracts"), between IPA and each of the LADWP and the California cities of Burbank and Glendale (hereinafter collectively referred to as the "Project Participants") and certain suppliers of electric energy (collectively with the Project Participants, the "Renewal IPP Purchasers").

The Renewal Power Sales Contracts provided a process to subscribe for entitlements to the IPP Repowering Project effective when entitlement rights end under the Original Power Sales Contracts, which are scheduled to end in June 2027. Under the respective Renewal Power Sales Contracts, the Project Participants receive certain entitlements to the use of the transmission capabilities of the Southern Transmission System Renewal Project for the period beginning on the Transition Date (described below, and corresponding to the date when capacity rights under the Original Power Sales Contracts end and capacity rights become effective under the Renewal Power Sales Contracts) and ending on June 15, 2077. Each Renewal Power Sales Contract obligates the applicable Project Participant to purchase the share of the capacity and energy of the IPP (including transmission capacity of the Southern Transmission System) provided therein. The Renewal Power Sales Contracts obligate the Project Participants to pay their respective percentage shares of the costs of the IPP on a "take-or-pay" basis.

The Renewal Power Sales Contracts provide that the Project Participants, or an entity on their behalf, may make payments-in-aid of construction for the Southern Transmission System Renewal Project. To the extent that payments-in-aid of construction are made and applied to the costs of acquisition and construction of capital improvements to the Southern Transmission System Renewal Project, and IPA is not required to issue its bonds, notes or other evidences of indebtedness for such purpose, the Project Participants' payment obligations under their respective Renewal Power Sales Contracts are reduced. The terms of all of the Renewal Transmission Service Contracts are scheduled to expire on June 15, 2077 or such later date as all bonds issued by the Authority or IPA to finance the Southern Transmission System Renewal Project and the interest thereon shall have been paid in full or adequate provision for such payment shall have been made. See "SUMMARIES OF CERTAIN DOCUMENTS – RENEWAL POWER SALES CONTRACTS" in Appendix C hereto.

The funding of the Project is described in two agreements that contemplate payments-in-aid of construction by the Authority. The financing of the Project with the Authority's Bonds is contemplated by a Second Amendment to Southern Transmission System Agreement, dated as of March 1, 2023, between IPA and the Authority, further amending the Original STS Agreement as previously amended (as so further amended, the "Existing Southern Transmission System Agreement"). The Authority's Bond financing of the Project and other costs of capital improvements to the Southern Transmission System (defined as "Capital Improvement Acquisition and Construction Costs"), which could include costs to complete the Project, is contemplated under the Renewal Southern Transmission System Agreement, dated March 1, 2023 (the "Renewal Southern Transmission System Agreement"), between IPA and the Authority. Before the Transition Date funding for the Project and Capital Improvement Acquisition and Construction Costs will be provided through payments-in-aid of construction made by the Authority under the Existing

Southern Transmission System Agreement, and after the Transition Date, under the Renewal Southern Transmission System Agreement. The proceeds of the 2026-1 Bonds will fund payments-in-aid of construction for a portion of the Project. See "SUMMARIES OF CERTAIN DOCUMENTS – RENEWAL SOUTHERN TRANSMISSION SYSTEM AGREEMENT" in Appendix C hereto.

The Renewal Power Sales Contracts contemplate a scheduled "Transition Date" of June 16, 2027; provided, however, that if the date upon which the Original Power Sales Contracts terminate is extended because certain IPA obligations remain outstanding without adequate provision for the payment thereof, then the Transition Date shall be the date that is next succeeding the date upon which the Original Power Sales Contracts terminate in accordance with their terms. However, IPA fully defeased those obligations on October 1, 2021.

The Authority and each Project Participant have entered into a Renewal Agreement for the Acquisition of Capacity, dated as of March 1, 2023 (collectively, the "Renewal Capacity Acquisition Agreements"), pursuant to which each Project Participant has assigned certain entitlements to the capacity of the Southern Transmission System as upgraded and improved by the Southern Transmission System Renewal Project ("Authority Capacity") as set forth in its respective Renewal Power Sales Contract to the Authority in return for the Authority's agreement to make payments-in-aid of construction pursuant to the Existing Southern Transmission System Agreement and the Renewal Southern Transmission System Agreement. The assignment by the Project Participants of their capacity entitlements in the Southern Transmission System to the Authority under the Renewal Capacity Acquisition Agreements will be effective on the Transition Date.

The Authority and each Project Participant have also entered into a Renewal Transmission Service Contract (collectively, the "Renewal Transmission Service Contracts"). Under the Renewal Transmission Service Contracts, the Project Participants are entitled to transmission service utilizing Authority Capacity from and after the Transition Date to the extent of their respective Renewal Transmission Service Shares as set forth below, and the Project Participants are obligated to make payments therefor on a "take-or-pay" basis, that is, whether or not the Southern Transmission System Renewal Project or any part thereof has been completed, or the Southern Transmission System is operating or is operable, or its service is suspended, interfered with, reduced or curtailed or terminated in whole or in part.

Under the Renewal Transmission Service Contracts, each Project Participant is obligated to pay its share of certain costs, including amounts calculated to satisfy amounts required under the Indenture to be paid or deposited into any funds or accounts established by the Indenture for debt service and for any reserve requirements or other requirements for Bonds or other debt obligations issued or incurred under the Indenture. The Project Participants' obligations to pay commence on the Transition Date. Pursuant to the Renewal Transmission Service Contracts, such costs are to be billed by the Authority to the Project Participants monthly based on the estimates contained in an annual budget prepared by the Authority.

The payment obligations under the Renewal Transmission Service Contracts will constitute operating expenses of the respective Project Participants, payable solely from their respective electric system revenues. As operating expenses of their respective electric systems, the payment obligations of LADWP under its Renewal Transmission Service Contract and all other of its "take-or-pay" contract obligations are payable on parity with LADWP's electric system revenue bonds (see "THE PROJECT PARTICIPANT WITH THE LARGEST RENEWAL TRANSMISSION SERVICE SHARE" in Appendix A hereto) and the payment obligations of the other Project Participants under their respective Renewal Transmission Service Contracts and all other of their "take-or-pay" contract obligations are payable prior to the payment of debt service on the revenue bonds of their electric systems.

The following table sets forth the Renewal Transmission Service Shares of each of the Project Participants with respect to Authority Capacity.

Project Participants	Renewal Transmission Service Share
Department of Water and Power of Los Angeles	90.500%
City of Burbank	4.222
City of Glendale	5.278
Total	100.000%

A failure by a Project Participant to make payments when due under its Renewal Transmission Service Contract will result in Step-Up Invoices being issued to the other Project Participants and could lead to transfer of the rights to transmission service of a defaulting Project Participant. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2026-1 BONDS – Renewal Transmission Service Contracts."

Before the Transition Date, IPA will include in its billings of monthly power costs allocated to the Southern Transmission System to the Original Transmission Service Purchasers (in proportion to their respective capacity rights in the Southern Transmission System under the Original Transmission Service Contracts) such amounts as shall be sufficient to pay to the Authority the amount of Bond debt service on or before the due date thereof, and, subject to the limitations contained in the Existing Southern Transmission System Agreement, will pay such amounts to the Authority on or before the due date thereof. Such billings will include billings for Bond debt service scheduled to be due on July 1, 2027, which are to be billed and payable to IPA prior to the June 16, 2027 Transition Date. Such amounts payable by IPA to the Authority are referred to as "Interim Revenues."

Security and Sources of Payment for the 2026-1 Bonds

The 2026-1 Bonds are special, limited obligations of the Authority payable solely from, and secured as to the payment of the principal or redemption price thereof, and interest thereon solely by, a pledge and assignment of Revenues (as defined in the Indenture) and certain other moneys as described herein, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

Revenues under the Indenture consist primarily of payments to be made to the Authority by the Project Participants, pursuant to their respective Renewal Transmission Service Contract. Payments under the Renewal Transmission Service Contracts will support only Bond debt service that is due on or after the Transition Date (described above and expected to occur on June 16, 2027).

For the period to, but excluding, the Transition Date, Revenues will include Interim Revenues. Interim Revenues are payable by IPA solely from such amounts it receives from the Original Transmission Service Purchasers (in proportion to their respective capacity rights in the Southern Transmission System under the Original Transmission Service Contracts).

Interim Revenues and capitalized interest funded under the Indenture (including investment earnings thereon) are expected to fund all Bond debt service due before the Transition Date. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2026-1 BONDS."

The 2026-1 Bonds are not obligations of the State of California, any public agency thereof (other than the Authority), the Project Participants or any other member of the Authority, and neither the faith and

credit nor the taxing power of any of the foregoing (including the Authority) is pledged for the payment of the 2026-1 Bonds. The Authority has no taxing power.

The Sixth Supplemental Indenture provides that the 2026-1 Bonds are not "Participating Bonds" under the Indenture and will not be secured by a Participating Bonds Debt Service Reserve Account under the Indenture, and no Debt Service Reserve Account will be funded with respect to the 2026-1 Bonds.

[Application for Bond Insurance

The Authority has applied for a municipal bond insurance policy with respect to the 2026-1 Bonds. If a municipal bond insurance policy is obtained, such policy would guarantee the scheduled payment of the principal of and interest on only specified maturities of the 2026-1 Bonds. No assurance can be given as to whether the Authority will purchase a municipal bond insurance policy. The Authority's decision whether to purchase a municipal bond insurance policy will be made at or about the time of the pricing of the 2026-1 Bonds and will be based upon, among other things, market conditions at the time of such pricing. If the Authority purchases a municipal bond insurance policy, information regarding the municipal bond insurance policy, the specified maturities to be insured, and the municipal bond insurer will be included in the final Official Statement.]

Outstanding and Additional Bonds and Other Obligations

Upon the issuance of the 2026-1 Bonds, there will be outstanding $[____] principal amount of the Authority's previously-issued Southern Transmission System Renewal Project revenue bonds which are payable from Revenues on parity with the 2026-1 Bonds. The Authority has reserved its right to issue additional parity bonds under the Indenture and to enter into Parity Swaps on the terms and conditions and for the purposes stated in the Indenture. The 2026-1 Bonds and any other bonds, notes or other evidence of indebtedness hereafter issued pursuant to the Act and the Indenture on a parity with the 2026-1 Bonds are herein collectively referred to as the "Bonds."

The Authority currently expects to undertake additional issuances of Bonds in 2027 to complete the financing of the Project.

The Authority

The Authority, the membership of which is comprised of eleven California cities and one California irrigation district, was formed pursuant to the Act and the Joint Powers Agreement, dated as of November 1, 1980 (as amended, the "Joint Powers Agreement"). See "SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY – Formation" herein. Certain duties and responsibilities of the Authority arising in connection with the Southern Transmission System are and will be performed by LADWP pursuant to the Renewal Agency Agreement, dated as of March 1, 2023 (the "Renewal Agency Agreement"). See "SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY – Organization and Management."

Continuing Disclosure Undertaking

The Authority will enter into a Continuing Disclosure Undertaking (the "Continuing Disclosure Undertaking"), for the benefit of the beneficial owners of the 2026-1 Bonds to send certain information annually and to provide notice of certain events to the MSRB's EMMA system for municipal securities disclosures, pursuant to the requirements of Section (b)(5) of Rule 15c2-12 ("Rule 15c2-12") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. See "CONTINUING DISCLOSURE UNDERTAKING FOR THE 2026-1 BONDS."

Certain Information; Summaries and References to Documents

In preparing this Official Statement, the Authority has relied upon information relating to the Southern Transmission System Renewal Project provided to the Authority by LADWP and information relating to certain of the Project Participants furnished to the Authority by such Project Participants. This Official Statement also includes summaries of the terms of the 2026-1 Bonds, the Indenture, the Renewal Transmission Service Contracts, the Existing Southern Transmission System Agreement, the Renewal Southern Transmission System Agreement, the Renewal Power Sales Contracts, the Renewal Capacity Acquisition Agreements, and certain other contracts and arrangements. The summaries of and references to all documents, contracts, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to each such document, statute, report or instrument. Capitalized terms not defined herein shall have the meanings set forth in the respective documents.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds relating to the 2026-1 Bonds are shown below:

Sources:	
Principal Amount	$
[Net] Bond Premium	
Total Sources	$
Uses:	
Deposit to Project Account[(1)]	$
Deposit to Capitalized Interest Account[(2)]	
Costs of Issuance[(3)]	
Total Uses	$

(1) Will be applied to costs of acquisition and construction of the Project. Total Project costs are currently expected to be approximately $2.8 billion. See "SOUTHERN TRANSMISSION SYSTEM AND THE PROJECT" herein.

(2) Represents capitalized interest. The Authority expects such amount, together with investment earnings thereon, will fund a portion of interest payments through July 1, 20[__], correspondingly reducing reliance on Interim Revenues to fund interest due before the Transition Date. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2026-1 BONDS" herein.

(3) Includes, among other things, Underwriters' discount, Trustee fees, Bond Counsel and Disclosure Counsel fees, Special Tax Counsel fees, rating agency fees, Municipal Advisor fees, printing costs and other miscellaneous expenses.

ESTIMATED DEBT SERVICE REQUIREMENTS

The estimated debt service requirements for the Outstanding Bonds and the 2026-1 Bonds are set forth in Appendix G.

DESCRIPTION OF THE 2026-1 BONDS

The following is a summary of certain provisions of the 2026-1 Bonds. Reference is also made to the 2026-1 Bonds for the complete text thereof and to the Indenture for a more detailed description of such provisions. The discussion herein is qualified by such reference.

General

The 2026-1 Bonds will be issued in fully registered form in authorized denominations of $5,000 principal amount or any integral multiple thereof. The 2026-1 Bonds will be issued in the aggregate principal amount indicated on the cover page of this Official Statement and will be dated their date of delivery. The 2026-1 Bonds will bear interest at the rates per annum and will mature on July 1 in the years and in the principal amounts set forth on the inside cover page of this Official Statement. Interest on the

2026-1 Bonds will be payable semiannually on January 1 and July 1 of each year, commencing [July 1, 2026] (each, an "Interest Payment Date"). Interest on each 2026-1 Bond shall be payable to the registered owner as shown on the registration books of the Authority kept by the Trustee, as bond registrar, as of the close of business on the 15th day of the calendar month immediately preceding the applicable Interest Payment Date (the "record date"), payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is an Interest Payment Date to which interest has been paid, in which case interest shall be paid from such Interest Payment Date, or unless the date of authentication thereof is prior to the first Interest Payment Date, in which case interest shall be paid from the dated date thereof. Interest will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The 2026-1 Bonds when initially issued will be registered in the name of Cede & Co., as registered owner and nominee of DTC. So long as DTC, or its nominee Cede & Co., is the registered owner of all the 2026-1 Bonds, all payments of principal of and premium, if any, and interest on 2026-1 Bonds will be made directly to DTC. Disbursement of such payments to the DTC participants will be the responsibility of DTC. Disbursement of such payments to the applicable Beneficial Owners of the 2026-1 Bonds will be the responsibility of the DTC participants as more fully described herein. See "BOOK-ENTRY ONLY SYSTEM."

Redemption

Optional Redemption. The 2026-1 Bonds maturing on and after July 1, 20__ are subject to redemption prior to maturity, at the option of the Authority, from any source of available funds, in whole or in part (and, if in part, from such maturities as the Authority shall direct), on any date on or after July 1, 20__, at a redemption price equal to the principal amount of the 2026-1 Bonds, or portions thereof, to be redeemed, without premium, in each case together with accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The 2026-1 Bonds maturing on July 1, 20__ and July 1, 20__ are subject to redemption prior to maturity from mandatory sinking fund installments due on July 1 of each of the years set forth in the following tables in the respective redemption amounts set forth opposite such years in said tables, at a Redemption Price equal to the principal amount of the 2026-1 Bonds to be redeemed (together with accrued interest thereon), without premium:

2026-1 Bonds
Maturing on July 1, 20__

Redemption Date (July 1)	Redemption Amount
	$

†

† Maturity

2026-1 Bonds
Maturing on July 1, 20__

Redemption Date (July 1)	Redemption Amount
	$
†	

† Maturity

In connection with any optional redemption of any 2026-1 Bonds that are term bonds, the principal amount of such 2026-1 Bonds being redeemed shall be allocated against the scheduled sinking fund redemption amounts set forth above in such manner as the Authority may direct and the scheduled sinking fund installments payable thereafter shall be modified as to such 2026-1 Bonds. In such event, the Authority shall provide to the Trustee a revised schedule of sinking fund installments.

Selection of 2026-1 Bonds to be Redeemed. Whenever by the terms of the Indenture, 2026-1 Bonds are to be redeemed at the direction of the Authority, the Authority shall select the maturity or maturities of 2026-1 Bonds to be redeemed. If less than all of the 2026-1 Bonds of a maturity are called for prior redemption, the particular 2026-1 Bonds or portions of such maturity to be redeemed shall be selected by lot; provided, however, that the portion of any 2026-1 Bond of a denomination of more than $5,000 to be redeemed shall be in the principal amount of $5,000 or an integral multiple thereof, and in selecting portions of such 2026-1 Bonds for redemption, the Trustee shall treat each such 2026-1 Bond as representing that number of 2026-1 Bonds of $5,000 denomination that is obtained by dividing the principal amount of such 2026-1 Bonds to be redeemed in part by $5,000.

Notice of Redemption. The Indenture requires the Trustee to give notice of any redemption of the 2026-1 Bonds to the Owners of the 2026-1 Bonds designated for redemption by mail not less than 20 nor more than 60 days prior to the redemption date. If by the date of mailing of notice of any optional redemption the Authority has not deposited with the Trustee moneys sufficient to redeem all the 2026-1 Bonds called for redemption, such notice will state that it is subject to the availability of funds for such purpose and will be of no effect unless funds sufficient for such purpose are available on the applicable redemption date. Failure by any one or more of the Owners of any of the 2026-1 Bonds designated for redemption to receive notice of redemption or any defect in any such notice will not affect the validity of the proceedings for the redemption of any such 2026-1 Bonds.

Effect of Redemption. Notice having been given in the manner provided in the Indenture, and moneys sufficient therefor having been deposited by the Authority with the Trustee, the 2026-1 Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the redemption price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such 2026-1 Bonds or portions thereof, shall be paid at the redemption price, plus interest accrued and unpaid to the redemption date. If, on the redemption date, moneys for the redemption of all the 2026-1 Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the 2026-1 Bonds or portions thereof so called for redemption shall cease to accrue and shall become payable. If said moneys shall not be so available on the redemption date, such 2026-1 Bonds or portions thereof shall continue to bear interest.

BOOK-ENTRY ONLY SYSTEM

General

DTC will act as securities depository for the 2026-1 Bonds. The 2026-1 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2026-1 Bond certificate will be issued for each maturity of the 2026-1 Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to DTC's participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information on such website is not incorporated herein by reference.

Purchases of the 2026-1 Bonds under the DTC book-entry system must be made by or through Direct Participants, which will receive a credit for the 2026-1 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2026-1 Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2026-1 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2026-1 Bonds, except in the event that use of the book-entry system for the 2026-1 Bonds is discontinued.

To facilitate subsequent transfers, all 2026-1 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2026-1 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2026-1 Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such 2026-1 Bonds are credited, which may or

may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2026-1 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2026-1 Bonds, such as redemptions, defaults and proposed amendments to the Indenture. For example, Beneficial Owners of 2026-1 Bonds may wish to ascertain that the nominee holding the 2026-1 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of a maturity of the 2026-1 Bonds of an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to 2026-1 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2026-1 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption price and interest payments on the 2026-1 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on each payment date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2026-1 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the 2026-1 Bonds certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the 2026-1 Bonds certificates will be printed and delivered.

The foregoing description concerning DTC and DTC's book-entry system is based solely on information furnished by DTC. No representation is made herein by the Authority or the Underwriters as

to the accuracy or completeness of such information, and the Authority and the Underwriters take no responsibility for the accuracy or completeness thereof.

Discontinuation of the Book-Entry Only System

If DTC determines not to continue to act as securities depository by giving notice to the Authority and the Trustee, and discharges its responsibilities with respect thereto under applicable law and there is not a successor securities depository, or the Authority determines not to continue the book-entry system through a securities depository, the Authority and the Trustee will cause the delivery of definitive 2026-1 Bonds to the Beneficial Owners of the 2026-1 Bonds registered in the names of such Beneficial Owners as shall be specified to the Trustee by DTC or the DTC participants.

If the book-entry system is discontinued the following provisions would apply: (i) the principal and redemption price of the 2026-1 Bonds will be payable upon surrender of any such 2026-1 Bond at the principal corporate trust office of the Trustee (as paying agent for the 2026-1 Bonds) and at the office of any other paying agent hereafter appointed by the Authority; (ii) interest on the 2026-1 Bonds will be payable by check of the Trustee mailed by first-class mail, postage prepaid, on the applicable interest payment date to the Owner thereof at their respective addresses shown on the registration books maintained by the Trustee as of the 15th day of the calendar month immediately preceding such interest payment date (the "Record Date") or in immediately available funds by wire transfer on the interest payment date to a designated account, if payable to any Owner of a 2026-1 Bond or Bonds of an issue in an aggregate principal amount of $1,000,000 or more, upon written request of such Owner to the Trustee received by the Trustee prior to the Record Date for the first interest payment date as to which such request shall be effective, specifying the account or accounts to which such payment shall be made (which request shall remain in effect until revoked or reversed by such Owner in a subsequent writing delivered to the Trustee); (iii) the transfer of any 2026-1 Bond shall be registrable only upon the books of the Authority, which shall be kept for such purposes at the principal corporate trust office of the Trustee, as bond registrar, by the Owner thereof in person or by his or her attorney duly authorized in writing, upon surrender of such 2026-1 Bond, together with a written instrument of transfer satisfactory to the bond registrar duly executed by the Owner or his or her duly authorized attorney, and upon payment by such Owner of any charges which the Authority or the Trustee may impose to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such registration of transfer; (iv) 2026-1 Bonds may be exchanged for an equal aggregate principal amount of 2026-1 Bonds of the same issue, Series, tenor, maturity and interest rate in such other authorized denomination or denominations as shall be requested by such Owner, upon surrender of such 2026-1 Bonds at the principal corporate trust office of the Trustee, as bond registrar, and upon payment by such Owner of any charges which the Authority or the Trustee may impose to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange; and (v) the Trustee (as bond registrar for the 2026-1 Bonds) will not be required to register the transfer of, or exchange, any 2026-1 Bonds called for redemption, or any 2026-1 Bonds during the period of 15 days next preceding any selection of 2026-1 Bonds to be redeemed.

SECURITY AND SOURCES OF PAYMENT FOR THE 2026-1 BONDS

Pledge Effected by the Indenture

The Indenture provides that the 2026-1 Bonds and any other Bonds issued thereunder shall be special, limited obligations of the Authority payable solely from and secured, as to payment of the principal or Redemption Price thereof, and interest thereon, solely by (i) the proceeds of the sale of the Bonds, including the 2026-1 Bonds, (ii) the Revenues, and (iii) all amounts on deposit in any Fund or Account established by the Indenture (except for such Funds and Accounts that the Indenture provides are not a source of payment for the Bonds or any Parity Swaps and other than any moneys held by the Trustee or the

Authority to pay any rebate amount owed to the federal government) including the investments, if any, thereof, and the same are pledged and assigned pursuant to the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture, as security for the payment of the Bonds, the interest thereon, and premium, if any, with respect thereto, as security for the payment obligations of the Authority under any Parity Swaps and as security for the performance of any other obligations of the Authority under the Indenture, all in accordance with the provisions of the Bonds, the Indenture and any Parity Swaps.

Revenues under the Indenture consist primarily of payments to be made to the Authority by the Project Participants, pursuant to their respective Renewal Transmission Service Contracts. See " – Renewal Transmission Service Contracts" below. Payments under the Renewal Transmission Service Contracts will be available to pay only that Bond debt service that is due on or after the Transition Date (expected to occur on June 16, 2027). See "INTRODUCTION – Contracts Related to Development of the Southern Transmission System" herein. Revenues also include Interim Revenues (as defined below) during the period to, but excluding, the Transition Date. Interim Revenues and capitalized interest funded under the Indenture (including investment earnings thereon) are expected to fund all Bond debt service that is due prior to the Transition Date.

"Revenues" under the Indenture are: (A)(i) all revenues, income, rents and receipts derived or to be derived by the Authority from or attributable to Authority Capacity (the rights to which have been assigned effective on the Transition Date by the Project Participants to the Authority under the Renewal Capacity Acquisition Agreements) or to the payment of the costs thereof received or to be received by the Authority or the Trustee under the Renewal Transmission Service Contracts or under any other contract for the sale by the Authority of Authority Capacity or any part thereof or any contractual or other arrangement with respect to the use of Authority Capacity or any portion thereof or the services or capability thereof, (ii) the proceeds of any insurance, including the proceeds of any self-insurance fund, covering business interruption loss relating to Authority Capacity, and (iii) interest received or to be received on any moneys or securities held pursuant to this Indenture and required to be paid into the Revenue Fund and (B) all Interim Revenues; but excluding (W) interest and other investment income received or to be received on any moneys or securities held pursuant to an indenture of trust entered into by the Authority with respect to bonds, notes or other evidences of indebtedness payable on a basis subordinate to the Bonds except to the extent that the Authority specifies that such interest and other investment income shall constitute Revenues, (X) amounts received by or on behalf of the Authority pursuant to any interest rate swap agreement or interest rate cap agreement relating to this Indenture except to the extent that the Authority specifies that such amounts shall constitute Revenues, (Y) amounts received by or on behalf of the Authority pursuant to a Letter of Credit relating to this Indenture except to the extent that the Authority specifies that such amounts shall constitute Revenues, and (Z) amounts on deposit in the Rebate Fund. Revenues shall not include any Subsidy Payment received by the Authority, which Subsidy Payment shall be applied as provided in the Supplemental Indenture relating to the Series of Bonds for which such Subsidy Payment is received.

Interim Revenues means all revenues of the Authority under the Interim Revenues Provision (a specified provision under the Existing Southern Transmission System Agreement). Interim Revenues will not be available to pay debt service due on and after the Transition Date. The Interim Revenues Provision provides that, prior to the Transition Date, amounts equal to the debt service on all bonds (including the 2026-1 Bonds), notes or other evidences of indebtedness issued by Authority to finance acquisition and construction costs allocable to the Project shall be payable by IPA to the Authority, and in turn billed to, and payable by, each Original Transmission Service Purchaser pursuant to its Original Power Sales Contract in proportion to its respective capacity rights in the Southern Transmission System under the Original Transmission Service Contracts. In furtherance of the foregoing, on or before the date of issuance of the 2026-1 Bonds, the Authority will submit to IPA a budget reflecting such debt service (including each

payment due as part of such debt service and the due date for each such payment) for the period commencing on the date of issuance and ending on the day prior to the Transition Date. The Authority will also provide to IPA a billing for each such debt service payment due during such period at least twenty (20) days prior to the due date for such debt service payment. Based upon such budgets and billings, prior to the Transition Date, IPA will include in its billings of monthly power costs allocated to the Southern Transmission System to the Original Transmission Service Purchasers (in proportion to their respective capacity rights in the Southern Transmission System under the Original Transmission Service Contracts) such amounts as shall be sufficient to pay to the Authority the amount of such debt service on or before the due date thereof, and, subject to the limitations contained in the Existing Southern Transmission System Agreement, will pay such amounts to the Authority on or before the due date thereof. Without limiting the foregoing, IPA's foregoing obligation to pay the Authority amounts billed by the Authority are special limited obligations payable solely from amounts IPA receives from the Original Transmission Service Purchasers for such purpose. The obligations of Original Transmission Service Purchasers pursuant to the Original Power Sales Contracts to pay such bills from IPA constitute operating expenses of the respective Original Transmission Service Purchasers, payable solely from their respective electric system revenues. As operating expenses of their respective electric systems, such payment obligations of LADWP and all other of its "take or pay" contract obligations are payable on parity with LADWP's electric system revenue bonds (see "THE PROJECT PARTICIPANT WITH THE LARGEST RENEWAL TRANSMISSION SERVICE SHARE" in Appendix A hereto) and such payment obligations of the other Original Transmission Service Purchasers and all other of their "take or pay" contract obligations are payable prior to the payment of debt service on the revenue bonds of their electric systems.

The following table sets forth the proportionate shares of each of the Original Transmission Service Purchasers with respect to the billings described above.

Original Transmission Service Purchasers	**Share**
Department of Water and Power of Los Angeles	59.534%
City of Anaheim	17.647
City of Riverside	10.164
City of Pasadena	5.883
City of Burbank	4.498
City of Glendale	2.274
Total	100.000%

On the date of delivery of the 2026-1 Bonds, a portion of the proceeds of the 2026-1 Bonds will be deposited to the 2026-1 Debt Service Account established under the Indenture. The Authority expects that such amount, together with investment earnings thereon, will fund a portion of interest payments on the 2026-1 Bonds through July 1, 20[__], correspondingly reducing reliance on Interim Revenues to fund 2026-1 Bonds interest due before the Transition Date. 2026-1 Bonds principal payments scheduled to be due before the scheduled Transition Date of June 16, 2027 will be funded from Interim Revenues. 2026-1 Bonds principal and interest (net of expected capitalized interest) through the scheduled Transition Date is approximately $[____] million. See "INTRODUCTION – Background; Development of the Southern Transmission System and Related Contracts – *Contracts Related to the Southern Transmission System Renewal Project*" herein.

A portion of the proceeds of the 2023-1 Bonds, the 2023-1A Bonds, the 2024-1 Bonds, the 2025-1 Bonds and the 2025-2 Bonds (each as defined below), on their respective issuance dates, were deposited to the related debt service accounts established under the Indenture, and a portion of the proceeds of the 2026-1 Bonds will also be deposited to the such debt service accounts. The Authority expects that such amounts, together with investment earnings thereon, will fund a portion of interest payments on the 2023-1

Bonds, the 2023-1A Bonds, the 2024-1 Bonds, the 2025-1 Bonds and the 2025-2 Bonds, respectively, through July 1, 20[__].

The 2026-1 Bonds are not obligations of the State of California, any public agency thereof (other than the Authority), the Project Participant or any other member of the Authority, and neither the faith and credit nor the taxing power of any of the foregoing (including the Authority) is pledged for the payment of the 2026-1 Bonds. The 2026-1 Bonds shall not constitute the debt or indebtedness of the Authority within the meaning of any debt limitation of the Constitution or statutes of the State of California and shall not constitute nor give rise to a pecuniary liability of the Authority or a charge against its general credit. The Authority has no taxing power.

See "SUMMARIES OF CERTAIN DOCUMENTS – INDENTURE" in Appendix C hereto for further discussion of certain of the terms and provisions of the Indenture.

Authority Rate Covenant

Pursuant to the Indenture, the Authority has covenanted to at all times establish and collect (or cause to be collected) (i) amounts for the use of the Authority Capacity (including amounts payable under the Renewal Transmission Service Contracts) and (ii) amounts under the Interim Revenues Provision, as shall be required to provide Revenues at least sufficient in each Fiscal Year, together with other available funds, for the payment of:

(1) Authority Operating Expenses during such Fiscal Year;

(2) An amount equal to the Aggregate Debt Service (which is calculated net of capitalized interest) for such Fiscal Year;

(3) The amount, if any, to be paid during such Fiscal Year into the Participating Bonds Debt Service Reserve Account and any Series Debt Service Reserve Account;

(4) The amount, if any, to be paid during such Fiscal Year into the Reserve and Contingency Fund;

(5) The amount, if any, required to be paid into any fund or account during such Fiscal Year with respect to bonds, notes or other evidences of indebtedness payable on a basis subordinate to the Bonds;

(6) The amount, if any, required to be deposited in the General Reserve Fund during such Fiscal Year; and

(7) The amount, if any, required to pay all other charges or liens whatsoever payable out of Revenues during such Fiscal Year.

Flow of Funds

The Indenture establishes the following Funds and Accounts (each of which is held by the Trustee): Construction Fund, Revenue Fund; Operating Fund (consisting of the Operating Account and the Operating Reserve Account); Debt Service Fund; Debt Service Reserve Fund; Reserve and Contingency Fund; and General Reserve Fund. The Construction Fund under the Indenture includes the following accounts therein: (A) the Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Project Account and (B) the Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Costs of Issuance

Subaccount therein as established under the Sixth Supplemental Indenture relating to the 2026-1 Bonds. The Debt Service Fund under the Indenture includes the following accounts therein: (A) the Participating Bonds Debt Service Account; (B) each Series Debt Service Account established pursuant to a Supplemental Indenture providing for the issuance of a Series of Bonds that are not Participating Bonds, including the Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Debt Service Account therein as established under the Sixth Supplemental Indenture relating to the 2026-1 Bonds (the Participating Bonds Debt Service Account and each Series Debt Service Account under the Indenture being referred to under this caption as a "Debt Service Account"); and (C) each Letter of Credit Account, if any, established pursuant to a Supplemental Indenture providing for the issuance of a Series of Bonds for which a Letter of Credit is provided. The Debt Service Reserve Fund under the Indenture includes the following accounts therein: (A) the Participating Bonds Debt Service Reserve Account; and (B) each Series Debt Service Reserve Account (if any) established pursuant to a Supplemental Indenture providing for the issuance of a Series of Bonds that are not Participating Bonds, including the Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Debt Service Reserve Account therein (which account is not being funded in connection with the issuance of the 2026-1 Bonds) as established under the Sixth Supplemental Indenture relating to the 2026-1 Bonds (the Participating Bonds Debt Service Reserve Account and each Series Debt Service Reserve Account under the Indenture being referred to under this caption as a "Debt Service Reserve Account").

Pursuant to the Indenture, all Revenues received are to be deposited promptly in the Revenue Fund. Amounts in the Revenue Fund are to be paid monthly to the following Funds and Accounts in the following order of priority:

(1) To the (i) Operating Account, a sum that is equal to the total moneys appropriated for Authority Operating Expenses for deposit in the Operating Account as provided in the Annual Budget for the then current month and (ii) Operating Reserve Account, the amount required so that the amount in the Operating Reserve Account will equal the amount (if any) required to be in such Account as provided in the Annual Budget. There may be deposited in the Operating Reserve Account proceeds of Bonds or any portion thereof or moneys received in connection with the Southern Transmission System or any portion thereof from any other source, as provided in the Indenture, unless required to be applied as otherwise provided in the Indenture. Any excess amounts in the Operating Account or the Operating Reserve Account, as determined by the Authority, will be applied to make up any deficiencies in the other Funds or Accounts established pursuant to the Indenture as described therein; and thereafter any remaining excess shall be transferred to the General Reserve Fund.

(2) To the Debt Service Fund (for the ratable security and payment pursuant to clause (i) and clause (ii) of this paragraph (2) (except as otherwise provided in the Indenture and subject to the provisions thereof)), (i) (A) for credit to the Participating Bonds Debt Service Account the amount, if any, required so that the balance in said Account shall equal the Accrued Debt Service with respect to Bonds that are Participating Bonds as of the last day of the then current month, and (B) for credit to each Series Debt Service Account, the amount, if any, required so that the balance in each such Account shall equal the Accrued Debt Service with respect to the related Series of Bonds that are not Participating Bonds as of the last day of the then current month (excluding the amount, if any, set aside in such Account from the proceeds of Bonds (including amounts, if any, transferred from the Construction Fund) for the payment of interest on the related Bonds, less that amount of such proceeds to be applied in accordance with the Indenture to the payment of interest accrued and unpaid and to accrue on such related Bonds to the last day of the then current month and determining the amount of Accrued Debt Service with respect to Variable Interest Rate Bonds in accordance with the Supplemental Indenture authorizing such Variable Interest Rate Bonds) and (ii) (A) for credit to the Participating Bonds Debt Service Account, the amounts due and payable

by the Authority during such month under any Parity Swap which shall be designated to the Trustee by an Authorized Authority Representative as a Parity Swap for Participating Bonds as provided in the related Supplemental Indenture or Supplemental Indentures, and (B) for credit to each Series Debt Service Account, the amounts due and payable by the Authority during such month under any Parity Swap which shall be designated to the Trustee by an Authorized Authority Representative as a Parity Swap for the related Series of Bonds as provided in the related Supplemental Indenture or Supplemental Indentures (with any termination payments under any Parity Swaps to be payable on a basis subordinate and junior to the payments to be made on the Bonds); provided, however, that, in any event, if there is a deficiency of Revenues to make all of the deposits required, such Revenues shall be deposited into each Debt Service Account on a pro rata basis based on the amounts due. The Trustee will apply amounts in the Participating Bonds Debt Service Account to the payment of principal of and interest on the Bonds that are Participating Bonds, and will apply amounts in each Series Debt Service Account to the payment of principal of and interest on the related Series of Bonds. Amounts set aside for the payment of Parity Swaps will be applied by the Trustee to any regularly-scheduled amounts due and payable by the Authority under any such Parity Swap on the due date therefor.

(3) To the Debt Service Reserve Fund, for credit to the Participating Bonds Debt Service Reserve Account and each Series Debt Service Reserve Account, the amount, if any, required to be deposited therein so that the balance in each such Account shall be equal to the requirement therefor as of the last day of the then current month; provided, however, that, in any event, if there shall be a deficiency of Revenues to make all of the deposits required, such Revenues shall be deposited into each Debt Service Reserve Account on a pro rata basis based on the amounts due. **Pursuant to the Sixth Supplemental Indenture, the debt service reserve requirement for the 2026-1 Bonds shall be $0, and no Debt Service Reserve Account will be funded with respect to the 2026-1 Bonds.**

(4) To the Reserve and Contingency Fund, the amount, if any, provided for deposit therein during the then current month as provided in the Annual Budget, in accordance with written instructions from the Authority.

(5) To the General Reserve Fund, the balance, if any, in the Revenue Fund after making the above deposits.

For a more detailed discussion of the application of moneys deposited in the various funds and accounts under the Indenture, see APPENDIX C – "SUMMARIES OF CERTAIN DOCUMENTS – INDENTURE – Application of Revenues."

No Funded Debt Service Reserve Account

Pursuant to the Sixth Supplemental Indenture, the 2026-1 Bonds are not "Participating Bonds" under the Indenture and will not be secured by the Participating Bonds Debt Service Reserve Account created under the Indenture. **The Sixth Supplemental Indenture further provides that the 2026-1 Debt Service Reserve Requirement for the 2026-1 Bonds shall be $0, and therefore, no Series Debt Service Reserve Account will be funded with respect to any of the 2026-1 Bonds.**

Outstanding Bonds and Additional Bonds

Upon issuance of the 2026-1 Bonds, there will be outstanding $[____] principal amount of the Authority's Southern Transmission System Renewal Project, Revenue Bonds, 2023-1 (the "2023-1 Bonds"), $[____] principal amount of the Authority's Southern Transmission System Renewal Project,

Revenue Bonds, 2023-1A (the "2023-1A Bonds"), $[____] principal amount of the Authority's Southern Transmission System Renewal Project, Revenue Bonds, 2024-1 (the "2024-1 Bonds"), $[____] principal amount of the Authority's Southern Transmission System Renewal Project, Revenue Bonds, 2025-1 (the "2025-1 Bonds") and $[____] principal amount of the Authority's Southern Transmission System Renewal Project, Revenue Bonds, 2025-2 (the "2025-2 Bonds") payable from Revenues on a parity with the 2026-1 Bonds. The Authority reserves the right to issue additional Bonds under the Indenture for the purposes of the Southern Transmission System Renewal Project on, and subject to, the terms and conditions set forth in the Indenture. The Authority currently expects to undertake additional issuances of Bonds in 2027 to complete the financing of the Project. See "SOUTHERN TRANSMISSION SYSTEM."

Refunding Bonds may also be issued subject to certain terms and conditions. Such Bonds would rank equally as to security and payment with the 2026-1 Bonds and other Bonds issued under the Indenture. See "SUMMARIES OF CERTAIN DOCUMENTS – INDENTURE – Certain Requirements of and Conditions to Issuance of Bonds" and "- Refunding Bonds" in Appendix B hereto.

Annual Budget

The Renewal Transmission Service Contracts and the Indenture require the Authority to adopt an Annual Budget not less than 30 nor more than 45 days prior to the beginning of each Transmission Service Year. Each Annual Budget will incorporate therein all items comprising a part of Monthly Transmission Costs, estimated Revenues required to be collected and the estimated amount to be deposited in each month in the Funds and Accounts under the Indenture (including the amounts required (or in good faith estimated to be required) for the accrual or payment (as applicable) of Accrued Debt Service on the Bonds, the payment of Authority Operating Expenses, the funding or replenishment of any reserves (including all Accounts in the Debt Service Reserve Fund) required by the Indenture, provision for any general reserve for Authority Operating Expenses and the estimated amount to be deposited in the Reserve and Contingency Fund (if any), and provision for any such other expenditures and deposits as the Authority shall determine shall be necessary or appropriate so as to enable the Authority to comply with the Indenture and the Renewal Transmission Project Contracts. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Renewal Transmission Service Contracts." If there are at any time during any Fiscal Year extraordinary receipts or payments of unusual costs with respect to the Authority Capacity, or the amount in the Debt Service Fund or the Debt Service Reserve Fund shall be less than the respective balances required by the Indenture, the Authority shall promptly adopt in accordance with the provisions of the Renewal Transmission Service Contracts and file with the Trustee an amended Annual Budget for the remainder of such Fiscal Year. The Authority may also at any time adopt in accordance with the provisions of the Renewal Transmission Service Contracts and file with the Trustee an amended Annual Budget for the remainder of the then current Fiscal Year.

Renewal Transmission Service Contracts

General. The Authority has entered into a Renewal Transmission Service Contract with respect to the Southern Transmission System Renewal Project with each Project Participant pursuant to which the Authority agrees to provide to such Project Participant its Renewal Transmission Service Share of transmission service utilizing the Authority Capacity from and after the Transition Date.

Term of Renewal Transmission Service Contracts. Except as provided therein, each Renewal Transmission Service Contract between the Authority and a Project Participant constitutes an obligation of the parties until the terms of all of the Renewal Transmission Service Contracts expire on June 15, 2077 or such later date as all Bonds and the interest thereon shall have been paid in full or adequate provision for such payment shall have been made. Until all Bonds and the interest thereon shall have been paid in full or until provision has been made for such payment, the Renewal Transmission Service Contracts may not

be terminated, amended, modified, or otherwise altered in any manner which will reduce the payments pledged as security for Bonds or extend the time of such payments or which will in any manner impair or adversely affect the rights or security of the holders from time to time of Bonds. Under the Renewal Transmission Service Contracts, payments by Project Participants in respect of debt service on the Bonds are required only for such debt service that is due on or after the Transition Date.

Covenant to Maintain Sufficient Rates. Each Project Participant has covenanted in its Renewal Transmission Service Contract to establish, maintain and collect rates and charges for the electric service it furnishes sufficient to provide revenues which, together with its available electric system reserves, are adequate to enable it to pay the Authority all amounts payable when due under its Renewal Transmission Service Contract and to pay all other amounts payable from, and all liens on and lawful charges against, its electric system revenues.

"Take-or-Pay" Obligation. Payments are to be made by the Project Participants on a "take-or-pay" basis, that is, whether or not the Project or any part thereof has been completed, whether or not the Southern Transmission System is operating or operable or its service is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatever.

The payment obligations under the Renewal Transmission Service Contracts constitute a cost of transmission service and an operating expense of the respective Project Participants, payable solely from their electric system revenues. As operating expenses of their respective electric systems, the payment obligations of LADWP under its Renewal Transmission Service Contract and all other of its "take-or-pay" contract obligations are payable on a parity with LADWP's electric system revenue bonds, and the payment obligations of the other Project Participants under their respective Renewal Transmission Service Contracts and all other of their "take-or-pay" contract obligations are payable prior to the payment of debt service on the revenue bonds of their electric systems.

Monthly Costs. The Renewal Transmission Service Contracts provide that the obligations of the Project Participants under the respective Renewal Transmission Service Contracts are several and not joint. During each Transmission Service Year, each Project Participant is obligated to pay its share of Monthly Transmission Costs, which consist of all of the Authority's costs resulting from the acquisition, financing and refinancing of Authority Capacity, to the extent not paid from the proceeds of the Bonds or other debt obligations (provided, however, that such costs do not include any amounts that are included or to be included in a Step-Up Invoice (described below)), as well as the amounts set forth in any Step-Up Invoice or Default Invoice submitted by the Authority to the Project Participant. The Project Participants' obligations to make payments under the Renewal Transmission Service Contracts commence on the Transition Date. Pursuant to the Renewal Transmission Service Contracts, such Monthly Transmission Costs are to be billed by the Authority to the Project Participants by the tenth calendar day of each month for the then current month based on the estimates contained in the Annual Budget prepared by the Authority prior to the beginning of each Transmission Service Year, as such Annual Budget may be amended during such year, and are to be paid by the Project Participants on or before ten days after receipt of such billing statement therefor. Such Monthly Transmission Costs include, without limitation:

(1) Monthly Power Costs (as defined in the Renewal Power Sales Contracts) allocable to the Southern Transmission System (this clause (1) referred to below as the "Monthly Power Cost component");

(2) The amount which is required under the Indenture to be paid or deposited during such Month into any funds or accounts established by the Indenture for debt service and for any

reserve requirements or other requirements for Bonds or other debt obligations issued or incurred under the Indenture; provided, however, such amounts shall not include any amounts included or to be included in a Step-Up Invoice;

(3) One-twelfth of the amount (not otherwise included above) which is required under the Indenture to be paid or deposited during such Transmission Service Year into any funds or accounts established by the Indenture; and shall include, without limitation, amounts required to make up a deficiency in any such fund or account whether or not resulting from a default in payments by any Project Participant; provided, however, such amounts shall not include any amounts included or to be included in a Step-Up Invoice (clause (2) above and this clause (3) referred to below as the "Indenture cost component");

(4) One-twelfth of the costs of providing transmission service during the then current Transmission Service Year (not otherwise included above); and

(5) One-twelfth of the amount necessary during the then current Transmission Service Year to pay or provide reserves for all taxes which the Authority is required to pay with respect to Authority Capacity (not otherwise included above) (clause (4) above and this clause (5) referred to below as the "transmission cost component").

The amount of Monthly Transmission Costs to be paid by each Project Participant for any month shall be its Renewal Transmission Service Share times the Monthly Transmission Costs for such month.

Statements and Reports. Subject to the Renewal Southern Transmission System Agreement and the Renewal Power Sales Contracts, the Authority will prepare or cause to be prepared and issue to the Project Participants the following reports each calendar quarter of the Transmission Service Year:

(1) Financial and operating statements relating to the Southern Transmission System;

(2) Status of Annual Budget; and

(3) Analysis of operations relating to the Southern Transmission System.

Amendment of Annual Budget. If there are at any time during any Fiscal Year extraordinary receipts or payments of unusual costs with respect to the Authority Capacity, or the amount in the Debt Service Fund or the Debt Service Reserve Fund is less than the respective balances required by the Indenture, the Authority is required to promptly adopt in accordance with the provisions of the Renewal Transmission Service Contracts and file with the Trustee an amended Annual Budget for the remainder of such Fiscal Year. The Authority may also at any time adopt in accordance with the provisions of the Renewal Transmission Service Contracts and file with the Trustee an amended Annual Budget for the remainder of the then current Fiscal Year.

Reconciliation of Monthly Costs. On or before 150 days after the end of each Transmission Service Year, the Authority will submit to the Project Participants a detailed statement of the actual aggregate Monthly Transmission Costs and other amounts payable the Renewal Transmission Service Contracts, including credits thereto, for all of the Months of such Transmission Service Year, and the adjustments of the aggregate Monthly Transmission Costs and other amounts payable thereunder, if any, for any prior Transmission Service Year, based on the annual audit of accounts provided for in the Renewal Transmission Service Contracts. If the actual aggregate Monthly Transmission Costs or other amounts payable for any Transmission Service Year exceed the amount thereof which Project Participants have been billed, the Project Participants shall promptly pay to the Trustee its share of such excess. If the actual

aggregate Monthly Transmission Costs or other amounts payable for any Transmission Service Year are less than the amount therefor which Project Participants have been billed, the Authority shall credit such excess to the Project Participants in accordance with its customary procedures. In the event that the failure of a Project Participant to make its payments in accordance with its Renewal Transmission Service Contract results in the application of amounts in any fund under the Indenture to the payment of costs payable from such fund and the other Project Participants shall have made up the deficiency created by such application or paid additional amounts into such fund, amounts thereafter paid to the Trustee by the failing Project Participant for application to such past due payments including interest at one and one-half percent per Month shall be credited on the Billing Statements of such other Project Participants in the next Month or Months as shall be appropriate.

Project Participant's Failure to Pay Billing Statement. In the event a Project Participant fails to pay all or a portion of its Billing Statement by the due date (a "Payment Default") and fails to cure by the earlier of five days thereafter or the last day of the then current month, the Authority will issue an invoice to the Project Participant identifying the total defaulted amount owed, including late payment interest (a "Default Invoice").

Payment Default May Affect Other Project Participants; Step-Up Invoices. If a Project Participant fails to pay its Billing Statement when due, the shortfall in Revenues will be allocated proportionately among all the non-defaulting Project Participants as and to the extent described below.

In the event of a Payment Default by one or more Project Participants, the Authority shall provide by the fifth day of the month following such Payment Default(s) a separate Step-Up Invoice to each non-defaulting Project Participant that specifies such party's pro rata share, based upon the Renewal Transmission Service Shares of all non-defaulting Project Participant, of the amount of the Payment Default(s) set forth in the Billing Statement(s) for the defaulting Project Participant (s). Notwithstanding the previous sentence, the amount of a Step-Up Invoice provided to a non-defaulting Project Participant shall not exceed 15% of the amount that such non-defaulting Project Participant was billed in its Billing Statement (excluding amounts billed under any prior Step-Up Invoice) for the Month preceding such monthly Step-Up Invoice; provided, however, that upon payment in full of all Bonds and termination of the applicable Renewal Transmission Service Contract, a non-defaulting Project Participant shall not be obligated or otherwise liable for any amounts owed by any other Project Participant.

If a Project Participant pays less than the total amount of its Step-Up Invoice, such failure constitutes a Payment Default and the Authority shall provide by the fifth day of the month following such Payment Default a separate Default Invoice to the applicable Project Participant that identifies the total defaulted amount owed, including late payment interest.

Application of Moneys Received from Step-Up Invoices. Moneys received by or on behalf of the Authority from the payment of Step-Up Invoices relating to a Payment Default of a Project Participant shall be applied in the following manner: (1) moneys received from Project Participants in respect of the Monthly Power Costs component and the transmission costs component, as set forth in the Step-Up Invoice, shall be forwarded to the Trustee for deposit into the Revenue Fund under the Indenture; and (2) moneys received from Project Participants in respect of the Indenture cost component, as set forth in the Step-Up Invoices shall, be forwarded to the Trustee for deposit directly into the Debt Service Fund under the Indenture. Any partial payment shall be applied in the following order: (i) first to the payment of the Monthly Power Costs component and transmission costs component, on a pro rata basis in the event of any deficiency, and (ii) thereafter to the payment of the Indenture cost component.

Application of Moneys Received from Default Invoices. Moneys received by or on behalf of the Authority from the payment of Default Invoices shall be applied in the following manner: (1) The Authority

shall credit on each non-defaulting Project Participant's next Billing Statement an amount equal to the aggregate amount such non-defaulting Project Participant paid as a result of Step-Up Invoices with respect to such Default Invoice, plus a pro rata share, based upon the Renewal Transmission Service Shares of the non-defaulting Project Participants, of the amount the Authority received regarding late payment interest charges. In the event a Defaulting Project Participant pays less than the full amount of its Default Invoice, the credit to each non-defaulting Project Participant shall be adjusted proportionately. (2) The Authority shall forward or cause to be forwarded to the Trustee for deposit into the Revenue Fund of the Indenture moneys received with respect to the payment of Default Invoices.

Remedies; Transfer of Rights of Defaulting Project Participants. In the event of a default or inability to perform by a Project Participant under its Renewal Transmission Service Contract, the Authority shall bring any suit, action or proceeding at law or in equity as may be necessary or appropriate to enforce any covenant, agreement or obligation against the Project Participant. The Renewal Transmission Service Contracts also provide that if a payment due under a Renewal Transmission Service Contract remains unpaid when due, the Authority may, upon 90 days' written notice to the Project Participant, discontinue transmission service to such Project Participant while the default continues.

In the event of a default by a Project Participant and the discontinuance of transmission service, the Authority shall transfer on a pro rata basis to all requesting Project Participants which are not in default and pursuant to procedures established by the Board of Directors, the defaulting Project Participant's rights to transmission service which shall have been discontinued by reason of such default, and such requesting Project Participants shall assume the defaulting Project Participant's obligations with respect to such rights so transferred, and if any of the defaulting Project Participant's rights with respect to transmission service are not so transferred, the Authority shall, to the extent possible, dispose of such remaining portion on the best terms readily available; provided, however, that the Authority may not transfer or dispose of such defaulting Project Participant's rights and obligations in such a manner as shall, in the opinion of Special Tax Counsel, adversely affect the federal tax exemption for any Bonds, and provided, further, that the obligation of the defaulting Project Participant to make payments under its Renewal Transmission Service Contract including the costs to the Authority related to such default, transfer and sale, shall be reduced to the extent that payments are received as provided in the Renewal Transmission Service Contract for that portion of the defaulting Project Participant's rights with respect to transmission service which are so transferred or disposed. Except as a result of the receipt of payments due to a transfer of the defaulting Project Participant's rights to transmission service, the discontinuance of transmission service to a defaulting Project Participant by the Authority will not reduce the obligation of such Project Participant to make payments under its Renewal Transmission Service Contract.

See "SUMMARIES OF CERTAIN DOCUMENT – RENEWAL TRANSMISSION SERVICE CONTRACTS" in Appendix C hereto for a discussion of certain additional provisions of the Renewal Transmission Service Contracts.

SOUTHERN TRANSMISSION SYSTEM AND THE PROJECT

General Description

The Southern Transmission System constitutes one of the components of the IPP. See "INTERMOUNTAIN POWER AGENCY AND INTERMOUNTAIN POWER PROJECT – INTERMOUNTAIN POWER PROJECT" in Appendix B hereto for a more detailed description of the IPP.

The Southern Transmission System currently consists of: (a) the AC/DC Intermountain Converter Station adjacent to the IPP AC switchyard; (b) the ±500-kV DC bi-pole transmission line ("HVDC transmission line"), approximately 488 miles in length, from the Intermountain Converter Station to the

City of Adelanto, California; (c) the AC/DC Adelanto Converter Station, where the Southern Transmission System connects to the switching and transmission facilities of the LADWP; and (d) related microwave communication system facilities. The HVDC transmission line is designed to have the capability of transmitting in excess of the aggregate Generation Station Production anticipated to be delivered to the Project Participants. The AC/DC converter stations each consist of two solid state converter valve groups and have a combined rating of 2,400 MW. The microwave communication system facilities are used for Generation Station dispatch, for IPP communication, and for control and protection of the Southern Transmission System. The microwave system facilities are located along two routes between the Generation Station and Adelanto, forming a loop network.

The Authority's existing Southern Transmission Project was undertaken in connection with the development and financing of the existing Southern Transmission System See "SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY – Other Bond-Financed Projects of the Authority – Southern Transmission Project" herein.

The Southern Transmission System was developed in conjunction with the IPP. The IPP was acquired and constructed by the IPA. The Project is the planned upgrade and renewal of the Southern Transmission System related to the IPP Repowering Project. The IPP was originally constructed as a coal-fired, steam electric generating plant with a net rating of 1,800 MW. In December 2025, the IPP Repowering Project was completed with the repowering of the generating station to replace coal units with combined cycle natural gas units as the source of generation for the IPP. With completion of such repowering, the IPP consists of: (i) a two-unit, combined-cycle natural gas-fired electric generating plant, consisting of two power blocks, each with one gas turbine, a heat recovery steam generator train and a single steam turbine, with an approximate combined net generation capability of 840 MW and a switchyard (the "Switchyard"), located near Lynndyl, in Millard County, Utah; (ii) the Southern Transmission System (described below); (iii) two 50-mile, 345 kV, alternating current transmission lines from the Switchyard to the Mona Switchyard in the vicinity of Mona, Utah and a 144-mile, 230 kV, alternating current transmission line from the Switchyard to the Gonder Switchyard near Ely, Nevada; (iv) a microwave communications system; (v) certain water rights; and (vi) coal generating units and related facilities which are not in operation. The estimated cost of the repowering of the plant to the new combined cycle units at IPP was approximately $1.7 billion. This estimate does not include the hydrogen facilities being constructed as described below. See "INTERMOUNTAIN POWER AGENCY AND INTERMOUNTAIN POWER PROJECT – INTERMOUNTAIN POWER PROJECT" in Appendix B hereto for a more detailed description of the IPP.

As a result of the repowering, coal supplies to fuel the generating plant are no longer needed and the railcar service center constructed as part of the original IPP project to provide delivery of coal supplies ceased operating in August 2025.

In March 2024, IPA executed a Fuel and Asset Management Agreement (the "FAMA") with Tenaska Marketing Venture ("TMV") to purchase natural gas for use at the IPP. As fuel manager, TMV offers purchasing rights for natural gas and guarantees delivery to the IPP, providing reliable supply during high market volatility. Under the FAMA, TMV is also responsible for nominating, scheduling, and delivering natural gas to the IPP. TMV has been providing 100% of the gas to the IPP as of October 2024 to support commissioning activities.

IPP plans to use renewable energy-powered electrolysis to split water into oxygen and hydrogen, storing the latter in underground salt caverns for use as fuel to drive the new electricity-generating turbines. The new natural gas generating units are designed to utilize up to 30% hydrogen fuel at start-up, transitioning to 100% hydrogen fuel by 2045 as technology improves. IPA executed a contract in early 2022 securing energy conversion and storage services to supply the IPP units with green hydrogen fuel (*i.e.*, hydrogen created solely by use of renewable energy) to support the goal of operating with a blend of 30%

green hydrogen starting in 2026 and the subsequent goal of reaching 100% green hydrogen-fueled operation by 2045.

See also ["THE PROJECT PARTICIPANT WITH THE LARGEST RENEWAL TRANSMISSION SERVICE SHARE – THE POWER SYSTEM – Jointly-Owned Generating Units and Contracted Capacity Rights in Generating Units – Intermountain Power Project"] in Appendix A hereto.

The Project includes construction and installation of major additions and improvements to, and renewals of, the Southern Transmission System to extend its useful life. [The STS Renewal Project includes new converter stations and AC switchyard expansions at the Adelanto Converter Station and the Intermountain Converter Station, and reactive power equipment. The new converter stations will include new HVDC converter buildings; new HVDC converter equipment, including thyristor valves, cooling equipment, AC filters, converter transformers, smoothing reactors, and protection and control systems; new DC switchyards, including DC filters and neutral bus breakers and repairs and upgrades to the electrode sites; and other work such as site preparation and grounding. The AC switchyard expansion at the Adelanto Converter Station and the Intermountain Converter Station will include additional bays for the new converter stations and the associated protections and controls for those bay positions. Additional AC system support and reactive power support in the form of new synchronous condensers will be installed at IPP due to the reduction from 1,800 MW of coal to 840 MW of natural gas-fueled generation.] [Revisions?]

LADWP will manage improvements at the Adelanto AC switchyard. Third-party contracts have been awarded for improvements at the AC switchyard at the IPP and the converter stations in Adelanto and at the IPP, and for synchronous condensers. Construction began at the IPP AC switchyard in June 2022, the Adelanto Switchyard in July 2022, and the synchronous condenser in July 2023. Construction began at the Intermountain Converter Station in January 2025 and the Adelanto Converter Station in December 2024.

Estimated costs of the Project increased and the final in-service date was extended primarily due to a change in scope requested by LADWP and the cities of Burbank and Glendale to upgrade portions of the design to facilitate a future project to increase the Southern Transmission System rating to 3,000 MW. The current cost estimate for the Project is approximately $2.8 billion. Project components are currently scheduled to enter service on various dates through April 2028.

Under the Construction Management and Operating Agreement, LADWP's actions and recommendations in its role as Project Manager and Operating Agent for IPP, including the Southern Transmission System Renewal Project, are subject to review, modification and approval by the IPP Coordinating Committee. LADWP is required to operate and maintain the Southern Transmission System in accordance with prudent utility practices.

Previous Upgrades and Operations

The Southern Transmission Project has operated with excellent availability and reliability. Previous upgrade projects have increased the capacity of the Southern Transmission System from 1,920 MW to 2,400 MW. The Southern Transmission System currently includes a ±500-kV DC bi-pole transmission line. When one pole is out of service, the Southern Transmission Project is designed to operate in a mono-polar mode at a reduced capacity rating of 1,200 MW. Because the Southern Transmission Project is designed to operate in this manner, reliability for system planning purposes is essentially equivalent to that of two AC transmission lines.

During the fiscal year ended June 30, 2025, transmission availability (one or both poles on) was approximately 97.99%. Scheduled outages are largely controlled to occur simultaneously with scheduled generating unit outages and thus do not interfere significantly with scheduled energy deliveries.

In the fiscal year ended June 30, 2025, the Original Transmission Service Purchasers received approximately 7.46 million MWh of energy over the line, consisting of a majority from IPP and the balance from Milford Wind Corridor Phase I Project, Milford Wind Corridor Phase II and various other purchases by certain of the Original Transmission Service Purchasers.

See "INTERMOUNTAIN POWER PROJECT AND INTERMOUNTAIN POWER AGENCY – INTERMOUNTAIN POWER PROJECT – General Description" in Appendix B for additional information regarding the operations of the Southern Transmission Project.

Operating Statistics

The operating results of the IPP Generating Station during the last five fiscal years are shown in the following table. Based on historical experience of comparable generating units, the Authority currently expects that over the life of the plant the IPP Generating Station will continue to achieve the above-average levels of performance demonstrated to date.

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Operating Statistics

	Fiscal Year 2020-21[1]	Fiscal Year 2021-22[2]	Fiscal Year 2022-23[3]	Fiscal Year 2023-24[4]	Fiscal Year 2024-25[5]	Industry Average Calendar Years 2020-24[6]
Gross Energy Generated (MWh)						
Unit 1	3,808,747	3,126,525	2,764,193	2,739,388	3,820,066	3,847,525
Unit 2	4,070,442	2,969,883	3,714,375	1,873,221	3,642,040	3,847,525
Net Energy Generated (MWh)						
Unit 1	3,537,724	2,873,350	2,538,344	2,496,799	3,525,815	3,463,204
Unit 2	3,763,675	2,731,012	3,418,622	1,649,669	3,346,890	3,463,204
Plant Capacity Factor[7]						
Unit 1	44.87%	36.45%	32.20%	31.58%	44.72%	39.66%
Unit 2	47.74%	34.64%	43.36%	20.87%	42.45%	39.66%
Operating Availability[8]						
Unit 1	85.20%	95.66%	88.07%	100.00%	99.89%	80.57%
Unit 2	94.91%	84.02%	97.16%	91.00%	99.32%	80.57%
Equivalent Availability[9]						
Unit 1	85.17%	95.66%	87.80%	100.00%	99.21%	78.08%
Unit 2	94.36%	83.87%	97.16%	90.94%	90.94%	78.08%
Net Unit Heat Rate (BTU/kWh)[10]						
Unit 1	10,174	10,227	10,182	10,469	10,332	11,155
Unit 2	10,247	10,122	10,167	10,941	10,317	11,155

(1) Reflects the following 2020-21 scheduled maintenance outages and forced outages: Unit 1 Spring (7 weeks) and Unit 2 Spring 2021 (9.2 days). Unplanned maintenance outages: Unit 1 (3.2 days) and Unit 2 (5.9 days); and forced outages: Unit 1 (0.07 days) and Unit 2 (3.4 days).

(2) Reflects the following 2021-22 scheduled maintenance outages and forced outages: Unit 2 Spring 2022 (8.3 weeks) and Unit 1 Spring 2022 (11.8 days). Unplanned maintenance outages: Unit 1 (0.0 days) and Unit 2 (0.0 days); forced outages: Unit 1 (4.0 days) and Unit 2 (0.28 days); and reserve shutdown for coal conservation: Unit 1 (8.9 weeks) and Unit 2 (8.1 weeks).

(3) Reflects the following 2022-23 scheduled maintenance outages and forced outages: Unit 1 Spring 2023 (6.2 weeks) and Unit 2 Spring 2023 (9.9 days). Unplanned maintenance outages: Unit 1 (0.0 days) and Unit 2 (0.0 days); and forced outages Unit 1 (4.4 hours) and Unit 2 (10.4 hours). Reserve Shutdown for coal conservation: Unit 1 (12.3 weeks) and Unit 2 (9.2 weeks).

(4) Reflects the following 2023-24 scheduled maintenance outages: Unit 1 Spring 2024 (0.0 weeks) and Unit 2 Spring 2024 (4.4 weeks). Unplanned maintenance outages: Unit 1 (0.0 days) and Unit 2 (1.9 days); and forced outages Unit 1 (0.00 hours) and Unit 2 (13.3 hours). Reserve Shutdown for coal conservation: Unit 1 (11.9 weeks) and Unit 2 (18.8 weeks).

(5) Reflects the following 2024-25 scheduled maintenance outages: Unit 1 Spring 2025 (0.0 days) and Unit 2 Spring 2025 (0.0 days). Unplanned maintenance outages: Unit 1 (0.0 days) and Unit 2 (1.45 days); and forced outages: Unit 1 (0.40 days) and Unit 2 (1.03 days). Reserve shutdown: Unit 1 (42.65 days) and Unit 2 (66.57 days).

(6) Industry average figures except heat rate are as reported by NERC for coal-fired units rated 800-999 MW and are the composite averages of 51 units in the years 2020 through 2024 (5-year average), which is the most recent information currently available. Average net station heat rate is compiled and cited from Form EIA-923 released by the Energy Information Administration of the U.S. Department of Energy ("EIA") for 2024 for the top 25 largest western coal-fired power plants. Such NERC and EIA reports are calendar-year based.

(7) The Plant Capacity Factor for a unit is the ratio of the net energy generated by that unit to the net maximum capability of that unit times the hours in the period and reflects the unit availability as well as the actual power produced by the unit.

(8) The Operating Availability is the ratio of hours in the period that the unit is capable of operating at some level to the number of hours in the period.

(9) The Equivalent Availability factor provides an adjustment of the Operating Availability by incorporating the effect of de-ratings (losses in MW capability) and is essentially equivalent to the percentage of time during a period during which a unit was available for maximum net capability operation.

(10) The Unit Heat Rate is a measure of the efficiency of the unit and shows the amount of heat energy in BTUs necessary to produce 1.0 net kWh. The smaller this number is, the more efficient the unit.

Arrangements for Transmission Service from Adelanto Converter Station

LADWP takes delivery of its share of the IPP Generating Station entitlements at the Adelanto Converter Station. The other Original Transmission Service Purchasers also have designated the Adelanto Converter Station as their point of delivery. LADWP has constructed a station and associated facilities to connect the Adelanto Converter Station with the LADWP's main transmission system. Under separate agreements, LADWP transmits the generation entitlements of the cities of Glendale and Burbank directly to those cities' respective systems. Transmission services for the city of Pasadena to its electric system are currently provided by the LADWP and the California Independent System Operator. The California Independent System Operator also provides transmission services for the cities of Anaheim and Riverside. The rights of the Original Transmission Service Purchasers under their existing IPP agreements for the delivery of the generation entitlements over the Southern Transmission System are scheduled to terminate on June 15, 2027.

The rights of the Renewal Transmission Service Purchasers under their new IPP agreements for the delivery of the generation entitlements over the Southern Transmission System are scheduled to commence on June 16, 2027 and terminate on June 15, 2077. The Project Participants will continue to take delivery of their IPP Generation Station Entitlements at the Adelanto Converter Station. LADWP will provide transmission service for the other two Renewal Transmission Service Purchasers. LADWP will transmit the generation entitlements of the cities of Glendale and Burbank directly to those cities' respective systems.

Permits, Licenses and Approvals

The Southern Transmission System has been designed and constructed to operate in compliance with applicable federal, state and local regulations, codes, standards and laws. The Authority believes that all necessary permits, licenses and approvals for the Project have been or will be secured.

Certain Financial Statements Relating to the Project

The following Statement of Net Position has been prepared by the Authority based upon audited financial statements of the Authority for the fiscal years ended June 30, 2025 and June 30, 2024.

[Remainder of page intentionally left blank.]

Southern California Public Power Authority
Southern Transmission System Renewal Project
Statement of Net Position
(In thousands)

	Fiscal Year Ended June 30, 2025	2024
ASSETS		
Noncurrent assets		
Net utility plant	$1,063,219	$601,757
Investments – restricted	176,996	537,631
Advances to IPA – restricted	18,156	34,590
Regulatory asset	24,600	3,766
Total noncurrent assets	1,282,971	1,177,744
Current assets		
Cash and cash equivalents – restricted	180,048	335,801
Cash and cash equivalents – unrestricted	-	-
Interest receivable	4,153	4,115
Accounts receivable	312	2
Total current assets	184,513	339,918
DEFERRED OUTFLOWS OF RESOURCES		
Total deferred outflows of resources	-	-
Total assets and deferred outflows of resources	$1,467,484	$1,517,662
LIABILITIES		
Noncurrent liabilities		
Long-term debt	$1,392,662	$1,404,374
Total noncurrent liabilities	1,392,662	1,404,374
Current liabilities		
Debt due within one year	1,135	-
Accrued interest	31,547	21,484
Accounts payable and accruals	40,538	91,804
Total current liabilities	73,220	113,288
Total liabilities	1,465,882	1,517,662
DEFFERED INFLOWS OF RESOURCES		
Regulatory liability	-	-
Total deferred inflows of resources	-	-
NET POSITION		
Net investment in capital assets	46,488	(798,851)
Restricted	-	798,852
Unrestricted	(44,886)	(1)
Total net position	1,602	-
Total liabilities, deferred inflows of resources, and net position	$1,467,484	$1,517,662

The following Statement of Revenues, Expenses and Changes in Net Position has been prepared by the Authority based upon audited financial statements of the Authority for the fiscal years ended June 30, 2025 and June 30, 2024.

Southern California Public Power Authority
Southern Transmission System Renewal Project
Statement of Revenues, Expenses and Changes in Net Position
(In thousands)

	Fiscal Year Ended June 30,	
	2025	**2024**
Operating revenues:		
Sale of transmission services	$4,895	$598
Total operating revenues	4,895	598
Operating Expenses:		
Operations and maintenance	122	10
Depreciation, depletion, and amortization	1,595	-
Total operating expenses	1,717	10
Operating income (loss)	3,178	588
Non-operating revenues (expenses)		
Investment and other income	1,593	-
Other interest and debt expense	(3,169)	(588)
Net non-operating revenues (expenses)	(1,576)	(588)
Change in net position	1,602	-
Net position – beginning of year	-	-
Net position – end of year	$1,602	$ -

THE PROJECT PARTICIPANTS

The Project Participants, each of which has executed a Renewal Capacity Acquisition Agreement and a Renewal Transmission Service Contract with the Authority, are LADWP, the City of Burbank and the City of Glendale. Each of the Project Participants owns and operates an electric system for the distribution of electric energy to its retail customers. For additional information concerning LADWP, which will have a Renewal Transmission Service Share of 90.500% for the Southern Transmission System under the Renewal Transmission Service Contracts from and after the Transition Date, and its electric system, see Appendix A hereto.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Formation

The Authority, a joint powers agency and a public entity organized under the laws of the State of California, was created pursuant to the Act and the Joint Powers Agreement for the purpose of the planning, financing, development, acquisition, construction, operation and maintenance of projects for the generation or transmission of electric energy. The Joint Powers Agreement expires in 2030 or on such later date as all

bonds and notes of the Authority and interest thereon have been paid in full or adequate provision for such payment has been made in accordance with the instruments governing such bonds and notes.

Organization and Management

The Authority is governed by a Board of Directors which consists of one representative for each of the members. The current representatives are listed on the masthead page of this Official Statement. The management of the Authority is under the direction of its Executive Director, Daniel E Garcia, who was appointed to the position on May 1, 2024 and serves at the pleasure of the Board of Directors. Mr. Garcia brings 40 years of leadership and utility industry experience to the role. Mr. Garcia also serves as the Treasurer/Auditor of the Authority. He joins the Authority from the City of Riverside Public Utilities Department, where he held the position of Interim General Manager. His areas of responsibility included resource planning, strategic analytics, market operations, power generation, contracts (energy, gas and transmission), joint projects, and regulatory compliance relating to wholesale energy and transmission activities under the Federal Energy Regulatory Commission, California Independent System Operator, California Energy Commission and North American Electric Reliability Corporation. He started his utility career in 1984 as an Engineering Aide and has held various positions including System Power and Gas Dispatcher, Power Scheduler, Bulk Power Manager, and Power/Gas Procurement Manager. He joined the City of Riverside in 2007 and had served in various roles including Utilities Assistant General Manager/Resources, Market Operations Manager, Interim Planning Manager and Utilities Scheduler/Trader. Mr. Garcia holds a Bachelor of Science degree in Business Management from Woodbury University.

The other officers of the Authority are selected by the Board of Directors. The President of the Authority, since January 2026, is Mandip Samra, General Manager of Burbank Water and Power. Ms. Samra joined Burbank Water and Power in March 2021 and was promoted to General Manager in May 2024. She started her career as a Graduate Management Intern in the Customer Relations Division of Pasadena Water and Power in 2004. Prior to joining Burbank Water and Power, she worked in various management positions at Anaheim Public Utilities, Southern California Edison, and Pasadena Water and Power. Her experience in power supply ranges from regulatory compliance, managing the integrated resources plan, negotiating power resource contracts, representing the utility on various resource and transmission committees, and leading stakeholder engagement efforts as it relates to power supply. The First Vice President of the Authority, since February 2025, is Tikan Singh, General Manager of Azusa Light and Water. Mr. Singh is a professional engineer registered in the State of California with 16 years of utilities experience. Before joining Azusa Light and Water, he worked in various capacities at Palo Alto Utilities, Lompoc Electric Utility, and the California Department of Water Resources. The Second Vice President of the Authority, since February 2024, is Dukku Lee, General Manager of Anaheim Public Utilities. He has served Anaheim Public Utilities since November 1999 and was appointed as its General Manager in November 2013. He previously worked for Southern California Edison and Paragon Consulting Services.

Aileen Ma joined the Authority as Chief Financial and Administrative Officer in June 2019. Ms. Ma was previously Interim Utilities Assistant General Manager/Finance & Administration for the City of Riverside Public Utilities Department. Ms. Ma's employment at Riverside began in 2006. Prior to her appointment as Interim Utilities Assistant General Manager/Finance & Administration, she served in the positions of Utilities Principal Analyst and Utilities Fiscal Manager at Riverside. She has over 25 years of experience in audit, accounting and finance administration. Ms. Ma is a Certified Public Accountant, and holds a Bachelor of Science in Business Administration with an Accounting emphasis from California State University, Los Angeles and a Master of Business Administration from University of California, Irvine.

With respect to any matter involving the acquisition and financing or refinancing of an Authority project to be decided by the Board of Directors, each Director is entitled to cast votes weighted according

to the size of the entitlement to the project of each project participant in addition to the vote each Director is entitled to cast as a member of the Authority. All such matters must be decided by at least 80% of the votes cast, and no such vote may be taken unless there shall be present at the meeting Directors entitled to cast more than 50% of the votes relative to such matter. Voting by the Board of Directors may take place at meetings of the Board of Directors when a quorum is present. A majority of the Board of Directors constitutes a quorum.

The Authority has entered into the Renewal Agency Agreement pursuant to which LADWP, as agent, represents and undertakes certain activities on behalf of the Authority in connection with the Authority's payments-in-aid of construction and the acquisition and financing or refinancing of Authority Capacity. The Renewal Agency Agreement gives the agent the responsibility of (a) undertaking those activities necessary (i) to secure regulatory approvals to allow the Authority to acquire Authority Capacity, (ii) to formulate arrangements for the transmission of Authority Capacity to the Project Participants, (iii) to formulate the financing program and develop financing documents and (iv) to acquire the Authority Capacity, and (b) representing the Authority with respect to matters arising under or in connection with the Project Agreements (as defined in the Renewal Agency Agreement) or the acquisition of Authority Capacity.

Other Bond-Financed Projects of the Authority

In addition to the Southern Transmission System Renewal Project to be financed with the 2026-1 Bonds, the following are the projects of the Authority that have been financed by bonds issued by the Authority. The principal of and premium, if any, and interest on the 2026-1 Bonds are secured solely by and payable solely from the Revenues and certain other moneys pledged therefor under the Indenture as described herein. None of the costs associated with the projects described below in this subsection is payable from such Revenues and such other moneys pledged to the payment of the Bonds.

Southern Transmission Project. *The Southern Transmission Project is to be distinguished from the Southern Transmission System Renewal Project, which is described elsewhere in this Official Statement.* The Southern Transmission System is one component of the Intermountain Power Project ("IPP," as defined herein) of IPA. Certain members of the Authority (namely, LADWP and the California cities of Anaheim, Burbank, Glendale, Pasadena and Riverside) have entered into power sales contracts with IPA pursuant to which they purchase a share of the generation and transmission capabilities of the IPP, including capacity and energy of the Intermountain Generation Station, a two-unit coal-fired, steam-electric generating plant, located in Millard County, Utah, and operating capabilities of the Southern Transmission System. The Authority acquired from each of such members its entitlement rights to capacity of the Southern Transmission System and agreed in return to issue bonds (defined above as "Existing STS Bonds"), notes or other evidences of indebtedness and make payments-in-aid of construction to IPA therefor (the "Southern Transmission Project"). All of the facilities of the IPP have been in commercial operation since May 1, 1987. The Authority has sold all of its acquired capability of the Southern Transmission System, on a "take or pay" basis, through transmission service contracts with the Original Transmission Service Purchasers. The currently operative IPP power sales contracts pursuant to which such Original Transmission Service Purchasers have obtained their rights for the delivery of the IPP generation entitlements over the Southern Transmission System, as well as the Original Transmission Service Contracts, are scheduled to terminate on June 15, 2027. The Authority had outstanding $61,090,000 aggregate principal amount of Existing STS Bonds as of April 1, 2026.

The revenue bonds described in the immediately preceding paragraph are distinct from the revenue bonds relating to the Southern Transmission System Renewal Project.

Mead-Adelanto Project, Authority Interest (Multiple Members). The Mead-Adelanto Transmission Project consists of an approximately 202-mile, 500-kV AC transmission line that extends between a southwest terminus at the existing Adelanto Substation in southern California and a northeast terminus at Marketplace Substation, a substation located approximately 17 miles southwest of Boulder City, Nevada. By connecting to Marketplace Substation, the line interconnects with the Mead-Phoenix Transmission Project and with the existing McCullough Substation in southern Nevada. The transmission line has a transfer capability of 1,291 MW. The current owners of the Mead-Adelanto Transmission Project are the Authority and StarTrans IO, L.L.C. The Authority has three separate and independent ownership interests in the Mead-Adelanto Project under the related joint ownership agreement: (i) one interest for the nine Authority members participating in that portion of the project acquired in connection with the original construction of the project (i.e., the Authority Interest (Multiple Members) in such project), the acquisition and construction of which was financed with revenue bonds of the Authority; (ii) one interest for Western Area Power Administration ("Western"), the funding for which is provided by Western; and (iii) an additional interest acquired by the Authority in 2016 from M-S-R Public Power Agency, for the benefit of LADWP only (i.e., the Authority Interest (LADWP Only) in such project) hereinafter described (see "– *Mead-Adelanto Project, Authority Interest (LADWP Only)*" below), the acquisition of which was financed through a separate issue of revenue bonds of the Authority issued for the benefit of LADWP only. The Authority Interest (Multiple Members) in the Mead-Adelanto Project provides to the Authority a 67.9167% member-related ownership share in the Mead-Adelanto Project. The Authority has sold, on a "take-or-pay" basis, the entire capability of its Authority Interest (Multiple Members) in the Mead-Adelanto Project through transmission service contracts with nine members of the Authority (all of the Authority members with the exception of IID, and the California cities of Cerritos and Vernon). From and after July 1, 2020, the Authority had no bonds outstanding with respect to the Authority Interest (Multiple Members) in the Mead-Adelanto Project.

Mead-Phoenix Project, Authority Interest (Multiple Members). The Mead-Phoenix Transmission Project consists of an approximately 256-mile, 500-kV alternating current ("AC") transmission line that extends between a southern terminus at the existing Westwing Substation (in the vicinity of Phoenix, Arizona) and a northern terminus at Marketplace Substation, a substation located approximately 17 miles southwest of Boulder City, Nevada. The line is looped through the 500-kV switchyard constructed in the existing Mead Substation in southern Nevada with a transfer capability of 1,923 MW (as a result of upgrades completed in 2009). By connecting to Marketplace Substation, the Mead-Phoenix Transmission Project interconnects with the Mead-Adelanto Transmission Project and with the existing McCullough Substation. The current owners of the Mead-Phoenix Transmission Project are the Authority, Arizona Public Service Company, Salt River Project and StarTrans IO, L.L.C. The Authority has three separate and independent ownership interests in the Mead-Phoenix Project under the related joint ownership agreement: (i) one interest for the nine Authority members participating in that portion of the project acquired in connection with the original construction of the project (i.e., the Authority Interest (Multiple Members) in such project), the acquisition and construction of which was financed with revenue bonds of the Authority; (ii) one interest for Western, the funding for which is provided by Western; and (iii) an additional interest acquired by the Authority in 2016 from M-S-R Public Power Agency, for the benefit of LADWP only (i.e., the Authority Interest (LADWP Only) in such project) hereinafter described (see "– *Mead-Phoenix Project, Authority Interest (LADWP Only)*" below), the acquisition of which was financed through a separate issue of revenue bonds of the Authority issued for the benefit of LADWP only. The Mead-Phoenix Transmission Project is comprised of three project components. The Authority Interest (Multiple Members) in the Mead-Phoenix Project provides to the Authority an 18.3077% member-related ownership share in the Westwing-Mead Component, a 17.7563% member-related ownership share in the Mead Substation Component, and a 22.4082% member-related ownership share in the Mead-Marketplace Component of the Mead-Phoenix Project. The Authority has sold, on a "take-or-pay" basis, the entire capability of its Authority Interest (Multiple Members) in the Mead-Phoenix Project through transmission service contracts with nine members of the Authority (all of the Authority members with the exception of IID, and the California cities

of Cerritos and Vernon). From and after July 1, 2020, the Authority had no bonds outstanding with respect to the Authority Interest (Multiple Members) in the Mead-Phoenix Project.

Mead-Adelanto Project, Authority Interest (LADWP Only). In 2016, the Authority acquired, for the benefit of LADWP only, all of M-S-R Public Power Agency's ownership interest in the Mead-Adelanto Project, representing an additional 17.5000% ownership interest in the Mead-Adelanto Project. The Authority has sold, on a "take-or-pay" basis, the entire capability of its Authority Interest (LADWP Only) in the Mead-Adelanto Project through a transmission service contract with LADWP. The Authority had outstanding $10,155,000 aggregate principal amount of revenue bonds with respect to the Authority Interest (LADWP Only) in the Mead-Adelanto Project as of April 1, 2026.

Mead-Phoenix Project, Authority Interest (LADWP Only). In 2016, the Authority acquired, for the benefit of LADWP only, all of M-S-R Public Power Agency's ownership interest in the Mead-Phoenix Project, representing an additional 11.5385% ownership interest in the Westwing-Mead Component and an additional 8.0993% ownership share in the Mead-Marketplace Component of the Mead-Phoenix Project. The Authority has sold, on a "take-or-pay" basis, the entire capability of its Authority Interest (LADWP Only) in the Mead-Phoenix Project through a transmission service contract with LADWP. The Authority had outstanding $8,050,000 aggregate principal amount of revenue bonds with respect to the Authority Interest (LADWP Only) in the Mead-Phoenix Project as of April 1, 2026.

Palo Verde Nuclear Generating Station. The Authority, pursuant to the Arizona Nuclear Power Project Participation Agreement, has a 5.91% ownership interest in Palo Verde Nuclear Generating Station Units 1, 2 and 3 (the "Generating Station"), including certain associated facilities and contractual rights, a 5.44% ownership interest in the Arizona Nuclear Power Project High Voltage Switchyard (the "Switchyard") and contractual rights, and a 6.55% share of the rights to use certain portions of Arizona Nuclear Power Project Valley Transmission System. The Generating Station and the Switchyard are collectively referred to herein as "PVNGS."

The Authority has sold the entire capability of the Authority's interest in PVNGS pursuant to power sales contracts with nine California cities and a California irrigation district, each of which is a member of the Authority. The California cities of Azusa, Banning, Burbank, Colton, Glendale, Pasadena, Riverside and Vernon, as well as LADWP and IID are PVNGS project participants. From and after July 1, 2017, the Authority had no bonds outstanding with respect to PVNGS.

Commercial operation and initial deliveries from PVNGS Units 1, 2 and 3 commenced in 1986 and 1987. In addition to transmission provided by the Mead-Adelanto Project and the Mead-Phoenix Project (described above), transmission is accomplished through agreements with Salt River Project, LADWP and Southern California Edison.

San Juan Unit 3 Project. The San Juan Generating Station ("San Juan") originally consisted of a 4-unit, coal-fired electric generating station located in northwestern New Mexico, approximately 15 miles northwest of the City of Farmington, in San Juan County. The combined net generating capacity of the four units was 1,647 MW, with the net generating capacity of Unit 3 being 497 MW. The four units were put into operation between 1973 and 1982. In 1993, the Authority and five of its members negotiated a purchase agreement with Century Power Corporation, under which the Authority purchased a 41.8% interest in Unit 3 and related common facilities of San Juan, entitling the Authority to approximately 208 MW of power generated by Unit 3. In this regard, the Authority entered into power sales contracts with the California cities of Azusa, Banning, Colton and Glendale, and IID. From and after January 1, 2017, the Authority had no bonds outstanding with respect to San Juan.

As part of the overall settlement of matters regarding emissions at San Juan, Unit 3 permanently ceased operations in December 2017 and effective as of December 31, 2017, the Authority has divested its ownership interest in the San Juan project. However, the Authority retains certain liabilities for a share of the environmental (mine reclamation) and plant decommissioning costs of San Juan, Unit 3.

Magnolia Power Project. The Magnolia Power Project consists of a combined-cycle natural gas-fired electric generating plant with a nominally rated net capacity of 242 MW and auxiliary facilities located in Burbank, California. The Magnolia Power Project is owned by the Authority and was constructed and acquired for the primary purpose of providing participants in the Magnolia Power Project with firm capacity and energy to help meet their power and energy requirements. The Magnolia Power Project is operated by the California city of Burbank. The Authority has entered into power sales agreements with the California cities of Anaheim, Burbank, Cerritos, Colton, Glendale and Pasadena pursuant to which the Authority has sold 100% of its entitlement to capacity and energy in the Magnolia Power Project to such participants on a "take-or-pay" basis. The commercial operation date for the Magnolia Power Project was September 22, 2005. The Authority had outstanding $195,775,000 aggregate principal amount of revenue bonds with respect to the Magnolia Power Project as of April 1, 2026 (of which $8,005,000 relates exclusively to the City of Cerritos).

Prepaid Natural Gas Project. The Prepaid Natural Gas Project primarily consists of the acquisition by the Authority of the right to receive an aggregate amount of approximately 135 billion cubic feet of natural gas (which amount has been reduced to approximately 90 billion cubic feet as a result of a restructuring described below) from J. Aron & Company ("J. Aron") pursuant to the terms of five Prepaid Natural Gas Sales Agreements between the Authority and J. Aron, each relating to a separate participant. The gas is delivered by J. Aron to the Authority at designated delivery points on the natural gas pipelines that serve the participants in specified daily quantities each month, over the approximately 30-year term (subsequently amended to a 27-year term due to the restructuring described below) of each of the Prepaid Natural Gas Sales Agreements, in exchange for the lump sum prepayment made to J. Aron by the Authority on the date of issuance of the Authority's Gas Project Revenue Bonds (Project No. 1) in 2007. The Prepaid Natural Gas Project participants are the California cities of Anaheim, Burbank, Colton, Glendale and Pasadena. On October 22, 2009, the Prepaid Natural Gas Sales Agreements between the Authority and J. Aron were restructured to provide an acceleration of a portion of the long-term savings, reduce the remaining volumes of gas to be delivered and shorten the overall duration of the agreements. As a result of the restructuring, approximately $165,000,000 principal amount of bonds with respect to the Prepaid Natural Gas Project was discharged. On September 19, 2013, the transaction was further restructured to, among other things, (a) provide additional credit support for payments by three of the project participants by amending and restating the associated receivables purchase agreement and The Goldman Sachs Group, Inc. guaranty, (b) replace AIG-FP Broadgate Limited with Mitsubishi UFJ Securities International plc as the party to the Authority commodity swaps, and (c) create a custodial arrangement with respect to payments owed by J. Aron and guaranteed by The Goldman Sachs Group, Inc. or to J. Aron under corresponding J. Aron commodity swaps in order to mitigate the Authority's credit exposure to Mitsubishi UFJ Securities International plc as the counterparty. The Authority has sold 100% of its interest in the natural gas, on a "take-and-pay" basis, through gas supply agreements with the California cities of Anaheim, Burbank, Colton, Glendale and Pasadena. The Authority had outstanding $219,555,000 aggregate principal amount of revenue bonds with respect to the Prepaid Natural Gas Project as of April 1, 2026.

Natural Gas Reserves Project. The Natural Gas Reserves Project includes the Authority's leasehold interests in (i) certain natural gas resources, reserves, fields, wells and related facilities located near Pinedale, Wyoming (the "Wyoming Subproject") and (ii) certain natural gas resources, reserves, fields, wells and related facilities in (or near) the Barnett Shale geological formation in Texas (the "Texas Subproject," and collectively with the Wyoming Subproject, the "Natural Gas Reserves Project"). The

Authority has sold the entire production capacity of its leasehold interests in the Natural Gas Reserves Project by entering into gas sales agreements with the California cities of Anaheim, Burbank and Colton (collectively, the "Natural Gas Project A Participants") and with the California cities of Glendale and Pasadena on a "take or pay" basis (other than with respect to debt service, which is payable only by the Natural Gas Project A Participants on a several basis). On February 6, 2008, the Authority issued revenue bonds in three simultaneous financings (each for the benefit of a Natural Gas Project A Participant). As of April 1, 2026, the Authority had outstanding $23,330,000 aggregate principal amount of revenue bonds with respect to the Natural Gas Reserves Project, consisting of $13,300,000, $7,255,000 and $2,775,000 aggregate principal amount of the Anaheim series, the Burbank series and the Colton series, respectively.

Canyon Power Project. The Canyon Power Project consists of a simple cycle, natural gas-fired power generating plant, comprised of four General Electric LM 6000PC Sprint combustion turbines with a combined nominally rated net base capacity of 200 MW, and auxiliary facilities located on approximately 10 acres of land within an industrial area of the California city of Anaheim. The Canyon Power Project is owned by the Authority and operated and maintained by Anaheim. The Canyon Power Project was constructed for the primary purpose of providing Anaheim with firm capacity and energy to help it meet its current and future capacity and energy requirements and to satisfy certain ancillary services requirements. The Canyon Power Project achieved full commercial operation in 2011. Two of the four combustion turbine units went offline for repairs in 2025, with one of those units back in service and the other still out of service. The Authority has entered into a power sales agreement with Anaheim pursuant to which the Authority has sold 100% of its entitlement to capacity and energy in the Canyon Power Project to Anaheim on a "take-or-pay" basis. As of April 1, 2026, the Authority had outstanding $222,885,000 aggregate principal amount of revenue bonds with respect to the Canyon Power Project.

Windy Point/Windy Flats Project. The Windy Point/Windy Flats Project began commercial operation in January 2010 and is a 262.2 MW nameplate capacity wind farm comprised of 114 wind turbines located in the Columbia Hills area of Klickitat County, Washington near the city of Goldendale (the "Windy Point Project"). The Windy Point Project is owned and operated by Windy Flats Partners, LLC ("Windy Flats"). Pursuant to a power purchase agreement with Windy Flats, the Authority has agreed to purchase from Windy Flats all energy from the Windy Point Project for an initial delivery term expiring in 2030 (unless earlier terminated). Energy from the Windy Point Project is delivered to the Authority through an energy exchange agreement that redelivers production from the Windy Point Project to the Pacific DC Intertie. The Authority has issued revenue bonds to finance the prepayment of the purchase of 11,107,860 MWhs of energy from the Windy Point Project for the initial delivery term. In March 2023, the original power purchase agreement was amended to extend the delivery term for an additional four (4) years beginning September 10, 2030 through September 9, 2034. In connection with such extension, Windy Flats completed certain equipment replacements and upgrades, which are expected to maintain the project's current capacity factor for the additional four years contemplated by the amendment, plus two more years. The Authority has entered into power sales agreements with LADWP and the California city of Glendale pursuant to which the Authority has sold 100% of its output entitlement in the Windy Point Project to such participants on a "take-or-pay" basis. LADWP has purchased Glendale's 7.63% output entitlement share of Windy Point Project's output. As of April 1, 2026, the Authority had outstanding $126,675,000 aggregate principal amount of revenue bonds with respect to the Windy Point Project.

Tieton Hydropower Project. The Tieton Hydropower Project consists of a 13.6 MW nameplate capacity "run of the reservoir" hydroelectric generation facility, comprised of (i) a powerhouse located near Rimrock Lake in Yakima County approximately 40 miles west of the City of Yakima, Washington, and constructed at the base of the Bureau of Reclamation's Tieton Dam on the Tieton River, (ii) a 21-mile 115 kV transmission line from the power plant substation to the point of interconnection with the electrical grid, and (iii) related assets, property and contractual rights, acquired by the Authority in November 2009, pursuant to an Asset Purchase Agreement, dated as of October 19, 2009, by and between the Authority and

Tieton Hydropower, L.L.C., a Washington limited liability company. The Authority has entered into power sales and acquisition contracts with the California cities of Burbank and Glendale pursuant to which the Authority has sold 100% of its entitlement to capacity and energy in the Tieton Hydropower Project to such participants on a "take-or-pay" basis. As of April 1, 2026, the Authority had outstanding $26,585,000 principal amount of revenue bonds with respect to the Tieton Hydropower Project.

Linden Wind Energy Project. The Linden Wind Energy Project consists of the acquisition by the Authority of an approximately 50 MW nameplate capacity wind powered electric generating facility comprised of 25 wind turbines located near the town of Goldendale in Klickitat County, Washington, including the structures, facilities, equipment, fixtures, improvements and associated real and personal property and other rights and interests necessary for the ownership and operation of the generation facility and the sale of energy therefrom. The Linden Wind Energy Project was developed and constructed by Northwest Wind Partners, LLC ("Northwest Wind"), a Delaware limited liability company. Northwest Wind undertook the development, construction, start-up, testing and commissioning of the project, and upon the completion thereof and subject to the terms of the Asset Purchase Agreement, dated as of June 23, 2009, by and between the Authority and Northwest Wind, the Authority acquired the project from Northwest Wind. The Authority has entered into power sales agreements with LADWP and the California city of Glendale pursuant to which the Authority has sold 100% of its entitlement to capacity and energy in the Linden Wind Energy Project to such participants on a "take-or-pay" basis. LADWP has purchased all of Glendale's 10.00% output entitlement share of the Linden Wind Energy Project's output. As of April 1, 2026, the Authority had outstanding $74,765,000 aggregate principal amount of revenue bonds with respect to the Linden Wind Energy Project.

Milford Wind Corridor Phase I Project. *This Project is to be distinguished from the Milford Wind Corridor Phase II Project, which is described below.* The Milford Wind Corridor Phase I Project consists of the purchase by the Authority of all energy generated by a 203.5 MW nameplate capacity wind powered electric generating facility located near Milford, Utah (the "Milford I Facility"), for a term of 20 years (unless earlier terminated), pursuant to a Power Purchase Agreement, dated as of March 16, 2007, as amended, by and between the Authority and Milford Wind Corridor Phase I, LLC, a Delaware limited liability company, as the owner of the Milford I Facility. The generating facility includes 97 wind turbines, consisting of 58 Clipper C99 wind turbine generators, each with a rated capacity of 2.5 MW, and 39 General Electric 1.5 xle wind turbine generators, each with a rated capacity of 1.5 MW. Pursuant to the Power Purchase Agreement, energy from the Milford I Facility is delivered to the Authority over an approximately 88-mile, 345 kV, transmission line extending from the wind generation site to the IPP Switchyard in Delta, Utah, an ownership interest in which transmission line, together with certain structures, facilities, equipment, fixtures, improvements and associated real and personal property interests and other rights and interests necessary for the ownership and operation of the generation facility and the sale of power therefrom, comprise a part of the Milford I Facility. From the IPP Switchyard, the energy is delivered to the Adelanto Converter Station in California. On February 9, 2010, the Authority issued $237,235,000 aggregate principal amount of revenue bonds in order to finance the purchase by prepayment of a specified quantity of energy from the Milford I Facility over the 20-year delivery term (with a guaranteed annual quantity in each year), commencing on the commercial operation date of the Milford I Facility (i.e., November 16, 2009). The Authority has entered into power sales agreements with LADWP, and the California cities of Burbank and Pasadena pursuant to which the Authority has sold 100% of its entitlement to capacity and energy in the Milford Wind Corridor Phase I Project to such participants on a "take-or-pay" basis. As of April 1, 2026, the Authority had outstanding $52,835,000 aggregate principal amount of revenue bonds with respect to the Milford Wind Corridor Phase I Project.

The revenue bonds described in the immediately preceding paragraph are distinct from the revenue bonds relating to the Milford Wind Corridor Phase II Project described below.

Milford Wind Corridor Phase II Project. *This Project is to be distinguished from the Milford Wind Corridor Phase I Project, which is described above.* The Milford Wind Corridor Phase II Project consists of the purchase by the Authority of all energy generated by a 102 MW nameplate capacity, wind powered electric generating facility comprised of 68 wind turbines located near Milford, Utah (the "Milford II Facility"), for a term of 20 years (unless earlier terminated) pursuant to a Power Purchase Agreement, dated as of March 1, 2010, by and between the Authority and Milford Wind Corridor Phase II, LLC, a Delaware limited liability company, as the owner of the Milford II Facility. Pursuant to the Power Purchase Agreement, energy from the Milford II Facility is delivered to the Authority over an approximately 90-mile, 345 kV, transmission line extending from the wind generation site to the IPP Switchyard in Delta, Utah, an ownership interest in which transmission line, together with certain structures, facilities, equipment, fixtures, improvements and associated real and personal property interests and other rights and interests necessary for the ownership and operation of the generation facility and the sale of power therefrom, comprise a part of the Milford II Facility. From the IPP Switchyard, the energy is delivered to the Adelanto Converter Station in California. On August 25, 2011, the Authority issued $157,465,000 aggregate principal amount of revenue bonds in order to finance the purchase by prepayment of a specified quantity of energy from the Milford II Facility over the 20-year delivery term (with a guaranteed annual quantity in each year), commencing on the commercial operation date of the Milford II Facility (i.e., May 2, 2011). The Authority has entered into power sales agreements with LADWP and the California city of Glendale pursuant to which the Authority has sold 100% of its entitlement to capacity and energy in the Milford Wind Corridor Phase II Project to such participants on a "take-or-pay" basis. LADWP has purchased all of Glendale's 4.902% output entitlement share of the Milford II Facility's output. As of April 1, 2026, the Authority had outstanding $52,135,000 aggregate principal amount of revenue bonds with respect to the Milford Wind Corridor Phase II Project.

The revenue bonds described in the immediately preceding paragraph are distinct from the revenue bonds relating to the Milford Wind Corridor Phase I Project described above.

Apex Power Project. The Apex Power Project consists of a natural gas-fired, combined cycle generating facility, nominally rated at 531 MW, located in Clark County, Nevada, generator interconnection facilities, related assets and property, and interconnection and transmission contractual rights. The facility commenced full commercial operation in May 2003. The Apex Power Project was acquired by the Authority in March 2014, pursuant to an Asset Purchase Agreement, dated as of October 17, 2013, by and between the Authority and Las Vegas Power Company, LLC, a Delaware limited liability company, the previous owner of the Apex Power Project. Operation and maintenance of the Apex Power Project facility is currently provided pursuant to an Operations and Maintenance Agreement with EthosEnergy Power Operations (West), formerly Wood Group Power Operations (West), Inc., and a Long-Term Service Agreement with General Electric International, Inc., each of which was assumed by the Authority in connection with the acquisition of the project. Firm transmission service for the facility output is provided pursuant to a Large Generator Interconnection Agreement with Nevada Power Company and two Service Agreements for Long-Term Firm Point-to-Point Transmission Service with a point of delivery at the Mead 230 kV Substation. The Apex Power Project was acquired by the Authority for the primary purpose of providing LADWP with energy and base-load, combined cycle, gas-fired generating capacity. The Authority has entered into a power sales agreement with LADWP pursuant to which the Authority has sold 100% of its entitlement to capacity and energy in the Apex Power Project to LADWP on a "take-or-pay" basis. As of April 1, 2026, the Authority had outstanding $179,710,000 aggregate principal amount of revenue bonds with respect to the Apex Power Project.

Clean Energy Project. The Clean Energy Project is structured to assist the California city of Anaheim, the sole project participant, to procure a long-term supply of electricity at favorable prices. In order to do so, the Clean Energy Project includes a feature whereby Anaheim can seek to assign existing and future power purchase agreements ("PPAs") to the Authority, and the Authority may thereafter assign

such PPAs to J. Aron, and if such assignment is accepted by J. Aron, electricity thereunder will be delivered to Aron Energy Prepay LLC (the "Electricity Supplier") to meet the Electricity Supplier's obligations to deliver prepaid Electricity ("Prepaid Electricity") to the Authority under a Master Power Supply Agreement (the "Master Power Supply Agreement"). The Authority will then deliver such Prepaid Electricity to Anaheim under the Clean Energy Purchase Contract (the "Clean Energy Purchase Contract") at the contract price. The Authority issued revenue bonds to finance the cost of acquisition of an approximately thirty-year supply of Prepaid Electricity under the Master Power Supply Agreement. Anaheim has entered into limited assignment agreements relating to two (2) existing power purchase agreements under which it assigned to the Authority, and the Authority assigned to J. Aron, the electricity deliveries thereunder beginning October 2024. The Authority had outstanding $591,720,000 aggregate principal amount of revenue bonds with respect to the Clean Energy Project as of April 1, 2026.

Other Projects of the Authority Not Financed with Bonds

The following are the projects of the Authority for which no bonds have been issued. The principal of and premium, if any, and interest on the 2026-1 Bonds are secured solely by and payable solely from the Revenues and certain other moneys pledged therefor under the Indenture. None of the costs associated with the projects described below in this subsection is payable from such Revenues and such other moneys pledged to the payment of the 2026-1 Bonds.

Projects That Have Achieved Commercial Operation

Antelope Big Sky Ranch Solar Project. The Authority, on behalf of the California cities of Azusa, Pasadena and Riverside, entered into a power purchase agreement for 20 MW of generating capacity. The commercial operation date for the project was declared on August 19, 2016. The agreement expires on December 31, 2041.

Antelope DSR I Solar Project. The Authority, on behalf of the California cities of Riverside and Vernon, entered into a power purchase agreement for 50 MW of generating capacity. The commercial operation date for the project was declared on December 15, 2016. The agreement expires on December 14, 2036.

Antelope DSR II Solar Project. The Authority, on behalf of the California city of Azusa, entered into a power purchase agreement for 5 MW of generating capacity. The commercial operation date for the project was declared on December 6, 2016. The agreement expires on December 5, 2036.

Astoria 2 Solar Project. The Authority, on behalf of the California cities of Banning, Colton and Vernon, entered into a power purchase agreement for 35 MW of generating capacity from December 9, 2016 to December 31, 2021 and 45 MW of generating capacity from January 1, 2022 until the expiration of the agreement on December 31, 2036.

Casa Diablo IV Geothermal Project. The Authority, on behalf of the California city of Colton, entered into a power purchase agreement with Ormat for 16 MW of generating capacity. The commercial operation date for the project was declared on July 14, 2022. The agreement expires on July 13, 2047.

Chiquita Canyon Landfill Gas Project. The Authority, on behalf of the California cities of Burbank and Pasadena, entered into a power purchase agreement for 10 MW of generating capacity. The commercial operation date for the project was declared on November 23, 2010. The agreement expires on November 22, 2030.

On February 22, 2024, the Authority received a Notice of Force Majeure from Ameresco Chiquita Energy, LLC ("Ameresco") claiming that they were forced to shut down the facility on January 31, 2024 due to new conditions at the site affecting the quality and quantity of landfill gas. In their notice, Ameresco states that their ability to resume operations depends on the ability of owner of the landfill to restore the landfill gas back to its historic quality and quantity. As of April 2, 2026, no date of return has been provided by Ameresco.

Columbia Two Solar Project. The Authority, on behalf of the California cities of Azusa, Pasadena and Riverside, entered into a power purchase agreement for 15 MW of generating capacity. The commercial operation date for the project was declared on December 19, 2014. The agreement expires on December 18, 2034.

Copper Mountain Solar 3 Project. The Authority, on behalf of LADWP and the California city of Burbank, entered into a power purchase agreement for 250 MW of generating capacity. The commercial operation date for the project was declared on April 8, 2015. The agreement expires on April 8, 2035.

Coso Geothermal Project. The Authority, on behalf of the California cities of Banning, Pasadena, and Riverside, entered into a power purchase agreement for up to 55 MW of the total 150 MW generating capacity. The delivery commencement date for the project was on January 1, 2022. The agreement expires on December 31, 2041.

Daggett Solar Power 2 Project. The Authority, on behalf of the California cities of Cerritos and Vernon, entered into power purchase agreement for the full output from a facility with a 65 MW solar generating capacity and a 33 MW/132MWh battery energy storage system. The Project achieved its commercial operation date on December 12, 2023. The term of the agreement is 20 years.

Desert Harvest II Solar Project. The Authority, on behalf of the California cities of Anaheim, Burbank, and Vernon, entered into a power purchase agreement for 70 MW of generating capacity. The Project achieved its commercial operation date on December 17, 2020. The term of the agreement is 25 years.

Don A. Campbell I Geothermal Project. The Authority, on behalf of LADWP and the California city of Burbank, entered into a power purchase agreement for approximately 16 MW of net generating capacity. The commercial operation date for the project was declared on January 1, 2014. The agreement expires on January 1, 2034.

Don A. Campbell II Geothermal Project. The Authority, on behalf of LADWP, entered into a power purchase agreement for 16 MW of net generating capacity. The commercial operation date for the project was declared on September 17, 2015. The agreement expires on September 17, 2035.

Eland Solar & Storage Center, Phase 1. The Authority, on behalf of LADWP and the California city of Glendale, entered into a power purchase agreement for the full output of Phase 1 with 200MW solar generating capacity and a 150MW/600MWh battery energy storage system. The commercial operation date for Phase 1 was November 18, 2024. The term of the agreement is 25 years.

Eland Solar & Storage Center, Phase 2. The Authority, on behalf of LADWP, entered into a power purchase agreement for the full output of Phase 2 with 200MW solar generating capacity and a 150MW/600MWh battery energy storage system. The commercial operation date for Phase 2 was July 31, 2025. The term of the agreement is 25 years.

Heber 1 Geothermal Project. The Authority, on behalf of LADWP and IID, entered into a power purchase agreement for 46 MW of generating capacity. The delivery commencement date for the project to the Authority was on February 2, 2016. The agreement expires on February 1, 2051.

Kingbird Solar B Project. The Authority, on behalf of the California cities of Azusa, Colton and Riverside, entered into a power purchase agreement for 20 MW of generating capacity. The commercial operation date for the project was declared on April 30, 2016. The agreement expires on December 31, 2036, unless a one-time five-year extension is exercised.

ARP-Loyalton Biomass Project. On April 2, 2018, the Authority, on behalf of LADWP, IID and the California cities of Anaheim and Riverside, entered into a power purchase agreement (the "PPA") for approximately 12 MW of generating capacity with ARP-Loyalton Cogen LLC, seller and developer of the existing biomass power generation facility in California. The commercial operation date for the project was declared on April 20, 2018.

In February 2020, the operator of the project, ARP-Loyalton Cogen LLC, and its parent company American Renewable Power LLC, filed petitions for relief under the United States Code (the "Bankruptcy Code"). Under a 2024 settlement approved by the Court, proceeds of certain letters of credit were returned to the Chapter 7 trustee after deducting the amounts due to the Authority and its participants under the power purchase agreement and the Authority was released from, among other things, any further obligations under the agreement. The power purchase agreement also expired under its terms on April 19, 2023.

Northern Nevada Geothermal Portfolio Project. The Authority, on behalf of LADWP, entered into a power purchase agreement for up to 185 MW of generating capacity. This project is comprised of a portfolio of generating stations to be phased in over time. The first facility began delivering energy to the Authority on December 1, 2017. The last facility of the portfolio reached its delivery commencement date on December 19, 2022. The agreement expires on December 31, 2043.

Ormesa Geothermal Complex Energy Project. The Authority, on behalf of LADWP and IID, entered into a power purchase agreement for 35 MW of net generating capacity. The delivery commencement date for the project to the Authority was on January 1, 2018. The agreement expires on December 31, 2042.

Pebble Springs Wind Power Project. The Authority, on behalf of LADWP and the California cities of Burbank and Glendale, entered into a power purchase agreement for approximately 99 MW of generating capacity. The commercial operation date for the project was declared on January 31, 2009. The agreement expires on January 31, 2027.

Puente Hills Landfill Gas-to-Energy Project. The Authority, on behalf of the California cities of Banning, Colton, Pasadena and Vernon, entered into a power purchase agreement for 46 MW of generating capacity. The delivery commencement date for the project to the Authority was on January 1, 2017. The agreement expires on December 31, 2030.

On March 11, 2024, the Authority received a Notice of Force Majeure from the Los Angeles County Sanitation Districts ("Sanitation Districts") claiming that due to the lower than expected landfill gas production, the Sanitation Districts expect to cease energy sales to the Authority and seek to terminate the power purchase agreement at the end of the day on December 31, 2026.

Red Cloud Wind Project. The Authority, on behalf of LADWP, entered into a power purchase agreement for 331 MW of generating capacity. The commercial operation date for the project was declared on December 22, 2021. The term of the agreement is 20 years.

Roseburg Biomass Project. The Authority, on behalf of LADWP, IID and the California city of Anaheim, entered into a purchase agreement for 6.8 MW (out of a total generating capacity of 13.4 MW) pursuant to SB 859. See "DEVELOPMENTS IN THE CALIFORNIA ENERGY MARKETS—State Legislation and Regulatory Proceedings—Biomass Legislation" herein. The delivery commencement date was February 16, 2021. The term of the agreement is five years.

Springbok I Solar Farm Project. The Authority, on behalf of LADWP, entered into a power purchase agreement for 105 MW of generating capacity. The commercial operation date for the project was declared on July 11, 2016. The agreement expires on July 10, 2041.

Springbok II Solar Farm Project. The Authority, on behalf of LADWP, entered into a power purchase agreement for 155 MW of generating capacity. The commercial operation date for the project was declared on September 6, 2016. The agreement expires on September 5, 2043, unless a one-time three-year extension is exercised.

Springbok III Solar Farm Project. The Authority, on behalf of LADWP, entered into a power purchase agreement for 90 MW of generating capacity. The commercial operation date for the project was declared on July 19, 2019. The agreement expires on July 18, 2046, unless a one-time three-year extension is exercised.

Star Peak Geothermal Project. The Authority, on behalf of the California city of Glendale, entered into a power purchase agreement for 12.5 MW of generating capacity. The commercial operation date for the project was declared on September 28, 2022. The agreement expires on December 31, 2045. The operator of the project was notified on August 20, 2025 of a default under the power purchase agreement for failure of the facility to deliver net delivered energy in the amounts required by the agreement. The Authority is exploring its options regarding next steps.

Summer Solar Project. The Authority, on behalf of the California cities of Azusa, Pasadena and Riverside, entered into a power purchase agreement for 20 MW of generating capacity. The commercial operation date for the project was declared on July 25, 2016. The agreement expires on December 31, 2041.

Whitegrass Geothermal Project. The Authority, on behalf of the California city of Glendale, entered into a power purchase agreement, for 3.0 MW of generating capacity. The delivery commencement date for the project to the Authority was on April 1, 2020. The agreement expires on December 31, 2045. On February 3, 2025, the Authority notified the project developer that the project is in default because the developer has failed to maintain the performance security required under the power purchase agreement. The Authority is exploring its options regarding next steps.

Projects Under Development

Bonanza Solar Facility. The Authority, on behalf of the California cities of Azusa and Pasadena, entered into a power purchase agreement for a 125MW portion of the full output from a 300 MW capacity solar facility and a 65MW/260MWh portion of a 195MW/780MWh battery energy storage system. The guaranteed commercial operation date is December 31, 2028. The term of the agreement is 20 years.

Geysers Geothermal Project. The Authority, on behalf of the California city of Pasadena, entered into power purchase agreement for a 25 MW portion of the full output from a 725 MW capacity geothermal facility. The guaranteed delivery commencement date is January 1, 2027. The term of the agreement is 15 years.

Grace Orchard Solar III Project. The Authority, on behalf of the California cities of Anaheim, Colton, and Pasadena, entered into a power purchase agreement for a 170MW portion of the full output capacity of a 500 MW solar facility. The guaranteed commercial operation date is June 1, 2028. The term for the agreement is 20 years.

Milford Solar II Project. The Authority, on behalf of LADWP and the California cities of Burbank and Glendale, entered into a power purchase agreement for 300MW of solar generating capacity. The guaranteed commercial operation date is December 31, 2027. The term of the agreement is 30 years.

Utah Solar I Project. The Authority, on behalf of LADWP, entered into a power purchase agreement for 300 MW of solar generating capacity. The guaranteed commercial operation date is June 30, 2028. The term of the agreement is 30 years. The power purchase agreement is subject to early termination if LADWP's governing bodies do not approve of and execute a power sales agreement with the Authority, for LADWP to purchase the Authority's 300 MW capacity from the Utah Solar I Project by a specified approvals deadline.

Further Information

A copy of the Authority's most recent Annual Report may be obtained from the Authority, 1160 Nicole Court, Glendora, California 91740. The Authority and each of the Project Participants maintains a website. However, the information presented therein is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the 2026-1 Bonds.

DEVELOPMENTS IN THE CALIFORNIA ENERGY MARKETS

State Legislation and Regulatory Proceedings

A number of bills affecting the electric utility industry have been introduced or enacted by the California Legislature in recent years. In general, these bills regulate greenhouse gas emissions and provide for greater investment in energy efficiency and environmentally friendly generation and storage alternatives, principally through more stringent renewable resource portfolio standard requirements and more aggressive emissions reduction programs to combat the effects of climate change. Enacted legislation has also focused on addressing issues relating to wildfire risks and occurrences in California, including imposing certain requirements on electric utilities in connection with planning for and mitigating such occurrences and risks. The following is a brief summary of certain of these bills that have been enacted. This discussion does not purport to be comprehensive or definitive, and these matters are subject to change subsequent to the date hereof.

Greenhouse Gas Emissions – Background; Global Warming Solutions Act. In September 2006, then-Governor Schwarzenegger signed into law Assembly Bill 32, the Global Warming Solutions Act of 2006 (hereinafter, the "GWSA"), which became effective on January 1, 2007. The GWSA prescribed a statewide cap on global warming pollution with a goal of returning to 1990 greenhouse gas emission levels by 2020 as prescribed by Executive Order S-3-05 of the Governor issued on June 1, 2005. In September 2016, then-Governor Brown signed into law Senate Bill 32 ("SB 32"), an amendment to the GWSA. SB 32, which became effective as law on January 1, 2017, codified a new interim statewide greenhouse gas emission reduction target, consistent with Executive Order B-30-15, signed by Governor Brown on April 29, 2015. SB 32 requires the California Air Resources Board ("CARB"), which, pursuant to the GWSA, is the designated state agency charged with monitoring and regulating sources of emissions of greenhouse gases, to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level no later than December 31, 2030.

Senate Bill 350 ("SB 350"), signed by then-Governor Brown in October 2015 (and additionally discussed under "– *Renewables Portfolio Standard*" below), requires CARB, in consultation with the California Public Utilities Commission (the "CPUC") and the California Energy Commission (the "CEC"), to establish 2030 greenhouse gas emission targets for each electric utility in the State. At present, these targets are non-binding, and primarily intended to help the State measure progress toward the 2030 statewide goal outlined in SB 32. The targets, however, are an input to the integrated resource plans that are required of the State's 16 largest local publicly-owned electric utilities ("POUs"). See "– *Renewables Portfolio Standard*" below.

The GWSA also established an annual mandatory reporting requirement for all investor-owned utilities ("IOUs"), POUs, and other load-serving entities (electric utilities providing energy to end-use customers) to inventory and report greenhouse gas emissions to CARB, required CARB to adopt regulations for significant greenhouse gas emission sources (allowing CARB to design a "cap-and-trade" program) and gave CARB the authority to enforce such regulations beginning in 2012. The Authority and the Project Participants are complying with the applicable reporting requirements under the GWSA.

Assembly Bill 1279 ("AB 1279") established additional greenhouse-gas emission reduction goals. AB 1279 declares the policy of the State both to achieve net-zero greenhouse gas emissions as soon as possible, but no later than 2045, and achieve and maintain net negative greenhouse gas emissions thereafter, and to ensure that by 2045, Statewide anthropogenic greenhouse gas emissions are reduced to at least 85% below the 1990 levels. Under AB 1279, "net zero greenhouse gas emissions" means emissions of greenhouse gases to the atmosphere are balanced by removals of greenhouse gas emissions over a period of time. At present, these targets are non-binding, and primarily intended to help the State progress toward the 2045 Statewide goal outlined in AB 1279.

Greenhouse Gas Emissions – Cap-and-Trade Program. Pursuant to the GWSA, CARB has adopted a series of regulations implementing a cap-and-trade program. The initial cap-and-trade regulation became effective on January 1, 2012. Emission compliance obligations under the regulation began on January 1, 2013. The cap-and-trade program covers sources accounting for 85% of California's greenhouse gas emissions, the largest program of its type in the United States.

The cap-and-trade regulations impose aggregate emissions limitations on the electricity generation industry in California. The cap-and-trade regulations require all regulated entities to obtain and submit to CARB compliance instruments (allowances and/or offsets) with respect to greenhouse gas emissions relating to its State generation activities, as well as for imported electricity from dedicated out-of-state resources. The cap-and-trade program includes the distribution of carbon allowances equal to the annual emissions cap. The Project Participants, like other electric utilities, receive administrative allocations of allowances for some of its expected greenhouse gas emissions. Additional allowances are auctioned quarterly. Entities that emit greenhouse gases at levels above those for which they receive administrative allocations, if any, must purchase the additional allowances they require at the CARB auctions or on the secondary market from other covered entities with surplus allowances. IOUs are required to auction the allowances they received for free from CARB. This requirement also applies to POUs that sell electricity into the California Independent System Operator Corporation ("ISO") markets, other than sales of electricity from resources funded by municipal tax-exempt debt where the POU makes a matched purchase to serve its traditional retail customers. Utilities required to sell their allowances in the auctions are then required to purchase allowances to meet their compliance obligations, and use any remaining proceeds from the sale of their allocated allowances for the benefit of their ratepayers and to meet the goals of the GWSA. POUs that do not sell into the ISO markets, and those that sell into the ISO markets only electricity from resources funded by municipal tax-exempt debt, have three options (which are not mutually exclusive) once their allocated allowances have been distributed to them. They can (i) place allowances in their compliance accounts to meet compliance obligations, (ii) place allowances in the compliance account of a joint powers

agency or public power utility that generates power on their behalf, and/or (iii) auction the allowances and use the proceeds to benefit their ratepayers and meet the goals of the GWSA.

The cap-and-trade program also allows covered entities to use offset credits for compliance (initially not exceeding 8% of a covered entity's compliance obligation through the end of 2020). Offsets can be generated by emission reduction projects in sectors that are not regulated under the cap-and-trade program. CARB has approved the following types of offset projects: urban forest projects, reforestation projects, destruction of ozone-depleting substances, livestock methane management projects, destruction of fugitive coal mine methane and rice cultivation practices. CARB will continue to consider additional and updated offset protocols, including international, sector-based offsets; CARB is also required to reform the offset program pursuant to AB 398 as discussed below.

On July 17, 2017, the California Legislature passed AB 398, extending the cap-and-trade program from 2021 to 2030. AB 398 passed both houses with a 2/3 supermajority vote, which protects the legislation from certain legal challenges. Under AB 398, the distribution of free carbon allowances is continued for certain industrial sectors. However, AB 398 imposes stricter limits on the use of offset credits for compliance, with 4% of a covered entity's compliance obligation to be allowed to be satisfied with offsets from 2021 through 2025, and 6% thereafter. In addition, one-half of any such offsets will be required to be in California. Under AB 398, CARB was directed to address the following: establish a price ceiling, offer non-tradeable allowances at two price containment points below the price ceiling, transfer current vintages unsold for more than 24 months to the allowance price containment reserve, evaluate and address allowance over-allocation concerns, set industry assistance factors for allowance allocation, and establish allowance banking rules. Under AB 398, CARB was directed to include cost containment provisions to keep allowance prices from rising too high and pushing business expansion outside of the state (referred to as "leakage"). AB 398 was passed in conjunction with AB 617, which strengthens the monitoring of criteria air pollutants and toxic air contaminants in local communities. Amendments to the cap-and-trade regulations to reflect the requirements of AB 398 have been adopted by CARB and went into effect on April 1, 2019.

California's cap-and-trade program is linked to the equivalent program in Quebec, Canada. The program may in future years be linked to additional Canadian provincial cap-and-trade programs, and possibly other U.S. state cap-and-trade programs. The Authority and the Project Participants are unable to predict at this time the full impact of the cap-and-trade program over the long-term on the Project Participants' respective electric utilities or on the electric utility industry generally or whether any additional changes to the adopted program will be made.

Since the advent of the cap-and-trade program in 2012, regulations by CARB have provided the electric sector, including the Project Participants, with sufficient allocated greenhouse gas allowances or credits to cover existing operations in meeting retail load obligations. The Project Participants may bank allocated allowances in its compliance account to satisfy a portion of its ongoing compliance obligations. The Project Participants may also buy or sell allowances in the quarterly auctions or on the bi-lateral market to meet its additional compliance obligations. The Project Participants could be adversely affected by future changes in the allowance allocation methodology or by future reductions in the quantity of allowances allocated to it under CARB regulations, if the greenhouse gas emissions of its resource portfolio are in excess of the allowances administratively allocated to it and it is required to purchase compliance instruments on the market to cover its emissions.

In September 2025, AB 1207 was signed into law. AB 1207 reauthorizes and extends California's cap-and-trade program from 2030 to 2045 (which program is to be now referred to as the California Cap-and-Invest Program pursuant to the provisions of AB 1207).

CARB is in the process of developing amendments to the California Cap-and-Invest Program regulations. The scope of the potential amendments under consideration by CARB includes, among other things, removing 118 million allowances from the program from 2027-2030 and using an updated integrated energy forecast to adjust utility allowance allocations through 2030, which has the effect of reducing the total number of budgeted allowances starting in 2027. The proposal affects California POUs and electric utilities to differing degrees, depending on load growth and their energy and capacity portfolios, but collectively, the proposal would pull approximately 9 million allowances from Authority members and their ratepayers through 2030. Comments on the proposal were due March 9, after which it is anticipated that there will be additional "15-day changes" proposed by CARB, before a targeted May 28, 2026 hearing to consider the proposal. CARB is aiming to finalize the rulemaking by September 2026, in time to influence allowance allocation for 2027.

See "– Federal Executive Orders Regarding State Laws" below.

Greenhouse Gas Emissions – Emissions Performance Standard. Senate Bill 1368 ("SB 1368") became effective as law on January 1, 2007. SB 1368 provided for an emission performance standard ("EPS"), restricting new investments in baseload fossil fuel electric generating resources that exceed a specified rate of greenhouse gas emissions. SB 1368 allows the CEC to establish a regulatory framework to enforce the EPS for POUs such as the Project Participants. The CEC regulations prohibit any investment in baseload generation that does not meet the EPS of 1,100 pounds of carbon dioxide ("CO2") per MWh of electricity produced, with limited exceptions for routine maintenance, requirements of pre-existing contractual commitments, or threat of significant financial harm.

As modified, the EPS regulations require a POU to post a notice of a public meeting at which its governing board will consider any expenditure over $2.5 million to meet environmental regulatory requirements at a non-EPS compliant baseload facility. In addition, each POU is required to file an annual notice identifying all investments over $2.5 million that it anticipates making during the subsequent 12 months on non-EPS compliant baseload facilities to comply with environmental regulatory requirements. This requirement is waived for any POU that has entered into a binding agreement to divest within five years of all baseload facilities exceeding the EPS. CEC staff has confirmed that the $2.5 million threshold applies to an individual investment by each utility, and not the combined investment of all participants in a project.

Energy Procurement and Efficiency Reporting. Senate Bill 1037 ("SB 1037") was signed by then Governor Schwarzenegger on September 29, 2005. It requires that each POU, including the Project Participants, prior to procuring new energy generation resources, first acquire all available energy efficiency, demand reduction, and renewable resources that are cost-effective, reliable and feasible. SB 1037 also requires each POU to report annually to its customers and to the CEC its investment in energy efficiency and demand reduction programs. The Project Participants are complying with such reporting requirements.

Assembly Bill 2021 ("AB 2021"), signed by then Governor Schwarzenegger on September 29, 2006, requires that POUs establish, report, and explain the basis of the annual energy efficiency and demand reduction targets by June 1, 2007 and every three years thereafter for a ten-year horizon. A subsequent amendment, Assembly Bill 2227, extended the time interval for establishing annual targets from every three years to every four years. The Project Participants have complied with this reporting requirement under AB 2021. The information obtained from the POUs from these reporting requirements is utilized by the CEC to present the progress made by the POUs towards the statewide goal to double energy efficiency savings in electricity and natural gas final end uses by 2030, to the extent doing so is cost effective, feasible, and does not adversely impact public health and safety, as prescribed in SB 350. In addition, the CEC can provide recommendations for improvement to assist each POU in achieving cost-effective, reliable, and

feasible savings in conjunction with the established targets for reduction. See "– *Renewables Portfolio Standard*" below.

SB 350 further requires the CEC to establish annual targets for statewide energy efficiency savings and demand reduction that will achieve a cumulative doubling of statewide energy efficiency savings in electricity and natural gas final end uses of retail customers by January 1, 2030. The CPUC is required to establish energy efficiency targets for electrical and gas corporations consistent with this goal, and specify programs that may be used to achieve the goal. POUs are required to establish annual targets for energy efficiency savings and demand reduction consistent with the goal and to report those targets to the CEC every four years for the next 10-year period. The bill provides guidance as to what measures qualify and requires an evaluation of feasibility and cost effectiveness in setting annual targets for those savings.

Biomass Legislation. Senate Bill 859 ("SB 859"), signed by then-Governor Brown in September 2016, requires IOUs and POUs that serve more than 100,000 customers to procure, through financial commitments of five years, their proportionate shares (based on the ratio of the utility's peak demand to the total statewide peak demand), of 125 MW of cumulative rated capacity from existing bioenergy projects that generate energy from (a) a byproduct of sustainable forestry management and (b) high fire-hazard zones. Senate Bill 901 ("SB 901"), signed into law in September 2018, requires POUs with certain biomass contracts to seek to extend their term five years past the original expiration date. The Authority has executed power purchase agreements to provide bioenergy to certain members that are subject to the procurement requirements of SB 859 and SB 901 (which includes LADWP but not the other Project Participants). See "SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY – Other Projects of the Authority Not Financed by Bonds – Projects That Have Achieved Commercial Operation – *ARP-Loyalton Biomass Project*" and " – *Roseburg Biomass Project*." Senate Bill 1109 ("SB 1109") signed into law by Governor Newsom on September 16, 2022 (and effective on January 1, 2023) modifies SB 859's requirement, instead requiring IOUs and POUs that serve more than 100,000 customers to procure, by December 1, 2023, through financial commitments of five to 15 years, their proportionate shares (based on the ratio of the utility's peak demand to the total statewide peak demand), of 125 MW of cumulative rated capacity from existing bioenergy projects that generate energy from (a) a byproduct of sustainable forestry management and (b) high fire-hazard zones. However, such modified requirements under SB 1109 do not apply to a POU if it, either directly or through a joint powers authority, entered into the five-year financial commitments as previously required pursuant to SB 859 and those commitments include (1) a contract with a facility operator that was, on June 1, 2022, in bankruptcy or (2) a contract for a project that does not deliver energy to the POU. The requirements of SB 1109 do not apply to LADWP and the California cities of Anaheim and Riverside because they, either directly or through the Authority, entered into the five-year financial commitments as previously required pursuant to SB 859 and the ARP-Loyalton Biomass Project was in bankruptcy on June 1, 2022, and the Roseburg Biomass Project does not deliver energy to LADWP and the California cities of Anaheim and Riverside. SB 1109 also modified SB 901's contract extension requirement instead requiring POUs with certain biomass contracts that expire before December 31, 2028, to seek to extend their term five years past the expiration date operative in 2022. These contract extension requirements, similarly, do not apply to LADWP and the California cities of Anaheim and Riverside under SB 1109.

Renewables Portfolio Standard. Senate Bill X1-2 ("SBX1-2"), the California Renewable Energy Resources Act, was signed into law by Governor Brown on April 12, 2011. SBX1-2 required each POU to adopt and implement a renewable energy resource procurement plan and established targets for three compliance periods for the procurement of at least the following amounts of electricity products from eligible renewable energy resources, which could include renewable energy certificates ("RECs"), as a proportion of total kilowatt hours sold to the utility's retail end-use customers: (i) over the 2011-2013 compliance period, an average of 20% of retail sales from January 1, 2011 to December 31, 2013, inclusive; (ii) over the 2014-2016 compliance period, a total equal to 20% of 2014 retail sales, 20% of 2015 retail

sales, and 25% of 2016 retail sales; and (iii) over the 2017-2020 compliance period, a total equal to 27% of 2017 retail sales, 29% of 2018 retail sales, 31% of 2019 retail sales, and 33% of 2020 retail sales. The governing boards of POUs are responsible for implementing the requirements of SBX1-2, rather than the CPUC, as is the case for the IOUs. In addition, the CEC was given certain enforcement authority for POUs and CARB was given the authority to set penalties. The CEC has developed detailed rules to implement SBX1-2, and has adopted regulations for the enforcement of the renewables portfolio standard ("RPS") program requirements for POUs, which regulations have been subsequently amended from time to time.

SB 350, the Clean Energy and Pollution Reduction Act of 2015, was signed into law by then Governor Brown on October 7, 2015. SB 350, as enacted, establishes an RPS target of 50% by December 31, 2030 for the amount of electricity generated and sold to retail customers from eligible renewable energy resources for retail sellers and POUs, including interim targets of (i) 40% by the end of the 2021-2024 compliance period, (ii) 45% by the end of the 2025-2027 compliance period and (iii) 50% by the end of the 2028-2030 compliance period.

SB 350 requires each retail seller of electricity (including IOUs, most POUs above a certain size threshold, community choice aggregators and energy service providers) to provide a renewable energy procurement plan on an annual basis, and to file an integrated resource plan ("IRP") at least once every five years, commencing no later than January 1, 2019, for CEC review. POUs with an annual electrical demand exceeding 700 gigawatt hours (as determined on a three-year average commencing January 1, 2013) are subject to this requirement, which applies to the State's 16 largest POUs. The governing body of the POU is responsible for adopting the IRP, subject to review by the CEC, which can recommend modifications to correct any shortcomings. This IRP is required to include the affected utility's plans to meet the 2030 interim emissions reductions goal set by CARB. Each of the Project Participants has approved and adopted an integrated resource plan.

Senate Bill 100 ("SB 100"), the 100 Percent Clean Energy Act of 2018, was signed into law by then-Governor Brown in September 2018. SB 100 accelerates the State's RPS target as established by SB 350 from 50% by 2030 to 60% by 2030 and sets a goal of 100% "clean energy" by the year 2045. SB 100 requires retail electric sellers and local publicly-owned electric utilities to procure a minimum quantity of electric products from eligible renewable energy resources so that the total kWhs of those products sold to retail end-use customers achieve 44% of retail sales by December 31, 2024, 52% of retail sales by December 31, 2027 and 60% of retail sales by December 31, 2030. SB 100 further establishes a State policy that eligible renewable energy resources and zero-carbon resources supply 100% of retail sales of electricity to California end-use customers by December 31, 2045. On the last day of the legislative session, after the passage of SB 100 in both the State Assembly and the State Senate, the bill's author, Senator Kevin de Leon, filed a "Letter to the Journal" clarifying the intent of SB 100, stating that "SB 100 does not seek to require retail sellers of electricity to default on existing contractual obligations to deliver electricity to California customers from existing zero-carbon generating facilities." This clarification allows existing nuclear resources (such as the Palo Verde Nuclear Generating Station) and large hydropower resources (such as Hoover Dam) to help meet the policy standard set forth in SB 100 that eligible renewable and zero-carbon resources supply 100% of retail sales of electricity by December 31, 2045.

In December 2020, the CEC adopted regulations to update the RPS Enforcement Procedures for Publicly Owned Utilities, including to update regulations amended by both SB 350 and SB 100, among other enacted bills. This includes implementing a major provision from SB 350, pertaining to long-term procurement of renewable resources, which requires, beginning January 1, 2021, that at least 65% of renewables procurement must be for a duration of 10 years or more. The regulations implement the new RPS procurement requirements for the compliance periods between 2021 and 2030, establish soft procurement targets for the intervening years of the compliance periods to demonstrate reasonable progress in meeting the RPS procurement target for the compliance periods, and establish three-year compliance

periods beginning after 2030. The regulations also specify standards for 10-year procurement contracts to meet the long-term procurement requirement.

Senate Bill 1020 ("SB 1020"), the Clean Energy, Jobs, and Affordability Act of 2022, signed into law by Governor Newsom on September 16, 2022 (and effective on January 1, 2023), revises SB 100's State policy on eligible renewable energy resources and zero-carbon resources supply. Under the revised State policy, eligible renewable energy resources and zero-carbon resources would supply (i) 90% of all retail sales of electricity to California end-use customers by December 31, 2035, (ii) 95% of all retail sales of electricity to California end-use customers by December 31, 2040, (iii) 100% of all retail sales of electricity to California end-use customers by December 31, 2045, (iv) and 100% of electricity procured to serve all state agencies by December 31, 2035. SB 100 had expressly excluded consideration of the energy, capacity, or any attribute from the Diablo Canyon Unit 1 and Unit 2 nuclear generating facilities in meeting the State's eligible renewable and zero-carbon resources supply policies. SB 1020 eliminates that exclusion.

Legislation Relating to Wildfires; Related Risks. Senate Bill 1028 ("SB 1028") was signed into law by then-Governor Brown in September 2016. SB 1028 requires that each POU and each electric cooperative in the State construct, maintain, and operate its electrical lines and equipment in a manner that will minimize the risk of catastrophic wildfire posed by those electrical lines and equipment. SB 1028 requires the governing board of each POU to determine, based on historical fire data and local conditions, and in consultation with the fire departments or other entities responsible for the control of wildfires within the geographical area where the utility's overhead electrical lines and equipment are located, whether any portion of that geographical area has a significant risk of wildfire resulting from those electrical lines and equipment, and if so, to present for board approval wildfire mitigation measures the utility intends to undertake to minimize the risk of its overhead electrical lines and equipment causing a catastrophic wildfire.

SB 901, signed into law by then-Governor Brown in September 2018, amends certain provisions of SB 1028 requiring POUs and electric cooperatives to prepare wildfire mitigation measures if the utilities' overhead electrical lines and equipment are located in an area that has a significant risk of wildfire resulting from those electrical lines and equipment. Under SB 901, each POU or electric cooperative was required to prepare a wildfire mitigation plan before January 1, 2020. SB 901 requires the wildfire mitigation plan to be updated annually thereafter. SB 901 requires specified information and elements to be considered as necessary, at minimum, in the wildfire mitigation plan. The POU or electric cooperative is required to present each wildfire mitigation plan in an appropriately noticed public meeting, and to accept comments on its wildfire mitigation plan from the public, other local and state agencies, and interested parties. In addition, SB 901 requires the POU or electric cooperative to contract with a qualified independent evaluator with experience in assessing the safe operation of electrical infrastructure to review and assess the comprehensiveness of its wildfire mitigation plan. The report of the independent evaluator is to be made available to the public and to be presented at a public meeting of the POU's governing board.

Assembly Bill 1054 ("AB 1054") was signed into law by Governor Newsom on July 12, 2019. AB 1054 was enacted as an urgency statute to take effect immediately. AB 1054 establishes a Wildfire Fund of approximately $21 billion to provide liquidity for IOUs to facilitate payment of eligible, uninsured third-party damage claims resulting from future catastrophic wildfires. Additional future funding for the Wildfire Fund has been provided for under the provisions of SB 254, signed into law by Governor Newsom in September 2025. POUs, including the Project Participants, are not eligible to receive funding from the Wildfire Fund. AB 1054 revises the cost recovery review of wildfire costs and expenses for IOUs before the CPUC, and establishes safety certification protocols that IOUs must meet in order to participate in the Wildfire Fund. AB 1054 provides for a cap on an IOU's obligations to reimburse the Wildfire Fund and a presumption of reasonableness if a utility develops and maintains a valid safety certification. To receive the safety certification from the CPUC, the IOU must develop and implement an approved wildfire mitigation

plan, implement the findings of its safety culture assessments, establish a safety committee of its board of directors, establish board level reporting to the CPUC on safety issues, and adopt a compensation structure tied to safety performance, among other requirements. The major IOUs in California are participants in the Wildfire Fund.

AB 1054 expands on the existing requirements established under SB 901 for POUs to develop and implement wildfire mitigation plans. AB 1054 also establishes the California Wildfire Safety Advisory Board (the "Wildfire Advisory Board"), a seven member board appointed by the Governor (five members), the Speaker of the State Assembly (one member) and the State Senate Committee on Rules (one member). The Wildfire Advisory Board advises the Office of Energy Infrastructure Safety on electrical corporations' wildfire mitigation plans, requirements for these plans, and other wildfire safety matters. Additionally, the Wildfire Advisory Board reviews the wildfire mitigation plans submitted by POUs and electrical corporations as discussed in more detail below. The Wildfire Advisory Board also serves as an additional forum for the public to provide input on the important topic of wildfire safety. AB 1054 requires each POU to update its plan annually and to comprehensively revise its plan at least once every three years. SB 254 amends the provisions of AB 1054 to provide that, after January 1, 2026, POUs will instead be required to prepare and submit to the Wildfire Advisory Board wildfire mitigation plans at least once every four years on a schedule to be determined by the Wildfire Advisory Board. Under AB 1054, the Wildfire Advisory Board is required to provide comments and an advisory opinion regarding the content and sufficiency of plans and to make recommendations on how to mitigate wildfire risks. The Project Participants have prepared and submitted wildfire mitigation plans in accordance with the provisions of SB 901 and AB 1054 as required.

A number of significant wildfires have occurred in California every year since 2017. Under the doctrine of inverse condemnation (a legal concept that entitles property owners to just compensation if their property is damaged by a public use), California courts have imposed liability on utilities in legal actions brought by property holders for damages, where the inherent risks in the utility's infrastructure, as deliberately designed, constructed or maintained, are determined to be a substantial cause of damage to the property. Thus, if the facilities of a utility, such as its electric distribution and transmission lines, are determined to be the substantial cause of the plaintiff's damages, and the doctrine of inverse condemnation applies, the utility could be liable without having been found negligent. In August 2019, in its decision in the case of *City of Oroville v. Superior Court of Butte County* (2019) 7 Cal.5th 1091, 446 P.3d 304, involving damages related to sewage overflows from a city sewer system, the California Supreme Court held that to succeed on an inverse condemnation claim, a property owner must demonstrate that the property damage was the probable result or necessary effect of an inherent risk associated with the design, construction or maintenance of the relevant public improvement. None of SB 1028, SB 901 or AB 1054 addresses the existing legal doctrine relating to utilities' liability for wildfires. SB 254 requires the California Earthquake Authority, as administrator of the wildfire fund established pursuant to AB 1054, to, on or before April 1, 2026, in consultation with the CPUC and other specified departments and agencies of the State, and with feedback solicited from stakeholders, prepare and submit to the Legislature, and to the Governor, a report that evaluates and sets forth recommendations on new models or approaches that mitigate damage, accelerate recovery, and responsibly and equitably allocate the burdens from natural catastrophes, including catastrophic wildfires, earthquakes, and other natural disasters, across stakeholders, including insurers, communities, homeowners, landowners, governments, electrical corporations, and POUs to complement or replace the fund. How any future legislation or judicial decisions addresses California's inverse condemnation doctrine and liability issues for utilities in the context of wildfires in particular could be significant for the electric utility industry, including the Project Participants. Wildfires in 2025 that severely impacted large populated areas of Los Angeles County could prompt significant new legislation impacting the electric utility sector, including the Project Participants. See "OTHER FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY AND INVESTMENT CONSIDERATIONS – Changing Laws and Requirements Generally" herein.

Impact of California Energy Market Developments

The effect of the developments in the California energy markets described above on the Authority and the Project Participants cannot be fully ascertained at this time. Also, volatility in energy prices in California may be caused by a variety of factors that affect both the supply and demand for and cost of electric energy in the western United States. These factors include, but are not limited to, the adequacy of generation resources to meet demand at all hours, the availability and cost of renewable energy, the impact of economy-wide greenhouse gas emission legislation and regulations, fuel costs and availability, weather effects on customer demand, the impacts of climate change, wildfire mitigation and potential liability cost recovery, insurance costs, transmission congestion, the strength of the economy in California and surrounding states and levels of hydroelectric generation within the region (including the Pacific Northwest). See "OTHER FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY AND INVESTMENT CONSIDERATIONS." This price volatility may contribute to greater volatility in the revenues of their respective electric systems from the sale (and purchase) of electric energy and, therefore, could materially affect a Project Participant's financial condition. The Project Participants undertake resource planning and risk management activities and manage their respective resource portfolios to mitigate such price volatility and spot market rate exposure.

Federal Executive Order Regarding State Laws

An April 2025 executive order issued by the President directs the United States Attorney General to identify state laws, regulations, causes of action, policies and practices "burdening the identification, development, siting, production, or use of domestic energy resources that are or may be unconstitutional, preempted by Federal law, or otherwise unenforceable." The executive order directs the Attorney General to prioritize the identification of any such state laws purporting to address "climate change" or involving "environmental, social, and governance" initiatives, "environmental justice," carbon or "greenhouse gas" emissions, and funds to collect carbon penalties or carbon taxes. The executive order further directs the Attorney General to take all appropriate action to stop the enforcement of such state laws and continuation of related civil actions that the Attorney General determines to be illegal.

OTHER FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY AND INVESTMENT CONSIDERATIONS

Federal Energy Legislation

Energy Policy Act of 2005. Under the federal Energy Policy Act of 2005 ("EPAct 2005"), the Federal Energy Regulatory Commission ("FERC") was given refund authority over POUs if they sell into short-term markets, like the ISO markets, and sell eight million MWhs or more of electric energy on an annual basis. In addition, FERC was given authority over the behavior of market participants. Under FERC's authority it can impose penalties on any seller for using a manipulative or deceptive device, including market manipulation, in connection with the purchase or sale of energy or of transmission service. The Commodity Futures Trading Commission also has jurisdiction to enforce certain types of market manipulation or deception claims under the Commodity Exchange Act.

EPAct 2005 authorized FERC to issue permits to construct or modify transmission facilities located in a national interest electric transmission corridor if FERC determines that the statutory conditions are met. EPAct 2005 also required the creation of an Electric Reliability Organization ("ERO") to establish and enforce, under FERC supervision, mandatory reliability standards ("Reliability Standards") to increase system reliability and minimize blackouts. Failure to comply with such Reliability Standards exposes a utility to significant fines and penalties by the ERO.

NERC Reliability Standards. As described above, EPAct 2005 required FERC to certify an ERO to develop mandatory and enforceable Reliability Standards, subject to FERC review and approval. The Reliability Standards apply to users, owners and operators of the Bulk-Power System, as more specifically set forth in each Reliability Standard. On February 3, 2006, FERC issued Order 672, which certified the North American Electric Reliability Corporation ("NERC") as the ERO. Many Reliability Standards have since been approved by FERC. Such standards pertain not only to the planning, operations, and maintenance of Bulk-Power System facilities, but also to the cyber and physical security of certain critical facilities.

The ERO or the entities to which NERC has delegated enforcement authority through an agreement approved by FERC ("Regional Entities"), such as the Western Electricity Coordinating Council ("WECC"), may enforce the Reliability Standards, subject to FERC oversight, or FERC may independently enforce them. Potential monetary sanctions include fines of up to $1 million per violation per day. FERC Order 693 further provided the ERO and Regional Entities with the discretion necessary to assess penalties for such violations, while also having discretion to calculate a penalty without collecting the penalty if circumstances warrant.

Federal Regulation of Transmission Access

EPAct 2005 authorizes FERC to compel "open access" to the transmission systems of certain utilities that are not generally regulated by FERC, including municipal utilities if the utility sells more than four million MWhs of electricity per year. Under open access, a transmission provider must allow all customers to use the system under standardized rates, terms and conditions of service.

FERC Order No. 888 requires the provision of open access transmission services on a nondiscriminatory basis by all "jurisdictional utilities" (which, by definition, does not include municipal entities like the Project Participants) by requiring all such utilities to file Open Access Transmission Tariffs ("OATTs"). Order No. 888 also requires "non-jurisdictional utilities" (which, by definition, does include the Project Participants) that purchase transmission services from a jurisdictional utility under an open access tariff and that own or control transmission facilities to provide open access service to the jurisdictional utility under terms that are comparable to the service that the non-jurisdictional utility provides itself. Section 211A of EPAct 2005 authorizes, but does not require, FERC to order unregulated transmission utilities to provide transmission services. Specifically, FERC may require an unregulated transmitting utility to provide access to their transmission facilities (1) at rates that are comparable to those that the unregulated transmitting utility charges to itself; and (2) on terms and conditions (not relating to rates) that are comparable to those under which the unregulated transmitting utility provides transmission services to itself that are not unduly discriminatory or preferential.

On February 16, 2007, FERC issued Order 890, which concluded that reform of its pro forma OATT was necessary to reduce the potential for undue discrimination and provide clarity in the obligations of transmission providers and customers. Significantly, in Order 890 FERC stated that it will implement its authority under Section 211A with respect to unregulated transmitting utilities on a case-by-case basis and retain the current reciprocity provisions.

On July 21, 2011, FERC issued Order 1000, which among other things requires public utility (jurisdictional) transmission providers to participate in a regional transmission planning process that produces a regional transmission plan and that incorporates a regional and inter-regional cost allocation methodology. Further, FERC states that it has the authority to allocate costs to beneficiaries of transmission services, even in the absence of a contractual relationship between the owner of the transmission facilities and the beneficiary. Under EPAct 2005, FERC may not require municipal utilities to join regional transmission organizations, in which participating utilities allow an independent entity to oversee operation of the utilities' transmission facilities. FERC has stated, however, that FERC expects such utilities to

participate in the regional processes for transmission planning and that FERC will pursue associated complaints against such utilities on a case-by-case basis.

On May 13, 2024, FERC issued Order 1920 to reform the planning of the nation's transmission system as well as the allocation of costs for new transmission projects. Order 1920, among other things, requires public utility (jurisdictional) transmission providers to conduct and periodically update long-term regional transmission planning to anticipate future needs, consider a broad set of benefits when planning new facilities, identify opportunities to modify in-kind replacement of existing transmission facilities to increase their transfer capability, propose methods of cost allocation to pay for selected long-term regional transmission facilities, and increase transparency regarding local transmission planning information. Order 1920 expands the role of states throughout the process of planning, selecting and determining how to pay for new transmission facilities.

Order 1920 reflects input FERC sought from interested parties on a variety of reforms aimed at expanding the nation's transmission grid to accommodate the surge of renewable generation expected in the next two decades to achieve applicable decarbonization goals.

Federal Policy on Cybersecurity

On February 13, 2013, then President Obama issued the Executive Order "Improving Critical Infrastructure Security" (the "Infrastructure Security Executive Order"). Among other things, the Infrastructure Security Executive Order called for improved information sharing and processing of security clearances for owners and operators of critical infrastructure. The Infrastructure Security Executive Order further required the Secretary of Commerce to direct the National Institute of Standards and Technology ("NIST") to lead the development of a framework ("Framework") to reduce cyber risks to critical infrastructure. The voluntary Framework will continue to be updated and improved as industry provides feedback on implementation.

The Cybersecurity Information Sharing Act of 2015 was signed into law on December 18, 2015 as part of the year-end Omnibus Appropriations Act. It creates an industry-supported, voluntary cybersecurity information sharing program that encourages both public and private sector entities to share cyber-related threat information. The Cybersecurity Information Sharing Act expired on September 30, 2025, and efforts to reauthorize it have not yet resulted in an extension or reauthorization.

In September 2018, the federal administration signed the "National Cyber Strategy," which sought to update the nation's cybersecurity strategy for the first time in 15 years – and identified "energy and power" as one of the seven key areas for protection. FERC has also sought to expand reporting rules for incidents involving attempts to compromise operation of the electric grid and address supply chain cybersecurity risks.

In March 2023, the federal administration adopted the 2023 National Cybersecurity Strategy. The 2023 National Cybersecurity Strategy replaces but continues momentum on many of the priorities of the 2018 National Cyber Strategy. The 2023 National Cybersecurity Strategy seeks to build and enhance collaboration around five pillars: (1) Defend Critical Infrastructure; (2) Disrupt and Dismantle Threat Actors; (3) Shape Market Forces to Drive Security and Resilience; (4) Invest in a Resilient Future; and (5) Forge International Partnerships to Pursue Shared Goals.

In March 2026, the federal administration announced a new National Cybersecurity Strategy. It is based on six core principles: deterring adversaries through both defensive and offensive cyber operations; strengthening critical infrastructure and modernizing federal networks; improving cybersecurity regulation to streamline compliance; expanding the cyber workforce and talent pipeline; securing emerging

technologies such as artificial intelligence, post-quantum cryptography, and cryptocurrency systems; and shaping adversary behavior by imposing costs on malicious actors. Key among its elements is a strategy that reflects a shift toward proactive defense, explicitly encouraging expanded use of United States cyber capabilities for both offense and defense and greater private-sector participation in identifying and disrupting hostile networks. The new National Cybersecurity Strategy also calls for modernizing federal systems, including the use of zero-trust architecture, artificial intelligence-driven cybersecurity tools, and post-quantum cryptography.

Environmental Issues

General. Electric utilities are subject to continuing environmental regulation. Federal, State and local standards and procedures that regulate the environmental impact of electric utilities are subject to change. These changes may arise from continuing legislative, regulatory and judicial action regarding such standards and procedures. Consequently, there is no assurance that any facilities or projects of the Authority or the Project Participants will remain subject to the laws and regulations currently in effect, will always be in compliance with future laws and regulations or will always be able to obtain all required operating permits. An inability to comply with environmental standards could result in, for example, additional capital expenditures, reduced operating levels or the shutdown of individual units not in compliance. In addition, increased environmental laws and regulations may create certain barriers to new facility development, may require modification of existing facilities and may result in additional costs for affected resources.

Greenhouse Gas Regulations Under the Clean Air Act. The United States Environmental Protection Agency (the "EPA") regulates greenhouse gas emissions under existing law by imposing monitoring and reporting requirements, and through its permitting programs. Like other air pollutants, greenhouse gases are regulated under the Clean Air Act through the Prevention of Significant Deterioration ("PSD") Permit Program and the Title V Permit Program. A PSD permit is required before commencement of construction of new major stationary sources or major modifications of a major stationary source and requires best available control technologies ("BACT") to control emissions at a facility. Title V permits are operating permits for major sources that consolidate all Clean Air Act requirements (arising, for example, under the Acid Rain, New Source Performance Standards, National Emission Standards for Hazardous Air Pollutants, and/or PSD programs) into a single document and the permit process provides for review of the documents by the EPA, state agencies and the public. Greenhouse gases from major natural gas-fired facilities are regulated under both permitting programs through performance standards imposing efficiency and emissions standards.

In May 2023, the EPA proposed new regulations under the Clean Air Act that would establish greenhouse gas emission limits, based on pollution control technology or lower-carbon fuels, for new gas plants, existing gas plants, and existing coal plants, as specified. In February 2024, the EPA announced that it will remove the elements that would have applied to existing natural gas-fired power plants from the final version of the rule. Instead, the EPA stated that it will commence a new rulemaking process that will apply to existing natural gas-fired plants and regulate additional pollutants. The rule relating to new gas plants and existing coal plants was finalized on April 25, 2024.

In June 2025, the EPA proposed to repeal all greenhouse gas emissions standards for fossil-fuel fired power plants under Section 111 of the Clean Air Act, relating to emissions from new and existing stationary sources of air pollution. The EPA is also proposing, as an alternative, to repeal a narrower set of requirements that include the emission guidelines for existing fossil fuel-fired steam generating units, the carbon capture and sequestration/storage ("CCS")-based standards for coal-fired steam generating units undertaking a large modification, and the CCS-based standards for new base load stationary combustion turbines.

In February 2026, the EPA issued a final rule rescinding a greenhouse gas endangerment finding as it applies to regulating emissions from new motor vehicles and new motor vehicle engines. This is expected to result in the EPA removing greenhouse gas regulations for light- medium-, and heavy-duty on-highway vehicles. The repeal of such endangerment finding itself does not directly impact existing regulations. Changing existing regulations will require separate actions. However, it is widely expected that the EPA's action will trigger multiple lawsuits regarding both the finding itself and air emissions regulations related to it. These issues are expected to be litigated for some time. The EPA's action does not apply directly to stationary sources, including oil and gas facilities and power plants. While the action is targeted at vehicles (i.e., mobile sources), this EPA action could have broader ramifications in the future, including impacts related to how and when the EPA does or does not regulate other sources of greenhouse gases. The outcome of these rulemakings being undertaken by the EPA in connection with its regulation of greenhouse gas emissions of power plants is not yet known.

Air Quality – National Ambient Air Quality Standards. The Clean Air Act requires that the EPA establish National Ambient Air Quality Standards ("NAAQS") for certain air pollutants. When a NAAQS has been established, each state must identify areas in its state that do not meet the EPA standard (known as "non-attainment areas") and develop regulatory measures in its state implementation plan to reduce or control the emissions of that air pollutant in order to meet the applicable standard and become an "attainment area." The EPA periodically reviews the NAAQS for various air pollutants and has in recent years increased, or proposed to increase, the stringency of the NAAQS for certain air pollutants. These developments may result in stringent permitting processes for new sources of emissions and additional state restrictions on existing sources of emissions, such as power plants.

In addition, the U.S. Supreme Court found in its review of *EPA v. EME Homer City Generation*, LP that the EPA has authority to impose a Cross-State Air Pollution Rule (the "Transport Rule") which curbs air pollution emitted in upwind states to facilitate downwind attainment of three NAAQS. On November 26, 2014, the EPA proposed to strengthen the stringency of the NAAQS for ozone by lowering the existing ozone standard of 75 parts per billion ("ppb") to between 65 and 70 ppb, although the EPA also sought public comment on a standard as low as 60 ppb. On October 1, 2015, the EPA issued its final rule, lowering the ozone standard to 70 ppb. Legal challenges to the final rule were filed by a number of states and industry groups. On March 12, 2018, a federal district judge in Northern California ordered the EPA to complete the strengthened 2015 ozone standard designations later in 2018. The EPA noticed a final rule on December 6, 2018 implementing ozone NAAQS for non-attainment areas and addressing state implementation plan requirements. That rule became effective on February 4, 2019.

On July 15, 2020, the EPA announced a proposed decision to retain the existing 70 ppb ozone standard. The decision was finalized on December 7, 2020. In August 2023, the EPA announced a new review of the ozone NAAQS to support consideration of new information and advice.

While some particulate matter is emitted directly from sources such as construction sites, unpaved roads, fields, smokestacks or fires, most particles form in the atmosphere as a result of complex reactions of chemicals such as sulfur dioxide and nitrogen oxides, which are pollutants emitted from power plants and other sources. On February 7, 2024, the EPA announced a final rule to strengthen certain NAAQS for fine particulate matter. Areas that are designated as nonattainment areas have planning obligations to demonstrate attainment and meet the new standard within six years following the nonattainment designations.

Mercury and Air Toxics Standards. The Clean Air Act provides for a comprehensive program for the control of hazardous air pollutants, including mercury. On February 16, 2012, the EPA finalized a rule, the Mercury and Air Toxics Standards ("MATS"), establishing new standards to reduce air pollution from coal- and oil-fired power plants under sections 111 (new source performance standards, or "NSPS") and

112 (toxics program) of the Clean Air Act. The rule was subsequently amended in 2013 and 2014. Under section 111 of the Clean Air Act, the MATS rule revised the standards that new and modified facilities, including coal- and oil-fired power plants, must meet for particulate matter, sulfur dioxide, and nitrogen oxide. Under section 112, the MATS rule set new toxics standards limiting emissions of heavy metals, including mercury, arsenic, chromium, and nickel; and acid gases, including hydrochloric acid and hydrofluoric acid, from existing and new power plants larger than 25 MW that burn coal or oil. Power plants would have up to four years to meet these standards. While many plants already meet some or all of these revised standards, some plants would be required to install new equipment to meet the standards. The rule has minimal impact to the Authority and the Project Participants. IPP, which has coal-fired power plants, did not have to install control technology, and the EPA has deemed the IPP units as low-emitting units. IPP is subject to periodic testing, work practice standards and recordkeeping requirements as a result of the rule. On July 17, 2020, the EPA finalized revisions to the electronic reporting requirements for MATS that revised and streamlined the reporting requirements and provided enhanced access to MATS data, without imposing new monitoring requirements. In April 2024, the EPA finalized a rule that modified regulation of coal- and oil-fired power plants, including further restricting their emissions and changing emissions monitoring requirements. In March 2025, the EPA announced plans to reconsider the final rules for existing coal-fired and new natural gas-fired power plants which were promulgated under the prior administration. In April 2025, the President signed a proclamation granting two years of relief from an environmental rule to certain coal-fired power plants, allowing certain coal plants to comply with a less stringent version of the MATS rule for two years. In June 2025, the EPA proposed repealing the rules finalized in 2024. The newly proposed rule would relax standards for filterable particulate matter, ease the technology requirements on power plants to demonstrate compliance, and would raise the limit of mercury emissions allowable from lignite-fired plants. On December 23, 2025, the EPA submitted a draft of the final action to the Office of Management and Budget for interagency review pursuant to executive order. In February 2026, the EPA finalized the repeal of certain amendments finalized in 2024 to the MATS rule.

Effluent Limitations Guidelines and Standards. On June 7, 2013, the EPA proposed to set technology-based effluent limitations guidelines and standards for metals and other pollutants in wastewater discharged from steam electric power plants. The proposal would cover wastewater associated with several types of equipment and processes, including flue gas desulfurization, fly ash, bottom ash, flue gas mercury control and gasification of fuels. The EPA considered best management practices for surface impoundments containing coal combustion residuals. The EPA proposed four preferred alternatives for regulating wastewater discharges. The stringency of controls, types of waste streams covered, and the costs varied among the four alternatives. On September 30, 2015, the EPA announced its final Steam Electric Effluent Limitation Guidelines to update the federal limits on toxic metals in discharge wastewater. On June 6, 2017, the Trump Administration announced that it was postponing certain compliance dates in the effluent limitation guidelines and standards for the new, more stringent steam electric point source category under the Clean Water Act until the EPA completes reconsideration of the 2015 rule. On May 2, 2018, the EPA noticed the Final 2016 Effluent Guidelines Program Plan, which identified one new rulemaking (and the associated schedule) for the steam electric power generating point source category. The proposed rule was published in November 2019, a public hearing on the proposed rule was held on December 19, 2019, and the final rule for steam electric power generation point source was published on August 31, 2020. On August 3, 2021, the EPA announced a planned-rulemaking to strengthen certain discharge limits in the steam electric power generating category. On May 9, 2024, the EPA finalized a supplemental rulemaking for coal-fired plants to strengthen certain wastewater discharge limits.

Changing Laws and Requirements Generally

Congress has considered and is considering numerous bills addressing domestic energy policies and various environmental matters, including bills relating to energy supplies and financial incentives for development, climate change and reduction or elimination of net carbon dioxide emission attributable to

the electricity grid and the economy more generally. Many of these bills, if enacted into law, could have a material impact on the Authority, the Project Participants and the electric utility industry generally. In light of the variety of issues affecting the utility sector, federal energy legislation in other areas such as reliability, transmission planning and cost allocation, operation of markets, environmental requirements, and cybersecurity is also possible. However, the Authority and the Project Participants are unable to predict the outcome or potential impacts of any possible legislation on each Project Participant's electric utility at this time.

New executive administrations, including the President of the United States, could also impact substantially the current environmental standards and regulations and other matters described herein. For example, upon taking office in January 2025, President Trump issued a series of executive orders affecting executive actions and policies implemented by the prior administration. One such executive order revoked a number of executive actions taken by the Biden administration, including revoking certain executive orders of the Biden administration relating to climate change and clean energy, requiring federal agencies to review all federal government actions taken pursuant to the revoked orders and to take necessary steps to rescind, replace or amend such actions. In addition, the President issued a separate executive order directing the heads of all federal agencies to review all agency actions affecting the development of domestic energy resources, such as oil, natural gas, coal, hydropower, biofuels, critical mineral, and nuclear energy, and within 30 days of identifying any agency action that unduly burdens the production of domestic energy resources, to develop and begin action plans to rescind or revise the agency actions. Further, the agencies were directed to notify the Attorney General so that appropriate action may be taken in any pending litigation, including the request of a stay, related to the identified agency action. A number of legislative, regulatory and other actions have been taken by federal agencies pursuant to such executive orders. Certain of these actions have been the subject of judicial challenges. The ultimate impact of these and any other executive orders that the President may issue, or other actions Congress or any federal agencies may take, relating to federal energy policy is not yet known and could potentially impact the electric utility sector and each Project Participant's electric system.

General Economic Conditions

The electric utility costs (including those of each Project Participant's electric system) are affected by numerous factors, many of which are macroeconomic industry variables that are beyond its control. Some of the recent factors include inflation, supply chain disruptions and delays, labor shortages and rising labor costs, and rising interest rates. Inflation and other factors can increase the price of fuel and commodities integral to electric system operations. The United States Federal Reserve has take intermittent actions resulting in increased interest rates, which can result in an increase to the costs of capital. The global economy has also faced supply chain shortages and delays in recent years. Global economic and geopolitical crises may also lead to increases costs to electric systems. Retail energy sales and aggregate levels of energy use can also be affected by general economic conditions. The economy may be impacted (directly or indirectly) by, among other things, fluctuations in business production, consumer prices, or financial markets, unemployment rates, technological advancements, shortages or surpluses in natural resources, climate change and other environmental matters, changes in law (including the enforcement thereof), changes in federal or state policies (including policies with respect to trade, appropriations, immigration, regulation and energy) and funding priorities, and natural disasters. The occurrence of global events and macroeconomic factors and their impacts are difficult to predict but may have a material adverse effect on the electric system results of operations and financial condition, including for each Project Participant's electric system.

Cybersecurity Risks

Many public and private entities and utilities (including the Project Participants), rely on computer and other digital networks and systems to conduct operations. Such technologies are potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. United States government agencies have in the past issued warnings indicating that critical infrastructure sectors such as electric systems may be specific targets of cybersecurity threats. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to digital networks and systems for the purposes of misappropriating assets or information or causing operational disruption and damage.

To mitigate the risk of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, each Project Participant invests in multiple forms of cybersecurity and operational safeguards. Although the Project Participants have a variety of security measures and safeguards in place with respect to their respective electric system, no assurances can be given that any existing or additional safety and security measures will prove adequate in the event that cyberattacks or military conflicts or terrorist activities, including cyber terrorism, are directed against a Project Participant's systems technology or the assets of the applicable electric system. Cyberattacks are becoming more sophisticated and certain cyber incidents, such as surveillance, may remain undetected for an extended period. Attacks directed at critical electric sector operations could damage generation, transmission or distribution assets, cause operational malfunctions and outages, and result in costly recovery and remediation efforts. The costs of security measures or of remedying damage from security breaches could be greater than presently anticipated.

Global Health Emergencies

A pandemic, epidemic or outbreak of an infectious disease can have significant adverse health and financial impacts on global and local economies. For example, beginning in 2020, the COVID 19 pandemic negatively affected economic activity throughout the world, including the United States and the State of California. The initial impacts of stay-at home orders globally were unprecedented, with commerce, travel, asset values and financial markets experiencing disruptions worldwide. While the COVID 19 pandemic impacted each Project Participant in certain respects, the Project Participants did not experience a material adverse impact to their respective electric system's operations or its ability to meet its financial obligations as a result of the COVID 19 pandemic. While the declarations of COVID 19 as a public health emergency have been lifted, future pandemics and other widespread public health emergencies can and do arise from time to time. The Project Participants cannot predict whether another national or localized outbreak of highly contagious or epidemic disease in the future could negatively impact the Participant's electric system operations and finances and/or the economy of its service area.

Limitations on Remedies

The timing and receipt of sufficient Revenues to pay debt service on the 2026-1 Bonds may be negatively impacted by legal limitations on remedies and relief available under debtor relief laws. The enforceability against the Participants of the rights and remedies under the Renewal Power Sales Contracts, the Renewal Capacity Acquisition Agreements and the Renewal Transmission Service Contracts, and the enforceability against the Authority of the rights and remedies under the Indenture, may be subject to the following, among others: (a) the limitations on legal remedies against governmental entities in California; (b) principles of equity which may limit the specific enforcement under State law of certain remedies; (c) the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose; (d) the exercise by the United States of America of the powers delegated to it by the U.S.

Constitution; and (e) the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect. Remedies may also be limited since the Participants' electric systems serve an essential public purpose. See "INTRODUCTION – Background; Development of the Southern Transmission System and Related Contracts" and "SECURITY AND SOURCES OF PAYMENT FOR THE 2026-1 BONDS – Pledge Effected by the Indenture" herein. With respect to bankruptcy, it should be noted that the Participants are municipalities or a department of a municipality. Any municipality in California may be eligible to file a petition for relief under Chapter 9 of the United States Bankruptcy Code without the consent of its creditors. Bankruptcy proceedings, if initiated, could subject contracts such as the Renewal Power Sales Contracts, the Renewal Capacity Acquisition Agreements and the Renewal Transmission Service Contracts to judicial discretion and interpretation of rights of creditors in bankruptcy or otherwise, and consequently may entail risks of delay, limitations or modification of their rights. Additionally, the Bankruptcy Court has the power to authorize a municipality to reject executory contracts such as the Renewal Power Sales Contracts, the Renewal Capacity Acquisition Agreements and the Renewal Transmission Service Contracts, and thus be relieved of any further obligation to perform its payment obligations under the contract being rejected.

Other Factors

The electric utility industry in general has been, or in the future may be, affected by a number of other factors which could affect the financial condition and competitiveness of many electric utilities and the level of utilization of generating and transmission facilities. In addition to the factors discussed above, such factors include, among others, (a) effects of compliance with rapidly changing environmental, safety, licensing, regulatory and legislative requirements other than those described above (including those affecting nuclear power plants or potential new energy storage requirements), (b) changes resulting from conservation and demand-side management programs on the timing and use of electric energy, (c) effects on the integration and reliability of power supply from the increased usage of renewables, (d) changes resulting from a national energy policy, (e) effects of competition from other electric utilities (including increased competition resulting from a movement to allow direct access or expanded community choice aggregation or from mergers, acquisitions, and "strategic alliances" of competing electric and natural gas utilities and from competitors transmitting less expensive electricity from much greater distances over an interconnected system) and new methods of, and new facilities for, producing low-cost electricity, (f) the repeal of certain federal statutes that would have the effect of increasing the competitiveness of many IOUs, (g) increased competition from independent power producers and marketers, brokers and federal power marketing agencies, (h) "self-generation" or "distributed generation" (such as microturbines, fuel cells and solar installations) by industrial and commercial customers and others, (i) issues relating to the ability to issue tax-exempt obligations, including restrictions on the ability to sell to nongovernmental entities electricity from generation projects and transmission service from transmission line projects financed with outstanding tax-exempt obligations and, as of January 1, 2018, the loss of the ability to undertake tax-exempt advance refundings, (j) effects of inflation on the operating and maintenance costs of an electric utility and its facilities, (k) changes from projected future load requirements, (l) increases in costs and uncertain availability of capital, (m) shifts in the availability and relative costs of different fuels (including the cost of natural gas and nuclear fuel), (n) changes in the electric market structure for neighboring electric grids, such as the energy imbalance market operated by the ISO, (o) sudden and dramatic increases in the price of energy purchased on the open market that may occur in times of high peak demand in an area of the country experiencing such high peak demand, such as has occurred in the past in California, (p) issues relating to risk management procedures and practices with respect to, among other things, the purchase and sale of natural gas, energy and transmission capacity, (q) other legislative changes, voter initiatives, referenda and statewide propositions, (r) effects of the changes in the economy, population and demand of customers within a utility's service area, (s) effects of possible manipulation of the electric markets, (t) acts of terrorism or cyber-terrorism impacting a utility and/or significant load customers, (u) changes to the

climate; (v) natural disasters or other physical calamities, including, but not limited to, earthquakes, droughts, severe weather, floods and wildfires, and potential liabilities of electric utilities in connection therewith, and (w) adverse impacts to the market for insurance relating to recent wildfires and other calamities, leading to higher costs or prohibitively expensive coverage, or limited or unavailability of coverage for certain types of risk. Any of these factors (as well as other factors) could have an adverse effect on the financial condition of any given electric utility and likely will affect individual utilities in different ways.

The Authority is unable to predict what impacts such factors will have on the business operations and financial condition of the Project Participants' respective electric systems, but the impacts could be significant. This Official Statement includes a brief discussion of certain of these factors. This discussion does not purport to be comprehensive or definitive, and these matters are subject to change subsequent to the date hereof. Extensive information on the electric utility industry is available from the legislative and regulatory bodies and other sources in the public domain, and potential purchasers of the 2026-1 Bonds should obtain and review such information.

CONSTITUTIONAL LIMITATIONS IN CALIFORNIA AFFECTING FEES AND CHARGES IMPOSED BY THE PROJECT PARTICIPANTS

The following is a discussion of certain limitations under provisions of the California Constitution that may affect the rates, fees and charges imposed by the Project Participants for the electric services they provide.

Proposition 218 and Proposition 26

Proposition 218, a State ballot initiative known as the "Right to Vote on Taxes Act," was approved by the voters of the State of California on November 5, 1996. Proposition 218 added Articles XIIIC and XIIID to the State Constitution. Article XIIIC imposes a majority voter approval requirement on local governments (including the Project Participants) with respect to taxes for general purposes, and a two-thirds voter approval requirement with respect to taxes for special purposes. Article XIIID creates additional requirements for the imposition by most local governments of general taxes, special taxes, assessments and "property-related" fees and charges. Article XIIID explicitly exempts fees for the provision of electric service from the provisions of such article.

Article XIIIC expressly extends the people's initiative power to the reduction or repeal of local taxes, assessments, and fees and charges imposed prior to its effective date (November 1996). The California Supreme Court held in *Bighorn-Desert View Water Agency v. Verjil*, 39 Cal.4th 205 (2006) that, under Article XIIIC, local voters by initiative may reduce a public agency's water rates and delivery charges, as those are property-related fees or charges within the meaning of Article XIIID, and noted that the initiative power described in Article XIIIC may extend to a broader category of fees and charges than the property-related fees and charges governed by Article XIIID. Moreover, in the case of *Bock v. City Council of Lompoc*, 109 Cal.App.3d 52 (1980), the Court of Appeal determined that an electric rate ordinance was not subject to the same constitutional restrictions that are applied to the use of the initiative process for tax measures so as to render it an improper subject of the initiative process. Thus, electric service charges (which are expressly exempted from the provisions of Article XIIID) may be subject to the initiative provisions of Article XIIIC, thereby subjecting such fees and charges to reduction by the electorate. The Authority believes that even if the electric rates of the Project Participants are subject to the initiative power, under Article XIIIC or otherwise, the electorate of the Project Participants would be precluded from reducing electric rates and charges in a manner materially and adversely affecting the payment of the 2026-1 Bonds by virtue of the "impairment of contracts clause" of the United States Constitution.

The California electorate approved Proposition 26 at the November 2, 2010 election, amending Article XIIIC of the California Constitution. Proposition 26 was designed to supplement tax limitations California voters adopted when they approved Proposition 13 in 1978, and Proposition 218 in 1996. Proposition 26 applies by its terms to any levy, charge or exaction imposed, increased or extended by a local government on or after November 3, 2010. Proposition 26 deems any such levy, charge or fee to be a "tax", requiring voter approval under Article XIIIC unless it comes within one of the listed exceptions. Proposition 26 expressly excludes from its definition of a "tax," among other things, a "charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product." Proposition 26 is applicable to the electric rates of governmental entities such as the Project Participants; therefore, newly adopted rates must conform to its requirements.

Proposition 26 is subject to interpretation by California courts, including the extent to which it is applicable to pre-existing electric rates and general fund transfers. A number of lawsuits have been filed against public agencies in California relating to electric utility fund transfers. In *Citizens for Fair REU Rates v. City of Redding* (filed on January 20, 2015 and modified on February 19, 2015), for example, the California Court of Appeal considered a ratepayer challenge to a "payment in lieu of taxes" (or "PILOT") required by the City of Redding to be made by its electric utility as an annual budgetary transfer amount without voter approval. The city's PILOT was designed to compensate the general fund for the costs of services that other city departments provide to the electric utility. The amount of the PILOT was equivalent to the ad valorem taxes the electric utility would have had to pay if the electric utility were privately owned. The suits alleged that the PILOT was passed through to the city's electric utility customers as part of the rates and charges for electric service in excess of the reasonable costs to the city of providing electric service. The Court of Appeal determined that Proposition 26 has no retroactive effect as to local taxes that existed prior to November 3, 2010, but found that since the PILOT was subject to the City Council's recurring discretion, the PILOT did not escape the purview of Proposition 26. The Court of Appeal concluded that the PILOT constituted a "tax" under Proposition 26 for which the city must secure voter approval unless the city proved that the amount collected was necessary to cover the reasonable costs to the city of providing electric service. On April 29, 2015, the California Supreme Court granted review of the decision of the Court of Appeal. The California Supreme Court rendered its decision on August 27, 2018, reversing the judgment of the Court of Appeal. The California Supreme Court determined that the budgetary transfer from the City of Redding electric utility to the city's general fund, calculated by using the PILOT, itself is not the type of exaction that is subject to Article XIIIC of the California Constitution. The court reasoned that it is only the City of Redding electric utility rate, not the PILOT, that is imposed on customers for electric service. The California Supreme Court concluded that because the total retail rate revenue of the electric utility was insufficient to cover the electric utility's uncontested operating expenses (other than the PILOT) in the years at issue, the challenged rate did not exceed the reasonable costs of providing electric service, and therefore did not constitute a tax.

The Authority and the Project Participants are unable to predict at this time how Propositions 218 and 26 will ultimately be interpreted by the courts in the context of the Project Participants' respective electric system rates or what the ultimate impact of Propositions 218 or 26 will be.

Other Initiatives

Articles XIIIC and XIIID and the amendments effected thereto by Proposition 26 were adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time, other initiatives have been, and could be, proposed, and if qualified for the ballot, could be adopted affecting the Authority's and/or the Project Participants' revenues or operations. Neither the nature and impact of these measures nor the likelihood of qualification for ballot or passage can be predicted by the Authority or the Project Participants.

LITIGATION

At the time of delivery of the 2026-1 Bonds, an authorized officer of the Authority will certify that, to the knowledge of such officer, there is no litigation or other proceeding pending or threatened in any court, agency or other administrative body (either State of California or federal) restraining or enjoining the issuance, sale or delivery of the 2026-1 Bonds or the collection of Revenues, or in any way questioning or affecting (i) the Authority's power, or any authority, for the issuance of the 2026-1 Bonds, (ii) the validity of any provision of the 2026-1 Bonds or the Indenture, (iii) the pledge by the Authority under the Indenture, (iv) the validity or enforceability of the Renewal Transmission Service Contracts, (v) the legal existence of the Authority or the title to office of the present officials of the Authority or (vi) the authority of the Authority to undertake the Southern Transmission System Renewal Project.

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the 2026-1 Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the 2026-1 Bonds. Pursuant to the Indenture and the Tax and Nonarbitrage Certificate (the "Tax Certificate"), the Authority has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the 2026-1 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority has made certain representations and certifications in the Indenture and the Tax Certificate. Special Tax Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Special Tax Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the Authority described above, interest on the 2026-1 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Special Tax Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Interest on the 2026-1 Bonds will be taken into account in computing the alternative minimum tax imposed on certain corporations under the Code to the extent that such interest is included in the "adjusted financial statement income" of such corporations.

State Taxes

Special Tax Counsel is also of the opinion that interest on the 2026-1 Bonds is exempt from personal income taxes of the State of California (the "State") under present State law. Special Tax Counsel expresses no opinion as to other State or local tax consequences arising with respect to the 2026-1 Bonds nor as to the taxability of the 2026-1 Bonds or the income therefrom under the laws of any state other than the State of California.

Original Issue Discount

Special Tax Counsel is further of the opinion that the excess of the principal amount of a maturity of the 2026-1 Bonds over its issue price (i.e., the first price at which price a substantial amount of such maturity of the 2026-1 Bonds was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a "Discount Bond" and collectively the "Discount Bonds") constitutes original issue discount which is excluded from gross income

for federal income tax purposes to the same extent as interest on the 2026-1 Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Original Issue Premium

2026-1 Bonds sold at prices in excess of their principal amounts are "Premium Bonds". An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which offsets the amount of tax-exempt interest and is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such 2026-1 Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the 2026-1 Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the 2026-1 Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the 2026-1 Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Special Tax Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinions attached as Appendix F. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the 2026-1 Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the 2026-1 Bonds for federal or state income tax purposes, and thus on the value or marketability of the 2026-1 Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the 2026-1 Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the 2026-1 Bonds may occur. Prospective purchasers of the 2026-1 Bonds should consult their own tax advisors regarding the impact of any change in law on the 2026-1 Bonds.

Special Tax Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the 2026-1 Bonds may affect the tax status of interest on the 2026-1 Bonds. Special Tax Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the 2026-1 Bonds, or the interest thereon, if any action is taken with respect to the 2026-1 Bonds or the proceeds thereof upon the advice or approval of other counsel.

RATINGS

Moody's Investors Service, Inc. and Fitch Ratings, Inc. have assigned the 2026-1 Bonds the credit ratings of "[___]" and "[___]," respectively. No application has been made to any other rating agency in order to obtain additional ratings on the 2026-1 Bonds. Each credit rating should be evaluated independently of any other rating. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. A credit rating reflects only the view of the organization furnishing the same and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same.

The above described ratings are not a recommendation to buy, sell or hold the 2026-1 Bonds. There is no assurance that any such rating will continue for any given period or that it will not be revised downward or withdrawn entirely by the rating agency furnishing such rating, if in the judgment of such rating agency, circumstances so warrant. The Authority undertakes no responsibility to oppose any such revision or withdrawal. Any downward revision or withdrawal of a credit rating may have an adverse effect on the market price of the 2026-1 Bonds.

UNDERWRITING

The 2026-1 Bonds will be purchased for reoffering by [_____], as representative (the "Representative") of itself, [_____], [_____], [_____], [_____], [_____] and [_____] (the "Underwriters"), at a purchase price of $_____, representing the par amount of the 2026-1 Bonds of $_____, plus [net] original issue premium of $_____, and less an Underwriters' discount of $_____. The Underwriters will be obligated to purchase all of the 2026-1 Bonds if any of the 2026-1 Bonds are purchased.

The Underwriters may offer and sell the 2026-1 Bonds to certain dealers (including dealers depositing 2026-1 Bonds into investment trusts) and others at prices lower than the respective public offering prices stated or derived from information stated on the inside cover page hereof. The initial public offering prices may be changed from time to time by the Underwriters.

[Underwriter disclosures, if any.]

CERTAIN RELATIONSHIPS

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their respective affiliates may have certain creditor and/or other rights against the Authority and the Project Participants in connection with such activities. The Underwriters and their respective affiliates have, from time to time, performed and may in the future perform, various investment banking services for the Authority, for which they received or will receive customary fees and expenses.

In the course of their various business activities, the Underwriters and their respective affiliates, may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market advice or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

MUNICIPAL ADVISOR

The Authority has retained PFM Financial Advisors LLC, Los Angeles, California, as Municipal Advisor (the "Municipal Advisor") in connection with the issuance of the 2026-1 Bonds. The Municipal Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent municipal advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities. The payment of the fees of the Municipal Advisor is contingent upon the issuance and delivery of the 2026-1 Bonds.

CERTAIN LEGAL MATTERS

Certain legal matters in connection with the authorization and issuance of the 2026-1 Bonds are subject to the approval of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel. The form of opinion letter that Bond Counsel proposes to render with respect to the 2026-1 Bonds is attached as Appendix E hereto. Certain other legal matters with respect to the Authority will be passed upon by its General Counsel, Christine Godinez, Esq., and with respect to the 2026-1 Bonds by Nixon Peabody LLP, Los Angeles, California, Special Tax Counsel. The form of opinion that Special Tax Counsel proposes to render with respect to the 2026-1 Bonds is attached as Appendix F hereto. Bond Counsel will not address any of the tax aspects of the 2026-1 Bonds. Certain legal matters will be passed upon for the Underwriters by their counsel, [____], [____], California. Norton Rose Fulbright US LLP is also serving as Disclosure Counsel to the Authority in connection with the 2026-1 Bonds.

CONTINUING DISCLOSURE UNDERTAKING FOR THE 2026-1 BONDS

The Authority will enter into a Continuing Disclosure Undertaking (the "Continuing Disclosure Undertaking") for the benefit of the beneficial owners of the 2026-1 Bonds to send certain information annually and to provide notice of certain events to the MSRB's EMMA system for municipal securities

disclosures, pursuant to the requirements of Section (b)(5) of Rule 15c2-12 ("Rule 15c2-12") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

A failure by the Authority to comply with the Continuing Disclosure Undertaking will not constitute an event of default under the Indenture or the 2026-1 Bonds and Beneficial Owners of the 2026-1 Bonds shall only be entitled to the remedies for any such failure described in the Continuing Disclosure Undertaking. A failure by the Authority to comply with the Continuing Disclosure Undertaking must be reported in accordance with Rule 15c2-12 and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2026-1 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the 2026-1 Bonds and their market price. The Continuing Disclosure Undertaking and commitments of the Authority described under this heading and in APPENDIX D hereto to furnish the above-described documents and information are agreements and commitments solely of the Authority.

The Authority is in compliance in all material respects with its continuing disclosure undertakings for the last five years. During the last five years, the Authority has filed annual reports for between 13 and 16 different projects for which it has issued revenue bonds. In the last five years, although the Authority generally has routinely filed notices of known instances of rating changes in connection with its revenue bonds, two rating changes in each of 2022, 2023 and 2024 were inadvertently not updated. Filings have been posted with EMMA to update the ratings. Lastly, for the fiscal year 2019-20 annual report relating to the Authority's Magnolia Power Project A, Refunding Revenue Bonds, 2020-1 and 2020-3, the audited financial statements of the Anaheim Public Utilities Department were timely filed but inadvertently were not linked to all relevant CUSIP numbers. The Authority has since caused such information to be linked to all relevant CUSIP numbers. The Authority believes it has established processes to ensure it will continue to comply in all material respects with its continuing disclosure undertakings in the future.

AVAILABLE INFORMATION

Copies of the Authority's most recent audited financial statements and Annual Report, and copies of the forms of the Renewal Transmission Service Contracts, the Renewal Capacity Acquisition Agreements, the Original Southern Transmission System Agreement, the Renewal Southern Transmission System Agreement, Original Power Sales Contracts, the Renewal Power Sales Contracts, the Renewal Agency Agreement and the Indenture are available from the Authority, 1160 Nicole Court, Glendora, California 91740.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By _____
Executive Director

APPENDIX A

THE PROJECT PARTICIPANTS WITH THE LARGEST ENTITLEMENT SHARES

The information contained in this Appendix has been furnished to the Southern California Public Power Authority (in this Appendix A, sometimes referred to as "SCPPA" in addition to the "Authority" as defined elsewhere in this Official Statement) by the respective Project Participants with Transmission Service Shares exceeding 6%. This Appendix presents information as of the respective dates set forth herein, and the applicable Project Participant makes no representations regarding the accuracy of this information subsequent to such dates. Neither the Authority nor any Project Participant makes any representation regarding the accuracy of the information contained in this Appendix other than with respect to the information relating to such Project Participant.

THE DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES

The following information concerning The Department of Water and Power of the City of Los Angeles (in this section, the "Department") and such Department's Power System, has been prepared by the Department for inclusion herein. This information does not purport to cover all aspects of the business, operations and financial position of the Department or the Power System. A copy of the most recent audited financial statements of the Power System (the "Department's Power System Financial Statements") may be obtained from John Equina, Chief Accounting Employee and Assistant Auditor of the Department of Water and Power of the City of Los Angeles, 111 North Hope Street, Room 465, Los Angeles, California 90012, and is also available on the Electronic Municipal Market Access ("EMMA") website of the Municipal Securities Rulemaking Board ("MSRB"), currently located at http://emma.msrb.org. The Department's Power System Financial Statements are incorporated herein by this reference. However, other information presented on such website or referenced therein other than the Department's Power System Financial Statements is not part of this Official Statement and is not by reference to such website incorporated herein.

GENERAL

The Department is the largest municipal utility in the United States and is a proprietary department of the City of Los Angeles (the "City"). Control of Power System assets and funds is vested with the Board of Water and Power Commissioners of the City of Los Angeles (the "Board"), whose actions are subject to review by the City Council of the City (the "City Council"). The Department is responsible for providing the electric and water requirements of its service area. The Department provides electric and water service almost entirely within the boundaries of the City. The City encompasses approximately 470 square miles and is populated by approximately 3.8 million residents.

Department operations began in the early years of the twentieth century. The first Board of Power Commissioners was established in 1902. Nine years later, the responsibilities for the provision of electricity and water within the City were given to the Los Angeles Department of Public Service (the "Department of Public Service"). The Department of Public Service was superseded in 1925 with passage of the 1925 Charter and the creation of the Department. The Department now operates under the Charter adopted in 2000. The operations and finances of the Water System are separate from those of the Power System.

A copy of the most recent official statement or offering memorandum prepared by the Department for the issuance of securities for its Power System may be obtained from John Equina, Chief Accounting Employee and Assistant Auditor of the Department of Water and Power of the City of Los Angeles, 111 North Hope Street, Room 465, Los Angeles, California 90012, or is available from the MSRB through its EMMA system.

Los Angeles 2025 Wildfire Event

Beginning on January 7, 2025, a severe fire fueled by windstorms originated in the Pacific Palisades neighborhood (the "Palisades Fire") of Los Angeles County, which is part of the City. On January 7, 2025, the Mayor declared a local emergency throughout the City and the Governor of California proclaimed a State of Emergency with respect to the Palisades Fire. According to the California Department of Forestry and Fire Protection, almost 24,000 acres were burned in the Palisades Fire, with an estimate of more than 7,800 structures damaged or destroyed in the affected areas, as well as the loss of several lives.

As a result of such declarations and subsequent federal action, funding from the Federal Emergency Management Agency ("FEMA") is generally available to the City with respect to its recovery efforts, including for certain costs of restoring facilities damaged as a result of the disaster to their pre-disaster condition, and to those affected by the Palisades Fire.

The City is also pursuing cash flow loans in accordance with recently enacted Assembly Bill No. 100 that allows for the Governor's Office of Emergency Services ("CalOES") to provide zero interest loans for FEMA reimbursable work, to be repaid with funding from FEMA as work is completed and submitted to FEMA for reimbursements. The City has submitted five loan requests to CalOES totaling approximately $45 million and anticipates submitting additional loan requests on a rolling basis. The City has received two loans totaling $15 million: one for Los Angeles Fire Department response activities ($14.6 million), and the one for the Department's water distribution system ($0.4 million).

The Department has estimated the costs of damage to Power System facilities and infrastructure (including costs of damage to certain joint system facilities) from the Palisades Fire to be approximately $89 million as of September 2025. Additionally, approximately $8 million of costs related to windstorm damage was incurred. This estimate is inclusive of physical damages to Power System facilities, which largely consists of damage to electric distribution stations and equipment and Department-owned street and outdoor lighting, and an increase in operating expenses of the Power System primarily related to overtime for field crews and other support staff and increased materials and equipment costs associated with repairs of the damaged infrastructure. These estimates are preliminary and are expected to change as the damage assessment and recovery efforts continue and developments occur. The longer term impacts or changes to the costs, expenses or capital improvement plans of the Department as a result of the fire are not yet known.

To alleviate financial burdens for people impacted by the Palisades Fire, the Department paused billing for customers whose homes or businesses were damaged or destroyed by the fire until September 5, 2025. Beginning on September 6, 2025, the Department resumed billing customers in the Pacific Palisades for water and electric service. In addition, collection processes and disconnections for non-payment have been suspended until June 30, 2026 in the affected areas. The impacted areas represent approximately 0.7% of the Department's Power System customer accounts and approximately 0.8% of annual Power System electric sales revenues. Service has been restored to nearly all homes and businesses in the affected areas that are able to receive electric service.

The City continues to recover from the Palisades Fire. As of February 26, 2026, debris removal was 99.9% complete and the City has entered the intermediate phase of recovery. There also may be long-term impacts of the Palisades Fire on the City's fiscal condition and the local economy.

Several hundred lawsuits have been filed, including two putative class actions against the City, the Department, and other entities by people claiming damage from the Palisades Fire. Additional lawsuits continue to be filed. Pursuant to an order of the judge overseeing the litigation, on October 8, 2025, individual plaintiffs liaison counsel (*i.e.*, counsel appointed to organize the individual plaintiffs) filed a master complaint (the "Master Complaint") containing allegations that are intended to be common to some or all of the cases. Plaintiffs later filed a Revised Master Complaint in December, 2025, to correct minor errors in the original filing. The Revised Master Complaint brings claims relating to the Water System, the Power System and clearance of brush from City-owned lots. As to both the Power System and the Water System, the Revised Master Complaint asserts

claims for inverse condemnation. The Revised Master Complaint also asserts tort claims as to the Power System for dangerous condition of public property and nuisance. In addition to the claims under the Revised Master Complaint, lawsuits have been filed by certain insurance carriers asserting subrogation rights and at least one public entity. These lawsuits allege claims based on inverse condemnation. The cases are not yet at a stage where it is possible to reasonably estimate the potential ultimate financial exposure to the City or the Department. Most of the filed lawsuits do not contain a specific dollar amount, although one of the pending class actions asserts a damages figure of greater than $10 billion. The City and the Department deny all liability claims. The City and the Department intend to vigorously defend against all of these lawsuits, and any others that may be filed. However, the City and the Department are unable to assess at this time whether additional claims will be asserted by the plaintiffs, the likelihood of success of the plaintiffs' cases or any possible outcome. See "LITIGATION" for further discussion of this litigation and the status thereof.

A number of investigations and reviews of the fire events and of local agency preparation and response actions are being undertaken, including a Congressional investigation, an independent review at the direction of the Governor, an investigation and after-incident review by the Los Angeles Fire Commission, and reviews and investigations by other federal, State and local agencies.

The federal Bureau of Alcohol, Tobacco, Firearms and Explosives (the "ATF") led the investigation into the cause of the Palisades Fire. The Department provided information to the ATF and other agencies in connection with their investigations. The ATF examined the Department's overhead transmission facilities that are near, but outside of, the area where the Palisades Fire reportedly ignited. The ATF has not issued publicly its cause and origin report, and the Department does not have information regarding if or when the ATF will issue such report. However, on October 8, 2025, the United States Department of Justice announced the arrest of Jonathan Rinderknecht, whom the United States charged in a criminal complaint with the destruction of property by means of fire. Specifically, Mr. Rinderknecht is alleged to have started the Lachman Fire in the Pacific Palisades area on the morning of January 1, 2025. According to an affidavit of an ATF special agent investigating the fire (the "ATF Affidavit") that was provided in connection with the criminal complaint against Mr. Rinderknecht, the multi-agency investigation into the origin and cause of the Palisades Fire determined that the Palisades Fire was a "holdover" fire (*i.e.*, a continuation of the Lachman Fire that began on January 1, 2025). The ATF Affidavit expressly ruled out power lines as a potential cause of the Lachman Fire. No investigating authority has asked the Department to preserve any of its electrical facilities in the area.

On October 15, 2025, a federal grand jury indicted Mr. Rinderknecht on one count of destruction of property by means of fire, one count of arson affecting property used in interstate commerce, and one count of timber set afire. Mr. Rinderknecht's trial is set for June 8, 2026.

See also "FACTORS AFFECTING THE DEPARTMENT AND THE ELECTRIC UTILITY INDUSTRY – California Climate Change Policy Developments – *Legislation and Court Action Relating to Wildfires*.

Charter Provisions

Pursuant to the Charter, the Board is the governing body of the Department and the General Manager of the Department (the "General Manager") administers the affairs of the Department.

The Charter provides that all revenue from every source collected by the Department in connection with its possession, management and control of the Power System is to be deposited in the Power Revenue Fund. The Charter further provides that the Board controls the money in the Power Revenue Fund and makes provision for the issuance of Department bonds, notes and other evidences of indebtedness payable out of the Power Revenue Fund. The procedure relating to the authorization of the issuance of bonds is governed by Section 609 of the Charter.

Section 245 of the Charter provides that, with certain exceptions, actions of City commissions and boards ("Board Action"), including the Board, do not become final until five consecutive City Council meetings

convened in regular session have passed or a waiver of such period is granted by City Council. During those five City Council meetings (unless the waiver of such period has been granted), the City Council may, on a two-thirds vote, take up the Board Action. If the Board Action is taken up, the City Council may approve or veto the Board Action within 21 calendar days of taking up the Board Action. If the City Council takes no action to assert jurisdiction over the Board Action during those five meetings, the Board Action becomes final at the end of such period.

Board of Water and Power Commissioners

Under the Charter, the Board is granted the possession, management and control of the Power System. Pursuant to the Charter, the Board also has the power and duty to make and enforce all necessary rules and regulations governing the construction, maintenance, operation, connection to and use of the Power System and to acquire, construct, extend, maintain and operate all improvements, utilities, structures and facilities the Board deems necessary or convenient for purposes of the Department. The Mayor of the City appoints, and the City Council confirms the appointment of, members of the Board. The Board is traditionally selected from among prominent business, professional and civic leaders in the City. The members of the Board serve with only nominal compensation. Certain matters regarding the administration of the Department also require the approval of the City Council.

The Board is composed of five members. The current members of the Board are:

ALLAN T. MARKS, *President*. Mr. Marks was appointed to the Board by Mayor Karen Bass and confirmed by the City Council on December 10, 2025. Mr. Marks is a lawyer and strategic advisor with a focus in international project finance, energy and infrastructure. He advises boards of directors, senior executives, investors, fund managers and other organizations on corporate strategy, risk management, market and regulatory changes, and capital formation, particularly in connection with the energy transition, renewable energy, innovative clean technologies, geopolitics, financial innovation, climate risks, resilience, and sustainability. As a lawyer, Mr. Marks has handled complex energy and infrastructure transactions in the United States, Canada, Latin America, Asia and Europe with an aggregate value of over $100 billion. Mr. Marks teaches at both the University of California, Berkeley School of Law and the UCLA School of Law, where he is Affiliated Faculty at the Emmett Institute on Climate Change and the Environment and the Lowell Milken Institute for Business Law and Policy. He is also a Senior Fellow at the Columbia Center on Sustainable Investment, a center of Columbia University's Climate School, a Non-Resident Visiting Senior Fellow at New York University's SPS Center for Global Affairs, and a Distinguished Scholar in Energy Law and Sustainability and Professorial Lecturer in Law at the George Washington University Law School. He previously taught Energy and Infrastructure Project Finance at the University of California, Berkeley for 12 years at both the Law School and the Haas School of Business. Mr. Marks is a Contributor to Forbes. He speaks and publishes frequently on energy, infrastructure, business strategy, financial markets, climate change, public policy, regulatory trends, and international transactions. Mr. Marks served for 11 years as the founding co-chair of the State Bar of California's Subsection on Public-Private Infrastructure. He is a member of the Pacific Council on International Policy and served on Law360's Project Finance Editorial Board. He also serves as a board director of the Colburn School and other civic organizations. Mr. Marks received his Bachelor of Arts degree in international studies from The Johns Hopkins University and his Juris Doctorate from the University of California, Berkeley School of Law.

NURIT KATZ, *Vice President*. Ms. Katz was appointed to the Board by then Mayor Eric Garcetti and confirmed by the City Council on December 6, 2022. She is the Chief Sustainability Officer for the University of California, Los Angeles ("UCLA"), where she has led the development of the University's first comprehensive sustainability plan and fosters collaboration across the leading public university to advance sustainability through education, research, operations, and community partnerships. For six years Ms. Katz also served as Executive Officer for Facilities Management at UCLA. She has over 15 years of teaching experience and is an Instructor for the UCLA Extension Sustainability Certificate Program. Ms. Katz also has taught for the UCLA Institute of Environment and Sustainability and prior to UCLA worked in environmental and outdoor education. She holds a Master of Business Administration degree and a master's degree in public policy from UCLA, and a Bachelor of Arts degree in environmental education from Humboldt State University. She is

currently pursuing a PhD in ecology and evolutionary biology at UCLA and is a Trainee in the National Science Foundation Research Traineeship Innovation at the Nexus of Food, Energy, and Water Systems program.

RUDY J. ORTEGA JR., *Commissioner*. Mr. Ortega was appointed to the Board by Mayor Karen Bass and confirmed by the City Council on February 10, 2026. Mr. Ortega Jr. is the Tribal President of the Fernandeño Tataviam Band of Mission Indians, a native sovereign nation of northern Los Angeles County. As the elected leader of Fernandeño Tataviam Band of Mission Indians, Mr. Ortega Jr. oversees the governmental body and manages affairs pertaining to the rights of all Fernandeño Tataviam *tarahat.* In 2004, Mr. Ortega Jr. was appointed to the Native American Indian Commission, where he continues to serve today as a commissioner. From 2004 to 2019, Mr. Ortega Jr. invigorated the Fernandeño Tataviam Band of Mission Indians' non-profit Pukúu Cultural Community Services as the Executive Director, serving the greater Los Angeles County American Indian community and overseeing the American Indian Cultural Center within the Angeles Forest. As Tribal President, Mr. Ortega Jr. has helped establish the Tataviam Land Conservancy, Paséki Strategies Corporation, Native First Lending, Tiüvac'a'ai Tribal Conservation Corps, and a co-management agreement with the City of San Fernando for Rudy Ortega Sr. Park. As a Los Angeles City/County Native American Indian Commissioner, Mr. Ortega Jr. has been a member of the Los Angeles River Master Plan Steering Committee to ensure local tribes' and indigenous people's participation. Mr. Ortega Jr. also served the Edison Consumer Advisory Panel Board and on Commission member of the Climate Emergency Mobilization Committee. Currently, Mr. Ortega Jr. is a board member on the Santa Clarita Watershed Recreation and Conservation Authority, Los Angeles City/County Native American Indian Commission, Santa Monica Mountains Conservancy appointed by Governor Edmund G. Brown Jr., Mountains Recreation and Conservation Authority, and LA County Blue Ribbon Commission on Climate Action and Fire-Safe Recovery.

WILMA J. PINDER, *Commissioner*. Ms. Pinder was appointed to the Board by Mayor Karen Bass and confirmed by the City Council on March 8, 2024. Ms. Pinder is a former Los Angeles Assistant City Attorney. She served the City as a civil litigator and trial attorney for 30 years, 20 of those years were with the Water and Power division of the City Attorney's Office. Ms. Pinder has been active with national, state and local bar associations, serving as a Board member on several. Ms. Pinder is a Life Fellow of the American Bar Foundation ("ABF") and served on its Board for 10 years. The ABF expands knowledge and advances justice through research on law and legal institutions. She has also served on alumni boards at the University of Southern California ("USC") and UCLA. Ms. Pinder is active in the greater Los Angeles area with a number of service-oriented groups. Ms. Pinder holds a Bachelor of Arts degree in psychology from USC, a Master of Science degree in psychology from Howard University, and a Juris Doctorate from UCLA School of Law. She is also trained in community mediation and dispute resolution.

BENNY B. TRAN, *Commissioner*. Mr. Tran was appointed to the Board by Mayor Karen Bass and confirmed by the City Council on December 3, 2025. Mr. Tran previously served as Executive Vice President of Corporate Strategy at the Los Angeles Football Club (the "LAFC"), where he was part of the founding team and helped shape the club's business strategy, sustainability efforts, and government relations. He played a central role in the development and launch of the club's $375 million stadium, contributing to environmental compliance and initiatives that achieved LEED Gold certification. He also partnered with the Department on energy-efficiency design and EV-charging programs that positioned the venue as one of the City's leading examples of sustainable sports infrastructure. Mr. Tran has more than 15 years of experience advancing sustainability, public policy, and major infrastructure initiatives across the U.S. and Asia. Prior to his work at the LAFC, Mr. Tran worked across Southeast Asia on climate and development initiatives. With the Clinton Climate Initiative, he led energy-efficiency and clean-energy programs in major cities including Ho Chi Minh City, Hanoi, Bangkok, Manila, and Jakarta. He later advised the Asian Development Bank and World Bank on establishing Vietnam's first Climate Innovation Center to strengthen the region's green-technology ecosystem. Earlier in his career, he also supported public-health system strengthening as part of the Clinton Health Access Initiative. Mr. Tran recently served as a City Commissioner for the Los Angeles Department of Recreation and Parks, contributing to governance, capital planning, and community-access priorities. He is also a board member of Food Access Los Angeles, a Fulbright Scholar, and a Center for Arabic Study Abroad (CASA) Fellow. Mr. Tran holds a master's degree in public and international affairs from Princeton University and a Bachelor of Arts degree in Middle Eastern Studies from Emory University.

Management of the Department

The management and operation of the Department are administered under the direction of the General Manager. The Department's financial affairs are supervised by the Chief Financial Officer. The Power System is directed by the Chief Operating Officer and Senior Assistant General Manager of the Power System with an Assistant General Manager of Transmission and Distribution, an Assistant General Manager of Energy Delivery, and an Assistant General Manager of Planning and Modernization.. Legal counsel is provided to the Department by the Office of the City Attorney of the City of Los Angeles.

Below are brief biographies of the Department's General Manager and other members of the senior management team for the Power System:

DAVID HANSON, *Interim General Manager*. Mr. Hanson was named Interim General Manager of the Department on March 26, 2026, which became effective on March 27, 2026. Mr. Hanson most recently served as Chief Operating Officer and Senior Assistant General Manager of the Power System, having been named to the position in December 2024 after serving as Interim Senior Assistant General Manager of the Power System since August 2024. Mr. Hanson has 23 years of experience with the Department, most recently serving as the Director of Power Construction and Maintenance within the Power System. Mr. Hanson began his career at the Department in 2002 as an Electrical Mechanic, and subsequently has held a number of supervisory and leadership positions within the Department, including Electrical Mechanic Training Center Superintendent, Manager of Construction Services and Assistant Director of Power Transmission and Distribution. Prior to joining the Department, he served his country for 10 years in the United States Navy as an Electrician's Mate First Class, Sub Surface Nuclear Power and also served as a Navy recruiter.

JOHN A. SMITH, *Chief Administrative Officer*. Mr. Smith was named Chief Administrative Officer of the Department on July 1, 2024. In this capacity he oversees support organizations that service both Water and Power Systems. He has 36 years of experience with the City of Los Angeles, including 25 years with the Department. Prior to his appointment as Chief Administrative Officer, Mr. Smith served as Director of Fleet and Aviation Services since May 2023 and previously served as Director of Facilities Services from April 2022 to May 2023. He has served in various management capacities within the Department since April 2013. He is also designated the managing responsible agent for the Department's crane inspection program licensed by the State of California Department of Industrial Relations Division of Occupational Safety and Health Crane Unit. Mr. Smith holds a Bachelor of Science degree in organizational management from the University of La Verne.

Additionally, he has a Master of Science degree in management, strategy and leadership from Michigan State University.

ANN M. SANTILLI, *Chief Financial Officer*. Ms. Santilli was named Chief Financial Officer of the Department in May 2019. She had served as Interim Chief Financial Officer of the Department since March 2018. Prior to her appointment as Interim Chief Financial Officer, Ms. Santilli served as Assistant Chief Financial Officer and Controller of the Department from 2012 through February 2018 and previously held the role of Interim Chief Financial Officer of the Department from October 2010 through January 2012. Prior to her first service as Interim Chief Financial Officer, Ms. Santilli served as Chief Accounting Employee and Assistant Chief Financial Officer and Controller of the Department. She assumed the post as Controller in March 2008, as Assistant Chief Financial Officer in April 2008 and as Chief Accounting Employee in July 2010. Prior to being appointed as the Controller, Ms. Santilli was the Manager of Financial Reporting since 2003. Ms. Santilli has over 37 years of accounting and auditing experience. Ms. Santilli holds a bachelor's degree in business administration from California State University, Northridge and is a certified public accountant in the State and a certified internal auditor.

JASON L. RONDOU, *Interim Chief Operating Officer and Senior Assistant General Manager of the Power System*. Mr. Rondou was named Interim Chief Operating Officer and Senior Assistant General Manager of the Power System on March 30, 2026. Mr. Rondou has over 20 years of experience with the Department. Prior to his appointment as Interim Chief Operating Officer and Senior Assistant General Manager, Mr. Rondou most recently served as the Assistant General Manager of Planning and Modernization. Mr. Rondou has also served as the Chief of Staff to the Power System for the Chief Executive Officer and Chief Engineer, as well as serving in various leadership roles in the Power System, including Director of Power Engineering, Power System Planning, and Clean Grid LA. During his time with the Department, Mr. Rondou's experience has been both in engineering and managerial capacities involving strategic initiatives such as the LA100 study, a partnership with the National Renewable Energy Laboratory. Mr. Rondou received his Bachelor of Science degree in Electrical Engineering from Loyola Marymount University and a Master's in Public Administration from University of Southern California, as well as a Master of Business Administration from the University of California, Los Angeles. Mr. Rondou is also a licensed Electrical and Transportation Engineer in the State.

ANDREW VIRZI III, *Assistant Chief Financial Officer and Controller*. Mr. Virzi was named Assistant Chief Financial Officer and Controller of the Department in December 2024 after serving as the Assistant Retirement Plan Manager for the Water and Power Employees Retirement Plan since May 2024. He previously served as the Manager of Accounts Payable, Taxes and Travel from December 2021 through May 2024. Prior to that, Mr. Virzi was the Manager of Cost of Service from July 2019 through December 2021. He has over 15 years of experience with the Department, beginning his career in August 2010. Mr. Virzi holds a bachelor's degree in accounting from California State University, Northridge and holds a master's degree in business administrations from Pepperdine University. He is a certified public accountant in the State.

JOHN EQUINA, *Chief Accounting Employee and Assistant Auditor*. Mr. Equina was named Chief Accounting Employee and Assistant Auditor of the Department in May 2025. He also serves as the Assistant Chief Financial Officer and Treasurer of the Department and the Director of Finance and Risk Control Division, roles to which he was named in March 2025. Before serving in these roles, Mr. Equina served as the Assistant Director of Finance and Risk Control Division of the Department since March 2021. He has over 21 years of financial management experience in debt management, risk control, accounting, and auditing. Mr. Equina holds a bachelor's degree in accounting from San Beda University in the Philippines. He also has a master's degree in business administration from Pepperdine University. Mr. Equina is a certified public accountant in the State.

Employees

As of November 30, 2025, the Department assigned approximately 5,603 Department employees to the Power System on a full time basis. Approximately 4,227 additional Department employees support both the Power System and the Water System on a shared basis.

The Department conducts personnel functions in accordance with the Charter-established civil service system (the "Civil Service System") applicable to most Department employees. In accordance with the Civil Service System, the Department makes appointments on the basis of merit through competitive examinations and civil service procedures. The position of General Manager and 18 other management positions are specifically exempted from the Civil Service System.

The City Council approves the wages and salaries paid to all Department employees. In accordance with State law (the Meyers-Milias-Brown Act) and a conforming City ordinance (the Employee Relations Ordinance), the Department recognizes 14 bargaining units of Department employees. Five labor or professional organizations represent these employees' bargaining units. In the bargaining process the Department and the labor or professional organizations develop memoranda of understanding which set forth wages, hours, overtime and other terms and conditions of employment.

The International Brotherhood of Electrical Workers ("IBEW") represents approximately 90% of the Department's employees through ten bargaining units. The Department's ten memoranda of understanding with IBEW have a term which commenced on October 1, 2022 and which expire on September 30, 2026.

The Department's memoranda of understanding with the Management Employees Association, Load Dispatchers Association, and Association of Confidential Employees, expired on December 31, 2025. The terms of the existing memoranda of understanding will continue to govern until successor agreements are executed. The Department's memorandum of understanding with the Service Employees International Union, Security Unit, expires on September 30, 2026. Since the advent of collective bargaining in 1974, work stoppages have been rare, occurring in 1974, 1981 and 1993.

Retirement and Other Benefits

Retirement, Retiree Medical, Disability and Death Benefit Insurance Plan. The Department has a funded contributory retirement, disability, and death benefit insurance plan covering substantially all of its employees. The Water and Power Employees' Retirement, Disability, and Death Benefit Insurance Plan is a retirement system of employee benefits and includes the Water and Power Employees' Retirement Fund (the "Retirement Plan"), which is more fully described in "Note (10) Retirement Plan" and the "Required Supplementary Information" of the Department's Power System Financial Statements.

The costs of the Retirement Plan are shared by the Power System and the Water System, with the Power System being responsible for approximately 70% of Retirement Plan costs. Since Fiscal Year 2014-15, the assumed rate of investment return on the Retirement Plan's assets has been incrementally decreased from 7.75% to 6.50%. Most recently, effective July 1, 2022, the Retirement Board lowered the assumed rate of return from 7.00% to 6.50%. A decrease in the assumed rate of return will generally contribute to an increase in the Department's required contributions to the Retirement Plan, including the Power System's share. The budgeted contributions as described below for the Fiscal Year ending June 30, 2026 take into account this change in the discount rate. Investment return assumptions are determined through the Retirement Plan's Experience Study, which was most recently published on May 20, 2022.

As more fully described in Note (10)(d), the Power System made contributions to the Retirement Plan of approximately $296 million in Fiscal Year 2024-25 (as part of a total Department contribution of approximately $434 million), and the Power System made contributions to the Retirement Plan of approximately $295 million in Fiscal Year 2023-24 (as part of a total Department contribution of approximately $432 million). For the Fiscal Year ended June 30, 2025, the Department budgeted a contribution of approximately $296 million to be paid from the Power Revenue Fund to the Retirement Plan (as part of a total Department budgeted contribution of approximately $435 million). For the Fiscal Year ending June 30, 2026, the Department has budgeted a contribution of approximately $244 million to be paid from the Power Revenue Fund to the Retirement Plan (as part of a total Department budgeted contribution of approximately $358 million).

The Department also has made, and will continue to make in the future, contributions to the Plan from the Water Revenue Fund.

The Department follows the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pension – an amendment of GASB Statement No. 27* ("GASB No. 68"). GASB No. 68 requires employers with pension liabilities to disclose the net pension liability along with deferred inflows and outflows of resources related to the pension liability. For more information about the Department's pension liabilities as reported in accordance with GASB No. 68, see Note (10) and "Required Supplementary Information" of the Department's Power System Financial Statements.

According to the latest actuarial valuation and review of the Retirement Plan that was completed by The Segal Company on September 23, 2025, as of July 1, 2025, the market value of the assets in the Retirement Plan was approximately $19.5 billion, which results in an overfunded actuarial accrued liability (based on the market value of assets) of approximately $672.0 million; the actuarial value of the assets in the Retirement Plan as of such date was approximately $18.9 billion, which would result in an overfunded actuarial accrued liability (based on the actuarial value of assets) of approximately $98.1 million. As of July 1, 2025, the Retirement Plan had an unrecognized investment gain of approximately $574.0 million. The Retirement Plan employs a five year smoothing technique to value assets in order to reduce the volatility in contribution rates. The impact of this will result in "smoothed" assets that are lower or higher than the market value of the assets depending upon whether the remaining amount to be smoothed is a net gain or a net loss. If the net deferred gain for the year ended June 30, 2025 were recognized immediately in the actuarial value of assets, the aggregate required contributions to the Retirement Plan for Fiscal Year 2025-26 would remain equal to the normal cost of 16.0% of payroll due to the surplus position of the plan as of July 1, 2025. Additionally, if the net deferred gain in all available Retirement Plan funds were recognized immediately in the actuarial value of assets, the funded ratio of the Retirement Plan as of June 30, 2025 would increase from approximately 100.5% to approximately 103.6%.

According to the actuarial valuation and review of the Retirement Plan that was completed by The Segal Company on October 1, 2024, as of July 1, 2024, the market value of the assets in the Retirement Plan was approximately $17.8 billion, which results in an unfunded actuarial accrued liability (based on the market value of assets) of approximately $214.0 million; the actuarial value of the assets in the Retirement Plan as of such date was approximately $17.6 billion, which would result in an unfunded actuarial accrued liability (based on the actuarial value of assets) of approximately $426.2 million. As of July 1, 2024, the Retirement Plan had an unrecognized investment gain of approximately $212.0 million. The Retirement Plan employs a five-year smoothing technique to value assets in order to reduce the volatility in contribution rates. The impact of this will result in "smoothed" assets that are lower or higher than the market value of the assets depending upon whether the remaining amount to be smoothed is a net gain or a net loss. If the net deferred gain for the year ended June 30, 2024 were recognized immediately in the actuarial value of assets, the aggregate required contributions to the Retirement Plan for Fiscal Year 2024-25 would decrease from approximately 28.0% of total Department covered payroll to approximately 26.6% of total Department covered payroll. Additionally, if the net deferred gain in all available Retirement Plan funds were recognized immediately in the actuarial value of assets, the funded ratio of the Retirement Plan as of June 30, 2024 would increase from approximately 97.6% to approximately 98.8%.

Contribution requirements for the Fiscal Year ending June 30, 2026 were set based on the asset values as of June 30, 2025. Significant losses in market value or the failure to achieve projected investment returns could increase unfunded pension liabilities and future pension costs. However, the Retirement Plan uses a five-year asset smoothing period of the differences between the actual market return and the expected return on the market value of assets to manage short-term volatility, as a result of which the immediate fiscal impact of any one year's negative return on the Department's contribution rates is reduced.

Effective January 1, 2014, the Board approved a new tier for new Retirement Plan members called "Tier 2." Tier 2 provides reduced retirement benefits, requires the employee to contribute a higher percentage of pay to the Retirement Plan, and ends the reciprocity agreement with the City's retirement plan. The Coalition of L.A. City Unions, whose members are not employed at the Department, has challenged the ending of the

reciprocity agreement. The City is defending the challenge against the decision to end the reciprocity agreement. The outcome of the challenge to the end of the reciprocity agreement is not expected to have a material adverse impact on the Department or the Retirement Plan. According to a study of the proposed benefits of Tier 2, which was completed by The Segal Company on October 24, 2013, the estimated amount of contribution required to fund the benefit allocated to the current year of service (the "Normal Cost"), as a percentage of payroll, was 5.61% for Tier 2 (as compared to 16.35% for Tier 1), and the new tier of benefits was projected to generate a present value savings of $877 million over 30 years (based on the 7.75% assumed rate of investment return on the Retirement Plan's assets, which was in effect when Tier 2 was approved). According to the latest actuarial valuation and review of the Retirement Plan, which was completed by The Segal Company on September 23, 2025, the estimated contribution for Fiscal Year 2025-26 required to fund the benefit allocated to the Normal Cost, as a percentage of payroll, was 11.29% for Tier 2 (as compared to 21.07% for Tier 1). As of the July 1, 2025 actuarial valuation report, 62% of active Department members were covered under Tier 2.

Other Postemployment Benefits ("OPEB"). The Department provides certain healthcare benefits (the "Healthcare Benefits") and death benefits to active and retired employees and their dependents. These OPEB Benefits are more particularly described in "Note (11) Other Postemployment Benefits Plans" and the "Required Supplementary Information" of the Department's Power System Financial Statements.

The costs of the Healthcare Benefits are shared by the Water System and the Power System, with the Power System historically being responsible for approximately 67% of the costs of the Healthcare Benefits. As more fully described in Note (11)(d), the Power System paid Healthcare Benefits of approximately $87.2 million in Fiscal Year 2024-25 (as part of a total Department contribution of approximately $126.8 million), and the Power System paid Healthcare Benefits of approximately $72.2 million in Fiscal Year 2023-24 (as part of a total Department contribution of approximately $110.3 million). For the Fiscal Year ended June 30, 2025, the Department budgeted approximately $86.9 million to be paid from the Power Revenue Fund for Healthcare Benefits (with the total Department paying approximately $131.7 million). For the Fiscal Year ending June 30, 2026, the Department has budgeted approximately $96.2 million to be paid from the Power Revenue Fund for Healthcare Benefits (with the total Department paying approximately $145.8 million).

The Department also has paid, and will continue to pay in the future, Healthcare Benefits from the Water Revenue Fund, for the Water System's Healthcare Benefits costs.

According to the latest actuarial valuation and review of the Healthcare Benefits, which was completed by The Segal Company on November 6, 2025, as of June 30, 2025, the market value of the assets of the Healthcare Benefits was approximately $3.6 billion, which would result in an unfunded actuarial accrued liability (based on the market value of assets) of approximately $322.7 million; the actuarial value of the assets in the Healthcare Benefits as of such date was approximately $3.5 billion, which would result in an unfunded actuarial accrued liability (based on the actuarial value of assets) of approximately $435.3 million. As of June 30, 2025, the Healthcare Benefits had unrecognized investment gains of approximately $112.7 million. The actuarial valuations of the Healthcare Benefits employ a smoothing policy which requires that market gains and losses be recognized in even increments over five years. As a result, the impact of this will result in "smoothed" assets that are lower or higher than the market value of the assets depending upon whether the remaining amount to be smoothed is either a net gain or a net loss. As of June 30, 2025, the ratio of the actuarial value of assets to actuarial accrued liabilities decreased from 100.90% as of June 30, 2024 to 88.96% as of June 30, 2025. On a market value of assets basis, the funded ratio decreased from 102.38% as of June 30, 2024 to 91.81% as of June 30, 2025. The unfunded actuarial accrued liability measured using the actuarial value of assets increased from $(28.8) million (a surplus of assets over liability) to $435.3 million as of June 30, 2025.

According to the actuarial valuation and review of the Healthcare Benefits, which was completed by The Segal Company on October 31, 2024, as of June 30, 2024, the market value of the assets of the Healthcare Benefits was approximately $3.0 billion, which would result in an overfunded actuarial accrued liability (based on the market value of assets) of approximately $76.1 million; the actuarial value of the assets in the Healthcare Benefits as of such date was approximately $3.0 billion, which would result in an overfunded actuarial accrued liability (based on the actuarial value of assets) of approximately $28.8 million. As of June 30, 2024, the

Healthcare Benefits had unrecognized investment gains of approximately $47.3 million. The actuarial valuations of the Healthcare Benefits employ a smoothing policy which requires that market gains and losses be recognized in even increments over five years. As a result, the impact of this will result in "smoothed" assets that are lower or higher than the market value of the assets depending upon whether the remaining amount to be smoothed is either a net gain or a net loss. As of June 30, 2024, the ratio of the actuarial value of assets to actuarial accrued liabilities decreased from 114.16% as of June 30, 2023 to 100.90% as of June 30, 2024. On a market value of assets basis, the funded ratio decreased from 113.17% as of June 30, 2023 to 102.38% as of June 30, 2024. The unfunded actuarial accrued liability (on an actuarial value of assets basis) decreased from a surplus of $371.7 million as of June 30, 2023 to a surplus of $28.8 million as of June 30, 2024.

Contribution requirements for the Fiscal Year ending June 30, 2026 were set based on the asset values as of June 30, 2025. Significant losses in market value or the failure to achieve projected investment returns could increase unfunded pension liabilities for Healthcare Benefits and future contribution requirements. However, the Healthcare Benefits uses a five-year asset smoothing period of the differences between the actual market return and the expected return on the market value of assets to manage short-term volatility, as a result of which the immediate fiscal impact of any one year's negative return on the Department's contribution rates is reduced.

For a schedule that provides information about the Department's overall progress made in accumulating sufficient assets to pay Healthcare Benefits when due, prior to allocations to the Power System and the Water System, see the "Required Supplementary Information" of the Department's Power System Financial Statements.

Effective January 1, 2014, the Board approved a new tier for new Retirement Plan members called "Tier 2." Tier 2 provides reduced retiree healthcare benefits. According to a study of the proposed OPEB for Tier 2 employees of the Department, which was completed by The Segal Company on November 8, 2013, the estimated Normal Cost, as a percentage of payroll, was 2.63% for Tier 2 (as compared to 4.33% for Tier 1), and the new tier of benefits was projected to generate a present value savings of $136.5 million over 30 years (based on the 7.75% assumed rate of investment return on the OPEB plan's assets, which was in effect when Tier 2 was approved). According to the latest actuarial valuation and review of the Healthcare Benefits, which was completed by The Segal Company on November 6, 2025, for Fiscal Year 2025-26, the Normal Cost, as a percentage of payroll, was estimated to be 6.85% for Tier 2 (as compared to 5.81% for Tier 1).

Effective July 1, 2017, the Department follows the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, an amendment of GASB Statement No. 45 ("GASB No. 75"). GASB No. 75 requires employers with other postemployment liabilities to disclose the net postemployment liability along with deferred inflows and outflows of resources related to the other postemployment liability. The Department adopted the provisions of GASB No. 75 beginning for the Fiscal Year ended June 30, 2018. As of June 30, 2025, the Power System had a net OPEB liability surplus of $19.1 million comprised of $52.4 million surplus of retiree medical and $71.5 million liability in death benefits. As of June 30, 2024, the Power System had a net OPEB liability surplus of $160.2 million comprised of $233.7 million surplus of retiree medical and $73.5 million liability in death benefits. For more information about the Department's OPEB liabilities as reported in accordance with GASB No. 75, see Note (11) and "Required Supplementary Information" of the Department's Power System Financial Statements.

Transfers to the City

Pursuant to the Charter, the City Council may, subject to the provisions of contractual obligations, direct a transfer of surplus money in the Power Revenue Fund to the City's reserve fund (a "Power Transfer") with the consent of the Board. The Board may withhold its consent if it finds that making the Power Transfer would have a material adverse impact on the Department's financial condition in the year the Power Transfer is to be made. In the event the Board does not approve any year's Power Transfer, the City Administrative Officer is to verify the Department's findings and make a report thereon and recommendations with respect thereto. After receiving

such report, and in consultation with the City Council and the Mayor, the Board shall either amend or uphold its preliminary findings.

Pursuant to covenants contained in the Master Resolution, a Power Transfer may not exceed the net income of the prior Fiscal Year or reduce the Power System's surplus to less than 33-1/3% of total Power System indebtedness. Subject to the restrictions of the Charter and the Master Resolution, the Board most recently approved transfers totaling $225,782,000 to the City during the Fiscal Year ending June 30, 2026.

The following table shows the amounts of the Power Transfer in each of the last five Fiscal Years:

POWER TRANSFERS
FOR FISCAL YEARS ENDED JUNE 30, 2021 – 2025
($ in thousands)

Fiscal Year Ended June 30	Amount of Power Transfer
2021	$218,355
2022	225,015
2023	232,043
2024	244,695
2025	219,312

Source: Department of Water and Power of the City of Los Angeles.

The City does not include any funds in the Power Transfer that the Department collects pursuant to the Electric Rates established under the Incremental Electric Rate Ordinance, which was adopted in 2016. However, the Power Transfer includes surplus revenue generated from Electric Rates established under the Rate Ordinance adopted in 2008.

Insurance

The Department's insurance program currently consists of a combination of commercial insurance policies, a Wildfire Self-Insurance Trust Fund, a wildfire Catastrophe Bond ("CAT Bond") and self-insurance. All general liability claims within the Department's self-insured retention are administered under the Department's self-insurance program and the Department carries commercial excess general liability insurance above its self-insured retention. There are two separate towers of insurance. The first is for non-wildfire losses. After meeting the $3 million retention, the program has a primary layer of $40 million, which includes 50% of co-insurance for the 2025-26 policy year (April 2025 to April 2026). Co-insurance is a designated percentage of the policy that is retained by the Department and the remaining policy amount is recoverable from the insurer. Above the primary layer of $40 million are additional layers of commercial liability insurance that provide an additional $120 million of coverage, which has no co-insurance and would provide coverage up to the policy limits. The total limit available for non-wildfire losses is $160 million.

There is a second tower of insurance that is solely for wildfire losses. The Department has a total of $106.25 million in self-insured retention that serves as its primary layer for wildfire coverage and above that primary self-insurance retention layer, the Department has procured an additional $121.50 million of commercial wildfire insurance, totaling an insurance tower of $227.75 million. The Department augments and supports its wildfire coverage with a Wildfire Self-Insurance Trust Fund. The Wildfire Self-Insurance Trust Fund was established in December 2024 to assist in the settlement of wildfire claims, and as of January 31, 2026, the Wildfire Self-Insurance Trust Fund had a balance of $61.15 million. Through the utilization of commercial insurance, the Wildfire Self-Insurance Trust Fund and additional self-insurance, the wildfire insurance program currently has a total limit of $288.90 million available for wildfire losses.

To further complement its overall wildfire insurance program, the Department has provided for $100 million of wildfire coverage through a CAT Bond. The $100 million wildfire index CAT Bond is for the three-year period from August 2025 to September 2028. Unlike parametric and indemnity wildfire CAT Bonds, the wildfire index CAT Bond is triggered by attachment to the amount of losses of certain covered California counties. The wildfire index CAT Bond is intended to supplement the Department's self-insurance retention and wildfire risk management program. CAT Bonds are multi-year issuances and pay out based on a catastrophic fire event that occurs within the three-year period of the specific bond. CAT Bonds allow the Department to obtain additional wildfire coverage capacity outside of a commercial insurance policy, but, unlike commercial insurance, the Department achieves a premium cost that is fixed and known for the three-year period of the bond.

For discussion regarding liability issues as they relate to wildfire losses, see "FACTORS AFFECTING THE DEPARTMENT AND THE ELECTRIC UTILITY INDUSTRY – California Climate Change Policy Developments – *Legislation and Court Action Relating to Wildfires*."

In addition to the excess general liability insurance programs, the Department continues to maintain a bona fide program of self-insurance as well. As of January 31, 2026, the portion of the Power Revenue Fund set aside for self-insurance had a balance of approximately $242.5 million in a restricted cash account. The Power Revenue self-insurance fund is specific to the Power System and is primarily designed to cover a large catastrophic event that could affect the Power System operations (*e.g.*, liability for a large wildfire). The Department annually reviews the amount retained for self-insurance and may adjust such amount if it deems such adjustment appropriate.

The Department has purchased a primary cyber insurance policy, with a self-insured retention component. This insurance policy covers certain types of cyber incidents and provides reimbursement coverage for costs to respond to data privacy or security incidents and for expenses incurred in connection with the investigation, prevention, and resolution of any cyber threat.

The Department commercially insures its physical plant through a policy of all risk property insurance, which is written on a replacement cost-basis. The policy covers all risk of physical loss or damage to buildings, structures, auxiliary and main plant equipment. Such insurance has a policy loss limit of $500 million for all claims in a single policy year. The all-risk property insurance has a deductible of $5 million. The Department has secured earthquake coverage and sudden and accidental pollution coverage as part of its all-risk property insurance program.

The Department's physical plant coverage does not provide coverage in certain events including terrorism or war. However, the Department has purchased a Terrorism Limits and Terrorism Risk Insurance Extension Act of 2005 ("TRIEA") Endorsement (the "Endorsement") to its excess general liability coverage under which coverage is extended to cover losses resulting from certain acts certified by the Secretary of the U.S. Department of the Treasury to be an act of terrorism, as defined in TRIEA. Currently, from 2002 through December 31, 2027, the Endorsement limits insurers liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds $100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed $100 billion, the Department's coverage may be reduced.

As a participant in the Palo Verde Nuclear Generating Station ("PVNGS") and associated transmission systems, the Department is an additional named insured on various forms of insurance providing protection against property and liability losses relating to such facilities. The amounts of coverage are established by participating owners and procured by the operating agent for the facility.

The Department, as the operating agent for the Intermountain Power Project ("IPP"), the Mead-Adelanto Transmission Project, the Marketplace Substation, the Pacific DC Intertie and in connection with its relationships with other entities and agencies, includes other entities or agencies as additional named insureds on the various forms of insurance procured for such facilities.

The Department continuously evaluates its insurance program and may modify the current configuration of commercial insurance and self-insurance with respect to the Power System. Insurance limits maintained by the Department are subject to change depending on market conditions and assessments by the Department as to risk exposure. The utilization of commercial insurance along with alternative risk options such as CAT Bonds allows the Department to strengthen its overall risk management program as well as provide flexibility in setting and adjusting its self-insurance retention limits as part of the continual review of the Department's insurance budget.

Investment Policy and Controls

Department's Trust Funds Investment Policy. The majority of the Power System funds are held in the Power Revenue Fund, investments of which are managed by the Office of Finance of the City. The funds have been invested as part of the City's investment pool program since 1983. Certain financial assets of the Department that are held in special-purpose trust or escrow funds with an independent trustee ("Trust Funds") more fully described in "Note (7) Cash, Cash Equivalents, and Investments" of the Department's Power System Financial Statements, are not included in the City's investment pool program. The Department manages the investment of the Trust Funds in which approximately $831.85 million (investments at fair market value) was on deposit as of January 31, 2026. The Department's investment of such funds complies with the California Government Code in all material respects and such funds are invested according to the Department's Trust Funds Investment Policy (the "Trust Funds Investment Policy"), which sets forth investment objectives and constraints. For more information about the Trust Funds Investment Policy, see Note (7). Such funds consist of debt reduction trust funds, the nuclear decommissioning trust funds, the natural gas trust fund, the California Independent System Operating Markets trust fund, and the hazardous waste treatment storage and disposal trust fund. These trust funds are being held by U.S. Bank Trust Company, National Association as trustee/custodian. Amounts in the debt reduction trust fund are to be applied at the discretion of the Chief Financial Officer, to the retirement (including the payment of debt service, purchase, redemption and defeasance) of Power System debt, including obligations to Intermountain Power Agency ("IPA") and Southern California Public Power Authority ("SCPPA"). As of January 31, 2026, the debt reduction trust fund had a balance of approximately $558.22 million (investments at fair market value as of such date).

Under the Trust Funds Investment Policy, the Department's investment program seeks to accomplish three specific goals: (i) preserve the principal value of the funds, (ii) ensure that investments are consistent with each individual fund's liquidity needs and (iii) achieve the maximum yield/return on the investments.

The overall responsibility for managing the Department's investment program for the Trust Funds rests with the Department's Chief Financial Officer, who directs investment activities through the Department's Assistant Chief Financial Officer and Treasurer. An Investment Committee, comprised of the City Controller, a Board member designated by the Board President, the General Manager and the Department's Chief Financial Officer (the "Department Investment Committee") is charged with oversight responsibility. The Trust Funds Investment Policy is adopted by the Board from time to time, and fund activity is reviewed periodically by the Department Investment Committee to ensure its consistency with the overall objectives of the policy, as well as its relevance to current law and financial and economic trends.

The Department's Assistant Chief Financial Officer and Treasurer or its designee reviews all investment transactions for the Trust Funds on a monthly basis for control and compliance and submits quarterly investment reports that summarize investment income to the Department Investment Committee, the Board and the Mayor for information and evaluation.

POWER SYSTEM TRUST FUNDS INVESTMENTS
ASSETS AS OF JANUARY 31, 2026
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	Fair Market Value
U. S. Sponsored Agency Issues	$502,658
Medium term corporate notes	175,043
Money market funds	49,870
Municipal obligations	31,968
Other state bonds	16,851
U. S. Government Securities	9,520
California state bonds	21,231
Supranationals	15,780
Certificates of Deposit	4,975
Commercial paper	3,954
Total*	$831,850

Source: Department of Water and Power of the City of Los Angeles.
* Totals may not equal sum of parts due to rounding.

Department Financial Risk Management Policies. In order to manage certain financial and operational risk, the Board has adopted a number of policies in addition to its Trust Funds Investment Policy. The Board has adopted a Counterparty Evaluation Credit Policy designed to minimize the Department's credit risk with its counterparties. This policy applies to wholesale energy, transmission, physical natural gas and financial natural gas transactions entered into by the Department. Pursuant to this policy the Department assigns credit ratings to such counterparties. The policy requires the use of standardized netting agreements which require such counterparties to net positive and negative exposures to the Department and requires credit enhancement from counterparties that do not meet an acceptable level of risk. Sales to such counterparties are only permitted up to the amount of purchases with a netting agreement and, in certain cases, credit enhancement in place.

The Board has adopted a Retail Natural Gas Risk Management Policy designed to mitigate the Department's exposure to unexpected spikes in the price of natural gas used in the production of electricity to serve retail customers. This policy authorizes Department management to enter into transactions for natural gas subject to specified parameters, such as duration of contract and price and volumetric limits. It also establishes internal controls for natural gas risk management activity. See "THE POWER SYSTEM – Fuel Supply for Department-Owned Generating Units and Apex Power Project."

The Board has adopted a Wholesale Marketing Energy Risk Management Policy to establish a risk management program designed to manage the Department's exposure to risks resulting from purchases and sales of wholesale energy, transmission services and ancillary services. This policy establishes the General Manager's authority to enter into such transactions, identifies approved transaction types and establishes internal controls for wholesale energy risk management activity.

The Board has adopted an Environmental Credit and Renewable Energy Credit Policy to establish a risk management program that is designed to manage the Department's exposure to risks resulting from purchases and sales of emissions credits or allowances and other credits available for the purpose of compliance with environmental laws, rules, and regulations. This policy establishes the General Manager's authority to enter into such transactions, identifies approved transaction types, and establishes internal controls surrounding credit risk management activity.

The Board has adopted a Dodd-Frank Act Compliance Policy to ensure the Department complies with applicable provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Commodity Futures Trading Commission requirements.

City Investment Policy. The Office of Finance of the City invests temporarily idle cash on behalf of the City, including that of the proprietary departments, such as the Department, as part of a pooled investment program. As of January 31, 2026, the Power System had approximately $1.58 billion of unrestricted cash and approximately $1.05 billion of restricted cash on deposit with the City. For information regarding the fair market value adjustment of the Department's pooled investment fund assets as of June 30, 2025, see Note (7)(b) of the Department's Power System Financial Statements. This amount is in addition to what is on hand in the Trust Funds, see "– *Department's Trust Funds Investment Policy*" above. The City's pooled investment program combines general receipts with special funds for investment purposes and allocates interest earnings and losses on a pro-rata basis when the interest is earned and distributes interest receipts based on the previously established allocations. The primary responsibilities of the Office of Finance of the City and the pooled investment program are to protect the principal and asset holdings of the City's portfolio and to ensure adequate liquidity to provide for the prompt and efficient handling of City disbursements. Funds invested by the Power System in the pooled investment program are available for withdrawal within five business days without penalties. In addition, 16% of the pool, as of June 30, 2025, had maturities less than one month and 39% of the pool, as of June 30, 2025, had maturities of one year or less.

The following table describes the investments held in the City's Pooled Investment Fund (which includes amounts held in the City's General Investment Pool and the City's Special Investment Pool) as of June 30, 2025.

CITY OF LOS ANGELES POOLED INVESTMENT FUND
ASSETS AS OF JUNE 30, 2025
(Dollars in Thousands)
(Unaudited)

	Amount[(1)]	Percent of Total[(1)]	Power System Share[(1)(2)]
U.S. Treasury Notes	$ 10,149,336	61.74%	$ 1,657,481
Medium-Term Notes	1,883,039	11.46	307,657
U.S. Agencies Securities	1,296,087	7.89	211,816
Commercial Paper	2,575,007	15.66	420,411
Short-Term Investment Funds	249,886	1.52	40,806
Asset-Backed Securities	48,310	0.29	7,785
Supranationals	179,570	1.09	29,262
Securities Lending Short-Term Repurchase Agreement	57,886	0.35	9,396
Total General and Special Pools[(3)]	**$16,439,121**	**100.00%**	**$2,684,614**

Source: Department of Water and Power of the City of Los Angeles and Los Angeles City Treasurer.

(1) Fair Market Value as of June 30, 2025.

(2) Department funds held by the City are both unrestricted and restricted funds.

(3) Totals may not equal sum of parts due to rounding..

The City's investment operations are managed in compliance with the California Government Code and the City's statement of investment policy, which sets forth permitted investments, liquidity parameters and maximum maturity of investments. The investment policy is reviewed and approved by the City Council on an annual basis.

Monthly reports of investment activity are presented to the Mayor, the City Council and the Department to indicate, among other things, compliance with the investment policy. The City's Office of Finance does not invest in structured and range notes, securities that could result in zero interest accrual if held to maturity, variable rate, floating rate or inverse floating rate investments or mortgage-derived interest or principal-only strips.

The investment policy permits the City's Office of Finance to engage custodial banks to enter into short-term arrangements to lend securities to various brokers. Cash and/or securities (United States Treasuries and Federal Agencies only) collateralize these lending arrangements, the total value of which is required to be at least 102% of the market value of securities loaned out. The securities lending program is limited to a maximum of 20% of the market value of the City's Office of Finance's pool by the City's investment policy and the California Government Code.

For more information about the investments in the City's Office of Finance pool as of June 30, 2025 and 2024, see Note (7) of the Department's Power System Financial Statements.

ELECTRIC RATES

Rate Setting

Pursuant to the Charter, the Board, subject to the approval of the City Council by ordinance (as discussed below), fixes the rates for electric service from the Power System ("Electric Rates"). The Charter provides that the Electric Rates shall be fixed by the Board from time to time as necessary. The Charter also provides that the Electric Rates shall, except as otherwise authorized by the Charter, be of uniform operation for customers of similar circumstances throughout the City, as near as may be, and shall be fair and reasonable, taking into consideration, among other things, the nature of the uses, the quantity supplied and the value of the service provided. The Charter further provides that rates for electric energy may be negotiated with individual customers, provided that such rates are established by binding contract, contribute to the financial stability of the Power System and are consistent with such procedures as the City Council may establish.

The Board is obligated under the Charter and the rate covenant in the Master Resolution to establish Electric Rates and collect charges in amounts which, together with other available funds, shall be sufficient to service the Department's Power System indebtedness and to meet the Power System's expenses of operation and maintenance. The Charter provides that Electric Rates are subject to the approval of the City Council by ordinance (a "Rate Ordinance"). The Charter further requires that the City Council approve Rate Ordinances for the Electric Rates prescribed in the rate covenant in the Charter, which rate covenant is also included in the Master Resolution.

The Department's completed interim rate review of the last rate action for Fiscal Year 2015-16 through Fiscal Year 2019-20 resulted in planned annual system average Electric Rate increase adjustments. The average yearly increase during the five-year period was approximately 4.5% for low-energy users, approximately 4.0% for midrange users, and approximately 5.5% for top tier users, reflected in increased actual pass-through cost adjustments and decreased Base Rate revenue targets.

The rate increase over these five Fiscal Years is reflected in the Incremental Electric Rate Ordinance and as a result, effective April 15, 2016, the Department's retail electric revenue requirement has been funded from the Rate Ordinance adopted in 2008 and the Incremental Electric Rate Ordinance through the following major components:

(a) Under the Rate Ordinance adopted in 2008:

(i) Base Rates: Base Rates are used to fund expenditures including debt service arising from capital projects (except projects relating to the Renewable Portfolio Standard ("RPS")), operational and maintenance expenses (except as RPS-related), public benefit spending, property tax, and a prorated portion of the Power Transfer;

(ii) Reliability Cost Adjustment (the "RCA"): The RCA is used to recover certain power reliability expenditures; and

(iii) Energy Cost Adjustment (the "ECA"): The ECA is used to recover expenditures for fuel, non-renewable purchased power, RPS and energy efficiency-related expenditures.

(b) Under the Incremental Electric Rate Ordinance:

(i) Incremental Base Rates: The Incremental Base Rates are used to recover costs of providing electric utility service that are not recovered by Base Rates or any of the Rate Ordinance cost adjustments, including labor costs, real estate costs, costs to rebuild and operate local power plants, equipment costs, operation and maintenance costs, expenditures for jointly-owned plants and other inflation-sensitive costs, in addition to including the Power Access Charge, which is a consumption-

based tiered charge applied to residential non-Time-of-Use Residential Rate customers used to recover basic infrastructure costs for providing access to the power grid;

(ii) Incremental Reliability Cost Adjustment (the "IRCA"): The IRCA is used to recover costs associated with operations and maintenance, debt service expense of the Power System Reliability Program and RCA under-collection;

(iii) Variable Energy Adjustment (the "VEA"): The VEA is used to recover costs associated with fuel, non-renewable portfolio standard power purchase agreements, economy purchases, legacy ECA under-collection and Base Rates decoupling from energy efficiency impact;

(iv) Capped Renewable Portfolio Standard Energy Adjustment (the "CRPSEA"): The CRPSEA is used to recover costs associated with RPS operations and maintenance, debt service and energy efficiency programs; and

(v) Variable Renewable Portfolio Standard Energy Adjustment (the "VRPSEA"): The VRPSEA is used to recover costs associated with RPS market purchases and costs above any operations and maintenance and debt service payments.

The RCA, ECA, IRCA, VEA, CRPSEA and VRPSEA are pass-through cost adjustments applied by factors that the Department may change with approval of the Board, without changes to existing Rate Ordinances.

Interim Rate Review. The last rate action covered a five-year period from Fiscal Year 2015-16 through Fiscal Year 2019-20. In 2019, the Department and the Office of Public Accountability (the "OPA") each conducted their ordinance-mandated independent interim rate review. As part of this review, on the recommendation of the OPA, the Board decreased the Base Rate revenue targets for Fiscal Year 2018-19 and Fiscal Year 2019-20 by 2% each. The OPA further recommended, and the Department supports the recommendation, to use four-year rate action cycles, rather than replicate the recent five-year rate action cycle. In June 2022, the Board approved an increase of the Base Rate revenue target for Fiscal Year 2022-23 of 2.035%, in accordance with the provisions of the Incremental Electric Rate Ordinance. In June 2023, the Board approved an increase of the Base Rate revenue target for Fiscal Year 2023-24 of 5.60% in accordance with the provisions of the Incremental Electric Rate Ordinance. In June 2024, the Board approved an increase of the Base Rate revenue target for Fiscal Year 2024-25 of 1.48% in accordance with the provisions of the Incremental Electric Rate Ordinance. In June 2025, the Board approved an increase of the Base Rate revenue target for Fiscal Year 2025-26 of 0.58% in accordance with the provisions of the Incremental Electric Rate Ordinance. The increase to the Base Rate revenue target will continue to provide the Department with sufficient revenues to meet the rate covenant under the Master Resolution and the Board adopted financial metrics described below under "ELECTRIC RATES – Board Adopted Financial Planning Criteria." The Department is in the process of reviewing the Rate Ordinance and Incremental Electric Rate Ordinance and, based on current and assumed market conditions, determining what changes, if any, need to be made in connection with the next rate action. In November 2025, the Department awarded consulting agreements for a marginal cost study and rate consulting, but is still reviewing the need and proposed schedule for the next water and power rate action with the Chief Executive Officer. Department staff expects the power rate action to start after the completion of the water rate action.

Proposition 26. In 2010, California voters approved Proposition 26 ("Proposition 26"), an initiative measure amending Article XIII C of the State Constitution to add a new definition of "tax." Each such tax cannot be imposed, extended, or increased by a local government without voter approval. Article XIII C of the State Constitution, as amended by Proposition 26, defines "tax" to include any levy, charge, or exaction imposed by a local government, except, among other things, (a) charges imposed for benefits conferred, privileges granted, or services or products provided, to the payor (and not to those not charged) that do not exceed the reasonable costs to the local government of conferring, granting or providing such benefit, privilege, service, or product, and (b) property-related fees imposed in accordance with the provisions of Article XIII D of the State

Constitution. The Department believes that the Electric Rates and charges do not constitute taxes as defined in Article XIII C of the State Constitution.

Board Adopted Financial Planning Criteria. The Board has directed the Department to use the following criteria when preparing the Power System's financial plans with respect to Electric Rates: (i) maintain a minimum operating cash target of the equivalent of 170 days of operating expenses, (ii) maintain full obligation coverage of at least 1.7 times, and (iii) maintain a debt-to-capitalization ratio of less than 68%. These criteria are subject to reviews and adjustments from time to time by the Board with advice from the Department's financial advisors and were most recently revised on May 26, 2020.

Neighborhood Councils. Pursuant to a Memorandum of Understanding with the City's Neighborhood Councils, the Department agrees to use its best efforts to undertake a 60-day or 90-day notification and outreach period (depending on the duration of the Department's proposed rate action) prior to submitting a residential or non-residential retail business customer electric rate increase proposal involving changes to the Rate Ordinances to the Board for approval. The Neighborhood Councils have indicated they will use their best efforts to provide written input regarding such rate proposals to the Department within 60 days of receiving the above-discussed notifications.

Office of Public Accountability. Section 683 of the Charter establishes the OPA with respect to the Department. The primary role of the OPA is providing public, independent analysis to the Board and City Council about Department actions as they relate to the Electric Rates and water rates. The role of the OPA is advisory rather than as an approver of such rates. The OPA is headed by an Executive Director appointed by a citizens committee, subject to confirmation by the City Council and Mayor. The Executive Director of the OPA serves as the Ratepayer Advocate for the OPA. On May 27, 2025, Tim O'Connor was appointed as the new Executive Director of the OPA (the "Ratepayer Advocate") for a five-year term. The electric rate action effective April 15, 2016 was supported by the then-Ratepayer Advocate following his review of the proposed rate changes. The rate action included certain changes proposed by such Ratepayer Advocate. As a result of the rate action involving the Incremental Electric Rate Ordinance for Fiscal Year 2015-16 through Fiscal Year 2019-20, the Department is required to provide semi-annual written reports each year regarding certain Board-established metrics to the Board and the OPA.

Rate Regulation

While changes in the retail Electric Rate ordinances are subject to approval by the City Council, the authority of the Board to impose and collect retail Electric Rates for service from the Power System is not subject to the general regulatory jurisdiction of the California Public Utilities Commission (the "CPUC") or any other State or federal agency. The California Public Utilities Code (the "Public Utilities Code") contains certain provisions affecting all municipal utilities such as the Power System. At this time, neither the CPUC nor any other regulatory authority of the State nor the Federal Energy Regulatory Commission ("FERC") approves the Department's retail Electric Rates. It is possible that future legislative and/or regulatory changes could subject the Department to the jurisdiction of the CPUC or to other limitations or requirements.

The California Energy Resources Conservation and Development Commission, commonly referred to as the California Energy Commission (the "CEC"), is authorized to evaluate rate policies for electric energy as related to the goals of the Warren-Alquist State Energy Resources Conservation and Development Act (Public Resources Code Section 25000 et seq.) and make recommendations to the Governor of the State, the Legislature and publicly-owned electric utilities ("POUs") such as the Department.

Although its retail Electric Rates are not subject to approval by any state or federal agency, the Department is subject to certain provisions of the Public Utilities Code and the Public Utility Regulatory Policies Act of 1978 ("PURPA"). PURPA applies to the purchase of the output of "qualified facilities" ("QFs") at prices determined in accordance with PURPA. The Energy Policy Act of 2005 repealed the mandatory purchase obligation for electric utilities when FERC determines that the QFs have non-discriminatory access to wholesale power markets with certain characteristics. The Department has neither applied for nor been relieved of its

mandatory purchase obligation. The Department believes that it is currently operating in compliance with PURPA.

Under federal law, FERC has the authority, under certain circumstances and pursuant to certain procedures, to order any utility (municipal or otherwise), including the Department, to provide electric transmission access to others at cost-based rates. FERC also has licensing authority over hydroelectric facilities and regulates the reliability and security of the nation's bulk power system.

With, among other things, the consent of the Department, operational control of the transmission facilities owned or controlled by the Department may be transferred to the California statewide network administered by the California Independent System Operator Corporation ("Cal ISO"). See "THE POWER SYSTEM – Transmission and Distribution Facilities." In 2017, the Department updated its Open Access Transmission Tariff ("OATT"), which included revising the cost-of-service and rate design for the Department's wholesale transmission rates. In 2020, the Department updated its OATT to facilitate entry into Cal ISO's Western Energy Imbalance Market (the "EIM"). The April 2020 amendment to the Department's OATT focused predominantly on non-rate terms and conditions related to the EIM, to ensure that services under the OATT would continue to be provided in a comparable and not unduly discriminatory or preferential manner to all of the Department's OATT customers. The April 2020 amendment largely followed similar, prior OATT amendments of other utilities already participating in the EIM. The OATT has been and may be amended or updated from time-to-time. For more information on the Department's entry into the Western EIM, see "THE POWER SYSTEM – Transmission and Distribution Facilities."

Billing and Collections

General. With some limited exceptions, the Department currently bills residential customers on a bimonthly basis and commercial and industrial customers on a monthly basis. The Department prepares bills covering water and electric charges and non-Department charges (such as sewer services, solid waste resources fee and State and local taxes). Payments are posted in the following order: overdue receivables, customer deposits, water charges, electric charges, State and local taxes, sewer service charges, solid waste resources fees and bulky item fees. Within overdue receivables, payments received are applied in the same order for which payments are posted for current receivables.

In September 2022, the Department launched a new Level Pay system that provides eligible residential customers the opportunity to pay a monthly recurring amount for utility services based on an average of the customer's past usage and costs over the previous 12 months. Payment terms of 12, 24 and 36 months are available. At the end of the payment term, Level Pay will automatically renew and the monthly amount will be recalculated. Any underpayment or overpayment will be rolled into the calculation of the next term. The customer may cancel Level Pay at any time. It is not known at this time how many customers will ultimately sign up for Level Pay. Participation to date has been minimal but is continuing to increase. The Department does not anticipate Level Pay to have a materially adverse impact on its finances or operations.

Billing System. In September 2013, the Department launched a new customer information and billing system, designed and implemented by Pricewaterhouse Coopers LLP. Immediately following the launch of the new billing system, the Department experienced numerous billing issues in connection with the new system, including, but not limited to, (a) the inability to issue bills to customers, (b) the inability to issue accurate bills to customers, (c) an increase in estimated bills that were sent to customers where metering information was not available, and (d) the inability to generate multiple business reports, including financial reports reflecting the Department's accounts receivable. The customer information and billing system is currently being used by the Department. The Department continues to work to improve the functionality of the system to meet the Department's original expectations for the system.

Delinquencies. Based on annual historical experience of delinquencies, the Department historically has been unable to collect approximately 0.7% of the amounts billed to its customers. In light of the prior billing issues noted above and in response to the COVID-19 pandemic described below, the allowance for doubtful

accounts was increased to 2.0% of Power System sales beginning in Fiscal Year 2020-21. Since that time, a new accrual approach has been adopted for the allowance for doubtful accounts, which uses a three-year write-off average rate of Power System sales, starting in Fiscal Year 2023-24 (0.5%). As of January 31, 2026, the Power System's allowance for doubtful accounts was $407.5 million and accounts receivable were $1.70 billion (including utility user's tax). Of these amounts, $989.1 million (58.26% of total receivables) were 120 days or more past the payment due date. As of January 31, 2025, the Power System's allowance for doubtful accounts was $325.0 million and accounts receivable were $1.45 billion (including utility user's tax). Of these amounts, $868.1 million (60.04% of total receivables) were 120 days or more past the payment due date.

COVID-19 Effects. In response to the COVID-19 pandemic, the Department deferred disconnection of water and power services to customers who were unable to pay their bills due to financial hardship, which deferrals officially ended on March 31, 2022 (the Department began the resumption of disconnections for commercial customers in June 2023 and began to resume service disconnections for certain residential customers in June 2024). As a result of the deferral of disconnections, the Department has experienced an increase in the amount of bills that are 120 days or more past their payment due date as described above under "Delinquencies." Ultimately, customers are still responsible to pay the billed amounts and the Department will work with customers by providing payment options. See "FACTORS AFFECTING THE DEPARTMENT AND THE ELECTRIC UTILITY INDUSTRY – Global Health Emergencies; COVID-19 Pandemic."

The California Legislature established the 2021 California Arrearage Payment Program ("2021 CAPP") to provide financial assistance for California energy utility customers to help reduce past due energy bill balances during the COVID-19 pandemic. Administered by the Department of Community Services and Development (the "CSD"), the 2021 CAPP dedicated approximately $994 million in federal American Rescue Plan Act funding to address Californian's energy debts, of which approximately $299 million was allocated for financial assistance to customers of POUs and electrical cooperatives. In September 2021, the Department submitted a funding request of approximately $203 million for residential arrearages and approximately $109 million for commercial arrearages. The Department received $202.8 million of 2021 CAPP funding of which $201.5 million was credited towards residential arrearages. As authorized by the CSD, the Department distributed the remaining $1.3 million towards residential and commercial arrearages in March 2022.

The California Legislature established the 2022 California Arrearage Payment Program ("2022 CAPP"), which dedicated approximately $1.2 billion to address Californian's energy debts. In October 2022, the Department submitted a funding request of approximately $76.6 million for residential arrearages. The Department received the requested 2022 CAPP funding amount and credited residential arrearages in January 2023.

Write-Off Procedures. Uncollectible accounts are recoverable by the Department by passing on such "bad debts" to the ratepayers via pass-through adjustment factors. Due to hot weather in the summer and associated higher bills and the Department's bimonthly billing process, accounts receivable balances generally increase in the late summer and autumn and generally decrease in the winter and spring. These accounts receivable balances include inactive accounts. Inactive accounts that are included in accounts receivable that cannot be linked to an active account will be written off as uncollectible.

Customer Bill of Rights. In January 2017, the Board adopted a "Customer Bill of Rights" which was developed by the Department in consultation with then Mayor Eric Garcetti and is designed to improve service for Department customers. On February 26, 2019, the Board extended the "Customer Bill of Rights" indefinitely.

THE POWER SYSTEM

General

The Power System is the nation's largest municipal electric utility with a net maximum plant capacity of 11,155 megawatts ("MW") and net dependable capacity (or average expected capacity in the case of renewable resources) of 7,397 MW as of December 31, 2025, and properties with a net book value of

approximately $16.3 billion as of December 31, 2025. The Power System's highest load registered 6,502 MW on August 31, 2017. Based on the Department's December 2024 Retail Electric Sales and Demand Forecast, the Department anticipates that gross customer electricity consumption will increase from Fiscal Year 2022-23 to Fiscal Year 2032-33 at a forecasted rate of approximately 1.53% per year without consideration of the Department's measures to promote energy efficiency and distributed generation. That load growth rate reflects, in the later part of the ten year planning period, increases due in part to fuel switching in the transportation sector including the increase of plug-in hybrid and battery electric vehicles. In accordance with the Power System's recent resources plans, significant energy efficiency measures have been planned and are being implemented as a cost effective resource, along with support for customer solar projects. The Department adopted a goal in August of 2014 of achieving up to 15% cumulative energy savings from 2010 through 2020, which was achieved. The Department is now focused on a goal of achieving additional energy savings of 3,434 gigawatt hours ("GWhs") from 2023 to 2035, surpassing the 1,802 GWhs of projected savings reflected in the LA100 Study. For the operating statistics of the Power System, see "OPERATING AND FINANCIAL INFORMATION – Summary of Operations."

The Department estimated that the Power System's capacity (as of December 31, 2025), and energy mix (actual numbers for calendar year 2024 as reflected in the Department's most recent Annual Power Content Label), were approximately as follows:

DEPARTMENT GENERATION MIX PERCENTAGES

Resource Type	Capacity Percentage[(1)]	Energy Percentage[(2)]
Natural Gas	40.5%	30%
Large Hydro	14.7	3
Coal	0.0	11
Nuclear	3.5	15
Renewables	38.6	41
Storage	2.7	–
Unspecified Sources of Energy[(3)]	–	–
Total	100.0%	100.0%

(1) Net Maximum Unit Capability as of December 31, 2025. IPP coal generation resources retired as of December 2025.

(2) Energy percentage is based on the Department's calendar year 2024 fuel mix submission as part of the 2024 Annual Power Content Label to the California Energy Commission. The Power Content Label does not reflect compliance with the Renewables Portfolio Standard (RPS), which measures the use of tracking instruments called Renewable Energy Credits (RECs) over the course of multi-year compliance reports.

(3) Unspecified sources of energy means electricity from transactions that are not traceable to specific generation sources.

Note: Totals may not equal sum of parts due to rounding.

The Department anticipates that its generation mix will change in response to statutory and regulatory developments. See "FACTORS AFFECTING THE DEPARTMENT AND THE ELECTRIC UTILITY INDUSTRY."

Generation and Power Supply

The Power System has a number of generating resources available to it. The following discussion describes the Department's solely owned, jointly owned and contracted generation facilities, as well as fuel and water supplies and spot purchase activities. Currently, the Department's base load requirements are fulfilled primarily by generating capacity at IPP and PVNGS, and balanced with its natural gas, hydroelectric, renewable

resources and spot purchases. The following information concerning the capacities of various facilities is as of June 30, 2025.

Department-Owned Generating Units

The Department's solely owned generating facilities, as of December 31, 2025, are summarized in the following table:

DEPARTMENT OWNED FACILITIES

Type of Fuel	Number of Facilities	Number of Units	Net Maximum Plant Capacity (MW)[1]	Net Dependable or Average Expected Plant Capacity (MW)[1][4]
Natural Gas	4[2]	29[2]	3,377	3,182
Large Hydro	1	7	1,265	1,265
Renewables	65	162[3]	362	83[4]
Storage	1	1	20[5]	–[5]
Subtotal	**71**	**199**	**5,024**	**4,530**
Less: Payable to the California Department of Water Resources	–	–	(120)[6]	(28)[6]
Total	**71**	**199**	**4,904**	**4,502**

Source: Department of Water and Power of the City of Los Angeles.

[1] Net dependable capacity is based on 2025-26 capacity ratings; for renewables, figure represents average expected capacity. See footnote 4.

[2] Consists of the four Los Angeles Basin Stations (Haynes, Valley, Harbor and Scattergood) discussed and defined below. See "– *Once-Through-Cooling Units Phase-Out"* below for information regarding the future expected phase out of certain natural gas units.

[3] Includes 22 of the hydro units at the Los Angeles Aqueduct, Owens Valley and Owens Gorge hydro units that are certified as renewable resources by the CEC. Also included are Department-built photovoltaic solar installations, the Pine Tree Wind Project and a local small hydro plant. Not included are the units that were upgraded at the Castaic Plant.

[4] Figure based on historical generation, in addition to statistical modeling of likely output without consideration of weather conditions that may affect the ability of certain renewable resources to reach its average expected capacity.

[5] Storage consists of a 10 MWh battery which can discharge up to 20 MW for 30 minutes. Storage capacity contributes to the Net Dependable or Average Expected Plant Capacity of the Power System but such contribution is not included in the calculation methodology as currently utilized for the purposes of this table.

[6] Energy payable to the California Department of Water Resources for energy generated at the Castaic Plant. This amount varies weekly up to a maximum of 120 MW.

Note: Totals may not equal sum of parts due to rounding.

Los Angeles Basin Stations. The Department is the sole owner and operator of four electric generating stations in the Los Angeles Basin (the "Los Angeles Basin Stations"), with a combined net maximum generating capacity of 3,377 MW and a combined net dependable generating capacity of 3,182 MW. Natural gas is used as fuel for the Los Angeles Basin Stations. Ultra-low-sulfur distillate is used for emergency back-up fuel. See "– Fuel Supply for Department-Owned Generating Units and Apex Power Project." See also "– Projected Capital Improvements." The four Los Angeles Basin Stations are briefly described below.

Haynes Generating Station. The largest of the Los Angeles Basin Stations is the Haynes Generating Station, located in the City of Long Beach, California. The Haynes Generating Station currently consists of eleven generating units with a combined net maximum capacity of 1,614 MW and a net dependable capacity of

1,503 MW. Originally comprising six units, two of the original units were repowered in 2005 and replaced with a combined-cycle generating unit, which includes two combustion turbines and a common steam turbine. The combustion turbines can each operate with the steam turbine independently or together in a two–plus–one configuration (and are counted by the Department as three generating units). In 2013, the Department completed the replacement of an additional two of the original units with six advanced simple-cycle gas turbine units. In 2022, the Department completed the demolition of the four Haynes Generating Station Units that were decommissioned to create a construction area for a future energy project. See "FACTORS AFFECTING THE DEPARTMENT AND THE ELECTRIC UTILITY INDUSTRY – Environmental Regulation and Permitting Factors – *Water Quality – Cooling Water Process – State Water Resources Control Board" and "– Regional Requirements – Thermal Discharges at Harbor Generating Station and Haynes Generating Station*" for a discussion of potential permitting and related equipment upgrades with respect to cooling water intake structures and thermal discharges.

Valley Generating Station. The Valley Generating Station is located in the San Fernando Valley and is currently comprised of a simple-cycle generating turbine unit and a combined-cycle generating unit, which consists of two combustion turbines and a common steam turbine. The combustion turbines can each operate with the steam turbine independently or together in a two-plus-one configuration (and are counted by the Department as three generating units). The net maximum plant capacity for the Valley Generating Station is 555 MW. The total net dependable capacity for the Valley Generating Station is 525 MW. The Department expects to demolish four Valley Generating Station Units that were decommissioned in 2002 to create a construction area for a future energy project. The demolition of the decommissioned Valley Generating Station Units is not expected to impact the energy output of the Valley Generating Station. Demolition is expected to be completed by November 2026.

Valley Generating Station Gas Vent-Off. While conducting methane surveys across the State for the CEC in August 2020, the Jet Propulsion Laboratory observed an increase of methane vent-off over the Valley Generating Station reciprocating natural gas compressor area. The Department installed new design rod packing seals in December 2020 that have been working as designed.

Five Los Angeles Superior Court cases were filed related to the referenced vent-off at the Valley Generating Station. The most significant of the cases, a class action lawsuit with a putative class of 30,000 individuals, was dismissed in December 2021. Additionally, punitive damages were removed, and the number of causes of action was reduced. With the dismissal of the class action lawsuit, there are four remaining cases, including *Pueblo y Salud, Inc, et. al. v. Los Angeles Department of Water and Power, et al*., 21STCV04346, the lead case. The final number of individual plaintiffs is approximately 1,300 following the dismissal of plaintiffs who did not participate in discovery. All pending cases have been deemed related by the court and are assigned to the same judge in the Los Angeles Superior Court.

The Department and the plaintiffs have agreed to settle this litigation for $59.89 million after mediation. The fact that the parties have agreed to settle the litigation has been publicized by various news outlets. A master settlement agreement has been finalized and executed by plaintiff's counsel and the Department. Proceeds of the settlement will be distributed by a court approved settlement administrator. Individual plaintiffs will have the option to "opt out" of the settlement. Plaintiffs who elect to opt out of the settlement would have the ability to bring their own individual actions against the Department. The Department is unable to assess at this time the number of plaintiffs, if any, who will opt-out of the settlement and whether such plaintiffs will bring separate actions against the Department. Counsel for the Department will work with the Department to evaluate how to best proceed with any plaintiffs who opt out.

Harbor Generating Station. The Harbor Generating Station is located in Wilmington, California. The Harbor Generating Station is comprised of eight generating units, including five simple-cycle generating turbine units and a combined-cycle unit, which includes two combustion turbines and a common steam turbine. The combustion turbines can each operate with the steam turbine independently or together in a two-plus-one configuration (and are counted by the Department as three generating units). Harbor Generating Station's net maximum capacity is 432 MW with a net dependable capacity of 423 MW. See "FACTORS AFFECTING THE

DEPARTMENT AND THE ELECTRIC UTILITY INDUSTRY – Environmental Regulation and Permitting Factors – *Water Quality – Cooling Water Process– State Water Resources Control Board*" and "– *Regional Requirements – Thermal Discharges at Harbor Generating Station and Haynes Generating Station*" for a discussion of potential permitting and related equipment upgrades with respect to cooling water intake structures and thermal discharges.

Scattergood Generating Station. The Scattergood Generating Station is located in Playa Del Rey, California and is currently comprised of two conventional steam boiler generating units, one combined-cycle unit, which consists of two generating units in a one-plus-one configuration, and two advanced simple-cycle gas turbines, for a total of six generating units, with a net maximum capacity of 776 MW and a net dependable capacity of 731 MW from natural gas. An original unit of the Scattergood Generating Station was decommissioned in 2015 and has been demolished to create the construction area for a future energy project. See "FACTORS AFFECTING THE DEPARTMENT AND THE ELECTRIC UTILITY INDUSTRY – *Environmental Regulation and Permitting Factors – Water Quality – Cooling Water Process – State Water Resources Control Board*" for a discussion of potential permitting and related equipment upgrades with respect to cooling water intake structures.

Once-Through-Cooling Units Phase-Out. Generating units at the Los Angeles Basin Stations that currently utilize once-through-cooling have a net maximum capacity of 1,492 MW. In February 2019, then Mayor Eric Garcetti announced that these units would be phased out and replaced with energy storage and clean energy alternative assets. The Department has initiated the City's planning efforts for replacing the capacity of the once-through cooling units as they retire by December 31, 2029. The Department presented a 2022 Power Strategic Long-Term Resource Plan (the "2022 Strategic Long-Term Resource Plan") to the Board in September 2022, which details high level initiatives, including increased use of energy storage, retrofitting existing gas units that currently use once-through-cooling with alternative cooling designs such as using wet cooling towers, and introducing hydrogen capable gas generating units to replace once-through-cooling units, and to formalize a roadmap for achieving 100% carbon free energy by 2035. The 2022 Strategic Long-Term Resource Plan was finalized and released in July 2023. See also "– Renewable Power Initiatives – *Strategic Long-Term Resource Plan*."

Other Department-Owned Generating Facilities. In addition to the Los Angeles Basin Stations, the Department is the sole owner of a number of other generating facilities. Certain of the Department's hydroelectric projects are described below. See also "– Renewable Power Initiatives."

Castaic Pump Storage Power Plant. The Castaic Pump Storage Power Plant is located near Castaic, California (the "Castaic Plant") just before the terminus of the west branch of the California Aqueduct at Castaic Lake. The Castaic Plant is the Department's largest source of hydroelectric capacity and consists of seven units. The Castaic Plant's net maximum capacity and net dependable capacity for the seven units is 1,265 MW. The seven units completed a modernization process in August 2016. A FERC license pursuant to which the Department operates the Castaic Plant expired in 2022. The Department, in partnership with the California Department of Water Resources (the "CDWR"), is in the process of renewing this FERC license. FERC has not yet issued a new license. Under federal regulations, FERC issued an annual license on February 3, 2022, for the continued operations of Castaic Power Plant under the current license conditions. This annual license will be automatically renewed until FERC issues a new license. The Castaic Plant provides peaking and reserve capacity and is normally not a source of energy to the Department's net base load requirements. The Castaic Plant obtains water supply via the water conveyance system (the "State Water Project") operated by the CDWR, which has frequently been the subject of litigation that generally alleges that the CDWR is illegally "taking" listed species of fish through operation of the State Water Project export facilities and that the CDWR should cease operation of the State Water Project pumps. The CDWR has altered the operations of the State Water Project to accommodate certain listed species, which has had the effect of reduced pumping from the affected waters. Future litigation of this nature could influence how the State Water Project is operated and further reduce water flow to the Castaic Plant. The Department cannot predict at this time what effect this type of litigation will have on the Power System. See *"*– Water Supply for Department-Owned Generating Units" below.

Owens Gorge and Owens Valley Hydroelectric Generation. The three Owens Gorge and seven Owens Valley hydroelectric generating units (the "Owens Gorge and Owens Valley Hydroelectric Generation") are located along the Owens Valley in the Eastern High Sierra region of the State. The aggregate average expected capacity of Owens Gorge and Owens Valley Hydroelectric Generation totals 29.9 MW and the net maximum plant capacity totals 110.5 MW.

The Owens Gorge and Owens Valley Hydroelectric Generation is a network of hydroelectric plants which use water resources of the Los Angeles Aqueduct and three creeks along the Eastern Sierras. The water flow fluctuates from year to year and as a result water flow may be reduced from seasonal norms from time to time. Since 1995, the total aqueduct exports from Owens Valley to the City have gone from approximately 476,000 acre-feet per year to currently approximately 252,000 acre-feet per year (based on the 30-year median). This difference is due to environmental uses in the Owens Valley, including Mono Lake level restoration, Lower Owens River restoration, reduced groundwater pumping and Owens Lake dust mitigation. Consequently, this water use reallocation has resulted in a reduction of downstream hydroelectric generation, which is accounted for in the annual updates of the Power System's resource plan; however, efforts are underway to reduce the amount of water required for Owens Lake dust mitigation. An estimated reduction of up to 10,000 acre-feet may be achieved depending upon terms agreed upon with applicable regulatory authorities, and may result in increased aqueduct exports from Owens Valley to the City.

San Francisquito Canyon and the Los Angeles and Franklin Reservoirs Hydroelectric Generation. The Department also owns and operates twelve hydroelectric units located north of the City along the Los Angeles Aqueduct in San Francisquito Canyon and at the Los Angeles and Franklin Reservoirs. The net aggregate average expected capacity of these smaller units is 27.4 MW and the net maximum plant capacity totals 78.3 MW.

Jointly-Owned Generating Units and Contracted Capacity Rights in Generating Units

The Department has additional generating resources available as capacity rights resulting from undivided ownership interests in facilities that are jointly-owned with other utilities. Also, the Department benefits from distributed generation ("DG") capacity connected to the Department's grid from customer solar photovoltaic installations through net metering and customer generation rates and from other DG units through a Feed-in-Tariff. These interests, as of December 31, 2025, are summarized in the following chart and discussed below. Each project participant with respect to jointly-owned units is generally responsible for providing its share of construction, capital, operating, decommissioning, and maintenance costs.

JOINTLY-OWNED GENERATING UNITS AND CONTRACTED CAPACITY RIGHTS IN GENERATING UNITS

Type	Number of Facilities	Department's Net Maximum Connected Capacity (MW)	Department's Net Dependable Connected or Average Expected Capacity (MW)
Coal	0	0[(1)]	0
Natural Gas	2	1,140[(2)]	1,013
Large Hydro	1	496[(3)]	270[(3)]
Nuclear	1	387[(4)]	380
Renewables/Distributed Generation	98,415[(5)]	3,947	1,232[(6)]
Storage	2	281[(7)]	–[(7)]
Total	**98,421**	**6,251**	**2,895**

Source: Department of Water and Power of the City of Los Angeles.

(1) As discussed below, the repowering of IPP to replace the coal units with combined cycle natural gas units with a net maximum plant capacity of 840 MW was completed in December 2025.

(2) The Department's Apex Generating Station entitlement is 100% of the power produced. The Department's IPP entitlement is 48.62% of the net maximum plant capacity of 840 MW. An additional 18.17% portion of the IPP entitlement is subject to variable recall as set forth under "*Intermountain Power Project – Power Recalls*" below.

(3) The Department's Hoover Power Plant contract entitlement is 496 MW, which is 23.90% of the Hoover total contingent capacity and 14.7% of the firm energy. Hoover Power Plant output constantly varies due to low water levels at Lake Mead resulting from drought conditions.

(4) The Department's PVNGS entitlement is 9.66% of the net maximum plant capacity of 4,003 MW. See "– *Palo Verde Nuclear Generating Station*" below.

(5) The Department's contract renewable resources in-service include a hydro unit in the Los Angeles area, wind farms in Oregon, Washington, Utah and Wyoming, and customer solar photovoltaic installations and other DG units located in the Los Angeles region.

(6) For renewables, figure represents average expected capacity. Figure based on historical generation, in addition to statistical modeling of likely output without consideration of weather conditions that may affect the ability of certain renewable resources to reach its average expected capacity.

(7) Storage capacity contributes to the Net Dependable or Average Expected Plant Capacity of the Power System but such contribution is not included in the calculation methodology as currently utilized for the purposes of this table.

Note: Totals may not equal sum of parts due to rounding.

Intermountain Power Project.

General. The IPP, which is located near Delta, in Millard County, Utah, was originally constructed as a coal-fired, steam electric generating plant with a net rating of 1,800 MW. Pursuant to a Construction Management and Operating Agreement between IPA and the Department, IPA appointed the Department as project manager and operating agent responsible for, among other things, administering, operating and maintaining the IPP. In Fiscal Year 2024-25, the IPP operated at a plant net capacity factor of 43.59% and provided approximately 6.87 million megawatt-hours ("MWhs") of energy to its power purchasers, which includes approximately 4.30 million MWhs to the Power System.

In December 2025, a repowering of the generating station to replace the coal units with combined cycle natural gas units as the source of generation for the IPP was completed. See "– *Intermountain Generating Station upon the termination of the IPP Contract*" below for a further discussion of the repowering of the IPP generating station and the development of the repowering project.

Following completion of such repowering, the IPP consists of: (i) a two-unit, combined-cycle natural gas-fired electric generating plant, consisting of two power blocks, each with one gas turbine, a heat recovery steam generator train and a single steam turbine, with an approximate combined net generation capability of 840 MW (the "Intermountain Generating Station") and a switchyard (the "Switchyard"), located near Lynndyl, in

Millard County, Utah; (ii) a ±500 kilovolts ("kV"), direct current transmission line approximately 490 miles in length from and including the Intermountain Converter Station (an alternating current/direct current converter station adjacent to the Switchyard) to and including a corresponding converter station at Adelanto, California (collectively, the "Southern Transmission System") (see "– Transmission and Distribution Facilities – *Southern Transmission System*"); (iii) two 50-mile, 345 kV, alternating current transmission lines from the Switchyard to the Mona Switchyard in the vicinity of Mona, Utah and a 144-mile, 230 kV, alternating current transmission line from the Switchyard to the Gonder Switchyard near Ely, Nevada (collectively, the "Northern Transmission System"); (iv) a microwave communications system; (v) certain water rights (which water rights, together with the Intermountain Generating Station and the Switchyard, are referred to herein collectively as the "Generation Station"); and (vi) coal generating units and related facilities which are not in operation. As a result of the repowering, coal supplies to fuel the generating plant are no longer needed and the railcar service center constructed as part of the original IPP project to provide delivery of coal supplies ceased operating in August 2025.

Power Contracts. Pursuant to a Power Sales Contract with IPA (the "IPP Contract"), the Department is currently entitled to 48.617% of the capacity of the IPP. The Department's capacity entitlement under the IPP Contract is currently equal to approximately 408.4 MW. The term of the IPP Contract ends on June 15, 2027. Upon the termination of the existing IPP Contract, the Department's entitlement share of the capacity of the IPP will increase. See "– *Intermountain Generating Station upon the termination of the IPP Contract*" below. Pursuant to the IPP Contract, the Department is required to pay in proportion to its entitlement share the costs of producing and delivering electricity as a cost of purchased capacity. The Department also has available additional capacity in the IPP through an excess power sales agreement with certain other IPP participants (the "IPP Excess Power Sales Agreement"). Under the IPP Excess Power Sales Agreement, the Department is entitled to an additional 18.168% of the capacity of IPP. The Department's capacity entitlement under the IPP Excess Power Sales Agreement is currently equal to approximately 152.6 MW, subject to recall as described below. The IPP Contract requires the Department to pay for such capacity and energy on a "take-or-pay" basis as operating expenses of the Power System. See "OPERATING AND FINANCIAL INFORMATION – Take-or-Pay Obligations."

Intermountain Generating Station upon the termination of the IPP Contract. In order to facilitate the continued participation of the Department and other power purchasers in the IPP beyond the IPP Contract's termination in 2027, IPA and the Department entered into the Second Amendatory Power Sales Contract which amended the IPP Contract to allow for the repowering of the plant to replace the coal units with combined cycle natural gas units by July 1, 2025 that would allow for compliance with greenhouse gas ("GHG") emissions performance standards. Pursuant to the provisions of the power sales contracts, the IPP participants also agreed to reduce the initially planned generation capacity of the repowered plant from 1,200 MW to 840 MW. As noted above, new generation facilities entered service in October 2025 and planned operation occurred in December 2025 (after the originally scheduled date of July 1, 2025). The estimated cost of the repowering of the plant to the new combined cycle units at IPP was approximately $1.7 billion. This estimate does not include the hydrogen facilities being constructed as described below.

IPA executed a contract in early 2022 securing energy conversion and storage services to supply the IPP units with green hydrogen fuel (*i.e.*, hydrogen created solely by use of renewable energy) to support the goal of operating with a blend of 30% green hydrogen starting in 2025 and the subsequent goal of reaching 100% green hydrogen fueled operation by 2045. Upgrades to the Switchyard and replacement of converter stations are also being undertaken at an estimated cost of approximately $2.8 billion, reflecting a change in scope requested by the Department and the cities of Burbank and Glendale to upgrade portions of the converter station to 3,000 MW. SCPPA has issued bonds to finance a portion of the costs of the upgrades to the Switchyard and converter station replacements. See "– Transmission and Distribution Facilities – *Southern Transmission System*." See also "OPERATING AND FINANCIAL INFORMATION – Take-or-Pay Obligations."

The original power sales contracts, including the IPP Contract, will terminate on June 15, 2027, at which point the IPP Renewal Power Sales Contracts (which were executed in 2017) will immediately take operational effect and continue for a term ending in 2077. Most of the power purchasers under the original power sales

contracts will continue to be IPP participants under the IPP Renewal Power Sales Contracts. The cities of Anaheim, Riverside, and Pasadena will not be power purchasers under the IPP Renewal Power Sales Contracts. The city of Burbank will take a smaller share of generation capacity under the IPP Renewal Power Sales Contracts, and the Department and the city of Glendale both increased their respective generation shares. Under its IPP Renewal Power Sales Contract with IPA, the Department will be entitled to 71.442% of the capacity of the IPP. In connection with the execution of the IPP Renewal Power Sales Contracts in 2017, the Department also executed successor excess power sales agreements with certain other IPP participants (the "IPP Agreement for Sale of Renewal Excess Power") which will continue to make available to the Department additional capacity in the IPP. The increase to the Department's share and additional available capacity in the IPP will become available to the Department when the IPP Renewal Power Sales Contracts will govern the sale of IPP capacity and output beginning on June 16, 2027. Similar to its IPP Contract, the Department will be obligated to pay for the capacity and energy purchased under its IPP Renewal Power Sales Contract on a "take-or-pay" basis as operating expenses of the Power System.

IPA has issued bonds to finance a portion of the costs of the IPP repowering project. See "OPERATING AND FINANCIAL INFORMATION – Take-or-Pay Obligations."

Power Recalls. Under the existing IPP Excess Power Sales Agreements, certain IPP participants have a right to recall from the Department up to 18.168% of the capacity of the IPP (currently equal to approximately 153 MW) for defined future summer or winter seasons or both, following no less than 90 days' notice and up to 43 MW of such capacity on a seasonal basis following no less than 90 days' notice. IPP Utah participants have recalled 3.03% of the capacity of the IPP (equivalent to 17 MW) from the Department for the winter season which started March 2026 and will end September 2026. The percentage of the capacity of the IPP subject to recall will increase to 21.057% (equal to 177 MW) in 2027 upon the effectiveness of the IPP Agreement for Sale of Renewal Excess Power which will take effect on the same day as the IPP Renewal Power Sales Contract described above. The Department can give no assurance that the capacity of the IPP subject to recall from the Department under the IPP Excess Power Sales Agreement or the IPP Agreement for Sale of Renewal Excess Power will not be recalled in the future in accordance with the agreement terms.

Fuel Supply. In March 2024, IPA executed a Fuel and Asset Management Agreement (the "FAMA") with Tenaska Marketing Venture ("TMV") to purchase natural gas for use at the IPP. As fuel manager, TMV offers purchasing rights for natural gas and guarantees delivery to the IPP, providing reliable supply during high market volatility. Under the FAMA, TMV is also responsible for nominating, scheduling, and delivering natural gas to the IPP. TMV has been providing 100% of the gas to the IPP as of October 2024 to support commissioning activities.

For more information on the effect of certain environmental considerations on the IPP and potential implications of certain recently enacted Utah legislation with respect thereto, see "FACTORS AFFECTING THE DEPARTMENT AND THE ELECTRIC UTILITY INDUSTRY – *Environmental Regulation and Permitting Factors – Air Quality – Mercury*," "*– Coal Combustion Residuals*," and "*– Utah Senate Bill 161*."

Apex Power Project. The Apex Power Project (the "Apex Power Project") is located in an unincorporated area of Clark County, north of Las Vegas, Nevada. The Apex Power Project includes the Apex Generating Station, which is a combined cycle generating station consisting of one 238 MW, nameplate rating, steam turbine generator, and two, 203 MW, nameplate rating, combustion turbine generators. The Apex Power Project also includes heat recovery equipment, air inlet filtering, closed cycle cooling system, emission control system, exhaust stack, distributed control system, all necessary noise control equipment, and its associated real property. The Apex Generating Station has a net maximum capacity of 578 MW and a net dependable capacity of 483 MW. In March 2014, SCPPA acquired the Apex Power Project for the benefit of the Department, and the Department is entitled to 100% of the capacity and energy of the Apex Power Project under a take-or-pay power sales contract with SCPPA. See "OPERATING AND FINANCIAL INFORMATION – Take-or-Pay Obligations."

Hoover Power Plant.

General. The Hoover Power Plant is located on the Arizona-Nevada border approximately 25 miles east of Las Vegas, Nevada and is part of the Hoover Dam facility at Lake Mead, which was completed in 1935 and controls the flow of the Colorado River. The Hoover Power Plant consists of 17 generating units and two service generating units with a total installed capacity of approximately 2,074 MW, and a minimum capacity of 650 MW. The Department has a power purchase agreement with the United States Department of Energy Western Area Power Administration ("Western") for 23.90% of total contingent capacity and 14.65% of the firm energy from the Hoover Power Plant through September 2067. The facility is owned and operated by the United States Bureau of Reclamation (the "Bureau of Reclamation").

Environmental Considerations. The lower Colorado River has been included in a critical Habitat Designated Area. This required the Bureau of Reclamation to prepare and file with the United States Fish and Wildlife Service (the "USFWS") a Biological Assessment on the effect of its operations of the lower Colorado River on endangered species therein (the "Biological Assessment"). After the Biological Assessment was filed, the USFWS issued a Biological and Conference Opinion regarding the Bureau of Reclamation's operations and outlined remedial actions to be taken to correct adverse effects to endangered species. Such remedial actions could affect the operation of the Hoover Power Plant, which would in turn affect the Hoover Power Plant customers, including the Department. The Department believes that any impact of the Biological and Conference Opinion on future operations will be minor; however, there is a possibility that future regulatory action will recommend major remediation actions that could have a material impact on the Hoover Power Plant customers' available capacity from the Hoover Power Plant. The Hoover Power Plant customers, including the Department, together with certain other parties, have implemented a plan in cooperation with the Bureau of Reclamation and the USFWS to mitigate negative effects on the Hoover Power Plant's energy production.

Palo Verde Nuclear Generating Station.

General. PVNGS is located approximately 50 miles west of Phoenix, Arizona. PVNGS consists of three nuclear electric generating units (numbered 1, 2 and 3), with a net maximum capacity of 1,333 MW (unit 1), 1,336 MW (unit 2) and 1,334 MW (unit 3) and a dependable capacity of 1,311 MW (unit 1), 1,314 MW (unit 2) and 1,312 MW (unit 3). PVNGS's combined design capacity is 4,003 MW and its combined dependable capacity is 3,937 MW. Each PVNGS generating unit had been operating under 40-year Full-Power Operating Licenses granted by the Nuclear Regulatory Commission (the "NRC") expiring in 2025, 2026, and 2027, respectively. In April 2011, the NRC approved PVNGS's license renewal application, allowing the three units to extend operation for an additional 20 years until 2045, 2046 and 2047, respectively.

Arizona Public Service Company ("APS") is the operating agent for PVNGS. On average, PVNGS has provided over 3.1 million MWhs of energy annually to the Power System. The Department has a 5.7% direct ownership interest in the PVNGS (approximately 224 MW of dependable capacity). The Department also has a 67.0% generation entitlement interest in the 5.91% ownership share of PVNGS that belongs to SCPPA through its "take-or-pay" power contract with SCPPA (totaling approximately 156 MW of dependable capacity), so that the Department has a total interest of approximately 380 MW of dependable capacity from PVNGS. Co-owners of PVNGS include APS; the Salt River Project; Edison; El Paso Electric Company; Public Service Company of New Mexico; SCPPA and the Department.

Nuclear Regulatory Commission. The NRC has broad authority under federal law to impose licensing and safety-related requirements for the operation of nuclear generation facilities. Events at nuclear facilities of other operators or impacting the industry generally may lead the NRC to impose additional requirements and regulations on existing and new facilities.

The aftermath of the March 2011 earthquake and tsunami that caused significant damage to the Fukushima Daiichi Nuclear Power Plant in Japan prompted the U.S. nuclear industry to form a task force under the direction of PVNGS's Chief Nuclear Officer to take immediate actions in ensuring the reliability of all U.S. nuclear plants. PVNGS instituted improvements driven by the findings from such task force. Among these

improvements, is a staging of "flex" equipment, which includes mobile pumps, generators, hoses, and fire trucks that enable PVNGS to shift cooling water through the plant and power critical equipment in the event of a disaster.

Decommissioning Costs. The owners of PVNGS have created external trusts in accordance with the PVNGS participation agreement and NRC requirements to fund the costs of decommissioning PVNGS. Based on the 2024 annual funding status report which is based on a 2023 study of decommissioning costs, the most recent estimate available, the Department estimates that its share of the amount required for decommissioning PVNGS relating to the Department's direct ownership interest in PVNGS was approximately 72% funded and that its share of decommissioning costs through SCPPA was 82% funded. The Department's direct share of costs is $228.3 million and SCPPA's share is $238.9 million, of which the Department's portion is $160.1 million or 67%. Under the current funding plan, the Department estimates its share of the decommissioning costs relating to the Department's direct ownership interest in PVNGS will be fully funded by accumulated interest earnings and additional contributions by the extended license expiration date of 2047. Such estimates assume 7% per annum in future investment returns and a 5% per annum cost escalation factor. The Department has received and is receiving less than a 7% per annum investment return on the decommissioning funds and cost increases have been averaging less than 5% per annum. No assurance or guarantee can be given that investment earnings will fully fund the Department's remaining decommissioning obligations at current estimated costs or that the decommissioning costs will not exceed current estimates. For a discussion of the Department's nuclear decommissioning trust fund and other investments held on behalf of the Department, see "GENERAL – Investment Policy and Controls."

Nuclear Waste Storage and Disposal. Generally, federal and state efforts to provide adequate interim and long-term storage facilities for low-level and high-level nuclear waste have proven unsuccessful to date. Although federal and state efforts continue with respect to such storage and disposal facilities, the Department is not able to predict the schedule for the permanent disposal of radioactive wastes generated at PVNGS. Since the spent fuel pools ran out of storage capacity, an independent spent fuel storage installation was built to provide additional spent fuel storage at the site while awaiting permanent disposal at a federally developed facility. The installation uses dry cask storage and was designed to accept all spent fuel generated by PVNGS during its lifetime. As of February 27, 2026, PVNGS has 189 dry casks available for storage. Storage costs are partially paid using funds received by APS pursuant to a settlement agreement with the United States government relating to nuclear waste disposal fees.

Mohave Generating Station – Operations Ceased. The Mohave Generating Station was a coal-fired electric generating station located near Laughlin, Nevada, that ceased operations in 2005. The Department owned a 30% interest in the Mohave Generating Station and still owns a 30% interest in the site. The other co-owners are Edison and NV Energy (formerly known as Nevada Power Company). The Mohave Generating Station generating units were removed from service at the end of 2005. A major plant decommissioning was completed in 2012. As required by the Nevada Division of Environmental Protection, minor cleanup, ground water monitoring and upkeep of the plant site will continue for a number of years after the decommissioning to ensure that the integrity of the coal ash landfill is maintained and that the groundwater is protected from contamination. In accordance with an approved site disposition plan, the co-owners of the Mohave Generating Station have made approximately 80% of the property of the Mohave Generating Station available for public sale. Any sales transaction will require approval from the Board and City Council. The remaining property would be retained by the co-owners for ongoing monitoring, maintenance, and environmental compliance purposes. See "FACTORS AFFECTING THE DEPARTMENT AND THE ELECTRIC UTILITY INDUSTRY – *Environmental Regulation and Permitting Factors – Coal Combustion Residuals.*"

Navajo Generating Station – Operations Ceased. The Navajo Generating Station was a coal-fired, electric generating station located near the City of Page, Arizona, that ceased operations in 2019. The Salt River Project Agricultural Improvement and Power District, a political subdivision of the state of Arizona, and the Salt River Valley Water Users' Association, a corporation (together, the "Salt River Project") is the operating agent of the Navajo Generating Station. The Department sold its interest in the Navajo Generating Station in 2016.

Decommissioning has been completed and the land was returned to the Navajo Nation in March 2024; however, the Department retains responsibility for its share of environmental monitoring and remediation costs.

LA100 Study

In accordance with three City Council motions passed in 2016 and 2017, the Department partnered with the NREL to perform the "LA100: The Los Angeles 100% Renewable Energy Study" (the "LA100 Study"). This unprecedented, three-year study identified several pathways that would allow the City to achieve a 100%-renewable-energy portfolio no later than 2045. The NREL identified four overall scenarios with various modeling assumptions for the Department to achieve its sustainability goals, including one scenario to achieve its goals by 2035. The NREL also analyzed how the scenarios could affect the region's air quality, GHG emissions, public health, jobs, and economic activity. At the direction of the City Council, the study incorporated the CalEnviroScreen, allowing the NREL to identify pathways that will be not only economical for the utility but also equitable for communities.

The LA100 Study yielded a tremendous amount of data and new, state-of-the-art models that provide the Department with a variety of perspectives on approaches toward 100% renewable energy. The results of the LA100 Study will continue to inform the Department's internal planning processes, including its Strategic Long-Term Resource Plan and other public outreach efforts that are designed to ensure a just and equitable transition for the City. The Financial Services Organization of the Department has conducted a preliminary rate analysis to determine the rate impacts for each of the scenarios in the LA100 Study. However, more in-depth analysis on the specific path is needed to ascertain more accurate rate analysis. The total cumulative cost through 2045 of new investment needed to achieve the suite of modeled scenarios ranges from approximately $57 billion to $87 billion, depending on the scenario, load projection, and the target year.

At the conclusion of the LA100 Study, it was determined that the LA100 Study provided various ways to reach 100% clean energy but it did not fully address the topic of equity as part of the transition. As a result, the LA100 Equity Strategies Study was commissioned by the Board. The independent study was conducted by the NREL and by UCLA with focused research in five priority areas: (1) affordability and energy burdens; (2) access to and use of energy technologies, programs, and infrastructure; (3) health, safety, and community resilience; (4) jobs and workforce development; and (5) inclusive community involvement. The ultimate goal of the LA100 Equity Strategies Study is for all communities across the City to share in the benefits and the burdens of the clean energy transition and to identify what policies should be put in place to achieve such outcomes. The LA100 Equity Strategies study report was released in November 2023. The report details a number of findings, recommendations and strategies addressing inequities in the clean-energy transition and is designed to assist the Department to make data-driven, community-informed decisions for equitable investment and program development towards achieving a 100% carbon-free energy portfolio. See also "–Renewable Power Initiatives – *Strategic Long-Term Resource Plan*."

Renewable Power Initiatives

The Department expects to continue to procure a renewable power resource portfolio that satisfies applicable State requirements, the main provisions of which are currently contained in the California Renewable Energy Resources Act ("SBX 1-2"), the California Global Warming Solutions Act of 2006 ("AB 32" or the "Global Warming Solutions Act"), the Clean Energy and Pollution Reduction Act of 2015 ("SB 350"), and the 100 Percent Clean Energy Act of 2018 ("SB 100"). For a discussion of certain State legislation and regulations affecting the Department, including AB 32, SB 350, SB 1368, SBX 1-2, SB 100, and the Clean Energy, Jobs, and Affordability Act of 2022 ("SB 1020"), see "FACTORS AFFECTING THE DEPARTMENT AND THE ELECTRIC UTILITY INDUSTRY – California Climate Change Policy Developments." Certain components of the Department's renewable power resource portfolio are described below. Available capacity with respect to such renewable power resources will vary as they are intermittent resources. Wind power, both obtained through power purchase agreements and resources owned by the Department, provided 14% of the Department's energy in each of 2023 and 2024, or about one-third of the renewable energy, which comprised 40% and 41% of the total energy mix in 2023 and 2024, respectively, as reflected in the Department's Annual Power Content Label

for such years. The Power Content Label does not reflect compliance with the RPS, which measures the use of tracking instruments called Renewable Energy Credits (RECs) over the course of multi-year compliance reports.

Large Scale Wind Energy. Through power purchase agreements, the Department has secured large scale wind farm output in a number of areas to provide a diversity of wind power resources. Such wind energy for the Department is being generated in wind farms located in the States of California, Oregon, Washington, Utah, Wyoming, and New Mexico. Such power purchase agreements provide for an aggregate of 1,220 MW of wind energy. In addition to these power purchase agreements, wind farms with output of approximately 880 MW are also subject to Department options to purchase such assets.

Certain of these projects are described as follows:

Milford Wind Corridor Phase I Project. The Milford Wind Corridor Phase I Project (the "Milford I Project") began commercial operation in November 2009 and consists of SCPPA's purchase of all energy generated by a 203.5 MW nameplate capacity wind farm comprised of 97 wind turbines located near Milford, Utah (the "Milford I Facility"), for a term expiring in November 2029 (unless earlier terminated) pursuant to a Power Purchase Agreement, by and between SCPPA and Milford Wind Corridor Phase I, LLC. Energy from the Milford I Facility is delivered to SCPPA over an approximately 90-mile, 345 kV transmission line extending from the wind generation site to the IPP Switchyard in Delta, Utah. SCPPA has issued revenue bonds in order to finance the purchase by prepayment of 6,764,301 MWhs of energy from the Milford I Facility over the delivery term. The Department has entered into a power sales agreement with SCPPA that provides for the Department to pay for its 92.5% share of the Milford I Project on a "take-or-pay" basis as an operating expense of the Power System. See "OPERATING AND FINANCIAL INFORMATION – Take-or-Pay Obligations."

Milford Wind Corridor Phase II Project. The Milford Wind Corridor Phase II Project (the "Milford II Project") began commercial operation in May 2011 and consists of SCPPA's purchase of all energy generated by a 102 MW nameplate capacity wind farm comprised of 68 wind turbines located near Milford, Utah (the "Milford II Facility"), for a term expiring on June 30, 2031 (unless earlier terminated) pursuant to a Power Purchase Agreement, by and between SCPPA and Milford Wind Corridor Phase II, LLC. Energy from the Milford II Facility is delivered to SCPPA over an approximately 88-mile, 345 kV transmission line extending from the wind generation site to the IPP Switchyard in Delta, Utah. SCPPA has issued revenue bonds in order to finance the purchase by prepayment of 4,467,600 MWhs of energy from the Milford II Facility over the delivery term. In connection with the issuance of bonds relating to the Milford II Project, the Department has entered into a power sales agreement with SCPPA that provides for the Department to pay for its 95.098% share of the Milford II Project on a "take-or-pay" basis as an operating expense of the Power System. In addition, the Department has purchased the City of Glendale's 4.902% output entitlement share of Milford II Project's output. See "OPERATING AND FINANCIAL INFORMATION – Take-or-Pay Obligations."

Linden Wind Energy Project. The Linden Wind Energy Project (the "Linden Project") began commercial operation in June 2010 and consists of SCPPA's acquisition of a 50 MW nameplate capacity wind farm comprised of 25 wind turbines located near the town of Goldendale in Klickitat County, Washington. The Linden Project was developed and constructed by Northwest Wind Partners, LLC ("Northwest Wind"). SCPPA acquired the project from Northwest Wind pursuant to the terms of an asset purchase agreement between SCPPA and Northwest Wind. Energy from the Linden Project is delivered to SCPPA through an energy exchange agreement that redelivers production from the Linden Project to the Pacific DC Intertie. SCPPA has issued revenue bonds to finance the acquisition of the Linden Project. The Department has entered into a power sales agreement with SCPPA for a term expiring in 2035 (unless earlier terminated) that provides for the Department to pay its 90.00% share of the Linden Project on a "take-or-pay" basis as an operating expense of the Power System. In addition, the Department has purchased the City of Glendale's 10.00% output entitlement share of the Linden Project's output. See "OPERATING AND FINANCIAL INFORMATION – Take-or-Pay Obligations."

SW Wyoming Wind Project. The SW Wyoming Wind Project is a power purchase agreement between the Department and Avangrid Power, LLC, for renewable wind energy from the Pleasant Valley Wind Energy

Center located in Wyoming. The project consists of 80 wind turbines with a total installed capacity of 144 MW, and began commercial operation in 2003. The Department has secured 82.7 MW (57.45%) of the project's output, including associated environmental attributes. The Department is expected to receive approximately 233,000 MWh annually from the project. The current agreement covers the delivery of renewable energy and associated environmental attributes through December 2026. Energy is delivered to the Department at Mona Sub-Airway Switchyard and scheduled in accordance with Western Electricity Coordinating Council ("WECC") protocols.

Pebble Springs Wind Project. The Pebble Springs Wind Project is a 99 MW wind energy facility located in Gilliam County, Oregon. The project was developed by Pebble Springs Wind, LLC, a subsidiary of PPM Energy (now Avangrid Renewables), and began commercial operation in 2009. The Department has secured a 68.7 MW (69.6%) share of the project's output under a power sales agreement with SCPPA. The project is expected to produce approximately 275,000 MWh annually, of which the Department is expected to receive approximately 193,000 MWh until February 2027. Energy is delivered to the Department via the Pacific DC Intertie and received at the Sylmar Converter Station.

Windy Point/Windy Flats Project. The Windy Point/Windy Flats Project began commercial operation in January 2010 and is a 262.2 MW nameplate capacity wind farm comprised of 114 wind turbines located in the Columbia Hills area of Klickitat County, Washington near the city of Goldendale (the "Windy Point Project"). The Windy Point Project is owned and operated by Windy Flats Partners, LLC ("Windy Flats"). Pursuant to a power purchase agreement with Windy Flats, SCPPA has agreed to purchase from Windy Flats all energy from the Windy Point Project for a delivery term that was originally expiring in 2030 (unless earlier terminated). In March 2023, an amendment to the original power purchase agreement was approved which extended the delivery term for an additional four years, to 2034. Energy from the Windy Point Project is delivered to SCPPA through an energy exchange agreement that redelivers production from the Windy Point Project to the Pacific DC Intertie. SCPPA has issued revenue bonds to finance the prepayment of the purchase of 11,107,860 MWhs of energy from the Windy Point Project. The Department has entered into a power sales agreement with SCPPA that provides for the Department to pay its 92.37% share of the Windy Point Project on a "take-or-pay" basis as an operating expense of the Power System. In addition, the Department has purchased the City of Glendale's 7.63% output entitlement share of Windy Point Project's output. See "OPERATING AND FINANCIAL INFORMATION – Take-or-Pay Obligations."

Pine Tree Wind Project. The Pine Tree Wind Project (the "Pine Tree Wind Project") is a wind generating facility north of Mojave, California, consisting of 90 wind turbines owned and operated by the Department. The Pine Tree Wind Project began commercial operation in June 2010 and has a nameplate capacity of 135 MW. As part of normal operating procedures, the Department staff has notified federal and State authorities concerning mortalities of golden eagles. Since June 2009, the Department staff has found eleven golden eagle carcasses in the proximity of the Pine Tree Wind Project. The Department has completed advanced monitoring studies and surveys to research golden eagle behavior within the vicinity of the Pine Tree Wind Project and to determine potential causes of the eagle mortalities and mitigation options relating to the golden eagles. The Department previously conducted tests using radar and automated deterrent technology in detecting and deterring golden eagles and other birds of prey at the Pine Tree Wind Project. Golden eagles are a protected species, and the death or injury to a golden eagle in some circumstances can result in fines and penalties, including criminal sanctions. As of June 2017, the Department entered into a settlement agreement with the USFWS to address the golden eagle mortalities at the Pine Tree Wind Project. The Department completed its golden eagle research and development study as required by the settlement agreement and submitted the final summary report to USFWS in September 2020. On December 29, 2020, the Department received a letter from the USFWS indicating that the Department had fulfilled the terms of the settlement agreement with respect to the research and development study, payment, and meet and confer with USFWS staff. The Department is still coordinating with the USFWS to obtain an incidental take permit for golden eagles as a separate requirement under the settlement agreement. In order to protect condors, a protected species under State and federal law, the Department has implemented a condor detection protocol that includes turbine curtailment when condors are observed in the immediate area. Additionally, the Department has prepared a condor conservation plan and obtained an incidental take permit for California condors on November 28, 2023. The condor conservation plan

outlines the avoidance measures that are currently being implemented and the proposed compensatory mitigation measures in an effort to protect and address the declining condor population.

Red Cloud Wind Project. In November 2020, the Department entered into a power sales agreement with SCPPA to purchase renewable energy purchased by SCPPA from the Red Cloud Wind Project located in New Mexico (the "Red Cloud Wind Project"). Pursuant to a power purchase agreement with Red Cloud Wind, LLC, SCPPA purchases 331 MW of renewable energy to be delivered to the Department at the Navajo 500 kV Switching Station for a 20-year term. The Red Cloud Wind Project was developed by Pattern Energy and commenced commercial operation on December 22, 2021. The Red Cloud Wind Project is expected to deliver an annual average of approximately 1,333,000 MWhs of renewable energy to the Department.

Large Scale Solar Energy. The Department has entered into the following 14 power purchase agreements ("PPAs") for the purchase of renewable energy from 1,727 MW of solar photovoltaic projects:

- One PPA with an option to purchase is a 25-year contract with K Road Moapa Solar, LLC, which changed its name to Moapa Southern Paiute Solar, LLC, for 250 MW, delivering up to 618,000 MWhs a year to the Department. The solar facility is located on Moapa Band of Paiute Indians tribal land north of Las Vegas, Nevada. The Department acquired the approximately 5.5-mile transmission line associated with the facility, which achieved full commercial operation in December 2016.

- The second PPA with an option to purchase is a 20-year contract through SCPPA for 210 MW of the Copper Mountain Solar 3 Project developed by an affiliate of Sempra U.S. Gas and Power. Copper Mountain Solar 3 Project is near Boulder City, Nevada and is expected to deliver 515,000 MWhs of renewable energy a year to the Department and began full commercial operation in April 2015.

- The third PPA with an option to purchase is a 20-year contract for 60 MW of the RE Cinco Solar Project developed by Recurrent Energy, an affiliate of Canadian Solar Inc. RE Cinco Solar Project is near the Mojave Desert in Kern County and is expected to deliver an annual average of 182,000 MWhs of renewable energy a year to the Department. This facility began full commercial operation in August 2016.

- The fourth PPA with an option to purchase is a 25-year contract through SCPPA for 105 MW of the Springbok I Solar Farm Project developed by Avantus LLC (formerly 8Minutenergy). Springbok I Solar Farm Project is near the Mojave Desert in Kern County and is expected to deliver an average of 284,000 MWhs of renewable energy a year to the Department. This facility began full commercial operation in July 2016.

- The fifth PPA with an option to purchase is a 27-year contract through SCPPA for 155 MW of the Springbok II Solar Farm Project, which is adjacent to the Springbok I Solar Farm Project and was developed by Avantus LLC. Springbok II Solar Farm Project is expected to deliver an average of 420,000 MWhs of renewable energy a year to the Department. This facility began full commercial operation in September 2016.

- The sixth PPA with an option to purchase is a 27-year contract through SCPPA for 90 MW of the Springbok III Solar Farm Project, which is adjacent to the Springbok I and Springbok II Solar Farm Projects and was developed by Avantus LLC. Springbok III Solar Farm Project is expected to deliver an average of 240,000 MWhs of renewable energy a year to the Department. This facility began full commercial operation in July 2019.

- The seventh PPA with an option to purchase, named the Eland Solar & Storage Center, Phase 1, is a 25-year contract through SCPPA for 175 MW of energy and 131.25 MW/525 MWhs of

battery energy storage. The Eland Solar & Storage Center, Phase 1 is located in the Barren Ridge area adjacent to the Eland Solar & Storage Center, Phase 2, and was developed by Arevon Energy, Inc. Eland Solar & Storage Center, Phase 1 is expected to deliver an average of approximately 702,000 MWhs of renewable energy a year to the Department. This facility began full commercial operation in November 2024.

- The eighth PPA with an option to purchase, named the Eland Solar & Storage Center, Phase 2, is a 25-year contract through SCPPA for 200 MW of energy and 150 MW/600 MWhs of battery energy storage. The Eland Solar & Storage Center, Phase 2 is located in the Barren Ridge area adjacent to the Eland Solar & Storage Center, Phase 1, and was developed by Arevon Energy, Inc. Eland Solar & Storage Center, Phase 2 is expected to deliver an average of approximately 803,000 MWhs of renewable energy a year to the Department. This facility began full commercial operation in July 2025.

- The ninth through thirteenth PPAs are related to the Beacon Solar Project Sites 1 thru 5. The Beacon Property, located in the Mojave Desert near the Pine Tree Wind Project, is a 2,500-acre property purchased by the Department from Nextera Energy Resources in 2012. Five PPAs and associated agreements have been executed for the development of five solar sites totaling 246.9 MW within the Beacon Property. Each of the five solar sites achieved commercial operation at different dates within the years 2016 and 2017 and are expected to generate an average of 581,000 MWhs per year of solar energy in aggregate over a term of 25 years. The PPAs provide the Department with an option to purchase the solar projects after the developers have realized the federal tax benefits.

- The fourteenth PPA with an option to purchase is a 30-year contract through SCPPA for 235 MW of the Milford Solar Phase II project, which is adjacent to the Milford Wind Phase I and Milford Wind Phase II project and is being developed by Longroad Energy LLC. Milford Solar Phase II is expected to deliver an average of approximately 585,000 MWhs of renewable energy a year to the Department. The facility is expected to begin full commercial operation by the end of September 2027.

In connection with the implementation of these PPAs, the Department has upgraded certain transmission assets to accommodate these projects in the Barren Ridge area. See "– Transmission and Distribution Facilities – *Barren Ridge Renewable Transmission Project*."

Geothermal Development. The Department executed a power sales agreement with SCPPA for 84.62% of the energy output, or 114 GWhs annually, of the Don A. Campbell Phase I Geothermal Energy Project (the "Don Campbell Phase I Project"), which began commercial operation on January 1, 2014. The Don Campbell Phase I Project consists of SCPPA's purchase of all energy generated by a 16.2 MW nameplate capacity binary geothermal power plant comprised of eight drilled commercial wells located in Mineral County, Nevada for an initial delivery term of 20 years expiring December 31, 2033.

In addition, in April 2015, the Department executed a power sales agreement with SCPPA for 100% of the energy output, or 135 GWhs annually, of the Don A. Campbell Phase II Geothermal Energy Project (the "Don Campbell Phase II Project" and, together with the Don Campbell Phase I Project, the "Don Campbell Projects"), which expires in September 2035 and is located in the same vicinity as the Don Campbell Phase I Project. The Don Campbell Phase II Project is an expansion of the Don Campbell Phase I Project by the same developer, Ormat Nevada, Inc., and began commercial operation in September 2015. The nameplate capacity for the Don Campbell Phase II Project is 16.2 MW.

In addition to the Don Campbell Projects, the Department executed a power sales agreement with SCPPA in September 2013 for a share of the output purchased by SCPPA from the Heber-1 Geothermal Project (the "Heber-1 Project"). The energy delivery commencement date was February 2, 2016 for an initial term of ten years. The Department has executed an amendment to the power sales agreement with SCPPA to extend

energy deliveries from the Heber-1 Project for an additional 25-year term from February 2, 2026 to February 1, 2051. The Heber-1 Project is an existing geothermal complex which includes the Heber-1 double flash steam unit and the Gould 1 bottoming binary unit, located in Imperial County, California. The net energy generating capacity from the Heber-1 Project is expected to be 52 MW. The Department's share is 78.0% (40.56 MW) for the remaining term. The equivalent average energy delivered to the Department is expected to be 338 GWhs annually.

In addition, the Department executed a power sales agreement with SCPPA in December 2016 for a share of the output purchased by SCPPA from the Ormesa Geothermal Complex Project (the "Ormesa Project"). The energy delivery commencement date was January 1, 2018 for a term of 25 years, ending on December 31, 2042. Similar to the Heber-1 Project, the Ormesa Project is an existing geothermal complex which includes two active binary units and one active bottoming unit, located in Imperial County, California. The generation capacity of the project is 35 MW. The Department's share is 85.71% (30 MW) of the energy output. The equivalent average energy delivered to the Department is expected to be 250 GWhs annually.

In May 2017, the City Council approved a power sales agreement with SCPPA for 100% of the output purchased by SCPPA from the Ormat Northern Nevada Geothermal Portfolio Project. At full service, this project provides the Department with approximately 165.65 MW of renewable geothermal energy from six power plants in various locations in Nevada. This amount is expected to represent approximately 5% of the Department's renewable energy portfolio in 2030. Energy delivery from the project stepped up in three phases from December 31, 2017 to December 31, 2022 as follows: 60 MW minimum and 85 MW maximum by December 31, 2018 (which was achieved), cumulative 90 MW minimum and 130 MW maximum by December 31, 2020 (which was achieved), and cumulative 135 MW minimum and 185 MW maximum by December 31, 2022 (which was achieved). The maximum annual energy received by the Power System from the project is expected to be approximately 1,620 GWhs. The power sales agreement with SCPPA expires in December 2043.

Distributed Energy Resource Programs. The Department has implemented the following programs to encourage the development of solar energy in Los Angeles: (i) the Solar Incentive Program in which residential and commercial customers are encouraged to install eligible solar photovoltaic systems with incentive funding provided by the Department, which ended in December 2018; (ii) Department-built solar projects on City-owned properties; (iii) the Solar Rooftops Program, which places Department-owned solar panels on qualifying residential rooftops in exchange for predefined lease payments to the customer; (iv) a Feed-in-Tariff ("FiT") program, launched on February 1, 2013, which has a total installed capacity of 120 MW comprised of 4 MW of solar photovoltaic generation in the Owens Valley and 4 MW of renewable landfill gas generation, and 112 MW of photovoltaic generation installed within the Department's in-basin service territory and connected to the Department's electric distribution system; (v) the Shared Solar Program ("SSP"), which enables residential customers living in multi-family dwellings to fix the pricing of a portion of their electric bills based upon the costs and benefits of Department solar installations; (vi) the Virtual Net Energy Metering ("VNEM") pilot program, which launched in March 2021 and allows developers or building owners to install solar arrays on multi-family dwelling unit buildings and split the energy sales proceeds with tenants; (vii) the FiT Plus program, which facilitates the installation of energy storage with existing and new FiT photovoltaic projects; and (viii) the Self Generation Incentive Program ("SGIP"), which the Department has been authorized by the CPUC to administer for its service territory, and which initially includes approximately $36.0 million in funding for deploying solar and energy storage in low-income households. In total, approximately 749 MW of customer-owned net energy metered photovoltaic solar projects have been installed in the Department's in-basin service territory as of December 2025.

Certain of these programs are further described below:

Under the California Solar Initiative ("SB-1"), POUs are required to establish programs supporting the stated goal of the legislation to install 3,000 MW of photovoltaic capacity in the State, and to establish eligibility criteria in collaboration with the CEC for the funding of solar energy systems receiving ratepayer funded incentives. The Solar Incentive Program used $339 million of ratepayer funds mandated by SB-1 to administer

the program and subsidize customers for customer-owned solar projects to offset their electricity use. As of December 2018, the Department committed all funds available for this program for 279.7 MW of installations.

The Department currently has 26.0 MW of Department–built solar projects on City-owned properties. The Adelanto Solar Power Project is a 10 MW solar photovoltaic system placed into commercial operation in June 2012, which is expected to deliver 450,000 MWhs of energy over 25 years, located at the existing Adelanto Switching and Converter Station near Adelanto, California. In addition, the Pine Tree Solar Project was placed into commercial operation in March 2013. The Pine Tree Solar Project is an 8.5 MW solar photovoltaic system expected to deliver 350,000 MWhs of energy over 25 years, located at the Department's existing Pine Tree Wind Project in the Tehachapi Mountains, California. The remaining 7.5 MW includes installations spread across various City owned properties in the Los Angeles Basin as well as a 500kW system in the Owens Valley.

The Department's 450 MW FiT program allows the Department to purchase, through power purchase contracts, electricity generated from program participants' renewable energy generating sources. Such sources are to be located within the Department's service territory and connected to the Power System. The energy purchased through the FiT program is expected to count toward the Department's RPS targets. As discussed above, as part of the PPAs for solar development on the Beacon Property, the Beacon Solar developers installed additional solar in the Department's service territory. The Department has allocated the capacity of the original 150 MW FiT program. The Department obtained approval from the City Council to expand the FiT program by an additional 300 MW of capacity. The first 50 MW offering of this expansion was authorized in January 2020. In addition to increasing the FiT program from 150 MW to 450 MW over a number of years, the FiT program will now accommodate all renewable technologies approved by the CEC and expand each project's maximum capacity, previously set at 3 MW, to 10 MW. The FiT Plus and VNEM pilot programs will use 35 MW and 5 MW of the existing FiT capacity, respectively. The FiT Plus pilot program encourages the installation of battery energy storage with local solar projects, making solar energy dispatchable, while increasing the power grid's reliability and resiliency. The VNEM pilot program facilitates the installation of solar projects on multifamily dwellings and allows renters to readily access the benefit of these systems. In April 2023, the Board approved the use of an additional 75 MW of capacity for the FiT programs and the Department introduced a FiT Carport and Canopy Incentive program. Out of the 450 MW authorized by City Council, the use of a total of 275 MW has been approved across all FiT programs.

Biomass Development. In March 2018, the City Council approved a power purchase agreement with SCPPA for a share of the output of the ARP-Loyalton Biomass Project in Sierra County, California, which began commercial operation in April 2018. SCPPA partnered with other State POUs to purchase a total of 18 MW of capacity for a term of five years towards satisfaction of procurement obligations under SB 859. The Department's share of the ARP-Loyalton Biomass Project was 8.9 MW. Following the bankruptcy of the operator and its parent company, energy deliveries from the ARP-Loyalton Biomass Project ceased in February 2020 and did not resume. The power purchase agreement for the output of the project expired by its terms on April 19, 2023. The Department has also contracted with SCPPA to purchase 5.4 MW of rated capacity for a five-year term from the Roseburg SB 859 biomass project, which began making deliveries of energy in February 2021. These two power purchase arrangements allow the Department to meet its requirement to purchase 14.3 MW of rated capacity from biomass sourced energy facilities in order to comply with SB 859. See "FACTORS AFFECTING THE DEPARTMENT AND THE ELECTRIC UTILITY INDUSTRY – California Climate Change Policy Developments – *Biomass Legislation*."

Energy Storage Development. In connection with the implementation of State law, the Department is developing viable and cost-effective energy storage systems. The goals of the energy storage systems include reducing emissions of GHGs, reducing demand for peak dispatchable generation and improving the reliability of the electric grid. Although energy storage systems themselves are not considered renewable resources, they facilitate the integration of renewable resources into the Power System. To date, the Department has implemented several small energy storage systems throughout the Power System, including:

- The 60 kW Lithium-Ion BESS, located at the Department's La Kretz Innovation Center, was integrated into the existing solar panel system in 2016.

- The 20 MW Beacon utility-scale BESS project, located on the Beacon Property, which commenced operation in October 2018.

- The 100 kW Lithium-Ion BESS and 100 kW Flow BESS, located at the Department's headquarters (John Ferraro Building), which commenced operation in November 2019.

In addition, as discussed above, in 2020, the Department entered into PPAs for solar and energy storage systems at the Eland Solar & Storage Center, Phase 1 and the Eland Solar & Storage Center, Phase 2. Phase 1 was commissioned in November 2024, and Phase 2 was commissioned on July 31, 2025. The energy storage at the Eland Solar & Storage Center, Phase 1 is a 131.25 MW/4-hour Tesla Li-ion Battery System. The energy storage at the Eland Solar & Storage Center, Phase 2 is a 150 MW/4-hour Tesla Li-ion Battery System.

See "FACTORS AFFECTING THE DEPARTMENT AND THE ELECTRIC UTILITY INDUSTRY – California Climate Change Policy Developments – *Energy Storage Legislation*."

The Department is pursuing the development of a project selected through a proposal submitted under a SCPPA Standalone Energy Storage RFP, encompassing various technologies. The proposed project would deploy a Long Duration Energy Storage (LDES) near a major renewable generation hub, with commissioning targeted for the first quarter of 2029.

Green Power Program. The Department offers its Green Power Program to all customers at a premium over standard rates. "Green Power" is produced from renewable resources such as solar and wind energy, rather than fossil-fueled or nuclear generating plants. This voluntary program includes customer-selected levels of Green Power purchases, subject to specified minimum requirements. As of December 2024, there were slightly more than 8,700 Department customers subscribed to the Green Power Program.

Other Renewable Energy Project Developments. The Department, on its own and through SCPPA, has received proposals from renewable energy resources such as solar photovoltaic, wind, biomass, small hydro, solar thermal and geothermal power via solicitations. The Department is also considering opportunities related to utilization of land located in the Owens Valley area of the State for solar, wind or geothermal and for improved transmission access to geothermal energy. In addition, as part of then Mayor Eric Garcetti's announcement in February 2019 that certain natural gas units would be phased out and replaced with renewable energy producing assets, the Department will be exploring options over the next few years to develop such assets for the Power System. See "THE POWER SYSTEM – Department Owned Facilities – *Once-Through-Cooling Units Phase-Out*" for more information. Additional renewable energy resources will be obtained; however, the Department's participation in or acquisition of any specific renewable energy project will be subject to City Council approval when required, and the costs and schedules for implementation and feasibility of any such alternative energy projects may vary materially from initial projections.

On April 19, 2021, then-Mayor Eric Garcetti declared in his 2021 Los Angeles State of the City address his goal for the Department to provide an energy mix that is 80% renewable and 97% GHG-free resources by 2030 and to use the LA100 Study as a guide to fulfill the energy vision being pursued by the federal Administration at that time, with a goal of 100% carbon-free energy by 2035. To achieve these goals, the then Mayor referenced the Department's transition of Scattergood Generating Station to clean energy alternatives, the construction of the Red Cloud Wind Project in New Mexico, the partnership with the Navajo Nation for solar energy, and the supply of IPP with green hydrogen fuel. For more information on the LA100 Study, see "THE POWER SYSTEM – *LA100 Study*." For more information on the transition of Scattergood Generating Station, see "FACTORS AFFECTING THE DEPARTMENT AND THE ELECTRIC UTILITY INDUSTRY – Environmental Regulation and Permitting Factors – Water Quality – Cooling Water Process – State Water Resources Control Board." For more information on the Red Cloud Wind Project, see "THE POWER SYSTEM – Renewable Power Initiatives – *Red Cloud Wind Project*." For more information on the Navajo Project, see "THE POWER SYSTEM – Jointly-Owned Generating Units and Contracted Capacity Rights in Generating Units - *Navajo Generating Station – Operations Ceased*." For more information on the repowering of IPP, see "THE POWER SYSTEM – Jointly-Owned Generating Units and Contracted Capacity Rights in Generating

Units – *Intermountain Power Project – Intermountain Generating Station upon the termination of the IPP Contract*."

The Clean Grid LA Plan Update was presented to the Board on May 11, 2021. The Clean Grid LA Plan Update is a 10-year roadmap that aligns with the LA100 Study to assist the Department with its clean energy goals. Elements of the Clean Grid LA Plan include providing 80% renewable and 97% GHG-free resources by 2030, accelerating transmission projects, transforming local generation, accelerating energy storage, and deploying distributed energy resources equitably. The Department plans to construct a combined cycle generating system capable of utilizing green hydrogen at Scattergood Generating Station, which proposed project (the "Scattergood Green Hydrogen-Ready Modernization Project") is aimed to be in-service by 2029. Moreover, the Department continues to assess the potential opportunities for additional green hydrogen-fueled electricity generation across the coastal, in-basin generating stations. In addition to the Scattergood Green Hydrogen-Ready Modernization Project, the Department plans to convert Haynes Unit 8 and Harbor Unit 5 from once-through cooling to closed-cycle wet cooling in compliance with the California State Water Resources Control Board mandate to cease the use of coastal and estuarine waters for power plant cooling by December 31, 2029.

To fully understand the opportunities for developing a comprehensive green hydrogen economy in California, the Department is engaged with the Alliance for Renewable Clean Hydrogen Energy Systems ("ARCHES"). ARCHES is a public-private partnership led by the California Governor's Office of Business and Economic Development (GO-Biz) that is seeking to secure and maximize federal, state, and private funding for a California hydrogen hub. Most significantly, ARCHES sought federal funding through the federal Department of Energy's ("DOE") Regional Clean Hydrogen Hubs ("H2Hub") program which provided for funding to establish no more than 10 regional hydrogen hubs across the country.

On May 19, 2022, the City Council directed the Department and the Port of Los Angeles ("POLA") to coordinate a local effort to create and submit a proposal to the DOE proposing the Greater Los Angeles area for consideration as a regional "green" hydrogen hub. Subsequently, to support a unified statewide approach, the Department contributed to an application led by ARCHES. This application, submitted by ARCHES and its partners, outlined a proposed "renewable" and "clean" hydrogen ecosystem in California, incorporating new and existing projects.

On October 13, 2023, the prior federal Administration announced $7 billion in awards for seven regional hydrogen hubs, of which the California-centered hub was selected for an award of up to $1.2 billion. ARCHES selected the Scattergood Generating Station Units 1 and 2 Green Hydrogen-Ready Modernization Project as a subrecipient of up to $100 million in federal funds. The subrecipient agreement between ARCHES and the Department was approved by the Board on December 10, 2024. Since then, the Department has continued to collaborate with ARCHES, providing the required deliverables and cost reporting for the Scattergood project under the H2Hub program.

On October 1, 2025, the DOE announced the termination of federal funding in connection with 321 financial awards supporting 223 projects. In its announcement, the DOE stated that the termination of funding was based on its determination that the affected projects did not adequately advance the nation's energy needs, were not economically viable, and would not provide a positive return on investment of taxpayer dollars. This broad funding rescission included the cancellation of the DOE's commitment to provide up to $1.2 billion for the ARCHES H2Hub. ARCHES submitted a formal letter to the DOE on October 11, 2025, appealing the funding termination. On February 18, 2026, the Attorney General of the State, joined by a coalition of other state attorneys general, filed a lawsuit against the current federal Administration, alleging that the termination of approximately $1.2 billion in federal funding violates the constitutional separation of powers, as the funding was approved and appropriated by bipartisan majorities in Congress. The Department cannot predict the outcome of the administrative appeal and lawsuit against the federal funding termination. It is the Department's view that the potential loss of anticipated federal funding does not diminish the Department's assessment of the underlying need for the Scattergood project, the necessity of which was determined independently of federal funding, and that the Scattergood project remains a critical component of the Department's clean energy transition.

The State of California has reaffirmed its support for ARCHES, as reflected in public statements by Governor Gavin Newsom and U.S. Senator Alex Padilla. The Department has continued to pursue regional collaboration with potential industry partners, engagement with regulatory agencies and broad stakeholder groups, and community outreach to support the practical development and deployment of green hydrogen infrastructure. The Department will also continue to monitor legal and regulatory developments at the federal, state, and local levels, including those related to the H2Hub program.

Strategic Long-Term Resource Plan. On September 1, 2021, the City Council voted to instruct the Department to "prepare a Strategic Long-Term Resource Plan that achieves 100% carbon-free energy by 2035, in way that is equitable and has minimal adverse impact on ratepayers." In addition, the City Council instructed the Department to "create a long term hiring and workforce plan . . . ensuring project labor agreements, [payment of] prevailing wage[s] . . . [with] hiring from environmentally and economically disadvantaged communities." The Department initiated its Strategic Long-Term Resource Plan in September 2021 with a stakeholder process and incorporating the Clean Grid LA Plan and key findings from the LA100 Study for Board consideration.

As previously noted, the Department released a final version of the 2022 Strategic Long-Term Resource Plan in July 2023. The 2022 Strategic Long-Term Resource Plan models three cases for achieving 100% carbon-free energy by 2035, as well as a reference case used for comparison purposes, that represents the minimum investments needed to comply with the requirements of SB 100, which establishes the State policy goal of achieving the supply of all retail sales of electricity in California from renewable and carbon-free resources by 2045 (see "FACTORS AFFECTING THE DEPARTMENT AND THE ELECTRIC UTILITY INDUSTRY – California Climate Change Policy Developments"). The 2022 Strategic Long-Term Resource Plan utilizes the same modeling methodology and approach as the LA100 Study and includes a general assessment of the revenue requirements and rate impacts (preliminary, averages) to support a recommended resource plan through 2035 and 2045. For each of the three cases modeled, the net present value of the estimated total cumulative bulk power portfolio cost across the study horizon of 2022 through 2045 is in excess of $80 billion. This total cost in net present value represents both fixed capital and variable operating and maintenance costs of the Power System and is primarily used as a metric to compare cases. In June 2024, the OPA issued a review of the 2022 Strategic Long-Term Resource Plan, focused on the potential rate impacts of the plan. In its review, the OPA noted that the estimated average annual impact on rates for 2022 through 2035 of the three cases modeled in the 2022 Strategic Long-Term Resource Plan to achieve carbon-free energy by 2035 ranged from approximately 7.7% to 8.3%, as compared to approximately 4.8% for the SB 100 comparison case (roughly 90% clean energy by 2045). The 2022 Strategic Long-Term Resource Plan represents only a conceptual plan and encompasses numerous challenges related to availability of technology, implementation feasibility, system reliability and affordability. The 2022 Strategic Long-Term Resource Plan did not include potential cost savings from other potential sources of funding such as the federal Inflation Reduction Act of 2022 (the "IRA"), the federal Infrastructure Investment and Jobs Act of 2021, and state and federal grants. The extent of the availability, if any, of any federal funding sources will be determined by the current federal Administration. See "FACTORS AFFECTING THE DEPARTMENT AND THE ELECTRIC UTILITY INDUSTRY – Changing Laws, Energy Policies and Requirements."

The next iteration of the Department's Strategic Long-Term Resource Plan is being finalized and has been renamed the LA100 Plan. The LA100 Plan focuses on only one case along with a number of sensitivities to evaluate risk, and provides an update to the 2022 Strategic Long-Term Resource Plan. The LA100 Plan will include analysis of rate drivers and additional clean energy opportunities to refine and optimize costs over the long-term. The LA100 Plan will reflect an update of the net present value of the estimated total bulk portfolio cost through 2045, including both fixed capital and variable operating and maintenance costs of the Power System, to support a recommended resource plan for achieving the Department's goal of 100% carbon-free energy by 2035, based on the updated LA100 Plan methodologies and cost estimates. The LA100 Plan is anticipated to be released by the end of April 2026. The LA100 Plan is intended to serve as a conceptual framework rather than a definitive, prescriptive roadmap. Following its completion, it is expected that the LA100 Plan will continue to evolve and the Department's long-term strategies are anticipated to continue to be adjusted and further refined in response to, among other things, new data, policy developments, stakeholder input, and advances in technology.

Energy Efficiency

General. The Charter authorizes the Department to engage in and finance activities related to the efficient use of energy and a number of State laws expressly require utilities such as the Department to collect and spend funds for these activities. The Department has a commitment to energy efficiency and continues to pursue cost-effective means of reducing or avoiding the need to generate electricity (particularly during peak periods). These activities defer the need to acquire costly new generating facilities, improve the value of electric service to customers and increase the Department's overall load factor, thereby reducing or avoiding negative environmental impacts from power generation. Moreover, State laws enacted in 2005 and 2006 require POUs, such as the Department, in procuring energy, to first implement all available energy efficiency and demand reduction resources that are cost effective, reliable and feasible, and to provide annual reports to customers and to the CEC describing their investment in energy efficiency and demand reduction programs. AB 2021, which became a law in 2007, required IOUs and POUs to identify energy efficiency potential and establish annual efficiency targets to enable the State to meet the goal of reducing total forecasted electricity consumption by 10% by 2020. The Department adopted a goal in August 2014 of achieving up to 15% cumulative energy savings from 2010 through 2020, which was achieved. The Department is now focused on a goal of achieving additional energy savings of 3,434 GWhs from 2023 to 2035, surpassing the 1,802 GWhs of projected savings reflected in the LA100 Study.

Program and Portfolio Highlights. The Department's balanced portfolio of programs provides opportunities for all customers to benefit from cost effective energy efficiency. This approach targets large energy users and hard-to-reach customers who would not otherwise be able to invest in energy efficiency services, broadly addresses energy end uses in the built environment, focuses on reducing consumption during times of peak demand, and provides quality job opportunities for the local workforce. These programs include financial incentives for the installation of a variety of efficiency measures, free energy saving products, technical assistance incentives for business and industry, codes and standards, and education and awareness. The following list provides examples of programs that demonstrate the portfolio's ability to reach all customer types.

Comprehensive Affordable Multifamily Retrofits. The Comprehensive Affordable Multifamily Retrofits (the "CAMR") program provides low-income tenants and affordable housing property owners access to energy efficiency retrofits, building electrification measures, and on-site solar installation. The participating housing providers receive free energy assessments and assistance in scoping retrofit projects based on opportunities for energy savings, cost reductions, and GHG emissions reduction. Participating properties must meet affordability requirements of at least 66% of households at or below 80% of the area median income, consist of five or more units, and install energy improvements that equate to at least 10% in energy savings.

Efficient Product Marketplace. The Efficient Product Marketplace (the "EPM") program provides customers an opportunity to research, locate, and purchase energy efficient products from a single website. It offers a point of sale credit option to customers during their online purchases, eliminating the need for completing a rebate application. The EPM also provides customers with the ability to customize a solar system for their home and compare and choose offers from a list of local third-party vendors.

Food Service Program. For in-store purchases, the Food Service Program offers an instant rebate as a line item discount directly on their sales invoice for eligible equipment. The Food Service Program is intended to influence commercial food service vendors to stock and sell energy-efficient equipment. Beginning in 2024, the Food Service Program started offering electrification incentives for all electric commercial cooking equipment and appliances.

Custom Performance Program/Business Offerings for Sustainable Solutions. As initially established, the Custom Performance Program (the "CPP") provided cash incentives for energy savings achieved through the implementation and installation of various energy efficiency measures and equipment that meet or exceed Title 24 or industry standards. Measures may include but are not limited to equipment controls, industrial process, retro-commissioning, chiller efficiency, and/or other innovative energy savings strategies.

Beginning July 1, 2024, the CPP was rebranded as the Business Offerings for Sustainable Solutions ("BOSS") Program. The BOSS Program continues to fast-track smaller, less energy-intensive projects through its "Custom Express" service, which offers energy savings projections to expedite application processing and faster payments to customers. Additionally, the Custom Calculated service provides in-depth analyses to custom calculate the energy savings of individual efficiency projects. Since 2007, the CPP/BOSS Program has achieved over 632 GWhs of energy savings and introduced electrification incentives for space and water heating end uses.

Commercial Lighting Incentive Program. The Commercial Lighting Incentive Program ("CLIP") offers customers incentives to install newly purchased and installed energy-efficient lighting and controls. CLIP currently provides incentives to customers whose monthly electrical use is greater than 200 kilo-watts (kW). CLIP's calculated savings approach allows customers to tailor their lighting efficiency upgrades to better meet their lighting needs, attain greater energy savings, and receive higher incentives. Commercial lighting programs have achieved over 860 GWhs of energy savings since 2000.

Commercial Direct Install Program. The Commercial Direct Install ("CDI") Program is a free direct-install program that targets small, medium, and large business customers in the Department service territory. The CDI program is available to qualifying businesses whose average monthly electrical demand is 250 kW or less; CDI has achieved over 532 GWhs of energy savings since its inception in 2008.

Home Energy Improvement Program. The Home Energy Improvement Program ("HEIP") is a comprehensive direct install whole-house retrofit program that offers residential customers a full suite of free products and services to improve the home's energy and water efficiency by upgrading/retrofitting the home's envelope and core systems. While not limited to low-income customers, HEIP's priority is to serve the neediest customers.

Refrigerator Exchange Program. The Refrigerator Exchange Program ("REP") is a free refrigerator replacement initiative targeting customers who qualify under the Department's Low-Income or Senior Citizen/Disability Lifeline Rates, as well as multi-residential and non-profit customers. The program has expanded to include multi-family and mobile home communities, civic, community, faith-based organizations, and educational institutions. Currently, the REP is suspended while the program seeks a new third-party contractor to administer the program and provide energy-efficient refrigerators for this customer segment to replace older, inefficient, but operational models. Since 2007, REP has achieved over 106 GWhs of energy savings.

LED Streetlight Program. The LED streetlight program provided a $48 million loan to the City of Los Angeles to enable it to ultimately install over 180,000 highly energy efficient LED streetlights and reduce its consumption of electricity as a result. This program is now completed, and the loan has been repaid by the City.

Program Analysis and Development Program. The Program Analysis and Development Program is a non-resource program that covers support activities related to the energy efficiency portfolio that are not included in the individual programs. These activities include but are not limited to, developing new programs, conducting special studies and pilot programs, participation in technical professional groups, and the investment in external studies. The Department has contributed to several research studies as it relates to building electrification, including NBI's Building Electrification Technology Roadmap and E3's Residential Building Electrification in California. Since the results of the studies, the Department has been crafting incentives for customers to electrify building end uses leveraging existing program delivery mechanisms to promote electric space and water heating, cooking and drying that have traditionally used natural gas as a fuel. While building electrification presents an opportunity to produce additional revenue, the Department's activities have focused on promoting measures that effectively result in net utility bill reduction (inclusive of gas and electricity). This is directed towards maintaining a high level of customer benefit and satisfaction.

As the Department ramps up its technology assessment efforts in the Emerging Technologies program, it has partnered with the NREL to develop a technology prioritization tool. The tool prioritizes the most impactful

technologies that would improve energy efficiency for customers. These technology assessment efforts in the Emerging Technologies program incorporate many of the tools and methods used in the LA100 Study. See "THE POWER SYSTEM – LA100 Study" above.

The set of tools and methods used in the LA100 Study allows the Department to assess potential impacts as it relates to an emerging technology using the development of the building demand modeling that includes baseline consumption and characteristics data for residential and commercial building stock. This effort will analyze multiple use cases to empower the Department to provide more accurate potential studies and develop a pipeline of new technology assessments to determine the appropriate intervention required for maximum benefits. The goal is to quantify achievable contributions towards goals set by State and local energy policies for the lowest cost.

From 2000 through January 2026, the Department has spent approximately $1.9 billion on its energy efficiency programs, and these programs are estimated to have reduced long-term peak period demand and consumption by approximately 1,000 MW and resulted in approximately 6,280 GWhs of energy savings. Through the energy-efficiency rebate and incentive programs, residential and commercial customers saved approximately 360 GWh incrementally for Fiscal Year 2024-25, falling short of energy savings targets by 47 GWh. The Department spent approximately $98 million on energy efficiency programs for Fiscal Year 2024-25 of its approximately projected $202 million budgeted amount for such Fiscal Year. The Department will continue to evaluate the delivery and implementation of energy efficiency measures that support system reliability and resiliency while enabling customers to better manage their use of electricity. The Department anticipates increasing its expenditures for energy efficiency and building electrification programs in future years, based on portfolio planning utilizing the results of the Department's energy efficiency and building electrification potential studies.

Fuel Supply for Department-Owned Generating Units and Apex Power Project

Natural gas is used to fuel 100% of the Los Angeles Basin Stations. The Department's fossil fuel requirements for the Los Angeles Basin Stations to meet the electric load requirements of its customers in the City (referred to as "native load") were 43.9 billion equivalent cubic feet of natural gas during Fiscal Year 2024-25. In addition, the Department's fossil fuel requirements for the Apex Power Project were 7.9 billion equivalent cubic feet of natural gas during Fiscal Year 2024-25. In the early 2000s, the Department determined that acquiring natural gas reserves was advantageous, reasonable and prudent to ensure stable, long-term natural gas supplies to help meet future power generation demands. In June 2005, the Department, the Turlock Irrigation District and SCPPA (acting on behalf of its member California cities of Anaheim, Burbank, Colton, Glendale and Pasadena) acquired rights in natural gas-producing properties from the Anschutz Pinedale Corporation. Under the acquisition agreement, the Department obtained an approximately 74.5% ownership interest in a $300 million acquisition of leases of gas-producing property in Sublette County, Wyoming. This acquisition provided approximately 2.88% of the Department's average daily natural gas requirements for Fiscal Year 2024-25. No increase to this natural gas-producing program is expected at this time, however further capital investment in such program will be re-evaluated if market conditions change and the price of natural gas rises.

The Department obtains its remaining natural gas requirements through a competitively bid spot purchase program or through forward physical gas purchases for a specified period of time. The price of natural gas delivered into Southern California has fluctuated over the past few years and the Department expects prices to continue to fluctuate. To mitigate the effects of natural gas price volatility, the Department includes as part of the Electric Rates certain pass-through cost adjustments that provide recovery of natural gas and other fuel costs. See "ELECTRIC RATES – Rate Setting." In addition, the City Council enacted an ordinance to authorize the Department to enter into financial hedge contracts with respect to natural gas purchases to stabilize fuel costs for native load. See "Note (8) Derivative Instruments" of the Department's Power System Financial Statements. Under this ordinance, the Department's General Manager also may enter into biogas supply agreements for a period not to exceed ten years, so long as certain conditions are met. The use of natural gas swaps, derivatives and other price hedging arrangements are subject to risk management policies and review procedures established by the Board. The Department has developed a natural gas procurement strategy that includes a program of

entering into financial hedges with various counterparties that have permitted terms of up to ten years and are intended to mitigate customer exposure to gas price volatility. The policy permits up to 75% of the Department's natural gas requirements to be hedged through various measures (including such financial hedges), although the amount hedged in a given year may vary.

As of June 30, 2025, the Department had entered into financial natural gas hedges in various notional amounts per Fiscal Year for each Fiscal Year through Fiscal Year 2029-30 with an aggregate notional amount of approximately 73.6 million MMBtu. These financial hedges cover up to approximately 49.0% of the Department's natural gas requirements based on the latest budget for the Fiscal Years through 2030-31. Tables describing the notional amount for specified Fiscal Years and the durations of the hedges, as well as a discussion of the credit, basis and termination risks associated with the Department's financial natural gas hedges as of June 30, 2025 and 2024, can be found in Note (8).

The Department has previously used a physical delivery natural gas hedge program that was designed to hedge up to 50% of its forecasted usage. However, due to the limitation of gas injections at the SoCalGas Aliso Canyon storage facility, there is some uncertainty about intrastate gas transmission capacity available for electric generators. Consequently, the Department reduced the amount of forward physical gas purchased and limited the term of forward purchases based on the Department's quarterly term plan forecasting periods.

The Department has firm interstate natural gas transportation capacity on the Kern River Pipeline System. The total amount of capacity is sufficient to transport 92% of the average amount of natural gas needed for the Los Angeles Basin Stations under current Department forecasts. Additional interstate pipeline capacity, if needed, is acquired through federally-approved capacity brokering programs or through gas purchases bundled with interstate transportation delivered into the SoCalGas intrastate system.

Intrastate transportation and balancing services are provided to the Department by SoCalGas sufficient to meet 100% of the Los Angeles Basin Stations' requirements under SoCalGas's Basic Transportation Service program ("BTS"). This enables the Department to deliver Kern River Pipeline System gas to the BTS receipt points in the State.

As of December 31, 2025, approximately 49% and 42% of the Department's projected natural gas needs have been hedged for Fiscal Year 2025-26 and Fiscal Year 2026-27, respectively, through financial natural gas hedges and gas reserves. This ratio declines such that by Fiscal Year 2030-31, approximately 10% of projected natural gas needs are hedged. The Department typically hedges a higher percentage of its natural gas needs as the operating year approaches. The goal of the current natural gas hedging program is to hedge up to five years forward from the current Fiscal Year, with the next Fiscal Year hedged up to 50% and the fifth Fiscal Year hedged up to 10%. The Department periodically reviews the goals of its natural gas hedging program.

The SoCalGas Aliso Canyon underground natural gas storage facility in the Porter Ranch area of Los Angeles leaked between October 23, 2015 and February 18, 2016 and was ordered to cease its injections by State agencies until testing of all operating wells was completed. The volume in this storage field, SoCalGas's largest, was reduced for safety reasons to a maximum of only 41 billion cubic feet ("BCF"), from its design maximum of 86 BCF. In August 2023, the CPUC approved an increase in the allowable storage at the facility to 68.6 BCF. With the CPUC's August 31, 2023 vote to increase the Aliso Canyon interim storage limit, the agency also ended SoCalGas's need to comply with the Aliso Canyon Withdrawal Protocol as part of the implementation of that decision. In reaching its August 2023 decision, the CPUC determined that restrictions on Aliso Canyon contributed to the prior year's natural gas price spikes and that removal of the Commission's storage level limitation would provide a significant tool to mitigate future gas price spikes. There have been no localized natural gas curtailments impacting the Department and there have been no impacts to the Department from SoCalGas operations thus far. In December 2024, the CPUC approved a proposed decision to create a process to reassess the need for the Aliso Canyon gas storage facility as demand for natural gas declines. The decision establishes a specific natural gas peak demand target, which is the level at which it determined Southern California peak demand can be served without Aliso Canyon. Beginning in June 2025, the CPUC will issue biennial assessments with a recommendation of the appropriate Aliso Canyon inventory based on natural gas

demand reduction levels and reliability and economic analyses. When the forecasted peak day demand for two years out decreases to the target level, and an assessment shows that Aliso Canyon could be closed without jeopardizing reliability or just and reasonable rates, the CPUC will open a proceeding to review the assessment's conclusions and address any relevant issues related to permanent closure and decommissioning of the gas storage facility.

Water Supply for Department-Owned Generating Units

Water required for the operation of generating stations owned by the Department is secured from a number of sources. The Harbor Generating Station, Haynes Generating Station and Scattergood Generating Station use Pacific Ocean water for power plant cooling purposes. However, the Department is undertaking a long-term program of replacing the coastal generating units to eliminate the use of ocean water at these three locations in part to meet requirements of the SWRCB and the City's plans to eliminate the future use of once-through-cooling for these plants and replace them with clean energy alternatives. See "FACTORS AFFECTING THE DEPARTMENT AND THE ELECTRIC UTILITY INDUSTRY – Environmental Regulation and Permitting Factors – *Water Quality – Cooling Water Process – State Water Resources Control Board" and "– Regional Requirements – Thermal Discharges at Harbor Generating Station and Haynes Generating Station."* The Valley Generating Station, which is located inland, utilizes recycled water for cooling.

Spot Purchases

The Department purchases energy from the Bonneville Power Administration ("BPA") and other Pacific Northwest utilities under short-term "spot" arrangements to be delivered over the Pacific DC Intertie. For further information on the Pacific DC Intertie, see "– Transmission and Distribution Facilities – *Pacific DC Intertie and Sylmar Converter Station*." These purchases are used by the Department in conjunction with other resources for Power System operation. In addition, purchases of energy are made from other entities located in the Southwest. Spot purchases have generally been made at prices that permit economical operation of the Power System and that are comparable to the Department's costs for producing power from its own resources.

The availability of economical energy on the spot market has fluctuated greatly in recent years. Historically, the Department has not been dependent on such purchases to meet its customers' requirements. Although the Department currently continues to find economical spot purchase opportunities (including some for renewable energy), it cannot predict the future availability of power from either the Pacific Northwest or the Southwest for purchases at prices below the Department's costs for producing power from its own resources. The Department has increased its volume activity with the Cal ISO, including the purchase and sale of energy, as well as providing ancillary services, when excess capacity exists on its system.

Cogeneration and Distributed Generation

Currently thermal cogeneration installed in the Department's service area consists primarily of cogeneration projects of industrial and commercial customers. This totals approximately 372 MW nameplate capacity. Some cogeneration projects sell excess energy to the Department under interconnection agreements.

Distributed generation (the generation of electricity at or near the point of use) within the Department's service area currently consists primarily of cogeneration projects at customer facilities. Distributed generation also includes smaller generating units such as solar photovoltaic cells, fuel cells, micro-turbines and other smaller combustion engines. The Department manages a new technology demonstration program to assess the viability of some of these technologies. The Department also supports the development of new technologies through customer incentive programs. See "– Renewable Power Initiatives" and "– Energy Efficiency." These technology advancements may change the nature of energy generation and delivery and may materially affect the operating and financial position of the Department. For example, behind-the-meter resources such as cogeneration, demand response, and energy efficiency may have the effect of reducing customer demand, potentially diminishing revenue for the Department. On the other hand, if such resources are able to be

successfully deployed during peak demand hours, this could reduce the Department's need to procure additional utility-scale resources to meet that peak demand.

Excess Capacity

The Department uses its extensive transmission network to sell excess generating capacity into the California, Northwest and Southwest energy markets. Net income from those sales is used to reduce costs to the Department's retail customers (primarily by applying revenues to the costs of capital improvements or toward an electric rate stabilization account in the Incremental Electric Rate Ordinance). With equipment outages, retirement of equipment, anticipated load growth and changes in GHG regulations which impact emission allowances, the Department anticipates that revenue from excess energy sales will be less certain than in the past. Wholesale revenues, as shown in "SELECTED FINANCIAL INFORMATION" under "OPERATING AND FINANCIAL INFORMATION – Financial Information," have accounted for approximately 4% of overall Power System revenues in recent years.

Transmission and Distribution Facilities

Electricity from the Department's power generation sources is delivered to customers over a complex transmission and distribution system. To deliver energy from generating plants to customers, the Department owns and/or operates over approximately 15,000 miles of alternating current ("AC") and direct current ("DC") transmission and distribution circuits operating at voltage classes ranging from 120 volts to 500 kV, of which over approximately 11,000 miles are above ground. In addition to using its transmission system to deliver electricity from its power generation resources, under the OATT the Department transmits energy for others through such system when surplus transmission capacity is available and such transmission is permitted by the Master Resolution. As the operating agent of the Pacific DC Intertie, the Southern Transmission System, the Mead-Adelanto Transmission Project and certain Navajo-McCullough transmission facilities (all such facilities being described below), the Department, at the direction of and for the benefit of the respective co-owners/participants, transmits energy for the co-owners of, or participants in, these facilities.

Pursuant to AB 1890, signed into law on January 1, 1997, as part of the deregulation of the State electric industry, municipal utilities such as the Department were encouraged, but not required, to transfer operational control of their electric transmission facilities to the Cal ISO. The Department owns and operates in excess of 25% of the transmission facilities in the State. While the Department has not transferred operational control of its transmission facilities to the Cal ISO, the Department interacts with the Cal ISO on a regular basis. The Department serves as the scheduling coordinator for the delivery of that portion of the Department's energy that requires use of any part of the Cal ISO grid. The Department also coordinates with the Cal ISO with respect to some lines that are jointly owned by the Department and others. The Department is responsible for the costs associated with its use of the Cal ISO grid. The Department is registered as a participant in wholesale transactions in the Cal ISO market.

On April 1, 2021, the Department began participating in Cal ISO's Western EIM. The Western EIM is a real-time energy market that provides sub-hourly dispatch of participating resources for balancing supply and demand every five minutes, using the least-cost energy. As a Western EIM participant, the Department voluntarily provides excess energy capacity for dispatching to other participating utilities, while maintaining control of its generation assets and ratemaking authority. The Western EIM also provides an opportunity for the Department to purchase low-cost excess energy. The Department is participating voluntarily in order to access resources across a larger geographic area that includes eleven western states and the Canadian Province of British Columbia. Through its participation, the Department has experienced benefits from purchasing low cost energy during periods of high generation from renewables, a reduction in GHG emissions, as well as financial benefits from selling energy to the market during periods of low supply and higher prices. This helps lower the cost of delivery of power to its customers, and foster integration of renewable energy. In December 2024, the Board approved an implementation agreement for the Department's future participation in the Cal ISO's Extended Day-Ahead Market ("EDAM"). EDAM is a voluntary, wholesale energy market designed to optimize the availability of energy on existing transmission line infrastructure in the Western United States. Cal ISO's EDAM

is expected to launch in 2026. Through participation in EDAM, the Department and other utilities will be provided with a preview of anticipated surplus energy days in advance, which is expected to help mitigate renewable energy curtailments and GHG emissions. It is anticipated that the Department will officially enter the EDAM market in mid-2027. AB 825, signed into law in September 2025, authorizes the Western EIM and EDAM to be governed by a new, independent regional organization (rather than Cal ISO) in the future if specified requirements are satisfied. The creation of a new regional governance structure is expected to facilitate the regionalization of these energy markets among the Western states.

Legislation considered from time to time by the U.S. Congress and the State could potentially increase the level of jurisdictional control over the generation, transmission and distribution assets that comprise the Department's Power System and could encourage voluntary participation by the Department in a regional transmission organization. The City opposes any participation in a regional transmission organization that would be mandatory. The Department monitors any potential restrictions regarding control of transmission rates, authority to finance the Power System using bonds and use of the Power System to deliver electric power to the City.

Certain transmission facilities available to the Department are discussed below.

Southern Transmission System. The Southern Transmission System (the "STS") is an approximately 490-mile, ±500 kV DC transmission line from the Intermountain Generating Station, near Delta, Utah, to Adelanto, California, together with an AC/DC converter station at each end of the line. The STS is owned by IPA and is one of three major components of the IPP. See "– Jointly-Owned Generating Units and Contracted Capacity Rights in Generating Units – *Intermountain Power Project*." After the completion of an upgrade to its capacity in December 2010, a maximum of 2,400 MW can be transmitted over the STS. The Department's entitlement in the capacity of the STS is currently approximately 1,428 MW and is expected to increase to 2,172 MW in 2027 as a result of the Department increasing its share of the STS to 90.5% in accordance with the IPP Renewal Power Sales Contract. IPA is undertaking an approximately $2.8 billion renewal project to refurbish or replace the existing Adelanto Converter Station and Intermountain Converter Station with new HVDC stations on available land adjacent to the existing converter stations at Adelanto and IPP, which replacement components are currently scheduled for commercial operation on various dates through April 2028. The new converter stations will tie into the existing AC switchyards and connect to the existing DC transmission line. The schedule and cost estimate for the STS renewal project reflect design changes authorized by the IPA board of directors in November 2023 to facilitate an increase in the capacity of the STS from 2,400 to 3,000 MW to be undertaken in the future. The Department entered into a transmission service contract with SCPPA in 1983 to define the terms for transmission service on a "take-or-pay" basis for the Department's 59.5% entitlement right to capacity in the STS that it assigned to SCPPA in order for SCPPA to incur indebtedness sufficient to generate funds to finance the original construction of the STS. This service provides for the transmission of energy from the Intermountain Converter Station to the Adelanto Converter Station until 2027. The Department has entered into a renewal transmission service contract with SCPPA for the same purpose as the original transmission service contract on a "take-or-pay" basis to allow SCPPA to be able to continue handling financings of the STS (including financing for costs of the ongoing upgrades to the Switchyard and converter station replacements) for the remainder of the term of the Department's participation in the IPP until 2077. SCPPA has issued bonds to finance a portion of the costs of the STS renewal project. See "OPERATING AND FINANCIAL INFORMATION – Take-or-Pay Obligations."

Northern Transmission System. The Northern Transmission System (the "NTS") includes two approximately 50-mile, 345 kV AC transmission lines from IPP to the Mona Substation in Northern Utah, and one approximately 144-mile, 230 kV AC transmission line from IPP to the Gonder Substation in Nevada. The capacity from IPP to Mona is 1,400 MW; the capacity from Mona to IPP is 1,200 MW; the capacity from IPP to Gonder is 200 MW; and the capacity from Gonder to IPP is 117 MW. The NTS was constructed for the delivery of power from IPP to certain municipalities in Utah and certain cooperative purchasers. Capacity on the NTS is available to the Department through the IPP Excess Power Sales Agreement. The Department can have up to a maximum NTS share allocation of 43.141% of the total capacity depending on the generation deemed excess by the 29 Utah municipalities and cooperatives that have access to such power. Under the IPP Agreement for Sale

of Renewal Excess Power, which will take effect in June 2027, the Department will be provided with firm transmission rights to approximately 50% of the total capacity on each of the sections of the NTS. The Department can have up to a maximum NTS share allocation of 100% of the total NTS capacity depending on the generation deemed excess by the Utah municipalities and cooperatives that have access to such power post-2027. See "– Jointly-Owned Generating Units and Contracted Capacity Rights in Generating Units – *Intermountain Power Project*."

Pacific DC Intertie and Sylmar Converter Station. The Pacific DC Intertie is an approximately 846-mile, ±500 kV DC transmission system that connects Southern California to the hydroelectric and wind generation resources of the Pacific Northwest. A maximum of 3,210 MW can be transmitted over the entire Pacific DC Intertie System. The Department owns a 40% interest in the southern portion of the Pacific DC Intertie from the Nevada-Oregon border to its southern terminus at the Sylmar Converter Station in Sylmar, California and is the operating agent of the southern portion of the Pacific DC Intertie. The northern portion of the Pacific DC Intertie is owned and operated by BPA and extends from the Nevada-Oregon border to BPA's Celilo Station in The Dalles, Oregon.

Devers-Palo Verde Transmission Line. The Devers-Palo Verde Transmission Line is an approximately 250-mile, 500 kV AC line owned by Edison that connects the PVNGS with the Devers Substation outside Desert Hot Springs, California. As part of an exchange agreement, the Department purchases up to 368 MW of bi-directional firm transmission service on the Devers-Palo Verde Transmission Line from Edison (the "Devers-Palo Verde Agreement") at the rate being charged by the Cal ISO for that same service. The Devers-Palo Verde transmission path now consists of the Devers-Colorado River and Colorado River-Palo Verde transmission lines. The Department has the right to terminate the service upon 12 months written notice.

Mead-Phoenix Transmission Project. The Mead-Phoenix Transmission Project is an approximately 259-mile, 500 kV AC transmission line which originates at the Westwing substation in Phoenix, Arizona, connects with the Mead substation near Boulder City, Nevada and terminates at the Marketplace substation nearby. The Mead-Phoenix Transmission Project is currently owned by SCPPA, APS, Salt River Project, Western and Startrans IO, L.L.C. In 2016, SCPPA, on behalf of the Department, acquired an additional interest in the Mead-Phoenix Transmission Project for the benefit of the Department through the purchase of the M-S-R Public Power Agency ("M-S-R") ownership share (11.5385% of the Westwing-Mead component and 8.09930% of the Mead-Marketplace component) of the Mead-Phoenix Transmission Project. After such acquisition, the Department's share is 57.732% of SCPPA's member-related interests in the Westwing-Mead component of the Mead-Phoenix Transmission Project (SCPPA's member-related interests comprise 29.8462% of the entire Westwing-Mead component of the Mead-Phoenix Transmission Project) and 39.6459% of SCPPA's member-related interests in the Mead-Marketplace component of the Mead-Phoenix Transmission Project (SCPPA's member-related interests comprise 30.5075% of the entire Mead-Marketplace component of the Mead-Phoenix Transmission Project). A maximum of 1,923 MW can be transmitted over the Westwing-Mead component of the Mead-Phoenix Transmission Project, of which the Department has an entitlement share of 332 MW. A maximum of 2,600 MW can be transmitted over the Mead-Marketplace component of the Mead-Phoenix Transmission Project, of which the Department has an entitlement share of 315 MW. The Department's average share of the Mead-Phoenix Transmission Project components is 50.39% of SCPPA's member-related interests in the Mead-Phoenix Transmission Project. The Department has entered into transmission service contracts with SCPPA that obligate the Department until 2030 to pay for its share of SCPPA's member-related interests in the Mead-Phoenix Transmission Project on a "take-or-pay" basis as an operating expense of the Power System. Payments made by the Department associated with SCPPA's member-related interests in the Mead-Phoenix Transmission Project include a share of the fixed operating costs and debt service on bonds issued by SCPPA for SCPPA's member-related interests in the Mead-Phoenix Transmission Project. See "OPERATING AND FINANCIAL INFORMATION – Take-or-Pay Obligations."

Mead-Adelanto Transmission Project. The Mead-Adelanto Transmission Project is an approximately 202-mile, 500 kV AC transmission line between the Adelanto substation, near Victorville, California and the Marketplace substation, near Boulder City, Nevada. The Mead-Adelanto Transmission Project was constructed by its owners, currently, SCPPA, Western and Startrans IO, L.L.C., in connection with the Mead-Phoenix

Transmission Project. In 2016, SCPPA, on behalf of the Department, acquired an additional interest in the Mead-Adelanto Transmission Project for the benefit of the Department through the purchase of M-S-R's 17.5% ownership share of the Mead-Adelanto Transmission Project. After such acquisition, the Department's share is 48.878% of SCPPA's member-related interests of the Mead-Adelanto Transmission Project (SCPPA's member-related interests comprise 85.4167% of the entire Mead-Adelanto Transmission Project). A maximum of 1,291 MW can be transmitted over the Mead-Adelanto Transmission Project, of which the Department has an entitlement share of 539 MW. The Department has entered into transmission service contracts with SCPPA that obligate the Department until 2030 to pay for its share of SCPPA's member-related interests in the Mead-Adelanto Transmission Project on a "take-or-pay" basis as an operating expense of the Power System. Payments made by the Department associated with SCPPA's member-related interests in the Mead-Adelanto Transmission Project include a share of the fixed operating costs and debt service on bonds issued by SCPPA for SCPPA's member-related interests in the Mead-Adelanto Transmission Project. See "OPERATING AND FINANCIAL INFORMATION – Take-or-Pay Obligations."

Navajo-McCullough Transmission Line. The Navajo-McCullough Transmission Line is a 274-mile, 500 kV AC transmission line that originates at the Navajo Project near Page, Arizona, connects through the Crystal Substation near Las Vegas, Nevada and terminates at the McCullough substation, near Boulder City, Nevada. The Department owns 48.9% of the Navajo-McCullough Transmission Line, which was constructed as a part of the now-retired Navajo Generating Station. The Crystal Substation was constructed by NV Energy. NV Energy owns 100% of the Crystal Substation on behalf and for the benefit of the Navajo Project, including the Department.

Eldorado Transmission System. The Eldorado Transmission System's major components are the 59-mile, 500 kV AC Mohave-Eldorado transmission line, the 500 kV Mohave Switchyard, the Eldorado substation, which is comprised of a 220 kV switchyard and a 500 kV switchyard, and two parallel 15-mile 220 kV AC Eldorado-Mead transmission lines. Pursuant to a Co-Tenancy and Operating Agreement, the Department is a 30% co-owner of the Mohave Switchyard, a 29.3% co-owner of the 500 kV switchyard, an 11.3% owner of the 220 kV switchyard, and a 15.1% co-owner of the transformers between the 500 kV and 220 kV switchyards, each of which is a part of the Eldorado Substation. The Department's ownership represents 716 MW of capacity on the Mohave-Eldorado transmission line and 215 MW of capacity on the two parallel 15-mile 220 kV AC Eldorado-Mead transmission lines.

Barren Ridge Renewable Transmission Project. The Barren Ridge Renewable Transmission Project involved the expansion of the Barren Ridge Switching Station in order to increase the 3,119 MVA transmission capacity of renewable energy flowing into the Los Angeles Basin from generating facilities in Owens Valley, Kern County and the Tehachapi Mountains by 2,000 MVA.

Projected Capital Improvements

The Board approved the Fiscal Year 2025-26 capital improvement program on May 13, 2025. A forecast of Power System capital improvement program expenditures for Fiscal Year 2025-26 through Fiscal Year 2029-30 was developed by the Department in conjunction with the preparation of the Power System budget for Fiscal Year 2025-26.

The detailed plans for and costs of projects to be undertaken in connection with the re-building of areas affected by the Palisades Fire are being developed. The forecasted Power System capital improvement program for Fiscal Year 2025-26 through Fiscal Year 2029-30 reflects certain preliminary estimates of anticipated expenditures associated with the re-building over the five-year period. However, these estimates are preliminary and are expected to change as the plans are further developed and the recovery efforts continue.

The Department has developed a series of Power System resource plans with each plan updating and refining the previous plan. The plans are developed in conjunction with the Department's strategic planning to meet its goals of continuing to provide reliable service to customers, maintaining a competitive price for the

Power System's services and providing environmental leadership. Such resource plans act as guidance for the Department in implementing more specific short-term and long-term financial plans.

Based on the Department's December 2024 Retail Electric Sales and Demand Forecast, the Department anticipates that gross customer electricity consumption will increase from Fiscal Year 2022-23 to Fiscal Year 2032-33 at a forecasted rate of approximately 1.53% per year without consideration of the Department's measures to promote energy efficiency and distributed generation. That load growth rate reflects, in the later part of the ten-year planning period, increases due in part to fuel switching in the transportation sector including the increase of plug-in hybrid and battery electric vehicles. In accordance with the Power System's recent resources plans, significant energy efficiency measures have been planned and are being implemented as a cost effective resource, along with support for customer solar projects. The Department achieved its energy efficiency goal of 15% cumulative energy efficiency savings from 2010 through 2020 and is now focused on an additional 3,434 GWhs of energy savings by 2035. Enhancement and expansion of electric transmission resources will enable access to renewable energy resources. Certain in-basin energy projects will assist in integrating intermittent renewable resources into the Power System. Capital investments in the transmission and distribution system, including new business service and electric feeder lines, are required to support future growth. New control and monitoring systems are needed to continue to provide reliable and secure system operations. See " – *Power System Reliability Program*" below.

Power System Reliability Program. A significant power outage in 2006 caused the Department to conduct an evaluation of its electrical infrastructure and led to the development of a comprehensive distribution-focused power reliability program initially referred to as the "Power Reliability Program" with the following major components: (a) mitigation of problem circuits and stations based on the types of outages specific to the facility, including among other things, timely, permanent repairs of distribution circuits after a failure and fixing poorly performing circuits, (b) proactive maintenance and capital improvements that take into account system load growth and the inspections and routine maintenance that must take place to identify problems before they occur, (c) replacement cycles at the facilities that are in alignment with the equipment's life cycle such as replacing aging underground cables, overhead poles and circuits and substation equipment and (d) replacement of overloaded transformers. In 2013, another evaluation was completed and the program was expanded and renamed the "Power System Reliability Program." The Power System Reliability Program assesses all Power System assets affecting reliability in an integrated and comprehensive manner and proposes corrective actions as well as capital expenditures designed to minimize future outages and maintain reliability in the short and long term. The Power System Reliability Program includes the establishment of metrics and indices to help prioritize infrastructure replacement and expenditures for all major functions of the Power System, including distribution, transmission, generation, and substations. The Power System Reliability Program has been and is anticipated to be updated on an annual basis to adjust to varying Power System conditions and resource allocations.

Projected Capital Expenditures. As indicated in the table below, for Fiscal Year 2025-26 through Fiscal Year 2029-30, the Department expects to invest approximately $18.5 billion in capital improvements to the Power System.

EXPECTED CAPITAL IMPROVEMENTS TO THE POWER SYSTEM
FIVE-YEAR PERIOD BEGINNING JULY 1, 2025
(in Millions)

	5-Year Totals
Infrastructure: Various Generation Station Improvements	$ 3,593
Energy Efficiency	1,060
Power System Reliability Program	7,861
Renewable Portfolio Standard (RPS): Wind Projects, Renewable Energy Project Development, Renewable Transmission Projects, RPS Storage	3,431
Power System Resource Plan	10
Shared Services: Facilities, Customer Services, Fleet	2,556
Total Power System Capital Improvements	$18,512

Source: Department of Water and Power of the City of Los Angeles.
Note: Total may not equal sum of parts due to rounding.

The table below indicates, for Fiscal Year 2025-26 through Fiscal Year 2029-30, the expected funding sources for the capital improvements to the Power System expected for such Fiscal Years.

EXPECTED FUNDING SOURCES FOR CAPITAL IMPROVEMENTS
TO THE POWER SYSTEM
(in Millions)

Fiscal Year Ending (June 30)	Internally Generated Funds	External/Debt Financing	Total Capital Expenditures[(1)]
2026	$ 812	$ 1,820	$ 2,632
2027	1,312	2,297	3,609
2028	1,582	2,649	4,231
2029	1,606	2,718	4,324
2030	1,259	2,455	3,715
	$ 6,572	$11,940	$18,512

Source: Department of Water and Power of the City of Los Angeles.
(1) Net of reimbursements to the Department.
Note: Totals may not equal sum of parts due to rounding.

The particular programs and commitments for capital improvements to the Power System are subject to review by Department stakeholders and others. The estimated costs of, and the projected schedule for, the expected capital improvements to the Power System and the Department's other capital projects are subject to a number of uncertainties. The ability of the Department to complete such capital improvements may be adversely affected by various factors including: (i) estimating errors, (ii) design and engineering errors, (iii) changes to the scope of the projects, (iv) delays in contract awards, (v) higher than anticipated construction bids or costs, including as a result of tariffs, (vi) material and/or labor shortages, (vii) unforeseen site and subsurface conditions, (viii) adverse weather conditions or natural disasters, (ix) contractor defaults, (x) labor disputes, (xi) unanticipated levels of inflation, (xii) environmental issues, (xiii) the ability to access the capital markets at particular times and (xiv) delays in approvals of rate increases. No assurance can be given that the proposed projects will not cost more than the current budget for these projects. Any schedule delays or cost increases could result in the need to issue additional obligations and may result in increased costs to the Department. All payments of project costs associated with projected capital improvements are subject to Board approval.

OPERATING AND FINANCIAL INFORMATION

The Department's service area consists of the City, where over 1.5 million customers are served, and certain areas of Inyo and Mono Counties in the State, where approximately 5,208 customers are served. As of December 31, 2025, 34% of the Power System's total energy sales (measured in MWhs) were to residential customers, 61% to commercial and industrial customers and the remaining 5% to all other purchasers. Revenues from residential customers, commercial/industrial customers, and other customers were approximately 36%, 61%, and 3% of total revenue, respectively.

Summary of Operations

The table below provides certain operating information with respect to the Power System.

POWER SYSTEM
SELECTED OPERATING INFORMATION
(Unaudited)

	Six Month Period Ended December 31		Fiscal Year Ended June 30				
Operating Statistics	**2025[1]**	**2024**	**2025**	**2024**	**2023**	**2022**	**2021**
Net Energy Load[2]	12,173	12,691	23,530	22,994	23,859	23,997	23,797
Net Hourly Peak Demand (MW)	5,239	6,251	6,251	5,453	6,216	4,911	6,106
Annual Load Factor (%)	52.62	45.97	42.97	48.00	43.81	55.79	44.49
Electric Energy Generation, Purchases and Interchanges[2]							
Generation[3][4]	8,153	8,291	15,699	16,384	17,172	17,194	17,281
Purchases[4]	4,926	5,721	9,998	8,876	9,148	9,440	8,988
Miscellaneous Energy Receipts[2]	0	0	--	96	–	–	705
Total Energy[2]	13,079	14,012	25,696	25,356	26,320	26,634	26,974
Less:							
Miscellaneous Energy Deliveries[2][5]	0	10	--	--	426	511	–
Losses and System Uses[2]	1,268	1,060	2,723	2,833	2,386	2,595	4,479
On-System Sales[2]	11,811	12,942	22,974	22,523	23,508	23,528	22,495
Sales of Energy[2]							
Residential	4,080	4,176	7,351	7,077	7,736	7,383	7,707
Commercial and Industrial	7,439	7,471	13,879	13,954	13,959	14,092	13,220
All Other	637	968	1,533	1,026	1,722	1,891	2,087
Total	12,156	12,615	22,763	22,057	23,417	23,366	23,014
Number of Customers – (Average, in thousands):							
Residential	1,463	1,458	1,458	1,453	1,440	1,430	1,414
Commercial and Industrial	128	128	128	128	128	128	126
All Other	6	7	7	7	7	7	7
Total	1,597	1,593	1,593	1,588	1,575	1,565	1,547

Source: Department of Water and Power of the City of Los Angeles.

(1) Data for the six-month period ended December 31, 2025 is preliminary and subject to change. Results for the first six months of Fiscal Year 2025-26 may not be indicative of results for full Fiscal Year 2025-26.

(2) Thousands of MWhs.

(3) Does not include energy generated at Hoover Power Plant for plant use and for the use of the Bureau of Reclamation and the cities of Boulder City, Nevada; Burbank, California; Glendale, California and Pasadena, California.

(4) Purchases from SCPPA are classified as Generation for quarterly results and Purchases for Fiscal Year end results.

(5) Deliveries include transmission loss energy paybacks and control area inadvertent interchange.

Financial Information

The tables below provide certain financial information with respect to the Power System.

POWER SYSTEM
SELECTED FINANCIAL INFORMATION
(Dollars in Thousands)
(Unaudited)

	Six Month Period Ended December 31		Fiscal Year Ended June 30[1]				
	2025[2]	2024	2025	2024	2023	2022	2021
Operating Revenues							
Residential	$ 931,722	$ 929,160	$1,887,767	$1,679,399	$1,717,646	$1,637,120	$1,614,033
Commercial and Industrial	1,604,848	1,524,026	3,290,202	3,036,936	2,857,601	2,784,691	2,492,138
Sales for resale[3]	67,342	80,680	159,162	118,193	326,347	230,160	186,706
Other[4]	9,917	15,684	(28,831)	(9,160)	56,945	(58,211)	(24,399)
Total Operating Revenues	$2,613,829	$2,549,550	$5,308,300	$4,825,368	$4,958,539	$4,593,760	$4,268,478
Average Revenue per kWh Sold[5]							
Residential	0.228	0.223	0.257	0.237	0.222	0.222	0.209
Commercial and Industrial	0.216	0.204	0.237	0.218	0.205	0.198	0.189
Average Annual Residential Usage[6]	3	3	5	5	5	5	5
Operating income	$ 431,009	$ 437,080	$1,080,254	$ 771,963	$ 742,176	$ 800,988	$ 744,139
As % of revenues	16.5%	17.1%	20.4%	16.0%	15.0%	17.4%	17.4%
Adjusted Change in Net Position, excluding Power Transfer and including accounting change[7]	$ 391,809	$ 425,137	$1,072,109	$ 829,356	$ 833,815	$ 532,290	$ 633,942
Adjusted Change in Net Position, including Power Transfer and accounting change[7]	$ 166,027	$ 205,825	$ 852,797	$ 584,661	$ 601,772	$ 307,275	$ 415,587

Source: Department of Water and Power of the City of Los Angeles.

(1) Derived from the Power System Financial Statements (except for usage statistics).

(2) Data for the six-month period ended December 31, 2025 is preliminary and subject to change. Results for the first six months of Fiscal Year 2025-26 may not be indicative of results for full Fiscal Year 2025-26.

(3) Includes sales of power and transmission services to other utilities.

(4) Net of Uncollectible Accounts.

(5) The calculated Average Revenue per kWh Sold is based on dividing reported Operating Revenues by customer class by volumes for that customer class, including deferred revenues. The actual customer rates may differ from these calculated figures due to a variety of factors, including (1) demand and energy charges for commercial rates, (2) changes in usage between rate tiers within a customer class and between years, and (3) other factors including customer classification issues.

(6) MWh use per residential customer.

(7) "Adjusted" indicates measurements of financial and/or operating performance that are not specifically disclosed in the Power System Financial Statements. Adjustments reflect the impact of the implementation of new accounting standards, particularly GASB No. 75, which resulted in the recording of certain OPEB liabilities and a corresponding reduction in net position

POWER SYSTEM
SUMMARY OF REVENUES, EXPENSES AND DEBT SERVICE COVERAGE
(Dollars in Thousands)
(Unaudited)

	Six Month Period Ended December 31		Fiscal Year Ended June 30[1]				
	2025[2]	2024	2025	2024	2023	2022	2021
Operating Revenues							
Sales of Electric Energy:							
Residential	$ 931,722	$ 929,160	$1,887,767	$1,679,399	$1,717,646	$1,637,120	$1,614,033
Commercial and industrial	1,604,848	1,524,026	3,290,202	3,036,936	2,857,601	2,784,691	2,492,138
Sales for resale	67,342	80,680	159,162	118,193	326,347	230,160	186,706
Other[3]	9,917	15,684	(28,831)	(9,160)	56,945	(58,211)	(24,399)
Total Operating Revenues	$2,613,829	$2,549,550	$5,308,300	$4,825,368	$4,958,539	$4,593,760	$4,268,478
Operating Expenses							
Production:							
Fuel for Generation	$ 141,907	$ 163,100	$ 295,893	$ 333,636	$ 435,524	$ 327,813	$ 228,697
Purchased Power	618,216	623,906	1,253,073	1,220,759	1,448,692	1,309,505	1,301,394
Energy Cost	760,123	787,006	1,548,966	1,554,395	1,884,216	1,637,318	1,530,091
Maintenance and Other Operating Expenses	989,978	917,562	1,837,863	1,693,747	1,570,429	1,430,993	1,323,158
Adjusted Operating Expenses[4][6]	$1,750,101	$1,704,568	$3,386,829	$3,248,142	$3,454,645	$3,068,311	$2,853,249
Adjusted Operating Income[4][6]	$ 863,728	$ 844,982	$1,921,471	$1,577,226	$1,503,894	$1,525,449	$1,415,229
Other non-operating income and expenses, net	168,151	171,536	348,372	395,293	413,808	1,482	145,303
Contributions in aid of construction	27,070	20,770	63,915	70,492	76,942	100,865	103,459
Adjusted Change in Net Position[5][6]	$1,058,949	$1,037,288	$2,333,758	$2,043,011	$1,994,644	$1,627,796	$1,663,991
Debt Service							
Adjusted Interest[6][7]	306,642	272,161	559,487	536,274	517,818	479,482	459,413
Principal	282,740	223,610	223,610	214,040	190,315	187,683	179,405
Total debt service	$ 589,382	$ 495,771	$ 783,097	$ 750,314	$ 708,133	$ 667,165	$ 638,818
Debt Service Coverage Ratio	N/A	N/A	2.98	2.72	2.82	2.44	2.60
Depreciation, amortization and accretion	$ 432,719	$ 407,902	$ 841,217	$ 805,263	$ 761,718	$ 724,461	$ 671,090
Transfers to the Reserve Fund of the City	$ 225,782	$ 219,312	$ 219,312	$ 244,695	$ 232,043	$ 225,015	$ 218,355

Source: Department of Water and Power of the City of Los Angeles.

(1) Derived from the Power System Financial Statements.

(2) Data for the six-month period ended December 31, 2025 is preliminary and subject to change. Results for the first six months of Fiscal Year 2025-26 may not be indicative of results for full Fiscal Year 2025-26.

(3) Net of Uncollectible Accounts.

(4) Represents total operating expenses and operating income, excluding depreciation, amortization, accretion and loss on asset impairment and abandoned projects.

(5) Represents change in net position before depreciation, amortization, accretion, interest, extraordinary loss and the Power Transfer.

(6) "Adjusted" indicates measurements of financial and/or operating performance that are not specifically disclosed in the Power System Financial Statements.

(7) Interest expense excluding amortization of debt premium.

Indebtedness

As of March 4, 2026, approximately $12.94 billion in principal amount of debt of the Department payable from the Power Revenue Fund was outstanding. Of such amount, approximately $12.79 billion in principal amount is fixed-rate bonds, and approximately $150.0 million in principal amount represents borrowings under the Department's Wells Fargo Credit Agreement (as defined below). In connection with the Department's expected five-year capital improvements to the Power System, the Department anticipates that it will fund approximately $11.9 billion of the costs of the capital improvements with proceeds of previously issued Bonds and additional debt payable from the Power Revenue Fund to be issued and/or incurred through June 30, 2030. See "THE POWER SYSTEM – Projected Capital Improvements" and "Note (9) Long-Term Debt" of the Department's Power System Financial Statements.

Certain of the Department's outstanding debt are "federally subsidized direct-pay" bonds, for which, instead of the interest being tax-exempt, the Department receives a subsidy payment from the Treasury Department equal to 35% of the interest paid or up to 70% of the tax credit rate determined by the Treasury Department, depending on the type of federally subsidized direct-pay bonds. Pursuant to certain federal budget legislation adopted in August 2011, starting as of March 1, 2013, the government's subsidy payments were reduced as part of a government-wide "sequestration" of many program expenditures. The amount of the reduction of the subsidy payment has ranged from a high of 8.7% in 2013 to a low of 5.7% for federal fiscal years 2021 through 2031. The amount of this reduction for the Power System has been less than $1.5 million annually and such reductions of approximately $1.2 million annually for the currently outstanding federally subsidized direct-pay bonds are presently scheduled to continue through September 30, 2031.

Congress can terminate, extend, or otherwise modify reductions in subsidy payments due to sequestration at any time. In addition, under the Statutory Pay-As-You-Go Act of 2010, an increase in the federal deficit caused by a new tax or entitlement spending law could trigger further sequestration reductions to non-exempt mandatory spending programs, absent a waiver either as part of the triggering law or in subsequent legislation. If the sequestration reduction rate were to increase to 100%, the reduction in subsidy payments for the Power System would currently be approximately $19.5 million annually.

On July 3, 2025, the Department entered into a third amended and restated revolving credit agreement (as subsequently amended, the "Wells Fargo Credit Agreement") with Wells Fargo Bank, National Association ("Wells Fargo"), pursuant to which Wells Fargo has committed to make loans to the Department in a principal amount not-to-exceed $500 million outstanding at any one time. The Department can request loans for Power System improvements, Water System improvements and/or such other lawful purposes of the Department. Loans for Power System improvements and other lawful purposes of the Power System are payable from the Power Revenue Fund; and loans for Water System improvements and other lawful purposes of the Water System are payable from the Water Revenue Fund. As of March 4, 2026, the Department had $150 million of loans outstanding under the Wells Fargo Credit Agreement payable from the Power Revenue Fund, and $300 million of loans outstanding under the Wells Fargo Credit Agreement payable from the Water Revenue Fund. Under the Wells Fargo Credit Agreement, amounts due may be paid by the Department at any time at its option and in the event of default under the Wells Fargo Credit Agreement, amounts outstanding would be due immediately. The Department expects to pay principal amounts due under the Wells Fargo Credit Agreement and payable from the Power Revenue Fund from proceeds of subsequent borrowings or from reserves available to the Power System. Amounts borrowed under the Wells Fargo Credit Agreement and payable from the Water Revenue Fund are considered Parity Obligations under the Master Resolution. The Wells Fargo Credit Agreement currently has an expiration date of May 22, 2026.

In addition, as of March 4, 2026, the Department was obligated on a "take-or-pay" basis under power purchase or transmission capacity contracts for debt service payments (its share representing approximately $3.43 billion principal amount of bonds) and for operating and maintenance costs of the related projects. The Department has entered into, and may in the future enter into additional, "take-or-pay" contracts in connection with renewable energy projects and other projects undertaken by the joint powers agencies in which it participates. The Department's obligations to make payments under such "take-or-pay" contracts are unconditional payment obligations. See "– Take-or-Pay Obligations" for the "take-or-pay" contracts the Department has entered as of March 4, 2026. All "take-or-pay" contract obligations rank on a parity with the Department's Bonds as to payment from the Power Revenue Fund.

Take-or-Pay Obligations

The Department entered into the IPP Contract and the IPP Excess Power Sales Agreement (and the related IPP Renewal Power Sales Contract and IPP Agreement for Sale of Renewal Excess Power which will take operational effect in June 2027) to purchase a share of the output of the IPP. See "THE POWER SYSTEM – Jointly-Owned Generating Units and Contracted Capacity Rights in Generating Units – *Intermountain Power Project*." The Department is also a member of SCPPA and participates in a number of SCPPA projects, including a number of renewable energy projects. See "THE POWER SYSTEM – Renewable Power Initiatives." The Department's obligations to make payments with respect to the IPP and the SCPPA projects in which it participates are unconditional "take-or-pay" payment obligations, obligating the Department to make such payments as operating expenses of the Power System whether or not the applicable project is operating or operable, or the output thereof is suspended, interfered with, reduced, curtailed or terminated in whole or in part. The IPP Contract, the IPP Excess Power Sales Agreement (and the related IPP Renewal Power Sales Contract and IPP Agreement for Sale of Renewal Excess Power which will take operational effect in June 2027) and the agreements with respect to the SCPPA projects (other than with respect to projects in which the Department is the sole participant) contain certain step-up provisions obligating the Department to pay a share of the cost of any deficit in funds for operating expenses, debt service, other costs related to the project and reserves as a result of a defaulting participant. The Department's participation and share of bond debt service obligation (without giving effect to any provisions requiring the Department to contribute to any deficiencies upon default by another participant) as of March 4, 2026, for each of the foregoing projects are shown in the following table:

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POWER SYSTEM
TAKE-OR-PAY OBLIGATIONS FOR BONDS
As of March 4, 2026
(Dollars in Millions)
(Unaudited)

	Principal Amount of Outstanding Debt	Department Participation	Department Share of Principal Amount of Outstanding Debt[6]
Intermountain Power Agency			
IPP	$ 113[1]	48.62%[2]	$ 55[1]
IPP (Renewal Project)	1,695	71.44	1,211
Southern California Public Power Authority			
Mead-Adelanto Transmission Project	10	100.00[3]	10
Mead-Phoenix Transmission Project	8	100.00[3]	8
Linden Wind Energy Project	75	100.00[4]	75
Milford Wind Corridor Phase I Project	53	92.50[5]	49
Milford Wind Corridor Phase II Project	52	100.00[4]	52
Southern Transmission System (STS)	73	59.50[5]	44
STS (Renewal Project)	1,790	90.50[5]	1,620
Windy Point Project	127	100.00[4]	127
Apex Power Project	180	100.00[5]	180
Total	$4,176		$3,431

Source: Department of Water and Power of the City of Los Angeles.

(1) Represents a portion of the IPP and SCPPA debt issued to finance costs of the IPP repowering project and STS renewal project, the Department's share of the bond debt service obligation for which is payable in accordance with the terms of, and the Department's participant share under, the IPP Contract prior to the effective date of the Renewal Power Sales Contract in June 2027. See "THE POWER SYSTEM – Jointly-Owned Generating Units and Contracted Capacity Rights in Generating Units – *Intermountain Power Project*."

(2) Includes the Department's obligations under the IPP Contract (48.617%) but does not include the Department's obligations under the IPP Excess Power Sales Agreement as described under the caption "THE POWER SYSTEM – Jointly-Owned Generating Units and Contracted Capacity Rights in Generating Units – *Intermountain Power Project*."

(3) The bonds remaining outstanding relate to the additional interest acquired by SCPPA solely for the benefit of the Department.

(4) Equals the Department's share of SCPPA's and the City of Glendale's entitlements. See "THE POWER SYSTEM – Renewable Power Initiatives."

(5) Equals the Department's share of SCPPA's entitlement.

(6) In addition to outstanding principal, the Department is obligated to pay its share of interest on outstanding debt and annual operating and maintenance costs. See Note (5) of the Department's Power System Financial Statements for additional information.

Note: Totals may not equal sum of parts due to rounding.

FACTORS AFFECTING THE DEPARTMENT AND THE ELECTRIC UTILITY INDUSTRY

The following regulatory programs affect the Department and the electric utility industry and should be considered when evaluating the Department and considering an investment in the bonds. The Department cannot predict at this time whether any additional legislation or rules will be enacted which will affect the Power System's operations, and if such laws or rules are enacted, what the costs to the Department might be in the future because of such action. This discussion does not purport to be exhaustive and these matters are subject to change after the date hereof. See "GENERAL," "ELECTRIC RATES," "THE POWER SYSTEM – Projected Capital Improvements," "OPERATING AND FINANCIAL INFORMATION" and the Department's Power System Financial Statements for additional information relating to the Department.

California Climate Change Policy Developments

State regulatory agencies such as CARB and the CEC are pursuing a number of regulatory programs designed to reduce GHG emissions and encourage or mandate renewable energy generation. The following is a summary of certain programs. See also "–Environmental Regulation and Permitting Factors" below.

GHG Regulations. In September 2006, the Global Warming Solutions Act was signed into law. This law established the State's target to reduce Statewide GHG emissions back to 1990 levels by 2020, which represented a reduction of approximately 25% Statewide. In September 2016, SB 32, an amendment to the Global Warming Solutions Act, was signed into law, and established a new target to reduce Statewide GHG emissions 40% below 1990 levels by 2030. In September 2022, AB 1279, the California Climate Crisis Act, was signed into law. AB 1279 establishes a State policy to achieve net zero GHG emissions as soon as possible, but no later than 2045, to achieve and maintain net negative GHG emissions thereafter, and to ensure that by 2045, Statewide anthropogenic GHG emission are reduced to at least 85% below the 1990 levels.

CARB implemented the Global Warming Solutions Act through regulations (the "Cap-and-Trade Regulations") that imposed a declining economy-wide limit or cap on GHG emissions from major sources within the State, including the electricity generation industry, and allocates the aggregate emissions limit through the distribution of allowances, or emission credits.

The Cap-and-Trade Regulations require all regulated entities, including the Department, to report annual GHG emissions and to obtain and surrender GHG emission allowances and/or offsets for each metric ton of GHG emissions. Cap-and-trade compliance covers GHG emissions from in-state fossil-fueled power plants, as well as imported electricity from out-of-state resources such as the IPP. In addition, the Department may indirectly bear compliance costs for purchased electricity.

The Department, like other electric utilities, receives an administrative allocation of allowances to cover its expected GHG emissions. Entities that emit GHGs at levels above those for which they receive administrative allocations, if any, must purchase the additional allowances they require at the quarterly CARB auctions or from other entities in the secondary market. The Department believes that, if its administrative allowance allocation is not sufficient to cover GHG emissions from all of the Department's generation and purchases of electricity to serve retail customer load, the Department could obtain additional allowances by participating in the CARB auctions or the secondary market. When the Department sells electricity in the wholesale market, it is required to purchase allowances to cover GHG emissions for those wholesale electricity sales. The cost of those allowances is included in the electricity price paid by the wholesale buyer.

In July 2017, CARB adopted amendments to the Cap-and-Trade Regulations, which included a 40% reduction in the Statewide GHG emissions cap between 2021 and 2030. CARB granted administrative allowance allocations to electrical distribution utilities such as the Department for the 2021 to 2030 compliance period. Based on the 2021-2030 allowance allocation established in the 2017 amendments to the Cap-and-Trade Regulation, the Department believes that the cost of compliance with the current Cap-and-Trade Regulations for retail customer load will be substantially covered by the administrative allocation of allowances and/or existing rate adjustments and anticipated rate increases through 2030. Therefore, the Power System is currently expected to be able to continue to comply with these regulations with minimal impact to its finances or operations in connection with the implementation of the Power System's resource plan. However, as described below, CARB has initiated the process for further updates to the Cap-and-Trade Regulations. The scope of the potential amendments to be considered include, among other things, the removal of allowances from the annual allowance budget commencing in 2027 (further reducing the Statewide GHG emissions cap), and revising the 2027-2030 allowance allocation to electrical distribution utilities based on the most recent load forecasts and SB 100 RPS target (60% by 2030). The Department could be adversely affected in the future if its GHG emissions exceed its allowance allocation and is required to purchase compliance instruments on the market to cover its emissions to meet its retail load obligations.

In July 2017, AB 398 was signed into law to extend the State's Cap-and-Trade Regulations from 2021 to 2030. The bill cleared both houses with a 2/3 supermajority vote, which protects the legislation from certain legal challenges. Under AB 398, CARB was directed to address the following: establish a price ceiling, offer non-tradeable allowances at two price containment points below the price ceiling, transfer current vintages unsold for more than 24 months to the allowance price containment reserve, evaluate and address allowance overallocation concerns, set industry assistance factors for allowance allocation, and establish allowance banking rules. AB 398 was passed in conjunction with two companion bills: AB 617, which strengthens the monitoring of criteria air pollutants and toxic air contaminants in local communities, and Assembly Constitutional Amendment No. 1 ("ACA-1"), which created a special Greenhouse Gas Reduction Reserve Fund in the State Treasury, into which all new money collected from the auction of cap-and-trade allowances is to be deposited from January 1, 2024 until the effective date of legislation that appropriates money from the fund. The money is then to be appropriated to the existing Greenhouse Gas Reduction Fund, from which money is allocated to 75 California Climate Investment programs administered by 23 State agencies to reduce GHG emissions and provide environmental, economic, and public health benefits. A minimum of 35% of California Climate Investments are required to benefit priority populations including disadvantaged communities and low-income communities and households.

In December 2018, CARB approved amendments to the Cap-and-Trade Regulations to make the cap-and-trade program consistent with AB 398 requirements. The amendments to the Cap-and-Trade Regulations went into effect on April 1, 2019. The Department does not expect that its continued compliance with these amendments will have a material adverse effect on the operations or financial condition of the Power System.

In February 2023, CARB issued a market notice regarding potential changes to the Cap-and-Trade Regulations. Topics to be considered include banked allowances, evaluation of the program caps within the context of the 2022 Scoping Plan goals, conducting electricity sector and industrial sector leakage studies, updates to offset protocols, addressing the new Extended Day Ahead Market (EDAM) for electricity, protecting low income households from disproportionate impacts of energy prices, and carbon dioxide sequestration and removal projects developed under the SB 905 Carbon Capture, Removal, Utilization, and Storage Program. Informal rulemaking activity, including a series of public workshops to discuss potential amendments to the Cap-and-Trade Regulations, commenced in June 2023. During the workshops, the potential amendments of interest to the Department include: revisions (reductions) to the 2027 through 2030 electrical distribution utility allowance allocation based on the most recent forecasts and RPS target; a proposed new requirement for POUs to consign all their allocated allowances to auction similar to investor-owned utilities; the phasing out of the RPS adjustment credit for firmed/shaped electricity imports; how reducing the cap-and-trade program allowance budget (the cap) would increase allowance prices; adding the new EDAM to the outstanding emissions leakage calculation; and providing benefits to low-income customers and disadvantaged communities. In April 2024, CARB posted the Standardized Regulatory Impact Assessment ("SRIA") for the Cap-and-Trade Regulations. The SRIA is an initial economic evaluation of potential changes to the cap-and-trade program and is one of the steps CARB must take prior to updating the Cap-and-Trade Regulations. In July 2024, CARB held a workshop to discuss potential revisions to the cap-and-trade program emission allowance budget to achieve the more ambitious emission reduction targets of 48% by 2030 and 85% by 2045, including the removal of 180 to 265 million allowances in aggregate from budget years 2026 through 2030. In October 2024, CARB posted another market notice to inform market participants about the timing and topics for the upcoming amendments to the Cap-and-Trade Regulations. At that time, CARB indicated that the formal rulemaking proposal was expected to be made available for public comment sometime in early 2025, and the amendments would take effect starting in 2026.

In September 2025, Assembly Bill 1207 (AB 1207) was signed into law. AB 1207 reauthorizes and extends California's cap-and-trade program from 2030 through 2045 and renames the program to "California Cap-and-Invest." In addition, AB 1207 directs CARB to consider the effect of the regulations on affordability, cost effectiveness, minimizing leakage in California, and achieving the emission reduction goals.

After AB 1207 was signed into law, CARB issued another market notice to inform market participants of topics for the amendments to the Cap-and-Invest program regulations and the timing of the formal rulemaking

process. In October 2025, CARB hosted a public workshop to discuss the potential updates to the Cap-and-Invest program regulations. On January 13, 2026, CARB posted the preliminary formal rulemaking documents on the Cap-and-Invest program website and submitted it to Office of Administrative Law ("OAL"). The formal 45-day comment period began on January 20, 2026 and closed on March 9, 2026. The amendments are expected to take effect by the end of 2026.

The Department is currently reviewing the rulemaking documents. The proposed amendments of concern to the Department include the 25% reduction in the Department's allowance allocation between years 2027-2030, limiting use of the RPS adjustment, which may increase the number of allowances the Department needs for compliance, and removal of 118 million allowances from the 2027 to 2030 Cap-and-Invest program annual budgets, which is expected to increase the allowance price to incentivize GHG emission reductions. The proposed amendments also include an allowance allocation to electrical distribution utilities for years 2031-2035. In addition, the proposed amendments provide a framework for the transition of free allowances from natural gas suppliers to electrical distribution utilities as directed by AB 1207.

GHG Emissions Performance Standard and Financial Commitment Limits. Pursuant to SB 1368 (Chapter 598, Statutes of 2006), the CEC adopted a GHG emissions performance standard ("EPS") for electric generating facilities of 1,100 pounds of carbon dioxide ("CO_2") per MWh for "covered procurements" by POUs, such as the Department. SB 1368 also prohibits POUs from making any "long-term financial commitment" in connection with "baseload generation" that does not satisfy the EPS. Generally, a "long-term financial commitment" is any new or renewed power purchase agreement with a term of five years or more, the purchase of an interest in a new power plant or any investment, other than routine maintenance, in an existing power plant that is designed and intended to extend the life of the plant by more than five years or results in an increase of 50 MW or more in its rated capacity. "Baseload generation" means a power plant that is intended to operate at an annualized capacity factor of 60% or more.

California Renewable Portfolio Standard. The State's Legislature and executive branch have been active in promoting increasingly stringent renewable energy procurement requirements since 2002. Early efforts established a standard of 20% of renewable electricity generation by 2017. Since then, both legislative and executive branch initiatives have raised that standard in multiple phases.

In April 2011, SBX 1-2, the California Renewable Energy Resources Act, was signed into law. SBX 1-2 established procurement targets for three compliance periods ("Compliance Periods 1 through 3") to be implemented by the procurement plan: 20% of the utility's retail sales were to be procured from eligible renewable energy resources by December 31, 2013; 25% by December 31, 2016; and 33% by December 31, 2020. The Department met the targets established by SBX 1-2 for each of Compliance Periods 1 through 3.

In October 2015, SB 350 was signed into law, which requires retail sellers and POUs, such as the Department, to make reasonable progress each year to ensure it achieves 40% of retail sales from eligible renewable energy resources by December 31, 2024, 45% of retail sales from eligible renewable energy resources by December 31, 2027, and 50% of retail sales from eligible renewable energy resources by December 31, 2030.

In September 2018, SB 100 was signed into law, further increasing statewide RPS targets for such periods by requiring retail electric sellers and POUs, such as the Department, to procure a minimum quantity of electricity products from eligible renewable energy resources so that the total kWhs of those products sold to retail end-use customers achieve 44% of retail sales by December 31, 2024 (which target the Department expects to have satisfied, pending verification from the CEC which is expected in late 2026), 52% of retail sales by December 31, 2027, and 60% of retail sales by December 31, 2030. In addition, SB 100 establishes that it is the policy of the State that eligible renewable energy resources and "zero-carbon resources" supply 100% of retail sales of electricity to State end-use customers by December 31, 2045. Defining resources that constitute eligible renewable energy resources will be subject to further regulatory proceedings of the CEC. The CEC has adopted updates to the RPS Enforcement Procedures for Publicly Owned Utilities which incorporate requirements set forth in SB 350 and SB 100, among other enacted bills. This includes implementing a major provision from SB 350 pertaining to long-term procurement of renewable resources, which requires, beginning January 1, 2021,

that at least 65% of RPS procurement must be from contracts of 10 years or more in duration or in ownership or ownership agreements. The updated regulations became effective on July 12, 2021.

In September 2022, SB 1020 was signed into law SB 1020, which revised the policy of the State established by SB 100 to provide that eligible renewable energy resources and "zero-carbon resources" supply 90% of all retail sales of electricity to State end-use customers by December 31, 2035, 95% by December 31, 2040, 100% by December 31, 2045, and 100% of electricity procured to serve all State agencies by December 31, 2035.

See "THE POWER SYSTEM – Renewable Power Initiatives" and "– Projected Capital Improvements" for a description of the Department's existing and potential renewable energy projects.

Biomass Legislation. In September 2016, SB 859 was signed into law. Among other things, SB 859 required certain electric utilities to enter into five-year contracts for at least 125 MW of biomass capacity with facilities that generate energy from feedstock harvested from (a) a byproduct of sustainable forestry management and (b) high fire-hazard zones. Due to the specific requirements of the law, the available facilities satisfying the requirements of the law are limited. The Department, SCPPA and the other POUs procured biomass capacity under contracts from two projects to satisfy the SB 859 requirements: (i) the ARP-Loyalton contract that ended in April 2023, from which the Department's contracted amount was 8.9 MW, and (ii) a five-year contract for 5.4 MW of capacity with Roseburg Forrest Products Co., in Weed, California, which began deliveries in February 2021. See "THE POWER SYSTEM – Renewable Power Initiatives – *Biomass Development*."

Energy Storage Legislation. In October 2017, SB 801 was signed into law, which required the Department, by June 1, 2018, to determine the cost-effectiveness and feasibility of deploying a minimum aggregate total of 100 MW of cost-effective energy storage solutions to help address the Los Angeles Basin's electrical system operational limitations resulting from reduced gas deliverability from the Aliso Canyon natural gas storage facility. Department staff performed analysis and found that a 100 MW battery energy storage system paired with solar generation at the grid would be cost effective by 2022. See "THE POWER SYSTEM – Renewable Power Initiatives – *Energy Storage Development*." To comply with such legislation, the Department has entered into PPAs for energy storage systems at the Eland Solar & Storage Center, Phase 1 and the Eland Solar & Storage Center, Phase 2.

Renewable Energy Policy Development. In August 2018 and March 2019, the CEC adopted the "Toward A Clean Energy Future, 2018 Integrated Energy Policy Report Update" (the "2018 IEPR Update"). The 2018 IEPR Update is composed of two volumes. The first volume (August 2018) is a high-level summary of the energy policies the State has implemented. This high-level summary includes (i) the State's participation in an international pact to reduce emissions and increase renewable electricity procurement to 33% by 2020 and 50% by 2030; (ii) continued support for incentives or mandates for more homes and business to install rooftop solar; (iii) an executive order calling for at least five million zero-emission vehicles on the State's roads by 2030 and an extensive expansion of charging and refueling infrastructure; and (iv) continued support for the development and implementation of an energy efficient program in existing buildings. The second volume (March 2019) provides updated analysis of issues raised in previous Integrated Energy Policy Reports, including "advancing [then]-Governor Brown's call to expand state adaptation activities through Executive Order B-30-15, with the goal of making the consideration of climate change a routine part of planning," as well as, "enhancing the resiliency of the electricity system while integrating increasing amounts of renewable energy." See "– Environmental Regulation and Permitting Factors – *Water Quality – Cooling Water Process – State Water Resources Control Board*" below.

Legislation and Court Action Relating to Wildfires. In September 2016, SB 1028 was signed into law. SB 1028 requires each POU, including the Department, each IOU and each electric cooperative in the State to construct, maintain, and operate its electrical lines and equipment in a manner that will minimize the risk of catastrophic wildfire posed by those electrical lines and equipment. SB 1028 required the governing board of each POU to make an initial determination of whether its overhead electric lines and equipment pose a significant risk of catastrophic wildfire based on historical fires and local conditions. POU governing boards were required

to independently make this determination based on all relevant information, including the CPUC's Fire-Threat Map which was adopted by the CPUC in January 2018 (discussed below). On September 5, 2018, the Board determined that the Power System's overhead electrical lines and equipment do not pose a significant risk of causing a catastrophic wildfire. Prior to the enactment of SB 1028, the Department has had an active fire prevention plan since 2008, which includes construction standards, a vegetation management program, and an inspection and maintenance program.

SB 901, which was signed into law in September 2018, amends certain provisions of SB 1028. Under SB 901, among other things, POUs, such as the Department, are required to prepare a wildfire mitigation plan annually (initially, beginning by January 1, 2020). SB 901 requires the POU to contract with a qualified independent evaluator to review and assess the comprehensiveness of its plan. The report of the independent evaluator is to be made available to the public and presented at a public meeting of the POU's governing board. Consistent with the requirements of SB 901 and subsequent legislation (AB 1054 discussed below), the Department updates its wildfire mitigation plan on an annual basis, with comprehensive revisions and independent evaluator reviews occurring every three years.

In 2017, the CPUC adopted a work plan for the development and adoption of the CPUC Fire-Threat Map. On the CPUC Fire-Threat Map, any area in a Tier 2 fire-threat area is depicted as an "elevated risk (including likelihood and potential impacts on people and property) from utility associated wildfires" and any area in a Tier 3 fire-threat area is depicted as an "extreme risk (including likelihood and potential impacts on people and property) from utility associated wildfires." Based on the Department's wildfire mitigation plan dated June 2025, approximately 13.4% of the Power System's overhead distribution power lines fall within a Tier 2 area and approximately 0.5% of the Power System's overhead distribution power lines fall within a Tier 3 area. Additionally, approximately 6.5% of the Power System's overhead transmission power lines fall within a Tier 2 area and approximately 8.6% of the Power System's overhead transmission power lines fall within a Tier 3 area. The Department has not modeled a total destruction scenario in Tier 2 and Tier 3 areas of its service territory because such areas represent a small portion of the Power System's service territory. In the applicable Tier 2 and Tier 3 areas, the Department continues to replace wooden pole assets with alternative material poles, install covered conductors where feasible, equip poles for high wind load in order to resist fire damage, and employ a robust vegetation management program to further mitigate wildfire risk exposure. In addition, the Department has protocols in place for the blocking of re-closers on certain distribution circuits under adverse weather conditions, and may execute de-energization protocols on power lines on a per incident basis, based on operating conditions.

AB 1054 was signed into law by Governor Newsom in July 2019. AB 1054 requires POUs to submit their wildfire mitigation plans for annual review to a then newly created California Wildfire Safety Advisory Board (the "CWSAB"), with comprehensive revisions submitted every three years. SB 254, signed into law by Governor Newsom in September 2025, amends the provisions of AB 1054 to provide that, after January 1, 2026, POUs will instead be required to prepare and submit to the CWSAB wildfire mitigation plans at least once every four years on a schedule to be determined by the CWSAB. On December 4, 2024, the CWSAB adopted its guidance advisory opinion for the 2025 wildfire mitigation plans of POUs, based upon its review of the 2024 annual updates submitted by the POUs to their wildfire mitigation plans. The advisory opinion includes the CWSAB's recommendations to POUs for the development of updates for the POUs' 2025 wildfire mitigation plans and future comprehensive wildfire mitigation plans. The Department submitted its 2025 annual update to the Department's wildfire mitigation plan to the CWSAB by the required July 1, 2025 submission date. The 2025 wildfire mitigation plan contains ongoing program updates and historical data through calendar year 2024 and, therefore, does not contain detailed information and specific data pertaining to the January 2025 wildfires.

In March 2025, the California Department of Forestry and Fire Protection (hereinafter, "CalFire") released updated wildfire hazard severity zone maps for the Southern California region. These updated maps identify areas as "moderate," "high," and "very high" wildfire hazard severity zones in "local responsibility areas," where local fire departments are responsible for responding to fires, in order to reflect zones in California that are susceptible to wildfires. The updated maps increase the acreage in the City that is identified as a "very high" wildfire hazard severity zone and add identified areas of "moderate" and "high" wildfire hazard severity

zones (which categories were not previously included in earlier versions of the CalFire fire hazard severity zone maps). These wildfire hazard severity zone maps differ from the CPUC Fire-Threat Maps referenced above. The CPUC Fire-Threat Map is designed specifically for identifying areas where there is an increased risk for utility associated wildfires. The Department will follow established protocols that use the updated CalFire wildfire hazard severity zone maps to update the Department's fire threat map in its future wildfire mitigation plans.

AB 1054 also established a new wildfire fund for IOUs to pay for eligible, uninsured third-party damage claims arising from future covered wildfires. Participation in the wildfire fund is exclusive to IOUs. Each of the major IOUS in California are now participating in the Wildfire Fund. Additional future funding for the Wildfire Fund has been provided for under the provisions of SB 254. POUs, such as the Department, are not eligible to participate in or receive funding for wildfire claims from the Wildfire Fund.

A number of wildfires occurred in the State in the last several years. Under the doctrine of inverse condemnation (a legal concept that entitles property owners to just compensation if their private property is damaged by a public use), California courts have imposed liability on utilities in legal actions brought by property holders for damages, where the inherent risks in the utilities' infrastructure, as deliberately designed, constructed or maintained, are determined to be a substantial cause of damage to the property. Thus, if the inherent risks associated with the facilities of a utility, such as its electric distribution and transmission lines, are determined to be the substantial cause of the plaintiff's damages, and the doctrine of inverse condemnation applies, the utility could be liable without having been found negligent. SB 1028, SB 901 and AB 1054 do not alter inverse condemnation law, which is rooted in the California Constitution. SB 254 requires the California Earthquake Authority, as administrator of the wildfire fund established pursuant to AB 1054, to, on or before April 1, 2026, in consultation with the CPUC and other specified departments and agencies of the State, and with feedback solicited from stakeholders, prepare and submit to the Legislature, and to the Governor, a report that evaluates and sets forth recommendations on new models or approaches that mitigate damage, accelerate recovery, and responsibly and equitably allocate the burdens from natural catastrophes, including catastrophic wildfires, earthquakes, and other natural disasters, across stakeholders, including insurers, communities, homeowners, landowners, governments, electrical corporations, and POUs to complement or replace the fund. Any future legal developments addressing the State's inverse condemnation doctrine, and liability issues for utilities in the context of wildfires in particular, could be significant for the electric utility industry, including the Department.

See "LITIGATION " for information about current litigation regarding wildfires and "GENERAL – Insurance" for information about the Department's current insurance coverage for wildfires.

See also "GENERAL – Los Angeles 2025 Wildfire Event" for information regarding the wildfire event that occurred in the City in January 2025.

Environmental Regulation and Permitting Factors

General. Numerous environmental laws and regulations affect the Power System's facilities and operations. The Department monitors its compliance with laws and regulations and reviews its remediation obligations on an ongoing basis. The following topics highlight some of the major environmental compliance issues affecting the Power System:

Air Quality – Nitrogen Oxide (NOx) Emissions. The Department's four Los Angeles Basin power plants are subject to the Regional Clean Air Incentives Market ("RECLAIM") NOx regulations adopted by the SCAQMD. In accordance with these regulations, SCAQMD established annual NOx allocations for stationary source facilities based on historical emissions with a declining emissions cap. These allocations are in the form of RECLAIM trading credits ("RTCs"). Facilities can comply with RECLAIM by purchasing RTCs from the RECLAIM market, installing emission controls, and/or reducing operations. The Department has installed emission control equipment at its power plants to reduce NOx emissions. The Los Angeles Basin Stations are all equipped with emission control equipment. As a result of the installation of NOx control equipment and the

modernization of existing electric generating units, the Department has had sufficient RTCs to meet its native load requirements for normal operations under the NOx RECLAIM regulation.

In March 2017, the SCAQMD adopted the 2016 Air Quality Management Plan and included a control measure to achieve an additional five tons per day NOx reduction as soon as feasible but no later than 2025, and to transition the RECLAIM program to a command-and-control regulatory structure requiring Best Available Retrofit Control Technology ("BARCT") as soon as feasible.

In July 2017, AB 617 was signed into law, which addresses criteria pollutants (including NOx) and toxic air contaminants at stationary sources. RECLAIM facilities are subject to the BARCT requirements of AB 617.

The market-based RECLAIM program is being transitioned to a command-and-control regulatory structure. The RECLAIM program was originally scheduled to end on December 31, 2023 but is now expected to extend past 2025 after the EPA's approval of the State Implementation Plan and the resolution of outstanding issues with the New Source Review ("NSR") Program. The Los Angeles Basin Stations will transition from RECLAIM to a source-specific NOx rule for electric generating units that will include NOx limits reflecting BARCT. SCAQMD Rule 1135, the "command-and-control" rule for electric generating units, was adopted in November 2018. Instead of receiving an annual allocation of emission credits, electric generating units will be required to meet a NOx emission limit. The NOx emission limit for simple cycle gas turbines is 2.5 parts per million ("ppm") while the NOx emission limit for combined cycle gas turbines is 2.0 ppm. Under the rule, failure to meet the NOx limits by the January 1, 2024 compliance date would prohibit out-of-compliance generating units from operating. To comply with the SCAQMD Rule 1135 NOx limit of 2.5 ppm for simple cycle gas turbines, the existing selective catalytic reduction equipment for the Department's simple cycle combustion turbines at the Harbor Generating Station and the Valley Generating Station were tuned. To meet the SCAQMD Rule 1135 NOx limit of 2.0 ppm for combined cycle gas turbines, the combustors of the combined cycle gas turbines at the Harbor Generating Station were upgraded with dry low NOx combustors. The upgrade of the Harbor Generating Station's combined cycle gas turbine combustors began construction in October 2023 and completed commissioning in April 2024. The Harbor Generating Station's combined cycle unit is currently operational and is in compliance with the Rule 1135 NOx emission limit since its return to service in April 2024. The Department does not expect the modifications to have a material adverse effect on the operations or financial condition of the Power System. The remaining electric generating units at the Los Angeles Basin Stations either already meet the NOx limits or are exempt from the rule. On January 7, 2022, Rule 1135 was amended to reference startup and shutdown provisions as defined in SCAQMD Rule 429.2, which establishes requirements during startup and shutdown and exempts units regulated under Rule 1135 from NOx emission limits during startup and shutdown.

Regulatory Actions Under the Clean Air Act. The United States Environmental Protection Agency (the "EPA") regulates GHG emissions under existing law by imposing monitoring and reporting requirements, and through its permitting programs. Like other air pollutants, GHGs are regulated under the Clean Air Act through the Prevention of Significant Deterioration ("PSD") Permit Program and the Title V Permit Program. A PSD permit is required before commencement of construction of new major stationary sources or major modifications of a major stationary source and requires best available control technologies to control emissions from the new or modified stationary source. Title V permits are operating permits for major sources that consolidate all Clean Air Act requirements (arising, for example, under the Acid Rain, New Source Performance Standards, National Emission Standards for Hazardous Air Pollutants, and/or PSD programs) into a single document and the permit process provides for review of the documents by the EPA, state agencies and the public. GHGs from major natural gas-fired facilities are regulated under both permitting programs through performance standards imposing efficiency and emissions standards.

In May 2023, the EPA proposed new carbon pollution standards for coal and natural gas-fired power plants that would establish CO_2 emissions limits and guidelines for new gas-fired combustion turbines, existing coal, oil and gas-fired steam generating units, and certain existing gas-fired combustion turbines based on pollution control technology that could be installed at the plants, including technologies such as carbon capture

and sequestration/storage ("CCS"), low-GHG hydrogen co-firing, and natural gas co-firing. In February 2024, the EPA announced that it would remove the elements that would have applied to existing natural gas-fired power plants from the final version of the rule. Instead, the EPA stated that it would commence a new rulemaking process that would apply to existing natural gas-fired plants and regulate additional pollutants.

On April 25, 2024, the EPA released the final rule for existing coal-fired and new natural gas-fired power plants that would limit CO_2 emissions from existing coal-fired plants and new gas-fired combustion-turbine plants based on EPA's emissions guidelines. The final rule identified a standard of performance for CO_2 emissions reflecting the application of best systems emissions reduction (BSER), which EPA determined to be CCS with 90% capture of CO_2. Under the final rule, emissions standards and guidelines were established for different subcategories of power plants according to unit characteristics such as their generating technology, capacity, level of operations, and anticipated remaining operational life of the unit.

Coal-fired generating units that planned to cease operations prior to January 2032 were exempt from the final rule. Therefore, IPP's coal units would not be subject to the emission reduction obligations under the final rule. IPP's new natural gas units, which would be considered an existing natural gas-fired power plant, would also not be subject to this final rule but would be subject to the new rule expected to be developed for existing gas-fired combustion turbines.

On June 17, 2025, the EPA published a proposed rule to repeal existing greenhouse gas emissions standards for fossil fuel-fired power plants promulgated under Section 111 of the Clean Air Act, including both the new source performance standards enacted in 2015 and the CO_2 emissions standards for existing coal-fired and new natural gas-fired power plants established under the final rules enacted in 2024, effectively eliminating existing federal GHG emissions limits for new, modified and existing electric generating units. As an alternative, the EPA also proposed to eliminate a narrower set of requirements that would include eliminating the requirements for CCS on new baseload combustion turbines and modified coal-fired units and removing emission guidelines for existing fossil fuel-fired steam electric generating units, including particularly those encouraging or requiring co-firing. On July 29, 2025, the EPA further proposed to revoke the EPA's 2009 "endangerment finding" that CO_2 and other GHGs endanger public health and welfare. The 2009 endangerment finding served as the legal basis on which the EPA regulates GHG emissions from the power, oil and gas (and auto) sectors. On February 12, 2026, the EPA rescinded the 2009 endangerment finding. The outcome of these rulemakings being undertaken by the EPA in connection with its regulation of GHG emissions of power plants is not yet known.

See also "THE POWER SYSTEM – General," "– Department-Owned Generating Units," "– Jointly Owned Generating Units and Contracted Capacity Rights in Generating Units," "– Projected Capital Improvements," "– Energy Efficiency" and "– Renewable Power Initiatives."

Air Quality – Mercury. The Clean Air Act provides for a comprehensive program for the control of hazardous air pollutants ("HAPs"), including mercury. In February 2012, the EPA finalized a rule called the Mercury and Air Toxics Standards ("MATS") to reduce emissions of toxic air pollutants, including mercury, from coal- and oil-fired electric generating units, and subsequently amended the rule in 2013 and 2014. The MATS rule set technology-based emission limitation standards for mercury and other toxic air pollutants, based upon reductions available through the use of "maximum achievable control technology" at coal- and oil-fired electric generating units. The rule has minimal impact to IPP, the one remaining coal-fired plant that is a source of energy for the Department. IPP did not have to install control technology and EPA has deemed the IPP units as low-emitting electric generating units ("LEEs"). IPP is subject to periodic testing, work practice standards and recordkeeping requirements.

The State of Utah adopted minimum performance criteria for existing electric generating units and offset requirements for potential increases in mercury emissions from new or modified electric generating units. Utah's minimum performance criteria include a rule, effective January 1, 2012, that coal-fired power plants, such as IPP, meet a mercury emissions limit of 0.00000065 lb/MMBtu or have at least a 90% mercury removal efficiency. IPP complies with the Utah mercury standard.

In April 2023, the EPA published its proposed rule entitled "National Emission Standards for Hazardous Air Pollutants ("NESHAPs"): Coal- and Oil-Fired Electric Utility Steam Generating Units Review of the Residual Risk and Technology Review." The proposed rule establishes a lower mercury emissions standard for lignite coal, which does not apply to IPP. The rule also proposes to reduce the emissions standard for filterable particulate matter ("fPM") from 0.03 lb./MMBtu to 0.01 lb./MMBtu. In addition, it requires the owners and operators of existing coal-fired plants to only use a continuous emissions monitoring system ("CEMS") to demonstrate compliance with the new fPM standards. The EPA requested comments on the proposed rule, as well as on the possibility of reducing the compliance timeframe from three years to one year from the effective date.

On April 25, 2024, the EPA released the final NESHAPs rule (also referred to as the MATs rule) which finalized the proposed change to the fPM emission standard from 0.03 lb./MMBtu to 0.01 lb./MMBtu. The final rule also requires that existing coal and oil-fired units utilize CEMS to demonstrate compliance with the fPM emission standard. The compliance date for affected coal-fired sources to comply with the revised fPM limit is three years after the effective date of the final rule. With IPP replacing the coal units with natural gas-fired units by the end of 2025, IPP will not be subject to the more stringent requirements under the final MATS rule.

On June 17, 2025, the EPA published a proposed rule to repeal the final MATs rule regulating NESHAPs from existing coal and oil-fired units. The newly proposed rule would relax standards for filterable particulate matter, ease the technology requirements on power plants to demonstrate compliance, and would raise the limit of mercury emissions allowable from lignite-fired plants. On December 23, 2025, the EPA submitted a draft of the final action to the Office of Management and Budget for interagency review. The EPA finalized the rule on February 19, 2026.

SCAQMD Air Quality Management Plan. The SCAQMD periodically prepares an overall plan, known as an Air Quality Management Plan (the "AQMP"), which include control measures to meet federal air quality standards and incorporate the latest technical planning information. The AQMP is a regional and multi-agency effort. In 2021, the Department participated in the stakeholder working group meetings dedicated to the development of the 2022 AQMP and the rules and rule amendments to implement the control measures included in the 2022 AQMP that could potentially impact the Department's operations. In December 2, 2022, the SCAQMD Board approved the 2022 AQMP, which aims for a 45% reduction in NOx emissions through this plan. In January 2023, CARB adopted the SCAQMD 2022 AQMP, and directed staff to submit the 2022 AQMP to the EPA as a revision to the California State Implementation Plan to achieve the federal air quality standard for ozone. As called for in the 2022 AQMP, SCAQMD has initiated separate rulemaking processes addressing the different proposed control measures cited in the AQMP, which are ongoing.

Water Quality – Cooling Water Process.

General. A cooling process is necessary for nearly every type of steam turbine electrical generating station. Once-through-cooling is the process where water is drawn from a source, pumped through equipment at a power plant to provide cooling and then discharged. In once-through-cooling, the water is not chemically changed in the cooling process; however, the water temperature can increase. The water drawn into the intake and the thermal discharges are regulated by the federal Clean Water Act and similar state law.

EPA Requirements. A final regulation implementing Section 316(b) of the Clean Water Act ("Rule 316(b)") addresses the impacts of water intake by once-through-cooling systems. Rule 316(b) affects intake structures for power generating facilities that withdraw more than two million gallons per day for cooling purposes. The Department has determined it will comply with impingement mortality ("IM") and entrainment mortality ("EM") by replacing once-through-cooling with other technology by the deadline of 2029 negotiated with the SWRCB.

State Water Resources Control Board. The SWRCB established a separate statewide policy with respect to the Clean Water Act Section 316(b) in 2010 published as Section 2922 of Title 23 of the California Code of Regulations ("Regulation Section 2922"). The regulation generally requires all facilities subject to the Clean

Water Act Section 316(b) to either use closed cycle cooling or flow reduction commensurate to that of wet closed cycle. The Department owns three coastal generating stations that utilize once-through-cooling, that provide approximately 85% of the Department's in-basin generation and 39% of the total generating plant capacity owned by the Department, which are subject to Regulation Section 2922.

In July 2011, the SWRCB adopted an amendment to Regulation Section 2922 that accelerated the compliance dates for three coastal units and extended the compliance dates until 2024 for two coastal units and 2029 for the remaining four coastal units. In August 2023, the SWRCB adopted another amendment, extending the compliance date for the two units with a December 31, 2024 deadline to December 31, 2029. The new compliance schedule allows for both grid reliability and a financially sustainable path forward while making the equipment upgrades necessary to remove the coastal generating stations' units from utilizing once-through-cooling, shifting the focus from repowering to clean energy alternatives.

Regional Requirements – Thermal Discharges at Harbor Generating Station and Haynes Generating Station. The SWRCB's Water Quality Control Plan for Control of Temperature in the Coastal and Interstate Waters and Enclosed Bay and Estuaries of California (the "California Thermal Plan") has different thermal criteria for discharges into estuaries and bays than it does for discharges into the ocean. The water discharges from Harbor Generating Station and Haynes Generating Station were originally permitted as ocean discharges. In January 2003, however, the Los Angeles Regional Water Quality Control Board ("LARWQCB") informed the Department that it (i) it reclassified the Harbor Generating Station discharge as an enclosed bay discharge and that (ii) it intends to reclassify the Haynes Generating Station discharge as an estuary discharge during the next permit renewal. The Harbor Generating Station NPDES permit was renewed by the LARWQCB in July 2003, with the new enclosed bay classification and the associated, more stringent, permit limits. Based on the notice of intent to reclassify the Haynes Generating Station discharge and planned changes to be made to the Haynes Generating Station's flow volume, the Department has completed a hydrological model of the Lower San Gabriel River. Haynes discharges into the San Gabriel River, which in turn flows into the ocean. The hydrological study concluded that the estuary classification does not reflect current site conditions with the operation of the existing power plants. However, the LARWQCB stated that for regulatory purposes, the Lower San Gabriel River would likely represent an estuary. With this designation, the Haynes Generating Station would be unable to comply with the California Thermal Plan and other permit conditions without a permit variance. If the Department is unable to obtain a permit variance, the Haynes Generating Station facility could be limited or unable to operate. The LARWQCB has recognized the need to continue utilizing once-through cooling at the Haynes Generating Station through 2029 for electric grid reliability and is currently working with the Department on a solution for all discharge issues associated with the estuary designation, which could include the issuance of a variance or time schedule order (TSO).

Superfund. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, as well as State statutes, impose strict liability for cleanup costs upon those who generate or dispose of hazardous substances and hazardous wastes. The Department's past disposal practices may result in Superfund liability as previously approved disposal methods or sites become candidates for Superfund classification. In addition, under these statutes, the Department may be held liable for cleanup activities on property that it owns and operates, even if the conditions requiring cleanup existed before the Department's occupancy of a site. As a result, the Department may incur substantial, but presently unknown, costs as a participant in the cleanup of sites contaminated with hazardous substances or wastes.

Coal Combustion Residuals. In April 2015, the EPA promulgated the final coal combustion residuals ("CCR") rule, which regulates the disposal and management of CCRs as non-hazardous under Subtitle D of the Resource Conservation and Recovery Act ("RCRA"). The final CCR rule became effective in October 2015.

Under the CCR rule, existing impoundments for managing CCR must either cease accepting CCR materials as of the rule's effective date, or implement a variety of measures to ensure that such facilities will not result in releases to the environment. One such requirement is that all such facilities be retrofitted with liners that are intended to prevent the migration to groundwater of contaminants found in CCR. In addition, the rule

requires monitoring of groundwater to determine whether releases have occurred, and to contain or clean up any such releases that are discovered.

The IPP utilizes impoundments (ponds and landfills) for the management of CCR that are subject to the CCR rule. The IPP has met all compliance requirements for the new CCR rule including: setting up a public website and posting CCR operating records, developing new groundwater monitoring wells and sampling plans, sampling groundwater wells quarterly, and developing and implementing a fugitive dust monitoring plan.

The Department believes that the IPP's CCR management facilities may not meet the design criteria required for surface impoundments and that releases of certain contaminants have occurred from the current, unlined impoundments. The Department understands that IPA has made notification that IPP will cease operations of the coal-fired boilers and switch to another fuel source for generation by 2028.

The Department estimated the IPP's cost of compliance with the final CCR rule (implementing the closure standards set forth in IPA's demonstration described below) to fall within the range of $55 million to $70 million (in 2019 dollars). The work to implement closure is expected to be complete in 2028 (except for long-term monitoring and maintenance, which would last approximately 30 years after closure). Of this total cost, the Power System would be responsible for a percentage equal to its total use of energy produced by IPP. For more information about IPP, see "THE POWER SYSTEM – Jointly-Owned Generating Units and Contracted Capacity Rights in Generating Units – *Intermountain Power Project*."

In November 2019, the EPA proposed revisions (Part A) to the CCR rule. The proposed revisions focused on closure requirements for impoundments and landfills. IPA had earlier opted to comply with the alternate closure requirement as provided in the original CCR rule. The 2019 revisions included additional requirements to obtain approval from the EPA to close impoundments in accordance with the alternate closure procedures. The 2019 revisions required a demonstration that includes a plan to mitigate potential risk to human health and environmental from CCR surface impoundments. The 2019 Part A revisions were finalized and published in the Federal Register in August 2020. On November 30, 2020, IPA submitted a request to the EPA that it meet the alternate closure procedures as described in the regulations. The EPA confirmed that IPP's demonstration was complete on January 11, 2022; however, as of November 30, 2025, the EPA had not yet made a substantive determination on IPP's demonstration submission. Nonetheless, the April 2021 deadline to cease receipt of waste that would otherwise apply to the impoundments is tolled under the regulations because the IPP submitted a timely demonstration.

In February 2020, the EPA proposed a federal CCR permit program. Currently, the CCR rule is self-implementing (aside from the EPA approval required for Part A, as described above) and is enforced primarily though citizen suits which are decided in federal district courts. This program would not change the provisions of the regulations but the EPA will be able to review, approve, issue, and enforce the CCR regulations through the permit program. The EPA carried out an extended public comment period on the proposed program that closed in August 2020, but as of November 30, 2025, the program had not been finalized.

In 2024, the EPA finalized revisions (Part B) to the CCR rule that included provisions to demonstrate equivalent alternate liners, using CCR for closing impoundments, and completion of closure by removal during post-closure care period. Those revisions do not impact IPA's plan to follow alternate closure requirements.

Utah Senate Bill 161 and House Bill 3004. The Utah Legislature enacted Utah Senate Bill 161 ("Utah S.B. 161") in its 2024 General Session, which became effective on May 1, 2024. The reported purpose of Utah S.B. 161 was to induce IPA to amend IPA's environmental permits to provide for the operation of at least one of the IPP coal-fired units after July 1, 2025, the date by which IPA was to have ceased operation of the IPP coal units permanently. The coal units ceased operation in late November 2025. Utah S.B. 161 also required IPA to grant an option to the State of Utah for the purchase of at least one of the IPP coal-fired units with such option to be effective for two years starting on July 2, 2025. Following the enactment of Utah S.B. 161, the governor of Utah called a special session of the Utah Legislature resulting in the enactment of Utah House Bill 3004 ("Utah H.B. 3004"), which became effective on June 21, 2024. Utah H.B. 3004 repealed the provisions of Utah

S.B. 161 relating to IPA amending its environmental permits. IPA's obligation to provide the purchase option to the State with respect to one of the IPP coal-fired units remained; however, Utah H.B. 3004 also directed a state agency, the Decommissioned Asset Disposition Authority (the "Utah Disposition Authority"), to submit an application to amend IPA's air permit to allow for a coal unit to operate after July 1, 2025. Utah H.B. 3004 also directed environmental regulators in the State of Utah to determine whether such an application would be granted if submitted by IPA. The Utah Disposition Authority was also directed to determine the regulatory and commercial feasibility of operating an IPP coal unit after July 1, 2025, and to conduct a process for soliciting bids from qualified purchasers for the coal unit.

The Utah Disposition Authority submitted its air application with respect to the coal units by December 31, 2024, proposing to amend the provisions of IPA's existing permit that require the coal units to cease operation following commercial operation of the IPP natural gas units. The application contemplated operation of the natural gas units at 100% of their design capacity and operation of the coal units at a 60% capacity factor. In a letter dated January 22, 2025, the State of Utah reported to the Utah Disposition Authority that, if officially submitted by IPA, the State of Utah "could approve a similar application based on the information included" in the application submitted by the Utah Disposition Authority.

Prior to the enactment of H.B. 3004, IPA stated that Utah S.B. 161 purported to create obligations for IPA that were inconsistent with IPA's obligations under federal regulations and the IPP construction and operating permits issued under federal law. In public testimony with respect to Utah H.B. 3004, IPA management stated that the new bill made some important adjustments to the legislation and moved things in the right direction. Pursuant to Utah S.B. 161, IPA did grant to the State of Utah an option to purchase the coal units and related assets specified in the bill. IPA has indicated that it is continuing to determine the extent of the impacts of Utah S.B. 161, as modified by Utah H.B. 3004, and to identify the appropriate course of action in response to this Utah legislation. The Department cannot predict the impacts of such legislation on the future operation of the IPP repowering project.

Although Utah law did not explicitly require IPA to submit such an application, in light of the Utah Legislature's stated intent to preserve the coal units for future operation, and demonstrated willingness to take action if IPA did not submit such an application, IPA submitted an application to amend its existing permit to construct the natural gas units as part of the IPP repowering project to allow the coal units to resume operation at a date after the natural gas units commence commercial operation. Utah House Bill 70 (discussed below) provides, however, that even after issuance of such an amended permit, the existing permit, including the requirement that the coal units cease operation and be placed in maintenance status, will remain in effect during the period that ends upon the earlier of when IPA sells the coal units or both (i) the resolution of all administrative and judicial challenges to the amended permit and (ii) the expiration of the applicable limitations period to file such challenges. Accordingly, IPA has indicated that it does not anticipate that the coal units will resume operation while IPA continues to own the coal units. In fact, Utah House Bill 70 relieves IPA of any obligation to commence operation of either coal unit during such period and contemplates that the Utah Energy Council, as established by that bill, will take title to and contract with a third party for the operation of one or both of the coal units.

On October 3, 2025, the Utah Department of Air Quality issued a permit to IPA that, in substance, approved IPA's amendment application. On October 31, 2025, the Sierra Club and Healthy Environment Alliance of Utah filed an administrative appeal before the Utah Department of Environmental Quality challenging the issuance of the permit. IPA is a party to the appeal by operation of Utah law. Briefing on the matter is ongoing. IPA has indicated that it is still assessing the potential impact of the appeal.

Utah H.B. 70. During its 2025 General Session, the Utah Legislature enacted Utah House Bill 70 ("Utah H.B. 70"). The bill became effective on March 24, 2025.

The bill requires IPA to maintain, indefinitely (i) power to station service for both of the coal units, (ii) an ongoing connection of one of its coal units to the IPP Switchyard, and (iii) interconnection and switchyard facilities that will allow the remaining coal unit to be interconnected with the IPP Switchyard without the need

for a new interconnection request. Utah H.B. 70 also creates the Utah Energy Council for, among other purposes, the purposes of taking title to one or both of the coal units and assuming operational responsibility for each coal unit it acquires from IPA. Utah H.B. 70 also repeals the provisions of the Utah Code establishing the Utah Disposition Authority (effectively dissolving the Utah Disposition Authority) and the provisions specifying the functions that the Utah Disposition Authority was to have performed.

IPA is working with engineering personnel to reconfigure the proposed connections of synchronous condensers to the IPP Switchyard (connecting three synchronous condensers to the IPP Switchyard at one point of interconnection as opposed to two synchronous condensers at one point of interconnection and one synchronous condenser at another). IPA is constructing the synchronous condenser facilities to provide sufficient spinning mass to allow for operation of the natural gas units as designed and to maintain the rating of IPA's transmission facilities. IPA has indicated that it believes that it will be able to comply with the requirements of Utah H.B. 70, though such requirements will result in additional costs to IPA and will diminish the redundancy that would have resulted from having two points of interconnection for the synchronous condensers to the IPP Switchyard. IPA is continuing to evaluate the future impacts of complying with Utah H.B. 70.

Electric and Magnetic Fields. A number of studies have been conducted regarding the potential long-term health effects resulting from exposure to electric and magnetic fields created by high voltage transmission and distribution equipment. Additional studies are being conducted to determine the relationship between electric and magnetic fields and certain adverse health effects, if any. At this time, it is not possible to predict the extent of the costs and other impacts, if any, which the electric and magnetic fields concerns may have on electric utilities, including the Department.

For additional information regarding environmental matters, see "THE POWER SYSTEM – Jointly-Owned Generating Units and Contracted Capacity Rights in Generating Units – *Hoover Power Plant – Environmental Considerations" and " – Palo Verde Nuclear Generating Station – Nuclear Waste Storage and Disposal*."

Energy Regulatory Factors

Developments in the California Energy Market. In the late 1990s, the State restructured its electricity market so that regulated retail suppliers were required to purchase their customers' supply needs through a centralized, wholesale market. During portions of 2000 and 2001, wholesale market prices in the State became highly volatile. The volatility in wholesale prices that the State experienced in 2000 and 2001 was due to a number of factors, including flaws in the structure of the wholesale market and unlawful manipulation of the wholesale market. As discussed below, the wholesale market in the State has since been redesigned, and Congress has established mechanics for policing wholesale markets.

Volatility in electricity prices in the State may nevertheless return due to a variety of factors that affect the supply and demand for electric energy in the western United States. These factors include, but are not limited to, the adequacy of generation resources to meet peak demands, the availability and cost of renewable energy, the impact of GHG emission legislation and regulations, fuel costs and availability, weather effects on customer demand, the impact of climate change, wildfire mitigation and potential liability cost recovery, insurance costs, transmission congestion, the strength of the economy in the State and surrounding states and levels of hydroelectric generation within the region (including the Pacific Northwest). Volatility in electricity prices may contribute to greater volatility in the Power System's Power Revenue Fund from the sale (and purchase) of electric energy and, therefore, could materially affect the financial condition of the Power System. To mitigate price volatility and the Department's exposure on the spot market, the Department undertakes resource planning activities and plans for its resource needs. Of particular note, the Department has power supply contracts and other arrangements relating to its system supply of power that are of specified durations. See "THE POWER SYSTEM – Generation and Power Supply."

Energy Policy Act of 1992. The Energy Policy Act of 1992 ("EPAct 1992") made fundamental changes in federal regulation of the electric utility industry, particularly in the area of transmission access under sections

211, 212 and 213 of the Federal Power Act, 16 U.S.C. § 791a et seq. The purpose of these changes, in part, was to bring about increased competition among wholesale suppliers. As amended, sections 211, 212 and 213 authorize FERC to compel a transmission provider to provide transmission service upon application by an electricity supplier. FERC's authority includes the authority to compel the enlargement of transmission capacity as necessary to provide the service. The service must be provided at rates, charges, terms and conditions that are set by FERC. Electric utilities that are owned by municipalities or other public agencies are "transmitting utilities" that may be subject to an order under sections 211, 212 and 213. EPAct 1992 prohibits FERC from requiring "retail wheeling" under which a retail customer that was located in one utility's service area could obtain electricity from another source. An order by FERC to provide transmission might adversely affect the Power System by, and among other things, increasing the Department's cost of owning and operating transmission facilities and/or by reducing the availability of the Department's transmission resources for the Department's own use.

Energy Policy Act of 2005. The Energy Policy Act of 2005 ("EPAct 2005") addresses a wide array of matters that affect the entire electric utility industry, including the Department.

Subject to certain conditions and limitations, EPAct 2005 authorizes FERC to require an unregulated transmitting utility such as the Department to provide electric transmission services at rates that are comparable to those that the unregulated transmitting utility charges itself; and on terms and conditions (not relating to rates) that are comparable to those under which the unregulated transmitting utility provides transmission services to itself and that are not unduly discriminatory or preferential. FERC may compel open access in this context unless the order would violate a private activity bond rule for purposes of section 141 of the Code (as defined below). To date, FERC has chosen to exercise its authority on a case-by-case approach. Additionally, FERC has the authority to require the provision of transmission services in response to specific requests for service. See "ELECTRIC RATES – Rate Regulation." Furthermore, should the Department purchase transmission services from a public utility, as defined in the Federal Power Act, pursuant to the terms and conditions of FERC's *pro forma* OATT, the *pro forma* OATT requires the Department to provide the transmission provider it is purchasing transmission services from, comparable transmission service that it is capable of providing on similar terms and conditions over facilities and for the transmission of electric energy.

EPAct 2005 provides for criminal penalties for manipulative energy trading practices.

EPAct 2005 repealed the Public Utility Holding Company Act of 1935, which prohibited certain mergers and consolidations involving electric utilities. EPAct 2005 gives FERC and state regulators access to books and records within holding companies that include regulated public utilities. In addition, FERC may oversee inter-affiliate transactions within such holding company systems. These provisions of EPAct 2005 are referred to as "PUHCA 2005." PUHCA 2005 does not apply to the Department but generally accommodates more combinations of assets within the electric utility industry.

EPAct 2005 requires the creation of national and regional electric reliability organizations to establish and enforce, under FERC's supervision, mandatory standards for the reliable operation of the bulk power system. The standards are designed to increase system reliability and to minimize blackouts. FERC has designated NERC as the national electric reliability organization. FERC has designated WECC as the regional reliability organization for utilities in the West, including the Department. Failure to comply with NERC and WECC standards exposes a utility such as the Department to penalties. NERC and WECC audit the Department's compliance with the reliability standards once every three years and, as indicated above, impose penalties for non-compliance. The Department has from time to time fallen short in meeting its regulatory and reporting requirements on a timely basis and either has self-reported or responded to audit findings from WECC. The Department does not believe that pending reporting and audit matters will have a material adverse effect on the Department's operations or financial position.

Under EPAct 2005, State IOUs were required to offer, to each of their classes of customers, a time-based rate schedule that would enable customers to manage their energy use through advanced metering and communications technology.

EPAct 2005 authorizes FERC to compel the siting of certain transmission lines if FERC determines that a state has unreasonably withheld approval.

EPAct 2005 promotes increased imports of liquefied natural gas and includes incentives to support the development of renewable energy technologies. EPAct 2005 also extends for 20 years the Price-Anderson Act, which provides certain protection from liability for nuclear power issues and provides incentives for the construction of new nuclear plants.

FERC Order 1920. On May 13, 2024, FERC issued Order No. 1920 ("Order 1920") to reform the planning of the nation's transmission system as well as the allocation of costs for new transmission projects. Order 1920, among other things, requires public utility (jurisdictional) transmission providers to conduct and periodically update long-term regional transmission planning to anticipate future needs, consider a broad set of benefits when planning new facilities, identify opportunities to modify in-kind replacement of existing transmission facilities to increase their transfer capability, propose methods of cost allocation to pay for selected long-term regional transmission facilities, and increase transparency regarding local transmission planning information. Order 1920 expands the role of states throughout the process of planning, selecting and determining how to pay for new transmission facilities. On November 21, 2024, FERC issued Order No. 1920-A, revising its original Order 1920 in response to numerous requests for rehearing and clarification. The revisions to Order 1920 provide state regulators with a larger role in the long-term regional transmission planning process, particularly in shaping scenario development and cost allocation, by requiring transmission providers to include state input about how future scenarios in the long-term regional transmission planning will be developed and to include any state-agreed cost allocation proposals in their compliance plans. Order 1920 reflects input FERC sought from interested parties on a variety of reforms aimed at expanding the nation's transmission grid to accommodate the surge of renewable generation expected in the next two decades to achieve aggressive decarbonization goals of the federal Administration in place at that time and many states. As a municipal utility actively participating in the WestConnect regional transmission planning process, the Department has expressed its support of long-term regional transmission planning and its intent, in collaboration with WestConnect, to adhere to the principles of Order 1920. The Department is evaluating the implications of Order 1920 with respect to the transmission planning processes of the Power System.

Future Regulation of the Electric Utility Industry. The electric utility industry is highly regulated and is also regularly subject to reform. Significant reforms and proposals in recent years have been aimed at reducing emissions of GHGs from combustion of fossil fuels and reducing impacts from using ocean water for power plant cooling. The Department is unable to predict future reforms to the electric utility industry or the ultimate impact on the Department of recent reforms and proposals. In particular, the Department is unable to predict the outcome of proposals on reducing GHG emissions and the associated impact on the operations and finances of the Power System or the electric utility industry.

Changing Laws, Energy Policies and Requirements

On both the state and federal levels, legislation is introduced frequently addressing domestic energy policies and various environmental matters relating to energy, including the generation of energy using conventional and unconventional technologies. Issues raised in recent legislative proposals have included implementation of energy efficiency and renewable energy standards, addressing transmission planning, siting and cost allocation to support the construction of renewable energy facilities, cyber-security legislation that would allow FERC to issue interim measures to protect critical electric infrastructure, and renewable energy incentives that could provide grants and credits to municipal utilities to invest in renewable energy infrastructure. Congress has also considered other bills relating to energy supplies and development (such as expedited permitting for natural gas drilling projects, reducing regulatory burdens, climate change and water quality).

The Department is unable to predict at this time whether any of these or other legislative proposals will be enacted into law and, if so, the impact they may have on the operations and finances of the Power System or on the electric utility industry in general.

The election of new officials and Administrations can also impact substantially the current environmental standards and regulations and other matters described herein. For example, since taking office in January 2025, the President of the United States has issued a series of executive orders affecting national energy policies and energy infrastructure. Among other things, such executive orders revoke a number of executive actions taken by the prior federal Administration, including revoking certain executive orders of the prior Administration relating to climate change and clean energy, requiring federal agencies to review all federal government actions taken pursuant to the revoked orders and to take necessary steps to rescind, replace or amend such actions. Such executive orders further directed an immediate pause of funding allocated to infrastructure projects under the Infrastructure Investment and Jobs Act of 2021 and the IRA during a 90-day review period. On July 4, 2025, the President signed the "One Big Beautiful Bill Act," that is expected to significantly impact the IRA's clean energy tax credits, effectively accelerating their repeal or significantly restricting them, especially those related to electric vehicles and clean electricity production. A presidential executive order has also been issued directing the heads of all federal agencies to review all agency actions affecting the development of domestic energy resources, such as oil, natural gas, coal, hydropower, biofuels, critical mineral, and nuclear energy, and within 30 days of identifying any agency action that unduly burdens the production of domestic energy resources, to develop and begin action plans to rescind or revise the agency actions. Further, the agencies were directed to notify the Attorney General so that appropriate action may be taken in any pending litigation, including the request of a stay, related to the identified agency action. A subsequent executive order issued in April 2025 instructs the Attorney General to identify and take certain actions to limit the enforcement of state and local laws, regulations, causes of action, policies, and practices burdening the development, production or use of domestic energy resources that are determined to be unconstitutional, preempted by federal law, or otherwise unenforceable, prioritizing those relating to climate change, environmental, social and governance initiatives, environmental justice, carbon or greenhouse gas emissions, and funds to collect carbon penalties or carbon taxes. Such executive order specifically identifies California's cap-and-trade program as fundamentally irreconcilable with the federal Administration's energy objectives. Another executive order directs the Secretary of Energy to establish a protocol to identify regional generation sources critical to system reliability and to prevent an identified generation resource in excess of 50 megawatts of nameplate capacity from leaving the bulk-power system or converting the source of fuel (if conversion would result in reduction of generating capacity). A number of legislative, regulatory and other actions have been taken by federal agencies pursuant to such executive orders. Certain of these actions have been the subject of judicial challenges. The Department cannot predict the outcome of these executive orders and federal actions or the impact of any future changes in the policies of the federal Administration.

In addition to state and federal legislation, citizen initiatives in the State can lead and have led to substantial restrictions upon governmental agencies, both in terms of raising revenue and management of governmental entities generally. Articles XIII C and XIII D of the State's constitution provided limits on the ability of governmental agencies to increase certain fees and charges. Such articles were adopted pursuant to measures qualified for the ballot pursuant to the State's constitutional initiative process. See also "ELECTRIC RATES – Rate Setting – Proposition 26."

In addition, from time to time other initiative measures could be adopted by State voters, which may place limitations on the ability of the Department to increase revenues. Such initiatives may purport to be retroactive.

Security of the Power System

The Department has a variety of physical security measures in place, as well as a cybersecurity program, aimed at protecting the assets of the Power System and the technological systems utilized in the delivery of electric power service to its customers. The Department operates a 24/7 operations center and regularly plans for emergency situations and develops response protocols.

Elements of the Department's cybersecurity program include ongoing monitoring, regular staff training and a robust defense-in-depth strategy, as well as other cybersecurity and operational safeguards such as

performance of periodic security risk assessments and gap analyses to identify security strengths and vulnerabilities; practices for the backup and recovery of data; security awareness training, and response plans.

The Department also collaborates with federal and state partners and other public and private third parties to assess vulnerabilities, share information and actively detect and manage risks. However, there can be no assurance that any existing or additional safety and security measures will prove adequate in the event that cyberattacks or military conflicts or terrorist activities (including cyber terrorism) are directed against the Power System.

Attacks, especially zero-day exploits directed at critical electric sector operations could damage generation, transmission or distribution assets, cause operational malfunctions and outages, and result in costly recovery and remediation efforts. Further, cyberattacks are becoming more sophisticated and certain cyber incidents, such as surveillance, may remain undetected for an extended period. United States government agencies have in the past issued warnings indicating that critical infrastructure sectors such as the electric grid may be specific targets of cybersecurity threats. The costs of security measures or of remedying physical and/or cybersecurity breaches could be material.

Seismic Activity; Natural Disasters

Seismic Considerations. The City and the Owens River and Mono Basin areas are located in regions of seismic activity. The principal earthquake fault in the Los Angeles area is the San Andreas Fault, which extends an estimated 700 miles from north of the San Francisco area to the Salton Sea. At its nearest point to the City, the San Andreas Fault is about 35 miles north of the Los Angeles Civic Center.

In March 2015, the Uniform California Earthquake Rupture Forecast (the "2015 Earthquake Forecast") was issued by the Working Group on California Earthquake Probabilities. Organizations sponsoring the Working Group on California Earthquake Probabilities include the U.S. Geological Survey, the California Geological Survey, the Southern California Earthquake Center and the California Earthquake Authority. According to the 2015 Earthquake Forecast, the probability of a magnitude 6.7 or larger earthquake over the next 30 years (from 2014) striking the greater Los Angeles area is 60%. From the Uniform California Earthquake Rupture Forecast published in April 2008 (the "2008 Earthquake Forecast"), the estimated rate of earthquakes around magnitude 6.7 or larger decreased by about 30%. However, the estimate for the likelihood that the State will experience a magnitude 8.0 or larger earthquake in the next 30 years (from 2014) increased from about 4.7% in the 2008 Earthquake Forecast to about 7.0% in the 2015 Earthquake Forecast. The 2015 Earthquake Forecast considered more than 250,000 different fault-based earthquakes, including multi-fault ruptures, whereas the 2008 Earthquake Forecast considered approximately 10,000 different fault-based earthquakes.

While it is impossible to accurately predict the cost or effect of a major earthquake on the Power System or to predict the effect of such an earthquake on the Department's ability to provide continued uninterrupted service to all parts of the Department's service area, there have been various studies conducted to assist the Department in assessing seismic risks. Based on these studies, the Department completed numerous projects designed to mitigate seismic risks and seismically strengthen Power System infrastructure and facilities. Projects include landslide repairs and bank replacements, the placement of spare transformers and the installation of generating peaking units at the Valley Generating Station and Haynes Generating Station to provide peaking capacity and the ability for generating units to go from a shutdown condition to an operating condition and start delivering power without assistance from the power grid. No studies have been conducted or commissioned by the Department outside of the State. See "GENERAL – Insurance."

Natural Disasters Generally. California is subject to geotechnical and extreme weather conditions which represent potential safety hazards, including expansive soils, wildfires, floods, high winds and areas of potential liquefaction and landslide. Identified hazards that pose a risk to the City include, but are not limited to, earthquake, adverse weather, drought, flood, coastal flood and erosion, tsunamis, wildfires, and sea-level rise. Natural disasters, severe weather-related events (which have become increasingly common), or man-made disasters or accidents, could cause significant damage to or failure of Power System infrastructure or otherwise

interrupt operation of the Power System and thereby impair the ability of the Department to generate revenues. The severity and/or frequency of natural disaster occurrences may be exacerbated by the impacts of climate change.

See "GENERAL – Los Angeles 2025 Wildfire Event" for information regarding the wildfire and windstorm event that occurred in the City in January 2025. See also "LITIGATION – Litigation Against the City and the Department Related to the Los Angeles 2025 Wildfire Event."

Global Health Emergencies; COVID-19 Pandemic

A pandemic, epidemic or outbreak of an infectious disease can have significant adverse health and financial impacts on global and local economies. For example, beginning in 2020, the COVID-19 pandemic negatively affected economic activity throughout the world, including the United States and the State of California. The initial impacts of stay-at home orders globally were unprecedented, with commerce, travel, asset values and financial markets experiencing disruptions worldwide. The COVID-19 pandemic impacted the Department in certain respects; however, there was not a material adverse impact to the Power System's operations or its ability to meet its financial obligations as a result of the COVID-19 pandemic. Certain employees of electric and water utility systems, like the Department, are considered essential workers and were exempt from the "stay at home" and "safer at home" orders issued by the State, the County and the City, and therefore, the Department continued to fully provide power and water services to its customers throughout the pandemic. In response to the COVID-19 outbreak, the Department implemented a number of temporary measures intended to mitigate operational and financial impacts to the Department, and to assist the Department's customers. In light of the measures taken by the Department to mitigate the economic impact of COVID-19 on its customers, including extended payment options and deferrals of disconnections of water and power services for non-payment, the Department has experienced and may continue to experience an increase in delinquent accounts and increase of uncollectible accounts. See "ELECTRIC RATES – Billings and Collections – *COVID-19 Effects*."

The declarations of the COVID-19 pandemic as a public health emergency have been lifted. However, future pandemics and other widespread public health emergencies may arise from time to time. No assurance can be given that the operations or finances of the Power System will not be negatively affected in the event that the pandemic and its consequences again become more severe or another national or localized outbreak of highly contagious or epidemic disease occurs in the future.

Other General Factors

The electric utility industry in general has been, or in the future may be, affected by a number of factors which could impact the financial condition and competitiveness of many electric utilities, including the Department, and the level of utilization of generation and transmission facilities. Such factors (a number of which are further discussed elsewhere herein), include, among others:

- Effects of compliance with rapidly changing environmental, safety, licensing, regulatory and legislative requirements;
- Changes resulting from conservation and demand side management programs on the timing and use of energy;
- Effects on the integration and reliability of the power supply from the increased usage of renewables;
- Changes resulting from a national energy policy;
- Effects of competition from other electric utilities (including increased competition resulting from mergers, acquisitions and strategic alliances of competing electric and natural gas utilities

and from competitive transmitting of less expensive electricity from much greater distances over an interconnected system) and new methods of, and new facilities for, producing low-cost electricity;

- The repeal of certain federal statutes that would have the effect of increasing the competitiveness of many investor-owned utilities;
- Increased competition from independent power producers and marketers, brokers and federal power marketing agencies;
- "Self-generation" or "distributed generation" (such as microturbines, fuel cells, and solar installations) by industrial and commercial customers and others;
- Issues relating to the ability to issue tax-exempt obligations, including restrictions on the ability to sell to nongovernmental entities electricity from generation projects and transmission line service from transmission projects financed with outstanding tax-exempt obligations;
- Effects of inflation on the operating and maintenance costs of an electric utility and its facilities;
- Impacts of tariff-related volatility on the pricing and availability of components used in the Department's operations and capital projects that may affect costs and procurement schedules;
- Changes from projected future load requirements;
- Increases in costs and uncertain availability of capital;
- Shifts in the availability and relative costs of different fuels (including the cost of natural gas and coal);
- Financial difficulties, including bankruptcy, of fuel suppliers, or renewable energy suppliers, and other electric market participants;
- Changes in the electric market structure for neighboring electric grids such as the EIM operated by the Cal ISO;
- Sudden and dramatic increases in the price of energy purchased on the open market that may occur in times of high peak demand in an area of the country experiencing such high peak demand, such as has occurred in the State;
- Inadequate risk management procedures and practices with respect to, among other things, the purchase and sale of energy and transmission capacity;
- Other legislative changes, voter initiatives, referenda and statewide propositions;
- Effects of changes in the economy, population and demand of customers in the Department's service area;
- Effects of possible manipulation of the electric markets;
- Acts of terrorism or cyberterrorism;
- Impacts of climate change;

- The outbreak of another infectious disease such as the COVID-19 pandemic impacting the global, national or local economy or a utility's service area;

- Impacts of natural disasters or other physical calamities, including but not limited to, earthquakes, floods and wildfires, and potential liabilities of electric utilities in connection therewith;

- Adverse impacts to the market for insurance relating to recent wildfires and other calamities, leading to higher costs or prohibitively expensive coverage, or limited or unavailability of coverage for certain types of risk; and

- Legislation or court actions allowing City residents and/or businesses to purchase power from sources outside the Department.

Any of these factors (as well as other factors) could have an adverse effect on the financial condition of any given electric utility, including the Department.

LITIGATION

Litigation Against the City and the Department Related to the Los Angeles 2025 Wildfire Event

Several hundred lawsuits have been filed, including two putative class actions against the City, the Department, and other entities by people claiming damage from the Palisades Fire. Additional lawsuits continue to be filed. The lawsuits are pending in the Los Angeles Superior Court. The two cases filed as putative class actions were filed on behalf of a putative class of all individuals and entities in the areas impacted by the Palisades Fire who suffered property damage, loss of use, evacuation, or other harm as a result of the Palisades Fire. The putative class actions are currently stayed.

Pursuant to an order of the judge overseeing the litigation, on October 8, 2025, individual plaintiffs liaison counsel (i.e., counsel appointed to organize the individual plaintiffs) filed the Master Complaint containing allegations that are intended to be common to some or all of the cases. Plaintiffs later filed a Revised Master Complaint in December 2025 to correct minor errors in the original filing. The operative Revised Master Complaint generally alleges claims related to the Water System, the Power System and clearance of brush from City-owned lots. The Revised Master Complaint also alleges that the Palisades Fire was foreseeable in light of data about the history of fires in the area, current fire risk and weather. With respect to the Water System, the Revised Master Complaint alleges that the Department failed to properly maintain its water system for the purpose of fighting fires (and specifically that it failed to properly maintain the Santa Ynez Reservoir and, in certain of such cases, the Chautauqua Reservoir) and that the Department chose to design its water system for urban use, not to fight wildfires. With respect to the Power System, the Revised Master Complaint alleges that the fire ignited, power poles broke and the Department did not de-energize its distribution and transmission electrical facilities, which resulted in its overhead power lines arcing and causing additional spot fires that merged with the main fire. As to both the Power System and the Water System, the Revised Master Complaint asserts claims for inverse condemnation. The doctrine of inverse condemnation is a "takings clause" cause of action under the State and federal constitutions that entitles property owners to just compensation if their private property is damaged by a public use. California courts have imposed liability on public agencies in legal actions brought by private property holders for damages, where the inherent risks in the public agency's infrastructure, as deliberately designed, constructed or maintained, are determined to be a substantial cause of damage to the property. The Revised Master Complaint also asserts tort claims as to the Power System for dangerous condition of public property and nuisance. Finally, the Revised Master Complaint alleges that the City did not clear brush from vacant lots in Pacific Palisades, including on lots that are owned by the City, and that embers landed on this brush, sparking a spot fire and asserts dangerous condition of public property and nuisance. Complaints filed before and after the filing of the Revised Master Complaint allege other causes of action and additional theories of liability, which certain plaintiffs may choose to maintain when adopting the Revised Master Complaint. There can be no assurances that additional causes of action will not be asserted by the plaintiffs when they adopt the

Revised Master Complaint, or additional litigation will not be brought by other plaintiffs whose properties were damaged in the Palisades Fire.

In addition, lawsuits have been filed by certain insurance carriers asserting subrogation rights and at least one public entity. These lawsuits allege claims based on inverse condemnation.

The plaintiffs are seeking compensation for damages including, but not limited to, lost or damaged property, lost income or wages, and attorney's fees, and in certain of the cases loss of use/marketability of property, emotional distress, and punitive damages. Some of the pending actions seek certain injunctive relief as well as monetary damages. Most of the filed lawsuits do not contain a specific dollar amount, although one of the pending class actions asserts a damages figure of greater than $10 billion. The cases are not yet at a stage where it is possible to reasonably estimate the potential ultimate financial exposure to the City or the Department. The City and the Department deny all liability claims and intend to vigorously defend against all of these lawsuits, but cannot predict the outcome of these cases.

In addition to the City and the State, the Revised Master Complaint added sixteen new defendants whom plaintiffs claim are responsible for their losses under a variety of tort theories and, for some, inverse condemnation. The City and the State filed demurrers challenging the sufficiency of the allegations in the Revised Master Complaint. The court overruled the City's demurrer on February 19, 2026, in a written order. On March 27, 2026, the City filed a Petition for a Writ of Mandate with the Second District Court of Appeal. Granting a writ is discretionary and there is no timetable for ruling on the City's petition.

At the trial court, the stay on discovery was lifted on March 31, 2026. As of the date of this Official Statement, no trial date has been set.

See also "GENERAL – Los Angeles 2025 Wildfire Event."

Other Matters Related to the Power System

General. A number of claims and suits are pending against the Department or that directly affect the Department with respect to the Power System for alleged damages to persons and property and for other alleged liabilities arising out of its operations. Certain of these suits are described below. In the opinion of the Department, any ultimate liability which may arise from any of the pending claims and suits related to the Power System described below are not expected to materially impact the Power System's financial position, results of operations, or cash flows.

Creek Fire Litigation. In recent years, there has been an increase in the number and the severity of wildfires in the State. Due to this increase of fire activity, there has been an increase in litigation filed against power utilities that own and operate generating stations, distribution lines, and transmission lines throughout the State.

The Department is a named party in cases relating to the Creek fire, which ignited on December 5, 2017. The Department denies liability for the ignition of the Creek fire. A number of the cases are pending in the Los Angeles Superior Court. The United States also filed an action in federal court. The state court cases are brought by attorneys representing individual plaintiffs for alleged property damage and business losses. The state court cases have all been consolidated for litigation with a single judge. Edison is also a party in the state court cases having been named as a co-defendant by the individual plaintiffs and insurance subrogation plaintiffs. Edison filed an indemnity cross-complaint against the Department in the state court actions, but did not file one in the federal court action. Trial on Edison's cross-complaint in the state court action is set for June 22, 2026, wherein Edison seeks to recover the amounts it paid in settlement. All equitable allegations and comparative fault allegations would be part of the state court trial.

The United States, subrogation carriers, and individual plaintiffs have all dismissed their claims against the Department and have reached settlements with Edison. Edison paid out a total of $72,186,649.35 to settle all

state court claims - $43,611,649.35 to the subrogation carriers, and $28,575,000 to the individual plaintiffs. Edison paid $28 million to the United States in the federal court case. The key issue in dispute is whether the fire was caused by the Department's or Edison's power lines. The Department continues to assert that the fire was caused by Edison; therefore, Edison does not have a basis to recover anything against the Department. Edison and the Department have agreed to participate in mediation on March 31, 2026, in an effort to resolve the remaining cross-action.

If this matter proceeds to trial and liability is found against the Department in connection with the Creek fire, the potential exposure would be up to the total amount that Edison paid in settlements in the state court action, or $72,186,649.35. Edison may also seek to resolve the amounts paid to the United States at the mediation in lieu of filing a separate complaint for indemnity to recover the $28 million paid in the federal court action. The Department has insurance coverage for this matter in the amount of $185 million with a $3 million self-insured retention.

For details regarding the extent of the Department's current insurance, see "GENERAL – Insurance." As discussed under "FACTORS AFFECTING THE DEPARTMENT AND THE ELECTRIC UTILITY INDUSTRY– California Climate Change Policy Developments – *Legislation and Court Action Relating to Wildfires*," legislation addressing the State's inverse condemnation and "strict liability" issues for utilities in the context of wildfires in particular could have a significant effect on the electric utility industry, including the Department.

APPENDIX B
INTERMOUNTAIN POWER AGENCY AND THE INTERMOUNTAIN POWER PROJECT

INTRODUCTION

Intermountain Power Agency

Intermountain Power Agency (the "Agency") was organized in June 1977 by several Utah municipalities under the Utah Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the "Act"), and pursuant to the Intermountain Power Agency Organization Agreement, dated May 10, 1977 (as amended, the "Intermountain Power Agency Organization Agreement"). This Appendix does not purport to cover all aspects of the Agency or the Intermountain Power Project ("IPP"). For important financial, operating and other information regarding the Agency, see the Agency's Annual Disclosure Report filed with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system ("EMMA") (the "Agency Annual Filing"). A copy of the Agency Annual Filing may be obtained from EMMA at https://emma.msrb.org/ContinuingDisclosureView/ContinuingDisclosureDetails.aspx?submissionId=P21523552. Each term used but not otherwise defined in this Appendix has the meaning ascribed to such term in the Agency Annual Filing.

The IPP Purchasers and the Renewal IPP Purchasers

Power Sales Contracts. The Agency has sold the entire capability of IPP through June 15, 2027 to 35 entities (the "IPP Purchasers") on a "take-or-pay" basis pursuant to separate power sales contracts between the Agency and each IPP Purchaser (which power sales contracts, as amended, are referred to herein as the "Power Sales Contracts"). The IPP Purchasers are 35 utilities consisting of the Department of Water and Power of The City of Los Angeles (the "Department") and the California cities of Anaheim, Riverside, Burbank, Glendale and Pasadena (together with the Department, collectively, the "Original California Purchasers"); the 23 members of the Agency (collectively, the "Utah Municipal Purchasers"); and six rural electric cooperatives serving loads in the States of Utah, Arizona, Colorado, Nevada and Wyoming (collectively, the "Cooperative Purchasers" and, together with the Utah Municipal Purchasers, collectively, the "Utah Purchasers"). The Original California Purchasers, the Utah Municipal Purchasers and the Cooperative Purchasers have contracted, pursuant to their Power Sales Contracts, to purchase 78.943%, 14.040% and 7.017%, respectively, of the net capability of the Generation Station. For information regarding the respective rights, duties and obligations of the IPP Purchasers under the Power Sales Contracts, see "INTRODUCTION – The Power Purchasers and the Renewal Power Purchasers" and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Power Sales Contracts" in the Agency Annual Filing.

Renewal Power Sales Contracts. The Agency has sold the entire capability of IPP for the period beginning on June 16, 2027 (the "Transition Date") and ending on June 15, 2077 to 30 entities (the "Renewal IPP Purchasers") on a "take-or-pay" basis pursuant to separate renewal power sales contracts between the Agency and each Renewal IPP Purchaser (which renewal power sales contracts, as amended, are referred to herein as the "Renewal Power Sales Contracts"). The Renewal IPP Purchasers are 30 utilities consisting of the Department and the California cities of Burbank and Glendale (collectively, the "California Renewal Purchasers"); the 21 entities that will remain as members of the Agency from and after June 16, 2027 (collectively, the "Utah Municipal Renewal Purchasers"); and the six Cooperative Purchasers (together with the Utah Municipal Renewal Purchasers, collectively, the "Utah Renewal Purchasers"). The California Renewal Purchasers, the Utah Municipal Renewal Purchasers and the Cooperative Purchasers have contracted, pursuant to their Renewal Power Sales Contracts, to purchase 78.943%, 13.975% and 7.082%, respectively, of the net capability of the Generation Station. For information regarding the respective rights,

duties and obligations of the Renewal IPP Purchasers under the Renewal Power Sales Contracts, see "INTRODUCTION – The Power Purchasers and the Renewal Power Purchasers" and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Renewal Power Sales Contracts" in the Agency Annual Filing.

Excess Power Sales Agreement. Pursuant to the Excess Power Sales Agreement referred to in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Excess Power Sales Agreement" in the Agency Annual Filing (as amended, the "Excess Power Sales Agreement"), through June 15, 2027, the Utah Purchasers have sold to the Department and the California cities of Pasadena, Burbank and Glendale (collectively, the "Excess IPP Purchasers") their entitlements to the use of the capability of IPP except for any portion of any such entitlement that a Utah Purchaser has, from time to time, recalled under the Excess Power Sales Agreement. So long as no such recall is in effect, the Original California Purchasers are committed to take or pay for 100% of the capability of the Generation Station, *provided, however*, the Utah Purchasers remain, and will remain, primarily obligated to the Agency under their respective Power Sales Contracts to pay for IPP capability they have sold to the Excess IPP Purchasers, but are discharged from such obligation to the extent the Excess IPP Purchasers make payments to the Agency on their behalves pursuant to the Excess Power Sales Agreement. However, to the extent set forth in the table entitled "Percentages of Capability of Generation Station to be Purchased," set forth in the section of the Agency Annual Filing captioned "INTRODUCTION – The Power Purchasers and the Renewal Power Purchasers," certain of the Utah Purchasers have recalled portions of their entitlements to the use of the capability of IPP. While such recall, or any recall that the Utah Purchasers may elect to make hereafter, is in effect, the percentage of the capability of the Generation Station that the Excess IPP Purchasers will be committed to take or pay for shall be reduced by the percentage of capability of the Generation Station that has been recalled, and each recalling Utah Purchaser will be the only IPP Purchaser committed to take or pay for the percentage of capability so recalled by such IPP Purchaser. The Utah Purchasers may, subject to the lead times and other requirements of the Excess Power Sales Agreement, recall from the Excess IPP Purchasers all or any portion of the Utah Purchasers' aggregate 21.057% entitlements to the use of the capability of IPP.

For a description of the obligations of the respective IPP Purchasers to take or pay for capability of IPP, and the rights of the Utah Purchasers to recall capability of IPP, see "INTRODUCTION – The Power Purchasers and the Renewal Power Purchasers" and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Power Sales Contracts" and "– Excess Power Sales Agreement" in the Agency Annual Filing.

Agreement for Sale of Renewal Excess Power. Pursuant to the Agreement for Sale of Renewal Excess Power referred to in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Agreement for Sale of Renewal Excess Power" in the Agency Annual Filing, for 50 years from and after the Transition Date, the Utah Renewal Purchasers have sold to the Department their entitlements to the use of the capability of IPP except for any portion of any such entitlement that a Utah Renewal Purchaser may, from time to time, recall under the Agreement for Sale of Renewal Excess Power.

IPP and the Generation Renewal Project

IPP. The Agency has acquired and constructed and is operating IPP, which consists of (i) two combined-cycle natural gas fired power blocks, each power block consisting of one gas turbine, a heat recovery steam generator train and a single steam turbine, with such power blocks having an approximate combined net generation capability of 840 MW, where "net generation capability" means gross power generation less auxiliary load for generation and transmission support, as such power blocks have been modified by betterments to provide the capability to increase the percentage of hydrogen to be included in

the mix of natural gas and hydrogen fuel to be burned in the gas units beyond the base capability of the gas units of 30% hydrogen by volume (such betterments being the "Hydrogen Betterments" and such power blocks, as so modified, being the "Intermountain Generating Station") and a switchyard (the "Switchyard"), located near Lynndyl, in Millard County, Utah, (ii) a +500-kV direct current transmission line approximately 490 miles in length from and including the Intermountain Converter Station (an alternating current/direct current converter station adjacent to the Switchyard) to and including a corresponding converter station at Adelanto, California (collectively, the "Southern Transmission System"), (iii) two 50-mile 345-kV alternating current transmission lines from the Switchyard to the Mona Switchyard in the vicinity of Mona, Utah and a 144-mile 230-kV alternating current transmission line from the Switchyard to the Gonder Switchyard near Ely, Nevada (collectively, the "Northern Transmission System"), (iv) a microwave communications system, (v) a contract with a third party for natural gas transportation services through 2045 (the "Natural Gas Transportation Contract"), (vi) contracts with a third party for services consisting of conversion of water into hydrogen using renewable energy and the storage of such hydrogen (the "Hydrogen Conversion and Storage Capacity" and together with the Hydrogen Betterments, the "Hydrogen Facilities") and (vii) certain water rights and water shares (which water rights and water shares, together with the Intermountain Generating Station, the Switchyard, the Natural Gas Transportation Contract and the Hydrogen Conversion and Storage Capacity, are referred to herein collectively as the "Generation Station"). The operation and maintenance of IPP are being managed for the Agency by the Department in its capacity as Operating Agent. See "INTRODUCTION – The Project and the Generation Renewal Project" in the Agency Annual Filing for a description of (i) the operating history of IPP and (ii) the construction and installation of the Generation Renewal Project, including the Hydrogen Facilities.

STS Renewal Project

The Coordinating Committee and the Agency also have approved the STS Renewal Project as a capital improvement plan for the Southern Transmission System consisting of the replacement, renewal, and expansion of AC switchyards, reactive power equipment and associated facilities at the Adelanto Converter Station and the Intermountain Converter Station, the Cost of Acquisition and Construction (as defined in the Power Sales Contracts) for which is expected to be funded through payments-in-aid of construction to be made by the Southern California Public Power Authority ("SCPPA") to the Agency from the proceeds of bonds or other obligations of SCPPA issued and to be issued for such purpose, for the benefit of the Original California Purchasers. See "INTRODUCTION - Background; Development of the Southern Transmission System and Related Contracts" and "SOUTHERN TRANSMISSION SYSTEM AND THE PROJECT" in the Official Statement to which this Appendix is attached. As a result, it is not anticipated that such Cost of Acquisition and Construction of the STS Renewal Project will be paid from the proceeds of the Agency's Bonds or other obligations. The Agency will, however, be responsible for funding a portion of the shared costs incurred with respect to both the Gas Repowering and the STS Renewal Project.

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APPENDIX C

SUMMARY OF CERTAIN DOCUMENTS

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SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture of Trust. This summary is not to be considered a full statement of the terms of the Indenture of Trust and accordingly is qualified by reference thereto and is subject to the full text thereof. Capitalized terms not defined in this summary or in the Official Statement have the respective meanings set forth in the Indenture of Trust.

Definitions

Account or Accounts means, as the case may be, each or all of the Accounts established in the Indenture.

Accountant's Certificate means a certificate signed by an independent certified public accountant of recognized national standing or a firm of independent certified public accountants or arbitrage rebate specialists (for purposes of the Indenture) of recognized national standing, selected by the Authority.

Accrued Debt Service means, as of any date of calculation, an amount equal to the sum of the amounts of Debt Service with respect to any Series, calculating the accrued Debt Service with respect to such Series at an amount equal to the sum of (i) interest on the Bonds of such Series accrued and unpaid and to accrue to the end of the then current calendar month and (ii) Principal Installments due and unpaid and that portion of the Principal Installment for such Series next due that is to become due (if deemed to become due in the manner set forth in the definition of Debt Service) by the end of such calendar month.

Act means the provisions relating to joint exercise of powers found in Chapter 5 of Division 7 of Title 1 of the Government Code of California, as amended from time to time, and any laws amendatory or supplemental thereto.

Agent Member means a member of, or participant in, the Securities Depository.

Aggregate Debt Service for any period means, as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Series.

Annual Budget means the Annual Budget described in the Indenture and prepared pursuant to the Renewal Transmission Service Contracts, as amended or supplemented, adopted or in effect for a particular Fiscal Year as provided in the Indenture.

Authority Agent means any agent appointed by the Authority pursuant to an agency agreement to act as an agent with respect to the Southern Transmission System.

Authority Expenses means the costs, expenses and fees incurred by the Authority in carrying out its duties, responsibilities and obligations, and exercising its rights, under the Act and the Renewal Transmission Project Agreements. These costs, expenses and fees will include but not be limited to the following:

(a) All costs and expenses incurred by the Authority pursuant to the Renewal Transmission Service Contracts.

(b) All costs and expenses (including those of the Authority's legal counsel) payable in accordance with the Renewal Transmission Service Contracts.

(c) All costs and expenses incurred by the Department of Water and Power of The City of Los Angeles pursuant to the Renewal Transmission Service Contracts.

(d) All costs related to the conducting of the business of the Authority with respect to Authority Capacity (including costs related to financing or refinancing) including salaries, fees for legal, engineering, financial and other services, insurance costs and all other expenses properly related to the conduct of such business.

Authority Operating Expenses means (i) Monthly Power Costs allocable to the Southern Transmission System, (ii) any other current expenses or obligations required to be paid by the Authority under the provisions of the Indenture or the Renewal Transmission Project Agreements or by law, all to the extent properly allocable to Authority Capacity, or required to be incurred under or in connection with the performance of the Renewal Transmission Service Contracts, (iii) the fees and expenses of the Fiduciaries, (iv) to the extent not provided for in the most recently approved construction budget, Authority Expenses, and (v) all other costs properly allocable to Authority Capacity. Authority Operating Expenses will not include any costs or expenses for new construction or any allowance for depreciation of the Southern Transmission System.

Authorized Authority Representative means (i) the President of the Authority, (ii) the Vice President of the Authority, (iii) the Executive Director of the Authority and (iv) any other officer or employee of the Authority (including any officer or employee of an Authority Agent) authorized to perform specific acts or duties by resolution duly adopted by the Authority (or, in the case of an Authority Agent, by the applicable agency agreement therefor).

Bank means the issuer of a Letter of Credit.

Bank Bonds means with respect to any Series of Bonds, Bonds purchased with the proceeds of moneys drawn by the Trustee under the Letter of Credit relating to such Series of Bonds until the Trustee is authorized by the Bank providing the Letter of Credit to release or cancel such Bonds.

Board of Directors means the Board of Directors of the Authority, as constituted from time to time, or if said Board of Directors will be abolished, such other body or bodies succeeding to the principal functions thereof or to whom the power and duties granted or imposed by the Indenture will be given by law.

Bond or Bonds means any bonds, notes or other evidences of indebtedness, as the case may be, authenticated and delivered under and pursuant to the Indenture and the Act.

Bond Counsel mean a firm or firms of attorneys of recognized national standing in the field of law relating to municipal bonds selected by the Authority.

Bond Registrar means the Trustee and any other bank or trust company organized under the laws of any state of the United States of America, or national banking association, appointed by the Authority to perform the duties of Bond Registrar enumerated in the Indenture.

Business Day means, except as otherwise provided in a Supplemental Indenture with respect to any Series of Bonds, a day (i) other than a Saturday, Sunday or any other day on which banks located in the city in which the Corporate Trust Office of the Trustee or the Paying Agent is located are authorized or required by law to close, and (ii) on which the New York Stock Exchange is not closed.

Capital Improvements means the Capital Improvements (as defined in the Renewal Power Sales Contracts) to the extent related to the Southern Transmission System.

Code means the Internal Revenue Code of 1986.

Construction Fund means the Construction Fund established in the Indenture.

Corporate Trust Office means the Corporate Trust Office of the Trustee set forth in the Indenture; provided, however for registration, registration of transfer, exchange, payment and surrender of Bonds such term means care of the corporate trust operations office of U.S. Bank Trust Company, National Association in St. Paul, Minnesota or such other office designated in writing to the Authority by the Trustee from time to time.

Cost of Acquisition of Capacity will have the meaning ascribed thereto in the Renewal Transmission Service Contracts. For purposes of clarification only, Cost of Acquisition of Capacity includes without limitation Capital Improvement Acquisition and Construction Costs under and as defined in the Renewal Southern Transmission System Agreement.

Debt Service for any period means, as of any date of calculation and with respect to any Series, an amount equal to the sum of (i) interest accruing during such period on Outstanding Bonds of such Series, except to the extent that such interest is to be paid from deposits into the related Debt Service Account for such Series made from Bond proceeds and (ii) that portion of each Principal Installment of Outstanding Bonds of such Series that would become due during such period if such Principal Installment were deemed to become due daily in equal amounts from the next preceding Principal Installment due date for such Series (or, if there will be no such preceding Principal Installment due date, from a date one year preceding the due date of such Principal Installment or from the date of issuance of the Bonds of such Series, whichever date is later); provided, however, that interest with respect to Paired Obligations will be deemed to accrue at the combined fixed rate of such Paired Obligations. Such interest and Principal Installments for such Series will be calculated on the assumption that no Bonds of such Series

Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof; provided, however, that if the Authority certifies to the Trustee that any Principal Installment and, if applicable, interest to accrue with respect to such Principal Installment is expected to be refunded on or prior to the due date therefor, no such amounts need be included in the calculation of Debt Service and set aside toward such Principal Installment and, if applicable, the interest thereon to be so refunded.

Debt Service Account means the Participating Bonds Debt Service Account or a Series Debt Service Account, as the context may require.

Debt Service Fund means the Debt Service Fund established in the Indenture.

Debt Service Reserve Account means the Participating Bonds Debt Service Reserve Account or a Series Debt Service Reserve Account, as the context may require.

Debt Service Reserve Account Policy means any surety bond, insurance policy, line of credit, letter of credit or similar instrument issued to the Trustee by an entity licensed to issue a surety bond, insurance policy, line of credit, letter of credit or similar instrument guaranteeing the timely payment of debt service on one or more Series of Bonds (such entity, a "municipal bond insurer"), which municipal bond insurer, at the time any such surety bond, insurance policy, line of credit, letter of credit or similar instrument is issued, will have its claims paying ability rated in not lower than the second highest rating category (without regard to any gradations within any such category) by at least two nationally-recognized credit rating agencies.

Debt Service Reserve Fund means the Debt Service Reserve Fund established in the Indenture.

Debt Service Reserve Requirement means, as of any date of calculation: (i) with respect to the Participating Bonds Debt Service Reserve Account, the amount, if any, specified as the Debt Service Reserve Requirement for all Participating Bonds in the first Supplemental Indenture relating to a Series of Bonds which are Participating Bonds; and (ii) with respect to any Series Debt Service Reserve Account, the amount, if any, specified as the Debt Service Reserve Requirement for the related Series of Bonds in the Supplemental Indenture establishing such Series Debt Service Reserve Account.

Defeasance Obligations means, except as otherwise provided in a Supplemental Indenture:

(i) non-callable, direct obligations of the United States of America, or obligations fully and unconditionally guaranteed as to payment of principal and interest by the United States of America including, but not limited to, the interest components of Resolution Funding Corporation securities and obligations of the United States Agency for International Development, and non-callable, senior debt obligations of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank System, and the Federal Farm Credit System (collectively, "Government Obligations"); or

(ii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the

notice and (a) rated no lower than the then-current rating on direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by an agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), or (b)(1) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash and/or Government Obligations, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (2) which fund is sufficient, as verified by a nationally recognized independent certified public accountant or independent arbitrage consultant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (ii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate.

Drawing, with respect to any Letter of Credit, will have the meaning given to such term in the Supplemental Indenture authorizing the issuance of the Series of Bonds to which such Letter of Credit relates.

DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as Securities Depository for the Bonds.

Existing Southern Transmission System Agreement means the Southern Transmission System Agreement, dated as of May 1, 1983, entered into between the Authority and IPA, as heretofore amended and supplemented (including by the Second Amendment to Southern Transmission System Agreement) and as the same may be hereafter amended or supplemented.

Event of Default will have the meaning given to such term in the Indenture.

Fiduciary or Fiduciaries means the Trustee, the Bond Registrar, the Paying Agent, or any or all of them, as may be appropriate.

Fiscal Year means the twelve-month period commencing at 0000 hours on July 1 of each year and ending at 2400 hours on the following June 30 or such other 12-month period as the Authority may adopt as its Fiscal Year.

Fitch means Fitch Ratings, Inc. or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency (other than Moody's and S&P) as may be designated in writing by the Authority.

Fund or Funds means, as the case may be, each or all of the Funds established in the Indenture.

General Reserve Fund means the General Reserve Fund established in the Indenture.

Indenture means the Indenture of Trust as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms hereof.

Information Services means the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board, at

www.emma.msrb.org and in accordance with then current guidelines of the Securities and Exchange Commission, Information Services will also mean such other organizations providing information with respect to called bonds as the Authority may designate in writing to the Trustee.

Interim Revenues Provision has the meaning assigned to it in the Existing Southern Transmission System Agreement .

Interim Revenues means all revenues of the Authority (which are assigned under the Indenture to the Trustee) under the Interim Revenues Provision.

Interest Payment Date means with respect to any Series of Bonds, the dates specified as such, or determined as provided, in the Supplemental Indenture providing for the issuance of such Series of Bonds.

Investment Securities means and include (i) any of the securities that are at the time of purchase legal for investment of the Authority's funds under applicable law (including California Government Code Sections 53601 and 53635); (ii) investment agreements (including, but not limited to, guaranteed investment contracts, repurchase agreements, forward purchase agreements and reserve fund put agreements) with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a monoline financial guaranty insurance company, claims paying ability of the guaranty for which, is rated at the time of execution of such investment agreement in not lower than the second highest rating category (without regard to any gradations within any such category) by at least two nationally-recognized credit rating agencies or at such lower rating as permitted by the then current investment policies of the Authority; or (iii) other forms of investment for which confirmation is received from each Rating Agency then rating any of the Bonds that such investment will not adversely affect such Rating Agency's rating on such Bonds.

IPA means Intermountain Power Agency, a political subdivision of the State of Utah.

Letter of Credit means, with respect to any Series of Bonds, a lending, liquidity or credit facility or agreement as provided in the Supplemental Indenture authorizing such Series of Bonds.

Letter of Credit Account means each Account (if any) so designated within the Debt Service Fund and established by a Supplemental Indenture with respect to a Series of Bonds to which a Letter of Credit relates.

Maximum Interest Rate means, with respect to any particular Variable Interest Rate Bonds, a numerical rate of interest, which will be set forth in the Supplemental Indenture authorizing such Bonds, that will be the maximum rate of interest such Bonds may at any time bear.

Minimum Interest Rate means, with respect to any particular Variable Interest Rate Bonds, a numerical rate of interest, which may (but need not) be set forth in the Supplemental Indenture authorizing such Bonds, that will be (if so set forth in such Supplemental Indenture) the minimum rate of interest such Bonds may at any time bear.

Monthly Power Costs will have the meaning ascribed thereto in the Renewal Power Sales Contracts.

Moody's means Moody's Investors Service, Inc. or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency (other than S&P and Fitch) as may be designated in writing by the Authority.

Operating Fund means the Operating Fund established in the Indenture.

Opinion of Bond Counsel means an opinion signed by Bond Counsel.

Outstanding, when used with reference to Bonds, means, as of any date, Bonds theretofore or thereupon being authenticated and delivered under the Indenture except for:

(i) Bonds cancelled by the Trustee on or prior to such date;

(ii) Bonds (or portions of Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest, if any, to the date of maturity or redemption date, will be held in trust under the Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption will have been given as in Article IV provided or provision satisfactory to the Trustee will have been made for the giving of such notice;

(iii) Bonds in lieu of or in substitution for which other Bonds will have been authenticated and delivered pursuant to the Indenture; and

(iv) Bonds deemed to have been paid as provided in the Indenture.

Owner means each person or entity who is the registered owner of any Bond or Bonds.

Paired Obligations means any one or more Series (or portions thereof) of Bonds, designated as Paired Obligations, that are simultaneously issued or incurred (i) the principal of which is of equal amount maturing and to be prepaid or retired on the same dates and in the same amounts, and (ii) the interest rates on which, taken together, result in an irrevocably fixed interest rate obligation of the Authority for the term of such Bonds.

Parity Swap means any interest rate exchange or swap agreement, cash flow exchange or swap agreement or other similar financial agreement (including all confirmations, schedules, exhibits, attachments, appendices and other documentation attached to such agreement or forming a part thereof or incorporated therein) (a) that is entered into by the Authority and a Parity Swap Provider (and, if applicable, the Trustee), (b) that is permitted to be entered into by the Authority under the laws of the State of California applicable thereto at the time the Authority enters into such agreement, as evidenced by an opinion of counsel acceptable to the Authority, (c) as to which the documentation thereof provides that payments to be made by the Authority pursuant to such agreement (other than termination payments thereunder, which will be payable on a basis subordinate and junior to the payments to be made on the Bonds and other payments due on the Parity Swap) constitute obligations payable on a parity basis with the payments to be made on the Bonds as and to the extent provided in the Indenture and (d) designated in writing to the Trustee by an Authorized Authority Representative as a Parity Swap under the Indenture.

Parity Swap Provider means, with respect to each Parity Swap, the entity (other than the Authority and, if applicable, the Trustee) that is a party thereto, and its permitted successors and

assigns, whose public credit ratings, or whose obligations under a Parity Swap are guaranteed by a financial institution whose public credit ratings, are (at the time the applicable Parity Swap is entered into), unless otherwise approved by the Authority, in not lower than the second highest rating category (without regard to any gradations within any such category) by any two nationally recognized credit rating agencies.

Participating Bonds means all Bonds other than any Series of Bonds issued pursuant to a Supplemental Indenture that provides that such Series of Bonds are not Participating Bonds in accordance with the provisions of the Indenture.

Participating Bonds Debt Service Account means the Account so designated established in the Debt Service Fund pursuant to the Indenture.

Participating Bonds Debt Service Reserve Account means the Account so designated established in the Debt Service Reserve Fund pursuant to the Indenture.

Paying Agent means any bank or trust company organized under the laws of any state of the United States or any national banking association designated as paying agent for the Bonds of any Series, and its successor or successors hereafter appointed in the manner provided in the Indenture.

Principal Installment means, as of any date of calculation and with respect to any Series, so long as any Bond of such Series is Outstanding, (i) the principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance (determined as provided in the Indenture) of any Sinking Fund Installments due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, that would be payable upon redemption of such Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different Bonds of such Series, the sum of such principal amount of Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any.

Project Participants means those entities that have executed Renewal Transmission Service Contracts, together in each case with their successors or assigns.

Rating Agency means each of Moody's (if Moody's is then rating the Bonds), S&P (if S&P is then rating the Bonds) and Fitch (if Fitch is then rating the Bonds). Except as otherwise provided in the Indenture, if more than one Rating Agency maintains a credit rating with respect to the Bonds, then any action, approval or consent by or notice to a Rating Agency will be effective only if such action, approval, consent or notice is given by or to each such Rating Agency.

Rebate Fund means the Rebate Fund established in the Indenture.

Redemption Price means, with respect to any Bond to be redeemed, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Indenture.

Refunding Bonds means all Bonds, whether issued in one or more Series, authenticated and delivered on original issuance pursuant to the Indenture, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Indenture.

Reimbursement Agreement means, with respect to any Series of Bonds, the agreement providing for a Letter of Credit, if any, as provided in the Supplemental Indenture authorizing such Series of Bonds.

Renewal Agreements for the Acquisition of Capacity means the several Renewal Agreements for the Acquisition of Capacity between the Authority and the Project Participants, as the same may be amended and supplemented from time to time in accordance with their terms and the terms of the Indenture.

Renewal Power Sales Contracts means several Renewal Power Sales Contracts entered into between IPA and certain suppliers of electric energy, including the Project Participants, as heretofore amended or supplemented and as hereafter from time to time amended or supplemented in accordance with their terms and the terms of the Bond Resolution.

Renewal Southern Transmission System Agreement means the Renewal Southern Transmission System Agreement entered into between the Authority and IPA, as heretofore amended and supplemented and as the same may be hereafter amended or supplemented.

Renewal Transmission Project Agreements means, prior to the respective termination dates thereof, the Indenture, the Renewal Agreements for the Acquisition of Capacity, the Renewal Transmission Service Contracts, the Renewal Power Sales Contracts, the Renewal Southern Transmission System Agreement, the Bond Resolution, Existing Southern Transmission System Agreement and any other contract designated a "Renewal Transmission Project Agreement" by the Board of Directors.

Renewal Transmission Service Contracts means the several Renewal Transmission Service Contracts between the Authority and the Project Participants, as the same may be amended and supplemented from time to time in accordance with their terms and the terms of the Indenture.

Reserve and Contingency Fund means the Reserve and Contingency Fund established in the Indenture.

Revenue Fund means the Revenue Fund established in the Indenture.

Revenues means: (A)(i) all revenues, income, rents and receipts derived or to be derived by the Authority from or attributable to Authority Capacity or to the payment of the costs thereof received or to be received by the Authority or the Trustee under the Renewal Transmission Service Contracts or under any other contract for the sale by the Authority of Authority Capacity or any part thereof or any contractual or other arrangement with respect to the use of Authority Capacity or any portion thereof or the services or capability thereof, (ii) the proceeds of any insurance, including the proceeds of any self-insurance fund, covering business interruption loss relating to Authority Capacity, and (iii) interest received or to be received on any moneys or securities held pursuant to the Indenture and required to be paid into the Revenue Fund and (B) all Interim Revenues; but excluding (W) interest and other investment income received or to be received on any moneys or securities held pursuant to an indenture of trust entered into by the Authority with respect to bonds, notes or other evidences of indebtedness payable on a basis subordinate to the Bonds except to the extent that the Authority specifies that such interest and other investment income will constitute Revenues, (X) amounts received by or on behalf of the Authority pursuant to any interest rate swap agreement or interest rate cap agreement relating to the Indenture except to the extent that the Authority specifies that such amounts will constitute

Revenues, (Y) amounts received by or on behalf of the Authority pursuant to a Letter of Credit relating to the Indenture except to the extent that the Authority specifies that such amounts will constitute Revenues, and (Z) amounts on deposit in the Rebate Fund. Revenues will not include any Subsidy Payment received by the Authority, which Subsidy Payment will be applied as provided in the Supplemental Indenture relating to the Series of Bonds for which such Subsidy Payment is received.

S&P means S&P Global Ratings, a division of S&P Global, Inc., or, if such entity is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency (other than Moody's and Fitch) as may be designated in writing by the Authority.

Second Amendment to Southern Transmission System Agreement means the Second Amendment to Southern Transmission System Agreement dated as of March 1, 2023, between IPA and the Authority.

Securities Depository means DTC and its successors and assigns or if (i) the then Securities Depository resigns from its functions as depository of the Bonds or (ii) the Authority discontinues use of the then Securities Depository pursuant to the Indenture, any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Bonds and which is selected by the Authority.

Series means all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Indenture and the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Indenture, regardless of variations in maturity, interest rate, Sinking Fund Installments, or other provisions.

Series Debt Service Account means each Account so designated within the Debt Service Fund and established by a Supplemental Indenture with respect to a Series of Bonds that are not Participating Bonds.

Series Debt Service Reserve Account means each Account (if any) so designated within the Debt Service Reserve Fund and established by a Supplemental Indenture with respect to a Series of Bonds that are not Participating Bonds.

Southern Transmission Capital Improvements will have the meaning ascribed thereto under the Renewal Southern Transmission System Agreement.

Sinking Fund Installment means an amount so designated that is established pursuant to the Indenture.

Southern Transmission System means the Southern Transmission System as defined in the Renewal Power Sales Contracts.

Subsidy Payment means the payment (or reimbursement) from the United States Treasury to the Authority (or its designee) that is authorized by the Code and is calculated by reference to the interest due on a Series of Bonds (or portion thereof) on or about each Interest Payment Date therefor based upon the designation of such Series of Bonds (or portion thereof) as a "build America bond" or other similar direct-payment obligation that may be authorized in the future under the Code.

Supplemental Indenture means any indenture supplemental to or amendatory of the Indenture, executed by the Authority in accordance with Article X.

Transition Date will have the meaning ascribed thereto in the Renewal Power Sales Contracts.

Trustee means the trustee under the Indenture, initially being U.S. Bank Trust Company, National Association, and its permitted successor or successors and any other corporation that may at any time be substituted in its place pursuant to the Indenture.

Variable Interest Rate means a variable interest rate to be borne by a Series of Variable Interest Rate Bonds or any one or more maturities within a Series of Variable Interest Rate Bonds. The method of computing such variable interest rate will be specified in the Supplemental Indenture authorizing such Series of Variable Interest Rate Bonds and will, unless otherwise provided in the Supplemental Indenture, be based on (i) a percentage or percentages or other function of an objectively determinable interest rate or rates (e.g., the prime lending rate) or a function of such objectively determinable interest rate or rates as may be in effect from time to time or at a particular time or times, provided, however, that such variable interest rate will be subject to a Maximum Interest Rate and may be subject to a Minimum Interest Rate and that there may be an initial rate specified in each case as provided in such Supplemental Indenture, or (ii) a stated interest rate that may be changed from time to time as provided in the Supplemental Indenture authorizing such Series. Such Supplemental Indenture will also specify either (a) the particular period or periods of time for which each value of such variable interest rate will remain in effect or (b) the time or times upon which any change in such variable interest rate will become effective and the method by which such variable interest rate will be determined.

Variable Interest Rate Bond means any Bond that bears a Variable Interest Rate.

Year means any period of twelve consecutive months.

General Provisions for Issuance of Bonds

All (but not less than all) the Bonds of each Series will be executed by the Authority for issuance under the Indenture and delivered to the Trustee and thereupon will be authenticated by the Trustee and by it delivered to or upon the order of the Authority, but only upon the receipt by the Trustee of:

1. With respect to the initial Series of Bonds issued under the Indenture an executed copy of the Indenture, certified by an Authorized Authority Representative;

2. An Opinion of Bond Counsel to the effect that: (a) the Authority has the right and power to enter into the Indenture, and the Indenture has been duly authorized, executed and delivered by the Authority and constitutes a valid and binding agreement of the Authority enforceable in accordance with its terms; (b) the Indenture creates the valid pledge that it purports to create of the Revenues and funds and accounts established by the Indenture subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and the conditions set forth in the Indenture; and (c) the Bonds of such Series are valid and binding obligations of the Authority as provided in the Indenture, and are entitled to the benefits of the Indenture and the applicable benefits of the Act, and such Bonds have been duly and validly authorized and issued in accordance with law, including the Act, and in accordance with the Indenture; provided, that such opinion (1) may take exception for limitations imposed by or resulting from bankruptcy,

insolvency, moratorium, reorganization or other laws affecting creditors' rights generally and (2) need not express any opinion as to the availability of any specific remedy;

3. A written order as to the delivery of such Bonds, signed by an Authorized Authority Representative;

4. A copy of the Supplemental Indenture authorizing such Bonds executed by the Authority, which will, among other provisions, specify: (a) the authorized principal amount, designation and Series of such Bonds; (b) the purpose or purposes for which such Series of Bonds is being issued, which will be (1) a purpose specified in the Indenture, (2) the refunding of Bonds as provided in the Indenture or (3) any combination of such purposes; (c) the dated date and the maturity date or dates of the Bonds of such Series, provided that each maturity date will be on July 1 (unless otherwise determined by the Board of Directors); (d) the interest rate or rates, if any, and the Interest Payment Dates therefor (including the record date for interest payments), provided that with respect to Variable Interest Rate Bonds, such Supplemental Indenture will specify the method of determining the Variable Interest Rate, including a Maximum Interest Rate and, if the Authority so determines, a Minimum Interest Rate applicable thereto, and the method of determining the Interest Payment Dates therefor; (e) the denominations of, and the manner of dating, numbering and lettering, the Bonds of such Series; (f) the Paying Agent and the place of payment of the principal or Redemption Price, if any, of, and interest, if any, on, the Bonds of such Series; (g) the Redemption Price or Prices, if any, and, subject to Article IV, the redemption terms for the Bonds of such Series; (h) the amount and due date of each Sinking Fund Installment, if any, for Bonds of like maturity of such Series, provided that each Sinking Fund Installment due date will fall upon an Interest Payment Date for such Bonds; (i) if so determined by the Authority, provisions for the sale of the Bonds of such Series; (j) the amount (or the method of determining the amount), if any, to be deposited from the proceeds of such Series of Bonds in the related or other Debt Service Account and provisions for the application thereof to the payment of all or a portion of the interest, if any, on such Series of Bonds or any other Series of Bonds; (k) the amount, if any, to be deposited from the proceeds of such Series of Bonds in the Reserve and Contingency Fund; (l) the amount, if any, to be deposited from the proceeds of such Series of Bonds in the Construction Fund; (m) whether such Series of Bonds will be Participating Bonds or, if so determined by the Authority, that a Series Debt Service Reserve Account be established for such Series of Bonds, and, in either case, the amount, if any, necessary for deposit in the related Debt Service Reserve Account so that the applicable balance therein will equal the Debt Service Reserve Requirement for such Debt Service Reserve Account upon the delivery of such Series of Bonds; and (n) if so determined by the Authority, the form or forms of the Bonds of such Series, and of the Trustee's certificate of authentication, which form or forms will be, respectively, substantially in the form set forth in the Indenture, with such variations, omissions and insertions as are required or permitted by the Act or the Indenture;

5. Except in the case of the initial Series of Bonds issued under the Indenture and any Series of Refunding Bonds, a certificate of an Authorized Authority Representative stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture and applicable to the Authority; and

6. Such further documents, moneys and securities as are required by the provisions of the Indenture or any Supplemental Indenture executed pursuant to Article X.

All the Bonds of any Series of like maturity will be identical in all respects, except as to denominations, numbers and letters and, if so determined by the Authority, interest rates. After the original issuance of Bonds of any Series, no Bonds of such Series will be issued except in lieu of or in substitution for other Bonds of such Series pursuant to the Indenture.

Each Supplemental Indenture authorizing a Series of Bonds will establish the Principal Installment or Principal Installments for such Series or will prescribe the methodology for determining same.

Notwithstanding any other provision of the Indenture, with respect to Paired Obligations, provisions with respect to authorized denominations, record dates, maturity dates, payment of principal, interest and redemption price, the form of such Bonds, redemption provisions and various other procedures with respect to Paired Obligations will be as set forth in the Supplemental Indenture authorizing such Paired Obligations.

Purpose of Bonds

The issuance of Bonds are authorized under the Indenture which will be issued in one or more Series and at one time or from time to time for the purpose of paying (or refinancing) all or a portion of the Cost of Acquisition of Capacity and other costs relating thereto.

The proceeds, including any accrued interest from the sale of each Series of Bonds will be applied simultaneously with the delivery of such Bonds as will be provided in the Supplemental Indenture authorizing such Series.

Refunding Bonds

Refunding Bonds may be issued, authenticated and delivered to refund all or a portion of any Outstanding Bonds. Refunding Bonds may be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the Funds and Accounts under the Indenture required by the provisions of the Supplemental Indenture authorizing such Bonds.

Refunding Bonds of each Series will be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by the Indenture with respect to such Series) of:

Instructions to the Trustee, satisfactory to it, to give due notice of redemption, on a redemption date or dates specified in such instructions, of the refunded Bonds to be redeemed, if any;

Instructions to the Trustee, satisfactory to it, to give the notice provided for in the Indenture to the Owners of the Bonds being refunded, if applicable; and

Either (a) moneys (including moneys withdrawn and deposited pursuant to any Supplemental Indenture) in an amount sufficient to effect payment at the applicable Redemption Price of the refunded Bonds to be redeemed and of the principal amount of refunded Bonds not to be redeemed, together with accrued interest on such Bonds to the redemption date or maturity date, as the case may be, which moneys will be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for the benefit of the respective Owners of the Bonds to be refunded, or (b) Defeasance Obligations in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications and any moneys, as will be necessary in accordance with an Accountant's Certificate to

comply with the provisions of the Indenture, which Defeasance Obligations and moneys will be held in trust and used only as provided the Indenture.

The proceeds, including accrued interest, of the Refunding Bonds of each Series will be applied for the purposes of making deposits as will be provided by the Supplemental Indenture authorizing such Series of Refunding Bonds and will be applied to the refunding purposes thereof in the manner provided in said Supplemental Indenture.

Multipurpose Series

Nothing contained in the Indenture will prevent the issuance, authentication and delivery of one or more Series of Bonds for any combination of the purposes set forth in the Indenture.

Medium of Payment; Form and Date; Letters and Numbers

The Bonds will be payable, with respect to interest, principal and Redemption Price, if any, in any currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts.

The Bonds of each Series will be issued in the form of fully registered Bonds without coupons. The Bonds of each Series may be registered in book-entry format as provided in the Supplemental Indenture authorizing such Series.

Each Bond will be lettered and numbered as provided in the Indenture or the Supplemental Indenture authorizing the Series of which such Bond is a part and so as to be distinguished from every other Bond.

Bonds of each Series will be dated and will bear interest, if any, as specified in the Supplemental Indenture authorizing such Series of Bonds. Record dates for the payment of interest on Bonds of each Series will be established in the Supplemental Indenture authorizing the Bonds of such Series.

Legends

The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the Indenture as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by the Authority prior to the authentication and delivery thereof.

Execution and Authentication

The Bonds will be executed in the name of the Authority by the manual or facsimile signature of the President or Vice President of the Authority and its seal (or a facsimile thereof) will be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the facsimile or manual signature of its Secretary or an Assistant Secretary, or in such other manner as may be required or permitted by law. In case any one or more of the officers who will have executed or attested to the seal on any of the Bonds will cease to be such officer before the Bonds so executed and sealed will have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as provided in the Indenture, and may be issued as if the persons who executed or attested to the seal on any of the Bonds had not ceased to hold such offices. Any Bond of a Series may be executed and sealed on behalf of the Authority by such persons as at the time of the execution of such Bonds will be duly authorized or

hold the proper office in the Authority, although at the date borne by the Bonds of such Series such persons may not have been so authorized or have held such office.

The Bonds of each Series will bear thereon a certificate of authentication, in substantially the form set forth in the Indenture, executed manually by the Trustee. Only such Bonds as will bear thereon such certificate of authentication will be entitled to any right or benefit under the Indenture and no Bond will be valid or obligatory for any purpose until such certificate of authentication will have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Authority will be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under the Indenture and that the Owner thereof is entitled to the benefits of the Indenture.

Transfer, Exchange and Registry

Subject to the Indenture, the transfer of any Bond will be registrable only upon the books of the Authority, which will be kept for such purposes at the principal corporate trust office of the Bond Registrar, by the Owner thereof in person or by his or her attorney duly authorized in writing, upon surrender of such Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Owner or his or her duly authorized attorney, and upon payment by such Owner of any charges which the Authority or Trustee may impose as provided in the Indenture. Upon the registration of transfer of any such Bond, the Authority will issue in the name of the transferee a new registered Bond or Bonds of the same aggregate principal amount, Series and maturity as the surrendered Bond and bearing interest at the same rate (or method of determining the same). The Bond Registrar may, with the concurrence of the Authority, designate an additional office where transfer of Bonds may be effected by the Bond Registrar as provided in the Indenture.

Subject to the Indenture, Bonds may at the option of the Owner, upon surrender thereof at the principal corporate trust office of the Bond Registrar, and upon payment by such Owner of any charges which the Authority or Trustee may impose as provided in the Indenture, be exchanged for an equal aggregate principal amount of Bonds of the same tenor, Series, maturity and interest rate (or method of determining the same) in such other authorized denomination or denominations as will be requested by such Owner.

In the case of any Bond properly surrendered for partial redemption, if applicable, the Trustee will authenticate and deliver a new Bond in exchange therefor, such new Bond to be of the same Series, tenor, maturity and interest rate (or method of determining same) and in a denomination equal to the unredeemed principal amount of the surrendered Bond; provided that, at its option, the Trustee may certify the amount and date of partial redemption upon the partial redemption certificate, if any, printed on the surrendered Bond and return such surrendered Bond to the Owner in lieu of an exchange.

The Authority and each Fiduciary may deem and treat the person in whose name any Bond is registered upon the books of the Authority kept by the Bond Registrar as the absolute owner of such Bond, whether such Bond will be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such Owner or upon his or her order will be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority nor any Fiduciary will be affected by any notice to the contrary. The Authority, subject to the Indenture, agrees, to the extent permitted by law, to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence under the Indenture, in so treating such Owner.

Regulations with respect to Registration of Transfer and Exchanges

Subject to the Indenture, in all cases in which the transfer of any Bond is registered or any Bonds are exchanged, the Authority will execute and the Trustee will authenticate and deliver new Bonds in accordance with the provisions of the Indenture. All Bonds surrendered in any such exchange or registration of transfer will forthwith be delivered to and cancelled by the Trustee. For every such exchange or registration of transfer of Bonds, the Authority or the Trustee may impose a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect thereto. At no time will the Bond Registrar be required to register the transfer of, or exchange, any Bonds called for redemption or any Bonds during the period of fifteen (15) days next preceding any selection of Bonds to be redeemed.

Bonds Mutilated, Destroyed, Stolen or Lost

Subject to the Indenture, if any Bond becomes mutilated or is lost, stolen or destroyed, the Authority may execute and the Trustee will authenticate and deliver a new Bond of like Series, maturity date, principal amount and interest rate per annum as the Bond so mutilated, lost, stolen or destroyed, provided that (i) in the case of such mutilated Bond, such Bond is first surrendered to the Trustee, (ii) in the case of any such lost, stolen or destroyed Bond, there is first furnished evidence of such loss, theft or destruction satisfactory to the Trustee together with indemnity satisfactory to the Authority and the Trustee, (iii) all other reasonable requirements of the Authority and the Trustee are complied with, and (iv) expenses in connection with such transaction are paid by the Owner. Any such Bond surrendered for exchange will be cancelled. Any such new Bonds issued pursuant to the Indenture in substitution for Bonds alleged to be destroyed, stolen or lost will constitute original additional contractual obligations on the part of the Authority, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and will be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under the Indenture, in any moneys or securities held by the Authority or any Fiduciary for the benefit of the Owners.

Temporary Bonds

Until the definitive Bonds of any Series are prepared, the Authority may execute, in the same manner as is provided in the Indenture, and upon the request of the Authority the Trustee will authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as definitive Bonds except as to the denominations thereof and as to exchangeability for Bonds, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations authorized by the Authority, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The installments of interest on such temporary Bonds will be payable by check of the Trustee mailed by first-class mail to the Owner thereof in the same manner as is set forth in the Supplemental Indenture authorizing the Bonds in lieu of which such temporary Bonds are issued. Subject to the Indenture, the Authority at its own expense will prepare and execute and, upon the surrender of such temporary Bonds, for exchange and the cancellation of such surrendered temporary Bonds, the Trustee will authenticate and, without charge to the Owner thereof, deliver in exchange therefor, definitive Bonds of the same aggregate principal amount, Series, maturity, and interest rate as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds will in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to the Indenture.

If the Authority will authorize the issuance of temporary Bonds in more than one denomination, the Owner of any temporary Bond or Bonds may, at his or her option, surrender the same to the Trustee in exchange for another temporary Bond or Bonds of like aggregate principal amount, Series, maturity, and

interest rate (or method of determining the same) of any other authorized denomination or denominations, and thereupon the Authority will execute and the Trustee will authenticate and, in exchange for the temporary Bond or Bonds so surrendered and upon payment of the taxes, fees and charges provided for in the Indenture, will deliver a temporary Bond or Bonds of like aggregate principal amount, Series, maturity, and interest rate (or method of determining the same) in such other authorized denomination or denominations as will be requested by such Owner.

All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds will be forthwith cancelled by the Trustee.

Cancellation and Destruction of Bonds

All Bonds paid or redeemed, either at or before maturity, will be delivered to the Trustee when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the Trustee, will thereupon be promptly cancelled. Whenever Bonds are cancelled by the Trustee pursuant to the provisions of the Indenture, the Bonds so cancelled will be destroyed by the Trustee, who will execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds so destroyed, and one executed certificate will be filed with the Authority and the other executed certificate will be retained by the Trustee.

Book Entry Format

Except as provided in the Indenture, the ownership of one fully registered Bond for each maturity of each Series of the Bonds will be registered in the name of the Securities Depository or its nominee and ownership thereof will be maintained in book-entry form by the Securities Depository for the account of the Agent Members thereof. Initially, each Bond will be registered in the name of Cede & Co. ("Cede"), as nominee of DTC. Payments of interest on and principal and Redemption Price, if applicable, of the Bonds will be made to the account of DTC on each payment date at the address indicated for DTC in the registration books of the Authority kept by the Bond Registrar. DTC has represented to the Authority that it will maintain a book-entry system in recording ownership interests of its Agent Members and the ownership interests of a purchaser of a beneficial interest in the Bonds (a "Beneficial Owner") will be recorded through book entries on the records of the Agent Members. Except as provided in the Indenture, the Bonds may be transferred, in whole but not in part, only to the Securities Depository or a nominee of the Securities Depository, or to a successor Securities Depository selected by the Authority or to a nominee of such successor Securities Depository. Each global Bond will bear a legend substantially to the following effect: "Except as otherwise provided in the Indenture (as hereinafter defined), this global bond may be transferred, in whole but not in part, only to another nominee of the Securities Depository (as defined in the Indenture) or to a successor Securities Depository or to a nominee of a successor Securities Depository."

The Bonds will be initially issued in the form of a separate single fully registered Bond in the amount of each separate stated maturity of each Series (unless a stated maturity has two separate interest rates, in which case there will be a separate fully registered Bond for each such interest rate), subject to the Indenture. With respect to said Bonds, the Authority and the Fiduciaries will have no responsibility or obligation to any Agent Member or to any Beneficial Owner of such Bonds. Without limiting the immediately preceding sentence, the Authority and the Fiduciaries will have no responsibility or obligation with respect to (i) the accuracy of the records of the Securities Depository or any Agent Member with respect to any beneficial ownership interest in the Bonds, (ii) the delivery to any Agent Member, Beneficial Owner or other person, other than the Securities Depository, of any notice with respect to the Bonds, including any notice of redemption, (iii) the payment to any Agent Member, Beneficial Owner or other person, other than the Securities Depository, of any amount with respect to the

principal or Redemption Price of, or interest on, the Bonds, (iv) any consent given or other action taken by the Securities Depository as Owner of the Bonds, or (v) the selection by DTC, Cede or any Agent Member of any Beneficial Owners to receive payment if Bonds are redeemed in part. So long as securities certificates for the Bonds are not issued pursuant to the Indenture, the Authority and the Fiduciaries may treat the Securities Depository as, and deem the Securities Depository to be, the absolute Owner of each Bond for all purposes whatsoever including (but not limited to) (x) payment of the principal or Redemption Price of, and interest on, each such Bond, (y) giving notices of purchase or redemption and other matters with respect to such Bonds, and (z) registering transfers with respect to such Bonds. The Trustee will pay the principal or Redemption Price of, and interest on, all Bonds only to or upon the order of the Securities Depository, and all such payments will be valid and effective to fully satisfy and discharge the Authority's obligations with respect to such principal or Redemption Price, and interest, to the extent of the sum or sums so paid. Except as provided in the Indenture, no person other than the Securities Depository will receive a Bond evidencing the obligation of the Authority to make payments of principal or Redemption Price of, and interest on, the Bonds pursuant to the Indenture.

(1) The Securities Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving reasonable written notice to the Authority and the Fiduciaries and discharging its responsibilities with respect thereto under applicable law.

The Authority, in its sole discretion and without the consent of any other person, may terminate, upon giving of notice to the Fiduciaries, the services of the Securities Depository with respect to the Bonds if the Authority determines that the continuation of the system of book-entry transfers through the Securities Depository (or a successor securities depository) is not in the best interests of the Beneficial Owners of the Bonds or is burdensome to the Authority, and will terminate the services of the Securities Depository with respect to the Bonds upon receipt by the Authority and the Fiduciaries of written notice from the Securities Depository to the effect that the Securities Depository has received written notice from Agent Members having interests, as shown in the records of the Securities Depository, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding Bonds to the effect, that: (a) the Securities Depository is unable to discharge its responsibilities with respect to such Bonds; or (b) a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Bond Registrar in the name of the Securities Depository or its nominee is not in the best interest of the Beneficial Owners of such Bonds.

Upon the termination of the services of the Securities Depository with respect to the Bonds pursuant to the Indenture, or upon the discontinuance or termination of the services of the Securities Depository with respect to the Bonds pursuant to the Indenture after which no substitute securities depository willing to undertake the functions of the Securities Depository under the Indenture can be found or which, in the opinion of the Authority, is willing and able to undertake such functions upon reasonable and customary terms, the Bonds will no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of the Securities Depository. In such event, the Authority will issue and the Trustee will transfer and exchange Bond certificates, as requested by the Securities Depository or Agent Members, of like principal amount and maturity, in authorized denominations to the Beneficial Owners in replacement of such Beneficial Owners' beneficial interests in the Bonds. The Trustee will deliver such certificates representing such Bonds to the persons in whose names such Bonds are so registered as soon as practicable.

Except as otherwise provided in the Indenture, so long as any Bond is registered in the name of the Securities Depository or its nominee all payments with respect to the principal or Redemption Price of, and interest on, such Bond and all notices to Owners with respect to such Bond will be made and given, respectively, to the Securities Depository as provided in the "blanket letter of representations" from the Authority to the Securities Depository (as such letter will be amended from time to time).

In connection with any notice or other communication to be provided to Owners pursuant to the Indenture by the Trustee with respect to any consent or other action to be taken by Owners so long as any Bond is registered in the name of the Securities Depository or its nominee, the Authority or the Trustee will establish a record date for such consent or other action and give the Securities Depository notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

Notwithstanding any provision in the Indenture to the contrary, the Authority and the Trustee may agree to allow the Securities Depository or its nominee to make a notation on any Bond redeemed in part to reflect, for informational purposes only, the principal amount and date of any such redemption.

Bonds Limited Obligations

The Authority does hereby pledge and assign to the Trustee, for the benefit of the Owners of the Bonds and any Parity Swap Providers, (i) the proceeds of sale of the Bonds, (ii) the Revenues, and (iii) all amounts on deposit in any Fund or Account established by the Indenture (other than such Funds and Accounts that the Indenture provides are not a source of payment for the Bonds or any Parity Swaps and other than any moneys held by the Trustee or the Authority to pay any rebate amount owed to the federal government) including the investments, if any, thereof, and the same are hereby pledged and assigned, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture, as security for the payment of the Bonds, the interest thereon, and premium, if any, with respect thereto, as security for the payment obligations of the Authority under any Parity Swaps and as security for the performance of any other obligations of the Authority under the Indenture, all in accordance with the provisions of the Bonds, the Indenture and any Parity Swaps. The Bonds will be special, limited obligations of the Authority payable solely from, and secured as to the payment of the principal or Redemption Price thereof, and interest thereon, in accordance with their terms and the provisions of the Indenture solely by, the proceeds of sale of the Bonds, the Revenues and the other moneys and securities pledged and assigned pursuant to the Indenture. Such proceeds of sale of the Bonds, the Revenues and the other moneys and securities hereby pledged and assigned will immediately be subject to the lien of such pledge without any physical delivery thereof or other further act, and the lien of this pledge will be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof.

The Bonds will be payable, as to principal or Redemption Price thereof, and interest thereon, and any Parity Swaps will be payable, solely as provided in the Indenture and neither the State of California nor any public agency (other than the Authority) nor the Project Participants nor any other member of the Authority will be obligated to pay the principal or Redemption Price thereof or interest thereon or the obligations of the Authority (or the Trustee, if applicable) under any Parity Swaps. Neither the faith and credit nor the taxing power of the State of California or any public agency thereof, or the Project Participants or any other member of the Authority is pledged to the payment of the principal or Redemption Price of or interest on the Bonds or the obligations of the Authority (or the Trustee, if applicable) under any Parity Swaps. The Bonds and the Parity Swaps will never constitute the debt or indebtedness of the Authority within the meaning of any provision or limitation of the Constitution of the State of California or statutes of the State of California, nor will they constitute or give rise to a pecuniary liability of the Authority or a charge against its general credit.

Nothing contained in the Indenture will be construed to prevent the Authority from acquiring and financing through the issuance of its bonds, notes or other evidences of indebtedness any interests that do not constitute a part of the Southern Transmission System for the purposes of the Indenture; provided such bonds, notes or other evidences of indebtedness will not be payable out of or secured by the

Revenues or any Fund held under the Indenture and neither the cost of such facilities nor any expenditure in connection therewith or with the financing thereof will be payable from the Revenues or from any such Fund.

Establishment of Funds and Accounts

The following Funds and Accounts are established and each held by the Trustee:

1. Construction Fund, which will consist of each project account, if any, and each costs of issuance subaccount therein, if any, established pursuant to a Supplemental Indenture,

2. Revenue Fund,

3. Operating Fund, which will consist of an Operating Account and an Operating Reserve Account,

4. Debt Service Fund, which will consist of (i) the Participating Bonds Debt Service Account, (ii) each Series Debt Service Account established pursuant to a Supplemental Indenture providing for the issuance of a Series of Bonds that are not Participating Bonds, and (iii) each Letter of Credit Account established pursuant to a Supplemental Indenture providing for the issuance of a Series of Bonds for which a Letter of Credit is provided,

5. Debt Service Reserve Fund, which will consist of (i) the Participating Bonds Debt Service Reserve Account and (ii) each Series Debt Service Reserve Account (if any) established pursuant to a Supplemental Indenture providing for the issuance of a Series of Bonds that are not Participating Bonds in accordance with the Indenture,

6. Reserve and Contingency Fund,

7. General Reserve Fund, and

8. Rebate Fund.

Construction Fund

There will be paid into the Construction Fund the amounts required to be so paid by the provisions of the Indenture and any Supplemental Indenture, and there may be paid into the Construction Fund, at the written direction of the Authority, moneys received from any other source, unless required to be otherwise applied as provided by the Indenture. Amounts in the Construction Fund will be applied to the Cost of Acquisition of Capacity in the manner provided in the Indenture and in any Supplemental Indenture to the extent applicable.

Subject to and except as otherwise provided in the Indenture, there will also be deposited into the Construction Fund the proceeds of any condemnation award received by the Authority with respect to the Southern Transmission System and the proceeds received by the Authority to the extent attributable to the Authority Capacity of insurance, including the proceeds of any self-insurance fund, maintained pursuant to the Indenture against physical loss of or damage to the Southern Transmission System or casualty loss, or of contractors' performance or guarantee bonds or other assurances of completion or levels of performance with respect thereto (but excluding the proceeds of business interruption loss insurance, which will be deposited into the Revenue Fund as provided in the Indenture).

The Trustee will make payments from the Construction Fund, except payments and withdrawals pursuant to the Indenture, in the amounts, at the times, in the manner and on the other terms and conditions set forth in the Indenture and in any Supplemental Indenture to the extent applicable. Before any such payment will be made, the Authority will file with the Trustee its requisition therefor, signed by an Authorized Authority Representative, stating in respect of the payment to be made (a) the name and address of the person, firm or corporation to whom payment is due (which may be the Authority if the Authority provided the item of Cost of Acquisition of Capacity that is the basis of such payment, and may be the Project Participants to reimburse it for any portion of the Cost of Acquisition of Capacity previously paid by it), (b) the amount of such payment to be paid from the Construction Fund, (c) whether such payment will be for costs of issuance of Bonds or for another item of Cost of Acquisition of Capacity, (d) that such payment in the stated amount is a proper charge against the Construction Fund and (e) that no part of such payment will be applied to any item that previously has been paid from any Fund or Account created under the Indenture. Notwithstanding the foregoing, a requisition may provide for the payment of multiple invoices or statements that are properly payable from the Construction Fund. The Trustee will promptly issue its check or checks for each payment required by such requisition or will by interbank transfer or other method arrange to make promptly each payment required by such requisition. All such requisitions will be numbered consecutively from 1 upward.

The Trustee will, in connection with the acquisition of the Authority Capacity or during construction of the STS Renewal Project or any other Southern Transmission Capital Improvements, pay from the Construction Fund to the Authority, upon its requisitions therefor signed by an Authorized Authority Representative, at one time or from time to time, a sum or sums of up to $300,000, such sum or sums to be used by the Authority to establish a revolving fund for the purpose of paying such items of the Cost of Acquisition of Capacity as cannot conveniently be paid as in this the Indenture otherwise provided. After such revolving fund has been so established and provided that immediately prior to any reimbursement the amount in such revolving fund will be less than $300,000, such revolving fund will be reimbursed by the Trustee from time to time for such items so paid by payments from the Construction Fund to the Authority upon requisitions signed by an Authorized Authority Representative specifying the payee and the amount and particular purpose of each payment from such revolving fund for which such reimbursement is requested and certifying that each such amount so paid was necessary for the payment of an item of the Cost of Acquisition of Capacity and that such item could not conveniently be paid except from such revolving fund.

Notwithstanding any other provision of the Indenture, to the extent that other moneys are not available therefor, amounts in the Construction Fund (if any) will be applied to the payment of principal of and interest on Bonds when due.

If at any time the Authority determines that moneys are no longer needed in the Construction Fund to pay the Cost of Acquisition of Capacity, the Authority will file a certificate or certificates signed by an Authorized Authority Representative with the Trustee, stating (i) that no Cost of Acquisition of Capacity remains to be paid, or (ii) the amount, if any, required in the opinion of the signer for the payment of any remaining part of the Cost of Acquisition of Capacity. Upon the filing of such certificate, the balance in the Construction Fund established therefor in excess of the amount, if any, stated in such certificate will be transferred in the following order: to each Debt Service Account established by a Supplemental Indenture, if and to the extent necessary to make up any deficiency in any such Account, pro rata based on the amount of each such deficiency (with such transferred amount to be used to pay interest on Bonds and, with the prior approval of Bond Counsel, principal on Bonds), and to each Debt Service Reserve Account, if and to the extent necessary to make up any deficiency in such Account, pro rata based on the amount of each such deficiency, and any balance will be paid over or transferred to the General Reserve Fund. If subsequent to the filing of such certificate it will be determined that any amounts specified in such certificate as being required for the payment of any remaining part of the Cost

of Acquisition of Capacity are no longer so required, such fact will be evidenced by a certificate or certificates of an Authorized Authority Representative which will be filed with the Trustee stating such fact and any amount shown therein as no longer being required will be transferred in the following order: each Debt Service Account, if and to the extent necessary to make up any deficiency in such Account, pro rata based on the amount of each such deficiency (with such transferred amount to be used to pay interest on Bonds and, with the prior approval of Bond Counsel, principal on Bonds), and to each Debt Service Reserve Account, if and to the extent necessary to make up any deficiency in such Account, pro rata based on the amount of each such deficiency, and any balance will be paid over or transferred to the General Reserve Fund. Amounts transferred to the General Reserve Fund pursuant to the Indenture will be held uninvested (unless otherwise directed by an Authorized Authority Representative, after consultation with Bond Counsel) and, subject to the Indenture, applied to the retirement of Bonds by purchase or redemption or as otherwise directed by an Authorized Authority Representative after consultation with Bond Counsel.

Revenues and Revenue Fund

All Revenues and, except as otherwise provided in a Supplemental Indenture, any interest and other investment income received on any moneys or securities held pursuant to the Indenture, will be promptly deposited upon receipt thereof to the credit of the Revenue Fund.

Operating Fund

As soon as practicable in each month after deposit of Revenues as provided in the Indenture and in any case no later than the last Business Day of such month, in accordance with written instructions from the Authority, the Trustee will withdraw from the Revenue Fund and credit to (i) the Operating Account in the Operating Fund a sum that is equal to the total moneys appropriated for Authority Operating Expenses for deposit in the Operating Account as provided in the Annual Budget for the then current month and (ii) the Operating Reserve Account in the Operating Fund, the amount required so that the amount in the Operating Reserve Account will equal the amount (if any) required to be in such Account as provided in the Annual Budget. If and to the extent provided in the Indenture and any Supplemental Indenture, there may be deposited in the Operating Reserve Account proceeds of Bonds or any portion thereof or moneys received for or in connection with the Southern Transmission System or any portion thereof from any other source, unless required to be otherwise applied as provided in the Indenture.

Amounts in the Operating Fund will be paid out from time to time by the Trustee for reasonable and necessary Authority Operating Expenses. The Trustee will make such payments from the Operating Account, except payments and withdrawals pursuant to the Indenture, in the amounts, at the times, in the manner and on the other terms and conditions set forth in the Indenture. Before any such payment will be made, the Authority will file with the Trustee its requisition therefor, signed by an Authorized Authority Representative stating in respect of the payment to be made (a) the amount of such payment, (b) the name and address of the person, firm or corporation to whom payment is due (which may be the Authority if the Authority provided the Authority Operating Expenses that are the basis of such payment), (c) that such payment in the stated amount is a proper charge against the Operating Account and (d) that no part of such payment will be applied to any item that previously has been paid from any Fund or Account created under the Indenture. Notwithstanding the foregoing, a requisition may provide for the payment of multiple invoices or statements that are properly payable from the Operating Fund. The Trustee will promptly issue its check or checks for each payment required by such requisition or will by interbank transfer or other method arrange to make promptly each payment required by such requisition. Each such requisition will be numbered consecutively from 1 upward.

The Trustee will pay from the Operating Fund to the Authority, upon its requisition therefor signed by an Authorized Authority Representative, at one time or from time to time, a sum or sums of up to $300,000, such sum or sums to be used by the Authority to establish a revolving fund for the purpose of paying such items of the Authority Operating Expenses as cannot conveniently be paid as in the Indenture otherwise provided. After such revolving fund has been so established and provided that immediately prior to such reimbursement the amount in such revolving fund will be less than $300,000, such revolving fund will be reimbursed by the Trustee from time to time for such items so paid by payments from the Operating Fund to the Authority upon requisition signed by an Authorized Authority Representative specifying the payee and the amount and particular purpose of each payment from such revolving fund for which such reimbursement is requested and certifying that each such amount so paid was necessary for the payment of an item of the Authority Operating Expenses and that such item could not conveniently be paid except from such revolving fund.

If on the last Business Day of any month the amount in the Operating Account is less than the amount required to be in the Operating Account to pay Authority Operating Expenses in such month, the Trustee will transfer amounts, if any, from the Operating Reserve Account to the Operating Account to the extent of the deficiency.

Amounts in the Operating Account or Operating Reserve Account that the Authority at any time determines to be in excess of the requirements of such Account, such determination to be evidenced by a written statement delivered to the Trustee to this effect signed by an Authorized Authority Representative, will be applied to make up any deficiencies in the following Funds and Accounts in the order stated: each Debt Service Account, pro rata based on the amount of each such deficiency; each Debt Service Reserve Account, pro rata based on the amount of each such deficiency; the Reserve and Contingency Fund; and thereafter any remaining excess will be transferred by the Trustee to the General Reserve Fund; provided, however, that amounts in the Operating Account that the Authority determines to be in excess of the requirement of the Operating Account will first be transferred to the Operating Reserve Account as necessary so that the amount in the Operating Reserve Account will equal the amount required to be in the Operating Reserve Account (if any) as provided in the Annual Budget.

Payments into Certain Funds

As soon as practicable in each month after the deposit of Revenues as provided in the Indenture and after the payment for such month has been made to the Operating Account and the Operating Reserve Account pursuant to the Indenture, but in any case no later than the last Business Day of such month, the Trustee will withdraw from the Revenue Fund and deposit in the following Funds and Accounts in the following order of priority the amounts set forth below:

1. In the Debt Service Fund, for the ratable security and payment pursuant to the Indenture: (i) (A) for credit to the Participating Bonds Debt Service Account the amount, if any, required so that the balance in said Account will equal the Accrued Debt Service with respect to the Participating Bonds as of the last day of the then current month, and (B) for credit to each Series Debt Service Account, the amount, if any, required so that the balance in each such Account will equal the Accrued Debt Service with respect to the related Series of Bonds as of the last day of the then current month; provided that, for the purposes of computing the amount on deposit in any of such Accounts, there will be excluded from the balance of such Account the amount, if any, set aside in such Account from the proceeds of Bonds (including amounts, if any, transferred thereto from the Construction Fund) for the payment of interest on the related Bonds, less that amount of such proceeds to be applied in accordance with the Indenture to the payment of interest accrued and unpaid and to accrue on such related Bonds to the last day of the then current

month; and provided further, however, that the amount of Accrued Debt Service with respect to Variable Interest Rate Bonds will be determined in accordance with the Supplemental Indenture authorizing such Variable Interest Rate Bonds; and (ii) (A) for credit to the Participating Bonds Debt Service Account, the amounts due and payable by the Authority during such month under any Parity Swap which will be designated to the Trustee by an Authorized Authority Representative as a Parity Swap for Participating Bonds as provided in the related Supplemental Indenture or Supplemental Indentures, and (B) for credit to each Series Debt Service Account, the amounts due and payable by the Authority during such month under any Parity Swap which will be designated to the Trustee by an Authorized Authority Representative as a Parity Swap for the related Series of Bonds as provided in the related Supplemental Indenture or Supplemental Indentures; provided that, in any case, any termination payments under any Parity Swap will be payable on a basis subordinate and junior to the payments to be made on the Bonds; and provided, however, that, in any event, if there will be a deficiency of Revenues to make all of the deposits required by the Indenture, such Revenues will be deposited into each Debt Service Account on a pro rata basis based on the amounts due;

2. In the Debt Service Reserve Fund for credit to the Participating Bonds Debt Service Reserve Account and each Series Debt Service Reserve Account, the amount, if any, required to be deposited therein so that the balance in each such Account will be equal to the requirement therefor as of the last day of the then current month in accordance with the provisions of the Indenture or the applicable provisions of the related Supplemental Indenture; provided, however, that, in any event, if there will be a deficiency of Revenues to make all of the deposits required by the Indenture, such Revenues will be deposited into each Debt Service Reserve Account on a pro rata basis based on the amounts due;

3. In the Reserve and Contingency Fund, the amount, if any, provided for deposit therein during the then current month as provided in the Annual Budget, in accordance with written instructions from the Authority; and

4. In the General Reserve Fund, the remaining balance, if any, of moneys in the Revenue Fund after making the above deposits;

provided, however, that any provisions of the Indenture to the contrary notwithstanding, so long as there will be held in any Debt Service Account an amount sufficient to pay in full all Outstanding Bonds to which such Account relates in accordance with their terms (including principal or applicable Sinking Fund Installment and interest thereon), no deposits will be required to be made into such Debt Service Account.

There will be paid into the Debt Service Fund the amounts required to be so paid by the provisions of the Indenture and any Supplemental Indenture, and there may be paid into the Debt Service Fund, at the written direction of the Authority, moneys received for or in connection with the Southern Transmission System or any portion thereof, from any legally available source, unless required to be otherwise applied as provided by the Indenture.

At any time that a Letter of Credit is in effect for any Series of Bonds, the Trustee will deposit the proceeds of any Drawings on a Letter of Credit in the applicable separate subaccount in the Letter of Credit Account in the Debt Service Fund.

Debt Service Fund – Debt Service Accounts

The Trustee will pay out of the Participating Bonds Debt Service Account (a) to the Paying Agents, if any, for the Participating Bonds (i) on or before each Interest Payment Date for any of the Outstanding Participating Bonds the amount required for the interest payable on such Participating Bonds on such date, (ii) on or before each due date therefor, the amount required for the Principal Installments payable on such Outstanding Participating Bonds on such due date, and (iii) on or before any redemption date for Outstanding Participating Bonds, the amount required for the payment of the Redemption Price of, and any unpaid accrued interest on, such Participating Bonds then to be redeemed and (b) to each Parity Swap Provider, if any, of any Parity Swap which will be designated to the Trustee by an Authorized Authority Representative as a Parity Swap for Participating Bonds any regularly-scheduled amounts due and payable by the Authority under any such Parity Swap on the due date therefor. Amounts so paid to the Paying Agents with respect to Outstanding Participating Bonds will be applied by any such Paying Agents on the due dates therefor. The Trustee will also pay out of the Participating Bonds Debt Service Account the accrued interest included in the purchase price of any Participating Bonds purchased for retirement and any other amounts payable by the Authority under any Parity Swap which will be designated to the Trustee by an Authorized Authority Representative as a Parity Swap for any Participating Bonds. Notwithstanding anything to the contrary in the Indenture, any termination payments payable by the Authority under any Parity Swap will be payable on a basis subordinate and junior to the payments due to Parity Swap Providers described in the Indenture. Except as provided in the immediately preceding sentence, all amounts held at any time in the Participating Bonds Debt Service Account will be held until applied on a parity basis for the ratable security and payment of (i) Accrued Debt Service on the Outstanding Participating Bonds and (ii) amounts due and payable by the Authority under any Parity Swap which will be designated to the Trustee by an Authorized Authority Representative as a Parity Swap for any Participating Bonds, if any, at any time, in proportion to the amounts accrued or due and payable, as applicable.

The Trustee will pay out of each Series Debt Service Account (a) to the Paying Agent, if any, for the related Series of Bonds (i) on or before each Interest Payment Date for any of the Outstanding Bonds of such Series the amount required for the interest payable on the Bonds of such Series on such date, (ii) on or before each due date therefor, the amount required for the Principal Installments payable on the Outstanding Bonds of such Series on such due date, and (iii) on or before any redemption date for Outstanding Bonds of such Series then to be redeemed, the amount required for the payment of the Redemption Price thereof, and any unpaid accrued interest thereon and (b) to each Parity Swap Provider, if any, of any Parity Swap which will be designated to the Trustee by an Authorized Authority Representative as a Parity Swap for any Bonds of the related Series any regularly-scheduled amounts due and payable by the Authority under any such Parity Swap on the due date therefor. Amounts so paid to the Paying Agents with respect to such Outstanding Bonds will be applied by any such Paying Agents on the due dates therefor to the purposes set forth in the preceding sentence. The Trustee will also pay out of each Series Debt Service Account the accrued interest included in the purchase price of any Bonds of the related Series purchased for retirement and any other amounts payable by the Authority under any Parity Swap which will be designated to the Trustee by an Authorized Authority Representative as a Parity Swap for such Bonds. Notwithstanding anything to the contrary in the Indenture, any termination payments payable by the Authority under any Parity Swap will be payable on a basis subordinate and junior to the payments due to Parity Swap Providers described in the Indenture. Except as provided in the immediately preceding sentence, all amounts held at any time in any Series Debt Service Account will be held until applied on a parity basis for the ratable security and payment of (i) Accrued Debt Service on the Outstanding Bonds of the related Series and (ii) amounts due and payable by the Authority under any Parity Swap which will be designated to the Trustee by an Authorized Authority Representative as a Parity Swap for any Bonds of the related Series, if any, at any time, in proportion to the amounts accrued or due and payable, as applicable.

Amounts accumulated in a Debt Service Account with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) may, and if so directed by the Authority will, be applied by the Trustee, on or prior to the sixtieth (60th) day preceding the due date of such Sinking Fund Installment, to (i) the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established, or (ii) the redemption at the applicable Redemption Price of such Bonds, if then redeemable by their terms. After the sixtieth (60th) day but on or prior to the forty-fifth (45th) day preceding the due date of such Sinking Fund Installment, any amounts then on deposit in the applicable Debt Service Account (exclusive of amounts, if any, set aside therein that were deposited therein from the proceeds of Bonds) may, and if so directed by the Authority will, be applied by the Trustee to the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established, in an amount not exceeding that necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. Any purchase of Bonds pursuant to the Indenture will be made at prices not exceeding the applicable Redemption Price of such Bonds plus accrued interest, and such purchases will be made by the Trustee as directed by the Authority. The applicable Redemption Price of any Bonds (or principal amount of maturing Bonds) so purchased or redeemed will be deemed to constitute part of the related Debt Service Account until such Sinking Fund Installment due date, for the purpose of calculating the amount on deposit in such Account. As soon as practicable after the forty-fifth (45th) day preceding the due date of any such Sinking Fund Installment, the Trustee will proceed to call for redemption, by giving notice as provided in the Indenture, on such due date, Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment due date) in such amount as will be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Trustee will pay out of the related Debt Service Account to the appropriate Paying Agent, if any, on or before such redemption date (or maturity date), the amount required for the redemption of the Bonds so called for redemption (or for the payment of any such Bonds then maturing), and such amount will be applied by the appropriate Paying Agent to such redemption (or payment). All expenses in connection with the purchase or redemption of Bonds as in the Indenture provided will be paid from the Operating Fund.

In the event of the refunding (or other defeasance) of any Bonds (or portions thereof), the Trustee will, upon the direction of an Authorized Authority Representative acting with the advice of Bond Counsel, withdraw from the related Debt Service Account or Accounts amounts accumulated therein with respect to Debt Service on the Bonds (or portions thereof) being refunded (or otherwise defeased) and, unless otherwise instructed in writing as to an alternative use of such amounts, deposit such amounts with itself as escrow agent to be held for the payment of the principal or Redemption Price, if applicable, of, and interest on the Bonds (or portions thereof) being refunded (or otherwise defeased); provided that such withdrawal will not be made unless (a) immediately thereafter the Bonds (or portions thereof) being refunded (or otherwise defeased) will be deemed to have been paid pursuant to the Indenture, and (b) the amount remaining in such related Debt Service Account or Accounts after such withdrawal will not be less than the amount required to be held therein pursuant to the Indenture.

Debt Service Fund – Letter of Credit Account

At any time that a Letter of Credit is in effect for any Series of Bonds, the Trustee will pay out of the applicable Letter of Credit Account to the Paying Agent, if any, for the related Series of Bonds (i) on or before each Interest Payment Date for any of the Bonds of such Series, the amount required for the interest payable thereon on such date, (ii) on or before each due date therefor, the amount required for the Principal Installments payable on the Outstanding Bonds of such Series on such due date, and (iii) on or before any redemption date for Outstanding the Bonds of such Series to be redeemed, the amount required for the payment of interest on such Bonds then to be redeemed; provided, however, that, notwithstanding the foregoing, interest coming due with respect to any Series of Bonds for which a Letter

of Credit has been provided may be payable by the Trustee in such other manner as the Supplemental Indenture authorizing such Series of Bonds will specify. Such amounts will be applied by any Paying Agent on the due dates therefor to the purposes set forth in the preceding sentence. The Trustee will also pay out of the applicable Letter of Credit Account the accrued interest included in the purchase price of the Bonds of the related Series purchased for retirement. The obligations of the Authority to the Bank providing a Letter of Credit (including reimbursement obligations) will be secured as provided in the Indenture and the related Supplemental Indenture.

As soon as practicable after the fortieth (40th) day preceding the due date of any Sinking Fund Installment for the Bonds of the Series to which such Letter of Credit relates, the Trustee will proceed to call for redemption, by giving notice as provided in the Indenture, on such due date Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment Date) in such amount as will be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Trustee will pay out of the appropriate subaccount of the Letter of Credit Account to the Paying Agent, on or before such redemption date (or maturity date), the amount required for the redemption of such Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount will be applied by the Paying Agent to such redemption (or payment). All expenses in connection with the purchase or redemption of such Bonds will be paid from the Operating Account.

Provisions relating to the substitution, replacement or expiration of a Letter of Credit will be as set forth in the related Supplemental Indenture.

Debt Service Reserve Fund – Debt Service Reserve Accounts

Except as provided in the Indenture, there will be maintained in each Debt Service Reserve Account an amount equal to the Debt Service Reserve Requirement (if any) applicable to such Account.

If on the last Business Day of any month the amount in any Debt Service Account will be less than the amount required to be in such Account pursuant to the provisions of the Indenture with respect to the related Bonds, the Trustee will pay out of the related Debt Service Reserve Account for credit to such Debt Service Account the amount necessary to restore the balance therein to the required amount. The Trustee will also pay out of the related Debt Service Reserve Account (if funded) the amount necessary to reimburse any provider of a Debt Service Reserve Account Policy credited to such Account for any draw on such Debt Service Reserve Account Policy, together with interest or other amounts due to such provider as a result of such draw, pursuant to the terms of such Debt Service Reserve Account Policy or any related agreement with the provider thereof.

In the event that the balance in any Debt Service Reserve Account will at any time be less than the Debt Service Reserve Requirement applicable to such Account, the deficiency in such Account will be replenished by the deposit monthly into such Account pursuant to the provisions of the Indenture of at least one-twelfth (1/12) of the aggregate amount of each unreplenished prior withdrawal from such Account and the full amount of any portion of any such deficiency due to the required valuations of the investments in such Account pursuant to the Indenture until the balance in such Account is at least equal to the Debt Service Reserve Requirement applicable to such Account.

Except as provided in the Indenture, whenever the moneys on deposit in a Debt Service Reserve Account will exceed the applicable Debt Service Reserve Requirement, such excess will be applied to the reimbursement of any drawing on a Debt Service Reserve Account Policy credited to such Account and to the payment of interest or other amounts due to the provider of any such Debt Service Reserve Account Policy to the extent payable from such Account.

Whenever the amount in a Debt Service Reserve Account (excluding any Debt Service Reserve Account Policy credited thereto), together with the amount in the related Debt Service Account available for such purpose, is sufficient to pay in full all Outstanding Bonds to which such Accounts relate in accordance with their terms (including principal or applicable Sinking Fund Installment and interest thereon), the funds on deposit in such Debt Service Reserve Account will be transferred to the related Debt Service Account and applied to the payment or redemption of the related Bonds.

In the event of the refunding (or other defeasance) of any Bonds (or portions thereof), the Trustee, upon the direction of an Authorized Authority Representative acting with the advice of Bond Counsel, will withdraw from the related Debt Service Reserve Account any or all of the amounts accumulated therein (excluding any Debt Service Reserve Account Policy credited thereto) with respect to Debt Service on the Bonds (or portions thereof) being refunded (or otherwise defeased) and, unless otherwise instructed in writing as to an alternative use of such amounts, deposit such amounts with itself as escrow agent to be held for the payment of the principal or Redemption Price, if applicable, of, and interest on, the Bonds being refunded (or otherwise defeased); provided that such withdrawal will not be made unless (a) immediately thereafter the Bonds (or portions thereof) being refunded (or otherwise defeased) will be deemed to have been paid pursuant to the Indenture, and (b) the amount remaining in such Debt Service Reserve Account after such withdrawal will not be less than the applicable Debt Service Reserve Requirement for such Account.

Notwithstanding anything in the Indenture to the contrary, at the option of the Authority any amounts required to be held or deposited in any Debt Service Reserve Account may be substituted, in whole or in part, by the deposit therein of a Debt Service Reserve Account Policy in a stated amount equal to the amounts so substituted, and any Debt Service Reserve Account Policy then held in any such Account may be replaced at the option of the Authority by cash or by another Debt Service Reserve Account Policy in whole or in part; provided that prior to the substitution or replacement of any such Debt Service Reserve Account Policy the Rating Agencies then rating the Bonds to which such Debt Service Reserve Account relates will have been notified by the Authority of such proposed substitution or replacement and the substitution or replacement will not result, as evidenced by letters from such Rating Agencies, in a downgrading or withdrawal of any rating of such Bonds then in effect by such Rating Agencies; and provided further that the Authority will have first received an Opinion of Bond Counsel to the effect that such substitution or replacement will not adversely affect the exclusion of interest on such Bonds from the gross income of the owners thereof for federal income tax purposes, if applicable. Any moneys so withdrawn from a Debt Service Reserve Account will, with the approval of Bond Counsel, be transferred to the General Reserve Fund and used in accordance with the provisions of the Indenture or otherwise used in a manner that is consistent with such Opinion of Bond Counsel, if applicable.

Reserve and Contingency Fund

Amounts in the Reserve and Contingency Fund will be applied to Costs of Acquisition of Capacity, to payment of extraordinary Authority Operating Expenses and contingencies, including payments with respect to the prevention or correction of any unusual loss or damage in connection with the Southern Transmission System or to prevent a loss of revenue therefrom, and to payment of the allocable costs of replacements, repairs, additions, improvements and betterments (including planning and design costs) in connection with the Southern Transmission System or any transmission facilities (including planning and design costs) relating to, or for the benefit of, the Southern Transmission System, all to the extent not provided for from other proceeds of Bonds, notes or other evidences of indebtedness issued by the Authority to finance or refinance the Cost of Acquisition of Capacity. Before any such payment will be made, the Authority will file with the Trustee its requisition therefor, signed by an Authorized Authority Representative, stating in respect of each payment to be made (a) the name and address of the person, firm or corporation to whom payment is due, (b) the amount to be paid by the

Authority, (c) the particular item or items to be paid and (d) that the cost or the obligation in the stated amount is a proper charge against the Reserve and Contingency Fund that has not been previously paid from any Fund or Account created under the Indenture. The Trustee will promptly issue its check for each payment required by such requisition or will by interbank transfer or other method arrange to make promptly each payment required by such requisition. Each such requisition will be numbered consecutively from 1 upward.

No payments will be made from the Reserve and Contingency Fund if and to the extent that any proceeds of insurance, including any proceeds of any self-insurance fund, or other moneys recoverable as the result of damage, if any, are available to pay the costs otherwise payable from such Fund.

If at any time the amount in any Debt Service Account is less than the requirement of such Account pursuant to the Indenture, or the amount in any Debt Service Reserve Account is less than the requirement of such Account pursuant to the Indenture, and there are not on deposit in the General Reserve Fund available moneys sufficient to cure such deficiencies, then upon the written direction of the Authority the Trustee will transfer moneys from the Reserve and Contingency Fund in the following order of priority: (a) to each Debt Service Account, pro rata based on the amount of such deficiency, the amount necessary (or all the moneys in the Reserve and Contingency Fund if less than the amount necessary) to make up such deficiency; and (b) to each Debt Service Reserve Account, pro rata based on the amount of such deficiency, the amount necessary (or all the moneys in the Reserve and Contingency Fund if less than the amount necessary) to make up such deficiency.

Any balance of moneys and securities in the Reserve and Contingency Fund not required to meet any deficiencies in any Debt Service Account or any Debt Service Reserve Account or not needed for any of the purposes for which such Fund was established, will be transferred by the Trustee to the Construction Fund or the Operating Fund, if and to the extent deemed necessary or desirable by the Authority, as evidenced by a certificate of an Authorized Authority Representative, to make up any deficiencies in such Fund, and thereafter any remaining excess will be transferred by the Trustee to the General Reserve Fund.

General Reserve Fund

The Trustee will transfer from the General Reserve Fund moneys in the following amounts and in the following order of priority: (i) to each Debt Service Account, pro rata based on the amount of any deficiency therein, the amount necessary (or all the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies in payments to said Accounts required by the Indenture; (ii) to each Debt Service Reserve Account, pro rata based on the amount of any deficiency therein, the amount necessary (or all the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies in payments to such Accounts required by the Indenture or resulting from any transfer to the Debt Service Fund or Accounts; and (iii) to the Reserve and Contingency Fund the amount necessary (or all the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies in payments to the Reserve and Contingency Fund required by the Indenture.

Amounts in the General Reserve Fund not required to meet a deficiency as required in the Indenture will, upon a determination of the Authority evidenced by a certificate of an Authorized Authority Representative delivered to the Trustee and after consultation with Bond Counsel, be applied to or set aside for any one or more of the following:

(i) payment into the Revenue Fund or any other Fund or Account established by the Indenture or any fund or account established by an indenture with respect to bonds, notes

or other evidences of indebtedness issued by the Authority to finance or refinance the Cost of Acquisition of Capacity;

(ii) the purchase or redemption of any Bonds, and expenses in connection with the purchase or redemption of any Bonds or any reserves that the Authority determines will be required for such purposes;

(iii) payments required to be made to any fund or account established pursuant to an indenture of trust with respect to bonds, notes or other evidences of indebtedness payable on a basis subordinate to the Bonds;

(iv) to reduce the monthly transmission costs of the Project Participants under the Renewal Transmission Service Contracts; and

(v) any other lawful purpose of the Authority related to the Southern Transmission System or the Authority Capacity;

provided, however, that subject to the provisions of the Indenture, amounts deposited in the General Reserve Fund and required by the Indenture to be applied to the purchase or redemption of Bonds will be applied to such purpose. The Authority agrees that it will use its best efforts to call Bonds for redemption, on the date or dates and in the amount or amounts as will exhaust as nearly as possible the amounts set aside for the redemption of Bonds pursuant to clause (ii) above.

Upon the purchase or optional redemption pursuant to this the Indenture of Bonds of any Series and maturity for which Sinking Fund Installments will have been established, there will be credited toward any Sinking Fund Installment thereafter to become due an amount determined as provided in the Indenture.

Rebate Fund

The Authority shall establish and the Trustee shall maintain a separate fund to be known as the "Rebate Fund." To assure the excludability pursuant to section 103(a) of the Code of the interest on the Bonds from the gross income of the owners thereof for federal income tax purposes (excluding Bonds bearing interest that is not intended to be so excluded), the Authority shall transfer or direct the transfer of funds to the Trustee for deposit into the Rebate Fund in amounts sufficient to permit the Authority to timely pay to the United States Treasury such amounts as may be required from time to time pursuant to any Supplemental Indenture. The Authority shall further direct the Trustee to pay any such amounts on behalf of the Authority to the United States Treasury accompanied by Form 8038-T prepared by the Authority or such other forms and information as may be required by the Code and the applicable Treasury Regulations.

Investment of Certain Funds

Moneys held in any Debt Service Account and in any Debt Service Reserve Account will be invested and reinvested by the Trustee to the fullest extent practicable in Investment Securities that mature or are available not later than such times as will be necessary to provide moneys when needed for payments to be made from such Funds and Accounts. Moneys held in the Revenue Fund and the Construction Fund will be invested and reinvested by the Trustee in Investment Securities that mature not later than such times as will be necessary to provide moneys when needed for payments to be made from such Funds. Moneys in the Operating Fund will be invested by the Trustee in Investment Securities that mature within twelve (12) months from the date of such investment and amounts in the Reserve and

Contingency Fund and the General Reserve Fund will be invested by the Trustee in Investment Securities that mature within five (5) years from the date of such investment, and in any case the Investment Securities in such Funds or in the Accounts therein will mature not later than such times as will be necessary to provide moneys when needed to provide payments from such Funds or Accounts. The Trustee will make all such investments of moneys held by it in accordance with prior written directions of an Authorized Authority Representative, which will include a certification that the investments being directed are Investment Securities as required by the Indenture. In the absence of written investment instructions from an Authorized Authority Representative, the Trustee will invest solely in a taxable money market fund comprised of obligations issued or guaranteed by the United States Government or repurchase agreements collateralized by such obligations.

Interest and other investment income (net of that which (i) represents a return of accrued interest paid in connection with the purchase of any investment and (ii) is required to offset the amortization of any premium paid in connection with the purchase of any investment) earned on any moneys or investments in such Funds and Accounts (other than the Construction Fund), to the extent resulting in a balance that is in excess of any requirement for such Fund or Account, will be paid into the Revenue Fund; provided, however, that such interest and other investment income will be paid into the Construction Fund to the extent provided in the Supplemental Indentures entered into from time to time. Interest and other investment income earned on any moneys or investments in the Construction Fund or a separate account therein will be held in such Fund or Account for the purposes thereof unless otherwise provided in a Supplemental Indenture.

Nothing in the Indenture will prevent any Investment Securities acquired as investments of funds held under the Indenture from being issued or held in book-entry form.

In making any investment in any Investment Securities with moneys in any Fund or Account established under the Indenture, the Authority may combine such moneys with moneys in any other Fund or Account but solely for the purposes of making such investment in such Investment Securities and provided that any amount so combined will be accounted for separately. Notwithstanding the preceding sentence, no amounts held in a Letter of Credit Account in the Debt Service Fund will be combined with any other amounts in any other Fund or Account for purposes of making investments.

The Authority acknowledges that notwithstanding regulations of the Comptroller of the Currency or other applicable regulatory body that may grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority agrees that the Trustee will not send such confirmations to the Authority to the extent permitted by law. The Trustee will furnish the Authority periodic cash transaction statements which will include detail for all investment transactions made by the Trustee under the Indenture.

Payment of Bonds

The Authority will duly and punctually pay or cause to be paid, but solely from the sources specified in the Indenture, the principal or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner mentioned in the Bonds according to the true intent and meaning thereof.

Extension of Payment of Bonds

The Authority will not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest then due on the Bonds and in case the maturity of any of the Bonds or the time for payment of any such claims for interest will be extended,

such Bonds or claims for interest will not be entitled, in case of any default under the Indenture, to the benefit of the Indenture or to any payment out of Revenues or Funds established by the Indenture (except moneys held in trust for the payment of particular Bonds pursuant to the Indenture), except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as will not be represented by such extended claims for interest. Nothing in the Indenture will be deemed to limit the right of the Authority to issue Refunding Bonds or other evidences of indebtedness to refund any Bonds and such issuance will not be deemed to constitute an extension of maturity of Bonds.

Officers for Servicing Bonds

During any period for which the book-entry system provided for by the Indenture will not be in effect, the Authority will at all times maintain one or more agencies in the City of Los Angeles, California, where Bonds may be presented for payment and will at all times maintain one or more agencies where Bonds may be presented for registration of transfer or exchange, and where notices, demands and other documents may be served upon the Authority in respect of the Bonds or of the Indenture. The Authority hereby appoints the Trustee as Bond Registrar to maintain an agency for the registration of transfer or exchange of Bonds, and for the service upon the Authority of such notices, demands and other documents, and the Trustee will continuously maintain or make arrangements to provide such services. The Authority hereby appoints the Paying Agent or Agents in such city or cities as its respective agents to maintain such agencies for the payment or redemption of Bonds.

Further Assurance

At any and all times the Authority will, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, pledging, assigning and confirming in all and singular the rights, Revenues and other moneys, securities and funds hereby pledged or assigned, or intended so to be, or that the Authority may become bound to pledge or assign.

Protection of Pledge of Revenues and Other Moneys

To the extent permitted by law, and subject to the Indenture, the Authority at all times will defend, preserve and protect the pledge of the Revenues and other moneys, securities and funds pledged under the Indenture and all the rights of the Owners and any Parity Swap Providers under the Indenture against all claims and demands of all persons whomsoever.

Power to Establish Charges and Collect Amounts

The Authority will have on the Transition Date and as long as any Bonds are Outstanding, good right and lawful power to establish charges and cause to be collected amounts with respect to the use of the Authority Capacity, subject to the terms of the Renewal Transmission Service Contracts. Prior to the Transition Date, the Authority will have good right and lawful power to collect the Interim Revenues, subject to the terms of the Existing Southern Transmission System Agreement.

Creation of Liens; Sale of Authority Capacity

Except as otherwise expressly provided in the Indenture, the Authority will not issue any bonds, notes, debentures or other evidences of indebtedness of similar nature, other than the Bonds or Parity Swaps, payable out of or secured by a security interest in or a pledge or assignment of the Revenues or

other moneys, securities or funds held or set aside by the Authority or by the Fiduciaries under the Indenture for the benefit of the Owners of the Bonds and for any Parity Swap Providers and will not create or cause to be created any lien or charge on the Revenues, or on such other moneys, securities or funds; provided, however, that nothing contained in the Indenture will prevent the Authority from issuing, if and to the extent permitted by law (i) evidences of indebtedness (a) payable out of moneys in the Construction Fund as part of the Cost of Acquisition of Capacity, or (b) payable out of or secured by a security interest in or pledge and assignment of Revenues to be derived on and after such date as the pledge of the Revenues provided in the Indenture has been discharged and satisfied as provided the Indenture, or (ii) bonds, notes or other evidences of indebtedness (including, but not limited to, any interest rate exchange or swap agreement, cash flow exchange or swap agreement or other similar financial agreement) payable on a basis subordinate and junior to the Bonds and any Parity Swaps and secured by a lien or charge on Revenues that is subordinate and junior to the lien of the Bonds and the Parity Swaps on Revenues.

The Authority will not sell, assign, lease or otherwise dispose of Authority Capacity if such sale, assignment, lease or other disposition would materially adversely affect the rights or security of the Owner under the Indenture. For so long as the Renewal Transmission Service Contracts are in effect, the Authority will not sell any transmission service utilizing Authority Capacity or the transmission capability thereof except as provided in or permitted by the Renewal Transmission Service Contracts or consent to the sale, lease, mortgage or other disposal of the Southern Transmission System other than in accordance with the Renewal Power Sales Contracts and the Bond Resolution.

Annual Budget

Not less than thirty (30) nor more than forty-five (45) days prior to the beginning of each Fiscal Year, the Authority will adopt and file with the Trustee for such Fiscal Year an Annual Budget prepared in accordance with the provisions of, and in the manner contemplated by, the Renewal Transmission Service Contracts; provided, however, that the first Fiscal Year for purposes of adoption of an Annual Budget therefor will commence as provided in the Renewal Transmission Service Contracts. Notwithstanding the foregoing, the Annual Budget for the first Fiscal Year will be adopted and filed in the most practicable manner available prior to the date upon which such first Fiscal Year begins. Each such Annual Budget will set forth in reasonable detail the estimated Revenues required to be collected for such Fiscal Year and the estimated amount to be deposited in each month of the Fiscal Year in the Funds and Accounts under the Indenture, and will include, particularly, provision for the amounts required (or in good faith estimated to be required) for the accrual or payment (as applicable) of Accrued Debt Service on the Bonds, the payment of Authority Operating Expenses, the funding or replenishment of any reserves (including all Accounts in the Debt Service Reserve Fund) required by the Indenture, provision for any general reserve for Authority Operating Expenses and the estimated amount to be deposited in the Reserve and Contingency Fund (if any), and provision for any such other expenditures and deposits as the Authority will determine will be necessary or appropriate so as to enable the Authority to comply with the Indenture and the Renewal Transmission Project Agreements, including, where applicable, provision for the payment of the allocable costs of Capital Improvements which are not being financed by proceeds of Bonds for such Fiscal Year. As provided in the Renewal Transmission Service Contracts, the Annual Budget will provide the basis for the monthly billing of amounts ("Monthly Transmission Costs" as defined in the Renewal Transmission Service Contracts) to be paid by the Project Participants thereunder, and will include all amounts necessary for the Authority to satisfy all of its obligations under the Renewal Transmission Project Agreements attributable to the Authority Capacity and all of its obligations under the Indenture. If there are at any time during any Fiscal Year extraordinary receipts or payments of unusual costs with respect to the Authority Capacity, or the amount in the Debt Service Fund or the Debt Service Reserve Fund will be less than the respective balances required by the Indenture, the Authority will promptly adopt in accordance with the provisions of the Renewal Transmission Service Contracts

and file with the Trustee an amended Annual Budget for the remainder of such Fiscal Year. The Authority may also at any time adopt in accordance with the provisions of the Renewal Transmission Service Contracts and file with the Trustee an amended Annual Budget for the remainder of the then current Fiscal Year.

Charges and Enforcement

The Authority will at all times establish and collect (or cause to be collected) (i) amounts for the use of the Authority Capacity (including amounts payable under the Renewal Transmission Service Contracts) and (ii) amounts under the Interim Revenues Provision, as will be required to provide Revenues at least sufficient in each Fiscal Year, together with other available funds, for the payment of:

(i) Authority Operating Expenses during such Fiscal Year;

(ii) An amount equal to the Aggregate Debt Service for such Fiscal Year;

(iii) The amount, if any, to be paid during such Fiscal Year into the Participating Bonds Debt Service Reserve Account and any Series Debt Service Reserve Account;

(iv) The amount, if any, to be paid during such Fiscal Year into the Reserve and Contingency Fund;

(v) The amount, if any, required to be paid into any fund or account during such Fiscal Year with respect to bonds, notes or other evidences of indebtedness payable on a basis subordinate to the Bonds;

(vi) The amount, if any, required to be deposited in the General Reserve Fund during such Fiscal Year; and

(vii) The amount, if any, required to pay all other charges or liens whatsoever payable out of Revenues during such Fiscal Year.

The Authority will not furnish or supply or cause to be furnished or supplied any use or service of the Authority Capacity free of charge to any person, firm or corporation, public or private, and the Authority will, subject to the Indenture, consistent with the Renewal Transmission Project Agreements and subject to the Renewal Transmission Service Contracts, enforce the payment of any and all amounts owing to the Authority by reason of the Authority Capacity by discontinuing such use or service, or by filing suit therefor, as soon as practicable ninety (90) days after any such amounts are due, or by both such discontinuance and by filing suit.

Receipt by Trustee of Payments Under Renewal Transmission Service Contracts and the Interim Revenues Provision; Enforcement and Amendment of Renewal Transmission Project Agreements

Except as otherwise provided in the Indenture, the Trustee will receive and forthwith deposit in the Revenue Fund (i) all amounts payable to the Trustee pursuant to the Renewal Transmission Service Contracts or otherwise payable to it with respect to use of the Authority Capacity (to the extent amounts payable pursuant to any other such contract are properly allocable to the Indenture) and (ii) all Interim Revenues under the Interim Revenues Provision. Subject to the Indenture, the Authority will enforce or cause to be enforced the provisions of the Renewal Transmission Service Contracts and the Interim Revenues Provision and duly perform its covenants and agreements thereunder. The Authority will not consent or agree to or permit any rescission of or amendment to or otherwise take any action under or in

connection with the Renewal Transmission Service Contracts or the Interim Revenues Provision that would materially adversely affect the rights or security of the Owners under the Indenture; provided that this provision will not prevent an amendment of any Renewal Transmission Service Contract which is expressly permitted pursuant to the provisions thereof. A copy of the Renewal Transmission Service Contracts and any amendments thereto will be filed with the Trustee.

Subject to the Indenture, the Authority will enforce or cause to be enforced the provisions of the Renewal Transmission Project Agreements to which it is a party and duly perform its covenants and agreements thereunder. The Authority will not consent or agree to or permit any rescission of or amendment to or otherwise take any action under or in connection with such Renewal Transmission Project Agreements that will in any manner materially impair or materially adversely affect the rights of the Authority thereunder or the rights or security of the Bondholders under the Indenture; however, nothing in the Indenture will be construed so as to prohibit: (a) amendment of, or other action under or in connection with, any Renewal Transmission Service Contract in accordance with its terms, (b) amendment of the Renewal Southern Transmission System Agreement as contemplated by the Indenture or (c) amendment of, or other action under or in connection with, any Renewal Power Sales Contract or the Bond Resolution, as permitted by the Bond Resolution.

Maintenance of Insurance

The Authority will, at all times after it will acquire the Authority Capacity, insure (or cause to be insured) the Authority Capacity (which may include by the procurement of insurance for the Authority Capacity as provided for pursuant to the Renewal Transmission Project Agreements) from such causes customarily insured against for similar interests held by similar parties and in such relative amounts as are usually obtained, to the extent available on commercially reasonable terms. The Authority will use its best efforts to maintain or cause to be maintained insurance or reserves against loss or damage from such hazards and risks to the person and property of others as are usually insured or reserved against by those with rights and interests similar to the Authority Capacity, to the extent available on commercially reasonable terms.

The Authority will also use its best efforts to maintain or cause to be maintained any additional or other insurance that it deems necessary or advisable to protect its interests, to the extent available on commercially reasonable terms.

Any such insurance will be in the form of policies or contracts for insurance with insurers or mutual companies of good standing and will be payable to the Trustee, the Authority or IPA (or, to the extent such insurance is obtained pursuant to the Renewal Transmission Project Agreements, to the appropriate party therefor), or may be in the form of self-insurance by the Authority or IPA. The Authority agrees that it will establish pursuant to a Supplemental Indenture such fund or funds or reserves as are necessary to provide for its share of any such self-insurance. The Supplemental Indenture establishing such fund or funds or reserves will set forth the amounts to be included in such fund or funds or reserves, the person to hold such fund or funds or reserves and any other matters and things relative to such fund or funds or reserves that are not contrary to or inconsistent with the Indenture.

The Authority will file or cause to be filed with the Trustee annually, within one hundred (100) days after the close of each Fiscal Year, a certificate setting forth (i) a description in reasonable detail of the insurance then in effect, including any self-insurance fund maintained, pursuant to the requirements of the Indenture and that the Authority has complied in all respects with the requirements of this the Indenture and (ii) whether during such Fiscal Year any loss has been incurred relating to the Authority Capacity and, if so, the amount of insurance proceeds, including the proceeds of any self-insurance fund, covering such loss and specifying the reasonable and necessary costs relating thereto.

The Trustee will not be responsible for the adequacy of any insurance provided by the Authority under the Indenture.

Reconstruction; Application of Insurance Proceeds

If any useful portion of the Southern Transmission System attributable to the Authority Capacity is damaged, destroyed or taken by eminent domain proceedings, the Authority as expeditiously as possible, continuously and diligently enforce its rights under the Renewal Agreements for the Acquisition of Capacity (or otherwise not inconsistent herein) to cause to be completed the repair, reconstruction or replacement thereof. The proceeds of any condemnation award or insurance payable to the Authority, including the proceeds of any self-insurance fund, paid on account of such damage, destruction or taking (other than any business interruption loss insurance) will, to the extent attributable to the Authority Capacity, be deposited into the Construction Fund and held by the Trustee and made available for, and to the extent necessary be applied to, the Cost of Acquisition of Capacity. Pending such application, such proceeds will be invested by the Trustee at the written direction of the Authority in Investment Securities that mature not later than such times as will be necessary to provide moneys when needed to pay the Cost of Acquisition of Capacity. Interest earned on such account or investments will be deposited into the General Reserve Fund unless otherwise instructed in writing by the Authority. The proceeds of any condemnation award or insurance, including the proceeds of any self-insurance fund, not applied within thirty-six (36) months after receipt thereof by the Trustee to the Cost of Acquisition of Capacity, or that the Authority will at any time notify the Trustee are not to be so applied, will (notwithstanding any provision of the Indenture with respect to the application of amounts in the Construction Fund to the contrary) be deposited into the General Reserve Fund or into such other Fund or Account to be applied for such purposes relating to the Authority Capacity as directed by an Authorized Authority Representative after consultation with Bond Counsel. Notwithstanding the foregoing, in the event that payments are made from the Reserve and Contingency Fund for any Cost of Acquisition of Capacity prior to the availability of any condemnation award or insurance proceeds, including the proceeds of any self-insurance fund therefor, the condemnation award or proceeds when received will be deposited in the Reserve and Contingency Fund to the extent of such payments therefrom.

If the proceeds of insurance, including the proceeds of any self-insurance fund, authorized by this the Indenture to be applied to the Cost of Acquisition of Capacity are insufficient for such purpose, the deficiency may be supplied out of moneys in the Reserve and Contingency Fund to the extent, as shown by a certificate of an Authorized Authority Representative filed with the Trustee, not needed to be reserved for the purposes provided therefor.

The proceeds of business interruption loss insurance relating to the Authority Capacity, if any, will be paid into the Revenue Fund.

Accounts and Reports

The Authority will keep or cause to be kept proper books of record and account (separate from all other records and accounts), in which complete and correct entries in all material respects will be made of its transactions relating to the Southern Transmission System and each Fund and Account established under the Indenture and relating to costs and charges under the Renewal Transmission Service Contracts, that, together with the Renewal Transmission Service Contracts and all other books and papers of the Authority, including insurance policies maintained by the Authority, relating to the Southern Transmission System, will at all times be subject to the inspection of the Trustee (which will have no duty to so inspect) and the Owners of an aggregate of not less than five percent (5%) in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

The Trustee will furnish statements to the Authority promptly after the end of each month of the respective transactions during such month relating to each Fund and Account held by it under the Indenture. The Authority will have the right upon reasonable notice and during reasonable business hours to audit the books and records of the Trustee with respect to the Funds and Accounts held by the Trustee under the Indenture.

The Authority will, within one hundred fifty (150) days after the close of each succeeding Fiscal Year, cause to be filed with the Trustee, and otherwise as provided by law, a copy of an annual report for such Fiscal Year, accompanied by an Accountant's Certificate, relating to the Southern Transmission System and including the following statements in reasonable detail: a statement of assets and liabilities as of the end of such Fiscal Year, to the extent relating to the Southern Transmission System; a statement of operations for such Fiscal Year; and a summary with respect to each Fund and Account established under the Indenture of the receipts therein and disbursements therefrom during such Fiscal Year and the amount held therein at the end of such Fiscal Year.

The Authority will file with the Trustee (a) forthwith upon becoming aware of any Event of Default or default in the performance by the Authority of any covenant, agreement or condition contained in the Indenture, a certificate of an Authorized Authority Representative specifying such Event of Default or default and (b) within one hundred fifty (150) days after the end of each Fiscal Year, commencing with the first Fiscal Year ending after the issuance of the first Series of Bonds under the Indenture, a certificate of an Authorized Authority Representative stating whether, to the best of the signer's knowledge and belief, the Authority has kept, observed, performed and fulfilled its covenants and obligations contained in the Indenture and whether there exists at the date of such certificate any default by the Authority under the Indenture or any Event of Default or other event that, with the lapse of time or giving of notice specified in the Indenture would become an Event of Default, and, if any such default or Event of Default or other event will so exist, the nature and status thereof.

The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of the Indenture will be available for the inspection of Owners at the office of the Trustee and will be mailed to each Owner who will file a written request therefor with the Trustee. The Trustee may charge each Owner requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

Payment of Taxes and Charges

Subject to the Indenture, the Authority will from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or required payments in lieu thereof, lawfully imposed upon or relating to the Southern Transmission System (to the extent payable by the Authority) or upon the rights, revenues, income, receipts, and other moneys, securities and funds of the Authority relating to the Southern Transmission System when the same will become due, and all lawful claims for labor and material and supplies relating to or allocable to the Southern Transmission System (to the extent payable by the Authority), except those taxes, assessments, charges or claims that the Authority in good faith contests by proper legal proceedings if the Authority in each such case has set aside on its books reserves deemed adequate with respect thereto.

General; Subordination to Rights of Project Participants

Subject to the Indenture, the Authority will do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Act and the Indenture.

Upon the date of authentication and delivery of any of the Bonds, all conditions, acts and things required by law and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds will exist, have happened and have been performed and the issuance of such Bonds will comply in all respects with the applicable laws of the State of California.

Events of Default

Each of the following will constitute an Event of Default under the Indenture:

(i) Except as provided in the Indenture, default in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same will become due and payable, whether at maturity or by call for redemption, or otherwise;

(ii) Default in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment therefor (except when such Sinking Fund Installment is due on the maturity date of such Bond), when and as such interest installment or Sinking Fund Installment will become due and payable; or

(iii) Default by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, and such default will continue for a period of one hundred twenty (120) days after written notice thereof to the Authority by the Trustee or to the Authority and to the Trustee by the Owners of not less than twenty-five (25%) in principal amount of the Bonds Outstanding.

Application of Revenues and other Moneys After Default

The Authority covenants that if an Event of Default will have happened and will not have been remedied, the Authority, upon the written demand of the Trustee, will cause to be paid over to the Trustee (i) forthwith, all moneys, securities and funds then held by the Authority in any Fund or Account under the Indenture (except for such Funds and Accounts and any other amounts that the Indenture provides are not a source of payment for the Bonds) and (ii) all Revenues as promptly as practicable after receipt thereof.

During the continuance of an Event of Default, the Trustee will apply all moneys, securities, funds and Revenues pledged to the benefit of the Owners of the Bonds and any Parity Swap Providers (i) received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture and (ii) held by the Trustee pursuant and subject to, the terms and conditions of, the Indenture, as follows and in the following order:

(i) Expenses of Fiduciaries – to the payment of the reasonable and proper charges, expenses and liabilities of the Fiduciaries, including, without limitation, those of its attorneys and advisors;

(ii) Authority Operating Expenses – to the payment of the amounts required for reasonable and necessary Authority Operating Expenses. For this purpose, the books of record and accounts of the Authority relating to the Southern Transmission System will at all times be subject to the inspection of the Trustee and its representatives and agents during the continuance of such Event of Default; and

(iii) Interest, Principal or Redemption Price and Parity Swaps – to the payment of the interest and principal or Redemption Price then due on the Bonds and obligations under Parity Swaps, as follows:

First: Interest – To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds theretofore called for redemption, and, if the amount available will not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: Principal or Redemption Price and Parity Swaps – To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds that will have become due, whether at maturity or by call for redemption, and all obligations under any Parity Swaps that will have become due and payable (with any termination payments due under any Parity Swaps being payable on a basis subordinate and junior to the payment of the principal or Redemption Price of any Bonds), in the order of their due dates, and, if the amount available will not be sufficient to pay in full all the Bonds and Parity Swaps (other than termination payments thereunder) due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price or payments due under any Parity Swaps (other than termination payments thereunder) due on such date, to the persons entitled thereto, without any discrimination or preference.

If and whenever all overdue installments of interest on all Bonds, together with the reasonable and proper charges, expenses and liabilities of the Trustee (including without limitation reasonable fees and expenses of its attorneys), and all other sums payable for the account of the Authority under the Indenture, including the principal or Redemption Price of and accrued unpaid interest on all Bonds that will then be payable, and all obligations of the Authority to any Parity Swap Providers, will be paid by or for the account of the Authority, or provision satisfactory to the Trustee and the Parity Swap Providers, as the case may be, will be made for such payment, and all defaults under the Indenture or the Bonds will be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate will be made therefor, the Trustee will pay over to the Authority all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of the Indenture to be deposited or pledged, with the Trustee), and thereupon the Authority and the Trustee will be restored, respectively, to their former positions and rights under the Indenture. Neither such payment by the Trustee nor such restoration of the Authority and the Trustee to their former positions and rights will extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

Notice of Default

The Trustee will promptly mail notice of the occurrence of any Event of Default to each registered owner of Bonds then Outstanding at his or her address, if any, appearing upon the registry books of the Authority kept by the Bond Registrar.

Responsibilities of Fiduciaries

Any recitals of fact in the Indenture and in the Bonds contained will be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Indenture or of any Bonds issued under the Indenture or as to the security afforded by the Indenture, and no Fiduciary will incur any liability in respect thereof. The Trustee will, however, be responsible for its representation contained in its certificate of authentication on the Bonds. No Fiduciary will be under any responsibility or duty with respect to the application of any moneys paid by such Fiduciary in accordance with the provisions of the Indenture to any other Fiduciary. No Fiduciary will be under any obligation or duty to perform any act that would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of the Indenture, no Fiduciary will be liable in connection with the performance of its duties under the Indenture except for its own negligence, misconduct or default.

The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Indenture. In case an Event of Default has occurred (which has not been cured or waived), the Trustee will exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Any provision of the Indenture relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely will be subject to the provisions of the Indenture.

The Trustee will have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds except for any information, statement or recital provided by the Trustee in writing for inclusion in any such official statement, offering memorandum or disclosure material. The Trustee will not be deemed to have knowledge of an Event of Default under the Indenture unless it will have actual knowledge of such Event of Default. The immunities extended to the Trustee also extend to its directors, officers, employees and agents. The permissive right of the Trustee to do things specified in the Indenture will not be construed as a duty. The Trustee may execute any of the trusts or powers hereof and perform any of its duties through attorneys, agents and receivers.

Resignation of Trustee

The Trustee may at any time resign and be discharged of the duties and obligations created by the Indenture by giving not less than sixty (60) days' written notice to the Authority and any Parity Swap Providers specifying the date when such resignation will take effect, and such resignation will take effect upon the day specified in such notice unless previously a successor will have been appointed by the Authority with the approval of the Owners as provided in the Indenture and such successor will have accepted such appointment as provided in the Indenture, in which event such resignation will take effect immediately upon the appointment of such successor.

Removal of Trustee

The Trustee may be removed at any time by (i) an instrument in writing, filed with the Trustee, signed by an Authorized Authority Representative, unless an Event of Default has occurred and is continuing, or (ii) an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Owners of a majority in principal amount of the Bonds then Outstanding or their attorneys in fact duly authorized, excluding any Bonds held by or for the account of the Authority. Such removal will take

effect immediately upon the appointment of a successor as provided in the Indenture and acceptance of such appointment by such successor.

Appointment of Successor Trustee; Financial Qualifications of Trustee and Successor Trustee

In case at any time the Trustee resigns or is removed or has become incapable of acting, or is adjudged as bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, is appointed, or if any public officer takes charge or control of the Trustee or of its property or affairs, a successor may be appointed by the Owners of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Authority and the predecessor Trustee; provided, nevertheless, that unless a successor Trustee will have been appointed by the Owners as aforesaid, the Authority, by a duly executed written instrument signed by an Authorized Authority Representative, will forthwith appoint a Trustee to fill such vacancy until a successor Trustee will be appointed by the Owners as authorized in the Indenture. Any successor Trustee appointed by the Authority will, immediately and without further act, be superseded by a Trustee appointed by the Owners.

If no appointment of a successor Trustee will be made pursuant to the foregoing provisions of the Indenture within forty-five (45) days after the Trustee will have given to the Authority written notice as provided in the Indenture or after a vacancy in the office of the Trustee will have occurred by reason of its inability to act, removal or for any other reason whatsoever, the Trustee (in the case of its resignation under the Indenture) or the Owner of any Bond (in any case) may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

The Trustee appointed under the provisions of the Indenture or any successor to the Trustee will be a bank, trust company or national banking association, doing business and having a corporate trust office in New York, New York, Los Angeles, California, or San Francisco, California, and having capital stock and surplus aggregating at least $75,000,000, if there be such a bank, trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Indenture.

Resignation or Removal of Paying Agent and Appointment of Successor

Any Paying Agent may at any time resign and be discharged of the duties and obligations created by the Indenture by giving at least sixty (60) days' written notice to the Authority, each Parity Swap Provider, if any, and the Trustee. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Authority Representative. Any successor Paying Agent will be appointed by the Authority with the approval of the Trustee and will be a bank or trust company organized under the laws of any state of the United States of America or a national banking association, having capital stock and surplus aggregating at least $25,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Indenture.

In the event of the resignation or removal of any Paying Agent, such Paying Agent will pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there will be a vacancy in the office of any Paying Agent, the Trustee will act as such Paying Agent.

Supplemental Indentures Effective Upon Filing with the Trustee

For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture of the Authority may be executed and delivered by the Authority which, upon the filing with the Trustee of a copy thereof as so executed certified by an Authorized Authority Representative, will be fully effective in accordance with its terms:

1. To close the Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Indenture on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness;

2. To add to the covenants and agreements of the Authority in the Indenture, other covenants and agreements to be observed by the Authority that are not contrary to or inconsistent with the Indenture as theretofore in effect;

3. To add to the limitations and restrictions in the Indenture, other limitations and restrictions to be observed by the Authority that are not contrary to or inconsistent with the Indenture as theretofore in effect;

4. To authorize Bonds of a Series and, in connection therewith, specify and determine the matters and things referred to in the Indenture, or provide for the issuance of such Series of Bonds as Subsidy Payment bonds or other forms of bonds the interest on which is not excluded from the gross income of the Owners thereof for federal income tax purposes and to comply with any applicable tax law requirements with respect thereto, and also any other matters and things relative to such Bonds that are not contrary to or inconsistent with the Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds;

5. To confirm, as further assurance, any security interest or pledge created under the Indenture;

6. To authorize the establishment of a fund or funds to enable the Authority to self-insure against the risks and hazards relating to the Authority Capacity and the interests of the Authority and of the Owners as described in the Indenture;

7. To modify any of the provisions of the Indenture in any other respect whatsoever, provided that (i) no Bonds will be Outstanding at the date of the execution and delivery of such Supplemental Indenture or (ii) (a) such modification will be, and be expressed to be, effective only after all Bonds of each Series Outstanding at the date of the execution and delivery of such Supplemental Indenture will cease to be Outstanding and (b) such Supplemental Indenture will be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the execution and delivery of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof;

8. To amend, modify or supplement the Indenture in such manner as does not materially adversely affect the rights of the Owners of the Bonds (including, but not limited to, amending, modifying or supplementing the Indenture in such manner as the Authority deems appropriate to provide for an interest rate exchange or swap agreement, cash flow exchange or swap agreement or other similar financial agreement payable on a basis subordinate and junior to the Bonds and any Parity Swaps, as provided in the Indenture),

provided that the Trustee is first furnished with an Opinion of Bond Counsel to the effect that such amendment, modification or supplement is permitted under the Indenture (which permission may be pursuant to the Indenture) and will not adversely affect the validity of the Bonds and, if applicable, the exclusion of interest on the Bonds from the gross income of the Owners thereof for federal income tax purposes; and

9. To comply with additional requirements that a Rating Agency may impose in order to issue or maintain a rating on the Bonds, provided that any Supplemental Indenture the purpose of which is to effect such changes will be effective only upon delivery to the Authority and the Trustee of an Opinion of Bond Counsel that such changes will not adversely affect the validity of the Bonds and, if applicable, the exclusion of interest on the Bonds from the gross income of the Owners thereof for federal income tax purposes.

Supplemental Indentures Effective Upon Consent of Trustee

For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture may be executed and delivered by the Authority which, upon (i) the filing with the Trustee of a copy thereof as so executed certified by an Authorized Authority Representative, and (ii) the filing with the Authority of an instrument in writing made by the Trustee consenting thereto, will be fully effective in accordance with its terms:

a. To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture; or

b. To insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not contrary to or inconsistent with the Indenture as theretofore in effect.

Supplemental Indentures Effective with Consent of Owners

At any time or from time to time, a Supplemental Indenture may be executed and delivered by the Authority subject to consent by Owners in accordance with and subject to the provisions of Article XI, which Supplemental Indenture, upon the filing with the Trustee of a copy thereof as so executed certified by an Authorized Authority Representative and upon compliance with the provisions of said Article XI, will become fully effective in accordance with its terms as provided in said Article XI. Notwithstanding the foregoing or anything else to the contrary in the Indenture, if so provided in a Supplemental Indenture relating to a Series of Bonds, a municipal bond insurer insuring the Bonds of that Series (or a portion thereof) will have the right, in lieu of the Owners of the Bonds that are so insured, to consent on behalf of such Owners to any amendment to the Indenture, other than an amendment described in the Indenture.

General Provisions

The Indenture will not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of the Indenture. Nothing in the Indenture contained will affect or limit the right or obligation of the Authority to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of the Indenture or the right or obligation of the Authority to execute and deliver to any Fiduciary any instrument that elsewhere in the Indenture it is provided will be delivered to said Fiduciary.

Any Supplemental Indenture referred to and permitted or authorized by the Indenture may be executed and delivered by the Authority without the consent of any of the Owners, but will become

effective only on the conditions, to the extent and at the time provided in the Indenture, respectively. The copy of every Supplemental Indenture as executed by the Authority when filed with the Trustee will be accompanied by an Opinion of Bond Counsel stating that such Supplemental Indenture has been duly and lawfully executed and delivered in accordance with the provisions of the Indenture, is authorized or permitted by the Indenture, and is valid and binding upon the Authority and enforceable in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting creditors' rights generally or as to the availability of any particular remedy. Upon receipt of any Supplemental Indenture referred to and permitted or authorized by the Indenture accompanied by such an Opinion of Bond Counsel, the Trustee will execute such Supplemental Indenture.

The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Indenture referred to and permitted or authorized by the Indenture, to execute such Supplemental Indenture and to make all further agreements and stipulations as may be therein contained, and the Trustee in taking such action will be fully protected in relying on an Opinion of Bond Counsel that such Supplemental Indenture is authorized or permitted by the provisions of the Indenture.

No Supplemental Indenture will change or modify any of the rights or obligations under the Indenture of any Fiduciary without its written assent thereto.

Defeasance

If the Authority will pay or cause to be paid, or there will otherwise be paid, to the owners of all Bonds the principal or Redemption Price, if applicable, of and interest, if any, due or to become due thereon, and to each of the Parity Swap Providers, if any, all of the obligations of the Authority under the Parity Swaps, at the times and in the manner stipulated therein and in the Indenture, then the lien of the Indenture and all covenants, agreements and other obligations of the Authority to the Owners and the Parity Swap Providers under the Indenture, will thereupon cease, terminate and become void and be discharged and satisfied; provided, however, that notwithstanding anything to the contrary in the Indenture, upon the defeasance of Bonds as provided in the Indenture, the Authority's and the Trustee's obligations under the Indenture will not be discharged until such Bonds and all accrued and unpaid interest have been paid in full upon the maturity or earlier redemption thereof. In such event, the Trustee will cause an accounting for such period or periods as will be requested by the Authority to be prepared and filed with the Authority and, upon the request of the Authority will execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries will pay over or deliver, as directed by the Authority, all moneys or securities held by them pursuant to the Indenture that are not required for the payment of principal or Redemption Price, if applicable, and interest due or to become due on Bonds not theretofore surrendered for such payment or redemption. If the Authority will pay or cause to be paid, or there will otherwise be paid, to the Owners of any Outstanding Bonds the principal or Redemption Price, if applicable, and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, such Bonds will cease to be entitled to any lien, benefit or security under the Indenture, and all covenants, agreements and obligations of the Authority to the Owners of such Bonds will thereupon cease, terminate and become void and be discharged and satisfied except for remaining rights of registration of transfer and exchange of Bonds.

Bonds (which may be less than all of the Bonds then Outstanding) or interest installments for the payment or redemption of which moneys will have been set aside and will be held in trust by the Trustee or the Paying Agent (through deposit pursuant to the Indenture of funds for such payment or redemption or otherwise) at the maturity, payment or redemption date thereof will be deemed to have been paid within the meaning and with the effect expressed in the Indenture. Any Outstanding Bonds will prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the

effect expressed in the Indenture if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority will have given to the Trustee irrevocable instructions accepted in writing by the Trustee to mail as provided in Article IV notice of redemption of such Bonds on said date, (b) there will have been deposited with the Trustee either moneys (including moneys withdrawn and deposited pursuant to any Supplemental Indenture) in an amount that will be sufficient, or Defeasance Obligations (including any Defeasance Obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys that, together with the moneys, if any, on deposit with the Trustee, will be sufficient, in the opinion of an independent certified public accountant or independent arbitrage consultant, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be, and (c) the Authority will have given the Trustee in form satisfactory to it irrevocable instructions to mail, postage prepaid, to the Owners of such Bonds, at their last addresses, if any, appearing upon the registry books, a notice that the deposit required by clause (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Indenture and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if any, on said Bonds. Any notice mailed pursuant to the preceding sentence with respect to Bonds that constitute less than all of the Outstanding Bonds of any maturity within a Series will specify the letter and number or other distinguishing mark of each such Bond. The mailing of any notice required by the Indenture will not be a condition precedent to the payment of Bonds in accordance with the Indenture and the failure so to mail any notice will not affect the validity of the proceedings for the payment of Bonds in accordance with the Indenture. Neither Defeasance Obligations nor moneys deposited with the Trustee pursuant to the Indenture nor principal or interest payments on any such Defeasance Obligations will be withdrawn or used for any purpose other than, and will be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Trustee, (A) to the extent such cash will not be required at any time for such purpose, as certified to the Trustee by an Accountant's Certificate, will be paid over upon the direction of the Authority as received by the Trustee, free and clear of any trust, lien, pledge or assignment securing said Bonds or otherwise existing under the Indenture and (B) to the extent such cash will be required for such purpose at a later date, will, to the extent practicable, be reinvested pursuant to the direction of the Authority in Defeasance Obligations (including Defeasance Obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States) maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds, on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments will be paid over as received by the Trustee, free and clear of any lien, pledge or security interest securing said Bonds or otherwise existing under the Indenture. For the purposes of the Indenture, Defeasance Obligations means and include only such securities which will not be subject to redemption prior to their maturity other than at the option of the owner thereof.

For purposes of determining whether Variable Interest Rate Bonds will be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Defeasance Obligations and moneys, if any, in accordance with the second sentence of the Indenture, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, for any period for which such interest will not yet be determinable will be calculated at the Maximum Interest Rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such Maximum Interest Rate for any period, the total amount of moneys and Defeasance Obligations on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount that would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy the Indenture, the Trustee will, if requested by the

Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, pledge or assignment securing the Bonds or otherwise existing under the Indenture. Notwithstanding the foregoing, if (i) Variable Interest Rate Bonds of a given maturity provide that the interest rate for such Variable Interest Rate Bonds may bear a fixed rate of interest for a period of six months or longer, (ii) the interest rate with respect to such Variable Interest Rate Bonds is currently accruing at a fixed rate of interest for a period of six months or longer and (iii) all or a portion of such Variable Interest Rate Bonds are to be purchased or redeemed on or prior to the last date upon which such Variable Interest Rate Bonds are to bear such fixed rate of interest, then in determining the amount of moneys or Defeasance Obligations required to be set aside as provided in the Indenture, such Variable Interest Rate Bonds will be deemed to bear a fixed rate of interest and this paragraph will not apply.

SUMMARY OF CERTAIN PROVISIONS OF THE SIXTH SUPPLEMENTAL INDENTURE

The following is a summary of certain provisions of the Sixth Supplemental Indenture. This summary is not to be considered a full statement of the terms of the Sixth Supplemental Indenture and accordingly is qualified by reference thereto and is subject to the full text thereof. Capitalized terms not defined in this summary or in the Official Statement have the respective meanings set forth in the Sixth Supplemental Indenture.

Certain Definitions

Interest Payment Date means, with respect to the 2026-1 Bonds, January 1 and July 1 of each year, as further specified in the Sixth Supplemental Indenture.

2026-1 Bonds means the Authority's Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, authorized by the Sixth Supplemental Indenture.

2026-1 Capitalized Interest Account means the Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Capitalized Interest Account established pursuant to the Sixth Supplemental Indenture.

2026-1 Costs of Issuance Subaccount means the special subaccount in the 2026-1 Project Account designated as the Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Costs of Issuance Subaccount established pursuant to the Sixth Supplemental Indenture.

2026-1 Debt Service Account means the Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Debt Service Account established pursuant to the Sixth Supplemental Indenture.

2026-1 Debt Service Reserve Account means the Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Debt Service Reserve Account established pursuant to the Sixth Supplemental Indenture.

2026-1 Debt Service Reserve Account Policy means a surety bond, insurance policy, line of credit, letter of credit or similar instrument issued to the Trustee by an entity licensed to issue a surety bond, insurance policy, line of credit, letter of credit or similar instrument guaranteeing the timely payment of debt service on the 2026-1 Bonds (such entity, a "municipal bond insurer"), which municipal bond insurer, at the time any such surety bond, insurance policy, line of credit, letter of credit or similar instrument is issued, will have its claims paying ability rated in not lower than the second highest rating category (without regard to any gradations within any such category) by at least two nationally-recognized credit rating agencies.

2026-1 Debt Service Reserve Requirement means $0.

2026-1 Parity Swap means any Parity Swap hereafter entered into by the Authority which will be designated to the Trustee by an Authorized Authority Representative as a 2026-1 Parity Swap (whether or not such Parity Swap will relate to any particular Series of Bonds as provided in such Parity Swap).

2026-1 Parity Swap Provider means the provider of any 2026-1 Parity Swap.

2026-1 Project Account means the Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Project Account established pursuant to the Sixth Supplemental Indenture.

Investment Income

Interest and other investment income (net of that which (i) represents a return of accrued interest paid in connection with the purchase of any investment and (ii) is required to offset the amortization of any premium paid in connection with the purchase of any investment) earned on any moneys or investments in the Funds and Accounts (other than any Rebate Fund) established under the Indenture, to the extent resulting in a balance that is in excess of any requirement for such Fund or Account, will be paid into the Revenue Fund.

Establishment and Application of 2026-1 Project Account

The Authority will establish and the Trustee will maintain and hold in trust in the Construction Fund a separate account designated as the "Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Project Account," with a separate subaccount therein designated as the "Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Costs of Issuance Subaccount." Amounts in the 2026-1 Project Account and 2026-1 Costs of Issuance Subaccount will be applied as set forth in the Indenture.

(2) Upon receipt of any requisition signed by an Authorized Authority Representative for payment or reimbursement from the Construction Fund pursuant to the Original Indenture, the Trustee shall, unless instructed by the Authority in such requisition that such payment is to be made from another project account established pursuant to a Supplemental Indenture entered into subsequent to the Sixth Supplemental Indenture, (i) to the extent such requisition is for the payment of costs of issuance of the 2026-1 Bonds, pay such requisitioned amounts out of the 2026-1 Costs of Issuance Subaccount, and (ii) to the extent that such requisition is for the payment of other items of the Cost of Acquisition of Capacity, pay such requisitioned amounts out of the 2026-1 Project Account. If any amount shall remain in the 2026-1 Costs of Issuance Subaccount after all costs of issuance of the 2026-1 Bonds have been paid, as stated in a certificate of an Authorized Authority Representative, such remainder shall be transferred to the 2026-1 Debt Service Account (with such transferred amount to be used to pay interest on the 2026-1 Bonds), or if no such certificate is received, then 180 days after the date of issuance of the 2026-1 Bonds, the Trustee shall make such transfer and the Trustee shall close the 2026-1 Costs of Issuance Subaccount.

Establishment and Application of 2026-1 Debt Service Account

The Authority will establish and the Trustee will maintain and hold in trust in the Debt Service Fund a separate account designated as the "Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Debt Service Account." Amounts in the 2026-1 Debt Service Account will be applied as set forth in the Sixth Supplemental Indenture.

The Trustee will pay out of the 2026-1 Debt Service Account subject to the Sixth Supplemental Indenture, without preference or priority of one transfer over the others (a) to the Paying Agents, if any, (i) on or before each January 1 and July 1 the amount required for the interest payable on such date, (ii) on or before each Principal Installment due date, the amount required for the Principal Installment payable on such due date, and (iii) on or before any redemption date for 2026-1 Bonds, the amount required for the payment of the Redemption Price thereof and interest on the 2026-1 Bonds then to be redeemed and (b) to the 2026-1 Parity Swap Providers, if any, any regularly-scheduled amounts due and payable by the Authority under any 2026-1 Parity Swap on the due date therefor. Amounts so paid to the Paying Agents with respect to the 2026-1 Bonds will be applied by any such Paying Agents on the due

dates thereof. The Trustee will also pay out of the 2026-1 Debt Service Account the accrued interest included in the purchase price of any 2026-1 Bonds purchased for retirement. Notwithstanding anything to the contrary in the Sixth Supplemental Indenture or the Indenture, any termination payments payable by the Authority under any 2026-1 Parity Swap will be payable on a basis subordinate and junior to the payments due to 2026-1 Parity Swap Providers described in the Sixth Supplemental Indenture.

Except as provided in the Sixth Supplemental Indenture, all amounts held at any time in the 2026-1 Debt Service Account will be held until applied on a parity basis for the ratable security and payment of (i) Accrued Debt Service on the 2026-1 Bonds and (ii) amounts due and payable by the Authority under the 2026-1 Parity Swaps, if any, at any time in proportion to the amounts accrued or due and payable, as applicable.

In the event of the refunding (or other defeasance) of any 2026-1 Bonds, the Trustee will, upon the direction of an Authorized Authority Representative acting with the advice of Bond Counsel, withdraw from the 2026-1 Debt Service Account amounts accumulated therein with respect to Debt Service on the 2026-1 Bonds being refunded (or otherwise defeased) and, unless otherwise instructed in writing for an alternative use of such amounts, deposit such amounts with itself as escrow agent to be held for the payment of the principal or Redemption Price, if applicable, of, and interest on the 2026-1 Bonds being refunded (or otherwise defeased); provided that such withdrawal will not be made unless (a) immediately thereafter the 2026-1 Bonds being refunded (or otherwise defeased) will be deemed to have been paid pursuant to the Indenture, and (b) the amount remaining in the 2026-1 Debt Service Account after such withdrawal will not be less than the amount required to be held therein pursuant to the Indenture.

Establishment and Application of 2026-1 Capitalized Interest Account

The Authority will establish and the Trustee will maintain and hold in trust in the Debt Service Fund a separate account designated as the "Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Capitalized Interest Account." The 2026-1 Capitalized Interest Account will be initially funded upon the issuance and delivery of the 2026-1 Bonds, pursuant to the Sixth Supplemental Indenture. Amounts in the 2026-1 Capitalized Interest Account will be invested in Investment Securities consisting of U.S. Treasury Securities—State and Local Government Series as instructed by an Authorized Authority Representative and will be applied as set forth in the Sixth Supplemental Indenture. Interest and other investment income earned on investments in the 2026-1 Capitalized Interest Account will remain therein, to be applied as set forth in the Sixth Supplemental Indenture.

The Trustee will pay out of the 2026-1 Capitalized Interest Account subject to the Sixth Supplemental Indenture, to the Paying Agents, if any, on or before each January 1 and July 1, from _____ 1, 20__ to ____ 1, 20__ inclusive, all or a portion of the amount required for the interest on the 2026-1 Bonds payable on such date as set forth in Sixth Supplemental Indenture. See "APPENDIX G - ESTIMATED DEBT SERVICE REQUIREMENTS." Amounts so paid to the Paying Agents with respect to the 2026-1 Bonds will be applied by any such Paying Agents on the due dates thereof. The Trustee will also pay out of the 2026-1 Capitalized Interest Account the accrued interest included in the purchase price of any 2026-1 Bonds purchased for retirement.

The Trustee will transfer any amounts in the 2026-1 Capitalized Interest Account not needed to pay interest on the 2026-1 Bonds to the Rebate Fund or the 2026-1 Project Account, as instructed by an Authorized Authority Representative.

Establishment, Pledge, Funding and Application of 2026-1 Debt Service Reserve Account

The Authority will establish and the Trustee will maintain and hold in trust in the Debt Service Fund a separate account designated as the "Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, Debt Service Reserve Account." The 2026-1 Debt Service Reserve Account will not be initially funded upon the issuance and delivery of the 2026-1 Bonds. At the sole discretion of the Board of Directors, the 2026-1 Debt Service Reserve Account may thereafter be funded from time to time or at any time at such level as determined by the Board of Directors. In the event the 2026-1 Debt Service Reserve Account will at any time be funded pursuant to the Sixth Supplemental Indenture, such 2026-1 Debt Service Reserve Account.

During any period in which the Authority has determined, in its sole discretion, to fund the 2026-1 Debt Service Reserve Account as provided in the Sixth Supplemental Indenture, the amount determined by the Authority to be maintained therein will, during such period, constitute the 2026-1 Debt Service Reserve Requirement for purposes of the Sixth Supplemental Indenture. Except as provided in the Sixth Supplemental Indenture, the Authority will at all times maintain an amount equal to the 2026-1 Debt Service Reserve Requirement in the 2026-1 Debt Service Reserve Account until the 2026-1 Bonds are discharged in accordance with the provisions of the Indenture. In the event of any deficiency in the 2026-1 Debt Service Reserve Account, the Authority will replenish such deficiency by depositing monthly at least one twelfth (1/12th) of the aggregate amount of each unreplenished prior draw on the 2026-1 Debt Service Reserve Account and the full amount of any deficiency due to any required valuations of the investments in the 2026-1 Debt Service Reserve Account until the balance in the 2026-1 Debt Service Reserve Account is at least equal to the 2026-1 Debt Service Reserve Requirement.

All Investment Securities credited to the 2026-1 Debt Service Reserve Account will be valued as of July 1 of each year (or the next preceding or succeeding Business Day, as determined by the Authority, if any such July 1 is not a Business Day) at the greater of the cost of such Investment Securities or the amortized value thereof, exclusive of accrued interest.

Notwithstanding anything to the contrary in the Indenture or the Sixth Supplemental Indenture, all amounts in the 2026-1 Debt Service Reserve Account will be used and withdrawn by the Trustee solely for the purpose of (i) paying principal of and interest on the 2026-1 Bonds in the event moneys in the 2026-1 Debt Service Account are insufficient, or (ii) making the final principal and interest payment on the 2026-1 Bonds.

In the event of the refunding (or other defeasance) of any 2026-1 Bonds, the Trustee, upon the direction of an Authorized Authority Representative acting with the advice of Bond Counsel, will withdraw from the 2026-1 Debt Service Reserve Account amounts accumulated therein with respect to Debt Service on the 2026-1 Bonds being refunded (or otherwise defeased) and, unless otherwise instructed in writing for an alternative use of such amounts, deposit such amounts with itself as escrow agent to be held for the payment of the principal or Redemption Price, if applicable, of, and interest on the 2026-1 Bonds being refunded (or otherwise defeased); provided that such withdrawal will not be made unless (a) immediately thereafter the 2026-1 Bonds being refunded (or otherwise defeased) will be deemed to have been paid pursuant to the Indenture, and (b) the amount remaining in the 2026-1 Debt Service Reserve Account after such withdrawal will not be less than the requirement of such Account pursuant to the Sixth Supplemental Indenture.

Notwithstanding anything herein to the contrary, at the option of the Authority amounts required to be held in the 2026-1 Debt Service Reserve Account may be substituted, in whole or in part, by the deposit with the Trustee of a 2026-1 Debt Service Reserve Account Policy in a stated amount equal to the amounts so substituted and any 2026-1 Debt Service Reserve Account Policy then held in the 2026-1 Debt Service Reserve Account may be replaced at the option of the Authority by cash or by another

2026-1 Debt Service Reserve Account Policy in whole or in part; provided that prior to the substitution or replacement of such 2026-1 Debt Service Reserve Account Policy the credit rating agencies then rating the 2026-1 Bonds will have been notified by the Authority of such proposed substitution or replacement and the substitution or replacement will not result, as evidenced by letters from such rating agencies, in a downgrading or withdrawal of any rating of the 2026-1 Bonds then in effect by such rating agencies; and provided further that the Authority will have first received an Opinion of Bond Counsel to the effect that such substitution or replacement will not adversely affect, if applicable, the exclusion of interest on the 2026-1 Bonds from the gross income of the owners thereof for federal income tax purposes. Any moneys so withdrawn from the 2026-1 Debt Service Reserve Account will, with the prior approval of Bond Counsel, be transferred to the General Reserve Fund and used in accordance with the provisions of the Indenture or otherwise used in a manner that is consistent with such Opinion of Bond Counsel.

So long as a 2026-1 Debt Reserve Account Policy will be in full force and effect, any deposits required to be made with respect to the 2026-1 Debt Service Reserve Account pursuant to the Indenture will include any amounts due to the provider of the 2026-1 Debt Service Reserve Account Policy resulting from a draw on the 2026-1 Debt Service Reserve Account Policy (which amounts will constitute a deficiency or withdrawal from the 2026-1 Debt Service Reserve Account within the meaning of the Indenture). Any such amounts will be paid to the provider of such 2026-1 Debt Service Reserve Account Policy as provided in such 2026-1 Debt Service Reserve Account Policy or any related agreement.

SUMMARY OF CERTAIN PROVISIONS OF THE RENEWAL TRANSMISSION SERVICE CONTRACTS

The following is a summary of certain provisions of the Renewal Transmission Service Contracts entered into between Southern California Public Power Authority (in this summary, "SCPPA") and each of the Renewal Transmission Service Purchasers, which consist of the Department of Water and Power of The City of Los Angeles and the cities of Burbank and Glendale. Except as described in this summary, all of the Renewal Transmission Service Contracts are identical in all material respects. This summary is not to be considered a full statement of the terms of such Renewal Transmission Service Contracts and accordingly is qualified by reference thereto and is subject to the full text thereof. Capitalized terms not defined in this summary or in the Official Statement have the respective meanings set forth in the Renewal Transmission Service Contracts.

The Agreement

SCPPA and each of the Renewal Transmission Service Purchasers have entered into a Renewal Transmission Service Contract (the "Renewal Transmission Service Contract") pursuant to which the Renewal Transmission Service Purchasers will contract with SCPPA for transmission service utilizing SCPPA Capacity so as to provide for transmission of capacity and energy from the Intermountain Power Project and other resources.

SCPPA intends to issue Bonds and Notes sufficient to finance or refinance the costs of acquiring SCPPA Capacity. The payments required to be made under the Renewal Transmission Service Contracts are to be pledged by SCPPA as security for the payment of such Bonds, and the interest thereon, subject to the application thereof to such purposes and on such terms as provided in the Indenture.

Definitions

Renewal Agreements for the Acquisition of Capacity: The several Renewal Agreements for the Acquisition of Capacity between SCPPA and the Renewal Transmission Service Purchasers, as the same may be amended and supplemented from time to time in accordance with their terms.

Annual Budget: The budget adopted by the Board of Directors pursuant to the Renewal Transmission Service Contracts not less than thirty (30) nor more than forty-five (45) days prior to the beginning of each Transmission Service Year, including any amendments thereto, which will show a detailed estimate of the items for such Transmission Service Year upon which Monthly Transmission Costs for such Transmission Service Year are computed and all revenues, income or other funds to be applied to such costs, for and applicable to such Transmission Service Year.

Available Transmission Capability: At any point in time, the operating capability of the Southern Transmission System as determined in accordance with the Renewal Power Sales Contracts.

Billing Statement: The written statement prepared (or caused to be prepared) each Month by SCPPA which will be based upon the Annual Budget and which will show for such Month the amount to be paid to the Trustee by the Renewal Transmission Service Purchasers in accordance with the provisions of the Renewal Transmission Service Contracts.

Bond Resolution: The resolution entitled "Power Supply Revenue Bond Resolution," adopted by IPA on September 28, 1978, as heretofore amended and supplemented and as hereafter from time to time amended and supplemented in conformity with its provisions and the provisions of the Renewal Power Sales Contracts.

Capital Improvement Acquisition and Construction Cost: Capital Improvement Acquisition and Construction Cost as defined in the Renewal Southern Transmission System Agreement.

Cost of Acquisition of Capacity: All costs and expenses of acquiring and financing or refinancing SCPPA Capacity. Such costs will include all payments under the Renewal Southern Transmission System Agreement which are applied or are to be applied thereunder to the payment of the Capital Improvement Acquisition and Construction Costs, costs incurred by SCPPA in connection with the financing or refinancing of SCPPA Capacity and SCPPA Expenses. There will be applied, as a credit against the Cost of Acquisition of Capacity, interest earned on investments, all if and to the extent held or paid into the SCPPA Construction Fund. Subject to the foregoing, Cost of Acquisition of Capacity will include, but will not be limited to, funds required for the following:

(1) The Capital Improvement Acquisition and Construction Costs, and any other amounts paid or to be paid to IPA, or to be reimbursed to IPA, pursuant to the Renewal Southern Transmission System Agreement;

(2) SCPPA Expenses;

(3) Financial and legal costs and expenses and such amount of reserves as are required by the Indenture;

(4) Subject to the requirements of the Act, interest accruing in whole or in part on Bonds prior to and during construction of the STS Renewal Project and for such additional period, consistent with the Act, as SCPPA may reasonably determine to be necessary in accordance with the provisions of the Indenture;

(5) Amounts, if any, required by the Indenture to be paid from the proceeds of Bonds issued to finance the Cost of Acquisition of Capacity into the Debt Service Reserve Account in the Debt Service Fund or the Reserve and Contingency Fund or into any other funds or accounts established pursuant to the Indenture;

(6) The payment of principal, premium, if any, and interest due (whether at the maturity of principal or at the due date of interest or upon redemption) of any Bond or other debt obligation issued or incurred pursuant to the Indenture;

(7) To the extent not included in Capital Improvement Acquisition and Construction Costs, all costs of insurance applicable to the period of construction of the STS Renewal Project;

(8) To the extent not included in Capital Improvement Acquisition and Construction Costs, all costs relating to injury and damage claims arising out of the construction of the STS Renewal Project, less proceeds of insurance; and

(9) All other costs properly allocable to the acquisition and financing or refinancing of SCPPA Capacity.

Date of Renewal Operation: With respect to the Southern Transmission System, the Transition Date.

Default Invoice: An invoice issued, concurrently with its Billing Statement, to a Defaulting Renewal Transmission Service Purchaser that identifies the total defaulted amount owed, including late payment interest and amounts not paid under its Step-Up Invoices, if any.

Defaulting Renewal Transmission Service Purchaser: A Renewal Transmission Service Purchaser that causes a Payment Default and that has not remedied such Payment Default within five days of the Payment Default.

Existing Southern Transmission System: The Southern Transmission System as described in the Original Southern Transmission System Agreement, as amended prior to, and not including, the Second Amendment to Original Southern Transmission System Agreement.

Monthly Transmission Costs: All of SCPPA's costs, to the extent attributable to SCPPA Capacity and to the extent not paid from the proceeds of Bonds or other debt obligations, resulting from the acquisition and financing or refinancing of SCPPA Capacity. There will be applied, as a credit against Monthly Transmission Costs, any interest earned on investments if and to the extent not credited against the Cost of Acquisition of Capacity. Monthly Transmission Costs will include, but not be limited to, the items of cost and expense referred to in the Renewal Transmission Service Contracts that are attributable to SCPPA Capacity and are accrued or paid during each Month of each Transmission Service Year; provided, however, that such costs shall not include any amounts that are included or to be included in a Step-Up Invoice as provided in the Renewal Transmission Service Contracts. In the event any Transmission Service Year will cover fewer than 12 Months, the fraction expressed in subparagraphs (4), (5) and (6) below will be adjusted accordingly, and, in the event of any revision of the Annual Budget after the commencement of any Transmission Service Year, the amount determined pursuant to subparagraphs (4), (5) and (6) below will be appropriately adjusted so that any increase or decrease in the portion of the Annual Budget applicable to said subparagraphs will be evenly apportioned over the remaining Months of such Transmission Service Year. Monthly Transmission Costs will include without duplication:

(1) The Monthly Power Costs allocable to the Southern Transmission System, pursuant to the Renewal Power Sales Contracts.

(2) The amount which is required under the Indenture to be paid or deposited during such month into any funds or accounts established by the Indenture for Debt Service and for any reserve requirements or other requirements for Bonds or other debt obligations issued or incurred under the Indenture; provided, however, such amounts shall not include any amounts included or to be included in a Step-Up Invoice as provided in Renewal Transmission Service Contracts.

(3) One-twelfth of the amount (not otherwise included under any item described under this definition of Monthly Transmission Costs) which is required under the Indenture to be paid or deposited during such Transmission Service Year into any other funds or accounts established by the Indenture, and will include, without limitation, amounts required to make up a deficiency in any such fund or account whether or not resulting from a default in payments by any Renewal Transmission Service Purchaser; provided, however, such amounts shall not include any amounts included or to be included in a Step-Up Invoice as provided in the Renewal Transmission Service Contracts.

(5) One-twelfth of the amount necessary during such Transmission Service Year to pay costs of providing transmission service during such Transmission Service Year (including SCPPA Expenses) to the extent not included in subparagraph (1) hereof.

(6) One-twelfth of the amount necessary during such Transmission Service Year to pay or provide reserves for all taxes required to be paid by SCPPA with respect to SCPPA Capacity to the extent not included in subparagraph (1) hereof.

Original Southern Transmission System Agreement: The Southern Transmission System Agreement, dated as of May 1, 1983, between IPA and SCPPA, as heretofore amended or supplemented, including as amended by the Second Amendment to Original Southern Transmission System Agreement and as hereafter from time to time amended and supplemented in accordance with its terms.

Payment Default: A failure by a Renewal Transmission Service Purchaser to pay when due all of its Billing Statement (and Step-Up Invoice, if applicable) for any Month.

Project Manager: The Project Manager as defined in the Renewal Power Sales Contracts.

Renewal Agency Agreement: The Renewal Agency Agreement, dated as of March 1, 2023, between SCPPA and the Department of Water and Power of The City of Los Angeles, as Renewal Agent thereunder, as hereafter from time to time amended and supplemented in accordance with its terms.

Renewal Agreements for the Acquisition of Capacity: The several Renewal Agreements for the Acquisition of Capacity between SCPPA and the Renewal Transmission Service Purchasers, as the same may be amended and supplemented from time to time in accordance with their terms.

Renewal Contract Coordinating Committee: The Renewal Contract Coordinating Committee established under the Renewal Power Sales Contracts.

Renewal Power Sales Contracts: The several Renewal Power Sales Contracts entered into between IPA and certain municipal utilities and electrical cooperatives, including the Renewal Transmission Service Purchasers, as hereafter from time to time amended and supplemented in accordance with their terms and the terms of the Bond Resolution.

Renewal Southern Transmission System Agreement: The Renewal Southern Transmission System Agreement between IPA and SCPPA, as the same may be hereafter amended or supplemented.

Renewal Transmission Project Agreements: The Indenture, the Renewal Transmission Service Contracts, the Renewal Agreements for the Acquisition of Capacity, the Renewal Southern Transmission System Agreement, the Original Southern Transmission System Agreement, the Renewal Power Sales Contracts, the Bond Resolution and any other contract designated a Renewal Transmission Project Agreement by the Board of Directors.

Renewal Transmission Service Share: The percentage of the total transmission service utilizing SCPPA Capacity to which a particular Renewal Transmission Service Purchaser is entitled in accordance with the terms of its Renewal Transmission Service Contract. The Renewal Transmission Service Shares for the Renewal Transmission Service Purchasers are listed in Appendix A to the Renewal Transmission Service Contracts, as the same may be changed from time to time in accordance with the Renewal Transmission Service Contracts.

SCPPA Capacity: The right of SCPPA to capacity in the Transmission Project, pursuant to the Renewal Agreements for the Acquisition of Capacity.

SCPPA Expenses: The costs, expenses and fees incurred by SCPPA in carrying out its duties, responsibilities and obligations, and exercising its rights, under the Act and the Transmission Project Agreements.

Second Amendment to Original Southern Transmission System Agreement: The Second Amendment to Southern Transmission System Agreement between IPA and SCPPA, amending the Original Southern Transmission System Agreement.

Step-Up Invoice: An invoice sent to a Renewal Transmission Service Purchaser as a result of one or more Payment Defaults, which invoice shall separately identify any amount owed with respect to the monthly Billing Statement of one or more Defaulting Renewal Transmission Service Purchasers as determined in accordance with Renewal Transmission Service Contracts.

STS Renewal Project: The STS Renewal Project as defined in the Second Amendment to Original Southern Transmission System Agreement.

Transition

Under the Renewal Transmission Service Contracts, the respective parties acknowledge that the date of initial issuance of Bonds to finance the costs of acquiring SCPPA Capacity (the "SCPPA First Bonding Date") will precede the Transition Date, and that (i) payments-in-aid of construction to fund the STS Renewal Project will be governed by the Original Southern Transmission System Agreement prior to the Transition Date, and payments-in-aid of construction to fund Capital Improvement Acquisition and Construction Costs (including but not limited to those relating to the STS Renewal Project) will be governed by the related section of the Renewal Southern Transmission System Agreement commencing upon, and not prior to, the Transition Date and (ii) debt service on Bonds and other debt obligations issued or incurred by SCPPA to finance Capital Improvement Acquisition and Construction Costs (including but not limited to those relating to the STS Renewal Project) due before the Transition Date will be payable from certain amounts paid to SCPPA by IPA under the Original Southern Transmission System Agreement (i.e. Interim Revenues), and such debt service due on and after the Transition Date will be payable from revenues generated by the Renewal Transmission Service Contracts.

Renewal Transmission Service Shares

SCPPA will provide transmission service utilizing SCPPA Capacity to the Renewal Transmission Service Purchasers in accordance with the following:

(1) All transmission service utilizing SCPPA Capacity will be scheduled in accordance with the practices and procedures established pursuant to the Renewal Transmission Project Agreements. At all times after the Date of Renewal Operation each Renewal Transmission Service Purchaser will be entitled to schedule transmission service utilizing SCPPA Capacity up to the amount obtained by multiplying its Renewal Transmission Service Share by the Available Transmission Capability.

(2) Operation of the Southern Transmission System will be subject to scheduled outages or curtailments and restrictions imposed by any regulatory authority and Uncontrollable Forces.

(3) It is the obligation of each Renewal Transmission Service Purchaser, at its own expense, to secure access to the main AC bus adjacent to each converter terminal of the Southern Transmission System, which are the terminal points for the Southern Transmission System. Such access may be by physical connection or by contract path. In no event will SCPPA have any obligation to provide transmission or wheeling services from such terminal points to the electric system of the Renewal Transmission Service Purchaser.

Pledge of Payments

All payments required to be made by the Renewal Transmission Service Purchasers in accordance with or pursuant to any provision of the Renewal Transmission Service Contracts, are pledged by SCPPA to secure the payment of the Bonds and the interest thereon, and the principal and interest on the with respect to any other debt obligations issued or incurred pursuant to the Indenture, and any other payment obligations or expenses incurred pursuant to the Indenture, subject to the application thereof to such purposes and on such terms as provided in the Indenture. SCPPA, in the Renewal Transmission Service Contracts, assigns the payments referenced in the Renewal Transmission Service Contracts to the Trustee and directs each Renewal Transmission Service Purchaser to pay such amounts directly to the Trustee.

Nature of Obligation

Beginning with the Transition Date, each Renewal Transmission Service Purchaser is obligated to make payments required under its Renewal Transmission Service Contract solely from its electric revenue funds as a cost of transmission service and an operating expense of its electric utility system. Each such Renewal Transmission Service Purchaser has covenanted to include in its annual electric system budget for each fiscal year during the term of its Renewal Transmission Service Contract an appropriation from the revenues of its electric system sufficient to pay all amounts required to be paid during such fiscal year under such Renewal Transmission Service Contract. The obligations, which are several and not joint, to make payments of Monthly Transmission Costs, Step-Up Invoices and Default Invoices under the respective Renewal Transmission Service Contracts are not subject to reduction or offset if the Southern Transmission System or any part thereof is not completed, is not operating or operable or if its service is suspended, interfered with, reduced, curtailed or terminated in whole or in part. In addition, the Renewal Transmission Service Purchasers' obligations under the Renewal Transmission Service Contracts are not subject to any reduction or offset and are not conditional upon the performance or nonperformance by any party of any agreement for any cause whatever.

Term

The Renewal Transmission Service Contracts will constitute a binding obligation of the parties thereto from and after the effective date, and the term of such Renewal Transmission Service Contracts will end on June 15, 2077 or such later date upon which all Bonds and the interest thereon will have been paid in full or adequate provisions for such payment will have been made, unless terminated sooner in accordance with the provisions for termination or amendment described below.

Required Payments

For a discussion on Monthly Transmission Costs, Step-Up Invoices and the payment obligations of the respective Renewal Transmission Service Purchasers with respect thereto, see "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 1 BONDS – Renewal Transmission Service Contracts" in the front part of this Official Statement.

Rate Covenants of Renewal Transmission Service Purchasers

Each Renewal Transmission Service Purchaser has covenanted in its Renewal Transmission Service Contract to establish, maintain and collect rates and charges for the electric service it furnishes so as to provide revenues which, together with its available electric system reserves, are sufficient to enable it to pay all amounts payable when due under its Renewal Transmission Service Contract and to pay all other amounts payable from, and all lawful charges against or liens on, its electric system revenues.

Restrictions on Disposition

A Renewal Transmission Service Purchaser may not sell, lease or otherwise dispose of all or substantially all of its electric system except upon the satisfaction of certain conditions, including, among others, that: (1) the Renewal Transmission Service Purchaser assigns its interest under its Renewal Transmission Service Contract to the purchaser or lessee of its electric system and said purchaser or lessee assumes all obligations of the Renewal Transmission Service Purchaser under the Renewal Transmission Service Contract; (2) the senior debt of the purchaser or lessee is rated in one of the two highest categories by at least one nationally recognized bond rating agency; (3) an independent engineer selected by SCPPA delivers an opinion that such purchaser or lessee is reasonably able to charge and collect rates and charges required to meet its obligations under the Renewal Transmission Service Contract; (4) it is determined by the Board of Directors that the disposition will not adversely affect the value of such Renewal Transmission Service Contract as security for the Bonds; and (5) Bond Counsel has rendered an opinion that such disposition will not adversely affect the exemption from federal income taxation of interest payable on the Bonds (if applicable).

Notwithstanding anything in the Renewal Transmission Service Contract to the contrary, a Renewal Transmission Service Purchaser shall not sell, assign or otherwise dispose of any portion of its Renewal Transmission Service Share except on 90 days prior written notice to SCPPA and, in any event, shall not sell, assign or otherwise dispose of the same unless, in the opinion of Bond Counsel, such sale, assignment or other disposition will not adversely affect the Federal Tax Exemption; provided, however, that the Renewal Transmission Service Purchaser may (without giving such notice or obtaining such opinion) contract to provide transmission service utilizing its Renewal Transmission Service Share to (i) only an entity that is a "governmental person" within the meaning of Treasury Regulations Section 1.141-1(b), or (ii) any entity that is not such a "governmental person" if the contract to provide the transmission service satisfies rules, procedures and protocols regarding the Federal Tax Exemption adopted by SCPPA and approved by Bond Counsel. No such sale, assignment or other disposition shall release the Renewal Transmission Service Purchaser from its obligations under the Renewal Transmission Service Contract.

In accordance with the Renewal Power Sales Contracts, a Renewal Transmission Service Purchaser may enter into agreements with other entities pursuant to which such entities shall have rights, including the right to use Renewal Transmission Service Purchaser's Renewal Transmission Service Share that may be in excess of the needs of the Renewal Transmission Service Purchaser that exist from time to time. Such rights of said entities may, if exercised or otherwise effectuated, result in rights for such entities with respect to Renewal Transmission Service Purchaser's Renewal Transmission Service Share. No such arrangement shall release the Renewal Transmission Service Purchaser from any obligation under its Renewal Transmission Service Contract, and no such arrangement shall affect or alter the rights of the other Renewal Transmission Service Purchasers.

Defaults and Remedies

The failure of a Renewal Transmission Service Purchaser to perform any of its obligations, including the obligation to make required payments, under its Renewal Transmission Service Contract will constitute a default. In the event of a default or inability to perform by a Renewal Transmission Service Purchaser under its Renewal Transmission Service Contract, SCPPA may proceed to enforce the Renewal Transmission Service Purchaser's covenants or obligations thereunder, or may seek damages or injunctive relief for the breach thereof, by action at law or equity, or if a payment due under the Renewal Transmission Service Contract remains unpaid when due, SCPPA may, upon 90 days' written notice to the Renewal Transmission Service Purchaser, discontinue the delivery of capacity and energy to such Renewal Transmission Service Purchaser. The discontinuance of transmission service to a defaulting

Renewal Transmission Service Purchaser by SCPPA will not reduce the obligation of such Renewal Transmission Service Purchaser to make payments under its Renewal Transmission Service Contract. In the event the delivery of capacity and energy to a Renewal Transmission Service Purchaser in default is discontinued, SCPPA will transfer to all other Renewal Transmission Service Purchasers which are not in default and which so request, a pro rata portion of the defaulting Renewal Transmission Service Purchaser's rights to delivery of capacity and energy. In the case of such a transfer, the Renewal Transmission Service Purchasers accepting additional rights to delivery of capacity and energy and use of Transmission Project facilities will assume the defaulting Renewal Transmission Service Purchaser's obligations with respect to the rights which are transferred to them. In the event less than all of a defaulting Renewal Transmission Service Purchaser's rights to delivery of capacity and energy is transferred to nondefaulting Renewal Transmission Service Purchasers, SCPPA will, to the extent possible, dispose of such remaining rights on the best terms readily available, and in such a manner as, in the opinion of Bond Counsel, does not adversely affect the eligibility for exemption from federal income taxes of the interest payable on the Bonds (if applicable). The obligation of the defaulting Renewal Transmission Service Purchaser to SCPPA will be reduced to the extent that SCPPA receives payments with respect to the rights of such Renewal Transmission Service Purchaser which are transferred. For a further discussion of remedies, see "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR BONDS AND THE SUBORDINATE BONDS - Renewal Transmission Service Contracts" in the front part of this Official Statement.

Termination or Amendment

So long as any Bonds are outstanding or until adequate provisions for the payment thereof have been made in accordance with the provisions of the Indenture, the Renewal Transmission Service Contracts, except as specifically provided for therein, shall not be terminated, amended, modified, or otherwise altered in any manner which will reduce the payments pledged as security for Bonds or extend the time of such payments provided herein or which will in any manner impair or adversely affect the rights or security of the holders from time to time of Bonds.

Each Renewal Transmission Service Contract also provides that none of the Renewal Transmission Service Contracts may be terminated as to any one or more of the Renewal Transmission Service Purchasers or be amended as to any one or more of the Renewal Transmission Service Purchasers so as to provide terms and conditions materially different from those therein contained except, subject to the provisions of the of Renewal Transmission Service Contracts restricting amendments in the paragraph above and consistent with the Indenture, upon written notice to and written consent or waiver by each of the other Renewal Transmission Service Purchasers and upon similar amendment being made to the Renewal Transmission Service Contract of any other Renewal Transmission Service Purchaser requesting such amendment after receipt by such Renewal Transmission Service Purchaser of notice of such amendment.

Contracts Subject to Indenture

It has been recognized by the Renewal Transmission Service Purchasers in the Renewal Transmission Service Contracts that SCPPA, in acquiring, financing or refinancing of SCPPA Capacity, must comply with the requirements of the Indenture, the other Renewal Transmission Project Agreements and all licenses, permits and regulatory approvals necessary therefor. The Renewal Transmission Service Purchasers have therefore agreed that the Renewal Transmission Service Contracts are subject to the provisions of the Indenture, the other Renewal Transmission Project Agreements and such licenses, permits and approvals.

SUMMARY OF CERTAIN PROVISIONS OF THE RENEWAL POWER SALES CONTRACTS

The following is a summary of certain provisions of the Renewal Power Sales Contracts, entered into between IPA and each Renewal IPP Purchaser, including the Project Participants. Except as described in this summary, all of the Renewal Power Sales Contracts are identical in all material respects. This summary is not to be considered a full statement of the terms of such Renewal Power Sales Contracts and accordingly is qualified by reference thereto and subject to the full text thereof. Capitalized terms not defined in the Official Statement have the meanings set forth in the Renewal Power Sales Contracts.

Entitlement to Capacity

Each Renewal IPP Purchaser is entitled to receive under its Renewal Power Sales Contract capacity and energy from the Generation Station up to its Generation Entitlement Share, as specified in its Renewal Power Sales Contract, of the available capacity of the Generation Station. A Renewal IPP Purchaser may arrange to dispose of capacity or energy from IPP to which it is entitled, but any such arrangements will not affect its obligations under its Renewal Power Sales Contract. Each Renewal IPP Purchaser's entitlement to the use of the operating capabilities of the Southern and Northern Transmission Systems will be determined by dividing the portion of such Renewal IPP Purchaser's Generation Entitlement Share to be delivered at Points of Delivery on the Southern Transmission System, in the case of the Southern Transmission System, and at Points of Delivery on the Northern Transmission System, in the case of the Northern Transmission System, by the aggregate of those portions of all Renewal IPP Purchasers' Generation Entitlement Shares to be delivered at the Points of Delivery on the Southern Transmission System and the Northern Transmission System, respectively. Renewal IPP Purchasers having unused entitlements to transmission capacity may agree to allow other Renewal IPP Purchasers to use such entitlement except that no Renewal IPP Purchaser may use the transmission system in excess of its respective entitlement share if such use would adversely affect the eligibility for federal income tax exemption of the interest payable on the bonds issued by IPA.

Nature of Obligation

Each Renewal IPP Purchaser is obligated to make the payments required under its Renewal Power Sales Contract from and after the Transition Date. Each Renewal IPP Purchaser that is a municipally owned electric system is obligated to make such payments solely from the revenues of its electric system as a cost of purchased electric capacity and energy and an operating expense. Each such Renewal IPP Purchaser has covenanted to include in its annual power system budget for each fiscal year during the term of its Renewal Power Sales Contract an appropriation from the revenues of its electric system sufficient to pay all amounts required to be paid during such fiscal year under such Renewal Power Sales Contract. The Renewal Power Sales Contracts constitute a general obligation of each Renewal IPP Purchaser which is not a municipally owned electric system. The Renewal IPP Purchasers' obligations, which are several and not joint, to make payments of Monthly Power Costs under their respective Renewal Power Sales Contracts are not subject to reduction whether by offset or otherwise if IPP or any part thereof is operating or operable and whether or not its output is suspended, interrupted, interfered with, reduced, curtailed or terminated, in whole or in part. In addition, the Renewal IPP Purchasers' payment obligations under the Renewal Power Sales Contracts are not conditional upon the performance or non-performance by any party of any agreement for any cause whatever.

Term

The term of each Renewal Power Sales Contract has commenced and will end, unless terminated sooner in accordance with the provisions for termination or amendment described below, on the earlier of (a) June 15, 2077, (b) the latest date to which the term of the Contract may extend under the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated, 1953, as amended (as such Act may be amended from time to time to increase the permissible period for which the term of a contract under such Act may extend) or (c) the Final Retirement Date of the Project Component that results in the Final Retirement Date having occurred with respect to all of the Project Components. (To retire a Southern Transmission System component requires an election by the Project Participants under the Renewal Power Sales Contracts. Under the Renewal Transmission Service Contracts, each Project Participant has covenanted not take any action to effect a retirement election with respect to the Southern Transmission System so long as any of the Bonds or other debt obligations issued or incurred under the Indenture are outstanding or until adequate provision for the payment thereof have been made in accordance with the provisions of the Indenture.)

Rate Covenants of Municipal Purchasers

Each Renewal IPP Purchaser which is a municipally owned electric system has covenanted in its Renewal Power Sales Contract to establish, maintain and collect rates and charges for the electric service of its electric system so as to provide revenue which, together with its available electric system reserves, are sufficient to enable it to pay to IPA all amounts payable under its Renewal Power Sales Contract and to pay all other amounts payable from, and all lawful charges against or liens on, its electric system revenues.

Renewal Contract Coordinating Committee

The Renewal Power Sales Contracts provide for the establishment of an Renewal Contract Coordinating Committee composed of representatives of the Renewal IPP Purchasers and IPA which is to (a) provide liaison among IPA and the Renewal IPP Purchasers, (b) make recommendations to the Project Manager and Operating Agent with respect to the construction and operation of the IPP, (c) review, modify and approve the practices and procedures formulated by the Project Manager and Operating Agent under the Construction Management and Operating Agreement, including procedures for the scheduling and controlling of capacity and energy from IPP and procedures with respect to operation of generating units and fuel storage, the schedule of planned maintenance outages, all budgets and revisions thereof prepared and submitted by the Project Manager or Operating Agent pursuant to the Construction Management and Operating Agreement, all Capital Improvements and the budgets therefor and provisions for financing thereof, the insurance program with respect to IPP and revisions to the description of IPP contained in the Renewal Power Sales Contracts, (d) approve consultants or advisors on financial matters, including bond counsel, that may be retained by IPA, (e) make recommendations to IPA concerning the issuance of bonds and evidences of indebtedness issued in anticipation of the issuance of bonds and (f) perform other functions provided for in the Renewal Power Sales Contracts and the Construction Management and Operating Agreement. No action by the Renewal Contract Coordinating Committee pursuant to its authority under the Renewal Power Sales Contracts or otherwise will require IPA to act in a manner inconsistent with, or refrain from acting as required by, the Bond Resolution of IPA or any applicable licenses, permits or regulatory provisions.

Any action taken by the Renewal Contract Coordinating Committee will require an affirmative decision of representatives of Renewal IPP Purchasers having Voting Rights aggregating at least 80%. If the Renewal Contract Coordinating Committee is unable to, or fails to, agree and act with respect to the review, modification or approval of certain actions of the Project Manager or Operating Agent after a

reasonable opportunity to do so or within the time limits specified in the Construction Management and Operating Agreement, the Project Manager or Operating Agent may take such actions subject to the terms of the Construction Management and Operating Agreement. The term Voting Rights means at any particular time with respect to a Renewal IPP Purchaser, such Purchaser's Generation Entitlement Share in effect at such time under its Renewal Power Sales Contract.

Restrictions on Disposition

A Renewal IPP Purchaser may not sell, lease or otherwise dispose of all or substantially all of its electric system except upon the satisfaction of certain conditions, including, among others, that (i) the Renewal IPP Purchaser assigns its interest under its Renewal Power Sales Contract to the purchaser or lessee of its electric system and said purchaser or lessee assumes all obligations of the Renewal IPP Purchaser under the Renewal Power Sales Contract, (ii) the senior debt of the purchaser or lessee is rated in one of the three highest categories by at least one nationally recognized bond rating agency and (iii) a Qualified Independent Engineer delivers an opinion to IPA, which may be based on assumptions deemed reasonable by such a Qualified Independent Engineer, that such purchaser or lessee is reasonably able to charge and collect rates and charges in the then current year and each future year for the electric service of its electric system as shall be required to meet its obligations under the Renewal Power Sales Contract; and (iv) IPA shall by resolution determine (which determination shall not be unreasonably withheld) that such sale, lease or other disposition will not adversely affect the value of such Renewal Power Sales Contract as security for the bonds or affect the eligibility for tax exempt status of bonds issued by IPA (taking into account any undertakings of such purchaser or lessee of said electric system to bear the economic cost of any remedial action necessary to maintain such eligibility for exemption).

Defaults and Remedies

The failure of a Renewal IPP Purchaser to perform any of its obligations, including the obligation to make required payments under its Renewal Power Sales Contract, will constitute a default. In the event of a default or inability to perform by a Renewal IPP Purchaser under its Renewal Power Sales Contract, IPA may proceed to enforce the Renewal IPP Purchaser's covenants or obligations thereunder, or seek damages for the breach thereof, by action at law or equity, or if a payment due under the Renewal Power Sales Contract remains unpaid when due, IPA may, upon 120 days' written notice to the Renewal IPP Purchaser, discontinue the delivery of capacity and energy to, and the use of IPP facilities by, such Renewal IPP Purchaser while the default continues. Except as a result of a transfer of the defaulting Renewal IPP Purchaser's rights to delivery of capacity and energy and the use of IPP facilities described below, the discontinuance of delivery of capacity and energy to, and the use of IPP facilities by, a defaulting Renewal IPP Purchaser by IPA will not reduce the obligation of such Renewal IPP Purchaser to make payments under its Renewal Power Sales Contract.

In the event the delivery of capacity and energy to, and use of IPP facilities by, a Renewal IPP Purchaser in default is discontinued, IPA will transfer to all other Renewal IPP Purchasers which are not in default and which so request, a pro rata portion of a defaulting Renewal IPP Purchaser's rights to delivery of capacity and energy and use of IPP facilities. In the case of such a transfer, the Renewal IPP Purchasers accepting additional rights to delivery of capacity and energy and use of IPP facilities will assume the defaulting Renewal IPP Purchaser's obligations with respect to the rights which are transferred to them, other than the obligation to cure any deficiency in payment which may have occurred prior to such transfer. In the event less than all of a defaulting Renewal IPP Purchaser's rights to delivery of capacity and energy and use of IPP facilities is transferred to non-defaulting Renewal IPP Purchasers, IPA will, to the extent possible, dispose of such remaining rights on the best terms readily available in accordance with procedures formulated by the Renewal Contract Coordinating Committee, and in such a manner as does not adversely affect the eligibility for exemption from federal income taxes of the interest

payable on the bonds issued by IPA. The obligation of the defaulting Renewal IPP Purchaser to IPA will be reduced to the extent that IPA receives payments with respect to the rights of such Renewal IPP Purchaser which are transferred.

Termination or Amendment

So long as any bonds issued under the Bond Resolution of IPA are outstanding or until adequate provision has been made for the payment of any bonds outstanding in accordance with the Bond Resolution of IPA, the Renewal Power Sales Contracts may not be terminated, amended, modified or otherwise altered in any manner (a) that will reduce the payments pledged as security for the bonds issued by IPA or extend the time of such payments or (b) that will in any manner impair or adversely affect the rights of the holders from time to time of such bonds. None of the Renewal Power Sales Contracts may be terminated as to any one or more of the Renewal IPP Purchasers or be amended as to any one or more of the Renewal IPP Purchasers so as to provide terms and conditions materially different from those herein contained, except, subject to the provisions of the Renewal Power Sales Contract and consistent with each IPA Bond Resolution, upon written notice to and written consent or waiver by each of the other Renewal IPP Purchasers and upon a substantially similar amendment being made to the Renewal Power Sales Contract of any other Renewal IPP Purchaser requesting such amendment after receipt by such Renewal IPP Purchaser of notice of such amendment.

Contracts Subject to Bond Resolution

It has been recognized by the Renewal IPP Purchasers in the Renewal Power Sales Contracts that IPA, in undertaking the planning, financing, construction, acquisition, operation and maintenance of the IPP, must comply with the requirements of each Bond Resolution and all licenses, permits and regulatory approvals necessary for such planning, financing, construction, acquisition, operation and maintenance, and it is therefore agreed that this Contract is made subject to the provisions of any Bond Resolution and all such licenses, permits and regulatory approvals.

Payments-In-Aid of Construction

If requested by IPA, one or more Renewal IPP Purchasers or an agency acting on its or their behalf may agree to make payments-in-aid of construction for the Generation Station. The California Purchasers and the Utah Purchasers or any entity acting on their respective behalf may agree to make payments-in-aid of construction for the Southern Transmission System and the Northern Transmission System, respectively. All payments-in-aid of construction will be deposited in a construction fund account relating to the facility with respect to which such payments are being made. Subject to the lien and pledge of and covenants under the IPA Bond Resolution with respect to such fund, all such deposits will be used by IPA for the payment of the cost of acquisition and construction with respect to such facility. The payments-in-aid of construction will not change or otherwise affect IPA's ownership of such facility or of the IPP or any of the rights and obligations of IPA or the Renewal IPP Purchasers under the Renewal Power Sales Contracts.

Use and Disposition of Certain Facilities

In recognition of the fact that, on and after the Transition Date, the IPP may consists of certain rights, properties, facilities and appurtenances that could be used or useful in connection with the construction, reconstruction, use and operation at the IPP site of additional generating units or transmission facilities or other facilities or properties associated therewith, IPA may, on or after the Transition Date, with the approval of the Renewal Contract Coordinating Committee, sell, lease or otherwise make available to another entity such rights, properties, facilities and appurtenances for such

construction or operation of other units, facilities or properties at the IPP site. All amounts received will be credited against Monthly Power Costs pursuant to the Renewal Power Sales Contracts. No such disposition may interfere with the operation of the IPP or adversely affect the eligibility for federal income tax exemption of the interest payable on the bonds issued by IPA.

Expansion of Southern Transmission System

Following the Transition Date, any other provision of the Renewal Power Sales Contracts notwithstanding, any proposal for a major expansion of the Southern Transmission System is to be initiated by the Renewal Contract Coordinating Committee. Such proposal must comply with the Renewal Project Agreements and must provide that, subject to compliance with Utah law, the Renewal IPP Purchasers having entitlements to the Southern Transmission System under their respective Renewal Power Sales Contracts will have the right to participate in the additional capacity of such expansion in proportion to their respective entitlements shares. Upon approval of any such proposal by IPA and the Renewal Contract Coordinating Committee, IPA will use its best efforts to proceed with the development of such expansion or addition.

Certain Interconnection Agreements

The Renewal IPP Purchasers agree that IPA may comply with the requirements of any agreement or arrangement approved by the Original Contract Coordinating Committee or the Renewal Contract Coordinating Committee with respect to furnishing start-up and black start power from the IPP. All amounts received by IPA for furnishing such service after the Transition Date shall be applied as a credit against Monthly Power Costs pursuant to the Renewal Power Sales Contracts.

Transmission Service

Subject to contractual rights with respect to the Northern Transmission System, IPA may schedule the unused capacity of such System for transmission service for other utilities. All amounts received by IPA, after the Transition Date, for furnishing such service will be credited against Monthly Power Costs with respect to the Northern Transmission System pursuant to the Renewal Power Sales Contracts.

Insurance Provisions

IPA will take reasonable and prudent steps to maintain properly designed and properly underwritten IPP property and casualty insurance programs for each IPP component and for each Capitali Improvement during the construction phase thereof. IPA will make every economically feasible effort to incorporate into the IPP such insurance, including without limitation, property insurance program extra-expense and business interruption coverage tied to all perils covered by the property insurance program and insurance covering losses resulting from failure or interruption of the fuel supply for the IPP.

SUMMARY OF CERTAIN PROVISIONS OF THE RENEWAL AGREEMENTS FOR THE ACQUISITION OF CAPACITY

The following is a summary of certain provisions of the Renewal Agreements for the Acquisition of Capacity (the "Renewal Capacity Acquisition Agreements"). This summary is not to be considered a full statement of the terms of the Renewal Capacity Acquisition Agreements and accordingly is qualified by reference thereto and is subject to the full text thereof. Capitalized terms not defined in this summary or in the Official Statement have the respective meanings set forth in the Renewal Capacity Acquisition Agreements.

Assignment of Capacity

Each Renewal Transmission Project Participant (consisting of the Department of Water and Power of The City of Los Angeles and the California cities of Burbank and Glendale) and Southern California Public Power Authority (in this summary, "SCPPA") have entered into a Renewal Capacity Acquisition Agreement pursuant to which each Renewal Transmission Project Participant has assigned, effective on the Transition Date, its right to capacity in the Southern Transmission System to SCPPA and SCPPA has agreed to issue bonds, notes, or other evidences of indebtedness and to make payments-in-aid of construction of the STS Renewal Project to the IPA.

Pursuant to the Renewal Capacity Acquisition Agreements, the Renewal Transmission Project Participants have assigned, transferred, conveyed, set over and relinquished to SCPPA in accordance with the Renewal Capacity Acquisition Agreements all of the Renewal Transmission Project Participants' rights and interests in the Southern Transmission System in accordance with the Renewal Power Sales Contracts. Such rights and interests consist of the Renewal Transmission Project Participants' rights to capacity of the Southern Transmission System and all of the Renewal Transmission Project Participants' contract rights under the Renewal Power Sales Contracts relating to the Southern Transmission System.

Nature of Obligation

SCPPA in the Renewal Capacity Acquisition Agreements agrees to issue bonds, notes or other evidences of indebtedness to provide funds to make payments-in-aid of construction with respect to the Southern Transmission System on behalf of the Renewal Transmission Project Participants pursuant to the terms of the Original Southern Transmission System Agreement, as amended by the Second Amendment to Original Southern Transmission System Agreement and the terms of the Renewal Southern Transmission System Agreement.

The Renewal Transmission Project Participants in the Renewal Capacity Acquisition Agreements agree that all payments of Monthly Power Costs (as defined in the Renewal Power Sales Contracts) with respect to the Southern Transmission System to be made by the Renewal Transmission Project Participants, which will be made by SCPPA to IPA pursuant to the Renewal Southern Transmission System Agreement and received by IPA, will be applied in discharge of the Renewal Transmission Project Participants' obligation to make such payments of Monthly Power Costs under the Renewal Power Sales Contracts, and the Renewal Transmission Project Participants' obligation to pay such Monthly Power Costs will be discharged only to the extent of such receipt. The obligation of the Renewal Transmission Project Participants to pay Monthly Power Costs under the Renewal Power Sales Contracts will continue and will not otherwise be affected by the Renewal Southern Transmission System Agreement or by the Renewal Capacity Acquisition Agreements, except as discharged as provided in the Renewal Capacity Acquisition Agreements.

Assignment of Renewal Transmission Project Participants' Interests

SCPPA and the Renewal Transmission Project Participants recognize that the Renewal Transmission Project Participants in accordance with the Renewal Power Sales Contract have entered into or may enter into agreements with other entities pursuant to which such entities will have rights, including the right to use the Renewal Transmission Project Participant's Renewal Transmission Service Share (as defined in the Renewal Transmission Service Contract) which may be in excess of the needs of the Renewal Transmission Project Participants which exist from time to time. The assignment under the Renewal Capacity Acquisition Agreements of the Renewal Transmission Project Participants' rights and interests will not affect the rights of any such entity or entities as aforesaid. It is further recognized that such rights of said entities may, if exercised or otherwise effectuated, result in rights of such entities with respect to the Renewal Transmission Project Participants' Renewal Transmission Service Share. SCPPA will, on behalf of the Renewal Transmission Project Participants, provide portions of the Renewal Transmission Project Participants' Renewal Transmission Service Share to the entities on such terms as will be agreed upon by the Renewal Transmission Project Participants consistent with the rights of such entities; provided, however, that no such arrangement will release the Renewal Transmission Project Participants from any obligation under the Renewal Capacity Acquisition Agreements or under the Renewal Transmission Service Contracts.

The Renewal Capacity Acquisition Agreements became binding upon the execution and delivery thereof by the parties thereto. The assignments thereunder shall be effective on the Transition Date.

Amendment or Termination

The Renewal Capacity Acquisition Agreements will terminate concurrently with the termination of the Renewal Transmission Service Contracts between SCPPA and the Renewal Transmission Project Participants. Upon such termination, the rights and interests of SCPPA derived under the Renewal Capacity Acquisition Agreements will cease and terminate and such rights and interests will revert to the Renewal Transmission Project Participants.

SUMMARY OF CERTAIN PROVISIONS OF THE RENEWAL SOUTHERN TRANSMISSION SYSTEM AGREEMENT

The following is a summary of certain provisions of the Renewal Southern Transmission System Agreement, dated as of March 1, 2023 (the "Renewal Southern Transmission System Agreement"), between Intermountain Power Agency ("IPA") and Southern California Public Power Authority (in this summary, "SCPPA"). This summary is not to be considered a full statement of the terms of the Renewal Southern Transmission System Agreement and accordingly is qualified by reference thereto and is subject to the full text thereof. Capitalized terms not defined in this summary or in the Official Statement have the respective meanings set forth in the Renewal Southern Transmission System Agreement.

Definitions

Renewal Agreements for the Acquisition of Capacity: The several Renewal Agreements for the Acquisition of Capacity between SCPPA and the Transmission Project Participants, as the same may be amended and supplemented from time to time in accordance with their terms.

Billing Statement: The written statement prepared or caused to be prepared each Month by IPA which shall be based upon the Annual Budget and which shall show for such Month the amount to be paid to IPA by each Transmission Project Participant and shall indicate the Monthly Power Costs allocated to the Transmission Project pursuant the Renewal Power Sales Contracts.

Bond Resolution: The Amended and Restated Power Supply Revenue Bond Resolution adopted by the IPA Board of Directors on August 28, 1998, and effective on July 20, 2007, as it has previously been, and as it may hereafter be, supplemented or amended and any other bond resolution, indenture, loan agreement or other document, including any amendment thereof or supplement thereto, setting forth the terms and conditions or providing for the security of any Project Indebtedness (as defined in the Renewal Power Sales Contracts) issued or incurred by IPA, as the same may from time to time be amended and supplemented in conformity with its provisions and the provisions of the Renewal Power Sales Contracts.

Capital Improvement Acquisition and Construction Costs: The Capital Improvement Acquisition and Construction Costs as defined in the Renewal Power Sales Contracts, which, with respect to each particular Southern Transmission Capital Improvement (or Related Southern Transmission Capital Improvement Group), shall consist of the STS Direct Costs and STS Allocated Costs determined by the Renewal Contract Coordinating Committee and the IPA Board of Directors applicable thereto.

Construction Management and Operating Agreement: The Amended and Restated Construction Management and Operating Agreement entered into between IPA and the Department of Water and Power of The City of Los Angeles relating to the construction and operation of IPP as from time to time amended, supplemented or restated.

SCPPA First Bonding Date: The date upon which SCPPA first issues and delivers Bonds or other debt obligations pursuant to or in accordance with the Indenture to finance payments-in-aid of construction with respect to a particular Southern Transmission Capital Improvement (or Related Southern Transmission Capital Improvement Group), which date is expected to be prior to the Transition Date with respect to the financing of payments-in-aid of construction with respect to the STS Renewal Project; provided, however, that, as provided in the Renewal Southern Transmission System Agreement, payments-in-aid of construction made and to be made by SCPPA with respect to the Capital Improvements and Capital Improvement Acquisition and Construction Costs relating to the STS Renewal Project shall, prior the Transition Date, be governed by the Original Southern Transmission System Agreement, as amended by the Second Amendment to Southern Transmission System Agreement.

Southern Transmission Capital Improvements: Southern Transmission Capital Improvements as defined in the Renewal Southern Transmission System Agreement.

STS Allocated Costs: For those costs of materials, equipment, labor, and other goods and services that are attributable in part to a Southern Transmission Capital Improvement, and in part to some other project or Capital Improvement (as defined in the Renewal Power Sales Contracts), that portion of such costs that are allocated to a Southern Transmission Capital Improvement based on a procedure, percentage, allocation factor, or other method of allocation approved by the Renewal Contract Coordinating Committee and the IPA Board of Directors.

STS Direct Costs: The costs of materials, equipment, labor, and other goods and services that are directly attributable to a Southern Transmission Capital Improvement, and not attributable in whole or in part to any other project or Capital Improvement (as defined in the Renewal Power Sales Contracts).

Transmission Project: The Southern Transmission System and any Southern Transmission Capital Improvements.

Transmission Project Participant: Each of the following entities, together with their respective successors and assigns: Department of Water and Power of The City of Los Angeles; City of Burbank; and City of Glendale.

The Renewal Southern Transmission System Agreement

SCPPA and IPA have entered into the Renewal Southern Transmission System Agreement pursuant to which SCPPA is able to issue bonds, notes or other evidences of indebtedness to provide funds to fulfill its obligation to make payments-in-aid of construction with respect to the Transmission Project by making payments to IPA in accordance with the terms of the Renewal Southern Transmission System Agreement.

Reports

IPA will prepare and issue to SCPPA copies of all information and reports relating to the Transmission Project required to be provided to the Transmission Project Participants in accordance with the Renewal Power Sales Contracts, which will include the following reports:

(1) Financial and operating statements relating to the Transmission Project.

(2) Status of Annual Budget.

(3) Status of construction budget for the any Southern Transmission Capital Improvement(s) during construction.

(4) Analysis of operations relating to the Transmission Project.

Performance of IPA Obligations by Others

Pursuant to the Construction Management and Operating Agreement, certain of the obligations and covenants of IPA under the Renewal Power Sales Contracts and the IPA Bond Resolution will be performed and complied with, on behalf of IPA, by the Project Manager and Operating Agent under the Construction Management and Operating Agreement. In addition, IPA has entered into the Personnel Service Contract, effective as of June 2, 1982, with Intermountain Power Service Corporation, pursuant to

which certain of the obligations and covenants of IPA under the Renewal Power Sales Contracts and the IPA Bond Resolution will be performed and complied with, on behalf of IPA, by said Corporation under said Contract.

Financing Plans

Commencing with the first such day after the SCPPA First Bonding Date, SCPPA will advise IPA in writing on the first business day of each Month of SCPPA's periodic financing plans and the amount of funds then on deposit in the SCPPA Transmission Project Construction Fund to provide for payments-in-aid of construction to be applied to Capital Improvement Acquisition and Construction Costs of the Southern Transmission Capital Improvements.

From and after IPA's receipt of notice of the SCPPA First Bonding Date applicable to any particular Southern Transmission Capital Improvement (or Related Southern Transmission Capital Improvement Group), IPA will not issue any bonds, notes or other evidences of indebtedness to finance, and will not use the proceeds of any bonds, notes or other evidences of indebtedness to pay, Capital Improvement Acquisition and Construction Costs of such Southern Transmission Capital Improvement(s), except (a) as provided in the Renewal Southern Transmission System Agreement, or (b) as otherwise required to avoid any breach or default by IPA under the Renewal Power Sales Contracts or the IPA Bond Resolution. Notwithstanding any issuance or use of proceeds by IPA pursuant to clause (b) above, the rights and obligations of SCPPA to undertake financings and make payments-in-aid of construction pursuant to the Renewal Southern Transmission System Agreement will continue (including such rights and obligations as they pertain to that portion of the Capital Improvement Acquisition and Construction Costs of the Southern Transmission Capital Improvements for which such issuance or use of proceeds by IPA was undertaken or made); and IPA will bill SCPPA, and SCPPA will make payments-in-aid of construction, with respect to any such portion of the Capital Improvement Acquisition and Construction Costs of the Southern Transmission Capital Improvements in a manner similar to that provided in the Renewal Southern Transmission System Agreement with payment for such billing to be made by SCPPA within fifteen (15) days after receipt or such longer period until SCPPA will have funds available for such payment.

In the event SCPPA will fail to consummate any financing contemplated by the Renewal Southern Transmission System Agreement within the period permitted therein, IPA may, upon prior written notice by IPA to SCPPA, issue its bonds, notes or other evidences of indebtedness to finance, and may use the proceeds of bonds, notes or other evidences of indebtedness to pay, Capital Improvement Acquisition and Construction Costs of the applicable Southern Transmission Capital Improvement(s).

Upon the giving by IPA of notice in accordance with the Renewal Southern Transmission System Agreement, the rights and obligations of SCPPA to undertake financings and make payments-in-aid of construction with respect to the applicable Southern Transmission Capital Improvement(s) pursuant to the Renewal Southern Transmission System Agreement will terminate; provided, however, that the then remaining funds in the SCPPA Transmission Project Construction Fund available for such purpose will continue to be paid to IPA in accordance with the provisions of the Renewal Southern Transmission System Agreement.

Budgets; Billings; Payments-in-Aid of Construction

Commencing with the first of the following to occur after the SCPPA First Bonding Date, IPA will provide, or cause to be provided, to SCPPA: (i) at the time each revised budget required by the Construction Management and Operating Agreement is approved, a copy of such revised budget as so approved (together with a new computation of STS Direct Costs and STS Allocated Costs based on such

revised budget and the then current cost allocation under the Renewal Southern Transmission System Agreement); (ii) at the time any revision to any such budget is approved as aforesaid, a copy of such revision (including such an updated determination).

SCPPA will be entitled to rely upon each revised budget, requisition or billing provided to it. Any such reliance by SCPPA will not be deemed a waiver by SCPPA of any rights it may have as a result of a subsequent audit of the costs included therein.

IPA and SCPPA recognize and agree that all payments-in-aid of construction by SCPPA will be paid from, and only from, funds on deposit and available in the SCPPA Transmission Project Construction Fund and only upon compliance with the requirements of the Indenture regarding the withdrawal and expenditure of funds.

All such payments will be deposited in the appropriate account or accounts under the IPA Bond Resolution. Each such deposit will be and become part of such account or accounts and IPA will, subject to the lien and pledge of and covenants under the IPA Bond Resolution with respect to such account or accounts, use such deposits only for payment of the Capital Improvement Acquisition and Construction Costs of the Southern Transmission Capital Improvements to which such payments-in-aid of construction relate. Pending application of any such deposit to Capital Improvement Acquisition and Construction Costs of such Southern Transmission Capital Improvements, IPA will invest all or any portion thereof in accordance with the IPA Bond Resolution.

Neither such payments-in-aid of construction by SCPPA nor the Renewal Southern Transmission System Agreement will change or otherwise affect IPA's ownership of the Transmission Project or any of the rights and obligations of IPA or the Transmission Project Participants under the Renewal Power Sales Contracts, except to the extent that the obligation of IPA to issue its bonds for the payment of the Capital Improvement Acquisition and Construction Costs of Southern Transmission Capital Improvements is impacted thereby.

IPA, in the Renewal Southern Transmission System Agreement, recognizes that, under the Renewal Power Sales Contracts, to the extent that payments-in-aid of construction by SCPPA are received and applied to the payment of the Capital Improvement Acquisition and Construction Costs of Southern Transmission Capital Improvements, IPA will not be obligated to issue bonds for the payment of such Cost and consequently, to that extent, Monthly Power Costs allocated to the Transmission Project pursuant to the Renewal Power Sales Contracts will be reduced, reflecting the application of such payments to Capital Improvement Acquisition and Construction Costs of Southern Transmission Capital Improvements in lieu of the issuance of bonds of IPA therefor and the allocation of debt service on such bonds to the Transmission Project.

Assignment of the Participants' Rights Under the Renewal Power Sales Contracts

Pursuant to the Renewal Southern Transmission System Agreement, IPA consents to the assignment to SCPPA by each Transmission Project Participant of rights under its Renewal Power Sales Contract, including its right to the capacity in the Transmission Project, in accordance with the Renewal Agreements for the Acquisition of Capacity. SCPPA agrees that it will not sell, assign or otherwise dispose of the rights to capacity in the Transmission Project acquired by it pursuant to the Renewal Agreements for the Acquisition of Capacity unless such sale, assignment or disposition (a) is as provided in the Renewal Transmission Service Contracts, or (b) is preceded by a resolution of IPA determining (which determination will not be unreasonably withheld) that such sale, assignment or other disposition will not adversely affect the eligibility for exemption from federal income taxes of the interest paid, or to be paid, on the bonds of IPA with respect to IPP that was the subject of an opinion of nationally

recognized bond counsel that interest thereon is excluded from gross income for federal income tax purposes.

Renewal Power Sales Contracts Obligations

For each month after the Transition Date, SCPPA will make the payments to IPA required to be made by the Transmission Project Participants pursuant to the Renewal Power Sales Contracts for the Monthly Power Costs allocable to the Transmission Project. Without limiting the foregoing, SCPPA's obligations under this paragraph to pay IPA such Monthly Power Costs are special limited obligations payable solely from amounts SCPPA receives from the Transmission Project Participants to the extent that such funds are available for the payment of such Monthly Power Costs. Each payment made by SCPPA pursuant to the Renewal Southern Transmission System Agreement will be accompanied by a schedule setting forth the portion thereof being made on behalf of each Transmission Project Participant. For each month after the Transition Date, for the purpose of determining the payments to be made by SCPPA on behalf of the Transmission Project Participants, IPA in the Renewal Southern Transmission System Agreement agrees to provide to SCPPA (concurrent with providing said Billing Statements to the Transmission Project Participants) a copy of the Billing Statement, if any, sent to each Transmission Project Participant pursuant to the Renewal Power Sales Contracts.

IPA agrees in the Renewal Southern Transmission System Agreement that all payments of Monthly Power Costs made by SCPPA pursuant to the Renewal Southern Transmission System Agreement and received by IPA will be accepted and applied in discharge of the respective Transmission Project Participants' obligations to pay such Monthly Power Costs under the Renewal Power Sales Contracts and the Transmission Project Participants' obligations to pay such Monthly Power Costs will be discharged to the extent of the receipt of such payments by IPA. Such payments will not otherwise affect the rights and obligations of IPA or the Transmission Project Participants under the Renewal Power Sales Contracts.

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING
FOR THE 2026-1 BONDS

Continuing Disclosure Undertaking
for the purpose of providing
continuing disclosure information
under Section (b)(5) of Rule 15c2-12

_____, 2026

This Continuing Disclosure Undertaking (the "Agreement") is executed and delivered by the Southern California Public Power Authority (the "Authority") in connection with the issuance of its $_____ Southern Transmission System Renewal Project, Revenue Bonds, 2026-1 (the "Bonds"). The Bonds are being issued pursuant to the an Indenture of Trust, dated as of April 1, 2023 (the "Original Indenture" and, as supplemented and amended, including as supplemented by the Sixth Supplemental Indenture, dated as of May 1, 2026, the "Indenture"), from the Authority to U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

In consideration of the issuance of the Bonds by the Authority and the purchase of such Bonds by the beneficial owners thereof, the Authority covenants and agrees as follows:

1. Purpose of This Agreement. This Agreement is executed and delivered by the Authority as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the requirements of the Rule (as defined below). Each of the Authority and the Obligated Project Participant is hereby determined by Authority to be an "obligated person" within the meaning of the Rule (and are the only "obligated persons" within the meaning of the Rule for whom financial information or operating data are presented in the Final Official Statement). Each such person shall only be an "obligated person" if and for so long as such person is an "obligated person" within the meaning of the Rule.

2. Definitions. (a) The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

"Annual Financial Information" means the financial information and operating data described in Exhibit I.

"Annual Financial Information Disclosure" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"Audited Financial Statements" means collectively, the audited financial statements of the Authority and the Obligated Project Participant (relating to its electric utility fund), each prepared pursuant to the standards and as described in Exhibit I.

"Business Day" means any day other than (a) a Saturday or Sunday, or (b) a day on which commercial banks in New York, New York or the cities in which are located the designated corporate

trust offices of the Dissemination Agent or the designated operational office of the Authority are authorized by law or executive order to close.

"Dissemination Agent" means any agent designated as such in writing by the Authority and which has filed with the Authority a written acceptance of such designation, and such agent's successors and assigns.

"EMMA" means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Final Official Statement" means the Official Statement dated _____, 2026, relating to the Bonds.

"Financial Obligation" means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of an obligation or instrument described in clause (a) or (b) of this definition; provided however, the term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Obligated Project Participant" means the Department of Water and Power of The City of Los Angeles.

"Participating Underwriter" means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

"Reportable Event" means the occurrence of any of the Events with respect to the Bonds set forth in Exhibit II.

"Reportable Events Disclosure" means dissemination of a notice of a Reportable Event as set forth in Section 5.

"Rule" means Rule 15c2-12 adopted by the SEC under the Exchange Act, as the same may be amended from time to time.

"SEC" means the Securities and Exchange Commission.

"Undertaking" means the obligations of the Authority pursuant to Sections 4 and 5.

(b) Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

3. CUSIP Numbers. The CUSIP Numbers of the Bonds are as follows:

2026-1 BONDS

MATURITY (JULY 1)	AMOUNT	CUSIP NUMBERS
	$	

The Authority will include the CUSIP Numbers (or applicable CUSIP Number) in all disclosure described in Sections 4 and 5 of this Agreement.

4. Annual Financial Information Disclosure. Subject to Section 9 of this Agreement, the Authority hereby covenants that it will disseminate or cause to be disseminated on its behalf its Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth in Exhibit I) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the SEC at the time of delivery of such information and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Authority will disseminate a statement to such effect as part of the Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Reportable Events Disclosure. Subject to Section 8 of this Agreement, the Authority hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the SEC at the time of delivery of such information. References to "material" in Exhibit II refer to materiality as it is interpreted under the Exchange Act. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Indenture.

6. Consequences of Failure of the Authority to Provide Information. The Authority shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Authority to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Authority to comply with its obligations under this Agreement. The beneficial owners of 25% or more in principal amount of the Bonds outstanding may challenge the adequacy of the information provided under this Agreement and seek specific performance by court order to cause the Authority to provide the information as required by this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Agreement in the event of any failure of the Authority to comply with this Agreement shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any other provision of this Agreement, the Authority by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation pursuant to a "no-action" letter issued by the SEC, change in law, or change in the identity, nature, or status of the Authority, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the Authority (such as the Trustee), or by approving vote of Bondholders pursuant to the terms of the Indenture at the time of the amendment.

If the SEC, the MSRB or other regulatory authority approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Authority shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. Termination of Undertaking. The Undertaking of the Authority shall be terminated hereunder if the Authority no longer has any legal liability for any obligation on or relating to repayment

of the Bonds under the Indenture. The Authority shall give notice to EMMA in a timely manner if this Section is applicable.

9. Dissemination Agent. The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent with or without appointing a successor Dissemination Agent.

10. Additional Information. Nothing in this Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the Authority chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the Authority shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event. If the name of the Authority is changed, the Authority shall disseminate such information to EMMA.

11. Beneficiaries. This Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Authority, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. Recordkeeping. The Authority shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. Assignment. The Authority shall not transfer its obligations under the Indenture unless the transferee agrees to assume all obligations of the Authority under this Agreement or to execute an Undertaking under the Rule.

14. Governing Law. This Agreement shall be governed by the laws of the State of California.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By _____
Daniel E Garcia
Executive Director

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"Annual Financial Information" means financial information and operating data, including:

(a) Updated versions of the type of information contained in the Final Official Statement relating to the following:

1. operation and maintenance and operating statistics of the Southern Transmission System Renewal Project as set forth under the section entitled "SOUTHERN TRANSMISSION SYSTEM AND THE PROJECT;" and

2. the debt service requirements contained in Appendix G to the Final Official Statement.

(b) Updated versions of the type of information for LADWP contained in Appendix A to the Final Official Statement relating to the following:

1. the description of operations and the summary of operating results of LADWP's Power System; and

2. the summary of financial results of LADWP's Power System.

(c) such other information and data as the Authority may deem necessary in order to comply with the requirements of the Rule.

"Audited Financial Statements" means the audited financial statements of the Authority and each Obligated Project Participant's electric utility fund, in each case for the most recent fiscal year (commencing with the fiscal year ended June 30, 2026), in each case prepared in accordance with generally accepted accounting principles as promulgated to comply with governmental entities from time to time (or such other accounting principles as may be applicable to the Authority and the Project Participant, as the case may be, in the future pursuant to applicable law).

All or a portion of the Annual Financial Information and the Audited Financial Statements set forth above may be included by reference to other documents which have been submitted to EMMA or filed with the SEC. If the information included by reference is contained in a final official statement, the final official statement must be available on EMMA. The final official statement need not be available from the SEC. The Authority shall clearly identify each such item of information included by reference.

Annual Financial Information with respect to the Obligated Project Participant shall be submitted to EMMA by each December 31 after the end of the Obligated Project Participant's fiscal year, commencing with the fiscal year ending June 30, 2026.

Annual Financial Information with respect to the Authority (i.e., the information described in clauses (b) and (c) of the definition of Annual Financial Information) will be submitted to EMMA by each December 31 after the end of the Authority's fiscal year, commencing with the fiscal year ending June 30, 2026.

Audited Financial Statements as described above should be filed at the same times as the Annual Financial Information for the Obligated Project Participant and the Authority. If Audited Financial Statements are not available when such Annual Financial Information is filed, unaudited financial statements shall be included.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Authority will disseminate a notice of such change as required by Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies

2. Non-payment related defaults, if material

3. Unscheduled draws on debt service reserves reflecting financial difficulties

4. Unscheduled draws on credit enhancements reflecting financial difficulties

5. Substitution of credit or liquidity providers, or their failure to perform

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security

7. Modifications to the rights of security holders, if material

8. Bond calls, if material, and tender offers

9. Defeasances

10. Release, substitution or sale of property securing repayment of the securities, if material

11. Rating changes

12. Bankruptcy, insolvency, receivership or similar event of the Authority*

13. The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

15. Incurrence of a Financial Obligation of the Authority or the Obligated Project Participant (relating to its electric utility fund), if material, or agreement to covenants, events of default,

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect security holders, if material

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority or the Obligated Project Participant (relating to its electric utility fund), any of which reflect financial difficulties.

APPENDIX E

PROPOSED FORM OF BOND COUNSEL OPINION

On the delivery date of the 2026-1 Bonds, Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, propose to render their final approving opinion in substantially the following form:

[Delivery Date]

Board of Directors
Southern California Public Power Authority
1160 Nicole Court
Glendora, California 91740

Re: Southern California Public Power Authority
Southern Transmission System Renewal Project, Revenue Bonds, 2026-1

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $_____ aggregate principal amount of Southern Transmission System Renewal Project, Revenue Bonds, 2026-1 (the "2026-1 Bonds") by the Southern California Public Power Authority (the "Authority"), a public entity of the State of California, and such other matters of law as we have deemed necessary to enable us to render the opinions expressed herein.

The 2026-1 Bonds are issued under and pursuant to the provisions relating to the joint exercise of powers found in Chapter 5 of Division 7 of Title 1 of the Government Code of California, as amended (the "Act"), and an Indenture of Trust, dated as of April 1, 2023 (the "Indenture of Trust"), from the Authority to U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as previously supplemented and as supplemented by the Sixth Supplemental Indenture of Trust, dated as of May 1, 2026 (the "Sixth Supplemental Indenture"), from the Authority to the Trustee. Such Indenture of Trust, as so supplemented, is herein referred to as the "Indenture."

The 2026-1 Bonds are dated, and shall bear interest from, their date of delivery. Interest on the 2026-1 Bonds is payable semiannually on January 1 and July 1 of each year, commencing on January 1, 2026. The 2026-1 Bonds mature and are subject to redemption (if applicable) prior to maturity as provided in the Indenture. The 2026-1 Bonds will be issued in denominations of $5,000 or any integral multiple thereof. The 2026-1 Bonds will be issued in fully registered form, are exchangeable and transferable as provided in the Indenture, and are lettered and numbered as provided therein.

The 2026-1 Bonds are issued for the purpose of providing moneys to: (i) finance a portion of the costs of acquisition and construction of the STS Renewal Project, (ii) fund capitalized interest and (iii) pay costs of issuance relating to the 2026-1 Bonds.

The Authority has entered into separate Renewal Transmission Service Contracts (the "Renewal Transmission Service Contracts") with each of the Department of Water and Power of The City of Los Angeles, the City of Burbank and the City of Glendale (the "Project Participants") for transmission service utilizing SCPPA Capacity (as defined in the Renewal Transmission Service Contracts).

Capitalized terms not defined herein shall have the respective meanings set forth in the Indenture unless otherwise provided herein.

From such examination, we are of the opinion that:

1. The Authority has been duly created and is validly existing under the provisions of the Act and has the right and authority under the Act to acquire and utilize SCPPA Capacity.

2. The Authority has the right and authority to enter into and carry out its obligations under the Renewal Transmission Service Contracts and has duly authorized, executed and delivered the Renewal Transmission Service Contracts, which constitute valid and binding agreements of the Authority, enforceable in accordance with their respective terms.

3. The Authority has the right and power under the Act to enter into and carry out its obligations under the Indenture and has duly authorized, executed and delivered the Indenture, which, assuming due authorization, execution and delivery by, and enforceability against, the other party thereto, constitutes a valid and binding agreement of the Authority, enforceable in accordance with its terms. The Indenture creates the valid pledge that it purports to create of (i) the Revenues and (ii) the funds and accounts established by the Indenture (other than such funds and accounts that the Indenture provides are not a source of payment for the Bonds and other than any moneys held by the Trustee or the Authority to pay any rebate amount owed to the federal government), subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

4. The Authority is duly authorized to issue the 2026-1 Bonds, and the 2026-1 Bonds have been duly and validly authorized and issued by the Authority in accordance with the Indenture and the Constitution and applicable statutes of the State of California, including the Act. The 2026-1 Bonds constitute valid and binding obligations of the Authority as provided in the Indenture, are enforceable in accordance with their terms and the terms of the Indenture, and are entitled to the benefits of the Indenture and the applicable benefits of the Act. The 2026-1 Bonds are not an obligation of the State of California, any public agency thereof (other than the Authority), any member of the Authority or the Project Participants and neither the faith and credit nor the taxing power of any of the foregoing (including the Authority) is pledged for the payment of the 2026-1 Bonds. The Authority has no taxing power.

5. Under the Constitution and laws of the State of California, each Renewal Transmission Service Contract constitutes a valid and binding agreement of the Project Participant party thereto enforceable in accordance with its terms. In rendering the foregoing opinion, we have made no investigation of, and do not express any opinion with respect to, the following as they may relate to the valid, binding and enforceable nature of such Renewal Transmission Service Contracts: (i) the legal existence or formation of any Project Participant or the incumbency of any official or officer thereof; (ii) any local or special acts or any ordinance, resolution or other proceedings of any Project Participant, including, without limitation, any proceedings relating to the negotiation or authorization of any Renewal Transmission Service Contract or the execution, delivery or performance thereof (except that we have examined the ordinances and other official action pursuant to which the respective Renewal Transmission Service Contracts were authorized by the respective Project Participants); (iii) any bond resolution, indenture, contract, debt instrument, agreement or other instrument (other than such Renewal Transmission Service Contracts) or any governmental order, regulation or rule of or applicable to any Project Participant; (iv) any judicial order, judgment or decree in a proceeding to which any Project Participant is a party; or (v) any approval, consent, filing, registration or authorization by or with any regulatory authority or other

governmental or public agency, authority or person that may be or has been required for the authorization, execution, delivery or performance by any Project Participant of its Renewal Transmission Service Contract. The Authority has herewith or heretofore received, independent from this opinion, opinions with respect to, among other things, the validity and enforceability of the Renewal Transmission Service Contracts rendered by legal counsel to the respective Project Participants.

Our opinions are based on existing law, which is subject to change. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

No opinion is expressed herein on the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the 2026-1 Bonds.

The opinions expressed in paragraphs 2, 3, 4 and 5 hereof are qualified to the extent that the enforceability of the Indenture, the 2026-1 Bonds and the Renewal Transmission Service Contracts may be limited by any applicable bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally or as to the availability of any particular remedy. The enforceability of the Indenture, the 2026-1 Bonds and the Renewal Transmission Service Contracts is subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, to the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and to the limitations on legal remedies against governmental entities in California (including, but not limited to, rights of indemnification).

Respectfully submitted,

APPENDIX F

PROPOSED FORM OF SPECIAL TAX COUNSEL OPINION

On the delivery date of the 2026-1 Bonds, Nixon Peabody LLP, Los Angeles, California, Special Tax Counsel, propose to render their opinion in substantially the following form:

[Delivery Date]

Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740

Southern California Public Power Authority
Southern Transmission System Renewal Project, Revenue Bonds, 2026-1

Ladies and Gentlemen:

We have acted as special tax counsel to the Southern California Public Power Authority (the "Authority") in connection with the issuance of $_____ aggregate principal amount of its Southern Transmission System Renewal Project, Revenue Bonds, 2026-1, bearing interest at fixed rates (the "Bonds").

The Bonds are being issued pursuant to the provisions relating to the joint exercise of powers found in Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, as amended (the "Act") and pursuant to an Indenture of Trust, dated as of April 1, 2023 (the "Indenture of Trust"), from the Authority to U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as previously supplemented and as supplemented by the Sixth Supplemental Indenture of Trust, dated as of May 1, 2026, from the Authority to the Trustee (the "Sixth Supplemental Indenture" and, together with the Indenture of Trust, the "Indenture"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture. In rendering the opinions set forth below, we have relied upon the approving opinions of Norton Rose Fulbright US LLP, Bond Counsel to the Authority, delivered on even date herewith, relating among other things to the validity of the Bonds.

The Bonds are being issued to finance a portion of the costs of acquisition and construction of capital improvements to the Southern Transmission System, an approximately 488-mile power transmission line and related facilities, which constitute part of the Intermountain Power Project, and related expenditures, which improvements are part of the Southern Transmission System Renewal Project.

In our capacity as special tax counsel, we have reviewed the Act, the Indenture, the Authority's Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 with respect to the Bonds (the "Tax Certificate"), certifications of the Authority, the Trustee, the Project Participants and others, opinions of counsel to the Authority, the Trustee and to each Project Participant, and such other documents, opinions and instruments as we deemed necessary to render the opinions set forth herein.

We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority, and, with respect to the Renewal Transmission Service Contracts, the Project Participants. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions referred to in the third paragraph hereof. Furthermore, we have assumed

compliance with all covenants and agreements contained in the Indenture and the Renewal Transmission Service Contracts.

The Internal Revenue Code of 1986 (the "Code") sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Bonds. Pursuant to the Indenture and the Tax Certificate, the Authority has covenanted to comply with each applicable requirement of the Code necessary to qualify the Bonds as obligations described in section 103(a) of the Code. In addition, the Authority has made certain representations and certifications in the Tax Certificate. We have not independently verified the accuracy of those certifications and representations.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

Under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Authority described above, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Interest on the Bonds will be taken into account in computing the alternative minimum tax imposed on certain corporations under the Code to the extent that such interest is included in the "adjusted financial statement income" of such corporations.

We are also of the opinion that interest on the Bonds is exempt from personal income taxes of the State of California under present law.

Except as stated in the preceding two paragraphs, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other counsel.

Very truly yours,

APPENDIX G

DEBT SERVICE REQUIREMENTS
(Accrual Basis)

Fiscal Year Ending June 30	Outstanding Bonds		2026-1 Bonds		Combined Debt Service
	Principal	Interest[2]	Principal	Interest[3]	
	$	$	$	$	$
Total[1]	$	$	$	$	$

[1] Totals may not add due to rounding.

[2] [2023-1 Capitalized Interest amounts and earnings thereon are expected to pay all or a portion of interest on 2023-1 Bonds as follows: in fiscal year ending June 30, 2026, $_____; in fiscal year ending June 30, 2027, $_____; and in fiscal year ending June 30, 2028, $_____. 2023-1A Capitalized Interest amounts and earnings thereon are expected to pay all or a portion of interest on 2023-1A Bonds as follows: in fiscal year ending June 30, 2026, $_____; in fiscal year ending June 30, 2027, $_____; and in fiscal year ending June 30, 2028, $_____. 2024-1 Capitalized Interest amounts and earnings thereon are expected to pay all or a portion of interest on 2024-1 Bonds as follows: in fiscal year ending June 30, 2026, $_____; in fiscal year ending June 30, 2027, $_____; and in fiscal year ending June 30, 2028, $_____. 2025-1 Capitalized Interest amounts and earnings thereon are expected to pay all or a portion of interest on 2025-1 Bonds as follows: in fiscal year ending June 30, 2026, $_____; in fiscal year ending June 30, 2027, $_____; and in fiscal year ending June 30, 2028, $_____. 2025-2 Capitalized Interest amounts and earnings thereon are expected to pay all or a portion of interest on 2025-2 Bonds as follows: in fiscal year ending June 30, 2026, $_____; in fiscal year ending June 30, 2027, $_____; and in fiscal year ending June 30, 2028, $_____.] Assumes the Series 2025-2 Bonds will bear interest at 5.00% per annum after the initial Scheduled Mandatory Tender Date.

[3] [2026-1 Capitalized Interest amounts and earnings thereon are expected to pay all or a portion of interest on 2026-1 Bonds as follows: in fiscal year ending June 30, 2026, $_____; in fiscal year ending June 30, 2027, $_____; and in fiscal year ending June 30, 2028, $_____.]

Continuing Disclosure Undertaking
for the purpose of providing
continuing disclosure information
under Section (b)(5) of Rule 15c2-12

_____, 2026

This Continuing Disclosure Undertaking (the "Agreement") is executed and delivered by the Southern California Public Power Authority (the "Authority") in connection with the issuance of its $_____ Southern Transmission System Renewal Project, Revenue Bonds, 2026-1 (the "Bonds"). The Bonds are being issued pursuant to the an Indenture of Trust, dated as of April 1, 2023 (the "Original Indenture" and, as supplemented and amended, including as supplemented by the Sixth Supplemental Indenture, dated as of May 1, 2026, the "Indenture"), from the Authority to U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

In consideration of the issuance of the Bonds by the Authority and the purchase of such Bonds by the beneficial owners thereof, the Authority covenants and agrees as follows:

1. Purpose of This Agreement. This Agreement is executed and delivered by the Authority as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the requirements of the Rule (as defined below). Each of the Authority and the Obligated Project Participant is hereby determined by Authority to be an "obligated person" within the meaning of the Rule (and are the only "obligated persons" within the meaning of the Rule for whom financial information or operating data are presented in the Final Official Statement). Each such person shall only be an "obligated person" if and for so long as such person is an "obligated person" within the meaning of the Rule.

2. Definitions. (a) The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

"Annual Financial Information" means the financial information and operating data described in Exhibit I.

"Annual Financial Information Disclosure" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"Audited Financial Statements" means collectively, the audited financial statements of the Authority and the Obligated Project Participant (relating to its electric utility fund), each prepared pursuant to the standards and as described in Exhibit I.

"Business Day" means any day other than (a) a Saturday or Sunday, or (b) a day on which commercial banks in New York, New York or the cities in which are located the designated corporate trust offices of the Dissemination Agent or the designated operational office of the Authority are authorized by law or executive order to close.

"Dissemination Agent" means any agent designated as such in writing by the Authority and which has filed with the Authority a written acceptance of such designation, and such agent's successors and assigns.

"EMMA" means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Final Official Statement" means the Official Statement dated _____, 2026, relating to the Bonds.

"Financial Obligation" means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of an obligation or instrument described in clause (a) or (b) of this definition; provided however, the term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Obligated Project Participant" means the Department of Water and Power of The City of Los Angeles.

"Participating Underwriter" means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

"Reportable Event" means the occurrence of any of the Events with respect to the Bonds set forth in Exhibit II.

"Reportable Events Disclosure" means dissemination of a notice of a Reportable Event as set forth in Section 5.

"Rule" means Rule 15c2-12 adopted by the SEC under the Exchange Act, as the same may be amended from time to time.

"SEC" means the Securities and Exchange Commission.

"Undertaking" means the obligations of the Authority pursuant to Sections 4 and 5.

(b) Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

3. CUSIP Numbers. The CUSIP Numbers of the Bonds are as follows:

2026-1 BONDS

MATURITY (JULY 1)	AMOUNT	CUSIP NUMBERS
	$	

The Authority will include the CUSIP Numbers (or applicable CUSIP Number) in all disclosure described in Sections 4 and 5 of this Agreement.

4. Annual Financial Information Disclosure. Subject to Section 9 of this Agreement, the Authority hereby covenants that it will disseminate or cause to be disseminated on its behalf its Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth in Exhibit I) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the SEC at the time of delivery of such information and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Authority will disseminate a statement to such effect as part of the Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Reportable Events Disclosure. Subject to Section 8 of this Agreement, the Authority hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the SEC at the time of delivery of such information. References to "material" in Exhibit II refer to materiality as it is interpreted under the Exchange Act. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Indenture.

6. Consequences of Failure of the Authority to Provide Information. The Authority shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Authority to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Authority to comply with its obligations under this Agreement. The beneficial owners of 25% or more in principal amount of the Bonds outstanding may challenge the adequacy of the information provided under this Agreement and seek specific performance by court order to cause the Authority to provide the information as required by this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Agreement in the event of any failure of the Authority to comply with this Agreement shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any other provision of this Agreement, the Authority by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation pursuant to a "no-action" letter issued by the SEC, change in law, or change in the identity, nature, or status of the Authority, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the Authority (such as the Trustee), or by approving vote of Bondholders pursuant to the terms of the Indenture at the time of the amendment.

If the SEC, the MSRB or other regulatory authority approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Authority shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. Termination of Undertaking. The Undertaking of the Authority shall be terminated hereunder if the Authority no longer has any legal liability for any obligation on or relating to repayment

of the Bonds under the Indenture. The Authority shall give notice to EMMA in a timely manner if this Section is applicable.

9. Dissemination Agent. The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent with or without appointing a successor Dissemination Agent.

10. Additional Information. Nothing in this Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the Authority chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the Authority shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event. If the name of the Authority is changed, the Authority shall disseminate such information to EMMA.

11. Beneficiaries. This Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Authority, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. Recordkeeping. The Authority shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. Assignment. The Authority shall not transfer its obligations under the Indenture unless the transferee agrees to assume all obligations of the Authority under this Agreement or to execute an Undertaking under the Rule.

14. Governing Law. This Agreement shall be governed by the laws of the State of California.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By _____
Daniel E Garcia
Executive Director

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"Annual Financial Information" means financial information and operating data, including:

(a) Updated versions of the type of information contained in the Final Official Statement relating to the following:

1. operation and maintenance and operating statistics of the Southern Transmission System Renewal Project as set forth under the section entitled "SOUTHERN TRANSMISSION SYSTEM AND THE PROJECT;" and

2. the debt service requirements contained in Appendix G to the Final Official Statement.

(b) Updated versions of the type of information for LADWP contained in Appendix A to the Final Official Statement relating to the following:

1. the description of operations and the summary of operating results of LADWP's Power System; and

2. the summary of financial results of LADWP's Power System.

(c) such other information and data as the Authority may deem necessary in order to comply with the requirements of the Rule.

"Audited Financial Statements" means the audited financial statements of the Authority and each Obligated Project Participant's electric utility fund, in each case for the most recent fiscal year (commencing with the fiscal year ended June 30, 2026), in each case prepared in accordance with generally accepted accounting principles as promulgated to comply with governmental entities from time to time (or such other accounting principles as may be applicable to the Authority and the Project Participant, as the case may be, in the future pursuant to applicable law).

All or a portion of the Annual Financial Information and the Audited Financial Statements set forth above may be included by reference to other documents which have been submitted to EMMA or filed with the SEC. If the information included by reference is contained in a final official statement, the final official statement must be available on EMMA. The final official statement need not be available from the SEC. The Authority shall clearly identify each such item of information included by reference.

Annual Financial Information with respect to the Obligated Project Participant shall be submitted to EMMA by each December 31 after the end of the Obligated Project Participant's fiscal year, commencing with the fiscal year ending June 30, 2026.

Annual Financial Information with respect to the Authority (i.e., the information described in clauses (b) and (c) of the definition of Annual Financial Information) will be submitted to EMMA by each December 31 after the end of the Authority's fiscal year, commencing with the fiscal year ending June 30, 2026.

Audited Financial Statements as described above should be filed at the same times as the Annual Financial Information for the Obligated Project Participant and the Authority. If Audited Financial Statements are not available when such Annual Financial Information is filed, unaudited financial statements shall be included.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Authority will disseminate a notice of such change as required by Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies

2. Non-payment related defaults, if material

3. Unscheduled draws on debt service reserves reflecting financial difficulties

4. Unscheduled draws on credit enhancements reflecting financial difficulties

5. Substitution of credit or liquidity providers, or their failure to perform

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security

7. Modifications to the rights of security holders, if material

8. Bond calls, if material, and tender offers

9. Defeasances

10. Release, substitution or sale of property securing repayment of the securities, if material

11. Rating changes

12. Bankruptcy, insolvency, receivership or similar event of the Authority*

13. The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

15. Incurrence of a Financial Obligation of the Authority or the Obligated Project Participant (relating to its electric utility fund), if material, or agreement to covenants, events of default,

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* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect security holders, if material

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority or the Obligated Project Participant (relating to its electric utility fund), any of which reflect financial difficulties.

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AGENDA ITEM STAFF REPORT

MEETING DATE: April 16, 2026 **RESOLUTION NUMBER:** 2026-021

SUBJECT: Award of Professional Services Agreement to Baker Tilly US LLP for Independent Professional Auditing Services

DISCUSSION: ☒ **OR** **CONSENT:** ☐

Select the appropriate box(es):

FROM:		**METHOD OF SELECTION:**	
Finance	☒	Competitive	☒
Project Development	☐	Cooperative Purchase	☐
Program Development	☐	Sole Source	☐
Regulatory/Legislative	☐	Other	☐
Project Administration	☐	*Other (Please describe):*	
Legal	☐		
Executive Director	☐		

MEMBER PARTICIPATION:

Sponsoring Member: N/A

Other Members Potentially Participating: N/A

Approved by Executive Director: Signed by: DAE0F3A6ECDE496... _____

RECOMMENDATION:

Award and authorize execution of a Professional Services Agreement with Baker Tilly US LLP ("Baker Tilly") to provide independent professional auditing services for fiscal years ending June 30, 2026, 2027 and 2028 with an option to extend the agreement for an additional three years.

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BACKGROUND:

In accordance with the SCPPA Joint Powers Agreement, SCPPA is required each year to have an independent audit of its financial statements. The most recent professional services agreement for auditing services was with Moss Adams LLP, which merged with Baker Tilly in 2025. The agreement was for three years and was extended for another three years in 2023. The agreement expired on February 20, 2026.

DISCUSSION:

SCPPA issued a Request for Proposals (RFP) for auditing services and convened an evaluation panel comprised of representatives from SCPPA and four SCPPA Members to independently evaluate the proposals. Based on the results of the RFP process, Baker Tilly is recommended for award of the contract.

The scope of services to be provided by Baker Tilly primarily includes:

- Audit and issue a report on the fairness of the presentation of SCPPA's combined and each individual project financial statements in conformity with generally accepted accounting principles.
- Assist SCPPA in the resolution of complex accounting issues and the implementation of Governmental Accounting Standards Board standards.
- Engage with SCPPA's Audit Sub-Committee prior, during, and end of the audit to present the audit results and recommendations.
- Present the final audit results and recommendations to the Finance Committee and the SCPPA Board of Directors ("Board").
- Issue a report addressed to the Board on Communications with Those Charged with Governance and Communications of Internal Control Related Matters.

The proposed fees are as follows:

Audit Year	Total All-Inclusive Maximum Price
Fiscal Year 2025-26	$385,000
Fiscal Year 2026-27	$405,000
Fiscal Year 2027-28	$425,000

The fee for each year is an all-inclusive price. Subsequent additional projects may increase the scope of the audit and terminating projects may decrease the scope of the audit. Any additional costs and/or reduction of costs for expiring projects will be mutually agreed upon in writing by SCPPA and Baker Tilly.

The agreement also provides for additional professional services, as needed, at specified hourly rates or mutually agreed upon fixed fee.

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The total aggregate amount paid by SCPPA for all services during the three-year term shall not exceed $1,500,000.

Should SCPPA and Baker Tilly agree to a three-year extension, the proposed fees will be as follows, subject to any changes due to the addition or deletion of projects from fiscal year 2025-26 to fiscal year 2027-28:

Audit Year	Total All-Inclusive Maximum Price
Fiscal Year 2028-29	$445,000
Fiscal Year 2029-30	$465,000
Fiscal Year 2030-31	$490,000

- **Selection Method:**

  SCPPA issued an RFP for auditing services on January 16, 2026, for an anticipated agreement term of three years with an option to extend for an additional three years. The proposal submittal deadline for the RFP was February 13, 2026.

  SCPPA reached out to eleven firms that provide auditing services to California joint power agencies and/or municipal utilities and made them aware of the RFP. Six proposals were received.

  The proposals were evaluated by SCPPA and representatives from Banning, Burbank, LADWP, and Riverside. The firms were evaluated on the firm's qualifications and experience, the qualifications and experience of the personnel that will be assigned to the audit engagement, the methodology and audit approach, competitive pricing, and any exceptions to the terms and conditions of SCPPA's pro forma Professional Services Agreement. The top three ranked firms were invited to participate in virtual interviews. Based on the results of the evaluations and interviews, the evaluation team recommended awarding the contract to Baker Tilly.

  The results of the RFP and recommendation were presented to the Finance Committee at its April 6, 2026 meeting and the Finance Committee recommended that the Board of Directors award the contract to Baker Tilly for a three-year term with an option to extend for an additional term of three years.

- **SCPPA's Authority:**

  In accordance with the California Joint Exercise of Powers Act and the SCPPA Joint Powers Agreement, SCPPA is authorized to obtain independent auditing services to express an opinion on the fairness of presentation of its financial statements on generation and transmission projects.

FISCAL IMPACT:

The annual audit fee will be included in SCPPA's annual Administrative and General expenditure budget, and the cost will be allocated to all projects reported within SCPPA's Financial Report.

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ATTACHMENTS:

1. Resolution No. 2026-021
2. Professional Services Agreement – Baker Tilly US LLP

RESOLUTION NO. 2026-021

RESOLUTION OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AWARDING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH BAKER TILLY US LLP FOR INDEPENDENT ACCOUNTANT AND FINANCIAL AUDIT SERVICES AND AUTHORIZING CERTAIN RELATED ACTIONS

WHEREAS, the Southern California Public Power Authority (the "Authority") is a public entity duly organized and existing pursuant to the provisions of Chapter 5, Division 7, Title 1, commencing at section 6500, of the Government Code of the State of California; and

WHEREAS, pursuant to the agreements and laws governing the Authority, the Authority is, among other things, required to maintain accounts and records, complete a written report of all financial activities for each fiscal year, and cause all annual independent audit of the accounts and records of the Authority to be made by a certified public accountant; and

WHEREAS, the Authority conducted an extensive Request for Proposals process resulting in the selection of Baker Tilly US, LLP ("Independent Accountant") as the independent accountant and auditor to provide auditing services to the Authority; and

WHEREAS, the Independent Accountant employs a skilled and qualified professional staff experienced in performing a variety of auditing and accounting functions and possesses the resources and expertise necessary to render assistance as hereinafter provided; and

WHEREAS, the Authority has negotiated the terms of a professional services agreement with the Independent Accountant (the "Professional Services Agreement") and desires to engage the Independent Accountant to provide independent accounting and auditing services pursuant to such agreement; and

WHEREAS, the Professional Services Agreement between the Authority and the Independent Accountant is for a term of three years with an option for an additional three-year term which may only be exercised upon further approval by the Authority Board of Directors; and

NOW, THEREFORE, the Board of Directors of the Southern California Public Power Authority hereby finds, authorizes, orders, directs and resolves as follows:

1. The Board of Directors hereby awards a Professional Services Agreement to Baker Tilly US, LLP for a three-year term, with an option to extend for an additional three years.

2. The Executive Director is authorized and delegated the authority to enter into the Professional Services Agreement.

3. The Executive Director and the staff of the Authority are authorized to prepare such documents or instruments and to do and cause to be done all acts and things as may be necessary or appropriate to utilize the full benefits of the Professional Services Agreement.

4. The Board of Directors hereby authorizes the Executive Director to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts or things necessary or proper for carrying out the transactions contemplated by this Resolution and to carry forward such further actions as are necessary or appropriate to consummate the above engagement.

5. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 16th day of April 2026.

_____
TIKAN SINGH
VICE PRESIDENT
Southern California Public
Power Authority

ATTEST:

_____
DANIEL E GARCIA
ASSISTANT SECRETARY
Southern California Public
Power Authority

PROFESSIONAL SERVICES AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
BAKER TILLY US LLP

This PROFESSIONAL SERVICES AGREEMENT ("Agreement") is dated and effective April 16, 2026, by and between Baker Tilly US LLP ("Consultant"), a Wisconsin limited liability partnership, located at 805 SW Broadway, Suite 1400, Portland, Oregon 97205, and Southern California Public Power Authority ("SCPPA"), a joint powers agency created pursuant to the laws of the State of California, with offices at 1160 Nicole Court, Glendora, California 91740. SCPPA and Consultant are also referred to herein individually as "Party" and together as "Parties." Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference.

WHEREAS, SCPPA member utilities ("Members") are engaged in the generation, transmission, and distribution of electrical energy to retail customers; and

WHEREAS, SCPPA has been formed for the purpose of undertaking the planning, financing, development, acquisition, construction, reconstruction, improvement, enlargement, betterment, operation, or maintenance of projects involving the generation, transmission, and distribution of electrical energy for the benefit of its Members ("Purpose"); and

WHEREAS, SCPPA has a need for professional and technical services including studies and reports to facilitate SCPPA's Purpose and that support its Members' procurement of generation and transmission resources and their obligation to first acquire energy efficiency and demand reduction resources that are cost effective, reliable, and feasible as mandated by Section 9615 of the California Public Utilities Code; and

WHEREAS, Consultant is qualified and capable of providing the services specified herein which are consistent with SCPPA's Purpose.

NOW, THEREFORE, in consideration of the premises herein and for other good and valuable consideration, the Parties agree as follows:

1. **Services to be Provided:**
   SCPPA engages Consultant to provide the services and related tasks ("Services") outlined in Exhibit A. The Services performed and provided by Consultant shall be based upon the price terms listed in Exhibit B, provided that in no event shall the payments to Consultant exceed

the designated maximum amount listed in Exhibit B.

2. **Consultant's Services and Personnel:**

(a) Independent Contractor. Consultant is an independent contractor. Neither the Consultant nor the Consultant's employees or agents are employees of SCPPA or any Member and shall not be entitled to any employment benefits or rights afforded by SCPPA or Members to their employees, including, but not limited to, sick leave, vacation leave, paid leave, holiday pay, retirement benefits, worker's compensation, or other insurance benefits. Consultant hereby warrants that: (1) The Consultant and its employees and agents are free from the control and direction of SCPPA and its Members in connection with the performance of the Services, both under this contract and in fact, (2) The Consultant and its employees and agents perform work that is outside the usual course of SCPPA's business, and (3) the Consultant and its employees and agents performing Services under this Agreement are customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the Services to be performed under this Agreement. Consultant shall furnish the Services according to its own manner and methods except as required by applicable laws and this Agreement. Consultant shall have no authority, express or implied, to act on behalf of or bind SCPPA or Members to any obligation in any capacity whatsoever as agent or otherwise.

(b) Subcontractors. Consultant may use the services of subcontractors to perform a portion of its obligations under this Agreement with the prior written approval of SCPPA, and as further described in the Consultant's engagement letter, which is incorporated herein by this reference. All subcontractors retained by Consultant shall be duly licensed as required by law. Subcontractors shall be provided with a copy of this Agreement and Consultant shall cause all subcontractors to comply with the same and agree in a separate writing to be bound by its terms. Consultant shall be the responsible party with respect to all actions of its subcontractors. Consultant's visit to and time spent at SCPPA, Member, or project site locations shall be subject to normal business hours, appropriate safety standards, and security requirements.

(c) Prevailing Wages. Services by persons deemed to be employees of Consultant may be subject to prevailing wages under California Labor Code 1770 et seq. Consultant is solely responsible for compliance with prevailing wage requirements, where applicable.

(d) Indemnity. Subject to Section 7 of this Agreement, Consultant shall indemnify, defend, and hold harmless SCPPA and Members, and their respective officers, employees, assigns, and successors in interest from and against any and all liability, claims, suits, demands, damages, fines, penalties, wages, costs or expenses pertaining to (i) prevailing wage laws and (ii) the payment of any employee and/or employer contributions for the California Public Employees Retirement System ("PERS") benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and

interest on such contributions which would otherwise be the responsibility of SCPPA or Members. This indemnification is intended to supplement and is not intended to limit or exclude the application of the indemnification requirements provided in Section 8 hereof.

3. **Standard of Care:**
The Consultant will perform Services under this Agreement with the degree of skill and diligence normally practiced in the same industry by consultants performing the same or similar work. Consultant shall comply with all Federal, State, County, local and other governing laws, rules and regulations applicable to the performance of the Services under this Agreement, including but not limited to, equal opportunity practices, living wage ordinances, applicable business licenses, taxpayer protection acts (limiting gifts or campaign contributions), and assignment of antitrust causes of action. Consultant represents and warrants that it is appropriately licensed, qualified, and experienced to provide the Services. Consultant acknowledges that it may be subject to the requirements of the California Consumer Privacy Act ("CCPA") and the California Privacy Rights Act and represents that all Services performed hereunder shall comply with such requirements where applicable. If requested, Consultant agrees to execute a non-disclosure agreement or other ancillary agreement to document Member-specific requirements for purposes of addressing CCPA, California Public Records Act ("CPRA"), California Privacy Rights Act, confidentiality and/or cybersecurity concerns. The parties acknowledge that the standard of care and confidentiality obligations are further described in the Consultant's engagement letter.

4. **Amendments:**
Amendments to this Agreement must be in writing and signed by both Parties.

5. **Payment:**
SCPPA shall pay Consultant for Services in accordance with the terms of this Agreement. Each invoice from Consultant shall include the basis for the amount invoiced, including a description of the Services provided. Consultant shall submit all invoices to SCPPA. Invoices delivered to SCPPA shall be sent to ap@scppa.org. Invoices received by SCPPA on or before the 15th day of a given month and subsequently approved on or before the 25th day of the same month, shall be paid by SCPPA before the end of the following month. All other properly invoiced amounts shall be paid not more than sixty (60) calendar days after delivery of an invoice. SCPPA shall inform Consultant of any disputed invoice amounts within thirty (30) calendar days of receipt of the invoice by SCPPA. SCPPA may withhold payment of such disputed amounts until both Parties have reached agreement on the proper amount of the invoice.

6. **Taxes:**
All taxes imposed on Consultant's income, imposed, or assessed by reason of this Agreement or its performance, including but not limited to sales or use taxes, shall be paid by Consultant. Consultant shall be responsible for any taxes or penalties assessed by reason of any claims that

Consultant is an employee of SCPPA.

7. **AICP Independence Requirements:**
Notwithstanding anything to the contrary in Sections 2(d), 8, and 9 of this Agreement, in compliance with AICPA independence requirements, SCPPA hereby releases Consultant, its subsidiaries and their present or former partners, principals, employees, officers and agents from, and acknowledges that such parties shall not be required to indemnify SCPPA against, any costs, fees, expenses, damages and liabilities (including attorneys' fees and all defense costs) relating to or arising as a result of the acts or omissions of SCPPA. Furthermore, because of the importance of the information that SCPPA provides to Contractor with respect to Contractor's ability to perform the services, SCPPA hereby releases Contractor and its present and former partners, principals, agents and employees from any liability, damages, fees, expenses and costs, including attorney's fees, relating to the services that arise from or relate to any information, including representations by management, provided by SCPPA, its personnel or agents, that is not complete, accurate or current.

8. **Indemnity**:
To the maximum extent permitted by law, and subject to Section 7 of this Agreement, Consultant shall defend, indemnify, and hold harmless SCPPA and Members and their respective officers, employees, assigns and successors in interest (collectively, "Indemnified Parties") from and against any and all suits and causes of action, claims, charges, damages, demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever, whether actual or alleged, arising out of, or incident to, the performance of Services under this Agreement("Claims**"),** excluding only those Claims arising from the gross negligence or willful misconduct of Indemnified Parties. Consultant shall promptly notify SCPPA of any Claim(s) against the Consultant or any of Consultant's directors, employees, subcontractors of any tier, or agents, arising out of or related to Services being performed under this Agreement.

9. **Intellectual Property Infringement:**
Subject to Section 7 of this Agreement, Consultant shall defend, indemnify, and hold harmless SCPPA from and against any loss, cost, and expense that SCPPA incurs because of a claim that any deliverables, materials, software, or hardware or equipment (hereinafter "Product") provided pursuant to this Agreement infringes on the intellectual property rights of others. Consultant's indemnification obligation under this Section 9 is conditioned on the following: (i) SCPPA must notify Consultant of any such claim and (ii) the claim must not arise from modifications to or misuse of the Product by SCPPA. In the event of an infringement claim, Consultant, at its sole option and expense, may (A) retake title and possession of the Product and refund all compensation paid by SCPPA, or (B) obtain for SCPPA the right to continue using the Product under the terms of this Agreement as was being used prior to the infringement claim; or (C) replace for SCPPA the Product with another that is substantially equivalent in function, or modify the Product so that it becomes non-infringing and substantially equivalent

in function. Consultant's election in response to an infringement claim as described in this Section 9 shall not result in any additional costs or liability to SCPPA.

10. **Insurance:**

Consultant shall at its sole cost and expense procure, provide, and maintain, and shall require each subcontractor (regardless of tier) to provide and maintain, in effect during the performance of any Services under this Agreement, and with respect to subparagraphs (d) and (e) below, the period of time specified therein, insurance coverage with carriers reasonably satisfactory to SCPPA, as follows:

(a) Workers' Compensation insurance in accordance with statutory limits, as required by the state in which the services are to be performed, including a waiver of subrogation favoring SCPPA, and Employer's Liability insurance with limits of not less than one million dollars ($1,000,000) each employee for accident, $1,000,000 each employee for disease, and $1,000,000 policy limit for disease.

(b) Commercial General Liability insurance providing coverage for bodily injury, property damage, personal injury, advertising liability, blanket contractual liability, Consultant's obligations under this Agreement, products and completed operations, and coverage for independent contractors with limits of not less than one million dollars ($1,000,000) for each occurrence. Such policy shall cover SCPPA as an additional insured, include a severability of interest provision, and be primary and not contributory with respect to any insurance carried by SCPPA.

(c) Commercial Automobile Liability insurance providing coverage for all owned, non-owned, and hired automobiles used by Consultant in the performance of the Services with a combined single limit of not less than one million dollars ($1,000,000) for each occurrence of bodily injury and property damage.

(d) Errors & Omissions/Professional Liability insurance, including coverage for liability arising from intellectual property infringement, information technology and software development services, with limits of one million dollars ($1,000,000) per claim and in the aggregate. The policy must be kept in force during the life of the contract and for three years (either as a policy in force with "prior acts" coverage covering the Agreement's term, or under an extended reporting provision) after contract termination.

(e) Cyber Security Coverage including technology / professional liability insurance, intellectual property infringement, and data protection liability insurance. Consultant shall procure and maintain coverage for cyber liabilities and financial loss resulting or arising from acts, errors, or omissions, in connection with data maintenance, hosting, software development and other information technology services provided under this agreement. Coverage shall include protection for liability arising from:

1. intellectual property infringement arising out of software and/or content (excluding patent infringement and misappropriation of trade secrets);
2. breaches of security;
3. violation or infringement of any right, privacy, breach of federal, state, or foreign security and/or privacy laws or regulations; and,
4. data theft, damage, destruction, or corruption, including without limitation, unauthorized access, unauthorized use, identity theft, theft of personally identifiable information or confidential corporate information, transmission of a computer virus or other type of malicious code; and participation in a denial of service attack on a third party.

The minimum limits shall be three million dollars ($3,000,000) for each claim and in the aggregate.

Such insurance must address all of the foregoing without limitation if caused by an employee of the Consultant or an independent contractor working on behalf of the Consultant in performing Services under this contract. Policy must provide coverage for wrongful acts, claims, and lawsuits anywhere in the world. The policy must be kept in force during the life of the contract and for three years (either as a policy in force with "prior acts" coverage covering the Agreement's term, or under an extended reporting provision) after contract termination.

(f) Consultant shall provide not less than thirty (30) calendar day notice of cancellation to SCPPA.

The insurance to be provided by Consultant under this Agreement shall not include any of the following: except for Professional Liability Insurance, any claims-made insurance policies; any self-insured retention or deductible amount greater than two hundred fifty thousand dollars ($250,000) unless approved in writing by SCPPA; any endorsement limiting coverage available to SCPPA that is otherwise required by this Section 10; and any policy or endorsement language that (i) negates coverage to SCPPA for SCPPA's own negligence; (ii) limits the duty to defend SCPPA under the policy; (iii) provides coverage to SCPPA only if Consultant is negligent, or (iv) permits the recovery of defense costs from any additional insured. The insurance provided under this Agreement shall not contain any restrictions or limitations which are inconsistent with SCPPA's or the rights under this Agreement.

Consultant shall furnish SCPPA proof of all specified insurance evidencing the required coverages prior to commencement of Services under this Agreement. Consultant shall provide SCPPA a new or renewed certificate of insurance upon any changes or modifications to coverage including any extension or renewal of required insurance coverage; provided that any changes or modifications to coverage shall be consistent with the requirements of this Agreement.

11. **Term and Termination; Survival:**

(a) The term of this Agreement shall be three (3) years from the date hereof at which time it shall either expire or be extended by written agreement of the Parties for one (1) or more additional terms totaling no more than three (3) years, unless sooner terminated in accordance with this Section 11.

(b) Either Party may terminate this Agreement, with or without cause, upon thirty (30) calendar days' written notice to the other Party. Upon such termination, (i) Consultant shall reimburse SCPPA for all payments made by SCPPA for Services not yet completed and supplied, or (ii) if outstanding payments are owed to Consultant, SCPPA shall pay Consultant for all Services satisfactorily performed and supplied in accordance with this Agreement up to the date of termination.

(c) Termination for Conflicts of Interest. Consultant confirms that it understands the conflicts of interest codes and requirements applicable to its profession, as well as the requirements of California Government Code Section 1090, et seq. and Section 87100, et seq. Consultant represents and certifies that it is unaware of any conflict of interest relating to this Agreement and that SCPPA, its Members, and their respective officers, agents, employees, representatives, and elected and appointed officials do not, and will not, have any direct or indirect financial interest in this Agreement. Consultant will immediately inform SCPPA about any conflict of interest that may arise as a result of any change in circumstances. Notwithstanding any other provision of this Agreement, it is further understood and agreed that if such conflict of interest does exist or develop, SCPPA may immediately terminate this Agreement by giving Consultant written notice thereof.

(d) Survival. Any rights or obligations pursuant to Sections 2(d) 3, 5-12, 14, 17-19 shall survive the termination or expiration of this Agreement.

12. **Use and Ownership of Work Product:**

(a) As used in this agreement, the term "Work Product" means any and all deliverables or materials fixed in a tangible medium of expression, including software code, written procedures, written documents, abstracts, and summaries thereof, or any portions or components of the foregoing created, written, developed, conceived, perfected, or designed in connections with the Services provided under this Agreement. Work Product includes, without limitation, audit reports, balance sheets, financial statements, and other documentation representing Consultant's final work product. Work Product shall not include consultant's work papers and other Consultant documents or information ("Consultant Materials") thought Consultant Materials may be contained in Consultant's final work product. To the extent necessary to proper use and comprehension of

Consultant's final work product, SCPPA may make use of Consultant Materials; provided, however, that Consultant Materials, whether kept on paper or electronic media, are Consultant's property and are not a substitute for SCPPA's own records.

(b) Subject to the terms of the engagement letter, SCPPA shall retain all rights, title, and interest in and to the Work Product, including all intellectual property rights therein and any and all enhancements, improvements, and derivative works thereof, and Consultant obtains no rights therein.

13. **Information Provided by Others:**

To the extent reasonably available to SCPPA, and not otherwise subject to any confidentiality requirement, SCPPA , upon Consultant's request, shall provide to the Consultant in a timely manner any information reasonably needed to perform the Services hereunder. Consultant may rely on the accuracy of information provided by SCPPA. Any Customer Data (as defined in Section 14 herein) furnished to Consultant by SCPPA shall be deemed Confidential Information subject to Section 14 of this Agreement.

14.**Confidential Information:**

As used herein, "Customer Data" shall mean any and all data that describes anything whatsoever about an individual customer of a Member, such as address, employment, contact information, usage history, financial transactions and/or credit history, or that affords a clear basis for inferring things done by or to an individual or entity such as a record of a person's presence in a place, or requests for temporary changes in service. "Customer Responses" shall be all information or opinion collected or gathered from an individual customer of a Member, either verbally, in writing, or electronically.

Either Party (as to information disclosed, the "Disclosing Party") may provide the other (as to information received, the "Receiving Party") with information in connection with this Agreement that it may deem to be "Confidential Information" as defined herein. Confidential Information shall mean any and all: (1) Customer Data provided by SCPPA or any Member to Consultant or any of Consultant's subcontractors; (2) Customer Responses collected by Consultant or any of Consultant's subcontractors from customers of any Members; and (3) any information provided to one Party from another that is labeled and/or marked confidential. Receiving Party agrees: (a) to use or reproduce the Confidential Information only as necessary to realize the benefits of or perform its obligations under this Agreement and for no other purpose, (b) to take reasonable measures to prevent disclosure of the Confidential Information to third parties, and (c) not to disclose the Confidential Information to a competitor of Disclosing Party.

Notwithstanding the foregoing, Confidential Information does not include information which (i) at the time of disclosure is within the public domain through no breach of this Agreement by either Party; (ii) has been known or independently developed by and is currently in the possession of recipient prior to disclosure or receipt thereof; (iii) was or is acquired by recipient from a third party (other than from a Member or from a Member customer contacted by Consultant in the course of performance of this Agreement) or (iv) disclosed pursuant to a legal requirement or order. The recipient may disclose the Confidential Information on a need-to-know basis to its contractors, agents and affiliates who agree to confidentiality and non-use terms that are substantially similar to these terms.

In the case of a *bona fide* request received by SCPPA under the California Public Records Act ("CPRA,") Cal. Gov't Code § 7920.000 et seq.) from a third party for access to Consultant's Confidential Information subject to this Agreement, or as may otherwise be required by the California Ralph M. Brown Act ("Brown Act") (California Government Code §§ 54950 et. seq.), SCPPA shall notify Consultant of such request and shall seek to follow Consultant's reasonable instructions in responding thereto subject to the understanding that SCPPA cannot delegate the responsibilities imposed on it by the CPRA or Brown Act to Consultant. SCPPA's responsibilities under both the CPRA and Brown Act shall be determined in the sole discretion of SCPPA. In the event access to such Confidential Information is denied and the third party requesting the same initiates litigation to compel access under the CPRA, SCPPA shall promptly advise Consultant of such litigation, and SCPPA shall have no other duty or obligation to Consultant under this Agreement with respect to the denial of access to such Confidential Information or to oppose or defend any such litigation. Consultant, at its own cost and expense, shall indemnify, defend, and hold SCPPA free and harmless from such litigation or any claim, suit, cost, expense, attorneys' fees, judgment, or order related thereto or otherwise arising from the denial of access to Consultant's Confidential Information to said third party.

If Consultant is requested or required, pursuant to any order, rule, ruling, discovery request, subpoena, civil investigation or similar process to disclose any of SCPPA's or Members' Confidential Information, Consultant shall provide prompt written notice to each of SCPPA and the affected Members of such request or requirement so that SCPPA and the affected Members may, at their own expense, seek a protective order or other appropriate remedy concerning such disclosure.

Confidential Information must be kept in a secure location. Consultant shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information to protect the personal information from unauthorized access, destruction, use, modification, or disclosure. Consultant shall, when directed by SCPPA, create aggregated data derived from Confidential Information in such a way that individual customer responses or

data cannot be determined. Consultant shall retain the Confidential Information only so long as it is necessary to perform Consultant's tasks under the Agreement.

Consultant shall be responsible for ensuring that any subcontractors used to provide Services that have access to Confidential Information or who shall collect Customer Responses comply with the provisions of this Section 13.

Notwithstanding these restrictions, only where permitted by law, including as limited by Section 1798.98 of the California Civil Code and Section 8381 of the California Public Utilities Code, (a) Consultant may disclose Confidential Information to its affiliates and subcontractors to the limited extent necessary for the performance of the Agreement, (b) a Receiving Party may disclose Confidential Information to its auditors, (c) SCPPA may disclose Confidential Information to Members, and (d) a Receiving Party may disclose Confidential Information to any other third party with the prior written permission of Disclosing Party, and in each case, only so long as the Receiving Party obtains a non-disclosure commitment from any such subcontractors, auditors, lenders or other permitted third party that prohibits disclosure of the Confidential Information and provided further that the Receiving Party remains responsible for any unauthorized use or disclosure of the Confidential Information. Each Disclosing Party warrants that it has the right to disclose the information that it discloses. The parties acknowledge that confidentiality obligations are further described in the Consultant's engagement letter.

15. **Dispute Resolution:**

In the event of a dispute between the Parties either Party may deliver to the other Party a notice of dispute with a detailed description of the underlying circumstances for the dispute. The dispute notice shall include a schedule of availability of the notifying Party's officers having a title of senior vice president or equivalent or higher duly authorized to settle the dispute during the thirty (30) calendar day period following delivery of the dispute notice. The recipient Party shall, within five (5) business days of receipt of the dispute notice, provide to the notifying Party a parallel schedule of availability of its officers having a title of senior vice president or equivalent or higher duly authorized to settle the dispute. The senior officers of the Parties shall meet and confer as often as reasonably necessary during the thirty (30) day period in good faith negotiations to resolve the dispute. In the event the dispute is not resolved within the thirty (30) calendar day period then either Party may pursue any legal remedy available to it; provided further, however, nothing herein shall prohibit either Party from pursuing temporary, injunctive, or equitable relief during this thirty (30) calendar day period.

16. **Representatives:**

SCPPA's representative for administration of this Agreement:
Aileen Ma, Chief Financial & Administrative Officer, (626) 793-9364, and e-mail address is **ama@scppa.org**. All questions to SCPPA pertaining to this Agreement shall be referred to

the person named above.

Consultant's representative for this Agreement:
Keith Simovic, **(503) 478-2284**, and **keith.simovic@bakertilly.com**.
All questions to Consultant pertaining to this Agreement shall be referred to the person named above.

The representatives set forth herein shall have authority to give all notices required herein.

17. **Notices:**
Notices, requests, demands and other communications made pursuant to this Agreement shall be deemed given only if in writing signed by an authorized representative of the sender and delivered by first class mail, electronic mail, or by a courier or service guaranteeing overnight delivery to the receiving party, addressed as follows:

To SCPPA:

Executive Director
1160 Nicole Court
Glendora, CA 91740
ExecutiveDirector@scppa.org

To Consultant:

Keith Simovic
Principal
805 SW Broadway, Suite 1400
Portland, OR 97205
keith.simovic@bakertilly.com

Either party may change its contact information for the purposes of this Agreement by giving written notice of such change to the other party in the manner provided in this Section.

Notice shall be deemed effective: 1) immediately, upon personal delivery or upon transmission by electronic mail accompanied by a telephone call to the intended recipient; 2) one (1) calendar day after transmission by electronic mail not accompanied by a telephone call; 3) five (5) calendar days after deposit in first class mail, if mailed within the United States; and 4) ten (10) calendar days after deposit in the mail, if mailed from outside the United States.

18. **Miscellaneous:**
(a) Assignment – This Agreement is binding upon and shall inure to the benefit of SCPPA and Consultant and their respective successors and assigns. Neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party; provided, however, that either Party may assign this Agreement to a successor of the Party's entire business relating to this Agreement.

(b) Integration; Conflicts – This Agreement, including Exhibits hereto, contains the entire agreement between the Parties and supersedes all prior negotiations, representations, or agreements, whether written or oral. In the event of any conflict between the terms of this Agreement and the Exhibits hereto, or purchase order issued hereunder, the terms of this

Agreement shall control; provided, however, that the provisions of this Agreement, the engagement letter, and the Exhibits hereto will be harmonized to the extent possible to avoid conflict; and provided further, that notwithstanding anything to the contrary in this Agreement or the engagement letter, to the extent any terms are contrary to AICPA rules of professional conduct or U.S. GAAS (as defined in the Consultant's engagement letter), such terms shall be null and void and have no force and effect. In the event that Consultant becomes aware that any terms may be contrary to AICPA rules of professional conduct or U.S. GAAS, Consultant shall endeavor to notify SCPPA.

(c) Waiver – The failure to enforce any terms of this Agreement or the waiver of any breach of this Agreement shall not constitute a waiver of any other breach or a relinquishment of right to enforce the same or any other provision of this Agreement.

(d) Severability – If any provision of this Agreement is rendered invalid or unenforceable under any circumstance, the remainder of this Agreement shall continue to be in full force and effect and the provision declared invalid or unenforceable shall continue to be in full force and effect as to other circumstances in accordance with the laws of the State of California.

(e) Governing Law – This Agreement is entered into in Los Angeles County in the State of California and shall be governed by, and construed in accordance with, the laws of the State of California.

(f) Venue – All litigation arising out of, or relating to this Agreement, shall be brought in a state or federal court in the County of Los Angeles in the State of California, and both Parties waive any defense of forum non conveniens.

19. **Execution in Counterparts, Electronic Signatures and Document Transmission:**
This Agreement may be executed in counterparts, and, upon execution by each signatory, each executed counterpart shall have the same force and effect as an original instrument and as if all signatories had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signature thereon, and may be attached to another counterpart of this Agreement identical in form hereto by having attached to it one or more signature pages.

The Parties may execute this Agreement by manual signature or by electronic signature, each of which shall have the same force and effect. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes, to the extent provided under applicable law, including California's Uniform Electronic Transactions Act.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first written above.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____

DANIEL E GARCIA
Executive Director

Approved as to Legal Form:

_____

CHRISTINE GODINEZ
General Counsel

BAKER TILLY US LLP

By: _____

KEITH SIMOVIC
Principal

EXHIBIT A

SCOPE OF SERVICES TO BE PROVIDED UNDER THIS AGREEMENT

Scope of Work to be Performed

1. Audit and express an opinion on the fairness of presentation of SCPPA's combined and individual project statements of net position, statements of revenues, expenses and changes in net position, and statements of cash flow in conformity with generally accepted accounting principles. The audit is to be performed in accordance with auditing standards generally accepted in the United States of America and the California Code of Regulations, Title 2, Section 1131.2, State Controller's Minimum Audit Requirements for California Special Districts. The Consultant is not required to audit the supplemental schedules contained in the comprehensive financial statement report. However, the Consultant is to provide "in-relation-to" reports on the supplemental schedules based on the audit procedures applied during the audit of the basic financial statements and provide related certifications to SCPPA's Trustees.

2. While the Power Purchase Agreement projects are considered one opinion unit in the financial statements, the Consultant is to expand its testing in the individual power purchase agreement projects and set individual materiality for each individual power purchase agreement project. The Consultant will report any adjustments or passed adjustments as a result of this additional testing within its letter to those charged with governance.

3. Assist SCPPA in the resolution of complex accounting issues and the implementation of Governmental Accounting Standards Board (GASB) standards.

4. Assist in the preparation of the management representation letters.

5. Engage with SCPPA's Audit Sub-Committee prior to the start of the audit for audit planning, during the audit for progress updates, and the end of the audit to present the audit results and recommendations.

6. Attend SCPPA's Finance Committee and Board of Directors meetings as scheduled to present the final audit results and recommendations.

7. Be available to provide consultation and advice regarding generally accepted accounting practices as needed throughout the year to facilitate the audit process.

Non-Attest Services

1. Assist SCPPA in drafting the combined and individual project financial statements and related footnotes and supplementary schedules. The Consultant will provide 20 printed copies and one PDF copy of the audited financial report to SCPPA upon audit completion.

Reports to be Issued

Following the completion of the fiscal year audit, the Consultant shall issue the following reports no later than 115 days after June 30th (by October 23rd), due to SCPPA's annual bond indenture compliance filing obligations:

1. A report on the fairness of the presentation of the financial statements in conformity with generally accepted accounting principles for each project and fund.

2. A report addressed to the SCPPA Board of Directors on Communications with Those Charged with Governance and Communications of Internal Control Related Matters.

Irregularities and Illegal Acts

The Consultant shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to SCPPA's Executive Director.

Reporting to the Board of Directors

The Consultant shall assure itself that the SCPPA Board of Directors is informed of each of the following:

1. The Consultant's responsibility under generally accepted auditing standards.
2. Significant accounting policies.
3. Management judgments and accounting estimates.
4. Significant audit adjustments.
5. Other information in documents containing audited financial statements.
6. Disagreements with management.
7. Management consultation with other accountants.
8. Major issues discussed with management prior to retention.
9. Difficulties encountered in performing the audit.
10. Internal controls evaluation and recommendations.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Total all-inclusive maximum price

All expenses, including expenses in connection with travel and other expenses, are all included in the all-inclusive maximum price.

Audit Year	Total All-Inclusive Maximum Price
Fiscal Year 2025-26	$385,000
Fiscal Year 2026-27	$405,000
Fiscal Year 2027-28	$425,000

The compensation amounts listed above are for the scope of services listed in Exhibit A covering the following projects:

Projects

Palo Verde Project
San Juan Project (mine reclamation & decommissioning)
Magnolia Power Project
Canyon Power Project
Apex Power Project
Tieton Hydropower Project
Milford I Wind Project
Milford II Wind Project
Windy Point Project
Linden Wind Energy Project
Clean Energy Project (Prepaid PPA)
Southern Transmission System Project
Southern Transmission System Renewal Project
Mead-Phoenix Project
Mead-Adelanto Project
Pinedale Project
Barnett Project
Prepaid Natural Gas Project

Power Purchase Agreements (PPAs)

Antelope Big Sky Ranch and Solar
Antelope DSR 1 Solar
Antelope DSR 2 Solar
Astoria 2 Solar
Ameresco Chiquita Landfill Gas
Columbia Two Solar
Coso Geothermal Energy
Copper Mountain Solar 3
Daggett Solar 2 + Storage
Desert Harvest II Solar
Don Campbell I Geothermal Energy
Don Campbell II Geothermal Energy
Eland Solar 1 + Storage
Eland Solar 2 + Storage
Heber I Geothermal Energy
Kingbird Solar B
Mammoth Casa Diablo IV Geothermal
Ormat Northern Nevada Geothermal
Ormesa Geothermal Complex Energy
Pebble Springs Wind
Puente Hills Landfill Gas-to-Energy
Red Cloud Wind
Roseburg Biomass
Star Peak Geothermal
Springbok 1 Solar
Springbok 2 Solar

Springbok 3 Solar
Summer Solar
Whitegrass Geothermal

New projects and PPAs may be added from time to time, and terminating projects and PPAs may be removed from time to time. Additional projects may increase the scope of the audit and terminating projects may decrease the scope of the audit. Any additional costs and/or reduction of costs for expiring projects will be mutually agreed upon in writing by SCPPA and the Consultant.

Consultant shall provide progress billing invoices for the auditing services provided on a monthly basis, subject to the total all-inclusive maximum price for the fiscal year audit, with the first invoice to be provided in July after the June 30th year end.

Rates for additional professional services

Rates for additional work not included in Exhibit A and agreed to in a separate writing between SCPPA and the Consultant shall be performed at the hourly rates set forth below or mutually agreed upon fixed fee.

Professional Level	**Hourly Rate**
Principal	$710
Director	$610
Senior Manager	$540
Manager	$390
Seniors	$305
Staff	$255

In no event shall SCPPA's payment obligations to Consultant for all Services performed or for any other reason exceed **$1,500,000 (the "Not to Exceed Amount")** over the three-year term of this Agreement. Consultant shall provide notice to SCPPA prior to reaching the Not to Exceed Amount. Any Services provided by Consultant in excess of this authorization, and without prior execution of an amendment hereto by the Parties, shall be at Consultant's sole risk and without payment. For avoidance of doubt SCPPA shall not be liable for any unauthorized excess billings whatsoever.

Any travel outside of the all-inclusive maximum price must be preapproved in writing by SCPPA. As a public agency, SCPPA shall not reimburse Consultant for travel, food, and related costs in excess of those permitted by the Internal Revenue Service.

Three-Year Extended Term

Extension Option – Should SCPPA and Consultant agree to an extension, it is agreed that the total all-inclusive maximum price, which includes expenses in connection with travel and other expenses, shall be as follows in the table below, subject to any changes due to the addition or deletion of projects and PPAs from fiscal year 2025-26 to fiscal 2027-28.

Audit Year	Total All-Inclusive Maximum Price
Fiscal Year 2028-29	$445,000
Fiscal Year 2029-30	$465,000
Fiscal Year 2030-31	$490,000

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AGENDA ITEM STAFF REPORT

MEETING DATE: April 16, 2026

RESOLUTION NUMBER: 2026-022
2026-023

SUBJECT: Authorizing Two New Part-Time Positions, Amending SCPPA's current Classification and Salary Schedule; And Amending SCPPA Employee Benefit Policy

DISCUSSION: ☒ **OR** **CONSENT:** ☐

Select the appropriate box(es):

FROM:		**METHOD OF SELECTION:**	
Finance	☒	Competitive	☐
Project Development	☐	Cooperative Purchase	☐
Program Development	☐	Sole Source	☐
Regulatory/Legislative	☐	Other	☒
Project Administration	☐	*Other (Please describe):*	
Legal	☐	**N/A**	
Executive Director	☐		

MEMBER PARTICIPATION:

Sponsoring Member: N/A

Other Members Potentially Participating: N/A

Approved by Executive Director: Signed by: DAE0F3A6ECDE496... _____

RECOMMENDATION:

Staff recommends that the Board of Directors ("Board") approve two Resolutions: (1) Resolution No. 2026-022 approving two part-time positions and amending SCPPA's current Classification and Salary Schedule reflecting two new part-time Employment Classifications; and (2) Resolution No. 2026-023 providing for employee benefits to SCPPA employees. Resolution 2026-023 revises SCPPA's Employee Benefits Policy ("Policy") to incorporate proposed updates to add benefit participation for eligible part-time employees, adjust tuition reimbursement limits, amend Universal Leave provisions, and add certain other clarification edits to provide administrative clarity, facilitate recruitment, and promote employee retention.

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BACKGROUND:

Per the requirements of the California Public Employees' Retirement Systems (CalPERS), SCPPA is required to maintain a publicly-available, Board-approved, Classification and Salary Schedule listing all SCPPA employment classifications and the base pay for each such classification. All benefits-eligible positions must be within the published classifications. Currently, SCPPA has 18 benefits-eligible full-time positions. SCPPA proposes to add two new, part-time benefits-eligible positions: Management Assistant – Part Time and Technical Manager – Part Time, and is proposing to update the current Classification and Salary Schedule to include the new positions.

SCPPA's Employee Benefits Policy is established and modified by Board Resolution and is periodically reviewed to ensure alignment with organizational needs; recruitment and retention objectives; applicable federal and state law; budgetary considerations; and competitive public agency practices. SCPPA's Employee Benefits Policy was last amended in 2024. SCPPA staff conducted a review of the current policy and has identified areas where modifications are recommended.

DISCUSSION:

Addition of Two Part-Time Positions and Amendment of Classification and Salary Schedule

SCPPA's 18 positions have remained unchanged for the last ten years, since fiscal year (FY) 2016-17. Over the past ten years, SCPPA's projects and Member engagement meetings and events have grown. Projects have grown from 29 projects in FY 2016-17 to 49 projects today, with more to be added on the horizon. Additional support is needed to support the growth in projects and Member engagement.

SCPPA's Chief Financial and Administrative Officer oversees a broad range of functions, including project financing, budgeting, accounting, billing, treasury, financial reporting, regulatory compliance, procurement policies and procedures, and other administrative operations. Over the years, the number, size, and complexity of SCPPA projects and related financing activities—including major efforts such as the STS Renewal Project and energy prepay transactions—have increased substantially. This growth has significantly expanded the workload across the finance and accounting functions. As a result, additional management-level support is needed to assist with oversight of daily financial operations and to ensure continued accuracy, consistency, and compliance with established processes, procedures, and regulatory requirements. Accordingly, staff proposes the addition of a part-time Technical Manager position to provide experienced finance and accounting leadership and operational support.

Over the years, SCPPA's engagement with its Members has also increased substantially, including Working Group meetings, SCPPA annual conferences, policy staff tours, technical workshops, and SCPPA-hosted training courses conducted at the Training Center. All SCPPA events and meetings require significant administrative coordination and support. While SCPPA has periodically relied on seasonal or temporary staff and interns to assist with administrative functions, this approach does not provide consistent, long-term operational continuity. Accordingly, staff proposes the addition of a permanent part-time Management Assistant position to provide ongoing administrative and operational support.

SCPPA proposes that the part-time positions be benefits-eligible to attract talent and promote employee retention. Therefore, SCPPA's current Classification and Salary Schedule would need to be amended

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to reflect two new, part-time employment classifications: Management Assistant - Part Time and Technical Manager – Part-Time. A mark-up of the current Classification and Salary Schedule showing the proposed changes is attached to this Report as Attachment 1.

Amendments to Employee Benefits Policy

The proposed amendments to the Policy would create a new employment category – "Part-Time Benefits-Eligible Employees" – and establish eligibility for certain employment benefits by such Part-Time Benefits-Eligible Employees. The Policy amendments would also amend tuition reimbursement provisions, amend and clarify provisions regarding Universal Leave, and make certain other clarifying edits to the Policy. A mark-up of the proposed changes to the Policy is attached to this Report as Attachment 4, and a brief summary follows.

1) Creation of a New Employment Category: Part-Time Benefit-Eligible Employees

   Under SCPPA's existing Policy, only Full-Time Employees (those regularly scheduled to work 40 hours per week) are eligible for employment benefits, except where otherwise required by law. The amendments to the Policy would create and define a new employment category:

   > *Part-Time Benefits-Eligible Employees: those that are (i) hired or promoted into a regular benefited position and (ii) regularly scheduled to work at least 20 hours per week but less than 40 hours per week.*

   Employees hired as Part-Time Benefits-Eligible Employees are distinct from temporary or seasonal employees (such as interns) and employees working less than 20 hours per week. Such temporary or seasonal employees, along with employees regularly scheduled to work less than 20 hours per week (and no more than 960 hours per year), are not covered by SCPPA's Employee Benefit Policy but are instead provided with employment benefits as required by law.

2) Establishing Eligibility for Certain Benefits by Part-Time Benefits-Eligible Employees

   SCPPA proposes to modify the Policy to offer benefits to employees hired as Part-Time Benefits-Eligible Employees, subject to Board-approved contribution levels and applicable plan requirements. Specifically, the Policy would be amended to specify that Part-Time Benefit-Eligible Employees may participate, subject to plan terms, in:

   - SCPPA's Flexible Benefits Plan (Section 125 Cafeteria Plan)
   - Medical coverage (SCPPA premium contribution pro-rated based on scheduled hours)
   - Dental and Vision plans (full coverage offered; not pro-rated)
   - Life and Disability coverage (covered under SCPPA group plan and based on employee's regularly scheduled work hours as determined by the plan)
   - Deferred Compensation (457(b) Plan) (voluntary benefit – SCPPA match; not pro-rated)
   - Tuition Reimbursement (full coverage offered; not pro-rated)
   - Universal Leave and Holidays (pro-rated based on scheduled hours)

   This proposed Policy revision enhances SCPPA's ability to attract and retain talent while preserving Board discretion over employer contributions.

3) Amend Tuition Reimbursement Provisions

   Currently, SCPPA offers tuition reimbursement to Full-Time Employees for approved study in an amount up to 75% of eligible tuition and books, subject to a maximum of $3,500 per year. The revision to the Policy, if adopted by the Board, would increase the annual maximum tuition reimbursement to $5,000 per year and extend the benefit to Part-Time Employees. This benefit

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is available after a Full-Time Employee or Part-Time Employee has continuously worked for at least 12 months prior to the date of application to SCPPA for the tuition reimbursement program. The proposed update is recommended to support workforce development, professional advancement, and long-term succession planning.

4) Amend Universal Leave Provisions
Currently, SCPPA provides Universal Leave to Full-Time Employees. Universal Leave hours are based on the employee's years of service at SCPPA. The Universal Leave table in the current Policy maxes out at 256 hours of Universal Leave for employees with 15 or more years of service. The Universal Leave accrual table in the Policy is proposed to be amended to add additional hours of Universal Leave accrual for employees for 16 years to up to 20 years or more of employment with SCPPA. The Policy amendment would also make Part-Time Benefits-Eligible Employees eligible for Universal Leave. The annual amount of Universal Leave for Part-Time Benefits-Eligible Employees would be accrued on a pro-rated basis, based on scheduled hours.

5) Amend Universal Leave Cash-Out Provision
Under SCPPA's current Employee Benefits Policy, Full-Time Employees may cash out 100% of the current value of the Universal Leave time the employee has available, up to 200 hours once per year, as long as the employee has at least 400 hours of Universal Leave available. The proposed amendments to the Policy would retain the cash-out option, but would reduce the minimum remaining balance required in order to cash out from 400 hours to 200 hours.

The Policy amendment would maintain the requirement that employees use at least 80 hours of Universal Leave in the preceding 12 months and continue to cap overall Universal Leave at no more than 1,000 hours.

The Policy would also make Universal Leave cash-out option available to Part-Time Benefits-Eligible Employees.

These proposed updates are recommended in order to provide increased flexibility to employees while allowing SCPPA to maintain prudent management of leave liabilities.

- **SCPPA's Authority:** Under Section 5 of the Joint Powers Agreement, SCPPA is authorized to employ personnel and establish and amend its employee benefit programs. The Board retains full discretion to modify, revise, or repeal benefits to the fullest extent permitted by law, and no vested right to any benefit is created by this Policy.

FISCAL IMPACT:
The fiscal impact of the addition of two new Part-Time Benefits-Eligible employee positions is approximately $34,328 for the balance of FY 2025-26. The estimated annual cost for FY 2025-2026 for the two positions would have been $170,940. The cost for the remaining current fiscal year will be covered within the Administrative and General Expense (A&G) budget, and the positions will be budgeted for future years.

The fiscal impact of the proposed amendments to the Policy for the balance of FY 2025-26 is approximately $582 in additional Universal Leave accrual for the proposed amendment to the Universal

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Leave provisions and potentially $3,000 for the proposed amendment to the tuition reimbursement provisions for employees currently utilizing the program. Other fiscal impact will depend on:

- Part-time employee participation in the various benefits;
- Tuition reimbursement utilization;
- Employee use of leave time, cash-out option, or final payout of Universal Leave accrued hours affected by the amendment to the Universal Leave provisions;
- Number of employees electing to use the cash-out option in lieu of taking leave time due to the reduction in the minimum required Universal Leave balance from 400 hours to 200 hours for the cash-out option. The estimated overall potential value due to the reduction in the minimum required hour balance is $50,200 based on the current employee leave accrual that has already been earned.
- Annual employer contribution levels established by the Board. Any employer contributions for Full-Time Employees and for Part-Time Benefits-Eligible employees will continue to be established during the annual budget process.

Funding for the remaining current fiscal year is available within the A&G budget and benefit costs for any known utilization timing will be budgeted in future years.

ATTACHMENTS:

1. Classification and Salary Schedule Markup
2. Markup of proposed amendments to Employee Benefits Policy
3. Resolution No. 2026-022 (Classification and Salary Schedule)
4. Resolution No. 2026-023 (Employee Benefits Policy)

Southern California Public Power Authority
Classification and Salary Schedule
Effective July 1, 2025
Amended April 16, 2026

Designated Position	Base Salary Range (Annual)
Executive Director	$317,502 to $415,194
General Counsel	$198,316 to $267,800
Chief Financial and Administrative Officer	$184,517 to $249,116
Director, Government Affairs	$184,517 to $249,116
Senior Assistant General Counsel	$170,719 to $230,439
Technical Manager	$166,076 to $224,205
Assistant General Counsel	$158,381 to $186,663
Government Affairs Manager	$134,327 to $169,741
Principal Utility Analyst	$113,129 to $135,755
Policy Analyst	$99,647 to $136,769
Administrative Services Manager	$90,503 to $121,049
Senior Utility Analyst	$94,216 to $113,262
Senior Utility Accountant	$88,241 to $119,917
Utility Analyst	$83,896 to $100,866
Utility Accountant	$72,178 to $97,415
Administrator III	$68,353 to $92,284
Administrator II	$54,684 to $73,827
Administrator I	$38,575 to $52,078

Part-Time Positions	Base Pay Range (Hourly)	
	Hourly Minimum	Hourly Maximum
Management Assistant – Part Time	$25.00	$33.00

Southern California Public Power Authority
Classification and Salary Schedule
Effective July 1, 2025
Amended April 16, 2026

Technical Manager – Part Time	$79.84	$107.79

SCPPA EMPLOYEE BENEFITS POLICY
[STRIKEOUT-REDLINE VERSION; 4-16-2026]

Revision History:

Date	Action
November 18, 1992	SCPPA Employee Benefits Policy (Policy) adopted by SCPPA Board of Directors (Board) Resolution No. 1993-31
May 15, 2003	Policy revised by Board Resolution No. 2003-16
May 15, 2008	Policy revised by Board Resolution No. 2008-24
December 18, 2014	Policy revised by Board Resolution No. 2014-132
October 20, 2016	Board adopted Resolution No. 2016-095 Revising the Method for Determining the Authority's Supplemental Contribution Toward Payment of Premiums for Medical Insurance for SCPPA Employees
August 16, 2018	Policy revised by Board Resolution No. 2018-086
May 16, 2019	Policy revised by Board Resolution No. 2019-037
September 19, 2019	Policy revised by Board Resolution No. 2019-112
January 2024	Policy revised by Board Resolution No. 2024-001
April 18, 2024	Board Resolution No. 2024-012: correction to Resolution No. 2024-001 revising Policy effective January 18, 2024
April 16, 2026	Policy revised by Board Resolution No. 2026-023

Southern California Public Power Authority
Employee Benefits Policy
Effective: April 16, 2026 ("Effective Date")
Resolution 2026-023

SCPPA's Employee Benefits are established and modified by the SCPPA Board of Directors (Board) by Resolution. The Board shall retain full discretion to review, revise, repeal, or make changes to employee benefits to the fullest extent permitted by law. The Board has no intent to create any vested right to any employee benefit, including pension and retiree health benefits. New employees shall be required, as a condition of employment, to affirmatively acknowledge that they have been informed of the Board's rights and intent with respect to SCPPA's employee benefits.

1-1. Benefits Eligibility

Employee benefits described in this Policy are available only to ~~full-time~~ the following categories of employees (Eligible Employees).

- Full-Time Employee: As used herein, a ~~full-time employee~~Full-Time Employee is an employee who regularly works 40 hours per week, or such shorter number of hours as may be prescribed by applicable law.

- Part-Time Benefits-Eligible Employee: As used here, a Part-Time Benefits-Eligible Employee is an employee who is (i) hired or promoted into a regular benefited position and (ii) regularly scheduled to work at least 20 hours per week but less than 40 hours per week.

For purposes of this Policy, "Eligible Employees" refers to both Full-Time Employees and Part-Time Benefits-Eligible Employees.

This Policy does not apply to employees hired on a temporary basis nor to part-time employees working less than 20 hours per week. Such employees shall receive such employment benefits as are required by applicable law.

SCPPA reserves the right to determine eligibility, benefit levels, and employer contributions for employees consistent with applicable law and Board-approved Resolution All employee benefits are subject to the terms and conditions established by the Board and applicable benefit plans.

1-2. Flexible Benefits Plan

SCPPA's Flexible Benefits Plan (i.e., an Internal Revenue Code section 125 Cafeteria Plan) became effective on January 1, 2015. The Flexible Benefits Plan allows Eligible Employees to choose from a variety of benefits to formulate a plan that best suits their needs. Employee out-of-pocket contributions for benefits elected under the Flexible Benefits Plan shall be made on a pre-tax basis, consistent with Internal Revenue Code Section 125, unless otherwise required by law. The Flexible Benefits Plan includes the following components:

A. Medical Insurance

SCPPA participates in the State of California Public Employees' Retirement System's (PERS) Health Benefits Program as a public agency under the Public Employees' Medical and Hospital Care Act (PEMHCA). Under the PERS Health Benefits Program, Eligible Employees may select an eligible health plan of their choice from Health Maintenance Organization (HMO), Preferred Provider Organization (PPO), and traditional insurance plans.

The monthly health plan premiums for each calendar year are established by PERS, which publishes the costs in a report titled "Monthly Premiums for Contracting Agencies" (Monthly Premiums). SCPPA may pay for all or part of the monthly health plan premium for the employee's selected health plan. SCPPA payment of the monthly health plan premium for Part-Time Benefits-Eligible Employees will be pro-rated based on scheduled hours and may differ from benefits provided to Full-Time Employees. Should the premium cost of the PERS health plan selected by the employee exceed SCPPA's payment, the employee will be responsible for paying the difference through a payroll deduction.

SCPPA's contribution to fund employee health plan premiums may vary depending on certain circumstances, such as the selected health plan provider, geographic area, and/or coverage tier selected by the employee (i.e., employee only, employee plus one dependent, or employee plus two or more dependents). SCPPA's health plan premium contribution consists of two components that are subject to annual adjustment, as follows:

- **PEMHCA Minimum Contribution**

  A PEMHCA minimum employer contribution as set annually by the PERS Board of Directors; and

- **Supplemental Contribution for Employees**

  A Supplemental Contribution set by the SCPPA Board that, when added to the PEMHCA Minimum Contribution, results in a medical insurance benefit within the range of benefits that the five mid-sized SCPPA Members provide to their employees; provided, that the SCPPA Board may set a different rate for employees who reside in a given geographical area to adjust for differences in Monthly Premiums for that area, and provided further, that employer contributions for Part-Time Benefits-Eligible Employees will be prorated based on scheduled hours but will not fall below the applicable PEMHCA minimum contribution.

  An Eligible ~~e~~Employee may elect not to participate in (opt-out of) the SCPPA sponsored PERS Health Benefits Program. An Eligible ~~e~~Employee who opts-out of health insurance coverage is eligible for a health plan allowance that can be: (i) used to enhance other benefit coverage, (ii) used to fund other benefits included in the Flexible Benefits Plan, and/or (iii) taken as a taxable cash payment.

  The health plan allowance for Eligible ~~e~~Employees who opt-out is set by the Board during the annual budget approval and will be pro-rated for Part-Time Employees based scheduled hours.

  Open enrollment for the PERS Health Benefits Program occurs once per year. Elections made will apply to the following calendar year, during which employees will not be able to change their election except in limited circumstances and qualified life events.

B. Group Dental and Vision Insurance

SCPPA provides a group dental and vision plan (Plan) open to all ~~employees~~Eligible Employees and their families. All ~~employees~~ Eligible Employees are required to enroll in the Plan regardless of whether they elect to enroll family members. SCPPA will cover up to the cost of the "Employee plus Family" monthly premium if the employee elects to enroll in the family plan.

C. Health Flexible Spending Account (HFSA)

SCPPA offers a HFSA under which ~~employees~~Eligible Employees may elect to set aside part of their SCPPA pay each calendar year on a pre-tax basis, for reimbursement of certain medical, dental, and/or vision expenses that are not covered by the employees' medical, dental, and vision insurance plans.

This externally- ~~-~~administered benefit enables ~~employees~~Eligible Employees to reduce the cost of allowable health-related expenses. SCPPA does not make or match any contributions to the HFSA.

D. Dependent Care Flexible Spending Account (DFSA)

SCPPA offers a DFSA under which ~~employees~~Eligible Employees may elect to set aside part of their SCPPA pay each calendar year on a pre-tax basis, for reimbursement of certain dependent day care expenses. Typically, these would be day care expenses for children, but may also be used to reimburse day care for other dependents, such as spouses, parents, or grandparents, who cannot care for themselves.

The DFSA is an externally- ~~-~~administered benefit that enables employees to reduce the cost of allowable dependent care expenses. SCPPA does not make or match any contributions to the DFSA.

1-3. Other Employee Benefits

A. Group Life Insurance

SCPPA pays the premium costs for a group term-life, and accidental death and dismemberment (AD&D) insurance policy equal to ~~an eligible employee's~~an Eligible Employee's annual salary up to $250,000.00 (or the maximum coverage available, whichever is less). For Part-Time Benefits-Eligible Employees, the part-time equivalent of "annual salary" will be determined by the insurance carrier. Coverage under SCPPA's life and AD&D group insurance policy is subject to certain age reductions set forth in the provider's policy.

B. Group Disability Insurance

SCPPA's disability insurance program is integrated, thereby, eliminating overlapping coverage and providing a seamless transition from short- to long-term disability. SCPPA's disability insurance program is designed such that benefits paid to employees by SCPPA's group insurance policy are not subject to income taxes.

SCPPA's short-term disability (STD) group insurance policy pays (i) ~~60~~66.67% of an ~~employee's~~Eligible Employee's ~~monthly salary~~weekly earnings (or the maximum coverage available, whichever is less), less income from other sources such as social security, state disability, workers' compensation, or government retirement systems. For Part-Time Benefits-Eligible Employees, the part-time equivalent of "weekly earnings" will be determined by the insurance carrier. There is a 7-day elimination period. The employee shall exhaust all accrued Universal Leave prior to receiving any disability benefit for the remainder of the STD benefit elimination period.

SCPPA's long-term disability (LTD) group insurance policy pays 60% of ~~and employee's~~an Eligible Employee's ~~-~~monthly salary (or the maximum coverage available, whichever is less), less income from other sources such as social security, state disability, workers' compensation, or government retirement systems. There is a 90-day elimination period. For Part-Time Benefits-Eligible Employees, the part-time equivalent of "monthly salary" will be determined by the insurance carrier.

Coverage under SCPPA's disability insurance program is subject to certain age restrictions set forth in the policy. SCPPA employees are responsible for paying the insurance premium cost for STD insurance, but not LTD insurance.

C. Deferred Compensation Plan

SCPPA offers a deferred compensation plan (i.e., 457(b) Plan), under which Eligible Employees may elect to contribute part of their SCPPA salary on a pre-tax basis. The plan thereby enables employees to accumulate retirement savings on a pre-tax basis. SCPPA will match employee contributions at an amount approved by the SCPPA Board as part of the annual budgeting process.

D. Tuition Reimbursement

Pre-approved, Eligible Employees who have continuously worked for at least 12 months prior to the date of application to SCPPA for the tuition reimbursement program, will be reimbursed after completion of the course relevant to the employee's job responsibilities (as determined by the Executive Director), and completed during the course of the Eligible Employee's employment with SCPPA, with a letter grade of "C" or numerical grade of 2.0, or better, for costs of tuition and books for pre-approved courses of study from an accredited, degree-granting institution, at the rate equal to 75%, up to a maximum of the following amounts: (1) for reimbursement applications paid prior to the Effective Date of this Policy: $3,500.00 per year; and (2) for reimbursements of pending applications under the tuition reimbursement program that have not yet been paid as of the Effective Date of this Policy, or new applications for tuition reimbursement submitted after the Effective Date of this Policy: $5,000 per year. For purposes of this benefit, a "year" runs from the date of the SCPPA Executive Director's acceptance of the Eligible Employee's application for tuition reimbursement. This benefit is at the discretion of SCPPA's Executive Director.

1-4. Retirement Benefits

A. Pension Plan

SCPPA provides Eligible Employees with retirement benefits under the State of California's pension plan, the California Public Employees' Retirement System (PERS). The terms and conditions of these benefits are set out in a contract between SCPPA and PERS.

Both SCPPA and Eligible Employees contribute toward the cost of the PERS benefit. Employee contributions are deducted from employees' base pay through bi-weekly payroll deductions, which are exempt from income taxes (but are subject to Medicare taxes).

An employee's contributions and benefit levels under PERS depend on whether the employee is a "Classic Member" or "PEPRA Member" as defined below.

- **Classic Member**

  "Classic Member" means any PERS-covered SCPPA employee who either: (i) before 2013, was an active member in PERS while employed by SCPPA, or (ii) becomes a SCPPA employee on or after January 1, 2013, and has, within the six months preceding the employment date, received service credit under PERS or under a reciprocal retirement system.

  Classic Members are covered by PERS's 2.5% @ 55 formula. The benefit for SCPPA service is calculated using the employee's highest 12 consecutive months of pensionable compensation. Classic Members shall pay employee contributions toward their PERS benefit equal to 8.0% of the employee's pensionable compensation.

- **PEPRA Member**

  "PEPRA" refers to the Public Employees Pension Reform Act of 2013. "PEPRA Member" means any PERS-covered SCPPA employee who is not a Classic Member. PEPRA Members are covered by PERS's 2.0% @ 62 formula. The benefit for SCPPA service is calculated using the highest 36 consecutive months of pensionable compensation.

  PEPRA Members must pay employee contributions toward their PERS benefit. Under PEPRA, the required contribution amounts are generally tied to the annual actuarial cost associated with the benefits earned. PERS establishes the required contribution annually.

  PEPRA also establishes a cap on pensionable compensation which is subject to annual adjustment by the PERS Board.

SCPPA does not withhold or contribute Social Security tax on behalf of its employees.

B. Retiree Medical Insurance

Active employees who retire from SCPPA and receive a PERS pension are eligible to participate in the PERS Health Benefits Program described above. The monthly premium costs for each calendar year are established by PERS, which publishes the costs in a report titled "Monthly Premiums for Contracting Agencies". Premiums may differ for retirees and active employees, especially if the retiree is eligible to receive Medicare.

SCPPA may pay for all or part of the monthly health plan premium of the retiree's selected health plan for the single-individual only coverage tier. Should the premium cost of the PERS health plan selected by the retiree exceed SCPPA's payment, the retiree will be responsible for paying the difference.

SCPPA's contribution to fund retiree medical insurance premiums may vary depending on certain circumstances, such as the health plan provider, geographic area, and/or age. SCPPA's health plan premium contribution consists of two components which are subject to annual adjustment, as follows:

- **PEMHCA Minimum Contribution**

  A PEMHCA minimum employer contribution as set annually by the PERS Board of Directors; and

- **Supplemental Contribution for Eligible Retired Employees**

  SCPPA provides a Supplemental Contribution for Eligible Retired Employees. For this purpose, "Eligible Retired Employee" means an employee who (i) retires ~~w~~within 120 days after his or her last day of SCPPA

employment, and (ii) who was either hired by SCPPA before December 18, 2014, or has completed at least ten (10) years of full-time employment with SCPPA at the time of retirement.

The Supplemental Contribution is an amount approved by the SCPPA Board as part of the annual budgeting process. The monthly Supplemental Contribution for Eligible Retired Employees ("Supplemental Contribution") for those who retire on or after January 1, 2015 is the difference between an amount not exceeding the lowest cost PERS Basic Monthly Rate (or Supplemental/Managed Medicare Monthly Rate for retirees 65 years of age or older) for the single-individual only coverage tier applicable to the geographic region in which the retiree resided immediately prior to retirement and the PEMHCA Minimum Contribution.

The monthly Supplemental Contribution for employees who retired from SCPPA prior to January 1, 2015 is equal to the lesser of the applicable PERS Basic Monthly Rate (i.e., retirees less than 65 years of age) or Supplement/Managed Medicare Monthly Rate (i.e., retirees 65 years of age or older) for their current health plan for the retiree only coverage tier; and the PEMHCA Minimum Contribution.

The SCPPA Board, in its sole discretion, (i) may elect to use the same methodology currently used for determining the amount of SCPPA's Supplemental Contribution, with or without modification; (ii) may elect to change the current methodology and instead make the Supplemental Contribution in the form of a fixed dollar amount that may be more or less than the amount paid in previous years, or (iii) may reduce the amount of the Supplemental Contribution to zero.

Eligible Retired Employees that elect not to participate in the SCPPA-sponsored PERS Health Benefits Plan will not be entitled to any SCPPA health premium contributions (i.e., the PEMHCA Minimum Contribution and the Supplemental Contribution).

1-5. Paid Time Off

A. Universal Leave

Time-off (i.e., including sick and vacation time) taken by an employee regardless of the reason is considered to be "Universal Leave". Full-Time Employees accrue Universal Leave hours based on the employees' years of service with SCPPA or as otherwise approved by the SCPPA Board, as set forth in the following table:

Service Year	1 - 5	6	7	8	9	10	11	12	13	14	15
Universal Leave Hours	176	184	192	200	208	216	224	232	240	248	256

Service Year	1-5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Universal Leave Hours	176	184	192	200	208	216	224	232	240	248	256	264	272	280	288	296

For Part-Time Benefits-Eligible Employees, the Universal Leave Hours set forth in the above table will accrue on a pro-rata basis, based upon the number of hours the Part-Time Benefits-Eligible Employee is regularly scheduled to work relative to a 40-hour work week, as determined during each pay period; and the Part-Time Benefits-Eligible Employee's years of service, unless otherwise approved by the SCPPA

Board. For example, a Part-Time Benefits-Eligible Employee regularly scheduled to work 30 hours per week for each pay period during the employee's first year of service, would accrue 132 hours of Universal Leave during such service year.

The change in accrual of Universal Leave hours established by this Policy shall apply prospectively and not retroactively.

- **Maximum Accrual**

  Each Eligible ~~e~~Employee shall be allowed to accrue a maximum of 1,000 hours of Universal Leave at any time. If an employee's accrued balance exceeds 1,000 hours, they will stop accruing universal leave until such time that their balance falls below 1,000 hours.

- **Cash-Out Option**

  With the approval of the Executive Director, ~~employees~~ Eligible Employees may cash-out Universal Leave at 100% of the current value, up to 200 hours at any time once each calendar year, provided that their Universal Leave balance does not fall below ~~400~~ 200 hours following the cash-out and the employee must also have used at least 80 hours of Universal Leave in the last twelve (12) consecutive calendar months.

- **Payout Upon Separation or Death**

  Accrued, unused Universal Leave shall be paid to an active Eligible Employee~~employee~~ upon separation at 100% of the cash-out value, unless otherwise required by law.

  Upon the death of an active ~~employee~~Eligible Employee, the accrued unused Universal Leave shall be paid to the employee's beneficiary at 100% of the cash-out value, regardless of service time.

- **Universal Leave Donations**

  In limited circumstances, an employee may elect to donate part of his or her Universal Leave balance to another ~~employee~~Eligible Employee. A donation is only permitted to provide additional Universal Leave to an ~~employee~~ Eligible Employee who becomes ill and requires leave for an extended period of time that exceeds his or her Universal Leave balance. Universal Leave may be donated to such ~~employee's~~ Eligible Employee's Universal Leave bank on a per dollar equivalency equal to the time donated by the other employee(s).

B. Holidays

Eligible Employees will be paid for the following holidays:

New Year's Day (January 1st)
Martin Luther King, Jr. Day (3rd Monday in January)
President's Day (3rd Monday in February)
Memorial Day (Last Monday in May)
Juneteenth (June 19th)
Independence Day (July 4th)
Labor Day (1st Monday in September)

Columbus Day (2nd Monday in October)
Veterans' Day (November 11th)
Thanksgiving Day (4th Thursday in November)
Day after Thanksgiving (Friday after 4th Thursday in November)
Christmas Day (December 25th)
One (1) Floating Holiday

When holidays fall or are celebrated on a regular workday, ~~eligible full-time employees~~Eligible Employees shall receive one (1) day's pay for such employee's regularly-scheduled hours at their regular straight-time rate. ~~Full-time employees~~ Eligible Employees who are exempt from the Fair Labor Standard Act who are called into work on a holiday will receive one (1) day's pay for such employee's regularly-scheduled hours, at their regular straight-time rate, and an additional payment of straight time for the actual time they work that day.

For holidays that fall on a scheduled day-off, SCPPA will post a schedule each calendar year showing which days such holidays will be observed in lieu by employees.

~~The Executive Director shall establish the floating holiday each calendar year.~~

C. Administrative Leave

At the discretion of the Executive Director, up to five days of paid Administrative Leave may be granted annually to Eligible Employees.

D. Bereavement Leave

An employee shall be entitled to be absent from work with pay in the event of the death of a member of his or her immediate family. Pay shall be authorized for all or any portion not to exceed three (3) days of such leave provided a written request for such pay is filed. ~~Any absence in excess of three (3) days shall be in accordance with the existing provisions.~~An additional two days of bereavement leave may be taken, either from the Eligible Employee's Universal Leave bank or as unpaid leave.

For purpose of this Section the term "member of the immediate family" is limited to any relative by blood or marriage who is a member of the employee's household; and parents, step-parents, spouse, registered domestic partner, children, step-children, brother, sister, grandparents, grandchildren, great grandparent, great grandchild, son/daughter-in-law, father/mother-in-law, sister/brother-in-law, grandfather/grandmother-in-law or responsible guardian or person who has acted in that capacity, regardless of place of residence.

E. Jury Duty

Employees ordered to perform jury service or subpoenaed to court or any legislative body shall be entitled to a leave of absence with pay ~~for the entire day~~ for each day served, and without deduction from Universal Leave, at an amount equal to the employee's regular daily earnings. In the case of subpoena leave, the employees are eligible if the appearance time occurs during their normal working hours, and they are not a party to the suit.

The term regular earnings means full pay for regularly scheduled work, which the employees would have received had they not been called to jury service or subpoenaed.

Employees shall account for all time spent on jury duty or subpoena leave. If employees are excused from jury service or subpoena on a normal workday, they are expected to report for work. Employees must

account to their departments for any time off for illness or other reasons, while on jury duty or subpoena leave.

Upon completion of jury service or subpoenaed time, the employees upon receipt, shall submit to SCPPA the jury fees, witness fees and/or mileage fees and a copy of the court report of jury time served. When employees are served with a subpoena, the employees shall request witness fees. The employees shall retain or be reimbursed the amount paid by the court for mileage and jury fees representing jury service performed by the employees on their regular day off.

1-6. Leave Without Pay

A. Protected Leave

If an Eligible Employee has no other leave available, SCPPA will grant a personal leave of absence without pay consistent with Federal and State Law as required under the Family and Medical Leave Act, California Family Rights Act, Pregnancy Disability Leave Law, or Americans with Disabilities Act. SCPPA will continue health insurance coverage during the protected leave if the employee pays the employee share of the monthly premium and payments are submitted to SCPPA in a timely manner. Universal Leave will not be accumulated, and Holidays will not be paid.

Except as otherwise required by law, SCPPA is not obligated to reinstate the employee to the same position, only an equivalent position upon return to work.

Protected leave runs concurrently with any STD and LTD Leave of Absence.

B. Unprotected Personal Leave

If an Eligible Employee has a need to be absent from work and who is not eligible for leave with pay, SCPPA's Executive Director may grant a personal leave of absence without pay up to 120 days. A written request for a personal leave is required at least two (2) weeks before the anticipated start of the leave. Leave approval is subject to consideration of staffing requirements, the reasons for the requested leave, and employee performance, and attendance. The SCPPA Executive Director may require supporting documentation from the employee before granting the request. Leaves of absence greater than 120 days require SCPPA Board approval. Personal leave may be extended if prior to the end of the leave a written request for an extension is submitted and approved by the Executive Director or SCPPA Board, as applicable. During personal leave~~,~~ :

- Universal Leave will not be accumulated, and Holidays will not be paid.
- ~~During personal leave,~~ SCPPA will continue health insurance coverage if the employee pays the full monthly premium and payments are submitted to SCPPA in a timely manner.

Except as otherwise required by law, SCPPA is not obligated to reinstate the employee to the same position, only an equivalent position upon return to work.

Failure to advise management of availability to return to work, failure to return to work when notified, or continued absence from work beyond the time approved by SCPPA, will be considered a voluntary resignation of employment.

Personal leave runs concurrently with any STD and LTD.

1-7 Severability

If any provision of this Policy shall be held or made invalid by a court decision, statute or rule, or shall be otherwise rendered invalid, the remainder of this Policy shall remain in effect and not be affected thereby.

RESOLUTION NO. 2026-022

RESOLUTION OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY ESTABLISHING TWO NEW PART-TIME EMPLOYMENT POSITIONS, REVISING THE AUTHORITY'S SALARY SCHEDULE, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO TAKE SPECIFIED ACTIONS WITH RESPECT THERETO

WHEREAS, the Authority, by adoption of Resolution 2015-066 on May 21, 2015, as amended from time to time, established a list of designated classifications of employment within the Authority and a salary schedule (the "Salary Schedule"); and

WHEREAS, the Board of Directors ("Board") proposes to add two new part-time employment positions and amend the Salary Schedule to add the new employment classification and base pay rate for such new classifications, effective as of April 16, 2026.

NOW, THEREFORE, BE IT RESOLVED that:

1. The Board hereby approves the following two new employment positions: Management Assistant - Part Time, and Technical Manager - Part Time.

2. The Salary Schedule is hereby revised as shown in Attachment 1 to this resolution; that the individual salaries of employees, other than the Executive Director or the General Counsel, shall be set within the ranges shown on Attachment 1 by the Executive Director; and that salary increases within the ranges shall be at the discretion of the Executive Director based on a review of the employee's performance or consideration of other factors as the Executive Director may determine appropriate.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 16th day of April, 2026 and shall become effective immediately.

_____

TIKAN SINGH
VICE PRESIDENT
Southern California Public
Power Authority

ATTEST:

_____

DANIEL E GARCIA
ASSISTANT SECRETARY
Southern California Public
Power Authority

Southern California Public Power Authority
Classification and Salary Schedule
Effective July 1, 2025
Amended April 16, 2026

Designated Position	Base Salary Range (Annual)
Executive Director	$317,502 to $415,194
General Counsel	$198,316 to $267,800
Chief Financial and Administrative Officer	$184,517 to $249,116
Director, Government Affairs	$184,517 to $249,116
Senior Assistant General Counsel	$170,719 to $230,439
Technical Manager	$166,076 to $224,205
Assistant General Counsel	$158,381 to $186,663
Government Affairs Manager	$134,327 to $169,741
Principal Utility Analyst	$113,129 to $135,755
Policy Analyst	$99,647 to $136,769
Administrative Services Manager	$90,503 to $121,049
Senior Utility Analyst	$94,216 to $113,262
Senior Utility Accountant	$88,241 to $119,917
Utility Analyst	$83,896 to $100,866
Utility Accountant	$72,178 to $97,415
Administrator III	$68,353 to $92,284
Administrator II	$54,684 to $73,827
Administrator I	$38,575 to $52,078

Part-Time Positions	Base Pay Range (Hourly)	
	Hourly Minimum	Hourly Maximum
Management Assistant – Part Time	$25.00	$33.00
Technical Manager – Part Time	$79.84	$107.79

RESOLUTION NO. 2026-023

RESOLUTION OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY PROVIDING CERTAIN EMPLOYMENT BENEFITS TO THE EMPLOYEES OF THE AUTHORITY

WHEREAS, the Southern California Public Power Authority ("SCPPA" or "the Authority") desires to provide its employees with certain employment benefits; and

WHEREAS, in its Resolution 1993-1, the Authority approved a written policy providing such benefits (the "Policy"); and

WHEREAS, subsequent to the adoption of the Policy in 1993, the Authority has from time to time modified such Policy by Resolution, including most recently, by Resolution No. 2024-012; and

WHEREAS, the Authority recommends certain modifications to its Employee Benefits Policy to ensure alignment with organizational needs, recruitment and retention objectives; applicable federal and state law, budgetary considerations, and competitive public agency practices; and

WHEREAS, various administrative actions may be required to implement and maintain the revised Employee Benefits Policy, and it is the intent of the Board to delegate to the Executive Director (or his designee) the authority to take all necessary actions in that regard, including without limitation approval of agreements to maintain a cafeteria plan for eligible employees, and approval of brokerage agreements to facilitate the procurement of insurance and similar items.

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

1. The Employee Benefits Policy is hereby amended in its entirety as shown in Exhibit 1, attached hereto as Exhibit 1 and made a part hereof as thought set forth at length.

2. The Executive Director, or his designee, is hereby authorized to perform all acts necessary and desirable to implement the Employee Benefits Policy, including without limitation approving agreements for administration of benefits programs, deferring implementation of a particular benefit until the plan term applicable to such benefit commences, and approving brokerage agreements to facilitate the procurement of insurance or similar items.

3. This Resolution shall become effective immediately.

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/ / /

THE FOREGOING RESOLUTION NO. 2026-023 is approved and adopted by the Authority this 16th day of April, 2026.

TIKAN SINGH
VICE PRESIDENT
Southern California Public Power Authority

ATTEST:

DANIEL E GARCIA
ASSISTANT SECRETARY
Southern California Public Power Authority

EXHIBIT 1

EMPLOYEE BENEFITS POLICY EFFECTIVE APRIL 16, 2026

SCPPA EMPLOYEE BENEFITS POLICY
EFFECTIVE DATE: 4-16-2026

Revision History:

Date	Action
November 18, 1992	SCPPA Employee Benefits Policy (Policy) adopted by SCPPA Board of Directors (Board) Resolution No. 1993-31
May 15, 2003	Policy revised by Board Resolution No. 2003-16
May 15, 2008	Policy revised by Board Resolution No. 2008-24
December 18, 2014	Policy revised by Board Resolution No. 2014-132
October 20, 2016	Board adopted Resolution No. 2016-095 Revising the Method for Determining the Authority's Supplemental Contribution Toward Payment of Premiums for Medical Insurance for SCPPA Employees
August 16, 2018	Policy revised by Board Resolution No. 2018-086
May 16, 2019	Policy revised by Board Resolution No. 2019-037
September 19, 2019	Policy revised by Board Resolution No. 2019-112
January 2024	Policy revised by Board Resolution No. 2024-001
April 18, 2024	Board Resolution No. 2024-012: correction to Resolution No. 2024-001 revising Policy effective January 18, 2024
April 16, 2026	Policy revised by Board Resolution No. 2026-023

Southern California Public Power Authority
Employee Benefits Policy
Effective: April 16, 2026 ("Effective Date")
Resolution 2026-023

SCPPA's Employee Benefits are established and modified by the SCPPA Board of Directors (Board) by Resolution. The Board shall retain full discretion to review, revise, repeal, or make changes to employee benefits to the fullest extent permitted by law. The Board has no intent to create any vested right to any employee benefit, including pension and retiree health benefits. New employees shall be required, as a condition of employment, to affirmatively acknowledge that they have been informed of the Board's rights and intent with respect to SCPPA's employee benefits.

1-1. Benefits Eligibility

Employee benefits described in this Policy are available only to the following categories of employees (Eligible Employees).

- Full-Time Employee: As used herein, a Full-Time Employee is an employee who regularly works 40 hours per week, or such shorter number of hours as may be prescribed by applicable law.
- Part-Time Benefits-Eligible Employee: As used here, a Part-Time Benefits-Eligible Employee is an employee who is (i) hired or promoted into a regular benefited position and (ii) regularly scheduled to work at least 20 hours per week but less than 40 hours per week.

For purposes of this Policy, "Eligible Employees" refers to both Full-Time Employees and Part-Time Benefits-Eligible Employees.

This Policy does not apply to employees hired on a temporary basis nor to part-time employees working less than 20 hours per week. Such employees shall receive such employment benefits as are required by applicable law.

SCPPA reserves the right to determine eligibility, benefit levels, and employer contributions for employees consistent with applicable law and Board-approved Resolution All employee benefits are subject to the terms and conditions established by the Board and applicable benefit plans.

1-2. Flexible Benefits Plan

SCPPA's Flexible Benefits Plan (i.e., an Internal Revenue Code section 125 Cafeteria Plan) became effective on January 1, 2015. The Flexible Benefits Plan allows Eligible Employees to choose from a variety of benefits to formulate a plan that best suits their needs. Employee out-of-pocket contributions for benefits elected under the Flexible Benefits Plan shall be made on a pre-tax basis, consistent with Internal Revenue Code Section 125, unless otherwise required by law. The Flexible Benefits Plan includes the following components:

A. Medical Insurance

SCPPA participates in the State of California Public Employees' Retirement System's (PERS) Health Benefits Program as a public agency under the Public Employees' Medical and Hospital Care Act (PEMHCA). Under the PERS Health Benefits Program, Eligible Employees may select an eligible health plan of their choice from Health Maintenance Organization (HMO), Preferred Provider Organization (PPO), and traditional insurance plans.

The monthly health plan premiums for each calendar year are established by PERS, which publishes the costs in a report titled "Monthly Premiums for Contracting Agencies" (Monthly Premiums). SCPPA may pay for all or part of the monthly health plan premium for the employee's selected health plan. SCPPA payment of the monthly health plan premium for Part-Time Benefits-Eligible Employees will be pro-rated based on scheduled hours and may differ from benefits provided to Full-Time Employees. Should the premium cost of the PERS health plan selected by the employee exceed SCPPA's payment, the employee will be responsible for paying the difference through a payroll deduction. SCPPA's contribution to fund employee health plan premiums may vary depending on certain circumstances, such as the selected health plan provider, geographic area, and/or coverage tier selected by the employee (i.e., employee only, employee plus one dependent, or employee plus two or more dependents). SCPPA's health plan premium contribution consists of two components that are subject to annual adjustment, as follows:

- **PEMHCA Minimum Contribution**

  A PEMHCA minimum employer contribution as set annually by the PERS Board of Directors; and

- **Supplemental Contribution for Employees**

  A Supplemental Contribution set by the SCPPA Board that, when added to the PEMHCA Minimum Contribution, results in a medical insurance benefit within the range of benefits that the five mid-sized SCPPA Members provide to their employees; provided, that the SCPPA Board may set a different rate for employees who reside in a given geographical area to adjust for differences in Monthly Premiums for that area, and provided further, that employer contributions for Part-Time Benefits-Eligible Employees will be prorated based on scheduled hours but will not fall below the applicable PEMHCA minimum contribution.

  An Eligible Employee may elect not to participate in (opt-out of) the SCPPA sponsored PERS Health Benefits Program. An Eligible Employee who opts-out of health insurance coverage is eligible for a health plan allowance that can be: (i) used to enhance other benefit coverage, (ii) used to fund other benefits included in the Flexible Benefits Plan, and/or (iii) taken as a taxable cash payment.

  The health plan allowance for Eligible Employees who opt-out is set by the Board during the annual budget approval and will be pro-rated for Part-Time Employees based scheduled hours.

  Open enrollment for the PERS Health Benefits Program occurs once per year. Elections made will apply to the following calendar year, during which employees will not be able to change their election except in limited circumstances and qualified life events.

B. Group Dental and Vision Insurance

SCPPA provides a group dental and vision plan (Plan) open to all Eligible Employees and their families. All Eligible Employees are required to enroll in the Plan regardless of whether they elect to enroll family

members. SCPPA will cover up to the cost of the "Employee plus Family" monthly premium if the employee elects to enroll in the family plan.

C. Health Flexible Spending Account (HFSA)

SCPPA offers a HFSA under which Eligible Employees may elect to set aside part of their SCPPA pay each calendar year on a pre-tax basis, for reimbursement of certain medical, dental, and/or vision expenses that are not covered by the employees' medical, dental, and vision insurance plans.

This externally-administered benefit enables Eligible Employees to reduce the cost of allowable health-related expenses. SCPPA does not make or match any contributions to the HFSA.

D. Dependent Care Flexible Spending Account (DFSA)

SCPPA offers a DFSA under which Eligible Employees may elect to set aside part of their SCPPA pay each calendar year on a pre-tax basis, for reimbursement of certain dependent day care expenses. Typically, these would be day care expenses for children, but may also be used to reimburse day care for other dependents, such as spouses, parents, or grandparents, who cannot care for themselves.

The DFSA is an externally-administered benefit that enables employees to reduce the cost of allowable dependent care expenses. SCPPA does not make or match any contributions to the DFSA.

1-3. Other Employee Benefits

A. Group Life Insurance

SCPPA pays the premium costs for a group term-life, and accidental death and dismemberment (AD&D) insurance policy equal to an Eligible Employee's annual salary up to $250,000.00 (or the maximum coverage available, whichever is less). For Part-Time Benefits-Eligible Employees, the part-time equivalent of "annual salary" will be determined by the insurance carrier. Coverage under SCPPA's life and AD&D group insurance policy is subject to certain age reductions set forth in the provider's policy.

B. Group Disability Insurance

SCPPA's disability insurance program is integrated, thereby, eliminating overlapping coverage and providing a seamless transition from short- to long-term disability. SCPPA's disability insurance program is designed such that benefits paid to employees by SCPPA's group insurance policy are not subject to income taxes.

SCPPA's short-term disability (STD) group insurance policy pays (i) 66.67% of an Eligible Employee's weekly earnings (or the maximum coverage available, whichever is less), less income from other sources such as social security, state disability, workers' compensation, or government retirement systems. For Part-Time Benefits-Eligible Employees, the part-time equivalent of "weekly earnings" will be determined by the insurance carrier. There is a 7-day elimination period. The employee shall exhaust all accrued Universal Leave prior to receiving any disability benefit for the remainder of the STD benefit elimination period.

SCPPA's long-term disability (LTD) group insurance policy pays 60% of an Eligible Employee's monthly salary (or the maximum coverage available, whichever is less), less income from other sources such as social security, state disability, workers' compensation, or government retirement systems. There is a 90-day elimination period. For Part-Time Benefits-Eligible Employees, the part-time equivalent of "monthly salary" will be determined by the insurance carrier.

Coverage under SCPPA's disability insurance program is subject to certain age restrictions set forth in the policy. SCPPA employees are responsible for paying the insurance premium cost for STD insurance, but not LTD insurance.

C. Deferred Compensation Plan

SCPPA offers a deferred compensation plan (i.e., 457(b) Plan), under which Eligible Employees may elect to contribute part of their SCPPA salary on a pre-tax basis. The plan thereby enables employees to accumulate retirement savings on a pre-tax basis. SCPPA will match employee contributions at an amount approved by the SCPPA Board as part of the annual budgeting process.

D. Tuition Reimbursement

Pre-approved, Eligible Employees who have continuously worked for at least 12 months prior to the date of application to SCPPA for the tuition reimbursement program, will be reimbursed after completion of the course relevant to the employee's job responsibilities (as determined by the Executive Director), and completed during the course of the Eligible Employee's employment with SCPPA, with a letter grade of "C" or numerical grade of 2.0, or better, for costs of tuition and books for pre-approved courses of study from an accredited, degree-granting institution, at the rate equal to 75%, up to a maximum of the following amounts: (1) for reimbursement applications paid prior to the Effective Date of this Policy: $3,500.00 per year; and (2) for reimbursements of pending applications under the tuition reimbursement program that have not yet been paid as of the Effective Date of this Policy, or new applications for tuition reimbursement submitted after the Effective Date of this Policy: $5,000 per year. For purposes of this benefit, a "year" runs from the date of the SCPPA Executive Director's acceptance of the Eligible Employee's application for tuition reimbursement. This benefit is at the discretion of SCPPA's Executive Director.

1-4. Retirement Benefits

A. Pension Plan

SCPPA provides Eligible Employees with retirement benefits under the State of California's pension plan, the California Public Employees' Retirement System (PERS). The terms and conditions of these benefits are set out in a contract between SCPPA and PERS.

Both SCPPA and Eligible Employees contribute toward the cost of the PERS benefit. Employee contributions are deducted from employees' base pay through bi-weekly payroll deductions, which are exempt from income taxes (but are subject to Medicare taxes).

An employee's contributions and benefit levels under PERS depend on whether the employee is a "Classic Member" or "PEPRA Member" as defined below.

- **Classic Member**

  "Classic Member" means any PERS-covered SCPPA employee who either: (i) before 2013, was an active member in PERS while employed by SCPPA, or (ii) becomes a SCPPA employee on or after January 1, 2013, and has, within the six months preceding the employment date, received service credit under PERS or under a reciprocal retirement system.

  Classic Members are covered by PERS's 2.5% @ 55 formula. The benefit for SCPPA service is calculated using the employee's highest 12 consecutive months of pensionable compensation. Classic

Members shall pay employee contributions toward their PERS benefit equal to 8.0% of the employee's pensionable compensation.

- **PEPRA Member**

  "PEPRA" refers to the Public Employees Pension Reform Act of 2013. "PEPRA Member" means any PERS-covered SCPPA employee who is not a Classic Member. PEPRA Members are covered by PERS's 2.0% @ 62 formula. The benefit for SCPPA service is calculated using the highest 36 consecutive months of pensionable compensation.

  PEPRA Members must pay employee contributions toward their PERS benefit. Under PEPRA, the required contribution amounts are generally tied to the annual actuarial cost associated with the benefits earned. PERS establishes the required contribution annually.

  PEPRA also establishes a cap on pensionable compensation which is subject to annual adjustment by the PERS Board.

SCPPA does not withhold or contribute Social Security tax on behalf of its employees.

B. Retiree Medical Insurance

Active employees who retire from SCPPA and receive a PERS pension are eligible to participate in the PERS Health Benefits Program described above. The monthly premium costs for each calendar year are established by PERS, which publishes the costs in a report titled "Monthly Premiums for Contracting Agencies". Premiums may differ for retirees and active employees, especially if the retiree is eligible to receive Medicare.

SCPPA may pay for all or part of the monthly health plan premium of the retiree's selected health plan for the single-individual only coverage tier. Should the premium cost of the PERS health plan selected by the retiree exceed SCPPA's payment, the retiree will be responsible for paying the difference.

SCPPA's contribution to fund retiree medical insurance premiums may vary depending on certain circumstances, such as the health plan provider, geographic area, and/or age. SCPPA's health plan premium contribution consists of two components which are subject to annual adjustment, as follows:

- **PEMHCA Minimum Contribution**

  A PEMHCA minimum employer contribution as set annually by the PERS Board of Directors; and

- **Supplemental Contribution for Eligible Retired Employees**

  SCPPA provides a Supplemental Contribution for Eligible Retired Employees. For this purpose, "Eligible Retired Employee" means an employee who (i) retires ~~w~~within 120 days after his or her last day of SCPPA employment, and (ii) who was either hired by SCPPA before December 18, 2014, or has completed at least ten (10) years of full-time employment with SCPPA at the time of retirement.

  The Supplemental Contribution is an amount approved by the SCPPA Board as part of the annual budgeting process. The monthly Supplemental Contribution for Eligible Retired Employees ("Supplemental Contribution") for those who retire on or after January 1, 2015 is the difference between an amount not exceeding the lowest cost PERS Basic Monthly Rate (or Supplemental/Managed Medicare Monthly Rate for retirees 65 years of age or older) for the single-individual only coverage tier applicable to the

geographic region in which the retiree resided immediately prior to retirement and the PEMHCA Minimum Contribution.

The monthly Supplemental Contribution for employees who retired from SCPPA prior to January 1, 2015 is equal to the lesser of the applicable PERS Basic Monthly Rate (i.e., retirees less than 65 years of age) or Supplement/Managed Medicare Monthly Rate (i.e., retirees 65 years of age or older) for their current health plan for the retiree only coverage tier; and the PEMHCA Minimum Contribution.

The SCPPA Board, in its sole discretion, (i) may elect to use the same methodology currently used for determining the amount of SCPPA's Supplemental Contribution, with or without modification; (ii) may elect to change the current methodology and instead make the Supplemental Contribution in the form of a fixed dollar amount that may be more or less than the amount paid in previous years, or (iii) may reduce the amount of the Supplemental Contribution to zero.

Eligible Retired Employees that elect not to participate in the SCPPA-sponsored PERS Health Benefits Plan will not be entitled to any SCPPA health premium contributions (i.e., the PEMHCA Minimum Contribution and the Supplemental Contribution).

1-5. Paid Time Off

A. Universal Leave

Time-off (i.e., including sick and vacation time) taken by an employee regardless of the reason is considered to be "Universal Leave". Full-Time Employees accrue Universal Leave hours based on the employees' years of service with SCPPA or as otherwise approved by the SCPPA Board, as set forth in the following table:

Service Year	1-5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Universal Leave Hours	176	184	192	200	208	216	224	232	240	248	256	264	272	280	288	296

For Part-Time Benefits-Eligible Employees, the Universal Leave Hours set forth in the above table will accrue on a pro-rata basis, based upon the number of hours the Part-Time Benefits-Eligible Employee is regularly scheduled to work relative to a 40-hour work week, as determined during each pay period; and the Part-Time Benefits-Eligible Employee's years of service, unless otherwise approved by the SCPPA Board. For example, a Part-Time Benefits-Eligible Employee regularly scheduled to work 30 hours per week for each pay period during the employee's first year of service, would accrue 132 hours of Universal Leave during such service year.

The change in accrual of Universal Leave hours established by this Policy shall apply prospectively and not retroactively.

- **Maximum Accrual**

  Each Eligible Employee shall be allowed to accrue a maximum of 1,000 hours of Universal Leave at any time. If an employee's accrued balance exceeds 1,000 hours, they will stop accruing universal leave until such time that their balance falls below 1,000 hours.

- **Cash-Out Option**

  With the approval of the Executive Director, Eligible Employees may cash-out Universal Leave at 100% of the current value, up to 200 hours at any time once each calendar year, provided that their Universal Leave balance does not fall below 200 hours following the cash-out and the employee must also have used at least 80 hours of Universal Leave in the last twelve (12) consecutive calendar months.

- **Payout Upon Separation or Death**

  Accrued, unused Universal Leave shall be paid to an active Eligible Employee upon separation at 100% of the cash-out value, unless otherwise required by law.

  Upon the death of an active Eligible Employee, the accrued unused Universal Leave shall be paid to the employee's beneficiary at 100% of the cash-out value, regardless of service time.

- **Universal Leave Donations**

  In limited circumstances, an employee may elect to donate part of his or her Universal Leave balance to another Eligible Employee. A donation is only permitted to provide additional Universal Leave to an Eligible Employee who becomes ill and requires leave for an extended period of time that exceeds his or her Universal Leave balance. Universal Leave may be donated to such Eligible Employee's Universal Leave bank on a per dollar equivalency equal to the time donated by the other employee(s).

B. Holidays

Eligible Employees will be paid for the following holidays:

New Year's Day (January 1st)
Martin Luther King, Jr. Day (3rd Monday in January)
President's Day (3rd Monday in February)
Memorial Day (Last Monday in May)
Juneteenth (June 19th)
Independence Day (July 4th)
Labor Day (1st Monday in September)
Columbus Day (2nd Monday in October)
Veterans' Day (November 11th)
Thanksgiving Day (4th Thursday in November)
Day after Thanksgiving (Friday after 4th Thursday in November)
Christmas Day (December 25th)
One (1) Floating Holiday

When holidays fall or are celebrated on a regular workday, Eligible Employees shall receive one (1) day's pay for such employee's regularly-scheduled hours at their regular straight-time rate. Eligible Employees who are exempt from the Fair Labor Standard Act who are called into work on a holiday will receive one (1) day's pay for such employee's regularly-scheduled hours, at their regular straight-time rate, and an additional payment of straight time for the actual time they work that day.

For holidays that fall on a scheduled day-off, SCPPA will post a schedule each calendar year showing which days such holidays will be observed in lieu by employees.

C. Administrative Leave

At the discretion of the Executive Director, up to five days of paid Administrative Leave may be granted annually to Eligible Employees.

D. Bereavement Leave

An employee shall be entitled to be absent from work with pay in the event of the death of a member of his or her immediate family. Pay shall be authorized for all or any portion not to exceed three (3) days of such leave provided a written request for such pay is filed. An additional two days of bereavement leave may be taken, either from the Eligible Employee's Universal Leave bank or as unpaid leave.

For purpose of this Section the term "member of the immediate family" is limited to any relative by blood or marriage who is a member of the employee's household; and parents, step-parents, spouse, registered domestic partner, children, step-children, brother, sister, grandparents, grandchildren, great grandparent, great grandchild, son/daughter-in-law, father/mother-in-law, sister/brother-in-law, grandfather/grandmother-in-law or responsible guardian or person who has acted in that capacity, regardless of place of residence.

E. Jury Duty

Employees ordered to perform jury service or subpoenaed to court or any legislative body shall be entitled to a leave of absence with pay for each day served, and without deduction from Universal Leave, at an amount equal to the employee's regular daily earnings. In the case of subpoena leave, the employees are eligible if the appearance time occurs during their normal working hours, and they are not a party to the suit.

The term regular earnings means full pay for regularly scheduled work, which the employees would have received had they not been called to jury service or subpoenaed.

Employees shall account for all time spent on jury duty or subpoena leave. If employees are excused from jury service or subpoena on a normal workday, they are expected to report for work. Employees must account to their departments for any time off for illness or other reasons, while on jury duty or subpoena leave.

Upon completion of jury service or subpoenaed time, the employees upon receipt, shall submit to SCPPA the jury fees, witness fees and/or mileage fees and a copy of the court report of jury time served. When employees are served with a subpoena, the employees shall request witness fees. The employees shall retain or be reimbursed the amount paid by the court for mileage and jury fees representing jury service performed by the employees on their regular day off.

1-6. Leave Without Pay

A. Protected Leave

If an Eligible Employee has no other leave available, SCPPA will grant a personal leave of absence without pay consistent with Federal and State Law as required under the Family and Medical Leave Act, California Family Rights Act, Pregnancy Disability Leave Law, or Americans with Disabilities Act. SCPPA will continue health insurance coverage during the protected leave if the employee pays the employee share of the monthly premium and payments are submitted to SCPPA in a timely manner. Universal Leave will not be accumulated, and Holidays will not be paid.

Except as otherwise required by law, SCPPA is not obligated to reinstate the employee to the same position, only an equivalent position upon return to work.

Protected leave runs concurrently with any STD and LTD Leave of Absence.

B. Unprotected Personal Leave

If an Eligible Employee has a need to be absent from work and who is not eligible for leave with pay, SCPPA's Executive Director may grant a personal leave of absence without pay up to 120 days. A written request for a personal leave is required at least two (2) weeks before the anticipated start of the leave. Leave approval is subject to consideration of staffing requirements, the reasons for the requested leave, and employee performance, and attendance. The SCPPA Executive Director may require supporting documentation from the employee before granting the request. Leaves of absence greater than 120 days require SCPPA Board approval. Personal leave may be extended if prior to the end of the leave a written request for an extension is submitted and approved by the Executive Director or SCPPA Board, as applicable. During personal leave:

- Universal Leave will not be accumulated, and Holidays will not be paid.
- SCPPA will continue health insurance coverage if the employee pays the full monthly premium and payments are submitted to SCPPA in a timely manner.

Except as otherwise required by law, SCPPA is not obligated to reinstate the employee to the same position, only an equivalent position upon return to work.

Failure to advise management of availability to return to work, failure to return to work when notified, or continued absence from work beyond the time approved by SCPPA, will be considered a voluntary resignation of employment.

Personal leave runs concurrently with any STD and LTD.

1-7 Severability

If any provision of this Policy shall be held or made invalid by a court decision, statute or rule, or shall be otherwise rendered invalid, the remainder of this Policy shall remain in effect and not be affected thereby.

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AGENDA ITEM STAFF REPORT

MEETING DATE: April 16, 2026 **RESOLUTION NUMBER:** 2026-024

SUBJECT: Approval of a Power Purchase Agreement and an Option Agreement with Notch Peak Project, LLC for the Notch Peak Project, Power Sales Agreements with each of the City of Los Angeles, acting by and through the Los Angeles Department of Water and Power (LADWP) and the City of Glendale, and an Agency Agreement with LADWP; and finding such action exempt from the California Environmental Quality Act

DISCUSSION: ☒ **OR** **CONSENT:** ☐

Select the appropriate box(es):

FROM:		**METHOD OF SELECTION:**	
Finance	☐	Competitive	☒
Project Development	☒	Cooperative Purchase	☐
Program Development	☐	Sole Source	☐
Regulatory/Legislative	☐	Single Source	☐
Project Administration	☐	Other *(Please describe):*	
Legal	☐		
Executive Director	☐		

MEMBER PARTICIPATION:

Sponsoring Member: Los Angeles Department of Water and Power and City of Glendale

Other Members Potentially Participating: None

Approved by Executive Director: Signed by: DAE0F3A6ECDE496... _____

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RECOMMENDATION:

Adopt a Resolution authorizing the negotiation, execution, and delivery of a Power Purchase Agreement (PPA) and Option Agreement with Notch Peak Project LLC, and corresponding Power Sales Agreements (each a "PSA") with the City of Los Angeles, acting by and through the Los Angeles Department of Water & Power (LADWP) and the City of Glendale (Glendale) (Participating Members or Members), and an Agency Agreement with LADWP, for the Notch Peak Project ("Notch Peak Project" or the "Project"), and finding that such action is exempt from the California Environmental Quality Act. The Notch Peak Project will provide long term renewable energy through the Southern California Public Power Authority (SCPPA) for LADWP and Glendale, the purpose of satisfying each Participating Member's renewable resource goals.

BACKGROUND:

In order to assist Members in complying with renewable mandates, and to address the renewable electrical energy needs of its Members, in February 14, 2025, SCPPA issued a Request for Proposals for Renewable Energy Resources and Energy Storage Solutions (RFP). The RFP solicited competitive proposals for renewable energy projects or products consistent with the California Renewable Energy Resources Program (Public Resources Code sec. 25740 et seq.) and the California Renewables Portfolio Standard Program (Public Utilities Code sec. 399.11 et seq.), including amendments enacted by passage of SB 100 (De Leon 2018). SCPPA's RFP targeted proposals for renewable resources with commercial operation or delivery starting in 2026 and beyond.

Notch Peak Project, LLC, submitted a proposal for the Notch Peak Project and was selected by SCPPA and the Participating Members for negotiation of a PPA. The Project is a solar facility that will be located near Millard County, Utah that will have a net capacity of 324 MW of solar.

DISCUSSION:

- **Key Terms of the Agreements:**
  The Notch Peak Project will deliver 324 MW of renewable solar capacity to SCPPA for LADWP and Glendale for a 30-year term. SCPPA will purchase the energy, capacity, and environmental attributes under a PPA with Notch Peak Project, LLC, a special purpose entity (Seller). SCPPA will sell all such energy, capacity, and environmental attributes to LADWP and Glendale under a PSA between SPPA and each of the Participating Members. LADWP will serve as the project manager for the Project under an Agency Agreement between SCPPA and LADWP. Of the Project's total 324 MW capacity, the participating Members' shares are as follows:

Member	MW (AC) of PV Capacity	Project Entitlement Share
LADWP	299	92.28%
Glendale	25	7.72%
Total	324	100%

The Notch Peak Project's point of delivery is at the Intermountain Power Plant (IPP). The Project has a target commercial operation date of September 30, 2028 and a guaranteed commercial operation date of December 31, 2028. If Seller fails to achieve commercial operation of the facility by the guaranteed commercial operation date, Seller will be required to pay SCPPA $180,000 per day for each day of delay in achieving the guaranteed commercial operation date for up to one hundred eighty days, after which time SCPPA will be entitled to

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declare a default and exercise its remedies under the PPA, including the right to terminate the PPA and seek termination payment damages.

The PPA provides for an adjustment in price if the Notch Peak Project is determined to be in an Energy Community area and is eligible for a PTC (Production Tax Credit) adder. An Energy Community can include geographic areas with a recently retired coal mine or coal electric generating unit, or areas with significant fossil fuel extraction, processing, transport, or storage industries and unemployment at or above the national average.

- If the Energy Community adder applies and occurs by May 31, 2026, the adjusted price for the contract will be $46.75/MWh.
- If the facility is an Energy Community area after May 31, 2026 and by the date the Notch Peak facility reaches COD, then the price will be $50.85/MWh.
- If the facility isn't an Energy Community area by COD, then the price will be $52.70/MWh.

- **Option Agreement**
  The Option Agreement provides SCPPA with the right, but not the obligation, to negotiate with Seller for the potential purchase of the Notch Peak Project at the following times over the term of the PPA:
  - One (1) year prior to the tenth (10th) anniversary of the COD; and
  - One (1) year prior to the fifteenth (15th) anniversary of the COD; and
  - One (1) year prior to every five (5) years after the fifteenth (15) anniversary of the COD until the end of the Agreement.
  - Within 60 days of issuance of a Termination Notice from Buyer to Seller.

  The Fair Market Value for any such purchase would be determined at the time the option is exercised through a procedure set forth in the Option Agreement.

- **Effective Date of PPA and Option Agreement – Termination Right if PSA not Executed:**
  The PPA and Option Agreement will become effective immediately upon execution by SCPPA and the Seller. However, the corresponding PSA between SCPPA and the Participating Member will not be executed and effective unless and until LADWP and Glendale obtains their governing bodies' approval of their respective PSAs for the Notch Peak Project. Similarly, the Agency Agreement between SCPPA and LADWP will not be executed unless and until LADWP obtains its governing bodies' approval of the Agency Agreement.

  In order to protect SCPPA from the risk of entering into a long-term PPA without having in place corresponding PSAs with the Participating Members to purchase the energy and capacity, the PPA and Option Agreement provide each of SCPPA and Seller with a termination right if the Participating Members' approvals are not obtained and the PSAs are not executed by a specified deadline.

  The PPA specifies an "Approval Deadline" of six (6) months from the PPA's effective date. During this time, LADWP will seek governing body approvals to execute its PSA and Agency Agreement, and Glendale will seek governing body approval to execute its PSA. If Participating Members' approvals are not obtained and the PSA and Agency Agreement are not executed by the Approval Deadline, SCPPA or the Seller has the right to terminate the PPA and Option Agreement. The proposed Resolution would authorize SCPPA officers or the Executive

Directors to provide notice of termination if the PSA and Agency Agreement are not approved and executed by Members by the Approval Deadline.

- **Selection Method:**
  The proposal for the Notch Peak Project was selected from thirty-nine (39) proposals received in response to a competitive procurement -- the rolling 2025 Q1/Q2 Request for Proposals for Renewable Energy Resources and Energy Storage Solutions (RFP) which was issued by SCPPA on February 14, 2025, and closed on June 30, 2025. The proposal for the Notch Peak Project was selected by the Members as a viable and cost-effective solar project to be delivered at IPP. The Notch Peak Project will help the Members in achieving its RPS goals and energy needs.

- **Environmental Review:**
  The proposed Board action is exempt from the requirements of the California Environmental Quality Act (CEQA). The SCPPA Board's approval of the aforementioned agreements and actions taken in furtherance thereof is not a "project" as defined by CEQA[1] as it would not result in a direct or reasonably foreseeable indirect change in the physical environment. Further, the action does not have the potential to cause a significant effect on the environment and is thus exempt from CEQA under Section 15061(b)(3) of the State CEQA Guidelines[2]. Further, the Seller is required to obtain all permits, including all necessary environmental review and permitting, for the construction and operation of the Project.

- **SCPPA's Authority:**
  In accordance with the Joint Powers Agreement, SCPPA may facilitate and enter into contracts for the procurement of electric generation capacity for SCPPA Members.

FISCAL IMPACT:

SCPPA does not anticipate any significant expenses for the PPA and Option Agreement prior to execution of the PSA and Agency Agreement. To the extent that SCPPA incurs any costs and expenses associated with the Notch Peak Project before the PSAs and Agency Agreement are executed and prior to achieving commercial operation of the Notch Peak Project, such costs and expenses will be paid by LADWP and Glendale under the terms of the Phase II Renewable Development Agreement between SCPPA and each of its Members, and such expenses will be billed to the Participating Members via Resolution Billing under Resolution No. 2012-008. After the PSAs are executed, and following the achievement of commercial operation, LADWP and Glendale will pay for any and all energy products and services associated with the Notch Peak Project (including costs of LADWP as agent, under the Agency Agreement) under the terms of each Participating Member's PSA.

ATTACHMENTS:

1. Resolution 2026-024
2. Power Purchase Agreement, including Option Agreement between SCPPA and Notch Peak Project, LLC
3. Power Sales Agreements between SCPPA and each of LADWP and Glendale
4. Agency Agreement between SCPPA and LADWP

[1] California Public Resources Code §21065
[2] 14 California Code of Regulations, §15000 *et seq*.

RESOLUTION NO. 2026-024

RESOLUTION RELATING TO THE NOTCH PEAK PROJECT: AUTHORIZING THE NEGOTIATION, EXECUTION, AND DELIVERY OF A POWER PURCHASE AGREEMENT AND RELATED DOCUMENTS, AGREEMENTS, AND INSTRUMENTS, INCLUDING AN OPTION AGREEMENT, BETWEEN SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AND NOTCH PEAK PROJECT, LLC; TWO SEPARATE POWER SALES AGREEMENTS BETWEEN SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AND EACH OF THE CITIES OF GLENDALE, AND LOS ANGELES, ACTING BY AND THROUGH THE DEPRTMENT OF WATER AND POWER, AND AN ANGECY AGREEMENT BETWEEN THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AND THE CITY OF LOS ANGELES, ACTING BY AND THROUGH THE DEPARTMENT OF WATER & POWER; AND SUCH OTHER DOCUMENTS, INSTRUMENTS, AND AGREEMENTS AS MAY BE NECESSARY OR APPROPRIATE TO ACHIEVE THE FULL UTILIZATION OF THE RESOURCES OF THE PROJECT AND AS SHALL BEST CARRY FORWARD THE INTERESTS AND OBJECTIVES OF THE AUTHORITY; AND FINDING THAT SUCH ACTION IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the Southern California Public Power Authority (the "Authority") has issued Requests for Proposals for potential renewable electric resources to address Authority member renewable energy needs as part of that process the Authority, and as part of that process, the Authority, together with the cities of Glendale, and Los Angeles acting by and through the Department of Water & Power ("LADWP") (collectively the "Project Participants") have expressed an interest in receiving energy generated from a resource denominated as the Notch Peak Project and located in Millard County, Utah (the "Project"); and

WHEREAS, the Authority and the Project Participants have negotiated with Notch Peak Project, LLC (the "Power Purchase Provider") and developed in substantial final form a power purchase agreement (the "Power Purchase Agreement") whereby the Power Purchase Provider will sell and the Authority will purchase solar energy and associated environmental rights and benefits of the Project; and

WHEREAS, the Authority and the Project Participants have negotiated with the Power Purchase Provider and developed in substantial final form an Option Agreement whereby the Authority would be provided the ability to exercise an option to purchase or acquire the Project or otherwise success to the ownership of the Project (the "Option Agreement); and

WHEREAS, the Authority and the Project Participants desire to enter into two separate power sales agreements (each, a "Power Sales Agreement"), one with each of the Project Participants, whereby the Authority will provide to the Project Participants the full output of the Project, and the Project Participants will pay all costs, liabilities, and obligations of the Authority in connection with the Project; and

WHEREAS, the Authority and LADWP desire to enter into an agency agreement (the "Agency Agreement") to designate LADWP to act as the agent and project manager for the Authority in connection with the management and administration of the Project and to carry out the necessary project management tasks associated with the Project; and

WHEREAS, the under the terms of the Power Purchase Agreement, the Authority may terminate the Power Purchase Agreement if the Authority and Project Participants are unable to negotiate, approve and execute the Power Sales Agreements and Agency Agreement by an approval deadline specified in the Power Purchase Agreement (the "Approval Deadline"); and

WHEREAS, the Authority and the Project Participants desire to provide for, and authorize, the further development, negotiation, entering into, execution, and delivery of such other documents, instruments, agreements, and arrangements with respect to the resources of the Project so as to facilitate the generation, transmission, and delivery of energy associated with the Project and to provide for the negotiation and approval of those terms and conditions with respect to such agreements and arrangements as shall best carry forward the interests of the Authority and the Project Participants and as shall best achieve the Authority's and the Project Participants' objectives; and

WHEREAS, the Authority's approval of the aforementioned agreements and actions taken in furtherance thereof is not a "project" under the California Environmental Quality Act ("CEQA") as it would not result in a direct or reasonably foreseeable indirect change in the physical environment and further, is exempt from CEQA as the action does not have the potential to cause a significant effect on the environment; and further, the Notch Peak facility will required to obtain all permits, including all necessary environmental review, for the construction and operation of the Project in the State of Utah.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Southern California Public Power Authority as follows:

1. This action is exempt from the requirements of CEQA pursuant to Section 21065 of the California Public Resources Code and Sections 15061(b)(3) and Sections 15061(b)(3) of Title 14 of the California Code of Regulations (the State CEQA Guidelines).

2. The Executive Director is hereby delegated all right, power, and authority to negotiate and finalize, and each of the President, Vice President, and Executive Director of the Authority is hereby authorized and

directed upon the successful negotiation thereof, to execute and deliver the Power Purchase Agreement, in substantial form as presented to the Board of Directors, and each of such other agreements, documents, and instruments, the substance or form of which are referenced in or otherwise attached to the Power Purchase Agreement (including but not limited to, the substance and form of the Option Agreement attached to the Power Purchase Agreement), or which may be contemplated by the terms of the Power Purchase Agreement and to which the Authority is to be a party or is to sign, each with such changes, insertions, and omissions as shall be approved by said President, Vice President, or Executive Director (such approval to be conclusively evidenced by her or his execution and delivery thereof), and each of the Secretary and any Assistant Secretary is hereby authorized to attest to such signature.

3. The Executive Director is hereby delegated all right, power, and authority to negotiate and finalize, and each of the President, Vice President, and Executive Director of the Authority is hereby authorized and directed upon the successful negotiation thereof, to execute and deliver the Power Sales Agreements, in substantial form as presented to the Board of Directors, and each of such other agreements, documents, and instruments, the substance or form of which are referenced or which may be contemplated by the terms of the Power Sales Agreements and to which the Authority is to be a party or is to sign, each with such changes, insertions, and omissions as shall be approved by said President, Vice President, or Executive Director (such approval to be conclusively evidenced by her or his execution and delivery thereof), and each of the Secretary and any Assistant Secretary is hereby authorized to attest to such signature.

4. The Executive Director is hereby delegated all right, power, and authority to negotiate and finalize, and each of the President, Vice President, and Executive Director of the Authority is hereby authorized and directed upon the successful negotiation thereof, to execute and deliver the Agency Agreement, which provides for LADWP to act as agent and project manager for the Authority, in substantially the form as presented to the Board of Directors, and each of such other agreements, documents, and instruments, the substance or form of which are referenced or which may be contemplated by the terms of the Agency Agreement and to which the Authority is to be a party or is to sign, each with such changes, insertions, and omissions as shall be approved by said President, Vice President, or Executive Director (such approval to be conclusively evidenced by her or his execution and delivery thereof), and each of the Secretary and any Assistant Secretary is hereby authorized to attest to such signature.

5. In addition to the foregoing, in order to facilitate the negotiation and consummation of the contemplated arrangements for the generation and delivery of energy from the Project and to carry forward other necessary or appropriate agreements associated with the acquisition of energy and solar generation resources of the Project and the delivery of the energy and environmental attributes of the Project to Southern California, and to achieve the full utilization of the resources of the Project, the Board of Directors hereby delegates to the Executive Director of the Authority all right, power, and authority to negotiate, approve, and execute agreements, documents, and arrangements with respect to the resources of the Project to facilitate the generation, transmission, and delivery of energy associated with the Project and to negotiate and approve those terms and conditions with respect to such agreements and arrangements as shall best carry forward the interests of the Authority and the Project Participants and as shall best achieve the Authority's and the Project Participants' objectives, including the negotiation, development, and execution of any consent agreement or other agreement pursuant to a change in control, project-related financing, or as otherwise necessary or appropriate to carry forward the interests of the Authority and the

Project Participants, which does not require a material modification to or material change to the Power Purchase Agreement.

5. Each of the President, Vice President, Secretary, any Assistant Secretary, and the Executive Director is hereby authorized to execute and deliver any and all agreements, documents, and instruments and to do and cause to be done any and all acts and things deemed necessary or advisable for carrying out the transactions contemplated by this Resolution (including, but not limited to, making such changes to the agreements, documents, and instruments referred to in this Resolution if such changes are determined by the President, Vice President, or Executive Director to be necessary or advisable, and including, but not limited to, executing and delivering notice of termination of the Power Purchase Agreement if the Authority and the Project Participants are unable to negotiate, approve, and execute the Power Sales Agreements on or before the Approval Deadline, as defined in the Power Purchase Agreement). Each reference in this Resolution to the President, Vice President, Secretary, Assistant Secretary, or Executive Director shall refer to the person holding such office or position, as applicable, at the time a given action is taken and shall not be limited to the person holding such office or position at the time of the adoption of this Resolution. All actions heretofore taken by the officers, employees, and agents of the Authority in furtherance of the transactions contemplated by this Resolution are hereby approved, ratified, and confirmed.

THE FOREGOING RESOLUTION NO. 2026-024 is approved and adopted by the Authority this 16th day of April, 2026 and is effective immediately.

_____

TIKAN SINGH
VICE PRESIDENT
Southern California Public
Power Authority

ATTEST:

_____

DANIEL E GARCIA
ASSISTANT SECRETARY
Southern California Public
Power Authority

Execution Version

POWER PURCHASE AGREEMENT

BETWEEN

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

AND

NOTCH PEAK PROJECT, LLC

DATED AS OF APRIL 16, 2026

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POWER PURCHASE AGREEMENT

PARTIES

THIS POWER PURCHASE AGREEMENT ("***Agreement***"), dated as of April 16, 2026 (the "**Effective Date**"), is being entered into by and between the Southern California Public Power Authority, a public entity and joint powers authority formed and organized pursuant to the California Joint Exercise of Powers Act (California Government Code Section 6500, *et seq*.) ("***Buyer***"), and Notch Peak Project, LLC, a limited liability company organized and existing under the laws of the State of Delaware ("***Seller***"). Each of Buyer and Seller is referred to individually under this Agreement as a "***Party***" and together they are referred to as the "***Parties***."

RECITALS

WHEREAS, Buyer's Members have adopted or are adopting policies to comply with the California Renewable Energy Resources Act that are designed to increase the amount of energy that they provide to their retail customers from eligible renewable energy resources;

WHEREAS, on February 14, 2025, Buyer issued a request for proposals to acquire renewable energy resources;

WHEREAS, on May 2, 2025, Seller's indirect parent, Longroad Development Company, LLC, responded on behalf of Seller to Buyer's request for proposals and, following negotiation, Seller has agreed to sell to Buyer, and Buyer has agreed to purchase, from a photovoltaic solar powered electric generating facility as further described herein, certain renewable energy, capacity and associated environmental attributes; and

WHEREAS, the Parties desire to set forth the terms and conditions pursuant to which such sales and purchases shall be made.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein, and the mutual covenants and agreements herein set forth, the Parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. The following capitalized terms in this Agreement and the appendices hereto shall have the following meanings:

"**Acceptable Form of Performance Assurance**" means, a letter of credit substantially in the form of Appendix M from a Qualified Issuer.

"**AC**" and "**ac**" mean alternating current.

"**Access Failure**" has the meaning set forth in Section 7.3(c).

"**Act**" means all of the provisions contained in the California Joint Exercise of Powers Act found in Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, beginning at California Government Code Section 6500 *et seq*.

"**Affiliate**" means, as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by or is under common control with such Person or is a director or officer of such Person or of an Affiliate of such Person. As used in this Agreement, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management, policies or activities of a Person, whether through ownership or voting securities, by contract or otherwise.

"**Agreement**" has the meaning set forth in the preamble to this Agreement, and includes Appendixes A through X and Schedule 12.2(h) attached hereto.

"**Agreement Term**" has the meaning set forth in Section 2.3.

"**Ancillary Documents**" means any agreement, instrument, certificate or other document required to be executed and delivered by any Seller Party in connection with this Agreement, including the Option Agreement, any Shared Facilities Agreement, and the Interconnection Agreement.

"**Annual Shortfall Liquidated Damages**" has the meaning set forth in Section 9.3.

"**Approvals**" means each Participating Member's approval, by way of such Participating Member's required board and city council approvals (each to the extent applicable) associated with this Agreement, and the related executions of each of the respective Participating Member Agreements.

"**Approvals Date**" means the date on which all required Approvals have been obtained and written notice thereof is delivered by Buyer to Seller.

"**Approvals Deadline***"* means the date that is eight (8) months after the Effective Date (as may be extended by the Parties' mutual agreement in writing).

"**ASME**" means American Society of Mechanical Engineers and any successor thereto.

"**Assumed Daily Deliveries**" has the meaning set forth in Section 13.3(c).

"**ASTM**" means American Society for Testing and Materials.

"**Attaining Balancing Authority**" means LADWP in its capacity as Balancing Authority.

"**Attaining Balancing Authority Area**" means the Balancing Authority Area of LADWP.

"**Authorized Auditors**" means representatives of Buyer or Buyer's Authorized Representatives who are authorized to conduct audits on behalf of Buyer.

"**Authorized Representative**" means, with respect to each Party, the Person designated as such Party's authorized representative pursuant to Section 14.1.

"**AWS**" means American Welding Society.

"**Balancing Authority**" means the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports interconnection frequency in real time.

"**Balancing Authority Area**" means the collection of generation, transmission, and loads within the metered boundaries of the area in which the Balancing Authority maintains load-resource balance.

"**Bankrupt**" and "**Bankruptcy**" means any case, action or proceeding under any bankruptcy, reorganization, debt arrangement, insolvency or receivership law or any dissolution or liquidation proceeding commenced by or against a Person and, if such case, action or proceeding is not commenced by such Person, such case, action, or proceeding shall be consented to or acquiesced in by such Person or shall result in an order for relief, or shall remain undismissed for sixty (60) days.

"**Brown Act**" has the meaning set forth in Section 14.19(e).

"**Budget**" has the meaning set forth in Section 4.7.

"**Business Day**" means any day that is not a Saturday, a Sunday, or a day on which commercial banks are authorized or required to be closed in Los Angeles, California or New York, New York.

"**Buyer**" has the meaning set forth in the preamble to this Agreement.

"**Buyer Check Meters**" has the meaning set forth in Section 7.3(g).

"**Buyer's Agent**" means such Person as Buyer may designate from time to time to perform certain tasks acting as an agent on Buyer's behalf, including LADWP.

"**Buyer's Members**" means any member of Buyer that has entered into the Joint Powers Agreement.

"**CAMD**" means the Clean Air Markets Division of the EPA, any successor agency and any other state, regional or federal or intergovernmental entity that is given authorization or jurisdiction or both over a program involving the registration, validation, certification or transferability of Environmental Attributes.

"**CAP**" has the meaning set forth in Appendix S.

"**Capacity Rights**" means the rights, whether in existence as of the Effective Date or arising thereafter during the Agreement Term, to capacity, associated attributes or reserves, services, Resource Adequacy Attributes and all ancillary products or any of the foregoing as may

in the future be defined by any balancing authority, reliability entity or Governmental Authority associated with the electric generating capability of the Facility, including, if applicable any local capacity requirements and the right to resell such rights.

"**CEC**" means California's State Energy Resources Conservation and Development Commission, also known as the California Energy Commission.

"**CEC Certified**" means that the CEC has certified that the Facility is an eligible renewable energy resource in accordance with the RPS Law.

"**CEC Compliant**" means, when used with respect to the Facility or any other facility at any time, that the Facility or such other facility is CEC Certified and in compliance with the CEC Performance Standard, the RPS Law, or any other applicable CEC requirements (including the then-applicable "Long Term Agreement" requirements) to which it is subject.

"**CEC Performance Standard**" means, at any time, the applicable greenhouse gas emissions performance standard in effect at such time for baseload generation facilities that are owned or operated (or both) by local publicly-owned electric utilities, or for which a local publicly-owned electric utility has entered into a contractual agreement for the purchase of power and services from such facilities, as established by the CEC or other Governmental Authority having jurisdiction over Buyer.

"**Certification Eligibility Date**" means the RPS eligibility date specified in the certificate issued by the CEC approving Seller's CEC certification application.

"**Change in Control**" means the occurrence of a transaction or a series of transactions at any time during the Agreement Term, whether voluntary or by operation of law or otherwise, following which (i) the Ultimate Upstream Equity Owner directly or indirectly no longer owns fifty percent (50%) or more of the equity ownership interests of Seller or (ii) the Ultimate Upstream Equity Owner directly or indirectly no longer retains both the power to manage the day-to-day operations of Seller and the control of the management and policies of Seller; provided, however, that a Change in Control shall not include any (a) transaction or series of transactions in which the membership interests or other equity interests in Seller or any Upstream Equity Owner are issued or transferred to another Person solely for the purpose of a Tax Financing or (b) any transfer of membership interests in Seller or any Upstream Equity Owner in connection with the exercise of a Facility Lender's remedies pursuant to any Financing Agreement; provided that such transferee is a Qualified Transferee. Seller shall provide written notice to Buyer prior to the occurrence of any Change in Control in accordance with Section 12.5(a) and Section 14.6.

"**Change in Law**" means a change in any federal, state, local or other law (including any environmental laws, RPS Law or EPS Law), resolution, standard, code, rule, ordinance, directive, regulation, order, judgment, decree, ruling, determination, permitting conditions, certification conditions, authorization, approval of a Governmental Authority or WREGIS, including the adoption of any new law, resolution, standard, code, rule, ordinance, directive, regulation, order, judgment, decree, ruling, determination, permit, certificate, authorization, or approval, or the issuance of any replacement or substitute law, resolution, standard, code, rule, ordinance, directive, regulation, order, judgment, decree, ruling, determination, permit, certificate, authorization, or

approval, in any case which is binding on a Party, the Parties, or the Facility or any of the products sold therefrom.

"**Closing**" has the meaning set forth in Section 2.6 of the Option Agreement.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Commercial Operation**" means, with respect to the Facility, that (i) Seller has demonstrated, and the Independent Engineer has confirmed in writing, that the conditions set forth in the Independent Engineer certificate attached to Appendix N have been met with respect to the Facility, and (ii) Seller has demonstrated, to the reasonable satisfaction of Buyer, that any conditions not certified to by the Independent Engineer on Appendix N have been met with respect to the Facility, and in the case of both (i) and (ii), the certificates associated therewith have been (a) accepted by Buyer and Buyer has provided notice of such acceptance to Seller confirming the Commercial Operation Date, or (b) deemed accepted by Buyer in accordance with Section 3.4.

"**Commercial Operation Date**" means, with respect to the Facility, the date on which Commercial Operation of the Facility shall have occurred.

"**Compensable Curtailments**" has the meaning set forth in Section 7.5(a).

"**Compliance Expenditure Cap**" has the meaning set forth in Section 8.7(a).

"**Compliant**" has the meaning set forth in Section 8.6.

"**Confidential Information**" has the meaning set forth in Section 14.19(a).

"**Consent and Agreement**" has the meaning set forth in Section 13.4 and shall be substantially in the form attached as Appendix O.

"**Construction Commencement Milestone**" means the date upon which Seller demonstrates to the reasonable satisfaction of Buyer's Authorized Representative that (i) Seller's EPC Contractor has commenced installation and construction of the Facility pursuant to Seller's issuance of the NTP, (ii) all permits listed in Appendix K have been obtained, are final and are in full force and effect and (iii) Seller has provided confirmation, including supporting documentation, that Seller has Site Control.

"**Contract Capacity**" means 324 MW (ac), as measured at the Point of Delivery, which is the maximum in any one hour that Buyer is obligated to accept from the Facility under this Agreement.

"**Contract Price(s)**" means each of the applicable prices set forth in Appendix A.

"**Contract Year**" means (i) the Initial Stub Year; (ii) each of the following twenty-nine (29) calendar years, beginning on the first day of January following the end of the Initial Stub Year and each succeeding twelve-month period up to and including the period ending with the December 31 of such twenty-nineth (29th) calendar year; and (iii) the Final Stub Year.

"**Costs**" has the meaning set forth in Section 13.3(f)(iii).

"**Cover Damages**" has the meaning set forth in Section 6.4.

"**CPRA**" has the meaning set forth in Section 14.19(e).

"**CRO**" has the meaning set forth in Section 14.24(h).

"**CT**" means current transformer.

"**Daily Delay Damages**" means a daily amount of damages equal to One Hundred Eighty Thousand Dollars ($180,000.00).

"**Day-Ahead Schedule**" has the meaning set forth in Section 7.2(e).

"**DBE**" has the meaning set forth in Section 14.24(c).

"**DCS**" has the meaning set forth in Appendix P.

"**Deemed Delivered Energy**" has the meaning set forth in Section 7.5(c).

"**Default**" has the meaning set forth in Section 13.1.

"**Defaulting Party**" has the meaning set forth in Section 13.1.

"**Delivered Energy**" means, for any period, the MWh of Energy delivered from the Facility to the Point of Delivery, as measured by the Project Meter and adjusted for the Transmission Line Loss Factor. For the avoidance of doubt, Delivered Energy shall be calculated as the product of (i) the MWh of Energy measured by the Project Meter for the applicable period, multiplied by (ii) the difference between (a) one (1) minus, (b) the Transmission Line Loss Factor (stated as a decimal equivalent).

"**Delivery Term**" has the meaning set forth in Section 2.3.

"**Development Security**" has the meaning set forth in Section 5.6(a).

"**Disposition**" has the meaning set forth in Section 14.21.

"**Dispute**" has the meaning set forth in Section 14.3(a).

"**Dispute Notice**" has the meaning set forth in Section 14.3(a).

"**DNP**" has the meaning set forth in Section 7.3(d).

"**Downgrade Event**" means, with respect to a financial institution, or a provider of a letter of credit hereunder, (i) the failure of such financial institution to maintain the credit rating or organizational status of a Qualified Issuer, or (ii) the commencement by such a financial institution of involuntary or voluntary bankruptcy, insolvency, reorganization, arrangement, composition,

readjustment, liquidation, dissolution or similar proceeding (whether under any present or future statute, law or regulation), or (iii) the termination of the relationship with such financial institution or provider of such letter of credit by Buyer or a Participating Member, as applicable, required pursuant to any Requirements of Law applicable to Buyer or such Participating Member.

"**DVBE**" has the meaning set forth in Section 14.24(c).

"**Early Termination Date**" has the meaning set forth in Section 13.3(a).

"**EBO**" has the meaning set forth in Section 14.24(g).

"**EC Adder Payment**" has the meaning set forth in Appendix A.

"**EC Adder Payment Period**" has the meaning set forth in Appendix A.

"**ECC**" has the meaning set forth in Section 11.6(b).

"**Economic Sanctions**" has the meaning set forth in Section 14.24(m).

"**EDAM**" means CAISO's Extended Day-Ahead Market, or any successor market.

"**Effective Date**" has the meaning set forth in the Preamble.

"**EIM**" means CAISO's western Energy Imbalance Market, or any successor market.

"**EIM Compliance Cost Cap**" has the meaning set forth in Section 8.7(d).

"**EIM Excess Compliance Cost**" has the meaning set forth in Section 8.7(d).

"**EIM Excess Expenditure Notice**" has the meaning set forth in Section 8.7(d).

"**Electric Metering Device(s)**" means meters, metering equipment, and data processing equipment conforming to the requirements set forth in Section 11.6 used to measure, record, or transmit data relating to the Energy output from the Facility as depicted in Appendix R-1. Electric Metering Devices include the metering current transformers and the metering voltage transformers.

"**Emergency Stop**" has the meaning set forth in Appendix P.

"**Energy**" means electrical energy.

"**Energy Community Adder**" means the energy community bonus credit under Sections 45, 48, 45Y and 48E of the Code.

"**Energy Information Assessments**" means Annual Electric Power Industry Report (Form EIA-861) administered by U.S. Energy Information Administration.

"**Environmental Attribute Reporting Rights**" means all rights to report the ownership of the Environmental Attributes to any Person including under Section 1605(b) of the Energy Policy Act of 1992, or any other current or future international, federal, state or local law, regulation or bill, or otherwise.

"**Environmental Attributes**" means Renewable Energy Certificates, and any and all other current or future credits, benefits, emissions reductions, offsets or allowances, howsoever entitled, named, registered, created, measured, allocated or validated (i) that are at any time recognized or deemed of value (or both) by either Party, applicable laws, or any voluntary or mandatory program of any Governmental Authority or other Person, and (ii) that are attributable to (a) generation capability or generation by the Facility of Facility Energy or Replacement Energy delivered by Seller to Buyer, and (b) the emissions or other environmental characteristics of such Facility Energy or such Replacement Energy or its displacement of conventional or other types of Energy generation. Environmental Attributes include any of the aforementioned arising out of legislation or regulation concerned with oxides of nitrogen, sulfur, carbon, or any other greenhouse gas or chemical compound, particulate matter, soot, or mercury, or implementing the United Nations Framework Convention on Climate Change (the "***UNFCCC***"), the Kyoto Protocol to the UNFCCC, California's greenhouse gas legislation (including California Assembly Bill 32 (Global Warming Solutions Act of 2006) and any regulations implemented pursuant to the Global Warming Solutions Act of 2006, including any compliance instruments accepted under the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms regulations of the California Air Resources Board), or any similar international, federal, state or local program or crediting "early action" with a view thereto, or laws or regulations involving or administered by the CAMD, and all Environmental Attribute Reporting Rights, including all evidences (if any) thereof such as Renewable Energy Certificates of any kind. Environmental Attributes for purposes of this definition are separate from the Facility Energy. Environmental Attributes exclude (A) any local, state or federal investment tax credits, production tax credits, depreciation deductions or other tax credits providing a tax benefit to Seller or any other Person based on ownership or a security interest in the Facility or Facility Energy, including any investment or production tax credit expected to be available to Seller with respect to the Facility, (B) any other depreciation deductions and benefits, and other tax benefits arising from ownership or operation of the Facility, and (C) cash grants or other financial incentives from any local, state or federal government available to Seller with respect to the Facility.

"**Environmental Documents**" has the meaning set forth in Section 3.1.

"**Environmental Laws**" means any federal, state or local laws (including common law), statutes, ordinances, rules, regulations, binding orders, injunctions or judgments pertaining to public health, safety, pollution, or the presence of or release of Hazardous Materials on, under or about the Real Property.

"**EPA**" means the United States Environmental Protection Agency.

"**EPC Contractor**" has the meaning set forth in the definition of NTP.

"**EPS Compliant**" means, when used with respect to the Facility or any other facility at any time, that the Facility or such other facility, as applicable, satisfies both the PUC Performance

Standard and the CEC Performance Standard in effect at the time; provided, if it is impossible for the Facility or such other facility, as applicable, to satisfy both the PUC Performance Standard and the CEC Performance Standard in effect at any time, the Facility or such other facility, as applicable, shall be deemed EPS Compliant if it satisfies the CEC Performance Standard in effect at the time and those portions of the PUC Performance Standard in effect at the time that it is possible for the Facility or such other facility, as applicable, to satisfy, while at the same time satisfying the CEC Performance Standard in effect at the time.

"**EPS Law**" means Sections 8340 and 8341 of the California Public Utilities Code.

"**Excess Compliance Cost**" has the meaning set forth in Section 8.7(a).

"**Excess Energy**" means, as applicable, either Excess Energy 110%-120% and Excess Energy > 120% or both Excess Energy 110%-120% and Excess Energy >120%.

"**Excess Energy 110%-120%"** means, for any Contract Year, the portion of Delivered Energy as increased by the amount of any Deemed Delivered Energy that is in excess of one hundred ten percent (110%) of the Expected Annual Generation for such Contract Year and no more than one hundred twenty percent (120%) of the Expected Annual Generation for such Contract Year.

"**Excess Energy >120%**" means, for any Contract Year, the portion of Delivered Energy, as increased by the amount of any Deemed Delivered Energy that is in excess of one hundred twenty percent (120%) of the Expected Annual Generation for such Contract Year.

"**Excess Energy Price**" means, with respect to Excess Energy 110-120%, the price per MWh set forth for such Excess Energy in Appendix A and, with respect to Excess Energy >120%, the price per MWh set forth for such Excess Energy in Appendix A.

"**Excess Expenditure Notice**" has the meaning set forth in Section 8.7(a).

"**Expected Annual Generation**" has the meaning set forth in Appendix I.

"**Facility**" means the solar photovoltaic electric generating facility to be developed, constructed, owned and operated by Seller (as further described on Appendix B) that will be located on the Facility Site, including the real property that constitutes the Facility Site, the structures, facilities, equipment, fixtures, appurtenances, improvements and associated real and personal property as further described in the Real Property Agreements, the Seller-owned portion of the generation tie-line and related structures, facilities, equipment, fixtures, appurtenances, improvements and associated real and personal property described in the Interconnection Agreement that facilitates delivery of the energy from the solar photovoltaic electric generating facility to the Point of Delivery, and other physical and intangible property, and other rights and interests as further described in Appendix B and as depicted in Appendix R-1.

"**Facility Assets**" has the meaning set forth in Exhibit 1.1 of the Option Agreement.

"**Facility Cost**" means, measured as of the applicable measurement date, the aggregate amount of all costs and expenses incurred by Seller for the development, design, engineering, equipping, procuring, constructing, installing, starting up and testing the Facility, including (i) the cost of all labor, services, materials, supplies, equipment, tools, transportation, supervision, storage, training, demolition, site preparation, civil works, and remediation in connection therewith, (ii) the cost of acquiring the leasehold interest and any other property, easement or other interest in the Site, (iii) the cost of acquiring the Permits for the Facility and (iv) the cost of establishing a spare parts inventory for the Facility.

"**Facility Debt**" means, measured as of the applicable measurement date, any payment obligations of Seller in connection with borrowed money, including (i) principal of and premium on indebtedness, (ii) fees, charges, expenses and penalties related to indebtedness to the extent then due and payable, (iii) swap or interest rate hedging breakage costs to the extent then due and payable and (iv) any claims or interest due with respect to any of the foregoing. Facility Debt does not include any Tax Financing or the indebtedness of any Seller Affiliate for which Seller has no liability.

"**Facility Energy**" means Energy generated by the Facility and measured by the Project Meter.

"**Facility Lender**" means any lender(s) providing senior or subordinated construction, interim or long-term debt (including all back-leverage debt) or tax equity financing or tax credit transfer financing or refinancing for or in connection with the development, construction, purchase, installation or operation of the Facility, including any Tax Financing or Sale Leaseback Financing or refinancing, and any Person providing interest rate protection agreements to hedge any of the foregoing debt obligations.

"**Facility Site**" means the real property (including all fixtures and appurtenances thereto) and related physical and intangible property generally identified in Appendix B (as may be modified in accordance with any termination, transfer or addition of any Real Property Agreements pursuant to Section 12.4(b) and Section 12.4(d)) as (i) owned or leased by Seller where the Facility is located or will be located, and (ii) any easements, rights of way or other contractual or real property rights held or to be held by Seller, for distribution or transmission lines, interconnection facilities, or roadways servicing such Facility Site or the Facility located (or to be located) thereon.

"**FERC**" means the Federal Energy Regulatory Commission.

"**Final Stub Year**" means the period beginning on the first day of January following the twenty-nineth (29th) full calendar year referenced in clause (ii) of the definition of "Contract Year" and ending at 24:00 hours on the date that, together with the number of days in the Initial Stub Year, would be equal to three hundred sixty five (365) days.

"**Financing Agreement**" shall mean any credit agreement, loan agreement or similar agreement, to be executed between Seller and a Facility Lender.

"**Force Majeure**" has the meaning set forth in Section 14.5(b).

"**Force Majeure Notice**" has the meaning set forth in Section 14.5(a).

"**Forced Outage**" means the removal of service availability of the Facility, or any portion of the Facility, for emergency reasons or conditions in which the Facility, or any portion thereof, is unavailable due to unanticipated failure, including as a result of Force Majeure.

"**Forced Outage Capacity Notification**" has the meaning set forth in Section 7.4(d).

"**Full Contract Price**" has the meaning set forth in Appendix A.

"**GAAP**" means generally accepted accounting principles set forth in opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, in each case as the same are applicable to the circumstances as of the date of determination.

"**Gains**" has the meaning set forth in Section 13.3(f)(i).

"**Glendale**" means the City of Glendale in the County of Los Angeles in the State of California.

"**Governmental Authority**" means any federal, state, regional, city or local government, any intergovernmental association or political subdivision thereof, or other governmental, regulatory or administrative agency, court, commission, administration, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority, or any Person acting as a delegate or agent of any Governmental Authority. The term "Governmental Authority" shall not include Buyer.

"**Green Value**" consists of the market value of (i) avoided greenhouse gas emissions or credits associated with RPS Compliant Energy, and (ii) all other Environmental Attributes, without duplication, and avoided emissions-related attributes and benefits that would otherwise have been realized had Seller generated the Facility Energy, and shall be calculated as an amount equal to the time-weighted average of the prices of greenhouse gases and other Environmental Attributes (as published in commercial indices related to California energy markets) that would have been realized for each MWh of the Shortfall Energy or RPS Compliance Shortfall Energy, as applicable, provided, that if for any Contract Year there does not exist a liquid trading market that is mutually agreeable to the Parties to determine such Green Value, the Green Value will be equal to the lesser of the replacement cost as reasonably determined by Buyer, but taking into account sources identified by Seller for the attributes described in clauses (i) and (ii) above, expressed in $/MWh, or $25/MWh.

"**Guaranteed Commercial Operation Date**" or "**GCOD**" means December 31, 2028 as it may be extended pursuant to the terms of this Agreement.

"**Guaranteed Delivered Energy**" means the aggregate amount of Delivered Energy guaranteed by Seller during each Contract Year (including the Initial Stub Year and the Final Stub

Year) to Buyer, which shall be 80% of the Expected Annual Generation of the applicable Contract Year.

"**Guidebook**" means the most-recent Renewables Portfolio Standard Eligibility guidebook issued by the CEC, as amended from time to time, or its successor document.

"**Hazardous Materials**" means any hazardous substances, pollutants, contaminants, wastes, or materials (including petroleum (including crude oil or any fraction thereof), petroleum wastes, radioactive materials, hazardous wastes, toxic substances, or asbestos or any materials containing asbestos) designated, regulated, or defined under any Environmental Law.

"**ICCP**" has the meaning set forth in Section 11.6(b).

"**ICE**" has the meaning set forth in the definition of "Market Price Index".

"**IEC**" has the meaning set forth in Appendix P.

"**IEEE**" means Institute of Electrical and Electronics Engineers.

"**Indemnified Liabilities**" has the meaning set forth in Section 14.17(a).

"**Indemnitees**" has the meaning set forth in Section 14.17(a).

"**Independent Engineer**" means an engineer to be jointly selected by the Parties.

"**Independent Manager**" means a manager who is not at the time of initial appointment, or at any time while serving as Independent Manager, and has not been at any time during the preceding five (5) years: (i) a member, stockholder, equityholder, director, manager (except as the Independent Manager of Seller), officer, employee, partner, attorney or counsel of Seller, any member of Seller, or any Affiliate of Seller; (ii) a customer, supplier or other Person who derives any of its purchases or revenues from its activities with Seller, any member of Seller, or any Affiliate of Seller (other than for serving as Independent Manager of Seller), (iii) a Person controlling or under common control with any such stockholder, equityholder, partner, manager, customer, supplier or other like Person, or (iv) a member of the immediate family of any such member, stockholder, equityholder, director, officer, employee, manager, partner, customer, supplier or other like Person.

"**Initial Stub Year**" means the period beginning on the Commercial Operation Date and ending at 23:59:59 hours on December 31 in the year during which the Commercial Operation Date occurs.

"**Insurance**" means the policies of insurance as set forth in Appendix F.

"**Interconnection Agreement**" means that certain Generator Interconnection Agreement, dated as of December 20, 2022, between Seller (f/k/a Notch Peak Solar, LLC) and Intermountain Power Agency.

"**Interest Rate**" means the lesser of (i) two hundred (200) basis points above the per annum "Prime Rate" reported daily in *The Wall Street Journal*, or (ii) the maximum rate permitted by applicable Requirements of Law.

"**International Trade Laws**" shall mean all laws, regulations, and orders relating to imports as administered by U.S. Customs and Border Protection, and any other applicable customs and imports laws; exports and trade sanctions pursuant to the International Traffic in Arms Regulations administered by the U.S. Department of State's Directorate of Defense Trade Controls, the Export Administration Regulations administered by the U.S. Department of Commerce's Bureau of Industry and Security, and the U.S. Department of the Treasury's Office of Foreign Assets Control, and any other applicable exports and trade sanctions laws (including any laws or executive orders issued in the State of California); antiboycott matters administered by the U.S. Department of Commerce's Office of Antiboycott Controls and the U.S. Department of the Treasury's Internal Revenue Service, and any other applicable anti-boycott laws; anti-bribery and anti-corruption matters governed by the Foreign Corrupt Practices Act as enforced by the U.S. Department of Justice and the U.S. Securities and Exchange Commission, the UK Bribery Act, and any other applicable anti-bribery and anti-corruption laws; anti-money laundering matters pursuant primarily, but not exclusively, to the Money Laundering Control Act and the Bank Secrecy Act, and any other applicable; and any other applicable laws, regulations, and orders related to these areas.

"**Investment-Grade Credit Rating**" means a credit rating for a Person's long-term debt that is at least "BBB-" by S&P or "Baa3" by Moody's, or the equivalent ratings by any other credit rating agency of national standing, and so long as such credit rating is not on negative watch.

"**IPA Switchyard**" has the meaning set forth in the Interconnection Agreement as of the Effective Date.

"**ISA**" means Instrument Society of America.

"**ITC**" means the elective investment tax credit provided in Section 46, and 48 or 48E of the Code or any successor to such section.

"**Joint Powers Agreement**" means the "Southern California Public Power Authority Joint Powers Agreement" entered into pursuant to the provisions of the Act among Buyer and Buyer's members, dated as of November 1, 1980.

"**Key Milestone**" means the Commercial Operation Date, as further described in Appendix B.

"**Knowledge"** means the actual knowledge, after due inquiry, of any officer or any other agent, employee or representative of Seller responsible for the management of the operation or maintenance of the Facility or any fact, circumstance or condition.

"**kW**" means kilowatt or kilowatts, as applicable.

"**LAAC**" has the meaning set forth in Section 14.24(b)(i).

"**LADWP**" means the City of Los Angeles acting by and through the Department of Water and Power, a California municipal corporation.

"**Legal Opinion**" means an executed original of a written legal opinion of Morgan Lewis Bockius LLP, counsel for Seller, or other outside counsel of Seller reasonably acceptable to Buyer, addressed to Buyer and in form and substance reasonably acceptable to Buyer, concerning, among others, the enforceability and due authorization of this Agreement, and the other Ancillary Documents that are agreements between the Parties, dated as of the date such opinion is delivered in accordance with Section 2.1.

"**Lessor"** has the meaning set forth in the definition of "Sale Leaseback Financing."

"**LGBTBE**" has the meaning set forth in Section 14.24(c).

"**Lien**" means any mortgage, deed of trust, lien, security interest, retention of title or lease for security purposes, pledge, charge, encumbrance, equity, attachment, claim, easement, right of way, covenant, condition or restriction, leasehold interest, purchase right or other right of any kind, including an option, of any other Person in or with respect to any real or personal property.

"**Losses**" has the meaning set forth in Section 13.3(f)(ii).

"**LVRT**" has the meaning set forth in Appendix P.

"**Major Maintenance Blockout**" has the meaning set forth in Section 7.4(b).

"**Major Subcontractors**" has the meaning set forth in Section 11.5.

"**Market Price Index**" means the weighted average of the "on-peak" Energy (not including Environmental Attributes) prices (i) for purposes of calculating Shortfall Liquidated Damages, for each day within the year the shortfall energy occurred and (ii) for purposes of calculating the Replacement Price, for each day within any applicable period in which the Facility is not Compliant, each as published by the Intercontinental Exchange ("ICE") for transactions at Palo Verde ICE index plus $6.00 (Mona Premium) excluding Environmental Attributes. If there are no longer on-peak market prices for Energy (excluding Environmental Attributes) transactions at Palo Verde published by ICE, the Parties will mutually agree to a replacement market price index that most closely reflects Energy (excluding Environmental Attributes) transactions at the geographic location of the markets at the Point of Delivery or Palo Verde markets as of the Effective Date. If a market price index for Energy (not including Environmental Attributes) that more accurately tracks the prevailing market price of the Delivered Energy at the Point of Delivery is created, the Parties may mutually agree to adapt such index price as the Market Price Index at such time.

"**Material Adverse Effect**" means any effect(s) that, individually or in the aggregate, is material and adverse to (i) the assets, construction, operations, use or physical condition of the Facility (including any Shared Facilities, as defined in the Shared Facilities Agreement), taken as a whole, or (ii) the ability of Seller to perform its obligations under this Agreement or any Ancillary Document, taken as a whole.

"**MBE**" has the meaning set forth in Section 14.24(c).

"**Metering Policies**" means the then-current metering policies and guidelines adopted by LADWP, including the LADWP Bulk Electric System Meter Policy, the current version of which is attached as Appendix U, and any successor thereto.

"**Milestone**" has the meaning set forth in Section 3.3(a).

"**Milestone Date**" means the deadline associated with each Milestone as set forth in Appendix B, as each may be extended pursuant to the terms of this Agreement.

"**Monthly Payment**" means the amount to be paid to Seller by Buyer on a monthly basis as specified in Appendix A.

"**Moody's**" means Moody's Investment Services, Inc., and its successors in interest.

"**MW**" means megawatt or megawatts, as applicable.

"**MWh**" means megawatt-hour or megawatt-hours, as applicable.

"**NERC**" means the North American Electric Reliability Corporation.

"**NERC Reliability Standards**" means the reliability standards developed by NERC or by any regional authority having jurisdiction, that are applicable to the owner or operator of the Facility, or to the Facility itself, including Security Requirements.

"**New Resource Implementation**" means the process and requirements established by the Balancing Authority for the Attaining Balancing Authority Area substantially similar in kind and cost to those as set forth by CAISO for interconnection projects to successfully complete resource implementation to the CAISO grid.

"**Non-Compensable Curtailments**" has the meaning set forth in Section 7.5(a).

"**Non-Consolidation Opinion**" means a reasoned opinion of Morgan Lewis Bockius LLP, in form and substance reasonably acceptable to Buyer, as to the non-consolidation of Seller in a bankruptcy proceeding of any member of Seller, addressed and delivered to Buyer in accordance with Section 2.2(b).

"**Non-Defaulting Party**" has the meaning set forth in Section 13.3(a).

"**Non-U.S. Issuer Bank**" means any issuer of a letter of credit that is organized under laws outside of the United States.

"**Normal Shutdown**" has the meaning set forth in Appendix P.

"**Normal Startup**" has the meaning set forth in Appendix P.

"**Notice of Proposed Third Party Sale**" has the meaning set forth in Section 14.21(b).

"**Notifying Party**" has the meaning set forth in Section 14.3(a).

"**NTP**" means a full notice to proceed issued by Seller to its general contractor (the "***EPC Contractor***") for the commencement of installation and construction of the Facility pursuant to which such general contractor is obligated to commence the installation and construction of the Facility.

"**OBE**" has the meaning set forth in Section 14.24(d).

"**Off-Peak**" means all hours other than On-Peak hours.

"**On-Peak**" means 6:00 a.m. – 10:00 p.m., Monday through Saturday.

"**Operating Insurance**" means the Insurance required to be carried by Seller for the Facility after the achievement of Commercial Operation, as set forth in Appendix F.

"**Operation and Maintenance Plan**" has the meaning set forth in Section 4.6(a).

"**Option Agreement**" means that certain Option Agreement of even date herewith attached as Appendix L.

"**OSHA**" means Occupational Safety & Health Administration.

"**Outside COD**" has the meaning set forth in Section 3.3(e).

"**Pacific Prevailing Time**" means the time in Los Angeles, California when actual transactions are made.

"**Participating Member**" means each of Glendale and LADWP.

"Participating Member Agreement" means the agreement(s) between Buyer and each Participating Member that sets forth the terms and conditions under which each Participating Member agrees to purchase from Buyer the Capacity Rights, Facility Energy and Environmental Attributes from the Facility.

"**Party**" and "**Parties**" have the meanings set forth in the preamble to this Agreement.

"**Performance Security**" has the meaning set forth in Section 5.6(b).

"**Permit**" means all applications, permits, licenses, franchises, certificates, concessions, consents, authorizations, approvals, registrations, orders, filings, entitlements and similar requirements of whatever kind and however described which are required to be obtained or maintained by any Person with respect to the development, siting, design, acquisition, construction, equipping, financing, ownership, possession, shakedown, start-up, testing, operation or maintenance of the Facility, the production and delivery to the Point of Delivery of Energy, Capacity Rights and Environmental Attributes, or any other transactions or matter contemplated by this Agreement (including those pertaining to electrical, building, zoning, environmental and occupational safety and health requirements), including those described in Appendix K.

"**Permitted Encumbrances**" means (i) any Lien approved by Buyer in a writing separate from this Agreement which expressly identifies the Lien as a Permitted Encumbrance, (ii) Liens in favor of Facility Lenders, (iii) Liens for Taxes not yet due or for taxes being contested in good faith by appropriate proceedings, so long as such proceedings do not involve (a) a material risk of the sale, forfeiture, loss of the Facility or any part thereof, or (b) a restriction on the use of the Facility or any part thereof, provided that such proceedings end by the expiration of the Agreement Term, (iv) suppliers', vendors', mechanics', workman's, repairman's, employees' or other like Liens arising in the ordinary course of business for work or service performed or materials furnished in connection with the Facility for amounts the payment of which is either not yet delinquent, bonded or is being contested in good faith by appropriate proceedings, so long as such proceedings will have ended by the expiration of the Agreement Term and do not involve a material risk of the sale, forfeiture, loss of the Facility or any part thereof, (v) the Real Property Agreements, or memoranda of such Real Property Agreements; or (vi) easements, rights of way, use rights, exceptions, encroachments, reservations, restrictions, conditions or limitations, so long as they have been identified by Seller to Buyer in writing prior to the achievement of Commercial Operation and do not materially interfere with or impair the operation of the Facility as contemplated by this Agreement.

"**Person**" means any individual, corporation, partnership, joint venture, limited liability company, association, joint stock company, trust, unincorporated organization, entity, government or other political subdivision.

"**Placed in Service**" has the meaning set forth in Appendix A.

"**PMU**" has the meaning set forth in Appendix S.

"**Point of Delivery**" means the Point of Interconnection.

"**Point of Interconnection**" means the point within the IPA Switchyard defined as the Point of Interconnection in the Interconnection Agreement as of the Effective Date.

"**PPT**" has the meaning set forth in Section 7.2(e).

"**Present Value Rate**" means, at any date, the sum of 0.50% plus the yield reported on page "USD" of the Bloomberg Financial Markets Services Screen (or, if not available, any other nationally-recognized trading screen reporting on-line intraday trading in United States government securities) at 11:00 a.m. (New York City, New York time) for the United States government securities having a maturity that most nearly matches the remaining term of the Agreement at that date.

"**Principals**" means any board chair, president, chief executive officer, chief operating officer and any other individual who serves in the functional equivalent of one or more of those positions; as well as any individual who holds an ownership interest of at least twenty percent (20%) in Seller or any Upstream Equity Owner that is itself owned directly or indirectly in whole or part by the Ultimate Upstream Equity Owner; and any employee of Seller who is authorized by Seller to represent Seller before any Participating Member.

"**Production Tax Credits**" means the production tax credits applicable to electricity produced from certain renewable resources pursuant to (i) 26 U.S.C. §45, (ii) 26 U.S.C §45Y, or (iii) any successor to such sections.

"**Project Meter**" means the Electric Metering Devices procured, installed, owned and maintained by Seller at the high-side of the delivery transformer located in the Facility collector substation, as depicted and labeled in the single-line diagram attached to this Agreement as Appendix R-1.

"**Project Purchase Option**" means the right, but not the obligation, of Buyer, in its sole discretion, to purchase the Facility Assets and certain related assets from Seller in accordance with the provisions of the Option Agreement.

"**Proposed Purchase Notice**" has the meaning set forth in Section 14.21(a).

"**Proposed Sale Notice**" has the meaning set forth in Section 14.21(a).

"**Prudent Utility Practices**" means those practices, methods, and acts, that are applicable to the Facility and commonly used by a significant portion of the solar power generation industry, in prudent engineering and operations to design, construct and operate and maintain electric equipment (including solar powered facilities) lawfully and with safety, reliability, dependability, efficiency, and economy, including any applicable practices, methods, acts, guidelines, standards and criteria of FERC, NERC, WECC and all applicable Requirements of Law.

"**PT**" means power transformer.

"**PTC**" means the Production Tax Credits.

"**PUC**" means the California Public Utilities Commission.

"**PUC Performance Standard**" means, at any time, the greenhouse gas emission performance standard in effect at such time for baseload electric generation facilities owned or operated (or both) by load-serving entities and not local publicly-owned electric utilities, as established by the PUC or other Governmental Authority under the EPS Law.

"**Purchase Option Exercise Notice**" has the meaning set forth in Exhibit 1.1 of the Option Agreement.

"**Q/A**" has the meaning set forth in Appendix J.

"**Q/C**" has the meaning set forth in Appendix J.

"**Qualified Issuer**" means a domestic U.S. bank or a U.S. branch of a foreign bank (each such bank as approved by Buyer in writing, which approval shall not be unreasonably withheld, conditioned or delayed) that, in either case, has a then-current long-term credit rating (corporate or long-term senior unsecured debt) of (i) "A2" or higher by Moody's Investors Service, Inc. and "A" or higher by Standard & Poor's, if rated by both rating agencies; or (ii) "A2" or higher by

Moody's Investors Service, Inc. or "A" or higher by Standard & Poor's, if rated by only one rating agency and, in addition to (i) or (ii), as applicable, (iii) has not suffered a Downgrade Event.

"**Qualified Operator**" means (a) an Affiliate of Seller, or (b) a Person reasonably acceptable to Buyer that, in either case, has at least three (3) years of operating experience with utility scale photovoltaic solar-powered generation facilities that are in excess of fifty (50) MW in capacity.

"**Qualified Transferee**" means a Person that:

(a) (i) has a net worth at the time of the transfer that is equal to or greater than $150,000,000, or who has a parent or an Affiliate with a net worth at the time of the transfer equal to or greater than $150,000,000,

(ii) (A) retains or causes the Subsequent Owner to retain, a Qualified Operator or Qualified Operators to operate the Facility (or otherwise agrees not to interfere with the existing Qualified Operator for the Facility) and (B) has, if the time of determination is three (3) years or less following the Effective Date, two (2) years of experience owning, leasing, or managing electrical generation through renewable resources with at least two (2) projects of 25MW or higher, or if the time of determination is more than three (3) years following the Effective Date, has four (4) years of experience owning, leasing or managing electrical generation through renewable resources with at least two (2) projects of 50MW or higher,

(iii) executes a written assumption agreement in favor of Buyer pursuant to which such Person shall assume all of the obligations of Seller under the PPA and the Ancillary Documents,

(iv) is a Special Purpose Entity, and

(v) is not at the time of transfer in active litigation against Buyer or a Participating Member, or

(b) is reasonably acceptable to Buyer.

"**Quality**" has the meaning set forth in Appendix J.

"**Quality Assurance**" has the meaning set forth in Appendix J.

"**Quality Assurance Program**" or "**Q/A Program**" has the meaning set forth in Section 5.4.

"**Quality Control**" has the meaning set forth in Appendix J.

"**Rating Agency**" means S&P or Moody's.

"**Real Property**" means the real property for the Facility Site (as may be modified in accordance with Section 12.4(b) and Section 12.4(d)), including the Seller-owned portion of the generation tie-line for the Facility.

"**Real Property Agreements**" means the real property agreements listed in Appendix H (as may be modified in accordance with Section 12.4(b) and Section 12.4(d)).

"**Recipient Party**" has the meaning set forth in Section 14.3(a).

"**Rejection Notice**" has the meaning set forth in Section 14.21(a).

"**Remaining Term**" means, at any date, the remaining portion of the Agreement Term at that date without regard to any early termination of this Agreement.

"**Remedial Action Plan**" has the meaning set forth in Section 3.3(c).

"**Renewable Energy Certificates**" means a certificate of proof associated with the generation of electricity from an RPS Compliant eligible renewable energy resource, which certificate is issued through the accounting system established by the CEC pursuant to the RPS Law, evidencing that one (1) MWh of Energy was generated and delivered from such eligible renewable energy resource. Such certificate is a tradable environmental commodity (also known as a "green tag" or "renewable energy credit") for which the owner of the Renewable Energy Certificate can prove that it has purchased renewable Energy.

"**Replacement Energy**" means Energy that is produced by a facility (or facilities) other than the Facility that, at the time delivered to Buyer, (a) is both RPS Compliant and, if applicable, EPS Compliant, and (b) qualifies under California Public Utilities Code Section 399.16(b)(1).

"**Replacement Price**" has the meaning set forth in Section 8.7(b).

"**Requirements**" means, collectively, Prudent Utility Practices, all applicable Requirements of Law, the Permits, Seller's Quality Assurance Program, and any other requirements set forth in this Agreement.

"**Requirements of Law**" means federal, state and local laws, statutes, regulations, rules, codes or ordinances, resolutions, standards, guidebooks (including the Guidebook), directives, executive or other orders, judgement, decrees, ruling or determinations enacted, adopted, issued or promulgated by any federal, state, local or other Governmental Authority (including those pertaining to electrical, building, zoning, Environmental Laws and occupational safety and health requirements), formal actions taken by a Governmental Authority (including any formal action taken by the city council of any Participating Member) and the International Trade Laws.

"**Resource Adequacy Attributes**" means the benefits or attributes, if any, now or existing in the future based on the procurement obligations of Buyer with respect to resource adequacy as described by the PUC, the CEC, an applicable Balancing Authority (including but not limited to the CAISO or the Attaining Balancing Authority) or any other regional entity, and that are associated with the electric generating capability of the Facility.

"**RH**" means range of humidity.

"**Right of First Offer**" or "**ROFO**" has the meaning set forth in Section 14.21.

"**Right of First Refusal**" or "**ROFR**" has the meaning set forth in Section 14.21.

"**RPS Compliance Period**" means each "Compliance Period" as defined in the RPS Law.

"**RPS Compliance Shortfall Energy**" means the difference between the aggregate amount of Delivered Energy delivered to Buyer during any RPS Compliance Period and the sum of the Guaranteed Delivered Energy for such RPS Compliance Period, less any Replacement Energy provided by Seller during such RPS Compliance Period.

"**RPS Compliance Shortfall Liquidated Damages**" has the meaning set forth in Section 9.3.

"**RPS Compliant**" means, when used with respect to the Facility or any other facility at any time, that all Energy generated by the Facility or other facility, as applicable, at all times shall, together with all of the associated Environmental Attributes, qualify as a "portfolio content category 1" eligible renewable resource under the RPS Law and meet the requirements of Public Utilities Code Section 399.16(b)(1).

"**RPS Law**" means renewable energy programs and policies established and amended by California State Senate Bills 1078 (2002), X1-2 (2011), 350 (2015) and 100 (2018) and codified in California Public Utilities Code Sections 399.11 through 399.31 and California Public Resources Code Sections 25740 through 25751, as such provisions are amended or supplemented from time to time, and all related policies, regulations and guidelines, including the Guidebook.

"**RPS Shortfall Penalty**" has the meaning set forth in Section 9.3.

"**RTU**" has the meaning set forth in Appendix P.

"**S&P**" means Standard & Poor's Corporation, and its successors in interest.

"**Sale Leaseback Financing**" means a sale leaseback whereby the Facility or Seller's interest in the Facility Site (which for purposes of this definition shall exclude any easements associated with the transmission line) is sold by Seller to one or more investors (each, a "***Lessor***") and leased back by Seller and Seller retains a right of quiet enjoyment over the Facility Site (or the Facility, as applicable) during the lease term as long as Seller pays Lessor thereof rent and meets its other obligations under the lease; provided that a Sale Leaseback Financing shall comply with the provisions of Section 12.5.

"**SBE**" has the meaning set forth in Section 14.24(c).

"**SCADA**" has the meaning set forth in Section 7.2(a).

"**Schedule**" or "**Scheduling**" means the actions of Seller and Buyer, Buyer's Agent, or their Authorized Representatives, and the Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity of Energy to be delivered at the Point of Delivery on any given date during the Delivery Term.

"**Scheduled Outage**" means any outage with respect to the Facility other than a Forced Outage.

"**Scheduled Outage Projection**" has the meaning set forth in Section 7.4(c).

"**Scheduling Procedures**" has the meaning set forth in Section 7.2(a).

"**Security Requirements**" has the meaning set forth in Section 5.3(c).

"**Seller**" has the meaning set forth in the preamble to this Agreement.

"**Seller Caused Access Failure**" has the meaning set forth in Section 7.3(c).

"**Seller Parties**" means Seller and any Affiliates of Seller executing any Ancillary Documents now or hereafter in effect.

"**Seller's Check Meters**" has the meaning set forth in Section 7.3(b)(i)(A).

"**Seller's SCADA Integrated Components**" has the meaning set forth in Section 7.3(a).

"**SFPO**" has the meaning set forth in Section 14.24(i).

"**Shared Facilities Agreement**" means any agreement governing the use of certain shared facilities, the right to occupy or use shared real property, or the ownership or governance of the rights associated with either, in any case, entered into in accordance with Section 14.22.

"**Shortfall Energy**" has the meaning set forth in Section 9.1(a).

"**Shortfall Liquidated Damages**" means, individually, Annual Shortfall Liquidated Damages or RPS Compliance Shortfall Liquidated Damages, as the context requires, and collectively, Annual Shortfall Liquidated Damages and RPS Compliance Shortfall Liquidated Damages.

"**Shortfall Make Up Period**" has the meaning set forth in Section 9.1(a).

"**Site Control**" means that Seller shall: (i) own the Facility Site; (ii) be the grantee or licensee of one or more easements with respect to the Facility Site, which, in each case, permit Seller to perform its obligations under this Agreement and, as applicable, the other Ancillary Documents; (iii) be the lessee under one or more leases with respect to the Facility Site which permit Seller to perform its obligations under this Agreement and the Ancillary Documents; or (iv) have otherwise provided evidence satisfactory to Buyer of Seller's exclusive right to control the Facility Site so as to permit Seller to perform its obligations under this Agreement and the Ancillary Documents to which it is a party.

"**Solar Panel Mechanical Completion**" has the meaning set forth in Appendix N-1, Appendix N-2, and Appendix N-3.

"**Special Purpose Entity**" means a limited liability company that at all times:

(a) shall not (i) engage in any dissolution, liquidation or consolidation or merger with or into any other business entity, (ii) acquire by purchase or otherwise all or substantially all of the business or assets of or beneficial interest in any other entity, (iii) transfer, lease or sell, in one transaction or any combination of transactions, all or substantially all of its properties or assets except to the extent permitted herein, (iv) modify, amend or waive any provisions of its organizational documents related to its status as a Special Purpose Entity, or (v) terminate its organizational documents or its qualifications and good standing in any jurisdiction;

(b) was, is and will be organized solely for the purpose of acquiring, developing, owning, holding, selling, financing, leasing, transferring, exchanging, managing and operating the Facility, entering into this Agreement with Buyer and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing;

(c) has not been, is not, and will not be engaged in any business unrelated to the acquisition, development, construction, ownership, management or operation of the Facility;

(d) has not had, does not have and will not have, any assets other than those related to the Facility;

(e) has held itself out and will hold itself out to the public as a legal entity separate and distinct from any other entity and has not failed and will not fail to correct any known misunderstanding regarding the separate identity of such entity;

(f) has maintained and will maintain its financial statements, bank accounts, accounts, books, resolutions, agreements and records separate from any other Person and has filed and will file its own tax returns (except to the extent treated as a "disregarded entity" for tax purposes and is not required to file tax returns under applicable law);

(g) has held itself out and identified itself and will hold itself out and identify itself as a separate and distinct entity under its own name or in a name franchised or licensed to it by an entity other than an Affiliate of Seller and not as a division, department or part of any other Person;

(h) has maintained and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(i) has not made and will not make loans or advances to any Person other than as required under the Interconnection Agreement, or as may be permitted under the Shared Facilities Agreement, or hold evidence of indebtedness issued by any other Person (other than cash and investment-grade securities issued by an entity that is not an Affiliate of or subject to common ownership with such entity) or made any gifts or fraudulent conveyances to any Person;

(j) has not identified and will not identify its members, or any Affiliate of any member, as a division or department or part of it, and has not identified itself and shall not identify itself as a division or department of any other Person;

(k) has not entered into or been a party to, and will not enter into or be a party to, any transaction with its members or Affiliates, except (i) in the ordinary course of its business and on terms which are intrinsically fair, commercially reasonable and are no less favorable to it than would be obtained in a comparable arm's-length transaction with an unrelated third party, (ii) in connection with the development or construction of the Facility, provided that (except with respect to agreements subject to clause (iii) below), any indebtedness or other obligations of Seller pursuant to any such transaction with its members or Affiliates shall be fully performed and discharged in their entirety on or prior to the occurrence of the Commercial Operation Date, (iii) any Shared Facilities Agreement, or (iv) as otherwise set forth and permitted in this Agreement;

(l) does not and will not have any obligation to indemnify, and has not indemnified and will not indemnify any Person other than (i) its officers, managers or members, as the case may be, and the Independent Manager in connection with activities related to the performance of this Agreement, (ii) entities requiring indemnification in the normal course of business in connection with the development, construction, ownership and operation of the Facility, or (iii) any Affiliate that is a party to a Shared Facilities Agreement, in each case as set forth therein;

(m) has considered and shall consider the interests of its creditors in connection with all limited liability company actions;

(n) does not and will not have any of its obligations guaranteed by any Affiliate and will not hold itself out as being responsible for the debts or obligations of any other Person except (i) in connection with the development or construction of the Facility; provided that any such debt obligations shall be fully performed and discharged on or prior to the occurrence of the Commercial Operation Date, or (ii) in accordance with the Interconnection Agreement and any Shared Facilities Agreement;

(o) has complied and will comply with all of the terms and provisions contained in its organizational documents including the provision requiring that there be an Independent Manager at all times and has done or caused to be done and will do all things necessary to preserve its existence;

(p) has not commingled, and will not commingle, its funds or assets with those of any Person and has not participated and will not participate in any cash management system with any other Person;

(q) has held and will hold its assets in its own name and conducted and will conduct all business in its own name;

(r) has maintained and will maintain its financial statements, accounting records and other entity documents separate from any other Person and has not permitted and

will not permit its assets to be listed as assets on the financial statement of any other entity except as required by GAAP; provided, however, that any such consolidated financial statement shall contain a note indicating that its separate assets and liabilities are neither available to pay the debts of the consolidated entity nor constitute obligations of the consolidated entity;

(s) has paid and will pay its own liabilities and expenses, including the salaries of its own employees, out of its own funds and assets, and has maintained and will maintain a sufficient number of employees in light of its contemplated business operations;

(t) has observed and will observe all limited liability company formalities;

(u) has not assumed or guaranteed or become obligated for, and will not assume or guarantee or become obligated for the debts of any other Person (other than an Affiliate of Seller solely as provided in (k) and (n) of this definition with respect to debts incurred for the performance of an obligation of Seller under this Agreement) and has not held out and will not hold out its credit as being available to satisfy the obligations of any other Person (other than an Affiliate of Seller solely as provided in (k) and (n) of this definition with respect to debts incurred for the performance of an obligation of Seller under this Agreement) except as permitted pursuant to this Agreement, or in accordance with the Interconnection Agreement or any Shared Facilities Agreement;

(v) does not have and will not acquire obligations or securities of its members or any Affiliate, except as permitted under (k), (n), and (u) of this definition;

(w) has allocated and will allocate fairly and reasonably any overhead expenses that are shared with any Affiliate, including but not limited to paying for shared space and services performed by any employee of an Affiliate;

(x) maintains and uses, and will maintain and use separate stationery, invoices and checks bearing its name; such stationery, invoices and checks utilized by it or utilized to collect its funds or pay its expenses have borne and shall bear its own name and have not borne and shall not bear the name of any other entity unless such entity is clearly designated as being its agent;

(y) except in connection with the development or construction, or financing of the development or construction of the Facility, or in accordance with any Shared Facilities Agreement, has not pledged and will not pledge its assets for the benefit of any other Person;

(z) now has, and will continue to maintain, articles of organization, a certificate of formation or an operating agreement, as applicable, that provides that it will not: (i) dissolve, merge, liquidate or consolidate; (ii) sell, transfer, lease or otherwise convey all or substantially all of its assets; (iii) engage in any other business activity, or amend its organizational documents with respect to the matters set forth in this definition without the affirmative vote of its Independent Manager; or (iv) without the affirmative vote of its Independent Manager, file a bankruptcy or insolvency petition or otherwise institute insolvency proceedings with respect to itself or to any other entity in which it has a direct or indirect legal or beneficial ownership interest;

(aa) is and intends to remain solvent and has paid and intends to continue to pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets as the same shall have or become due, and has maintained, is maintaining and intends to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; and

(bb) has and will have no indebtedness other than (i) any loan(s) made by the Facility Lender providing construction financing for the Facility and any loan in replacement or substitution thereof, (ii) Taxes and Insurance premiums, (iii) liabilities (other than any loan(s) made by the Facility Lender) incurred in the ordinary course of business relating to its ownership, leasing and operation of the Facility and its routine administration, the amounts of which are normal and reasonable under the circumstances and paid in a timely manner and, when due and owing at any given time but unpaid, (A) do not exceed, at any time, a maximum amount of one percent (1%) of any loan(s) made by the Facility Lender providing construction financing for the Facility and any loan in replacement or substitution thereof, and (B) are paid within sixty (60) days of the date incurred, (iv) any other liabilities incurred in the ordinary course of business relating to the development and construction of the Facility, provided that any such liabilities shall be fully discharged on or prior to achievement of the Commercial Operation Date or as set forth in any Shared Facilities Agreement, and (v) such other liabilities that are permitted pursuant to this Agreement.

"**SPG**" has the meaning set forth in Appendix S.

"**Startup and Test Energy**" means Delivered Energy, measured in MWh, generated prior to the Commercial Operation Date for which there are certified RECs.

"**Startup Notice**" has the meaning set forth in Section 3.3(b).

"**Startup Price**" has the meaning set forth in Appendix A.

"**State Executive Order**" has the meaning set forth in Section 14.24(m).

"**Subcontractors**" has the meaning set forth in Section 11.5.

"**System Emergency**" means (i) an emergency condition or abnormal condition on the Transmission System which in the sole judgment of Buyer's Transmission Provider prevents Buyer or Buyer's Transmission Provider acting in accordance with Prudent Utility Practices to receive Energy at the Point of Delivery, (ii) an "Emergency Condition" as defined in the Transmission Provider's OATT or the Interconnection Agreement, or (iii) any abnormal condition, reliability condition on a Transmission Provider's Transmission System as may be identified by such Transmission Provider, any balancing authority, or any reliability entity.

"**Tax**" or "**Taxes**" means each federal, state, county, local and other (i) net income, gross income, gross receipts, sales, use, ad valorem, business or occupation, transfer, franchise, profits, withholding, payroll, employment, excise, property or leasehold tax and (ii) customs, duty or other fees, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amount with respect thereto.

"**Tax Equity Investor**" has the meaning set forth in the definition of "Tax Financing."

"**Tax Financing**" means, with respect to Seller or any Upstream Equity Owner, any transaction or series of transactions in which (i) (a) one or more tax equity investors (each, a "***Tax Equity Investor***") buys an interest in Seller or in any Upstream Equity Owner acting as a holding company for Seller, (b) such Tax Equity Investors are thereafter allocated a disproportionate amount of the income, loss and tax credits associated with Seller, which may be revised after a "flip date," after which such allocations are reduced or otherwise modified, (c) on one or more dates on or after such "flip date" the other party or parties to such transaction or series of transactions that was the recipient of the remainder of any income, loss and tax credit allocations (that is, the non-Tax Equity Investor to the transaction or series of transactions) may have an option to repurchase any Tax Equity Investors' interest in Seller or such Upstream Equity Intermediate Entity acting as a holding company for Seller, and (d) such non-Tax Equity Investor's interest in Seller or such Upstream Equity Intermediate Entity retains management control over the Facility, but must obtain the agreement of the Tax Equity Investors prior to taking major decisions (in accordance with the applicable tax equity financing documents) with respect to Seller or such Upstream Equity Owner acting as a holding company, (ii) there is a Sale Leaseback Financing, (iii) one or more tax credit buyers purchases the ITCs or PTCs associated with the Project or (iv) another structure pursuant to which a third-party is able to monetize the tax credits and/or other benefits associated with the Facility to be agreed with the prior written consent of Buyer, such consent not to be unreasonably withheld.

"**Termination Notice**" has the meaning set forth in the definition of Section 13.3(a).

"**Termination Payment**" means in the case of a Default, the amounts, calculated pursuant to Section 13.3 payable by the Defaulting Party, as applicable, to liquidate this Agreement.

"**Third Party Sale Replacement Price**" has the meaning set forth in Section 6.3.

"**Tier One**" has the meaning set forth in Section 5.1(d).

"**Transmission Line Loss Factor**" means a number, stated as a percentage, which will be used to calculate the line losses on the gen-tie transmission line between the Project Meter and the Point of Delivery and will be applied to the readings taken by the Electric Metering Device(s) installed at the Project Meter as set forth in Section 11.6(b). For the avoidance of doubt, after the Transmission Line Loss Factor is determined in accordance with Section 3.7(b), it shall remain constant until the expiration of the Delivery Term. The Transmission Line Loss Factor is intended to represent all transmission and transformation losses between the Project Meter and the Point of Delivery.

"**Transmission Provider**" means the Person(s) operating the Transmission System(s) providing Transmission Services to or from the Point of Delivery.

"**Transmission Services**" means the transmission and other services required to transmit Energy to or from the Point of Delivery.

"**Transmission System**" means the facilities utilized to provide Transmission Services.

"**Ultimate Upstream Equity Owner**" means the entity set forth in Section 1 of Schedule 12.2(h).

"**UNFCCC**" has the meaning set forth in the definition of "Environmental Attributes."

"**Upstream Equity Owner**" means any upstream equity owner of Seller at or below the Ultimate Upstream Equity Owner.

"**U.S. Issuer Bank**" means any issuer of a letter of credit that is organized under the laws of the United States or any state thereof.

"**VAC**" means volts alternating current.

"**VDC**" means volts direct current.

"**WBE**" has the meaning set forth in Section 14.24(c).

"**WECC**" means the Western Electricity Coordinating Council, and any successor entity thereto.

"**Western Interconnection**" means the wide area synchronous power grid overseen by the WECC.

"**WREGIS**" means Western Renewable Energy Generation Information System, any successor thereto, including any replacement system required by the CEC, or any replacement system as determined by Buyer.

"**WREGIS Certificates**" has the meaning set forth in Section 8.4.

"**WREGIS Operating Rules**" means the rules describing the operations of WREGIS, as published by WREGIS and as may be amended from time to time.

"**WREGIS Withhold Amount**" has the meaning set forth in Section 11.2.

Other terms defined herein have the meanings so given them in this Agreement.

Section 1.2 Interpretation. In this Agreement, unless a clear contrary intention appears:

(a) time is of the essence;

(b) the singular number includes the plural number and vice versa;

(c) reference to any Person includes such Person's successors and assigns but, in case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;

(d) reference to any gender includes the other;

(e) reference to any agreement (including this Agreement), document, instrument, tariff or Requirement means such agreement, document, instrument, or tariff, or Requirement, as amended, modified, replaced or superseded and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof;

(f) reference to any Article, Section, or Appendix means such Article of this Agreement, Section of this Agreement, or such Appendix to this Agreement, as the case may be, and references in any Article or Section or definition to any clause means such clause of such Article or Section or definition;

(g) "herein", "hereunder", "hereof", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or Section or other provision hereof or thereof;

(h) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term;

(i) relative to the determination of any period of time, "from" means "from and including," "to" means "to but excluding," and "through" means "through and including";

(j) reference to time shall always refer to Pacific Prevailing Time; and reference to any "day" or "month" shall mean a calendar day or calendar month, as applicable, unless otherwise indicated;

(k) the term "or" is not exclusive; and

(l) the terms "shall" and "will" shall have the same meaning and be of equal force and effect.

Section 1.3 Interpretation with Interconnection Agreement. The Parties acknowledge that the Interconnection Agreement is a separate and free-standing contract and that nothing in this Agreement, including the expiration or termination hereof, shall alter or modify the rights, duties and obligations of the parties under the Interconnection Agreement.

Section 1.4 Order of Precedence. In the event of any conflict or inconsistency between or among the terms and conditions of any of the body of this Agreement, the Appendices and Exhibits attached to the body of this Agreement and the Ancillary Documents, the following order of precedence, consistent with the controlling Requirements of Law, shall govern the interpretation of this Agreement: (i) the body of this Agreement, (ii) the Appendices and Exhibits attached to the

body of this Agreement, (iii) the Option Agreement and (iv) the Ancillary Documents other than the Option Agreement.

ARTICLE II
EFFECTIVE DATE, TERM AND EARLY TERMINATION

Section 2.1 Effective Date. This Agreement shall be effective as of the Effective Date. Concurrently with the execution of this Agreement, Seller shall execute and deliver to Buyer the Option Agreement. No later than five (5) Business Days after the Effective Date, Seller shall deliver (or caused to be delivered) to Buyer the Legal Opinion and the documents described in Section 12.2(b).

Section 2.2 Approvals Date Obligations.

(a) Within five (5) Business Days after the date on which all Approvals have been obtained, Buyer shall provide written notice to Seller of the occurrence thereof and the Approvals Date.

(b) No more than thirty (30) days after the Approvals Date, Seller shall deliver to Buyer a copy of the CEC pre-certification application for the Facility in the name of Seller that has been filed with the CEC. No later than five (5) Business Days after the Approvals Date, Seller shall deliver to Buyer the Non-Consolidation Opinion.

Section 2.3 Agreement Term and Delivery Term. The term of this Agreement shall commence on the Effective Date and shall end upon the final date of the Delivery Term (the "***Agreement Term***"). This Agreement shall have a delivery term commencing on the Commercial Operation Date and ending on the last day of the Final Stub Year, unless sooner terminated in accordance with the terms of this Agreement (the "***Delivery Term***").

Section 2.4 Survivability. The provisions of this Section 2.4, Section 5.6, Section 11.5, Article XIII, and Article XIV shall survive the termination of this Agreement. In addition, applicable provisions of this Agreement shall continue in effect after termination to the extent necessary to provide for final billing and adjustments related to the period prior to termination of this Agreement, including payment of any money due and owing to Seller or Buyer pursuant to this Agreement, including Section 3.3, Section 5.6, Section 6.1, Section 6.3, Section 6.4, Section 9.2 and Section 9.3.

Section 2.5 Early Termination. Without limiting Buyer's rights in this Agreement, including any other termination rights that may not be enumerated in this Section 2.5, Buyer may terminate this Agreement as follows:

(a) **Early Termination by Mutual Agreement.** This Agreement may be terminated by mutual written agreement of the Parties.

(b) **Early Termination for Default**. Upon the occurrence and during the continuation of a Default subject to applicable cure periods, if any, the Non-Defaulting Party may, in its sole discretion, terminate this Agreement as set forth in Section 13.3.

(c) **Early Termination for Compliance Failure**. Buyer, in its sole discretion, may terminate this Agreement pursuant to Section 8.7.

(d) **Early Termination for Failure to Achieve Commercial Operation**. Buyer, in its sole discretion, may terminate this Agreement effective upon notice to Seller if Seller fails to achieve the Commercial Operation Date in accordance with Section 13.1(i).

(e) **Early Termination for Consecutive Shortfall Energy Years**. Buyer may, in its sole discretion, terminate this Agreement pursuant to Section 13.1(j).

(f) **Early Termination for Force Majeure**. This Agreement may be terminated pursuant to Section 14.5.

(g) **Early Termination for Failure to Obtain CEC Certification**. Buyer may, in its sole discretion, terminate this Agreement effective upon notice to Seller pursuant to Section 3.5 if the Facility is not CEC Certified by the date that is six (6) months following the Commercial Operation Date.

(h) **Early Termination for Business Policies**. Buyer, in its sole discretion may terminate this Agreement pursuant to Section 14.24.

(i) **Early Termination for Exercise of ROFO or ROFR**. If Buyer accepts the Right of First Offer or Right of First Refusal for any proposed sale of all or any portion of the Facility or the Facility Assets, this Agreement shall terminate effective upon the consummation of any such sale to Buyer pursuant to Section 14.21.

(j) **Early Termination for Exercise of Project Purchase Option**. In the event Buyer elects to exercise the Project Purchase Option, this Agreement shall terminate effective upon the Closing under the Option Agreement.

Any termination of this Agreement under this Section 2.5 shall be without prejudice to the rights and remedies of either Party for Defaults occurring prior to such termination.

Section 2.6 Early Termination for Failure to Obtain Required Approvals. If the Approvals Date has not occurred by the Approvals Deadline, then within ten (10) Business Days after the Approvals Deadline, either Buyer or Seller may terminate this Agreement and the Option Agreement by providing written notice to the other Party signed by a duly-authorized officer of Buyer or Seller, as applicable, which specifically provides that Buyer or Seller, is exercising its right to terminate this Agreement and the Option Agreement and specifically provides that such termination is being made pursuant to this Section 2.6 of the Agreement, with such termination to be effective immediately. Notwithstanding the immediately preceding sentence, each Party's right to terminate shall expire on the earlier to occur of (a) the Approvals Date and (b) ten (10) Business Days after the Approvals Deadline. Upon such termination, neither Party shall have any liability to the other Party for such termination, subject to any obligations specified in Section 2.4.

ARTICLE III
DEVELOPMENT OF THE FACILITY

Section 3.1 Permitting. Seller, at its expense shall timely take all steps necessary to obtain all Permits required to construct, maintain or operate the Facility in accordance with the requirements of this Agreement and all applicable Requirements of Law, including the timely preparation of all environmental documents required for the review of the Facility under applicable federal and Utah law (the "***Environmental Documents***"), and any relevant Milestones.

Section 3.2 Design, Development and Construction of the Facility. The location, design, configuration and capacities of the Facility shall be consistent with the Requirements, including the characteristics and other requirements for the Facility set forth in Appendix B. Seller shall use commercially reasonable and diligent efforts to site, develop, finance and construct the Facility. The Facility and the Facility Site shall be owned (or leased pursuant to a Sale Leaseback Financing, the Real Property Agreements, or any other lease arrangement meeting the Site Control requirements and otherwise reasonably acceptable to Buyer) by Seller during all periods of the Agreement Term from and after the Construction Commencement Milestone. Seller shall develop, finance and construct the Facility at its sole risk and expense and in compliance with the Requirements; provided that meeting these requirements shall not relieve Seller of its other obligations under this Agreement. Any failure by Seller to inspect the physical condition of the Facility Site, including any local or other conditions that may be material to Seller's performance of its obligation under this Agreement, shall not relieve Seller from any responsibility for estimating properly the difficulty and cost of successfully constructing, maintaining or operating the Facility in accordance with this Agreement or from proceeding to construct, maintain and operate the Facility successfully without any expense to Buyer. Subject to any restrictions set forth in this Agreement, Seller may subcontract its duties or obligations under this Agreement without the prior written consent of Buyer; provided, that no such subcontract shall relieve Seller of any of its duties or obligations hereunder. Subject to Section 6.1(c), but notwithstanding any other provision of this Agreement, Seller may in its discretion construct and install the Facility with a capacity in excess of the Contract Capacity. Seller shall enter into or cause the EPC Contractor (or its electrical subcontractor) to enter into a project labor agreement for the electrical trades performing construction and installation work on the high-voltage electrical components of the Facility.

Section 3.3 Milestone Schedule; Daily Delay Damages.

(a) Attached as Appendix B is a schedule of the milestones for the development of the Facility through its Commercial Operation Date (each milestone, a "***Milestone***") and the Milestone Dates associated therewith, including the Guaranteed Commercial Operation Date. Seller shall achieve each Milestone by no later than the Milestone Date specified therefor. Seller anticipates achieving Commercial Operation by September 30, 2028, but Seller may achieve Commercial Operation prior to September 30, 2028 (but in any event no earlier than June 30, 2028 without the prior consent of Buyer, such consent to be in the sole discretion of Buyer) so long as Seller provides at least twelve (12) months advanced written notice thereof. From and after the Approvals Date until the date upon which Commercial Operation has been achieved, Seller shall provide Buyer with monthly reports with updates related to Facility development and progress, including timing and status for obtaining all requisite Permits set forth in Appendix K and achieving pre-Commercial Operation Date Milestones, as set forth in Appendix B.

(b) Beginning upon the earlier of (i) June 30, 2028, or (ii) the date that is six months prior to the date designated by Seller pursuant to Section 3.3(a) for Commercial Operation of the Facility, Seller shall have the right to sell and deliver, and Buyer shall purchase and accept from Seller, Startup and Test Energy at the rate for such Energy set forth in Appendix A on the terms specified in this clause (b). Seller shall provide Buyer not less than thirty (30) days' written notice of the date upon which it will commence delivery of Startup and Test Energy ("***Startup Notice***"). The Startup Notice shall include a schedule of Seller's best projection for delivery of Startup and Test Energy, and shall be subject to Buyer's approval in all respects, such approval not to be unreasonably withheld. Thereafter, Seller shall provide an updated schedule of Seller's best projection for delivery of Startup and Test Energy every thirty (30) days, and shall promptly notify Buyer of any expected change to such projected delivery. For the avoidance of doubt, (i) Buyer shall have the right, but shall have no obligation hereunder, to purchase Startup and Test Energy at any time before June 30, 2028, and (ii) Buyer shall purchase and accept Startup and Test Energy in amounts and at times reasonably necessary to allow Seller to achieve the Commercial Operation Date, as applicable, as soon as is reasonably possible following Buyer's receipt of the Startup Notice, it being acknowledged, however, that the Startup and Test Energy may be curtailed by Buyer to the extent commercially necessary or for any operational reason, in each case, in Buyer's sole discretion on a non-compensable basis.

(c) If Seller anticipates that it will not achieve a Milestone by the Milestone Date therefor, Seller shall promptly prepare and deliver to Buyer a written action plan detailing how Seller will cure such failure (such plan, a "***Remedial Action Plan***"). The proposed Remedial Action Plan must in all cases be acceptable to Buyer, such acceptance not to be unreasonably withheld, delayed or conditioned. The Remedial Action Plan shall specify in reasonable detail the anticipated period of delay, Seller's analysis of the causes of the missed Milestone Date, the actions that Seller plans to take to correct such underperformance, and the time needed to complete such corrective actions. Seller shall complete any and all corrective action pursuant to the provisions of the Remedial Action Plan. Seller may (i) supplement the Remedial Action Plan, as may be reasonably required, or (ii) provide Buyer with written notice of any deviations from the approved Remedial Action Plan; provided that in the case of (i) or (ii), any supplements to, or deviations from, the Remedial Action Plan must be acceptable to Buyer, such acceptance not to be unreasonably withheld, delayed or conditioned.

(d) In addition to the preparation of a Remedial Action Plan in accordance with Section 3.3(c), if Seller fails to achieve the Key Milestone by the Milestone Date therefor, Seller shall pay Buyer the Daily Delay Damages for each day between the Milestone Date for the Key Milestone and the date upon which the Key Milestone is achieved (or the Agreement is terminated by Buyer under Section 13.1(i)). Buyer may draw from the Development Security the amount of any such Daily Delay Damages. The Key Milestone shall be extended for a period of time as may reasonably be required to the extent Seller is actually delayed as a result of the event of Force Majeure, but in no event to exceed a period of two hundred forty (240) or more consecutive calendar days or an aggregate of three hundred sixty-five (365) consecutive or non-consecutive calendar days from the date of the occurrence of such event of Force Majeure in accordance with Section 14.5(c). If the Force Majeure event extends the Guaranteed Commercial Operation Date by two hundred forty (240) or more consecutive calendar days or by an aggregate of three hundred sixty-five (365) consecutive or non-consecutive calendar days, then Buyer may terminate this

Agreement, in its sole discretion, and Buyer shall return the Development Security to Seller less (i) any amounts that are due and owing to Buyer under this Agreement and (ii) any amounts previously drawn by Buyer in accordance with this Agreement.

(e) Notwithstanding anything to the contrary set forth in this Agreement, in no event shall the Commercial Operation Date occur later than one hundred and eighty (180) days after the Guaranteed Commercial Operation Date (the "***Outside COD***"), and the failure to achieve the Commercial Operation Date by the Outside COD shall be an immediate Default by Seller; provided that the Outside Date may be extended as set forth in Section 3.3(d) due to Force Majeure.

(f) The Parties agree that the damages that Buyer would incur due to Seller's failure to timely achieve the Key Milestone would be difficult or impossible to predict with certainty, and it is impractical or difficult to assess actual damages in those circumstances and, therefore, the Daily Delay Damages are a fair and reasonable calculation of such damages and shall be in lieu of actual damages for Seller's failure to achieve the Key Milestone by the Milestone Date therefor.

(g) The payment of Daily Delay Damages shall be the exclusive remedy of Buyer associated with Seller's failure to timely achieve the Key Milestone but shall not limit Buyer's right to (i) recover actual damages pursuant to Section 3.3(d), (ii) exercise any right or remedy available under this Agreement or at law or in equity for any other breach or default occurring concurrently with, before, or after Seller's delay in achieving the applicable Milestone by the Milestone Date therefor, (iii) recover any damages not directly attributable to such delay (not to exceed, prior to the Commercial Operation Date, the amount of the Development Security) or to pursue any indemnity claims in accordance with this Agreement, or (iv) terminate this Agreement pursuant to Section 13.1(i) for failure to achieve the Commercial Operation Date by the Guaranteed Commercial Operation Date.

Section 3.4 Certification of the Commercial Operation Date. Seller shall provide Buyer with no fewer than ninety (90) days prior written notice of the anticipated date of the Commercial Operation Date. Seller shall deliver a written completion certification to Buyer in the form of Appendix N with respect to the Commercial Operation Date. Once such certification has been delivered, Buyer shall have up to thirty (30) days from the receipt of such certification to either accept or reject, in writing, the certification; provided, Buyer may not unreasonably withhold, delay or condition acceptance of any such certification, and any rejection by Buyer must be reasonable and contain a written description with reasonable detail of Buyer's reasons therefor. If Buyer rejects any such certification, Seller shall promptly correct those defects or deficiencies as directed by Buyer and resubmit the certification, and Buyer shall have up to fifteen (15) additional days from the date of such resubmission to either accept or reject such resubmitted certification. Buyer shall in all cases respond in writing to any such certification within such thirty (30) day or fifteen (15) day period (as applicable) and shall be deemed to have accepted such certification effective on the earlier of Buyer's actual acceptance thereof or the thirty-first (31st) day or sixteenth (16th) day (as applicable) following Buyer's receipt thereof if Buyer fails to respond in writing within such timeframe. The Commercial Operation Date shall occur as of the date upon which the Seller certification is accepted (or deemed accepted) by Buyer. Any Daily Delay Damages otherwise payable under Section 3.3(d) shall be excused for each day following

the date of Seller's delivery of a certification of such Commercial Operation Date under this Section 3.4 until the date on which Buyer responds to such certification under this Section 3.4, unless Buyer reasonably rejects such certification, in which case Daily Delay Damages shall be due and payable for each day between the Guaranteed Commercial Operation Date and the date until a revised certification of the Commercial Operation Date has been delivered by Seller and accepted by Buyer (in which case, such Daily Delay Damages shall only be payable up to the date that such certification was delivered by Seller).

Section 3.5 CEC Certification/NERC Registrations. Promptly, but in no event more than ten (10) days following the Commercial Operation Date, Seller shall file with the CEC all materials and documents required to demonstrate that the Facility is entitled to be CEC Certified. Seller shall promptly provide Buyer with copies of all submittals to the CEC and other correspondence between Seller and the CEC. Failure by Seller to comply with the requirements set forth in this Section 3.5 shall constitute an event of default by Seller, subject to the cure periods set forth in Section 13.1(b). During any period when Delivered Energy is provided in which CEC Certification has not been obtained, Buyer may withhold the WREGIS Withhold Amount; provided, however, Buyer shall pay to Seller, for each MWh generated by the Facility after the Certification Eligibility Date and for which a WREGIS Certificate was credited to Buyer's WREGIS account, any WREGIS Withhold Amount previously withheld by Buyer. Seller shall, at its cost, register with NERC for all applicable Function Types in the NERC Compliance Registry in accordance with the currently effective NERC Rules of Procedure, including Seller's registration as both Generator Owner and Generator Operator.

Section 3.6 Other Information. Seller shall provide to Buyer such other information that is in the possession of Seller, its Subcontractors (to the extent that Seller has the right to disclose such information), or its Affiliates or is reasonably available to Seller regarding the permitting, engineering, construction or operations of Seller, its subcontractors or the Facility, and other data concerning Seller, its subcontractors or the Facility that Buyer may, from time to time, reasonably request in writing; provided that Seller shall have no obligation to disclose confidential information that it does not have any right to disclose.

Section 3.7 Transmission Line Loss Factor.

(a) **Calculation of Transmission Line Loss Factor**. Seller shall cause an Independent Engineer to calculate the Transmission Line Loss factor using, at a minimum: (a) the as-built conductor type, length, impedance, and physical configuration; (b) transformer operating characteristics; (c) expected operating voltage and power factor assumptions; and (d) a representative hourly project output for a typical year, used in appropriate simulations.

(b) **Estimate Approval Condition to Construction Commencement.** At least sixty (60) days prior to the anticipated achievement of the Construction Commencement Milestone, Seller shall deliver to Buyer an estimate, calculated by an Independent Engineer, of the Transmission Line Loss Factor for Buyer's approval, which shall not be unreasonably withheld, conditioned or delayed. Buyer's approval of such estimate is a condition to achievement of the Construction Commencement Milestone.

(c) **Final Approval Condition to COD.** No fewer than ninety (90) days prior to the anticipated date of the Commercial Operation Date, Seller shall deliver to Buyer the final Transmission Line Loss Factor, calculated by an Independent Engineer, for Buyer's approval, which shall not be unreasonably withheld, conditioned or delayed. Buyer's approval of the Transmission Line Loss Factor is a condition to achieving the Commercial Operation Date.

ARTICLE IV
OPERATION AND MAINTENANCE OF THE FACILITY

Section 4.1 Compliance with Electrical Service Requirements. Seller shall, at its sole expense, operate and maintain the Facility: (i) in accordance with the Requirements and the requirements of applicable manufacturer's and operator's specifications and, using commercially reasonable efforts to comply with any published recommendations of the manufacturers and suppliers of the solar panels, and other major components of the Facility; (ii) with due regard for the safety, security and reliability of the interconnection facilities and the Transmission System, and in accordance with the Buyer's system protection design requirements, attached hereto as Appendix P, and (iii) in a manner that is reasonably likely to (A) optimize the use of the Facility consistent with the overall requirements of this Agreement, and (B) result in a useful life for the entire Facility of not less than thirty-five (35) years, assuming appropriate repairs and replacements from time to time of Facility components.

Section 4.2 General Operational Requirements. In addition to the requirements set forth in Section 4.1 and elsewhere in this Agreement, Seller shall, at all times employ or cause to be employed qualified and trained personnel for managing, operating and maintaining the Facility and for coordinating with Buyer and Buyer's Authorized Representative. Seller shall ensure remote monitoring of the Facility and that necessary personnel shall promptly respond to emergency consistent with industry practices during the Delivery Term. The Facility shall be operated during the Delivery Term by a Qualified Operator. For the avoidance of doubt, in no event will the operation of the Facility by a third party, nor shall Buyer's approval of any third party operator, relieve Seller of any of its obligations hereunder.

Section 4.3 Reactive Power Dispatch. The Facility shall maintain a reactive power dispatch within the power factor range of 0.95 lead/lag at the Point of Delivery, in accordance with Appendix P and the Interconnection Agreement.

Section 4.4 Not Used.

Section 4.5 Operation and Maintenance Plan after Commercial Operation. Following the Commercial Operation Date, Seller shall:

(a) provide on a monthly basis, information regarding (i) operations and maintenance status of the Facility provided to WECC or lenders pursuant to the Financing Agreement; and (ii) past generation performance that includes: a Facility performance summary with month/year to date, Facility performance on MWh, capacity factor, comparison of actual and expected, availability, average illumination and solar irradiance, operational summary including weather for the month, reasons for downtime, scheduled maintenance and repairs, curtailment

events, safety, and a summary of any environmental issues or concerns in the form set forth in Appendix W.

(b) provided on a monthly basis the following information in the form set forth in Appendix W: Seller's actions to: (i) conduct regular visual equipment inspections and log significant parameters; (ii) identify all preventive maintenance requirements for the following calendar year, including the performance of maintenance in accordance with Section 7.4; (iii) schedule and assign routine maintenance during operations, planned outages, as well as maintenance that can be conducted in parallel (but in the event of a forced or unscheduled outage, and as a result of outage and curtailment notifications (scheduled and unscheduled); (iv) conduct periodic maintenance to various equipment, and provide a report about any findings to Buyer; (v) conduct periodic Q/A and Q/C activities and inspections in accordance with Appendix J and, to the extent prepared in the ordinary course of business, provide reports thereof to Buyer; and (vi) hire Subcontractors, as applicable, to meet the Facility's maintenance, betterment, and improvement needs.

Section 4.6 Operation and Maintenance Plan after Purchase Option Notice. Following the provision by Buyer of a Purchase Option Tentative Exercise Notice (as defined in the Option Agreement) and until such time as the Closing occurs or Buyer declines to purchase the Facility in accordance with the Option Agreement Seller shall, to the extent prepared in the ordinary course of business:

(a) devise and implement, or cause the Qualified Operator to devise and implement, an operations and maintenance plan, or implement an existing plan that includes the status of the Facility and each of the major components thereof in order to maintain such equipment in accordance with Prudent Utility Practices (the "***Operation and Maintenance Plan***"). Such Operation and Maintenance Plan shall be consistent with the requirements of any Financing Agreement in place as of such date. Seller shall keep, or cause the Qualified Operator to keep, records with respect to inspections, maintenance, and repairs. The Operations and Maintenance Plan and all records associated therewith shall be available for inspection by Buyer during Seller's regular business hours upon reasonable notice; provided that Buyer shall at all times comply with Seller's or the Qualified Operator's written safety and security requirements when present at the Facility;

(b) provide Buyer, on a monthly basis, with a detailed description in the form of a written report, regarding the on-going operations of the Facility during such quarter, setting forth the status of the operations of the Facility or any component thereof, including any equipment or other operational or maintenance failures, defects or other issues and any repairs, replacements, or other remediation provided or to be provided therefor in a form which is reasonably acceptable to Buyer; as of January 15 of each calendar year, update the Operation and Maintenance Plan for the subsequent twelve (12) month calendar year period and submit the same to Buyer;

(c) perform routine and preventive maintenance actions in accordance with all applicable manufacturers' instructions, the Quality Assurance Program, Prudent Utility Practice, and the Operation and Maintenance Plan, including to: (i) conduct regular visual equipment inspections and log significant readings; (ii) identify all preventive maintenance requirements for

a period of the following two (2) calendar years, including the performance of maintenance in accordance with Section 7.4; (iii) schedule and assign routine maintenance during operations, planned outages, and maintenance that can be conducted in parallel (but not extend required actions) in the event of a forced or unscheduled outage, and outage and curtailment notifications (scheduled and unscheduled); (iv) conduct periodic maintenance to various equipment, and provide a report about any findings to Buyer; (v) conduct periodic Q/A and Q/C activities and inspections in accordance with Appendix J and provide reports thereof to Buyer; and (vi) hire Subcontractors, as applicable, to meet the Facility's plant's maintenance, betterment, and improvement needs.

Section 4.7 Reporting and Information after Purchase Option Notice. Following the provision by Buyer of a Purchase Option Tentative Exercise Notice (as defined in the Option Agreement) and until such time as the Closing occurs or Buyer declines to purchase the Facility in accordance with the Option Agreement, Seller shall, to the extent prepared in the ordinary course of business, provide Buyer with a draft budget for the Facility (the "***Budget***") for the twelve (12) month period beginning on July 1 of the applicable calendar year, which Buyer shall have the right to review and to provide comments for consideration by Seller.

Section 4.8 Compliance with New Resource Implementation. Seller shall, at its sole cost and expense (a) design and thereafter at all times maintain the Facility in compliance with the New Resource Implementation requirements (or the equivalent), and (b) include in the design, construction and operation of the Facility any equipment or software that may be required to enable the Facility to participate in the EIM (or its equivalent) and EDAM. Buyer shall register the Facility into the EIM and EDAM and Seller shall cooperate with Buyer in connection with such registration, including promptly providing necessary information, data and documentation for the registration.

ARTICLE V
COMPLIANCE DURING CONSTRUCTION AND OPERATION PERIOD

Section 5.1 In General.

(a) **The Facility**. Seller shall perform, or cause to be performed, all engineering, design and construction in a good and workmanlike manner and in material compliance with the Requirements. Seller warrants that, as of the Commercial Operation Date: (i) the Facility shall be free from material defects caused by errors or omissions in design, engineering, and construction, and (ii) the Facility will comply in all material respects with the Requirements. Seller also warrants that throughout the Agreement Term it will monitor the operation and maintenance of the Facility and that said operation and maintenance is, and will be, in material compliance with the Requirements, Seller's Quality Assurance Program, and any other provisions of this Agreement. Without limiting the foregoing, Seller shall promptly repair or replace, consistent with Prudent Utility Practice, any component of the Facility that may be damaged or destroyed or otherwise not operating properly. Seller shall, subject to Seller's reasonable judgment and consistent with Prudent Utility Practices, exercise commercially reasonable efforts to undertake all published, recommended, or required updates or modifications from manufacturers or suppliers to the Facility, its equipment and materials, including to

procedures, programming and software in a timely manner. Seller shall, at its expense, maintain throughout the Agreement Term an inventory of spare parts for the Facility in a quantity that is consistent with applicable manufacturers' recommendations and Prudent Utility Practice.

(b) **Startup and Testing**. Prior to the Commercial Operation Date, and as a condition precedent to the achievement of the Commercial Operation Date, Buyer shall have the right to (and Seller's engineering, procurement and construction subcontracts shall provide for Buyer's right to) during normal working hours and subject to Seller's or its subcontractors' reasonable requirements and procedures in respect of confidentiality (subject to the provisions set forth in Section 14.19) and safety):

(i) review and monitor the subcontractors' performance and achievement; and

(ii) be present to witness such initial performance and acceptance tests and review the results thereof; and

(iii) upon notice to Seller, perform such detailed examinations, inspections, quality surveillance and tests as, in the judgment of Buyer, are appropriate and advisable to determine that the Facility equipment and all ancillary components of the Facility have been installed in accordance with this Agreement and the Facility construction contracts, all applicable standards, Prudent Utility Practices, applicable Requirements of Law, the Quality Assurance Program and the Milestones, provided that such examinations, inspections, quality surveillance and tests shall not interfere with the operations of the Facility or Seller's or its subcontractors' work and Buyer shall comply with Seller's applicable access and safety requirements.

(c) **Access and Cooperation**. Seller shall, and shall cause each of its subcontractors to:

(i) permit Buyer and its Authorized Representatives, advisors, engineers and consultants to observe, inspect and monitor, upon reasonable notice to Seller during normal working hours and subject to Seller's or its subcontractors' reasonable requirements and procedures in respect of confidentiality (subject to the provisions set forth in Section 14.19) and safety, all operations and activities, including the performance of the contractor(s) under the construction contract(s) pertaining to the Facility, the design, engineering, procurement and installation of the equipment, start up and testing, and Commercial Operation and to make notes about and copy (and make such copies and notes available to Buyer) all documents, drawings, plans, specifications, permits, test results and information as Buyer may reasonably request;

(ii) make the personnel of, and consultants to, the subcontractors and Seller available to Buyer, Buyer's Agent, and Buyer's agents, Authorized Representatives and consultants at reasonable times and with prior notice for purposes of discussing any aspect of the Facility or the development, engineering, construction, installation, testing or performance thereof;

(iii) otherwise cooperate in all reasonable respects with Buyer, Buyer's Agent, and Buyer's Authorized Representative, advisors, engineers and consultants in order to allow Buyer to exercise its rights under this Section 5.1; and

(iv) from and after the Commercial Operation Date, except in the event of a System Emergency, accommodate Buyer's requests to visit the Facility during Seller's regular business hours upon reasonable notice.

(d) **Equipment Suppliers.** Seller shall only engage with Tier One solar panel manufacturers for the solar panels to be incorporated into the Facility. A "***Tier One***" solar panel manufacturer means First Solar or a manufacturer whose photovoltaic-powered solar panels are (a) financeable by a Qualified Issuer, or (b) if not a Qualified Issuer, financeable by a Person with a net worth of at least Five Hundred Million Dollars ($500,000,000). Seller shall use reasonable efforts to ensure that any equipment and supply contracts for the solar panels, inverters and any other major equipment for the Facility shall be fully assignable to, and be enforceable by, Buyer (including all warranties associated therewith) following Buyer's exercise of the Project Purchase Option. Buyer shall have the right to review all applicable equipment supply contracts (which may be redacted to the extent that they contain confidential pricing information, proprietary or other commercially sensitive information (excluding any excerpts related to warranty information, term, termination and assignability)) for the Facility to ensure that Seller has complied with the provisions of this Section 5.1(d).

Section 5.2 Effect of Review by Buyer. Any review by Buyer of the design, construction, engineering, operation or maintenance of the Facility, and witness of testing hereunder, is solely for the information of Buyer. Buyer shall have no obligation to share the results of any such review or observation with Seller, nor shall any such review or observation, or the results thereof (whether or not the results are shared with Seller), nor any failure to conduct any such review relieve Seller from any of its obligations under this Agreement. By making any such review, Buyer makes no representation as to the economic and technical feasibility, operational capability or reliability of the Facility. Seller shall in no way represent to any third party that any such review by Buyer of the Facility, including any review of the design, construction, operation or maintenance of the Facility or observation of testing by Buyer, is a representation by Buyer as to the economic and technical feasibility, operational capability or reliability of the Facility. Seller is solely responsible for the economic and technical feasibility, operational capability and reliability thereof.

Section 5.3 Compliance With Standards; PMU Requirements.

(a) Seller shall cause the Facility and all parts thereof to be designed, constructed, tested, operated and maintained to meet all of the requirements of this Agreement, all applicable requirements of the latest revision of the ASTM, ASME, AWS, EPA, IEEE, IEC, ISA, National Electrical Code, National Electric Safety Code, OSHA, Uniform Building Code, Uniform Plumbing Code, Underwriters Laboratory Standards, and National Fire Protection Agency, as applicable, as well as the applicable local County Fire Department Standards of the applicable county, NERC Reliability Standards, and other codes and standards and operations and maintenance requirements applicable to the services, equipment, and work as generally shown in

this Agreement, as well as all applicable Requirements of Law not specifically mentioned in this Section 5.3; provided, that for the avoidance of doubt, Seller shall use commercially reasonable efforts, but shall not be obligated, to comply with any non-mandatory recommendations, or voluntary best practices, in any of the foregoing so long as Seller follows Prudent Utility Practices and all applicable Requirements of Law. Seller shall comply with all reporting requirements for the Facility required under applicable Requirements of Law, such as Energy Information Assessments (including providing such information to Buyer as required thereunder).

(b) Throughout the Delivery Term, the Parties shall comply with the PMU requirements as set forth in Appendix S.

(c) Throughout the Delivery Term, all of Seller's personnel and systems shall adhere to any physical and cyber-related security policies, standards, requirements and procedures applicable to the Facility under federal, state, or local laws, regulations or industry practices, including requirements that may be imposed by FERC, NERC, WECC, the Department of Energy, the EPA, or the Department of Homeland Security, as well as any applicable cyber-related security policies and procedures of Buyer's Agent to which parties engaged in energy sales transactions with Buyer's Agent are customarily subject and any applicable cyber-related security policy and procedures of the Participating Members, including NERC Critical Infrastructure Protection compliance requirements (collectively, "***Security Requirements***").

Section 5.4 Quality Assurance Program. As a condition of, and no later than the occurrence of, the Commercial Operation Date, Seller shall maintain and comply with a written quality assurance policy ("***Quality Assurance Program***" or "***Q/A Program***") attached hereto as Appendix J, and Seller shall cause all work performed on or in connection with the Facility to materially comply with said Quality Assurance Program.

Section 5.5 Preservation of the Facility. Except as expressly permitted by this Agreement, Seller shall not sell or otherwise dispose of, or create, incur, assume, or permit to exist any Lien (other than the Permitted Encumbrances) on, any portion of the Facility or any other property or assets which are necessary for the operation, maintenance, and use of the Facility, without the prior written approval of Buyer.

Section 5.6 Security Provided by Seller.

(a) Seller shall, by no later than ten (10) Business Days following the Approvals Date, deliver to Buyer an Acceptable Form of Performance Assurance in the amount of Thirty Two Million Four Hundred Thousand Dollars ($32,400,000) which Acceptable Form of Performance Assurance shall guarantee Seller's obligations under this Agreement or the Option Agreement prior to the achievement of the Commercial Operation Date (the "***Development Security***"). Seller shall maintain the Development Security until Seller posts the Performance Security pursuant to Section 5.6(b), or until Buyer is required to return the Development Security under Section 5.6(c) below.

(b) As a condition to the achievement of the Commercial Operation Date, Seller shall furnish to Buyer an Acceptable Form of Performance Assurance in the amount of Forty Eight Million Six Hundred Thousand Dollars ($48,600,000), which Acceptable Form of Performance

Assurance shall guarantee Seller's obligations under this Agreement or the Option Agreement from and after the Commercial Operation Date (the "***Performance Security***"). Seller may elect to apply the Development Security toward the Performance Security. Seller shall maintain such Performance Security until Buyer is required to return the Performance Security to Seller as set forth in Section 5.6(e) below.

(c) If (i) upon the Commercial Operation Date, no damages or other amounts are due and owing to Buyer under this Agreement and Seller does not elect to apply the Development Security toward the Performance Security, or (ii) this Agreement terminates prior to the occurrence of the Commercial Operation Date while the Development Security is outstanding and no damages or other amounts are due and owing to Buyer under this Agreement, then Buyer shall return to Seller the remaining amount of the Development Security (or any portions thereof if damages or other amounts are due and owing to Buyer under this Agreement or the Option Agreement), less any amounts previously drawn by Buyer in accordance with this Agreement, promptly following Seller's provision of the Performance Security or the effective date of such early termination.

(d) Buyer may draw on the Development Security or the Performance Security, as applicable, (i) at any time following the accrual of Daily Delay Damages, Shortfall Liquidated Damages or any other liquidated damages provided for hereunder in the amount of such Daily Delay Damages, Shortfall Liquidated Damages, or other liquidated damages, as applicable, (ii) upon Seller's failure to make a Termination Payment to Buyer in accordance with Section 13.3, in the amount of the unpaid Termination Payment, or (iii) upon Seller's failure to make any other payment due to Buyer hereunder or under the Option Agreement in the amount of the unpaid payment; provided, that, in the case of a draw made under clause (iii), any such amount shall have been invoiced to Seller, shall be past due, and shall not be the subject of a good faith dispute between the Parties in accordance with Section 11.3. Subject to the foregoing, Buyer may draw all or any part of such amounts due to Buyer from any form of security provided under this Section 5.8, and in any sequence Buyer may elect, in its sole discretion. Any failure of, or delay by, Buyer in electing to draw any amount from the Performance Security shall in no way prejudice Buyer's rights to subsequently recover such amounts from the Performance Security or in any other manner. Promptly, and in no event more than five (5) Business Days following any draw by Buyer on the Performance Security, Seller shall replenish the amount drawn on the Performance Security such that the amount of the Performance Security is restored to the full amount set forth in Section 5.6(b). Seller shall not be required to replenish the Development Security if drawn upon by Buyer.

(e) Buyer shall return the unused portion of Performance Security, if any, to Seller promptly upon the later of: (i) the expiration or termination of the Agreement Term, including the exercise by Buyer of the Project Purchase Option, Right of First Offer or Right of First Refusal, and (ii) all of the obligations of Seller arising under this Agreement and the Option Agreement being paid (whether directly or indirectly such as through set-off or netting) or performed in full.

(f) Seller shall provide, or cause to be provided, a replacement Acceptable Form of Performance Assurance in the required amount set forth in this Section 5.6 within the

earlier of three (3) Business Days and five (5) calendar days after the occurrence of (A) with respect to a letter of credit, Buyer notifies Seller that it reasonably believes that the Qualified Issuer of such letter of credit, in accordance with the bail-in write down provisions under Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014, may be or become unable to perform its obligations under such letter of credit, (B) a Downgrade Event (provided that Seller shall have thirty (30) days if the Downgrade Event is pursuant to clause (iii) of that definition), (C) with respect to a letter of credit, the date that Seller becomes aware of, or Buyer notifies Seller of, the occurrence of either of the following events: (x) the failure of the issuer of such letter of credit to renew such letter of credit twenty (20) Business Days prior to the expiration of such letter of credit, or (y) the failure of the issuer of such letter of credit to honor Buyer's properly documented request to draw on such letter of credit in accordance with its terms, or (D) the issuer of the letter of credit becomes Bankrupt.

(g) In the event that a replacement Acceptable Form of Performance Assurance in the required amount is not delivered in accordance with Section 5.6(f), Buyer shall have the right to draw immediately upon the entire amount of the existing Development Security or Performance Security, as applicable, and to retain such amount as Development Security or Performance Security, as applicable, in order to secure Seller's obligations under this Agreement, at Seller's cost and expense, in an account controlled by Buyer until Seller provides replacement Acceptable Form of Performance Assurance.

(h) Seller shall, from time to time as requested by Buyer, execute, acknowledge, record, register, deliver and file all such notices, statements, instruments and other documents as may be necessary or advisable to render fully valid and enforceable under all applicable Requirements of Law the Development Security or the Performance Security and the rights of Buyer with respect to such Development Security or Performance Security.

(i) Notwithstanding the other provisions of this Agreement, each of the Development Security and the Performance Security constitute security for, but are not a limitation of, Seller's obligations under this Agreement.

(j) Seller may elect, in its sole discretion from time to time, to replace any outstanding Development Security or Performance Security, as applicable, with a replacement Acceptable Form of Performance Assurance in the required amount set forth in this Section 5.6 and Buyer shall reasonably cooperate with Seller to cause the outstanding Development Security or Performance Security, as applicable, to be returned promptly following the receipt and confirmation of such replacement Acceptable Form of Performance Assurance.

Section 5.7 Decommissioning and Other Costs. Unless Buyer elects to exercise the Project Purchase Option, the Right of First Offer or the Right of First Refusal, Buyer shall not be responsible for any costs or expenses in connection with the decommissioning or demolition of the Facility, or (subject to the allocation of liabilities as set forth in the Option Agreement, or the purchase agreement for the Right of First Offer or Right of First Refusal) any environmental or

other liability associated with the decommissioning or demolition without regard to the timing or cause of the decommissioning or demolition.

Section 5.8 Quarterly Certification. On a quarterly basis from and after the Commercial Operation Date, Seller shall, within fourteen (14) days following the end of each calendar quarter, provide Buyer with a quarterly certification signed by an authorized representative of Seller (a) certifying that there exists no Default or any event that, after notice or with the passage of time or both, would constitute a Default, or that a Default exists or may exist after notice or with the passage of time or both; (b) certifying that the representations and warranties set forth in this Agreement remain true and correct as of the date of such certification; and (c) attesting to the Facility Debt after the Commercial Operation Date as being equal to seventy percent (70%) of the Facility Cost; provided, that if the proceeds of the sale of PTCs are being financed by the Facility Lenders, during such PTC financing period, ninety percent (90%) of the Facility Cost, in each case, as of such date, which certificate shall be accompanied by supporting documentation in reasonable detail, including Seller's most recent annual and quarterly financial statements and a statement of the Facility's then-current Facility Debt and Facility Cost. If a Default or any event that, after notice or with the passage of time or both, would constitute a Default, exists as of such date, Seller shall list, in detail, the nature of the event, the period during which it has existed and the actions that Seller has taken, or proposes to take with respect to such event.

Section 5.9 Taxes. Seller shall pay or cause to be paid all Taxes on or with respect to the Energy, Capacity Rights and any Environmental Attributes or any other transactions arising before or at the Point of Delivery. Buyer shall pay or cause to be paid all Taxes on or with respect to the Energy and any Environmental Attributes or any other transactions from (but excluding) the Point of Delivery. If Seller is required by a Requirement of Law to remit or pay Taxes that are Buyer's responsibility hereunder, Buyer shall promptly reimburse Seller for such Taxes. If Buyer is required by Requirement of Law to remit or pay Taxes that are Seller's responsibility hereunder, Buyer may deduct such amounts from payments to Seller hereunder. If Buyer elects not to deduct such amounts from Seller's payments, Seller shall promptly reimburse Buyer for such amounts upon request. Nothing shall obligate or cause a party to pay or be liable to pay any Taxes for which it is exempt under law. A Party that is exempt at any time and for any reason from one or more Taxes shall bear the risk that such exemption shall be lost or the benefit of such execution is reduced.

Section 5.10 Environmental Credits. If at any time Seller becomes obligated to obtain pollution or environmental credits or offsets in order to own, operate or maintain the Facility in compliance with the applicable Requirements of Law, Seller shall obtain such credits or offsets (a) which credits or offsets shall be in Seller's own name, and (b) obtained at Seller's sole cost and

expense. In no event shall Seller use any Environmental Attributes to satisfy the foregoing obligation.

ARTICLE VI
PURCHASE AND SALE OF POWER

Section 6.1 Purchases by Buyer. Seller shall deliver to Buyer, and Buyer, or its designee, shall receive from Seller under this Agreement, the Delivered Energy at the Point of Delivery.

(a) Following the Commercial Operation Date, Seller shall make available, schedule and deliver, and Buyer shall accept and purchase, the Delivered Energy for each Contract Year during the Delivery Term at the rate set forth in Appendix A.

(b) For Excess Energy, Buyer shall pay Seller the Excess Energy Price in accordance with Appendix A.

(c) Notwithstanding any other provision hereof, in no event shall Seller deliver at the Point of Delivery a quantity of Delivered Energy (in MWhs ac) in any hour that exceeds (i) the Contract Capacity (expressed in MWs ac) multiplied by (ii) one hour.

Section 6.2 Point of Delivery. Seller shall deliver all Delivered Energy (and Replacement Energy, if any) to Buyer at the Point of Delivery (or, with respect to Replacement Energy, such other location as reasonably requested by Buyer or otherwise mutually agreed upon in writing by the Parties), and Buyer, or its designee, shall receive all such Delivered Energy and Replacement Energy from Seller at the Point of Delivery (or, with respect to Replacement Energy only, such other location as reasonably requested by Buyer or otherwise mutually agreed upon in writing by the Parties), each as measured in accordance with Section 11.6(a).

Section 6.3 Seller's Failure. Except as provided in Article IX, in no event shall Seller have the right to procure energy from sources other than the Facility for sale and delivery pursuant to this Agreement. During the Delivery Term and subject to the terms and conditions of this Agreement, all of the Delivered Energy shall be dedicated to Buyer; provided that Seller may sell to any third-party purchaser (a) Delivered Energy sold as provided under Section 7.5(e), (b) Delivered Energy that is curtailed due to a Force Majeure event that prevents Buyer from receiving such Delivered Energy at the Point of Delivery or (c) Delivered Energy that is not accepted by Buyer at the Point of Delivery. Unless excused as set forth herein, if Seller sells to a third party all or any part of the Delivered Energy, Environmental Attributes or Capacity Rights required to be delivered by Seller under this Article VI, Article VIII or Article X, then Seller shall pay Buyer, on the date payment would otherwise be due to Seller, an amount for each MWh of such energy delivered to a third-party equal to the positive difference, if any, obtained by subtracting (i) the price per MWh that would have been payable by Buyer for the Delivered Energy, from (ii) the greater of (A) the value actually received by Seller for the Energy and associated Environmental Attributes in connection with the third-party transaction, or (B) the price actually paid by Buyer to obtain Replacement Energy the "***Third Party Sale Replacement Price***").

Buyer shall provide Seller prompt written notice of the Third Party Sale Replacement Price, together with back-up documentation.

Section 6.4 Buyer's Failure. Unless excused by Seller's failure to perform or Force Majeure, and except during a System Emergency or any period during any curtailment under Section 7.5, if Buyer fails to receive at the Point of Delivery all or any part of the Delivered Energy or Replacement Energy required to be received by Buyer under this Article VI or Article IX, Buyer shall, on the date payment would otherwise be due to Seller, pay Seller Cover Damages, and such Cover Damages shall be Seller's sole and exclusive remedy; provided, that Seller shall use commercially reasonable efforts to resell any such Delivered Energy that Buyer failed to receive, it being agreed that there may be no commercially reasonably manner in which Seller can effect any such sales, and provided that Seller shall not be required to sell Delivered Energy to third parties to the extent such sale would require Seller to incur costs of Transmission Services beyond the Point of Delivery to effectuate such sales in excess of the revenue to be received for such sales. Upon Buyer's request, Seller shall provide documentation evidencing Seller's commercially reasonable efforts to resell Delivered Energy in accordance with the preceding sentence, including the financial terms of any such sale or contemplated sale and the costs of Transmission Services related thereto. "***Cover Damages***" means the positive difference, if any, obtained by subtracting (i) the amount received by Seller, acting in a commercially reasonable manner, for the resale of any Delivered Energy less the costs of Transmission Services beyond the Point of Delivery incurred by Seller to effect such sales (or, absent any such sales despite using commercially reasonable efforts to procure such sales, zero dollars ($0)), from (ii) the amount that would have been payable by Buyer for such Delivered Energy not received by Buyer; provided that Cover Damages per MWh shall not exceed the Full Contract Price per MWh specified on Appendix A and in no event will Seller be required to make a payment to Buyer in respect of Cover Damages. Seller shall provide Buyer with prompt written notice of the Cover Damages together with back-up documentation.

Section 6.5 Guaranteed Delivered Energy. Seller shall deliver the Guaranteed Delivered Energy to Buyer at the Point of Delivery measured and calculated in accordance with Section 11.6(a), provided that the amount of Guaranteed Delivered Energy shall be reduced by the amount of Delivered Energy reasonably determined by the Parties that Seller is unable to generate, Schedule, or deliver to the Point of Delivery due to (i) a System Emergency, (ii) an event of Force Majeure, (iii) Buyer's failure to Schedule the Delivered Energy from the Point of Delivery, (iv) periods during which generation or transmission is curtailed or interrupted for whatever reason on Buyer's side of the Point of Delivery, including System Emergencies, events of Force Majeure, reliability, congestion or over-generation or (v) Buyer's request, in Buyer's sole discretion, to curtail the Delivered Energy for any economic reason; provided, further, that such reductions shall be calculated by the Parties reasonably estimating the amount of Delivered Energy that would have

been delivered to Buyer at the Point of Delivery had any of the circumstances described in (i)-(v) not occurred.

ARTICLE VII
TRANSMISSION AND SCHEDULING; TITLE AND RISK OF LOSS

Section 7.1 In General.

(a) Seller shall use all reasonable efforts consistent with Prudent Utility Practices to maximize the output of the Facility. Seller shall arrange, and shall bear all risks associated with, delivery of all Delivered Energy to the Point of Delivery, including that Seller shall arrange and pay for the interconnection of the Facility to the grid and any Transmission Services required to deliver Delivered Energy to the Point of Delivery, including interconnection costs, charges related to control area services, inadvertent energy flows, transmission losses, and the transmission of Delivered Energy up to the Point of Delivery. In the event Seller procures transmission to sell Energy to a third party, Seller shall be responsible for any costs or charges associated therewith.

(b) Buyer shall be obligated to pay for all Delivered Energy as invoiced under Section 11.1(e), and Buyer shall arrange for, and shall bear all risks associated with, acceptance and transmission of Delivered Energy from the Point of Delivery, including that Buyer shall arrange and be responsible for Transmission Services from the Point of Delivery, and shall Schedule or arrange for Scheduling and transmission services with its Transmission Providers.

Section 7.2 Forecasting and Scheduling of Energy.

(a) The Parties agree to the following scheduling procedures: (i) Seller shall notify Buyer and Buyer's Agent on a forward (monthly, weekly and day-ahead) basis, as provided in this Section 7.2 and, as needed, in real time, of any reduction in availability of the Facility that is ten percent (10%) or more of Contract Capacity; (ii) Seller shall make available, to Buyer and Buyer's Agent, an application programming interface through which Buyer and Buyer's Agent can access the forecasted output for the Facility in increments not to exceed one (1) minute averages via an application programming interface, subject to reasonable approval by Buyer; (iii) Seller shall make available to Buyer and Buyer's Agent real-time data that shall be automatically telemetered to Buyer's or Buyer's Agent's supervisory control and data acquisition ("***SCADA***") system in accordance with Section 7.3(a); and (iv) Buyer, Buyer's Agent, each Participating Member and the Transmission Provider shall have the right, in accordance with Section 7.5, to contact Seller and require that the Facility be curtailed or to directly curtail the Facility (collectively, the "***Scheduling Procedures***"), which may be modified, from time to time, by written agreement of the Authorized Representatives of both Parties, including with respect to Buyer, Buyer's Agent, in order to comply with all applicable requirements, including those of the Transmission Provider, WECC or any "Balancing Authority" (as defined by NERC) involved in the Scheduling of Energy under this Agreement. The Authorized Representatives shall promptly cooperate with respect to any reasonably necessary and appropriate modifications to Scheduling Procedures.

(b) Seller or Seller's Authorized Representative shall be responsible for providing a forecast of deliveries of Delivered Energy during the Delivery Term consistent with the Scheduling Procedures, as may be updated from time to time in accordance with this Section 7.2(b). All generation Scheduling and Transmission Services shall be performed in accordance with the applicable NERC and WECC operating policies, criteria, and any other applicable guidelines, including any applicable NERC Reliability Standards. Seller shall fulfill any contractual, metering and interconnection requirements so as to be able to deliver Delivered Energy to the Point of Delivery.

(c) No later than forty-five (45) days before the beginning of each Contract Year, Seller or Seller's Authorized Representative shall provide, or cause to be provided, a non-binding forecast of each month's average-day deliveries of Delivered Energy, by hour, for the following eighteen (18) months.

(d) Ten (10) Business Days before the beginning of each month, Seller or Seller's Authorized Representative shall provide, or cause to be provided, a non-binding forecast of each day's average-day deliveries of Delivered Energy, by hour, for the following month.

(e) By 4:30 AM Pacific Prevailing Time ("***PPT***") on the WECC pre-scheduling day immediately preceding the date of delivery of Delivered Energy during the Agreement Term, Seller or Seller's Authorized Representative shall provide, or cause the Facility's scheduling coordinator to provide, Buyer or Buyer's Agent with a copy of a non-binding hourly (or as then-appropriate) forecast of deliveries of Delivered Energy for each hour of the next date of delivery of such Delivered Energy (the "***Day-Ahead Schedule***"). The Day-Ahead Schedule shall include all forecasted Delivered Energy. If the WECC pre-scheduling day pertains to multiple dates of delivery, then this requirement shall apply to each of those dates.

(f) During the Delivery Term, if Seller, Seller's Authorized Representative, or the Facility's scheduling coordinator becomes aware of changes to its Day-Ahead Schedule due to current conditions (other than commercial considerations), including unscheduled outages, weather or environmental conditions, a Forced Outage or a scheduling change imposed by Buyer or a Transmission Provider that results in a change to the Facility's deliveries (whether in part or in whole), Seller or Seller's Authorized Representative, as applicable, shall cause the Facility's scheduling coordinator to: (i) promptly notify Buyer of any and all changes to the Day-Ahead Schedule via telephone of any reduction in availability of the Facility that is ten percent (10%) or more of Contract Capacity, and (ii) provide a revised schedule as soon as possible in electronic format, via an internet website accessible to Buyer, Buyer's Authorized Representative, Buyer's Agent, Buyer's real time operators, and any other designated Scheduling representative of Buyer, or via email in the form of an excel spreadsheet (or any combination thereof).

(g) Seller shall provide to Buyer, or Buyer's Agent, or cause to be provided, such additional forecasts or other information as may be reasonably requested by Buyer or Buyer's Agent.

Section 7.3 Real-Time Data Requirements.

(a) No later than the first date on which Startup and Test Energy is received by Buyer from the Facility, Seller shall have installed (or caused to have installed) and shall provide primary and backup items for each component of the SCADA related equipment listed below (items (i) through (v) below, collectively, "***Seller's SCADA Integrated Components***"). Seller shall coordinate the installation and maintenance of such Seller's SCADA Integrated Components under the Interconnection Agreement. Seller shall install, or have installed, all of the following Seller's SCADA Integrated Components in a secure NERC interconnection facility (as applicable):

(i) the Project Meter;

(ii) Plant DCS Controller for the Facility;

(iii) RTU, if separate from DCS Controller;

(iv) Internal networking to accommodate transfer to Buyer's RTU designated in (d) below; and

(v) Telecommunications equipment and lines from the Facility to the Point of Delivery.

(b) Throughout the Delivery Term, Seller shall provide Buyer with the following data on a real-time basis:

(i) Read-only access to Energy information collected by the SCADA system for the Facility, including with respect to the following:

(A) Read-only access to all primary and secondary Electric Metering Devices installed, owned and operated by Seller at the Facility (the "***Seller's Check Meters***");

(B) Read-only access to meteorological and pyranometer measurements, the parameters of which are provided in Appendix G; and

(C) MW capacity of the Facility based upon inverter and panel availability, and any other Facility availability information.

(c) If a Participating Member is unable to access its SCADA system (i) due to a failure of Seller's or its Subcontractors' equipment or systems, or operation or maintenance thereof (each such inability, a "***Seller Caused Access Failure***") or (ii) for reasons other than a failure of such Participating Member's equipment or systems, or operation or maintenance thereof, including a Seller Caused Access Failure (each such inability, an "***Access Failure***"), in each case, for a continuous 15-minute period, Buyer shall provide prompt written notice to Seller, and upon written request from Buyer:

(i) Seller shall provide to Buyer energy output information on a continuous basis and pyranometer and meteorological measurements, each in four (4)-second

intervals in the form of a one (1)-hour flat file to Buyer through a secure file transport protocol system with an e-mail back-up for each flat file submittal. Seller shall store such information for up to three (3) months after delivery thereof to Buyer;

(ii) Following receipt by Seller of notice of a Seller Caused Access Failure under Section 7.3(c), Seller shall pay Buyer $1,000 per day as liquidated damages, and not as a penalty, for each day following the first twenty-four (24) hours after receipt of written notice from Buyer of such Seller Caused Access Failure (which notice may be provided via email) until the Seller Caused Access Failure is resolved; and

(iii) Within 48 hours following receipt by Seller of notice of an Access Failure under Section 7.3(c), Seller shall undertake, and coordinate with Buyer, to re-establish real-time data access to the Facility's SCADA system.

The Parties acknowledge and agree that the damages that Buyer would incur due to the failure to timely resolve a Seller Caused Access Failure, as described in clause (ii) above, would be difficult or impossible to predict with certainty, and it is impractical and difficult to assess actual damages in those circumstances and, therefore, the payment of the liquidated damages described in clause (ii) is a fair and reasonable remedy for such damages. The provision of such liquidated damages shall be in lieu of actual damages for the occurrence of any Seller Caused Access Failure hereunder, but shall not limit Buyer's rights to (i) exercise any right or remedy available under this Agreement or at law or in equity for any other breach or default occurring concurrently with, before, or after any such Seller Caused Access Failure, or (ii) recover any damages not directly attributable to any such Seller Caused Access Failure.

(d) All data points shall be provided through the Facility's DCS that is capable of interfacing with both a primary RTU for the LADWP automatic generation control and a secondary RTU for LADWP's back-up automatic generation control. Main automatic general control and back-up automatic generation control shall be connected to independent transports to prevent single point of failure. Communication protocols shall be Distributed Network Protocol ("***DNP***") 3.0. The automatic generation control RTU shall have interface capability for a Participating Member's historian (e.g., PI historian). Seller shall compile and deliver to Buyer a monthly report in the form of Appendix W, confirming the information reported in real-time under Section 7.3(b)(i).

(e) Seller shall provide data required under this Section 7.3 in accordance with the following protocols: (i) DNP 3.0 TCP/IP for primary and secondary communications between the Facility and Buyer, (ii) DNP 3.0 Serial for backup communication between the Facility and Buyer, (iii) DNP 3.0 for communication between the Facility's DCS and intelligent electronic devices (e.g. SEL relays, SEL meters, and Areva relays), and (iv) any specific OSI used by Buyer or Buyer's Agent to execute DNP 3.0 configurations.

(f) A draft SCADA points list shall be provided to Buyer's Agent for review and SCADA data maps of any equipment polled by the Facility plant controller, and the Facility's distributed control system shall be provided to Buyer no later than one hundred twenty (120) days following the Construction Commencement Milestone. The Facility plant controller and

distributed controlled system shall have automatic and remote shutdown via SCADA in case of catastrophic system failure.

(g) At any time during the Delivery Term, Buyer may elect to install check meters in addition to the Electric Metering Devices, at its cost and expense and in accordance with Prudent Utility Practices (the "***Buyer Check Meters***"). Buyer shall, at its own expense, inspect and test its Buyer Check Meters upon installation and annually thereafter in accordance with Prudent Utility Practices. Buyer shall provide Seller with reasonable advance notice of, and permit a representative of Seller to witness and verify, such inspections and tests; provided, however, that Seller shall not unreasonably interfere with or disrupt Buyer's testing activities for the Buyer Check Meters.

Section 7.4 Maintenance and Scheduled Outages.

(a) Seller will cooperate in good faith to amend this Section 7.4 per Buyer's maintenance scheduling requests consistent with Prudent Utility Practices.

(b) Buyer and Seller shall cooperate to minimize Scheduled Outages of the Facility during certain periods of each Contract Year (not to exceed twelve (12) weeks per Contract Year), but in accordance with Prudent Utility Practices (such periods of time, the "***Major Maintenance Blockout***"). No later than one hundred twenty (120) days prior to the scheduled Commercial Operation Date and the commencement of each Contract Year thereafter, Buyer shall provide Seller with its specified Major Maintenance Blockout. In the absence of such updated notification, the most recent previous Major Maintenance Blockout notification shall apply. Seller shall minimize its Scheduled Outages during the Major Maintenance Blockout in a manner that is agreeable to both Parties and is consistent with Prudent Utility Practices.

(c) No later than sixty (60) days prior to the scheduled Commercial Operation Date and the commencement of each Contract Year thereafter, Seller shall provide Buyer or Buyer's Agent with its non-binding written projection of all Scheduled Outages for the succeeding three (3) calendar years (the "***Scheduled Outage Projection***") reflecting a minimized schedule of scheduled maintenance during the Major Maintenance Blockout, which Scheduled Outage Projection shall at a minimum include all Scheduled Outages relating to (i) any Scheduled Outage related to compliance with any NERC Reliability Standards that pertain to Scheduled Outages for bulk electric system elements applicable to the Facility, or any portion thereof, and (ii) any Scheduled Outage in excess of 20 MW of Contract Capacity during daylight hours. In addition, the Scheduled Outage Projection shall include information concerning all projected Scheduled Outages during such period, including (A) the anticipated start and end dates of each Scheduled Outage; (B) a description of the maintenance or repair work to be performed during the Scheduled Outage; and (C) the anticipated MW capacity of the Facility, if any, during the Scheduled Outage. Seller shall notify Buyer or Buyer's Agent of any change in the Scheduled Outage Projection as soon as practicable, but in no event later than thirty (30) days prior to the occurrence of the Scheduled Outage activity. Seller will use commercially reasonable efforts to accommodate reasonable requests of Buyer with respect to the timing of Scheduled Outages and Seller will, to the extent consistent with Prudent Utility Practices, coordinate Scheduled Outages to coincide with planned transmission outages. Without limiting the generality of the foregoing, Buyer shall have

the right to cancel or delay any Scheduled Outage due to peak load conditions by providing notice to Seller at least three weeks in advance thereof; provided, that Seller shall not be obligated to agree to such cancellation or delay if such cancellation or delay would impact Seller's warranty of the equipment, cause the Facility to fail to comply with any Requirements of Law or Prudent Utility Practice, or cause unreasonable financial impact to the Facility. In the event of a System Emergency, at Buyer's request Seller shall make all reasonable efforts to reschedule any Scheduled Outage previously scheduled to occur during the System Emergency.

(d) In the event of a Forced Outage affecting at least ten percent (10%) of the installed capacity of the Facility, Seller shall notify Buyer or Buyer's Agent within not more than one (1) hour after the commencement of the Forced Outage and, within seven (7) days thereafter, provide detailed information concerning the Forced Outage, including (i) the start and anticipated end dates of the Forced Outage; (ii) a description of the cause of the Forced Outage; (iii) a description of the maintenance or repair work to be performed during the Forced Outage; and (iv) the anticipated MW capacity of the Facility, if any, during the Forced Outage (such notice, the "***Forced Outage Capacity Notification***"). Seller shall take all reasonable measures and exercise commercially reasonable efforts to avoid Forced Outages and to limit the duration and extent of any such outages. Seller shall notify Buyer no later than two (2) hours (or such shorter period as may be mutually agreed) prior to commencing recommissioning of the Facility, as applicable, following the end of any such Forced Outage.

(e) With respect to forecasted Scheduled Outages:

(i) Seller shall limit forecasted Scheduled Outages of the Facility that are necessary to comply with NERC Reliability Standards to less than 30 days within any Contract Year; and

(ii) Seller shall limit forecasted Scheduled Outages of the Facility during daylight hours to less than 30 days within any Contract Year, except in unanticipated circumstances (e.g., Force Majeure causing casualty loss) with Buyer's consent, such consent not to be unreasonably withheld.

Section 7.5 Curtailments; Deemed Delivered Energy.

(a) Buyer may require Seller to reduce deliveries of all or any portion of the Delivered Energy, and Seller shall comply with any such requirement, at any time and for the duration specified by the Buyer's Agent in a notice to Seller, including for curtailments required due to: (i) a System Emergency (other than due to a Force Majeure event as described in (ii)); (ii) an event of Force Majeure on Buyer's side of the Point of Delivery; or (iii) a Seller Caused Access Failure or other communication failure to the extent caused by a failure of Seller or its Subcontractors (curtailments under the foregoing subsections (i)-(iii), "***Non-Compensable Curtailments***"); (iv) system improvements or scheduled and unscheduled repairs or maintenance on Buyer's side after the Point of Delivery (other than due a Force Majeure event as described in (ii) above); (v) Buyer's failure to Schedule the Delivered Energy from the Point of Delivery not due to a Seller-caused event or System Emergency, including as a result of economic offers and self-schedules of the Delivered Energy into any market; (vi) Buyer's request, in Buyer's sole discretion, to curtail the Delivered Energy for any economic reason; or (vii) an Access Failure or

other communication failure that is neither a Seller Caused Access Failure nor other communication failure caused by a failure of Seller or its Subcontractors (curtailments under the foregoing subsections (iv)-(vii), "***Compensable Curtailments***"); provided, that Seller may continue to generate Energy from the Facility to the extent Seller resells such Energy to third parties in accordance with Section 7.5(e).

(b) During the Agreement Term, the Parties shall reasonably estimate the amount of curtailed Delivered Energy that would have been realized had any of the curtailments set forth in Section 7.5(a) not occurred in accordance with Section 7.5(a) ("***Deemed Delivered Energy***").

(c) Buyer shall not pay Seller for any Non-Compensable Curtailments. Buyer shall pay Seller for Deemed Delivered Energy during Compensable Curtailments.

(d) The Contract Price that Buyer shall pay Seller for Deemed Delivered Energy associated with Compensable Curtailment is as follows: (i) Deemed Delivered Energy that is not Excess Energy at the Full Contract Price, and (ii) Deemed Delivered Energy that is Excess Energy at the applicable Excess Energy Price, *plus* (iii) if Seller claims Production Tax Credits with respect to the Facility, the amount equal to (A) the PTC rate applicable to the Project determined pursuant to Section 45 or 45Y of the Code, as applicable, as in effect during the applicable curtailment, converted to a dollar per MWh basis; provided, that if the Contract Price is set at the amount set forth in Appendix A, Section 2.c., and the Facility qualifies for any energy community bonus adder for the federal tax credits, then (A) Buyer need not pay the portion of the PTC curtailment compensation attributable to the Energy Community Adder unless and until the EC Adder Payment with respect to the EC Adder Payment Period in which the Compensable Curtailment occurs has been paid to Buyer and (B) the amounts paid by Buyer for the PTC curtailment compensation attributable to the Energy Community Adder shall be net of 50% of the Energy Community Adder associated with the Compensable Curtailment, divided by one minus the sum of the then highest marginal combined federal and state corporate income tax rate, expressed as a decimal (taking into account the deductibility of state taxes for federal income tax purposes). For the avoidance of doubt, any curtailment occurring prior to the occurrence of the Commercial Operation Date shall be deemed a Non-Compensable Curtailment. Seller shall use reasonable commercial efforts to sell the curtailed Delivered Energy arising during any Compensable Curtailments, including the Environmental Attributes associated therewith, to third parties, it being agreed there may be no commercially reasonable manner in which Seller can effect any such sales, and provided that Seller shall not be required to sell Delivered Energy to third parties to the extent such sale would require Seller to incur any costs of Transmission Services beyond the Point of Delivery that are necessary to effectuate such sales. Any proceeds from the sale of any curtailed Delivered Energy to a third-party purchaser shall be the property of Seller, and Buyer shall pay Seller the positive difference between the applicable price for such Delivered Energy set forth in Appendix A and the positive third-party sales price for such Delivered Energy, including the sale of any Deemed Delivered Energy. In no event shall Seller be required to remit the proceeds of such sales to Buyer.

(e) Consistent with the requirements of Section 7.3, Seller shall provide the capability to implement curtailments and adjust curtailment amounts in real-time by means of

setpoints received from the SCADA system. Seller shall install sufficient measuring equipment at the Facility to collect data necessary to reasonably determine the amount of curtailed Delivered Energy, including any Deemed Delivered Energy. Seller shall install pyranometers and related measurement equipment around the Facility or in conjunction with the solar panels comprising the Facility to provide the capability of measuring and recording representative solar data in accordance with Appendix G, which data, in conjunction with actual solar panel availability and capability, shall be used to calculate the curtailed Delivered Energy, including any Deemed Delivered Energy.

Section 7.6 Title; Risk of Loss. As between the Parties, Seller shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of all Delivered Energy and Replacement Energy prior to and at the Point of Delivery, and Buyer shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of all Delivered Energy and Replacement Energy from the Point of Delivery. Seller warrants that it will deliver all Energy, Capacity Rights, and Environmental Attributes to Buyer free and clear of all Liens created by any Person other than Buyer. Title to and risk of loss as to all Delivered Energy, Replacement Energy, Capacity Rights and Environmental Attributes shall pass from Seller to Buyer at the Point of Delivery; provided, however, that title and risk of loss as to any Replacement Energy the Parties agree shall be delivered to a point or points of interconnection other than the Point of Delivery, and all of the associated Environmental Attributes therewith, shall pass from Seller to Buyer upon delivery of such Replacement Energy to such point or points.

ARTICLE VIII
ENVIRONMENTAL ATTRIBUTES; EPS AND RPS COMPLIANCE

Section 8.1 Transfer of Environmental Attributes. In addition to the agreement between Buyer and Seller to purchase and sell Energy on the terms and conditions set forth herein, Seller shall transfer to Buyer, and Buyer shall receive from Seller, all right, title, and interest in and to all Environmental Attributes, free and clear of all Liens, whether now existing or acquired by Seller or that hereafter come into existence or are acquired by Seller during the Agreement Term, for all Facility Energy and Replacement Energy. Seller agrees to transfer and make such Environmental Attributes available to Buyer immediately to the fullest extent allowed by applicable law upon Seller's production or acquisition of such Environmental Attributes. Seller represents and covenants that it has not assigned, transferred, conveyed, encumbered, sold or otherwise disposed of (other than Liens on the proceeds of the Environmental Attributes in favor of Facility Lender) and will not in the future assign, transfer, convey, encumber, sell or otherwise dispose of all or any portion of such Environmental Attributes to any Person other than Buyer or attempt to do any of the foregoing with respect to any of the Environmental Attributes. The consideration for the transfer of Environmental Attributes is contained with the relevant prices for Delivered Energy, as set forth in Appendix A. Seller shall be responsible for: (a) matching, in accordance with all current WREGIS Operating Rules, all available and applicable NERC e-tags pertaining to the corresponding Renewable Energy Certificate before such Renewable Energy Certificate is transferred to Buyer in WREGIS per the terms of this Agreement; (b) matching all available and applicable NERC e-tags to the meter data on an hourly basis; (c) providing the data to Buyer at the time of Renewable Energy Certificate transfer in the same format as the CEC-RPS-

Hourly Form, or any successor, as specified in the Guidebook; and (d) meeting any Qualified Reporting Entity (as defined by WREGIS) responsibility.

Section 8.2 Reporting of Ownership of Environmental Attributes. During the Agreement Term, Seller shall not report to any Person that the Environmental Attributes granted hereunder to Buyer belong to any Person other than Buyer, and Buyer may report under any program that such Environmental Attributes purchased hereunder belong to it.

Section 8.3 Environmental Attributes. Upon Buyer's request, Seller shall take all actions and execute all documents or instruments necessary under the Guidebook and all Requirements of Law, bilateral arrangements or other voluntary Environmental Attribute programs of any kind, as applicable, to maximize the attribution, accrual, realization, generation, production, recognition and validation of Environmental Attributes throughout the Agreement Term.

Section 8.4 Use of Accounting System to Transfer Environmental Attributes. In furtherance and not in limitation of Section 8.3, Seller shall use WREGIS or any successor system to evidence the transfer of any Environmental Attributes considered Renewable Energy Credits under applicable law or any voluntary program ("***WREGIS Certificates***") associated with Facility Energy or Replacement Energy in accordance with WREGIS reporting protocols and shall register the Facility with WREGIS. After the Facility is registered with WREGIS, at Buyer's option, Seller shall, to the extent permissible under WREGIS rules, transfer WREGIS Certificates using the One-time Inter-Accounts Transfer method, as described in WREGIS Operating Rules, from Seller's WREGIS account to up to three WREGIS accounts, as designated by Buyer's Authorized Representative. Seller shall be responsible for the WREGIS expenses associated with registering the Facility, maintaining its account, WREGIS Certificate issuance fees, and transferring WREGIS Certificates to Buyer or Buyer's Authorized Representative, or any other designees, and Buyer shall be responsible for the WREGIS expenses associated with maintaining its account, or the accounts of its designees, if any, and subsequent transferring or retiring of WREGIS Certificates. Forward Certificate Transfers shall occur monthly based on the certificate creation time-line established by the WREGIS Operating Rules then in effect. Seller shall be responsible for, at its expense, validating and disputing data with WREGIS prior to WREGIS Certificate creation each month. In the event that WREGIS is not in operation, or WREGIS does not track Seller's transfer of WREGIS Certificates to Buyer, Buyer's Authorized Representative, or its designees for purposes of any Renewable Energy Certificates attributed, accrued, realized, generated, produced, recognized or validated relative to the Facility Energy or Replacement Energy, or Buyer chooses not to use WREGIS for any reason, then without limiting Buyer's rights under Section 11.2, Seller shall document the production and transfer of Renewable Energy Certificates under this Agreement by delivering to Buyer an attestation in the form set forth in Appendix D for the Renewable Energy Certificates produced by the Facility, or Replacement Energy, measured in whole MWh, or by such other method as Buyer may designate. If any of the foregoing is or becomes inconsistent with the WREGIS rules, the Parties shall reasonably cooperate to amend the

foregoing procedures in a manner reasonably requested by Buyer consistent with the then-effective WREGIS rules.

Section 8.5 Further Assurances. If WREGIS (or any successor thereto) is no longer available to provide the services described in Section 8.4, Seller shall, until such time as a substitute provider reasonably acceptable to both Parties is available to provide such services, document the production of Environmental Attributes by delivering with each invoice to Buyer an attestation for the Environmental Attributes associated with Facility Energy or included with Replacement Product, if any, for the preceding Month in the form of the attestation set forth as Appendix D. At Buyer's request, the Parties shall execute all such documents and instruments and take such other action in order to effect the transfer of the Environmental Attributes specified in this Agreement to Buyer's Authorized Representatives as Buyer may reasonably request. In the event of the promulgation of a scheme involving Environmental Attributes administered by CAMD, upon notification by CAMD that any transfers contemplated by this Agreement will not be recorded, the Parties shall promptly cooperate in taking all reasonable actions necessary so that such transfer can be recorded. Each Party shall promptly give the other Party copies of all documents it submits to CAMD to effectuate any transfers.

Section 8.6 RPS, CEC and EPS Compliance. Seller warrants that, upon achievement of Commercial Operation, the Facility will be, and shall throughout the Agreement Term remain, (a) RPS Compliant, (b) CEC Compliant, and (c) if applicable, EPS Compliant ("***Compliant***"). Subject to Section 8.7, Seller shall assume all risks, costs or expenses associated with, arising from, or resulting from, its obligation to keep the Facility Compliant, including any costs or expenses incurred by Seller and paid directly to any third parties in connection with or related to greenhouse gas emissions reporting, WREGIS, or maintenance of a CEC certification and verification. From time to time and at any time requested by Buyer, Seller will furnish to Governmental Authorities, Buyer or any other Person designated by Buyer, all certificates and other documentation reasonably requested by Buyer in order to assist Buyer in qualifying the Facility as Compliant. As used in this Section 8.6 and in Section 8.7, the phrase "if applicable, EPS Compliant" (or similar phrases), means that EPS Laws (i) are applicable to the Facility or to this Agreement, and (ii) require that the Facility be EPS Compliant.

Section 8.7 Change in Law.

(a) If a Change in Law occurs after the Commercial Operation Date that causes the Facility to cease to be Compliant, then Seller shall (i) first, take all commercially reasonable actions to bring the Facility back into Compliance to satisfy Seller's warranty and obligations under Section 8.6, including incurring costs in an aggregate amount up to Eight Million One Hundred Thousand Dollars ($8,100,000) in the aggregate throughout the Term (the "***Compliance Expenditure Cap***"), and (b) thereafter, take such actions as may be necessary to cause the Facility to remain Compliant. For the avoidance of doubt, any costs or expenditures for EIM or EDAM compliance incurred by Seller under Section 8.7(d) shall not be counted towards the Compliance Expenditure Cap. If after a commercially reasonable period of time after such Change in Law, Seller reasonably determines that such efforts are reasonably likely to require Seller to incur costs in excess of the Compliance Expenditure Cap, Seller shall provide Buyer with notice containing a detailed description of prior compliance actions, the basis for Seller's expectation that required

compliance actions will exceed the Compliance Expenditure Cap, Seller's projected overage (the "***Excess Compliance Cost***") and Seller's projected timeline for successful completion of such compliance actions (an "***Excess Expenditure Notice***").

(b) During any period in which the Facility is not Compliant, the Full Contract Price shall be adjusted to an amount equal to the Market Price Index (the "***Replacement Price***"). In no event will the Replacement Price be greater than the Full Contract Price. The Replacement Price shall remain in place for the remainder of the Agreement Term until the Facility is brought back into Compliance.

(c) If at any time after the earliest of (A) one hundred eighty (180) days of paying the Replacement Price under Section 8.7(b) due to a Change in Law after the Commercial Operation Date that causes the Facility to cease to be Compliant, (B) Seller's delivery of an Excess Expenditure Notice, Buyer determines, in its reasonable discretion, that notwithstanding Seller's commercially reasonable efforts, Seller will be unable to bring the Facility into Compliance, and neither Buyer nor Seller is willing to pay the Excess Compliance Cost, and (C) the RPS Law and EPS Law cease to be effective and are not replaced with a substantially similar program or succeeded by a regulatory regime for which the Facility qualifies and that provides Buyer with comparable benefits, then, so long as the Facility remains a non-carbon emitting resource, Seller shall be deemed to be RPS Compliant and EPS Compliant, and Buyer shall pay ninety percent (90%) of the Contract Price for the Delivered Energy; provided, that if the circumstance in the foregoing clause (A) or clause (B) arises solely as a result of Seller's failure to comply with its obligations under this Agreement, then Buyer may elect by notice to Seller, at its sole discretion to terminate this Agreement, without liability to either Party, except for such liabilities that accrued prior to the date of termination or that otherwise survive termination in accordance with the terms of this Agreement, and Buyer shall return the Development Security or the Performance Security, as applicable, to Seller less any amounts previously drawn by Buyer in accordance with this Agreement; provided, further, that if at any time prior to the termination of this Agreement, Buyer elects, at its sole discretion, to pay the Excess Compliance Cost, Seller shall bring the Facility back into Compliance. Once the Facility is in Compliance and during the period during which it is Compliant, Buyer shall pay Seller the Contract Price.

(d) Subject to this Section 8.7(d), Seller shall assume any risk that the Facility falls out of EIM compliance, or EDAM compliance, as applicable, and shall bring the Facility back into EIM compliance, or EDAM compliance, as applicable, should the Facility fall out of compliance with the EIM requirements, or EDAM requirements, at any time after Commercial Operation Date and throughout the Term. If, after the Commercial Operation Date, the Facility is no longer compliant with any EIM or EDAM requirements, as applicable, as a result of Change in Law (including a change required by the Transmission Provider or Balancing Authority OATT), Seller shall (i) first take all commercially reasonable actions to bring the Facility back to satisfy Seller obligations under Section 4.8 or otherwise in connection with participation in the EIM and EDAM, including incurring costs in an aggregate amount up to Two Million Dollars ($2,000,000) in the aggregate throughout the Delivery Term (the "***EIM Compliance Cost Cap***"), and (ii) thereafter, take such actions as may be necessary to cause the Facility to remain EIM compliant and EDAM compliant. For the avoidance of doubt, any costs or expenditures for RPS Compliance or EPS Compliance shall not be counted towards the EIM Compliance Cost Cap. If after a

commercially reasonable period of time after such Change in Law, Seller reasonably determines that such efforts are reasonably likely to require Seller to incur costs in excess of the EIM Compliance Cost Cap, Seller shall provide Buyer with notice containing a detailed description of prior compliance actions, the basis for Seller's expectation that required compliance actions will exceed the EIM Compliance Cost Cap, Seller's projected overage (the "***EIM Excess Compliance Cost***") and Seller's projected timeline for successful completion of such compliance actions (an "***EIM Excess Expenditure Notice***"). If following Seller's delivery of an EIM Excess Expenditure Notice, neither Buyer nor Seller is willing to pay the EIM Excess Compliance Cost, then Seller shall be excused from its obligations with respect to participation in the EIM or EDAM, as applicable.

Section 8.8 Change in Market Structure. If a regionalization or other major change to the market structure of the Western Interconnection occurs during the Agreement Term (other than a Change in Law addressed in Section 8.7 above), then the Parties agree to negotiate such modifications to this Agreement as may be necessary or appropriate to enable the Parties to continue to perform their respective obligations under this Agreement, while preserving, to the maximum extent possible, the existing benefits, burdens, and obligations set forth herein. Such negotiations shall commence promptly following the delivery by one Party to the other Party of a notice requesting such negotiations.

ARTICLE IX
MAKEUP OF SHORTFALL ENERGY

Section 9.1 Makeup of Shortfall.

(a) If in any Contract Year (which, with respect to (i) the Initial Stub Year together with the first calendar year following the Initial Stub Year, and (ii) the twenty-ninth (29^{th}) calendar year together with the Final Stub Year, shall be treated for purposes of this Article IX as a single Contract Year), the amount of Delivered Energy to Buyer is less than the Guaranteed Delivered Energy, as adjusted pursuant to Section 6.5, for such Contract Year (such difference in amount for such Contract Year, the "***Shortfall Energy***"), then, subject to Section 9.1(b) and Section 9.2, Seller shall remedy such shortfall by delivering Delivered Energy in excess of the Guaranteed Delivered Energy to the Point of Delivery or by delivering Replacement Energy and its Environmental Attributes at the Point of Delivery (or such other point as mutually agreed to in writing by the Parties), to Buyer in an amount equal to the Shortfall Energy during the Contract Year immediately following the Contract Year in which the Shortfall Energy accrues (the "***Shortfall Make Up Period***"). The Shortfall Make Up Period for Shortfall Energy shall be extended on a day-for-day basis to allow Seller to make-up Shortfall Energy that resulted from the occurrence of an event of Force Majeure, but, in no event longer than two (2) Contract Years following the end of the Shortfall Make Up Period. Seller shall notify Buyer if it determines at any time during a Contract Year that it will be unable to achieve the Guaranteed Delivered Energy during such Contract Year, and prior to making any delivery of Replacement Energy, Seller shall provide Buyer in writing details of the Replacement Energy, including the producing facility and its compliance status.

(b) Notwithstanding the foregoing, if Seller determines that the aggregate amount of Delivered Energy over any RPS Compliance Period will be less than the sum of the Guaranteed Delivered Energy for such RPS Compliance Period, then Seller shall work with Buyer to provide, with Buyer's approval, qualifying Replacement Energy and its Environmental Attributes in the amount of such expected shortfall during such RPS Compliance Period. If at the end of any RPS Compliance Period during the Delivery Term there is any RPS Compliance Shortfall Energy for such RPS Compliance Period, Seller shall pay to Buyer damages in accordance with Section 9.3 with respect to such RPS Compliance Shortfall Energy.

Section 9.2 Replacement Energy. Any Replacement Energy (and its Environmental Attributes) provided by Seller under this Article 9 shall provide the same Environmental Attributes, if any, as the Environmental Attributes that would have been generated by the Facility during the RPS Compliance Period for which the Replacement Energy is being provided. If Seller cures Shortfall Energy or RPS Compliance Shortfall Energy with Replacement Energy, such deliveries of Replacement Energy shall be limited to an amount that shall not, at any time, exceed a total amount of MW in excess of the Contract Capacity, including any hourly generation from the Facility, except as may be expressly agreed upon by Buyer in its sole discretion. If any Replacement Energy is provided by Seller, Buyer shall pay Seller the applicable Contract Price for such Replacement Energy (taking into account the amount of Delivered Energy delivered to Buyer in the Contract Year for which such Replacement Energy is provided). Any Replacement Energy provided by Seller or purchased by Buyer shall be subtracted from the Shortfall Energy or RPS Compliance Shortfall Energy, as applicable, for purposes of determining the Annual Shortfall Liquidated Damages or the RPS Compliance Shortfall Liquidated Damages, as applicable, as set forth in Section 9.3. If Seller fails to deliver Replacement Energy as described above, then Buyer may purchase Replacement Energy and its Environmental Attributes, promptly notify Seller of the costs thereof, and Seller shall reimburse Buyer for its actual costs of such Replacement Energy and its Environmental Attributes net of the applicable Contract Price; provided, that such costs shall not exceed the Annual Shortfall Liquidated Damages or the RPS Compliance Shortfall Liquidated Damages, as applicable, as set forth in Section 9.3, with respect to such Shortfall Energy or RPS Compliance Shortfall Energy, as applicable. If Seller fails to deliver Replacement Energy as described above, and Buyer thereafter elects not to purchase Replacement Energy and its Environmental Attributes, Seller shall be responsible for Shortfall Liquidated Damages as set forth in Section 9.3. If Buyer elects to purchase Replacement Energy and its Environmental Attributes, and, despite using commercially reasonable efforts, cannot purchase Replacement Energy and its Environmental Attributes, such Energy shall not be considered Deemed Delivered Energy for purposes of determining the Guaranteed Delivered Energy, and Seller shall be responsible for Shortfall Liquidated Damages as set forth in Section 9.3.

Section 9.3 Shortfall Liquidated Damages and RPS Shortfall Penalty.

(a) Annual Shortfall Liquidated Damages. Subject to Section 9.3(d), for any Shortfall Energy that has not been cured with Delivered Energy or Replacement Energy in accordance with Section 9.1 and Section 9.2, Seller shall pay Buyer, as liquidated damages, an amount for each MWh of Shortfall Energy equal to any positive difference between (i) the sum of (A) the weighted average of the Market Price Index during the Contract Year of such Shortfall Energy, weighted by hourly Delivered Energy, and (B) Green Value associated therewith, and (ii)

the Full Contract Price (the "***Annual Shortfall Liquidated Damages***") within sixty (60) days following the Shortfall Make Up Period.

(b) RPS Compliance Shortfall Liquidated Damages. Notwithstanding the foregoing and subject to Section 9.3(d), if at the end of any RPS Compliance Period there is any RPS Compliance Shortfall Energy, then Seller shall pay Buyer, as liquidated damages, an amount for each MWh of RPS Compliance Shortfall Energy equal to any positive difference between (i) the sum of (A) the weighted average of the Market Price Index during the ninety (90) day period prior to the end of such RPS Compliance Period, weighted by hourly Delivered Energy, and (B) Green Value associated therewith, and (ii) the Full Contract Price (the "***RPS Compliance Shortfall Liquidated Damages***"*).* Seller shall pay Buyer such RPS Compliance Shortfall Liquidated Damages within ninety (90) days after the end of such RPS Compliance Period.

(c) RPS Shortfall Penalty. In addition, Seller shall reimburse Buyer for any and all amounts of reasonably documented penalties or fines incurred or paid by any Participating Member as a result of such Participating Member's noncompliance with EPS Law or RPS Law to the extent such non-compliance was caused by Seller's failure to make up the full amount of any RPS Compliance Shortfall Energy before the end of the applicable RPS Compliance Period (the "***RPS Shortfall Penalty***"); provided, that the Buyer shall use commercially reasonable efforts to mitigate any such penalties or fines. The determination of the extent to which such non-compliance was caused by such Seller's failure shall take into account energy shortfalls in the applicable RPS Compliance Period by other generating facilities owned or under contract (directly or indirectly through Buyer) by such Participating Member.

(d) Notwithstanding anything herein to the contrary, (i) to the extent that Seller is responsible for RPS Compliance Shortfall Liquidated Damages with respect to any RPS Compliance Shortfall Energy and there is Shortfall Energy with respect to the last Contract Year in such RPS Compliance Period, then for purposes of the Annual Shortfall Liquidated Damages for such Contract Year, the Shortfall Energy for such Contract Year shall be reduced by the RPS Compliance Shortfall Energy for which RPS Compliance Shortfall Liquidated Damages have been paid, and (ii) to the extent that any Annual Shortfall Liquidated Damages have been paid with respect to any Contract Years in an RPS Compliance Period, then to the extent that any RPS Compliance Shortfall Energy exists in such RPS Compliance Period, then for purposes of the RPS Compliance Shortfall Liquidated Damages for such RPS Compliance Period, the RPS Compliance Shortfall Energy shall be reduced by the Shortfall Energy for which Annual Shortfall Liquidated Damages have been paid for Contract Years in such RPS Compliance Period; provided, that, for the avoidance of doubt, such reductions shall not result in any refund of Annual Shortfall Liquidated Damages or RPS Compliance Shortfall Liquidated Damages by Buyer. Examples of the calculation of the Annual Shortfall Liquidated Damages and RPS Compliance Shortfall Liquidated Damages are set forth in Appendix X attached hereto.

(e) The Parties acknowledge and agree that the damages that Buyer would incur due to the failure to deliver the Shortfall Energy or RPS Compliance Shortfall Energy would be difficult or impossible to predict with certainty, and it is impractical and difficult to assess actual damages in those circumstances and, therefore, the payment of Shortfall Liquidated Damages and any RPS Shortfall Penalty is a fair and reasonable remedy for such damages. The provision of

Shortfall Liquidated Damages and any RPS Shortfall Penalty shall be in lieu of actual damages for the occurrence of any Shortfall Energy or RPS Compliance Shortfall Energy hereunder that is not cured with Delivered Energy or Replacement Energy. The payment of Shortfall Liquidated Damages and any RPS Shortfall Penalty shall not limit Buyer's rights to (i) exercise any right or remedy available under this Agreement or at law or in equity for any other breach or default occurring concurrently with, before, or after the failure to meet the Guaranteed Delivered Energy, including a Default under Section 13.1(j), or (ii) recover any damages not directly attributable to such failure.

Section 9.4 Application of Replacement Energy. In the event of shortfalls in multiple Contract Years, any Replacement Energy delivered by Seller shall be applied in priority to the earliest outstanding shortfall hereunder until all shortfalls are satisfied.

ARTICLE X
CAPACITY RIGHTS

Section 10.1 Purchase and Sale of Capacity Rights. For and in consideration of Buyer entering into this Agreement, and in addition to the agreement between Buyer and Seller to purchase and sell Delivered Energy on the terms and conditions set forth herein, Seller hereby transfers to Buyer, and Buyer hereby accepts from Seller, all of the Capacity Rights. Buyer and Seller acknowledge and agree that the consideration for the transfer of Capacity Rights is contained within the relevant prices for Delivered Energy. Without limiting any of Buyer's obligations hereunder, and excluding the Project Purchase Option, in no event shall Buyer have any obligation or liability whatsoever for any debt pertaining to the Facility by virtue of Buyer's ownership of the Capacity Rights or otherwise.

Section 10.2 Representation Regarding Ownership of Capacity Rights. Seller represents and covenants that it has not assigned, transferred, conveyed, encumbered, sold or otherwise disposed of and will not in the future assign, transfer, convey, encumber, sell or otherwise dispose of any of the Capacity Rights to any Person other than Buyer, or attempt to do any of the foregoing with respect to any of the Capacity Rights. Seller shall not report to any Person that any of the Capacity Rights belong to any Person other than Buyer. Buyer may, at its own risk and expense, report to any Person that the Capacity Rights belong to it.

Section 10.3 Further Assurances. Seller shall execute and deliver such necessary documents and instruments and take such other action as Buyer may reasonably request to effect

recognition and transfer of the Capacity Rights to Buyer. Seller shall bear the costs associated therewith.

ARTICLE XI
BILLING; PAYMENT; AUDITS; METERING; ATTESTATIONS

Section 11.1 Billing and Payment. Billing, payment and settlements for the products under this Agreement, and for any other amounts or offsets due and payable by Buyer or Seller hereunder, shall be in accordance with this Article XI.

(a) On or before the tenth (10th) day of the month following a month in which transactions occur hereunder, Seller shall render an invoice (including the name of the Facility, Seller's address and the contact information of the preparer) to Buyer for the preceding month.

(b) Invoices shall be in a form agreed between the Parties, and each invoice shall set forth the following data and information as applicable with respect to the relevant month:

(i) The amount of Startup and Test Energy for such month, if any.

(ii) The amount of Delivered Energy (excluding Startup and Test Energy), if any.

(iii) An accounting of the amount of the Guaranteed Delivered Energy delivered as of such date for the applicable Contract Year, an accounting of new or made-up Shortfall Energy, RPS Compliance Shortfall Energy or Replacement Energy, if applicable, and a confirmation as to whether Seller met or exceeded the Guaranteed Delivered Energy, if applicable.

(iv) The amount of Excess Energy, if any.

(v) The amount of reimbursement to Buyer for the purchase of Replacement Energy, if any.

(vi) The amount of hours of and Deemed Delivered Energy associated with Compensable Curtailments incurred during such period in accordance with Section 7.5, including the cumulative total of hours of and the amount of Deemed Delivered Energy associated with Compensable Curtailments incurred during the current Contract Year and the prior Contract Year, including the current billing period, and consistent with the Scheduling Procedures.

(vii) Seller's reasonable calculation of, and reasonable supporting documentation for, the amounts owed by Buyer for Deemed Delivered Energy associated with Compensable Curtailments in accordance with Section 7.5(c), (d), (e) and (f).

(viii) The amount of money received by Seller, if any, associated with the sale of any curtailed Delivered Energy under Section 7.5(e).

(ix) Any other payments due to Buyer or to Seller under this Agreement, including amounts due to Buyer in connection with third party sales of curtailed Energy under Section 6.3 or Section 7.5(e).

(x) An accounting of the number of WREGIS Certificates delivered during the current billing period including the cumulative total during the current Contract Year, and any WREGIS Withholding Amount withheld during such the applicable month or released to Seller for which payment is due in accordance with Section 11.2.

(xi) The amount of the EC Adder Payment, if any.

(xii) Any other data from time to time reasonably designated by either Party as may be relevant to the calculation of monthly invoices.

(c) Monthly invoices, to the extent applicable, shall be based on meter readings as described in Section 11.6.

(d) Monthly invoices shall be sent to the address set forth in Appendix C or such other address as is provided by Buyer in writing.

(e) Using the data set forth in each monthly invoice as required under Section 11.1(b) and the applicable rates set forth in Appendix A or elsewhere herein, each invoice shall set forth in reasonable detail all calculations necessary to show the amount payable thereunder. Subject to the provisions of Section 11.2, Buyer shall pay the amounts set forth in each monthly invoice by wire transfer to the accounts designated on the invoice rendered by Seller on or before the forty-fifth (45^{th}) day after receipt by Buyer of the applicable invoice. Bills or portions of bills which are not paid by the due date shall thereafter accrue interest at the Interest Rate, from and including the date payment was due until the date such payment is made. Seller shall pay to Buyer any amount owed to Buyer as set forth in Section 11.1(b)(v) and Section 11.1(b)(ix) with respect to any month at the time Seller submits its next monthly invoice to Buyer, but in no event more than forty-five (45) days after the date of the invoice showing any amount is owed to Buyer.

(f) Attestations of Environmental Attribute transfers to Buyer pursuant to Section 8.1 shall accompany monthly invoices.

(g) At least sixty (60) days prior to the expected date of the startup and testing of the Facility, Seller shall provide to Buyer for its review and approval a final form of monthly invoice to be used hereunder (based on the preliminary draft form therefor attached hereto as Appendix T) and the Parties shall reasonably cooperate to finalize such form (including all changes as may be reasonably necessary or appropriate) prior to the date on which the first invoice is expected to be issued hereunder.

Section 11.2 WREGIS Withholding. Buyer shall have the right to withhold from any payment to Seller, for each MWh delivered under Section 6.1, an amount equal to (a) the Startup Price for Startup and Test Energy, and (b) Twenty Dollars ($20) per MWh for other Delivered Energy (such amount, the "***WREGIS Withhold Amount***") until such time as the WREGIS Certificate associated with such MWh has been credited to Buyer's WREGIS account as set forth in Section 8.4, and Buyer shall pay the WREGIS Withhold Amount previously withheld by Buyer

for each MWh for which a WREGIS Certificate was credited to Buyer's WREGIS account in such month pursuant to Section 11.1(b)(xi).

Section 11.3 Disputed Invoices. In the event any portion of any bill is in dispute, the undisputed amount shall be paid when due. The Party disputing a payment shall promptly notify the other Party in writing of the basis for the dispute. Disputes shall be discussed by the Authorized Representatives, who shall use reasonable efforts to amicably and promptly resolve the disputes, and any failure to agree shall be subject to resolution in accordance with Section 14.3. Upon resolution of any dispute, the required amount of payment or refund shall be paid within ten (10) Business Days after such determination, with interest accrued at the Interest Rate from and including the due date until the date such payment or refund is paid.

Section 11.4 Right of Setoff. In addition to any right now or hereafter granted under applicable law and not by way of limitation of any such rights, each Party shall have the right at any time or from time to time, without notice to the other Party or any other Person (any such notice being hereby expressly waived) to set off against any amount due such Party from the other Party under this Agreement, including any amounts due because of breach of this Agreement or any other obligation and any costs payable by such other Party under this Agreement if and to the extent paid in the first instance by such Party.

Section 11.5 Records and Audits. Seller shall cause its direct subcontractors and suppliers providing services or supplies under this Agreement (such subcontractors or suppliers, "***Subcontractors***") to maintain, and Seller shall itself maintain, all records pertaining to the management of this Agreement, related subcontracts, and performance of services pursuant to this Agreement (including all billings, costs, metering, and Environmental Attributes), in their original form, including reports, documents, deliverables, employee time sheets, accounting procedures and practices, records of financial transactions, and other evidence, regardless of form (e.g., machine readable media such as disk, tape, etc.) or type (e.g., databases, applications software, database management software, utilities, etc.), sufficient to verify all costs claimed to have been incurred and services performed pursuant to this Agreement. Buyer and the Authorized Auditors shall have the right to discuss any such records with Seller's officers and independent public accountants (and by this provision Seller authorizes said accountants to discuss such billings and costs), all at such times and as may be reasonably requested, and all such records shall be retained, and shall be subject to examination and audit by the Authorized Auditors, for a period of not less than four (4) years following final payment made by Buyer hereunder, or, if the payment is made in the last year of the Delivery Term, no less than the four (4) years following the expiration or termination date of this Agreement. Seller shall make said records or, to the extent accepted by the Authorized Auditors, photographs, micro-photographs, etc. or other authentic reproductions thereof, available to the Authorized Auditors at Seller's offices located at all reasonable times and without charge. The Authorized Auditors shall have the right to reproduce, photocopy, download, transcribe, and the like, any such records. Any information provided by Seller on machine-readable media shall be provided in a format accessible and readable by the Authorized Auditors. Seller shall not, however, be required to furnish the Authorized Auditors with commonly available software. In addition, Seller shall be subject at any time with thirty (30) days prior written notice to audits or examinations by Authorized Auditors to verify compliance with all Agreement requirements relative to practices, methods, procedures, performance, compensation, and

documentation, and shall cause all of its Subcontractors for agreements entered into after the Effective Date and having a value in excess of One Million ($1,000,000) (such subcontractors, "***Major Subcontractors***") to comply with the foregoing requirements. All such records subject to audit or examination shall be retained by the Major Subcontractor for a period of not less than four (4) years following the final payment by Seller to such Major Subcontractor. Examinations and audits will be performed using generally accepted auditing practices and principles and applicable Governmental Authority audit standards. If Seller utilizes or is subject to FAR, Part 30 and 31, *et seq*. accounting procedures, or a portion thereof, examinations and audits will utilize such information. To the extent that the Authorized Auditor's examination or audit reveals inaccurate, incomplete or non-current records, or records are unavailable, the records shall be considered defective. Consistent with standard auditing procedures, Seller will be provided fourteen (14) days to review the Authorized Auditor's examination results or audit and respond to Buyer's prior to the examination's or audit's finalization and public release. If the Authorized Auditor's examination or audit indicates Seller has been overpaid under a previous payment application, the identified overpayment amount shall be paid by Seller to Buyer within thirty (30) days of notice to Seller of the identified overpayment. In addition, Seller and its Major Subcontractors shall also include the following language in each Subcontractor contract: "The Southern California Public Power Authority is a third-party beneficiary of the foregoing audit provision. The benefits of the audit provision shall inure solely for the benefit of the Southern California Public Power Authority. The designation of the Southern California Public Power Authority as a third-party beneficiary of the audit provision shall not confer any rights or privileges on Seller, subcontractor or any other person/entity." Notwithstanding the foregoing, if the audit reveals that Buyer's overpayment to Seller is more than five percent (5.0%) of the billings reviewed, Seller shall pay all expenses and costs incurred by the Authorized Auditors arising out of or related to the examination or audit. Such examination or audit expenses and costs shall be paid by Seller to Buyer within thirty (30) days of notice to Seller of such costs and expenses.

Section 11.6 Electric Metering Devices

(a) The Delivered Energy made available to Buyer or Buyer's Agent by Seller under this Agreement shall be measured using the Electric Metering Devices, including the Project Meter, which shall be procured, installed, owned and maintained by Seller, as depicted and labeled in the single-line diagram attached to this Agreement as Appendix R-1, which shall be updated as a condition precedent to the achievement of the Construction Commencement Milestone. All such Electric Metering Devices used to provide data for the computation of payments shall be sealed and Seller shall only break the seal when such Electric Metering Devices are to be inspected and tested or adjusted in accordance with this Section 11.6(a).

(b) The Electric Metering Devices shall be capable of: (i) measuring back-feed kilowatts and generation kilowatts at revenue quality to provide telemetering to the LADWP Energy Control Center ("***ECC***"), (ii) adjusting the measured values of Delivered Energy for loss compensation from the Project Meter to the Point of Delivery using the Transmission Line Loss Factor at the Point of Delivery for billing purposes, (iii) accurately metering back-feed load when generation output goes to zero, (iv) conforming to the DNP 3.0 protocol and meeting N-1 redundancy (which dictates that if any one meter fails, the Electric Metering Devices will allow the missing telemetry data to be alternately sourced or calculated), and (v) a live data metering

connection accessible using the Inter-Control Center Communications Protocol ("***ICCP***") (as defined by the International Electrotechnical Commission) to enable the exchange of real-time and historical power system monitoring and control data, including measured values and accounting data. Examples of N-1 redundancy compliant architecture include placing backup meters at the same point of metering or installing one meter at each branch (i.e. gross, aux, and net) so the missing telemetry data may be calculated as a difference. Notwithstanding the foregoing capabilities and requirements, the Electric Metering Devices shall function at all times in compliance with the Guidebook, and the RPS Law and Metering Policies.

(c) Seller, at no expense to Buyer, shall inspect and test all such Electric Metering Devices owned, installed, and maintained by Seller upon installation and at least annually thereafter. Seller shall provide Buyer with reasonable advance notice of, and permit a representative of Buyer or Buyer's Agent to witness and verify, such inspections and tests. Upon request by Buyer or Buyer's Agent, Seller shall perform additional inspections or tests of any such Electric Metering Devices and shall permit a qualified representative of Buyer or Buyer's Agent to inspect or witness the testing of any such Electric Metering Devices. The actual expense of any such requested additional inspection or testing shall be borne by Seller. Seller shall provide copies of any inspection or testing reports to Buyer and Buyer's Agent. Any representative of Buyer witnessing or verifying a test under this Section 11.6(c) shall (i) not interfere with Seller's performance of such test, and (ii) comply with any written site-specific rules or regulations.

(d) If an Electric Metering Device fails to register, or if the measurement made by an Electric Metering Device is found upon testing to be inaccurate by more than the threshold set forth in the then-current LADWP Bulk Electric System Meter Policy, an adjustment shall be made correcting all measurements by the inaccurate or defective Electric Metering Device for both the amount of the inaccuracy and the period of the inaccuracy. The adjustment period shall be determined by reference to Buyer's Agent from the best available data, which may include data from any Buyer Check Meters, subject to review and approval by Seller (such approval not to be unreasonably withheld). If the period of the inaccuracy cannot be ascertained reasonably, any such adjustment shall be for a period equal to one-third of the time elapsed since the preceding test of the Electric Metering Devices. To the extent that the adjustment period covers a period of deliveries for which payment has already been made by Buyer, Buyer shall use the corrected measurements as determined in accordance with this Section 11.6(d) to recompute the amount due for the period of the inaccuracy and shall subtract the previous payments by Buyer for this period from such recomputed amount. If the difference is a positive number, the difference shall be paid by Buyer to Seller; if the difference is a negative number, that difference shall be paid by Seller to Buyer, or at the discretion of Buyer, may take the form of an offset to payments due to Seller from Buyer. Payment of such difference by the owing Party shall be made not later than thirty (30) days after the owing Party receives notice of the amount due, unless Buyer elects payment via an offset.

(e) Commencing on the first date on which Startup and Test Energy is produced by the Facility, and continuing throughout the Delivery Term, Seller shall provide to Buyer read-only access to all Electric Metering Devices installed, owned and operated by Seller that are used to measure Delivered Energy.

ARTICLE XII
REPRESENTATIONS AND WARRANTIES; COVENANTS OF SELLER

Section 12.1 Representations and Warranties by Buyer. Buyer represents and warrants to Seller that:

(a) Buyer is a validly existing California joint powers authority under the laws of the State of California and has the legal power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and each Ancillary Document to which it is a party and carry out the transactions contemplated hereby and thereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement and all such Ancillary Documents.

(b) The execution, delivery and performance by Buyer of this Agreement and each Ancillary Document to which it is a party have been duly authorized by all necessary action, and do not require any consent or approval of Buyer's Board of Directors or members other than that which has been obtained; provided that further authorizations will be required for Buyer to exercise the Project Purchase Option, the Right of First Offer or the Right of First Refusal.

(c) The execution and delivery of this Agreement and each Ancillary Document to which it is a party, the consummation of the transactions contemplated hereby and thereby and the fulfillment of and compliance with the provisions of this Agreement and each Ancillary Document to which it is a party do not conflict with or constitute a breach of or a default under, any of the terms, conditions or provisions of any legal requirements, or its joint powers agreement or bylaws, or any deed of trust, mortgage, loan agreement, other evidence of indebtedness or any other agreement or instrument to which Buyer is a party or by which it or any of its property is bound, or result in a breach of or a default under any of the foregoing, which conflicts or breaches, individually, or in the aggregate, would reasonably be expected to result in a material adverse effect.

(d) This Agreement and each Ancillary Document to which it is a party constitutes the legal, valid and binding obligation of Buyer enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) There is no pending, or to the knowledge of Buyer, threatened action or proceeding affecting Buyer before any Governmental Authority, which purports to affect the legality, validity or enforceability of this Agreement.

Section 12.2 Representations and Warranties by Seller. Seller represents and warrants to Buyer that:

(a) Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, is qualified to do business in the State of California and the State of Utah and has the legal power and authority to own its properties, and

to carry on its business as now being conducted. Each of the Seller Parties has the legal power and authority to enter into this Agreement and each Ancillary Document to which it is a party and, subject to the receipt of additional regulatory approvals, to carry out the transactions contemplated hereby and thereby, and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement and each Ancillary Document to which it is a party.

(b) The execution, delivery and performance by each Seller Party of this Agreement and each Ancillary Document to which it is a party have been duly authorized by all necessary limited liability company action, and do not and will not require any consent or approval of such Seller Party's managing member or equity holders other than that which has been obtained. No later than five (5) Business Days after the Effective Date, Seller shall deliver to Buyer (i) copies of all resolutions and other documents evidencing such limited liability company actions, certified by an authorized representative of such Seller Party as being true, correct and complete, and (ii) an incumbency certificate signed by the secretary of such Seller Party certifying as to the names and signatures of the authorized representatives of such Seller Party.

(c) The execution and delivery of this Agreement and each Ancillary Document to which any Seller Party is a party, the consummation of the transactions contemplated hereby and thereby and the fulfillment of and compliance with the provisions of this Agreement and each Ancillary Document to which it is a party, do not and will not conflict with or constitute a breach of or a default under, any of the terms, conditions or provisions of any Requirement of Law, or any organizational documents, agreement, deed of trust, mortgage, loan agreement, other evidence of indebtedness or any other agreement or instrument to which any Seller Party is a party or by which it or any of its property is bound, or result in a breach of or a default under any of the foregoing or result in or require the creation or imposition of any Lien upon any of the properties or assets of such Seller Party (except as contemplated hereby).

(d) This Agreement and any Ancillary Documents to which any Seller Party is a party constitutes the legal, valid and binding obligation of such Seller Party, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) There is, as of the Effective Date, no pending, or to the knowledge of Seller, threatened action or proceeding affecting any Seller Party before any Governmental Authority that purports to affect the legality, validity or enforceability of this Agreement or any Ancillary Document to which it is a party.

(f) None of the Seller Parties is in violation of any Requirement of Law which violations, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect on the business, assets, operations, or condition (financial or otherwise) of any Seller Party, or the ability of any Seller Party to perform any of its obligations under this Agreement or any Ancillary Document to which it is a party.

(g) All investors have been informed by Seller of the existence of this Agreement and all Ancillary Documents on or before the date of such investment in Seller.

(h) As of the Effective Date, the organizational structure and ownership of Seller and each Upstream Equity Owner, including a list of each of the Principals of Ultimate Upstream Equity Owner and of each Upstream Equity Owner that is itself owned directly or indirectly in whole or part by the Ultimate Upstream Equity Owner, is as set forth in Schedule 12.2(h). Schedule 12.2(h) may be updated from time to time by agreement of Buyer and Seller to account for a Change in Control that has been consented to by Buyer in accordance with this Agreement.

(i) No Seller Party has entered into this Agreement or any Ancillary Document with the actual intent to hinder, delay or defraud any creditor and each Seller Party received reasonably equivalent value in exchange for its obligations under this Agreement and the Ancillary Documents. No petition in bankruptcy has been filed against any Seller Party, and no Seller Party, nor any of its respective constituent Persons, has ever made an assignment for the benefit of creditors or taken advantage of any insolvency act for its benefit as a debtor.

(j) On and after the date of delivery of the Non-Consolidation Opinion, all of the assumptions made in the Non-Consolidation Opinion, including any exhibits attached thereto, are true and correct in all material respects and Seller has complied with all of the assumptions made with respect to Seller in the Non-Consolidation Opinion.

(k) All Tax returns and reports of each Seller Party required to be filed by it have been timely filed, and all Taxes shown on such Tax returns to be due and payable and all assessments, fees and other governmental charges upon each Seller Party and upon its properties, assets, income, business and franchises that are due and payable have been paid when due and payable. Seller knows of no proposed Tax assessment against Seller that is not being actively contested by it in good faith and by appropriate proceeding.

(l) Seller owns or possesses, or reasonably expects to obtain in the ordinary course of business or possess in a timely manner, all patents, rights to patents, trademarks, copyrights and licenses necessary for the performance by Seller of this Agreement and the Ancillary Documents and the transactions contemplated thereby, without any conflict with the rights of others, and Seller's use thereof does not infringe on the intellectual property rights of third parties.

(m) Seller has not assigned, transferred, conveyed, encumbered, sold or otherwise disposed of the Delivered Energy, Environmental Attributes or Capacity Rights except to Buyer in accordance with this Agreement.

(n) Seller has Site Control. Seller's agents and representatives have visited, inspected and become familiar with the Real Property and its surface physical condition relevant to the obligations of Seller pursuant to this Agreement, including surface conditions, normal and usual soil conditions, roads, utilities, and topographical, solar radiation, and air and water quality conditions. Seller is familiar with all local and other conditions that may be material to Seller's performance of its obligations under this Agreement (including, transportation, seasons and

climate, access, weather, handling and storage of materials and equipment, and availability and quality of labor and utilities). Seller has determined that the Real Property constitutes an acceptable and suitable site for the construction and operation of the Facility and the associated transmission line in accordance herewith.

(o) To Seller's knowledge, as of the Effective Date, there are no investigations, inquiries, orders, hearings, actions or other proceedings by or before any Governmental Authority that are pending or, to the best of Seller's knowledge, threatened in connection with any Permit or Environmental Laws with respect to the Facility or the Facility Site. Neither Seller, nor to Seller's knowledge, any third party has used, released, generated, manufactured, produced, or stored in, on, under or about the Real Property any Hazardous Materials that could reasonably be expected to subject Seller or Buyer to liability under any Environmental Laws. To Seller's knowledge, with the exception of those Hazardous Materials used and stored in accordance with Environmental Laws and pursuant to any applicable Permit, there are no Hazardous Materials used, stored or present at, in, on or under the Real Property that could reasonably be expected to subject the Seller or Buyer to liability under any Environmental Laws.

(p) Seller has obtained all Permits (including final notice of determination or an applicable exemption under (i) the California Environmental Quality Act, (ii) the National Environmental Policy Act and/or (iii) other comparable environmental law of the state and county (if applicable) where the Facility is located).

Section 12.3 Covenant of Seller Related to Seller's Status as Special Purpose Entity. Seller shall at all times comply with the requirements of, and qualify as, a Special Purpose Entity.

Section 12.4 Covenants of Seller Related to Real Property Agreements.

(a) Seller shall at all times maintain Site Control and keep, perform, observe and comply with, or cause to be kept, performed, observed and complied with, all covenants, agreements, conditions and other provisions required to be kept, performed, observed and complied with, by or on behalf of Seller from time to time pursuant to the Real Property Agreements, and Seller shall not do or permit anything to be done, the doing of which, or refrain from doing anything, the omission of which, is grounds for a termination of Seller's rights under the Real Property Agreements.

(b) Subject to this Section 12.4(b), Seller may from time to time supplement the Real Property Agreements listed in Appendix H to reflect any terminated or transferred Real Property Agreements and to include such additional easements, rights-of-way and other Real Property Agreements as may be required by Seller to perform its obligations under this Agreement; provided that such action shall not reduce or have any other effect on the Contract Capacity, the Expected Annual Generation, the Guaranteed Delivered Energy, the amount of Delivered Energy, or the Facility as described in this Agreement, or cause Seller to be out of compliance with its Permits. Seller shall provide Buyer with written notice of the termination, transfer or addition of any Real Property Agreements occurring prior to the Construction Commencement Milestone and prior written notice of any termination, transfer or addition of any Real Property Agreements occurring after the Construction Commencement Milestone, and the Parties shall revise Appendix B and Appendix H to reflect any such terminations, transfers or additions. Subject to

this Section 12.4(b), any terminated or transferred Real Property Agreements shall no longer constitute Real Property Agreements following such termination or transfer. Any additional Real Property Agreements shall be subject to the terms and conditions of this Section 12.4. Following the Commercial Operation Date, Seller may not remove any portions of or rights or interests in the Real Property under the Real Property Agreements or amend or terminate any of the Real Property Agreements, or otherwise alter, diminish, or otherwise take actions that would adversely affect the Facility, unless (i) Buyer has provided prior written consent to Seller, such consent to be determined in Buyer's reasonable discretion, or (ii) Seller has provided a written certification to Buyer that such action shall not adversely affect Buyer's ability to exercise the Project Purchase Option or Seller's ability to perform its material obligations under this Agreement.

(c) Seller shall at all times prevent the imposition of any Liens or encumbrances, other than Permitted Encumbrances, on Seller's interest in the real property that is subject to the Real Property Agreements. In the event a Lien or encumbrance other than a Permitted Encumbrance is imposed on Seller's interest in any property subject to a Real Property Agreement, Seller shall give Buyer immediate notice thereof and shall take immediate action to release such Lien or encumbrance.

(d) Seller shall not consent, agree to or permit, or take or cause to be taken, any action or non-action to bring about any rescission or termination of, or amendment to, any of the Real Property Agreements, or to take any action in connection with any of the Real Property Agreements that will impair or have an adverse effect on the rights, interest or security of Buyer, or elect to resolve any controversy, claim or dispute under the Real Property Agreements, or to assign, sublease, encumber, mortgage, or grant any security interest in or otherwise dispose of any of the Real Property Agreements or any portion thereof or interest therein without the consent of Buyer, except as permitted in this Agreement.

(e) Seller shall not develop or improve the Real Property other than so as to provide for the facilities and improvements of the Facility in accordance with this Agreement and the terms and conditions of any Permits and Environmental Documents.

(f) Seller shall provide Buyer with true and complete copies of the Real Property Agreements, which may be redacted to redact specific pricing information. Seller shall or shall cause the Lessor, if applicable, to timely and duly record in the land records of the applicable county or counties of the State of California, or as otherwise provided by applicable law, all Real Property Agreements, or memoranda of such Real Property Agreements, to the extent recordable under federal or state law, and shall promptly (and in no event five (5) Business Days thereafter) provide Buyer with true and complete copies of such recorded Real Property Agreements.

(g) Unless otherwise provided in the Consent and Agreement, to the extent that any Real Property Agreements prohibit assignment, or do not expressly permit assignment, of Seller's rights to cure a breach or default thereunder, Seller shall use commercially reasonable efforts to cause each such Real Property Agreement to provide a right for Buyer to cure any breach or default by Seller under such Real Property Agreement (subject to the prior right of any Facility Lender); provided, that using "commercially reasonable efforts" shall not require Seller to re-open

negotiations with landowners for the Real Property Agreements unless Seller amends or otherwise modifies or supplements the Real Property Agreements (whether by way of amendment or Consent and Agreement) to include a cure right with respect to any Real Property Agreement on behalf of the Facility Lenders, in which case, Seller shall also request a similar cure right for Buyer. Seller shall give Buyer immediate notice of (i) any default notice received by Seller or the Lessor or delivered by Seller or the Lessor under any of the Real Property Agreements, or (ii) the commencement of any action or proceeding or arbitration pertaining to any Real Property Agreement. Seller shall deliver to Buyer, immediately upon service or delivery thereof on, to or by Seller or the Lessor, a copy of each petition, summons, complaint, notice of motion, order to show cause and other pleading or paper, however designated, which shall be served or delivered in connection with any such action, proceeding or arbitration in connection with a Real Property Agreement.

(h) Upon any payment by Buyer under any of the Real Property Agreements to cure any default of Seller or the Lessor thereunder, and thereby prevent termination of any of the Real Property Agreements, or the exercise of any other remedy of the other party or parties thereunder arising out of such default, Buyer shall be entitled to offset amounts otherwise due Seller pursuant to the Monthly Payment hereunder by the amount of such cure payment or remedy cost until Buyer has been fully repaid.

(i) As part of the monthly report provided under Section 4.5(a), Seller shall certify to Buyer, and shall provide Buyer with evidence, that the rent, fees or other payments payable by Seller under the Real Property Agreements and the Interconnection Agreement have been paid prior to the date on which such rent, fees or other payments would be delinquent. If Seller does not provide Buyer with such certification or evidence for the applicable month and if such rent, fees or other payments have not been paid, Buyer, as beneficiary under the Development Security and the Performance Security, may, but shall not be obligated to, cure such default by Seller as provided under this Section 12.4.

Section 12.5 Covenants of Seller Related to Tax Financing.

(a) Seller shall provide Buyer with at least one hundred twenty (120) days' prior written notice of the reasonably likely occurrence of any consolidation, merger, or reorganization or other similar transaction, or series of similar transactions (other than, for the avoidance of doubt, any Tax Financing), involving Seller, any Upstream Equity Owner or the Ultimate Upstream Equity Owner.

(b) Seller shall provide Buyer with at least sixty (60) days' prior written notice of the consummation of a Tax Financing, which notice shall include, as applicable, (a)(i) introductory and contact information about and for any potential Tax Equity Investors and (ii) a summary of proposed provisions related to, and the structure surrounding, the power to control the management and policies of Seller, and any entity that is jointly-owned by any Upstream Equity Owner and such Tax Equity Investor arising in connection with the Tax Financing, or (b) introductory and contact information about and for any potential tax credit purchasers. Such notice shall be in addition to, and not in lieu of, any notice required under Section 14.6. Promptly following the consummation of a Tax Financing, Seller shall provide

Buyer with a certificate from an authorized officer of Seller, certifying that a Tax Financing has occurred and that the transaction described in the notice meets all the requirements of a Tax Financing set forth in this Agreement.

(c) In addition to the items listed in subparagraph (b) above, in the event of a Sale Leaseback Financing, Seller shall also provide Buyer with true and correct copies of all agreements with the Lessor (with confidential terms redacted).

(d) It shall be a Default (which shall be subject to cure only if such Default is reasonably capable of being promptly and completely cured by Seller, and if not capable of being promptly and completely cured by Seller, shall be an immediate Default without opportunity to cure hereunder) should Seller enter into a Sale Leaseback Financing unless the Lessor or Lessors thereunder and Seller shall have concurrently entered into an agreement with Buyer providing for (i) substantially the terms set forth in Appendix E, (ii) an estoppel certificate certifying that this Agreement remains in full force and effect and binding on Seller and that each Real Property Agreement remains in full force and effect and binding on the third parties thereto, and (iii) a binding obligation of such Lessor or Lessors and Seller, upon any exercise by Buyer of its Project Purchase Option by delivery of the Purchase Option Exercise Notice as provided under Section 2.5 of the Option Agreement, to terminate such Sale Leaseback Financing prior to the Closing of the purchase by Buyer of the Facility Assets (as such terms are defined in the Option Agreement) by the reconveyance of the Facility Assets or the Facility Site, as applicable, by such Lessor or Lessors to Seller and the termination of the lease of the Facility or the Facility Site, as applicable, by such Lessor or Lessors and Seller, and the transfer upon the Closing of the Facility from such Lessor to Seller, and from Seller to Buyer, or directly from Lessor to Buyer, in either case, in accordance with the terms and conditions set forth in the Option Agreement.

(e) Seller shall deliver or cause to be delivered copies of all resolutions and other documents evidencing the actions taken to approve, execute and deliver such Sale Leaseback Financing Agreements and any the documents required in Section 12.5(d), in each case certified by an authorized representative of any Seller Party as being true, correct and complete, and an incumbency certificate signed by the secretary of such Seller Party certifying as to the names and signatures of the authorized representatives of such Seller Party.

Section 12.6 Additional Covenants of Seller.

(a) Seller and each Seller Party shall, at its expense, take all steps necessary to maintain all Permits, including as set forth in Appendix K, for the performance of such Seller or Seller Party's obligations hereunder and under the Ancillary Documents to which such Seller Party is a party, the construction of the Facility, and the ownership and operation of the Facility, in accordance with the Requirements.

(b) Seller shall provide Buyer with a true and complete copy of the Interconnection Agreement. Seller shall maintain in full force and effect the Interconnection Agreement, and shall not permit any material amendment to or modification of, the Interconnection Agreement without the consent of Buyer, such consent not to be unreasonably withheld, conditioned or delayed; provided, that no such consent shall be required if such amendment or modification (i) is solely to update the equipment that will be utilized for the

interconnection facilities or the single line diagram to reflect changes in system design and/or differences in equipment performance compared to design specifications, (ii) does not constitute a material modification under the Interconnection Agreement, and (iii) does not materially adversely affect Seller's ability to perform its obligations under this Agreement.

(c) In the event that Seller has entered into any Shared Facilities Agreements in accordance with Section 14.22, Seller and each Seller Party shall maintain, and shall cause any Affiliates to maintain, in full force and effect, any Shared Facilities Agreement in form and substance approved by Buyer, and shall not permit any material amendment to or modification of, any Shared Facilities Agreement without the consent of Buyer.

(d) Seller shall not, at any time following the Commercial Operation Date, incur or permit Facility Debt in an amount that, in the aggregate as of the date it is incurred, exceeds seventy percent (70%) of the Facility Cost and (y) provided, that if the proceeds of the sale of PTCs are being financed by the Facility Lenders, during such PTC financing period, ninety percent (90%) of the Facility Cost.

ARTICLE XIII
DEFAULT; TERMINATION AND REMEDIES

Section 13.1 Default. Each of the following events or circumstances shall constitute a "Default" by the responsible Party (the "***Defaulting Party***"):

(a) **Payment Default**. Failure by either Party to pay any amount when and as due under this Agreement which is not cured within thirty (30) days after receiving written notice thereof from the other Party.

(b) **Performance Defaults**. Failure by either Party or Seller Party to perform any of its duties or obligations under this Agreement or the Option Agreement when and as due (other than (i) the failure to make any payment, which is addressed in Section 13.1(a)), (ii) the failure to provide the Development Security in accordance with Section 5.6(a), which shall be an immediate Default for which no cure period is given; (iii) a "Security Default" as set forth in Section 13.1(e), (iv) the failure by Seller to replenish the Performance Security within the periods provided under Section 5.6(d), (v) a Default under Section 12.5(d), and (vi) except as otherwise set forth in this Agreement), which is not cured within thirty (30) days after receipt of written notice thereof from the other Party; provided, that if such failure cannot be cured within such thirty (30) day period despite commercially reasonable efforts and it is reasonable to expect that such failure may be cured within an additional sixty (60) days, and such Party continues to diligently proceed with such cure within such longer period of time, such Party shall have an additional sixty (60) days to cure.

(c) **Breach of Representations and Warranties.** Inaccuracy in any material respect as of the Effective Date of any representation, warranty, certification or other statement made by a Party or in any Ancillary Document that, if capable of being cured, is not cured within thirty (30) days after receipt of notice thereof.

(d) **Bankruptcy.** Bankruptcy of Buyer or any Seller Party.

(e) **Security Default.** The failure of Seller to timely issue, maintain or replace the Development Security or the Performance Security in compliance with the provisions of Section 5.6.

(f) **Insurance Default**. The failure of Seller to maintain and provide the required insurance for the required period of coverage as set forth in Appendix F, and such failure is not cured within ten (10) days after the initial date such coverage is not maintained.

(g) **Fundamental Change**. Except as permitted by Section 14.6, (i) a Party makes an assignment of its rights or delegation of its obligations under this Agreement or the Option Agreement, or (ii) a Change in Control occurs (whether voluntary or by operation of law).

(h) **Real Property Agreement Default**. Except as permitted under Section 12.4 or with Buyer's written consent, any Real Property Agreement fails to be in effect or is terminated for any reason, or amended in any material respect, and the same would have a Material Adverse Effect or limit in any way the exercise by Buyer of the Project Purchase Option.

(i) **Commercial Operation Date Default**. Failure by Seller to achieve the Commercial Operation Date by the Guaranteed Commercial Operation Date; provided, that it shall not be a Seller Default under this Section so long as Seller is paying Daily Delay Damages during the one-hundred eighty (180) day period following the Guaranteed Commercial Operation Date; provided, further, that notwithstanding anything to the contrary, it shall be an immediate Default if the Commercial Operation Date has not been achieved by the Outside COD (for the avoidance of doubt as such date is extended due to an extension of the Guaranteed Commercial Operation Date pursuant to Section 3.3(d)).

(j) **Shortfall Energy Termination Default.** The failure of the Facility during any three (3) consecutive Contract Year period (which shall be calculated, for any such failure that occurs during the Initial Stub Year or the Final Stub Year, to include such Initial Stub Year or Final Stub Year, as applicable, and three (3) additional calendar years) to deliver at least seventy percent (70%) of the Guaranteed Delivered Energy.

(k) **Failure to Provide Real Time Data**. The failure of Seller to provide any of the real-time data required to be delivered under Section 7.3, which failure is (i) due to the failure of Seller's equipment or otherwise in Seller's control, or operation or maintenance thereof, and (ii) not cured within twenty-four (24) hours after receipt of written email notice thereof from Buyer; provided, however, Seller shall have up to thirty (30) calendar days to cure such failure so long as such cure is not reasonably possible within twenty-four (24) hours and Seller is using continuous and diligent efforts to resolve such failure; provided, subject to Buyer's approval, which shall not be unreasonably withheld, conditioned or delayed, Seller shall have up to an additional (60) calendar days to cure such failure so long as (A) such cure is not reasonably possible within thirty (30) days and Seller is using continuous and diligent efforts to resolve such failure and (B) such cure can reasonably be expected to be cured within such extended cure period.

Section 13.2 Failure to Perform under Interconnection Agreement. (i) The failure by Seller to perform any of its duties or obligations under the Interconnection Agreement when

and as due that has a Material Adverse Effect, and is not cured within thirty (30) days after Seller is notified of such failure or (ii) any termination of any Interconnection Agreement.

Section 13.3 Default Remedy.

(a) If Buyer is in Default for nonpayment, subject to any duty or obligation under this Agreement, Seller may, at its sole option, (i) suspend performance of its obligations hereunder, including delivery of the Delivered Energy, (ii) sell Delivered Energy, Environmental Attributes and Capacity Rights to third parties pursuant to and in accordance with Section 6.3, or (iii) continue to provide services pursuant to its obligations under this Agreement; provided that nothing in this Section 13.2(a) shall affect Seller's other rights and remedies set forth in this Section 13.2. Seller's continued performance shall not act to relieve Buyer of any of its duties or obligations under this Agreement.

(b) Notwithstanding any other provision herein, if any Default has occurred and is continuing, the affected Party may, whether or not the dispute resolution procedure set forth in Section 14.3 has been invoked or completed, bring an action in any court of competent jurisdiction as required by Section 14.3 seeking injunctive relief in accordance with applicable California or federal rules of civil procedure.

(c) Except as expressly limited by this Agreement, if a Default has occurred and is continuing and Buyer is the Defaulting Party, Seller may without further notice exercise any rights and remedies provided herein or otherwise available at law or in equity, including the right to terminate this Agreement upon giving notice of intent to terminate to Buyer. No failure of Seller to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Seller of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power.

(d) Except as expressly limited by this Agreement, if a Default has occurred and is continuing and Seller is the Defaulting Party, Buyer may without further notice exercise any rights and remedies provided for herein, or otherwise available at law or equity, including (i) application of all amounts available under the Development Security or Performance Security against any amounts then payable by Seller to Buyer under this Agreement (ii) termination of this Agreement pursuant to Section 13.3, and (iii) exercise its rights under the Project Purchase Option, subject to the provisions of this Agreement, in each case upon notice of intent to terminate this Agreement to Seller. No failure of Buyer to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Buyer of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power.

Section 13.4 Termination for Default.

(a) If a Default occurs, the Party that is not the Defaulting Party (the "***Non- Defaulting Party***") shall have the right, for so long as the Default is continuing, and subject to applicable cure rights, and without limiting any other rights or remedies available to the Non-Defaulting Party under this Agreement, by notice ("***Termination Notice***") by the Non-Defaulting Party to the Defaulting Party (i) establish a date (which shall be no earlier than the date

of such notice and no later than twenty (20) days after the date of such notice) ("***Early Termination Date***") on which this Agreement shall terminate, and (ii) withhold any payments due in respect of this Agreement, provided, upon the occurrence of any Default of the type described in Section 13.1(d), this Agreement shall automatically terminate, without notice or other action by either Party as if an Early Termination Date had been declared immediately prior to such event.

(b) If an Early Termination Date has been designated, the Non-Defaulting Party shall calculate in a commercially reasonable manner its Gains, Losses and Costs resulting from the termination of this Agreement and the resulting Termination Payment. The Gains, Losses and Costs relating to the Delivered Energy and associated Environmental Attributes and Capacity Rights that would have been required to be delivered under this Agreement had it not been terminated shall be determined by comparing the amounts Buyer (if the Non-Defaulting Party) would have paid or Seller (if the Non-Defaulting Party) would have received therefor under this Agreement to the equivalent quantities and relevant market prices either quoted by a bona fide third party offer or which are reasonably expected by Buyer (if the Non-Defaulting Party) or by Seller (if the Non-Defaulting Party) to be available in the market under a replacement contract for this Agreement covering the same products and having a term equal to the Remaining Term at the date of the Termination Notice adjusted to account for differences in transmission, if any. The Non-Defaulting Party shall not be required to enter into any such replacement agreement in order to determine its Gains, Losses and Costs or the Termination Payment. To ascertain the market prices of a replacement contract, the Non-Defaulting Party may consider, among other valuations, quotations from dealers in Energy contracts and bona fide third party offers.

(c) For purposes of the Non-Defaulting Party's determination of its Gains, Losses and Costs and the Termination Payment, it shall be assumed, regardless of the facts, that Seller would have sold, and Buyer would have purchased, each day during the Remaining Term (i) Delivered Energy in an amount equal to the Assumed Daily Deliveries, (ii) the Environmental Attributes associated therewith, and (iii) all Capacity Rights associated therewith. The "***Assumed Daily Deliveries***" is an amount equal to the greater of (A) the quotient of the Guaranteed Delivered Energy divided by three hundred and sixty five (365), and (B) the average daily amount of Delivered Energy during the Delivery Term, if any.

(d) The Non-Defaulting Party shall notify the Defaulting Party of the Termination Payment, which notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Defaulting Party shall, within ten (10) Business Days after receipt of such notice, pay the Termination Payment to the Non-Defaulting Party, together with interest accrued at the Interest Rate from the Early Termination Date until paid. If the Non-Defaulting Party's aggregate Gains exceed its aggregate Losses and Costs, the Termination Payment shall be zero.

(e) If the Defaulting Party disagrees with the calculation of the Termination Payment and the Parties cannot otherwise resolve their differences, the calculation issue shall be submitted to informal non-binding Dispute resolution as provided in Section 14.3(a). Following resolution of the Dispute, the Defaulting Party shall pay the full amount of the Termination Payment (if any) determined by such resolution as and when required, but no later than thirty (30)

days following the date of such resolution, together with all interest, at the Interest Rate, that accrued from the Early Termination Date until the date the Termination Payment is paid.

(f) For purposes of this Agreement:

(i) "***Gains***" means, with respect to a Party, an amount equal to the present value of the economic benefit (exclusive of Costs), if any, resulting from the termination of its obligations under this Agreement, determined in a commercially reasonable manner;

(ii) "***Losses***" means, with respect to a Party, an amount equal to the present value of the economic loss (exclusive of Costs), if any, resulting from the termination of its obligations under this Agreement, determined in a commercially reasonable manner;

(iii) "***Costs***" means, with respect to a Party, brokerage fees, commissions and other similar transaction costs and expenses reasonably incurred or in entering into new arrangements which replace this Agreement, excluding attorneys' fees, if any, incurred in connection with enforcing its rights under this Agreement. Each Party shall use reasonable efforts to mitigate or eliminate its Costs.

(iv) In no event shall a Party's Gains, Losses or Costs include any penalties or similar charges imposed by the Non-Defaulting Party.

(v) The Present Value Rate shall be used as the discount rate in all present value calculations required to determine Gains, Losses and Costs.

(g) At the time for payment of any amount due under this Section, each Party shall pay to the other Party all additional amounts, if any, payable by it under this Agreement (including any amounts withheld pursuant to Section 13.3(a)(ii)).

Section 13.5 Cure Rights of Facility Lender and Buyer. Buyer shall provide such consents to assignment, substantially in the form attached as Appendix O, as may be reasonably requested by Seller or any Facility Lender (other than a Tax Equity Investor); provided that the terms of such financing or refinancing and the documentation relating thereto shall comply with the applicable terms and conditions of this Agreement (such consent, the "***Consent and Agreement***"). The Consent and Agreement shall provide such Facility Lender or its agent notice of the occurrence of any Default described in Section 13.1 and (if permitted under this Agreement) the opportunity to cure any such default, and shall require that the provisions of any Financing Agreement provide Buyer with the right, but not the obligation, at any time, to pay any or all amounts due from Seller thereunder, and to do any other act or thing required of Seller, in each case to cure any default of Seller thereunder, or to prevent the termination of such Financing Agreement or the exercise of any remedy by the Facility Lender thereunder that could preclude or impede Buyer from exercising its Project Purchase Option. Seller shall promptly repay Buyer for any costs or expenses incurred by Buyer in making any such payments or otherwise incurred by Buyer in connection with curing a default by Seller. In addition, Buyer shall, if reasonably requested by a Tax Equity Investor, provide a written consent and estoppel substantially in the form attached as Appendix V providing such Tax Equity Investor with the right, but not the obligation, at any time, to pay any or all amounts due from Seller to Buyer hereunder, and to do

any other act or thing required of Seller, in each case, to cure any default of Seller under this Agreement in a manner that is consistent with the applicable terms and conditions of this Agreement and the Option Agreement, and to provide a customary estoppel certificate, provided that the terms and conditions of any such consent, or any such estoppel certificate shall have no (and could not reasonably be expected to have any) adverse effect on Buyer's rights under this Agreement or the Option Agreement, and, except for a reasonable additional cure period for the Tax Equity Investor to cure a default of Seller as set forth in the consent with such Tax Equity Investor, which additional cure period shall be no longer than the cure period afforded the Facility Lender, shall be consistent with the terms and conditions of this Agreement.

ARTICLE XIV
MISCELLANEOUS

Section 14.1 Authorized Representative. Each Party shall designate an authorized representative who shall be authorized to act on its behalf with respect to those matters contained herein (each, an "***Authorized Representative***"), which shall be the functions and responsibilities of such Authorized Representatives. Each Party may also designate an alternate who may act for the Authorized Representative. Within thirty (30) days after the Effective Date, each Party shall notify the other Party in writing of the identity of its Authorized Representative and alternate if designated. Each Party shall promptly notify the other Party of any subsequent changes in such designation. The Authorized Representatives shall have no authority to alter, modify, or delete any of the provisions of this Agreement, but shall have the authority to execute or direct the execution of the Ancillary Documents contemplated therein, or to take such other steps as shall be necessary to effectuate the terms of this Agreement. Prior to the Commercial Operation Date, the Authorized Representative of each Party will meet periodically to discuss issues related to the sharing of information on the development, construction, design and operation and maintenance of the Facility. Each Party by notice to the other Party may also designate a Person as its designee as provided in this Agreement and Buyer may appoint Buyer's Agent. To the extent that an Authorized Representative's contact information is not provided in Appendix C, at the time a Party designates such Authorized Representative, such Party shall concurrently provide written notice to the other Party of such Authorized Representative's contact information.

Section 14.2 Notices. All notices, requests, demands, consents, waivers and other communications which are required under this Agreement shall be in writing and shall be deemed properly sent if delivered in person, reliable overnight courier, or sent by registered or certified mail, postage prepaid to the persons specified in Appendix C. The Parties may update Appendix C, from time to time, to designate another person, address or office to which notices shall be delivered by delivering notice to the other Party in accordance with this Agreement. In addition to the foregoing, the Parties may agree in writing at any time to deliver notices, requests,

demands, consents, waivers and other communications through alternate methods, such as electronic mail.

Section 14.3 Dispute Resolution. Subject to Section 13.2(b), regarding suits for injunctive relief, disputes under this Agreement between Seller and Buyer may be resolved in accordance with the provisions of this Section 14.3.

(a) In the event of any claim, controversy or dispute between the Parties arising out of or relating to or in connection with this Agreement (including any dispute concerning the validity of this Agreement or the scope and interpretation of this Section 14.3) (a "***Dispute***"), either Party (the "***Notifying Party***") may deliver to the other Party (the "***Recipient Party***") notice of the Dispute with a detailed description of the underlying circumstances of such Dispute (a "***Dispute Notice***"). The Dispute Notice shall include a schedule of the availability of the Notifying Party's senior officers (having a title of senior vice president (or its equivalent) or higher) duly authorized to settle the Dispute during the thirty (30) day period following the delivery of the Dispute Notice.

(b) The Recipient Party shall, within five (5) Business Days following receipt of the Dispute Notice, provide to the Notifying Party a parallel schedule of availability of the Recipient Party's senior officers (having a title of senior vice president (or its equivalent) or higher) duly authorized to settle the Dispute. Following delivery of the respective senior officers' schedules of availability, the senior officers of the Parties shall meet and confer as often as they deem reasonably necessary during the remainder of the thirty (30) day period in good faith negotiations to resolve the Dispute to the satisfaction of each Party.

(c) In the event a Dispute is not resolved pursuant to the procedures set forth in Section 14.3(a) and Section 14.3(b) by the expiration of the thirty (30) day period set forth in Section 14.3(a), then either Party may pursue any legal remedy available to it in accordance with the provisions of Section 14.11 of this Agreement.

(d) As stated in Section 14.11, this Agreement shall be governed by, interpreted and enforced in accordance with laws of the State of California, without regard to the conflict of laws principles thereof. In addition to the Dispute resolution process set forth in this Section 14.3, but subject to Section 14.19, the Parties shall comply with California law governing claims against public entities and presentment of such claims.

Section 14.4 Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take all further action not inconsistent with the provisions of this Agreement that may be reasonably necessary to effectuate the purposes and intent of this Agreement.

Section 14.5 Force Majeure.

(a) A Party shall not be considered to be in default in the performance of any of its obligations under this Agreement (other than the obligations of a Party to make payments of amounts due under this Agreement) when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence, such Party is unable to prevent or mitigate; provided that the Party has given a written detailed description of the event of Force

Majeure to the other Party reasonably promptly after becoming aware thereof (and in any event within fourteen (14) days after (i) the initial awareness of the impact of the claimed Force Majeure or (ii) if earlier, the claiming Party reasonably should have become aware of such impact) (the "***Force Majeure Notice***"), which notice shall include information with respect to the nature, cause and date and time of commencement of such event and the anticipated scope and duration of the delay. The Party providing such notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time such Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If Seller is unable to deliver to, or Buyer is unable to receive Energy at, the Delivery Point due to a Force Majeure, Buyer shall have no obligation to pay Seller for the Energy not delivered or received by reason thereof. In no event shall Buyer be obligated to compensate Seller or any other Person for any losses, expenses or liabilities that Seller or such other Person may sustain as a consequence of any Force Majeure.

(b) The term "***Force Majeure***" means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, terrorism, fire, storm or flood, explosion, epidemic or pandemic (excluding COVID-19 to the extent that the impact of such event related to COVID-19 was known, ought to reasonably have been known or reasonably foreseeable, as of the Effective Date, or could have been avoided or mitigated by contract or otherwise), or any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, (i) which actually and demonstrably prevents one Party from performing any of its obligations under this Agreement, (ii) which could not reasonably be anticipated, or if could be anticipated, could not have been avoided or prevented by the exercise of commercially reasonable diligence, (iii) which is not within the reasonable control of, or the result of the fault, negligence, willful misconduct, breach of contract, intentional act or omission or wrongdoing on the part of the affected Party (or any subcontractor or Affiliate of that Party, or any Person under the control of that Party or any of its subcontractors or Affiliates, or any Person for whose acts such subcontractor or Affiliate is responsible), and (iv) which by the exercise of due diligence the affected Party is unable to prevent, overcome or avoid or cause to be prevented, overcome or avoided; provided, nothing in this clause (iv) shall be construed so as to require either Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or labor dispute in which it may be involved. Any Party rendered unable to fulfill any of its obligations by reason of a Force Majeure shall exercise reasonable efforts to remove such inability with reasonable dispatch within a reasonable time period and mitigate the effects of the Force Majeure. The relief from performance shall be of no greater scope and of no longer duration than is required by the Force Majeure. Without limiting the generality of the foregoing, a Force Majeure does not include any of the following: (1) any requirement to comply with a RPS Law or any change (whether voluntary or mandatory) in any EPS Law or RPS Law; (2) any increase of any kind in any cost; (3) delays in or inability of a Party to obtain financing or other economic hardship of any kind; (4) Seller's ability to sell any Energy at a price in excess of those provided in this Agreement or Buyer's ability to purchase any Energy at a price less than those provided in this Agreement; (5) curtailment or other interruption of any Transmission Service, except if such curtailment or interruption of such Transmission Service on the Transmission System is due to a System Emergency; or (6) any changes in the financial condition of the Buyer, any Seller Party, the Facility Lender or any subcontractor or supplier affecting the affected Party's ability to perform its obligations under this Agreement.

(c) If based on a Force Majeure Notice, the unaffected Party reasonably concludes that after the Commercial Operation Date a Force Majeure or its impact on the affected Party or the Facility will continue (i) for a period of two hundred forty (240) consecutive days or (ii) an aggregate total of three hundred sixty-five (365) consecutive or non-consecutive days in any rolling five (5) year period, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party. A termination due to a Force Majeure prior to the Commercial Operation Date is addressed pursuant to Section 3.3(d).

Section 14.6 Assignment of Agreement; Change in Control.

(a) Except as set forth in this Section 14.6, neither Party may assign any of its rights, or delegate any of its duties or obligations under this Agreement, or its portion of the Ancillary Documents, without the prior written consent of the other Party, such consent not to be unreasonably withheld. Any Change in Control (whether voluntary or by operation of law) shall be deemed an assignment and shall require the prior written consent of Buyer, which consent shall not be unreasonably withheld. Seller shall provide Buyer with one hundred twenty (120) days' prior written notice of any proposed Change in Control. Concurrently with any reorganization or financing transaction or transactions constituting any Change in Control in which Seller merges or consolidates with any other Person and ceases to exist, the successor entity to Seller shall execute a written assumption agreement in favor of Buyer pursuant to which any such successor entity shall assume all of the obligations of Seller under this Agreement and the Ancillary Documents and agree to be bound by all the terms and conditions of this Agreement and Ancillary Documents, as applicable, or the successor entity shall acknowledge the continuing obligations of Seller to perform all of the obligations of Seller under this Agreement and the Ancillary Documents.

(b) Buyer may assign this Agreement or the Ancillary Documents, without the consent of Seller, to one or more members of Buyer, to a California municipal utility, to a joint powers authority established under the Act, or to a California municipal district that provides electric utility service to customers in its district, so long as, at the time of such assignment, such assignee has, and is reasonably forecasted to maintain, an Investment-Grade Credit Rating.

(c) Seller shall not sell or transfer the Facility or the Facility Assets to any Person other than a Person to whom Seller assigns this Agreement and its portion of the Ancillary Documents in accordance with this Section 14.6, other than a Sale Leaseback Financing (for which notice is required), without the prior written consent of Buyer (and in such case Seller may only transfer the Facility and Facility Assets in whole and not in part), provided that any such sale or transfer shall be in compliance with the provisions of Section 12.5(d) and subject to compliance with the Right of First Offer and Right of First Refusal set forth in Section 14.21, or any transfer of any Real Property Agreements permitted pursuant to Section 12.4. Any purported sale or transfer in violation of this Section 14.6(c) shall be null and void and of no force or effect.

(d) Buyer's consent shall not be required in connection with the collateral assignment or pledge of (i) this Agreement, the Option Agreement or any other Ancillary Documents to any Facility Lender, or (ii) all or a portion of the membership interests in Seller or an Upstream Equity Owner, in either case, for the purpose of financing or refinancing of the development, construction, ownership and operation of the Facility; provided, however, that

(1) the terms of such financing or refinancing, and the documentation relating thereto, comply with the applicable terms and conditions of this Agreement, the Option Agreement and any other Ancillary Document, as applicable, and (2) in connection with any such assignment or pledge and the exercise of remedies by any Facility Lender, the Facility Lender acknowledges and agrees to be bound by the requirement that the Facility be operated and maintained by a Qualified Operator. Seller shall provide Buyer with sixty (60) days' prior notice of any such collateral assignment or pledge. Notwithstanding the foregoing or anything else expressed or implied herein to the contrary, Seller shall not assign, transfer, convey, encumber, sell or otherwise dispose of all or any portion of the Energy, Environmental Attributes or Capacity Rights (not including the proceeds thereof) to any Facility Lender; provided, that the foregoing shall not limit Seller's right to encumber or pledge all of its assets pursuant to a collateral assignment permitted under this Agreement in favor of any Facility Lender so long as Seller maintains the right to sell all or any portion of the Energy, Environmental Attributes or Capacity Rights to Buyer free and clear of any Liens.

(e) It is specifically agreed that there are no third party beneficiaries of this Agreement, and that, except as provided in this Section 14.6, this Agreement shall not grant any rights enforceable by any Person not a party to this Agreement.

(f) In no event shall Buyer be liable to any Facility Lender for any claims, losses, expenses or damages whatsoever other than liability Buyer may have to Seller under this Agreement or the Option Agreement, as applicable. In the event of any foreclosure, whether judicial or nonjudicial, or any deed in lieu of foreclosure, in connection with any deed of trust, mortgage, or other similar Lien, such Facility Lender (or its designee that acquires title to the Facility, as applicable) shall be bound by the covenants and agreements of Seller in this Agreement and the Option Agreement; provided, however, that until the Person who acquires title to the Facility executes and delivers to Buyer a written assumption of Seller's obligations under this Agreement in form and substance acceptable to Buyer, such Person shall not be entitled to any of the benefits of this Agreement. Any sale or transfer of all or any portion of the Facility by Facility Lender shall be made only to an entity that is a Qualified Transferee.

Section 14.7 Ambiguity. The Parties acknowledge that this Agreement was jointly prepared by them, by and through their respective legal counsel, and any uncertainty or ambiguity existing herein shall not be interpreted against either Party on the basis that the Party drafted the language, but otherwise shall be interpreted according to the application of the rules on interpretation of contracts.

Section 14.8 Attorney Fees & Costs/Reimbursement of Buyer's Attorneys' Fees. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs. Each of the Parties was represented by its respective legal counsel during the negotiation and execution of this Agreement. Notwithstanding the foregoing, to the extent Buyer incurs legal costs in order to facilitate a Sale Leaseback Financing under Section 12.5(c) or the collateral assignment or pledge of this Agreement under Section 14.6(d), to evaluate whether the provisions of the Right of First Offer apply or whether a Change in Control has occurred, or such other action or review that is at the request of Seller,

including in Section 13.4, or as may be required due to the actions or omissions of, Seller, Seller shall bear Buyer's reasonable and documented legal costs therefor.

Section 14.9 Voluntary Execution. Both Parties acknowledge that they have read and fully understand the content and effect of this Agreement that the provisions of this Agreement have been reviewed and approved by their respective counsel. The Parties further acknowledge that they have executed this Agreement voluntarily, subject only to the advice of their own counsel, and do not rely on any promise, inducement, representation or warranty that is not expressly stated herein.

Section 14.10 Entire Agreement; Amendments. This Agreement (including all Appendices and Exhibits) contains the entire understanding concerning the subject matter herein and supersedes and replaces any prior negotiations, discussions or agreements between the Parties, or any of them, concerning that subject matter, whether written or oral, except as expressly provided for herein. This is a fully integrated document. Each Party acknowledges that no other party, representative or agent, has made any promise, representation or warranty, express or implied, that is not expressly contained in this Agreement that induced the other Party to sign this document. This Agreement may be amended or modified only by an instrument in writing signed by each Party.

Section 14.11 Governing Law. This Agreement shall be governed by, interpreted and enforced in accordance with and construed under the laws of the State of California without regard to conflict of law principles.

Section 14.12 Venue. All litigation arising out of, or relating to this Agreement, shall be brought in a state or federal court in the County of Los Angeles in the State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

Section 14.13 Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. The Parties may execute this Agreement by manual signature or by electronic signature, each of which shall have the same force and effect. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes, to the extent provided under applicable law, including California's Uniform Electronic Transactions Act.

Section 14.14 Effect of Section Headings. Section headings appearing in this Agreement are inserted for convenience only and shall not be construed as interpretations of text.

Section 14.15 Waiver. The failure of either Party to enforce or insist upon compliance with or strict performance of any of the terms or conditions hereof, or to take advantage of any of its rights hereunder, shall not constitute a waiver or relinquishment of any such terms, conditions or rights, but the same shall be and remain at all times in full force and effect. Notwithstanding anything expressed or implied herein to the contrary, nothing contained herein shall preclude either Party from pursuing any available remedies for breaches not rising to the level of a Default,

including recovery of damages caused by the breach of this Agreement and specific performance or any other remedy given under this Agreement or now or hereafter existing in law or equity or otherwise. Each Party acknowledges that money damages may not be an adequate remedy for violations of this Agreement and that either Party may, in its sole discretion, seek and obtain from a court of competent jurisdiction specific performance or injunctive or such other relief as such court may deem just and proper to enforce this Agreement or to prevent any violation hereof. Each Party hereby waives any objection to specific performance or injunctive relief. The rights granted herein are cumulative.

Section 14.16 Relationship of the Parties. This Agreement shall not be interpreted to create an association, joint venture or partnership between the Parties or to impose any partnership obligation or liability upon either such Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other Party.

Section 14.17 Indemnification; Damage or Destruction; Insurance; Limit of Liability.

(a) **Indemnification**. Seller undertakes and agrees to indemnify and hold harmless Buyer, each Participating Member, Los Angeles, the City Council of Los Angeles, the Board of Commissioners, and LADWP,, Glendale, Glendale's City Council, Glendale Water and Power Commission and GWP and Buyer's Board of Directors, and each of their respective officers, agents, employees, advisors, and Authorized Representatives, and each of the foregoing's assigns and successors in interest (collectively, "***Indemnitees***"), and, at the option of Buyer, defend such Indemnitees from and against any and all suits and causes of action (including proceedings before FERC), claims, charges, damages (including indirect, consequential, or incidental), demands, judgments, costs, expenses, civil fines and penalties, other monetary remedies or losses of any kind or nature whatsoever, including but not limited to attorney's fees (including allocated costs of internal counsel) or other monetary remedies and costs of litigation, obligation or liability of any kind or nature whatsoever, in any manner arising by reason of, or incident to, or connected in any manner with the non-performance or breach of this Agreement or any other act, error or omission or willful misconduct by or of Seller or Seller's officers, employees, agents, subcontractors of any tier, including but not limited to any such non-performance breach, act, error or omission or willful misconduct that results in intellectual property infringement or leads to death, bodily injury or personal injury to any person, including Seller's employees and agents or third persons, or damage or destruction to any property of any kind or nature whatsoever, of either Party or third person, or loss of use (hereinafter "***Indemnified Liabilities***"), except to the extent caused by the gross negligence or willful misconduct of any such Indemnitee. The provisions of this paragraph shall be in addition to, and not exclusive of, any other rights or remedies which Indemnitees have at law, in equity, under this Agreement or otherwise. To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in this subsection may be unenforceable in whole or in part because they are violative of any Requirement of Law or public policy, Seller shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by Indemnitees or any of them. The provisions of this paragraph shall survive the expiration or termination of this Agreement.

(b) **Damage or Destruction**. Subject to the provisions of Section 14.5, in the event of any damage or destruction of the Facility or any part thereof, the Facility or such part thereof shall be diligently repaired, replaced or reconstructed by Seller so that the Facility or such part thereof shall be restored to substantially the same general condition and use as existed prior to such damage or destruction, unless a different condition or use is approved by Buyer. Any proceeds of Insurance with respect to such damage or destruction maintained as provided in this Agreement shall be applied, subject to the consent of the Facility Lender and the Tax Equity Investor, not to be unreasonably withheld, to the payment for such repair, replacement or reconstruction of the damage or destruction.

(c) **Insurance**. Seller shall obtain and maintain the Insurance coverages listed in Appendix F.

(d) **Condemnation or Other Taking**. For the Agreement Term, Seller shall promptly notify Buyer of the institution of any proceeding for the condemnation or other taking of the Facility or any portion thereof. Buyer may participate in any such proceeding and Seller will deliver to Buyer all instruments necessary or required by Buyer to permit such participation. Without Buyer's prior written consent (which shall not be unreasonably withheld), Seller shall not (i) agree to any compensation or award, nor (ii) take any action or fail to take any action which would cause the compensation to be determined. Subject to the consent of the Facility Lender, all awards and compensation for the taking or purchase in lieu of condemnation of the Facility or any portion thereof shall be applied toward the repair, restoration, reconstruction or replacement of the Facility. To the extent Buyer participates in any such proceeding in respect of any interests of Buyer and receives any award independent from that granted to Seller, Buyer may retain such award.

(e) **LIMITATION OF LIABILITY**. PRIOR TO THE COMMERCIAL OPERATION DATE, SELLER'S AGGREGATE LIABILITY UNDER THIS AGREEMENT FOR DAMAGES ARISING OUT OF THE PERFORMANCE OR UNEXECUSED NONPERFORMANCE OF ITS OBLIGATIONS PURSUANT TO THIS AGREEMENT AS A CONSEQUENCE OF A CLAIM OR SUIT INITIATED BY BUYER SHALL NOT EXCEED THE AMOUNT OF FORTY-EIGHT MILLION SIX HUNDRED THOUSAND DOLLARS ($48,600,000); PROVIDED, HOWEVER, THAT THE FOREGOING LIABILITY CAP SHALL NOT APPLY TO (A) INDEMNIFICATION OBLIGATIONS OF SELLER TO BUYER HEREUNDER IN RESPECT OF LIABILITIES OF BUYER TO THIRD PARTIES OR (B) LIABILITY ARISING OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SELLER, OR ANY OF SELLER'S OFFICERS, AGENTS, EMPLOYEES OR SUBCONTRACTORS OF ANY TIER. EXCEPT TO THE EXTENT INCLUDED IN (I) DAILY DELAY DAMAGES, SHORTFALL LIQUIDATED DAMAGES, SHORTFALL PENALTY, OR ANY OTHER LIQUIDATED DAMAGES, (II) INDEMNIFICATION OBLIGATIONS OF SELLER TO BUYER HEREUNDER IN RESPECT OF LIABILITIES OF BUYER TO THIRD PARTIES, AND (III) ANY OTHER SPECIFIC CHARGES EXPRESSLY PROVIDED FOR HEREIN, NEITHER PARTY HEREUNDER SHALL BE LIABLE FOR SPECIAL, INCIDENTAL, EXEMPLARY, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF A PARTY'S PERFORMANCE OR NON-PERFORMANCE UNDER THIS AGREEMENT, WHETHER BASED ON OR CLAIMED UNDER CONTRACT, TORT

(INCLUDING SUCH PARTY'S OWN NEGLIGENCE) OR ANY OTHER THEORY AT LAW OR IN EQUITY, PROVIDED, HOWEVER, THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO LIABILITY ARISING OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SELLER, OR ANY OF SELLER'S OFFICERS, AGENTS, EMPLOYEES OR SUBCONTRACTORS OF ANY TIER.

Section 14.18 Severability. In the event any of the terms, covenants or conditions of this Agreement, or the application of any such terms, covenants or conditions, shall be held invalid, illegal or unenforceable by any court having jurisdiction, all other terms, covenants and conditions of this Agreement and their application not adversely affected thereby shall remain in force and effect, provided that the remaining valid and enforceable provisions materially retain the essence of the Parties' original bargain.

Section 14.19 Confidentiality.

(a) Each Party agrees, and shall use reasonable efforts to cause its parent, subsidiary and Affiliates, and its and their respective directors, officers, employees, representatives and agents, as a condition to receiving confidential information hereunder, to keep confidential, except as required by applicable laws: (i) all documents, data, drawings, studies, projections, plans and other written information that relate to economic benefits to, or amounts payable by, either Party under this Agreement, and (ii) documents that are clearly marked "Confidential" at the time a Party shares such information with the other Party ((i) and (ii), the "***Confidential Information***"). The provisions of this Section 14.19 shall survive and shall continue to be binding upon the Parties for period of one (1) year following the date of termination of this Agreement. Notwithstanding the foregoing, information shall not be considered Confidential Information which (A) is disclosed with the prior written consent of the originating Party, (B) was in the public domain prior to disclosure or is or becomes publicly known or available other than through the action of the receiving Party in violation of this Agreement, (C) was lawfully in a Party's possession or acquired by a Party outside of this Agreement, which acquisition was not known by the receiving Party to be in breach of any confidentiality obligation, or (D) is developed independently by a Party based solely on information that is not considered confidential under this Agreement.

(b) Either Party may, without violating this Section 14.19, disclose matters that are made confidential by this Agreement:

(i) To its counsel, accountants, auditors, advisors, other professional consultants, credit rating agencies, actual or prospective co-owners, investors, lenders, underwriters, contractors, suppliers, and others involved in construction, operation, and financing transactions and arrangements for a Party or its subsidiaries, Affiliates, or parent;

(ii) To Governmental Authorities and parties involved in any proceeding in which either Party is seeking a Permit, certificate, or other regulatory approval or order necessary or appropriate to carry out this Agreement; to Governmental Authorities or the public as required by any applicable law, regulation, order, rule, ruling or other Requirement of Law, including oral questions, discovery requests, subpoenas, civil investigations or similar processes and laws or regulations requiring disclosure of financial information, information material to financial matters, and filing of financial reports.

(c) If a Party is requested or required, pursuant to any applicable law, regulation, order, rule, ruling or other Requirement of Law, discovery request, subpoena, civil investigation or similar process to disclose any of the Confidential Information, such Party shall provide prompt written notice to the other Party of such request or requirement so that, at such other Party's expense, such other Party can seek a protective order or other appropriate remedy concerning such disclosure.

(d) Notwithstanding the foregoing or any other provision of this Agreement, Buyer may record, register, deliver and file all such notices, statements, instruments and other documents as may be necessary or advisable to render fully valid, perfected and enforceable under all Requirements of Law the credit support contemplated by this Agreement and the Ancillary Documents, including the Development Security, and the Performance Security, and the rights, Liens and priorities of Buyer with respect to such credit support.

(e) Notwithstanding the foregoing or any other provision of this Agreement, Seller acknowledges that Buyer, as a California joint powers authority, and each Participating Member is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§ 7920, *et. seq*. ("***CPRA***"), and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950, *et. seq.* ("***Brown Act***"), each as may be amended or superseded from time to time. Seller acknowledges that Buyer shall not be in breach of this Agreement or have any liability whatsoever under this Agreement or otherwise for any claims or causes of action whatsoever resulting from or arising out of Buyer or any Participating Member copying or releasing to a third party any Confidential Information of Seller pursuant to the CPRA or Brown Act.

(f) If Buyer receives a CPRA request for Confidential Information of Seller, and Buyer determines that such Confidential Information is subject to disclosure under the CPRA, then Buyer will notify Seller of the request and its intent to disclose the documents. Buyer, as required by the CPRA, will release such documents unless Seller timely obtains a court order prohibiting such release. If Seller, at its sole expense, chooses to seek a court order prohibiting the release of Confidential Information pursuant to a CPRA request, then Seller undertakes and agrees to defend, indemnify and hold harmless the Indemnitees from and against all suits, claims, and causes of action brought against any Indemnitee for Buyer's refusal to disclose Confidential Information of Seller to any person making a request pursuant to CPRA. Seller's indemnity obligations shall include all actual costs incurred by any Indemnitee, and specifically includes costs of experts and consultants as well as all damages or liability of any nature whatsoever arising out of any such suits, claims, and causes of action brought against any Indemnitee, through and including any appellate proceedings. Seller's obligations to all Indemnitees under this indemnification provision shall be due and payable on a monthly, ongoing basis within thirty (30) days after each submission to Seller of Buyer's invoices for all fees and costs incurred by all Indemnitees, as well as all damages or liabilities of any nature.

(g) Each Party acknowledges that any disclosure or misappropriation of Confidential Information by such Party in violation of this Agreement could cause the other Party or their Affiliates irreparable harm, the amount of which may be extremely difficult to estimate, thus making any remedy at law or in damages inadequate. Therefore each Party agrees that the non-breaching Party shall have the right to apply to any court of competent jurisdiction for a

restraining order or an injunction restraining or enjoining any breach or threatened breach of this Agreement and for any other equitable relief that such non-breaching Party deems appropriate. This right shall be in addition to any other remedy available to the Parties in law or equity, subject to the limitations set forth in Section 14.17(e).

Section 14.20 Mobile-Sierra. Notwithstanding any provision of this Agreement, neither Party shall seek, nor shall they support any third party in seeking, to prospectively or retroactively revise the rates, terms or conditions of service of this Agreement through application or complaint to FERC pursuant to the provisions of Section 205, 206 or 306 of the Federal Power Act, or any other provisions of the Federal Power Act, absent prior written agreement of the Parties. Further, absent the prior agreement in writing by both Parties, the standard of review for changes to the rates, terms or conditions of this Agreement proposed by a Party, a non-Party or the FERC acting sua sponte shall be the "public interest" application of the "just and reasonable" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), and clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish*, 554 U.S. 527 at 550-51 (2008) and *NRG Power Marketing, LLC v. Maine Public Utilities Comm'n*, 558 U.S. 165 (2010).

Section 14.21 Right of First Offer and Right of First Refusal. From and after the fifth (5th) anniversary of the Commercial Operation Date and continuing through the Agreement Term, Buyer shall have a "***Right of First Offer***" (or "***ROFO***") and a "***Right of First Refusal***" (or "***ROFR***") for any proposed sale of all of the Facility or the Facility Assets or one hundred percent (100%) of the interests held directly or indirectly by Seller with respect to the Facility (any "***Disposition***"); provided that the ROFO and ROFR shall not apply to sales of any interests of Seller in connection with (a) any Tax Financing or Sale Leaseback Financing, (b) sales of any interests in Seller to any Affiliate of Seller, or (c) sales in connection with the exercise of a Facility Lender's remedies pursuant to any Financing Agreement to a Qualified Transferee.

(a) Seller shall not consummate any Disposition without complying with the provisions of this Section 14.21. Prior to Seller consummating any Disposition, Seller shall provide notice to Buyer of Seller's proposed transaction, including the proposed purchase price and basic terms and conditions associated therewith (a "***Proposed Sale Notice***"). Upon receipt of a Proposed Sale Notice, Buyer shall have seventy-five (75) days in which to notify Seller that Buyer may purchase the Facility Assets from Seller (a "***Proposed Purchase Notice***"). If Buyer provides Seller with a Proposed Purchase Notice, then unless and until Seller sends a notice to Buyer rejecting Buyer's proposed purchase price ("***Rejection Notice***"), the Parties shall undertake for a period of up to one hundred eighty (180) days after the date of Buyer's Proposed Purchase Notice to reach an agreement on the terms and conditions of a sale of the Facility Assets to Buyer and to close on the sale of such Facility Assets within ninety (90) days thereafter, which ninety (90) days may be extended to the extent required to obtain funding and any necessary third-party or governmental (including approval from a Participating Member's board or city council).

(b) If (i) Buyer does not provide a Proposed Purchase Notice to Seller, (ii) Seller issues a Rejection Notice or (iii) the Parties are unable to agree upon the terms and conditions of a sale of the Facility Assets to Buyer and close on such sale within the time periods

set forth in Section 14.21(a), then Seller shall be free to negotiate a Disposition to any third party, subject to the ROFR; provided, however, that (A) any Disposition shall include the assignment of this Agreement and Seller's rights under the Ancillary Documents (in accordance with Section 14.6), and (B) a purchase agreement with respect to such Disposition is executed within one hundred eighty (180) days after the delivery of the Proposed Sale Notice, and such purchase agreement closes within ninety (90) days thereafter, which ninety (90) day period may be extended to the extent required to obtain any necessary third-party or governmental approvals. If Seller and such third party are unable to consummate the Disposition within the aforementioned time period, Seller shall be obligated to repeat the ROFO process. If Buyer provided a Proposed Purchase Notice, then prior to consummating any such Disposition, Seller shall provide Buyer with a concise summary of the commercial terms negotiated by Seller with the third party (a "***Notice of Proposed Third Party Sale***") in which Seller shall confirm whether the agreed upon purchase price is less than or equal to 95% of the proposed purchase price in the Proposed Purchase Notice. If the proposed purchase price set forth in the Notice of Proposed Third Party Sale is equal to or less than ninety-five percent (95%) of the purchase price included in the Proposed Purchase Notice, then Buyer shall have forty-five (45) days to exercise its Right of First Refusal to purchase the Facility Assets on substantially similar terms to those set forth in the Notice of Proposed Third Party Sale, subject to any modifications required to conform the transaction to requirements for transactions entered into by public agencies. If Buyer exercises the ROFR, then Buyer and Seller shall attempt to reach agreement on the terms and conditions of a purchase and sale agreement within one hundred eighty (180) days after Buyer's submittal of the ROFR and close within ninety (90) days thereafter, which such ninety (90) day period may be extended to the extent required to obtain funding or any necessary third party or governmental approvals (including any approvals required by the Participating Members' board or city council). If the Parties cannot reach agreement within ninety (90) days after Buyer's submittal of the ROFR, Seller may consummate the proposed Disposition; provided that a purchase agreement is executed within two hundred seventy (270) days after delivery of the ROFR and such purchase agreement closes within ninety (90) days thereafter, which ninety (90) day period may be extended to the extent required to obtain any necessary third party or governmental approvals. If Buyer does not elect to exercise its Right of First Refusal and purchase the Facility Assets within such forty-five (45) days or if the proposed purchase price set forth in the Notice of Proposed Third Party Sale is greater than ninety-five percent (95%) of the purchase price included in the Proposed Purchase Notice, then Seller shall be free to consummate the Disposition; provided that (A) such any sale of the Facility Assets to a third party shall include the assignment of this Agreement and Seller's rights and obligations under the Ancillary Documents, and (B) a purchase agreement is executed within one hundred eighty (180) days after Seller's issuance of the Notice of Proposed Third Party Sale and such purchase agreement closes within ninety (90) days thereafter, which ninety (90) day period may be extended to the extent required to obtain any necessary third-party or governmental approvals. If Seller and such third party are unable to consummate the Disposition within the aforementioned time period, Seller shall be obligated to repeat the ROFO/ROFR process.

Section 14.22 Future Phases. During the Term, if Seller or Affiliates of Seller develop additional phases of the Facility or additional projects that (i) share real estate with the Facility Site or infrastructure or equipment of the Facility or (ii) interconnect through the Point of Interconnection, then Seller shall offer to Buyer a power purchase agreement (which shall be substantially in the form of this Agreement) and a purchase option (which shall be substantially in

the form of the Option Agreement) for such additional phase or project. Buyer and Seller shall have one hundred twenty (120) days in which to negotiate diligently in good faith, on an exclusive basis, the applicable definitive agreements. If Buyer and Seller cannot mutually agree on the terms of the definitive agreements after good faith diligent negotiation for a period of one hundred twenty (120) days, then Seller may sell the energy from such additional phase or project to a third party; provided that Seller may not offer terms with respect to such third party which are more favorable than the terms offered to Buyer. If Buyer and Seller mutually agree on the terms of an exclusivity agreement for the purchase of energy from such additional phase or project, then, for the period of time specified in the exclusivity period, Buyer and Seller shall negotiate diligently in good faith to reach agreement on the terms of a power purchase agreement and a purchase option with respect to such additional phase or project. If Buyer and Seller cannot mutually agree on terms of a power purchase agreement and a purchase option with respect to such additional phase or project after good faith diligent negotiation for the period of time specified in such exclusivity agreement, then Seller may sell the energy from such additional phase or project to a third party; provided that Seller may not offer terms with respect to the purchase of energy from such additional phase or project to such third party which are more favorable than the terms offered to Buyer. As of the Effective Date, storage is not included in the Facility. In recognition of emerging technologies and opportunities that will continue to evolve during the Agreement Term, the Parties may incorporate the use of storage technologies into the Facility; provided that the incorporation of the use of storage technologies shall be subject to terms and conditions mutually agreed to by Buyer and Seller. If in connection with Seller's or any of its Affiliates' development of additional phases of the Facility or additional projects, Seller reasonably determines that it requires the use of certain shared facilities, the right to occupy or use shared real property, or the ownership or governance of the rights associated with either, then upon written notice to Buyer from Seller, Buyer shall reasonably cooperate and negotiate in good faith with Seller or Seller's Affiliates to enter into one or more Shared Facilities Agreements with Seller's Affiliates, subject to the approval of Buyer, which approval shall not be unreasonably withheld so long as Buyer is not materially adversely impacted (including under this PPA) by the terms and conditions of any such Shared Facilities Agreement. Each such Shared Facilities Agreement shall provide Buyer with the right to approve any material amendments to each form for the purpose of protecting Buyer's rights under this Agreement and the Option Agreement, and shall provide that Buyer is a third party beneficiary for the purpose of enforcing the agreements, rights, obligations or remedies of Seller or any other party with whom Buyer has entered into a power purchase agreement.

Section 14.23 No Dedication of Facilities. Any undertaking by one Party to the other Party under any provisions of this Agreement shall not constitute the dedication of the Facility or any portion thereof of either Party to the public or to the other Party or any other Person, and it is understood and agreed that any such undertaking by either Party shall cease upon the termination of such Party's obligations under this Agreement.

Section 14.24 Buyer and Participating Member Business Policies.

Seller acknowledges that its agreement to abide by the business policies of Buyer and the Participating Members is material to Buyer's decision to enter into this Agreement, and accordingly, Seller agrees that it will comply with the following, as such policies may be amended or updated from time to time:

(a) **Recycling Policy**.

(i) Buyer supports the use of recycled content products of all types. Recycled content products help conserve natural resources, including water and energy, and reduce demands upon landfills.

(ii) To the extent feasible, Seller shall submit all written documents on paper with a minimum of thirty percent (30%) post-consumer recycled content. Existing company/corporate letterhead or stationery that accompanies these documents is exempt from this requirement. Documents of two (2) or more pages in length shall be duplex-copied (double-sided pages). Neon or fluorescent paper shall not be used in any written documents submitted to Buyer.

(b) **Non-Discrimination/Equal Employment Practices/Affirmative Action Construction & Non-Construction Agreements**. (i) During the performance of this Agreement, Seller shall not discriminate in its employment practices against any employee or applicant for employment because of race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition. All subcontracts awarded by Seller under this Agreement shall contain a like nondiscrimination provision. The applicable provisions of Executive Order No. 11246 of September 24, 1965; Part 60 741 of 41 Code of Federal Regulations pertaining to handicapped workers, including 60 741.4 Affirmative Action Clause; and Sections 10.8 to 10.13 of the Los Angeles Administrative Code ("***LAAC***") pertaining to nondiscrimination in employment in the performance of City of Los Angeles contracts are incorporated herein by reference and made a part hereof as if they were fully set forth herein. (ii) Any of the above-mentioned subcontracts shall be effective for twelve (12) months following the date of approval for the Affirmative Action practices. An Affirmative Action plan shall be in effect and on file with Buyer for the duration of this Agreement.

(c) **Small Business Enterprise ("SBE") and Disabled Veteran Business Enterprise ("DVBE") Opportunity Program.** (i) It is the policy of LADWP, which Buyer must comply with, to provide SBEs, DVBEs, Disadvantaged Business Enterprises ("***DBEs***"), Emerging Business Enterprises, Women Business Enterprises ("***WBEs***"), Minority Business Enterprises ("***MBEs***"), Lesbian, Gay, Bisexual, or Transgender Business Enterprises ("***LGBTBEs***") and all Other Business Enterprises ("***OBEs***") an equal opportunity to participate in the performance of all Buyer contracts. (ii) LADWP's goals for SBE/DVBE participation in performance of its contracts are twenty-five percent (25%) for SBEs and three percent (3%) for DVBEs. Seller shall assist Buyer in implementing this policy by taking all commercially reasonable steps to ensure that all available business enterprises, including SBEs and DVBEs, have an equal opportunity to compete for and participate in the work being requested by this Agreement. (iii) Seller shall notify LADWP if Seller is a certified SBE, DVBE, DBE, WBE, LGBTBE or MBE. Seller shall provide to LADWP (A) the company name, contact person, address, and telephone number of each proposed Subcontractor that qualifies as an SBE, DVBE, DBE, WBE, LGBTBE or MBE, and (B) copies of all certifications of such Subcontractor as an SBE, DVBE, DBE, WBE, LGBTBE or MBE, as applicable.

(d) **Child Support Policy**. Seller and any of its Subcontractors shall fully comply with all applicable state and federal employment reporting requirements for Seller's and

any Seller's Subcontractors' employees. Seller and any of its Subcontractors shall fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with the California Family Code. Seller and any of its Subcontractors shall certify that the principal owners thereof (which shall include any person who owns an interest of ten percent (10%) or more) complies with any Wage and Earnings Assignment Orders or Notices of Assignment applicable to them personally. Seller and any of its Subcontractors shall certify that such compliance will be maintained throughout the Agreement Term. Failure of Seller or any its Subcontractors to fully comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignments or Notices of Assignment or failure of the principal owners to comply with any Wage and Earnings Assignments or Notices of Assignment applicable to them personally shall constitute an event of default under this Agreement. Failure of Seller or any its Subcontractors or principal owners thereof to cure the event of default within ninety (90) days of notice of such event of default by Buyer shall subject this Agreement to termination.

(e) **Current Los Angeles City Business Tax Registration Certificate Required**. Seller shall obtain and keep in full force and effect during the Agreement Term either (i) all Business Tax Registration Certificates required by the City of Los Angeles Business Tax Ordinance, Article 1, Chapter II, Section 21.00 or (ii) Seller's Vendor Registration Number. Seller's Vendor Registration Number must be shown on all invoices submitted for payment. Failure to do so may delay payment. For additional information regarding applicability of the City Business Tax Registration, contact the City of Los Angeles Clerk's Office at (213) 978-1521.

(f) **Taxpayer Identification Number (TIN)**. Seller has provided its taxpayer identification number (TIN) to Buyer in writing. No payment will be made to Seller under this Agreement without a valid TIN number.

(g) **Equal Benefits Ordinance.** Seller agrees to comply with the requirements of the Equal Benefits Ordinance ("***EBO***"), codified at LAAC § 10.8.2.1, and to sign any required certifications related to such ordinance. Seller agrees to complete the form attached to Appendix Q related to the EBO and any certifications attached thereto.

(h) **Contractor Responsibility Ordinance**. Seller agrees to comply with the requirements of the Contractor Responsibility Ordinance ("***CRO***"), codified at LAAC § 10.40 *et seq.*, and sign any required certifications related to such ordinance. Seller agrees to complete the form attached to Appendix Q related to the CRO and any certifications attached thereto.

(i) **Sweat-Free Procurement Ordinance**. Seller agrees to comply with the requirements of the Sweat Free Procurement Ordinance ("***SFPO***"), codified at LAAC § 10.43 *et seq.*, and sign any required certifications related to such ordinance. Seller agrees to complete the form attached to Appendix Q related to the SFPO and any certifications attached thereto. In the case of impracticality in any provisions of the form due to the substitution of Buyer for the City of Los Angeles, Buyer will reasonably accommodate changes or substitutions in the requirements of the form as necessary to accomplish the purpose of the SFPO.

(j) **Iran Contracting Act of 2010**. In accordance with California Public Contract Code Sections 2200 2208, all bidders submitting proposals for, entering, or renewing contracts with the City of Los Angeles for goods and services estimated at $1,000,000 or more are

required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit" in the form attached to Appendix Q.

(k) **Prevailing Wage**. Seller and Seller's agents, employees and contractors shall, in connection with their performance of this Agreement or their work in respect of the Facility, comply with all applicable provisions of the labor and employment laws and all other Requirements of Law of the state(s) and municipality(ies) in which they operate, including requirements affecting the hours of work, wages and other compensation of employees, nondiscrimination and other conduct of the work. Workers at the Facility shall be paid not less than prevailing wages required under local labor and employment laws, if applicable. Seller shall ensure that the construction Facility is governed by a project labor agreement, community workforce agreement, work site agreement, collective bargaining agreement, or any other similar agreements providing for terms and conditions of employment with applicable labor organizations.

(l) **Los Angeles Municipal Lobbying Ordinance.** Seller agrees to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if Seller qualifies as a lobbying entity under Los Angeles Municipal Code Section 48.02.

(m) **California Russia Sanctions.** Seller will use reasonable best efforts to ensure that Seller complies with California State Executive Order N-6-22, dated March 4, 2022 ("***State Executive Order***") concerning economic sanctions ("***Economic Sanctions***"). Seller has read the State Executive Order, is not the subject or target of any Economic Sanctions, and will use reasonable best efforts to comply with any reasonable request to report information or submit documents to the State, or Buyer, or both, before or after the expiration, termination, or cancellation of this Agreement. At any time and upon written notice to Seller, Buyer, in its sole discretion, may either immediately invoke any one or more of the remedies listed in Section 13.2 for Default under Section 13.1(b), or terminate this Agreement for Buyer's convenience under Section 13.3, if Buyer determines that any one or more of the following circumstances or events have occurred:

(i) Seller is the subject or target of Economic Sanctions;

(ii) Seller is conducting prohibited transactions with sanctioned individuals or entities; or

(iii) Seller has failed to comply, in any manner, with the State Executive Order.

Section 14.25 Service Contract. The Parties intend that this Agreement will qualify as a "service contract" as such term is used in Section 7701(e) of the Code.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each Party was represented by legal counsel during the negotiation and execution of this Agreement and the Parties have executed this Agreement as of the dates set forth below effective as of the Effective Date.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Date:_____ By:_____

Tikan Singh
Vice President

Attest:_____

Daniel E. Garcia
Assistant Secretary

Approved as to legal form:

By:_____

Christine Godinez
General Counsel

Notch Peak Project, LLC, a Delaware limited liability company

By:_____
Name: Michael U. Alvarez
Title: Chief Operating Officer

APPENDIX A

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

CONTRACT PRICES

General Contract Prices. Subject to all of the terms and conditions of this Agreement:

1. **Startup and Test Energy:** Buyer shall, subject to the limitations in Section 3.3(b) of the Agreement, purchase and pay for all Startup and Test Energy from the Facility (along with all associated Environmental Attributes and Capacity Rights) for an aggregate price equal to fifty percent (50%) of the applicable Full Contract Price (the "***Startup Price***").

2. **Payment for Delivered Energy After Facility Commercial Operation Date: Full Contract Price**.

   Commencing on the Commercial Operation Date of the Facility, Buyer shall purchase and pay for all Delivered Energy (along with all associated Environmental Attributes and Capacity Rights but excluding Excess Energy and its associated Environmental Attributes and Capacity Rights) for an aggregate price, as set forth below (the "***Full Contract Price***"):

   a. $46.75 per MWh fixed for the Delivery Term, if the Qualified IPP Retirement occurs by May 31, 2026;

   b. $50.85 per MWh fixed for the Delivery Term, if the Qualified IPP Retirement occurs (a) after May 31, 2026, and (b) by the date the Facility is "placed in service" for tax purposes pursuant to 26 C.F.R. § 1.48-9(b)(5) ("***Placed in Service***");

   c. $52.70 per MWh fixed for the Delivery Term, if the Qualified IPP Retirement does not occur by the date the Facility is Placed in Service.

   "***Qualified IPP Retirement***" means at least one unit of the Intermountain Power Plant is classified as retired by the U.S. Energy Information Administration of the U.S. Department of Energy in the Preliminary Monthly Electric Generator Inventory or the Electric Generator Inventory, without irregular location information, and as a result the coal-fired electric generating unit retirement condition for qualification for the Energy Community Adder for the ITC or PTC is satisfied for the Facility.

3. **Federal Tax Credit Adder Sharing.** If the Full Contract Price is set at the amount set forth in this Appendix A, Section 2.c. and the Facility qualifies for any Energy Community Adder for the ITC or PTC, Seller shall pass through to Buyer fifty percent (50%) of the

economic benefit (net only of out-of-pocket third-party expenses) with respect to the Energy Community Adder realized by Seller (or any upstream Affiliate of Seller including, in the case of a tax equity partnership that directly or indirectly owns Seller, the so-called Class B Member but excluding any Tax Equity Investor) from a Tax Equity Investor or a tax credit transferee substantially concurrently with when such benefit is actually received by Seller or its applicable Affiliate (such payment, the "***EC Adder Payment***") (and the period for which the EC Adder Payment is made, the "***EC Adder Payment Period***").

For the avoidance of doubt, (i) no amount shall be due to Buyer unless and until such benefit is actually realized in cash (or equivalent value) by Seller or its applicable affiliate, (ii) in no event shall Seller or its Affiliates be required to pay any amount associated with a discount at which the adder is monetized and (iii) amounts shall not be deemed to be "actually realized in cash (or equivalent value) by Seller or its applicable Affiliate" until any applicable restricted payment or distribution conditions under any project financing or Tax Financing related to the Facility have been satisfied. Seller shall not enter into or structure any project financing or Tax Financing, refinancing or other transaction, or add any feature thereto, that is designed to circumvent or frustrate the payment obligations owed to Buyer pursuant to this Section 3; provided, that a bona fide, arm's-length project financing or Tax Financing consistent with market practice shall not be deemed to violate such requirement solely because it may affect the timing or amount of such payments.

4. **Payment for Excess Energy: Excess Energy Price**. During the Initial Stub Year, each Contract Year thereafter, and the Final Stub Year, Buyer shall purchase and pay for all (a) Delivered Energy comprising Excess Energy 110%-120% (along with all associated Environmental Attributes and Capacity Rights) for an aggregate price equal to forty percent (40%) of the applicable Full Contract Price per MWh and (b) for all Delivered Energy comprising Excess Energy > 120% (along with all associated Environmental Attributes and Capacity Rights) for an aggregate price equal to twenty-five percent (25%) of the applicable Full Contract Price per MWh (the "***Excess Energy Price***").

APPENDIX B

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

FACILITY DESCRIPTION AND MILESTONE SCHEDULE

ARTICLE I. FACILITY DESCRIPTION

1.	Name of Facility:	Solar photovoltaic powered electric generating facility, known as the "Notch Peak Project"
2.	Facility Site:	Millard County, Utah The Project site is located at Latitude: 39°31'23.42"N; Longitude: 112°40'9.06"W
3.	Generator Owner:	Notch Peak Project, LLC
4.	Generator Operator:	Notch Peak Project, LLC, or a Qualified Operator
5.	Equipment: (a) Type of Facility:	Photovoltaic solar generation
	(b) Contract Capacity:	324 MW-ac
6.	Target Commercial Operation Date:	September 30, 2028
7.	Other included facilities:	N/A

ARTICLE II. MILESTONE SCHEDULE

Note - a single "" designates a Key Milestone.*

*Note – a double "**" indicates that the Parties anticipate that the Approvals Date will occur on or prior to October 31, 2026. If the Approvals Date has not occurred on or prior to October 31, 2026, the Guaranteed Commercial Operation Date set forth below shall be extended for each day of such delay until all such approvals have been obtained.*

No.	Milestone Date	Milestone Description	Daily Liquidated Damages or Other Remedies for Delay
1.	Complete	Execute the Interconnection Agreement	
2.	Complete	Execute and deliver evidence of Site Control Agreements	
3.	Ten (10) Business Days following Approvals Date	Provision of Development Security	
4.	Commercial Operation Date	Post Performance Security	
5.	Ninety (90) days following Approvals Date	Execute Facility financing documents	Mitigation Plan to complete
6.	Ninety (90) days following Approvals Date	Construction Commencement Milestone	Mitigation Plan to complete
7.	Guaranteed Commercial Operation Date** (as may be extended pursuant to the terms of this Agreement)	*Commercial Operation Date	$180,000 per day for each day of delay for up to 180 days of delay (up to amount of Development Security)

APPENDIX C

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

BUYER AND SELLER BILLING, NOTIFICATION AND SCHEDULING CONTACT INFORMATION

1. Authorized Representative**.** Correspondence pursuant to Section 14.1 shall be transmitted to the following addresses:

1.1 If to Buyer:

Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
Telephone: 626-793-9364
Attention: Executive Director
Email: projects@scppa.org; ExecutiveDirector@scppa.org

With a copy to:

Los Angeles Department of Water and Power
RE: Notch Peak Project
111 N. Hope Street, Room 1263
Los Angeles, California 90012
Attention: External Resources Management Group – Stanley Chang

Glendale Water and Power
141 N. Glendale Avenue, Level 4
Glendale, CA 91206
Attention: GWP – Power Management
Email: Dayahead@glendaleca.gov

Or, if sent electronically, under Section 4.3, Section 4.6, or Section 4.7, send to all the emails listed below:

RPSOPS@ladwp.com
Stanley.Chang@ladwp.com

1.2 If to Seller:

Notch Peak Project, LLC
c/o Longroad Energy

125 High Street
High Street Tower
Suite 1705
Attention: Asset Management
Email: services@longroadenergy.com
Fax: (617) 819-8083

With a copy to:

Longroad Energy
125 High Street
High Street Tower
Suite 1705
Attention: General Counsel
Email: contracts@longroadenergy.com
Fax: (617) 819-8083

2. Billings and payments pursuant to Section 6.1 and Appendix A shall be transmitted to the following addresses:

2.1 If Billing to Buyer:

Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
Telephone: 626-793-9364
Attention: Finance and Accounting,
Email: projectinvoices@scppa.org
and to: projects@scppa.org

With a copy to:

Los Angeles Department of Water and Power
SCPPA Accounting Section
Re: Notch Peak Project
Atif A. Haji Datoo
111 N. Hope St., Room 462
Los Angeles, California 90012

Or, if sent electronically, under Section 4.3, Section 4.6, or Section 4.7, send to all the emails listed below:

Atif.HajiDatoo@ladwp.com

2.2 If Payment to Buyer:

Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
Telephone: 626-793-9364
Attention: Finance and Accounting, projectinvoices@scppa.org

With a copy to:

Los Angeles Department of Water and Power
SCPPA Accounting Section
Re: Notch Peak Project
Atif A. Haji Datoo
111 N. Hope St., Room 462
Los Angeles, California 90012

Or, if sent electronically, under Section 4.3, Section 4.6, or Section 4.7, send to all the emails listed below:

Atif.HajiDatoo@ladwp.com

2.3 If Billing to Seller:

Notch Peak Project, LLC
c/o Longroad Energy
125 High Street
High Street Tower
Suite 1705
Attention: Accounts Payable
Email: ap@longroadenergy.com
Fax: (617) 819-8083

2.4 If Payment to Seller:

Notch Peak Project, LLC

c/o Longroad Energy
125 High Street
High Street Tower
Suite 1705
Attention: Accounts Payable
Email: ap@longroadenergy.com
Fax: (617) 819-8083

3. All notices (other than scheduling notices) required under the Agreement shall be sent pursuant to Section 14.2, postage prepaid, to the address specified below:

If to Buyer:

Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
Telephone: 626-793-9364
Attention: Executive Director
Email: projects@scppa.org

With a copy to:

Los Angeles Department of Water and Power
RE: Notch Peak Project
111 N. Hope Street, Room 1263
Los Angeles, California 90012
Attention: External Resources Management Group – Stanley Chang

Or, if sent electronically, under Section 4.3, Section 4.6, or Section 4.7, send to all the emails listed below:

RPSOPS@ladwp.com
Stanley.Chang@ladwp.com

And, if prior to the achievement of Commercial Operation, with a copy to:

Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
Telephone: 626-793-9364
Attention: Randy Krager, rkrager@scppa.org
Email: projects@scppa.org

If to Seller:

Notch Peak Project, LLC
c/o Longroad Energy

125 High Street
High Street Tower
Suite 1705
Attention: Asset Management
Email: services@longroadenergy.com
Fax: (617) 819-8083

With a copy to:

Longroad Energy
125 High Street
High Street Tower
Suite 1705
Attention: General Counsel
Email: contracts@longroadenergy.com
Fax: (617) 819-8083

4. Throughout the Delivery Term, all notices related to scheduling, forecasts, availability, real-time access to data, or an Access Failure related to the Facility shall be sent to the following address:

If to Buyer:

Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
Telephone: 626-793-9364
Facsimile: 626-793-9461
Attention: Director of Asset Management
Email: projects@scppa.org

With a copy to:

Los Angeles Department of Water and Power
RE: Notch Peak Project
111 N. Hope Street, Room 1263
Los Angeles, California 90012
Attention: External Resources Management Group – Stanley Chang
Telephone: 213-367-2382

And electronically to the emails listed below:

RPSOPS@ladwp.com
lawmarketing@ladwp.com

If to Seller:

Notch Peak Project, LLC
c/o Longroad Energy

125 High Street
High Street Tower
Suite 1705
Attention: Asset Management
Email: services@longroadenergy.com
Fax: (617) 819-8083

With a copy to:

Longroad Energy
125 High Street
High Street Tower
Suite 1705
Attention: General Counsel
Email: contracts@longroadenergy.com
Fax: (617) 819-8083

APPENDIX D

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

FORM OF ATTESTATION

(Seller) Environmental Attribute Attestation and Bill of Sale

_____ ("Seller") hereby sells, transfers and delivers to Southern California Public Power Authority ("Buyer") the Environmental Attributes and Environmental Attribute Reporting Rights associated with the generation from the Facility described below:

Facility name and location:
Fuel Type:
Capacity (MW):_____ Operational Date:

As applicable: CEC Reg. no. ___ Energy Admin. ID no. ____ Q.F. ID no. ___

Dates	MWhrs generated
_____ 20__	_____
_____ 20__	_____
_____ 20__	_____

in the amount of one Environmental Attribute or its equivalent for each megawatt hour generated.

Seller further attests, warrants and represents as follows:

i) the information provided herein is true and correct;

ii) its sale to Buyer is its one and only sale of the Environmental Attributes and associated Environmental Attribute Reporting Rights referenced herein;

iii) the Facility generated and delivered to the grid the Energy in the amount indicated as undifferentiated Energy; and

iv) Seller owns the Facility and each of the Environmental Attributes and Environmental Attribute Reporting Rights associated with the generation of the indicated Energy for delivery to the grid have been generated and sold by the Facility.

This serves as a bill of sale, transferring from Seller to Buyer all of Seller's right, title and interest in and to the Environmental Attributes and Environmental Attribute Reporting Rights associated with the generation of the Energy for delivery to the grid.

Contact Person: _____ tel

APPENDIX E

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

SALE LEASEBACK REQUIREMENTS

If Seller enters into a Sale Leaseback Transaction, then, with respect to the Lease arising thereunder, Seller and the Lessor thereunder shall agree in writing with Buyer to the following:

(a) Seller shall at all times keep, perform, observe and comply with, or cause to be kept, performed, observed and complied with, all material covenants, agreements, conditions and other provisions required to be kept, performed, observed and complied with by or on behalf of Seller from time to time pursuant to the Lease, and Seller shall not do or permit anything to be done, the doing of which, or refrain from doing anything, the omission of which, would reasonably be expected to impair the rights of Seller under the Lease, or could be grounds for the Lessor to terminate the Lease.

(b) Seller shall promptly, but in any case no later than two (2) Business Days after learning of the occurrence of any of the following, give Buyer notice of (i) any default or of any event which, with the giving of notice or passage of time, or both, would become a default under the Lease or of the receipt by Seller of any notice from the Lessor thereof, or (ii) the commencement or threat of any action or proceeding or arbitration pertaining to the Lease. Buyer, at its option, may take any action (but shall not be obligated to take any action) from time to time deemed necessary or desirable by Buyer to prevent or cure, in whole or in part, any default by Seller under the Lease. Seller shall deliver to Buyer, promptly following service or delivery thereof on, to or by Seller, a copy of each petition, summons, complaint, notice of motion, order to show cause and other pleading or paper, however designated, which shall be served or delivered in connection with any such action, proceeding or arbitration.

(c) In the event of the termination, rejection, or disaffirmance by Lessor (or by any receiver, trustee, custodian, or other party that succeeds to the rights of the Lessor) under the Lease pursuant to the Bankruptcy Code, Seller hereby presently, absolutely, irrevocably and unconditionally grants and assigns to Buyer the sole and exclusive right to make or refrain from making any election available to lessees under the Bankruptcy Code (including, without limitation, the election available pursuant to Section 365(h) of the Bankruptcy Code, 11 U.S.C. § 365(h), and any successor provision), and Seller agrees that any such election, if made by Seller without the prior written consent of Buyer (which Buyer would not anticipate granting due to the importance of the Lease as security), shall be void at inception and of no force or effect. Without limiting the generality of the foregoing sentence, Seller shall not, without Buyer's prior written consent, elect to treat the Lease or the leasehold estate created thereby as terminated under Section 365 of the Bankruptcy Code, after rejection or disaffirmance of the Lease by the Lessor

(whether as debtor in possession or otherwise) or by any trustee of the Lessor, and any such election made without such consent shall be void at inception and of no force or effect. At the request of Buyer, Seller will join in any election made by Buyer under the Bankruptcy Code and will take no action in contravention of the rights granted to Buyer pursuant to this Appendix E, Section (c).

(d) In the event there is a termination, rejection, or disaffirmance by the Lessor (whether as debtor in possession or otherwise) or by any trustee of the Lessor pursuant to the Bankruptcy Code and Buyer elects to have Seller remain in possession under any legal right Seller may have to occupy the property pursuant to the Lease, then Seller shall remain in such possession and shall perform all acts necessary for Seller to retain its right to remain in such possession, whether such acts are required under the then existing terms and provisions of the Lease or otherwise.

(e) In the event that a petition under the Bankruptcy Code shall be filed by or against Seller and Seller or any trustee of Seller shall decide to reject or disaffirm the Lease pursuant to the Bankruptcy Code (or allow the same), Seller shall give Buyer at least ten (10) days prior notice of the date on which application shall be made to the court for authority to reject or disaffirm the Lease or the Lease will be otherwise rejected. Buyer shall have the right, but not the obligation, to serve upon Seller or such trustee within such ten (10) day period a notice stating that (i) Buyer demands that Seller (whether as debtor in possession or otherwise) or such trustee assume and assign the Lease to Buyer pursuant to the Bankruptcy Code, and (ii) Buyer covenants to cure, or to provide adequate assurance of prompt cure of, all defaults (except defaults of the type specified in Section 365(b)(2) of the Bankruptcy Code) and to provide adequate assurance of future performance under the Lease. In the event that Buyer serves any such notice as provided above, neither Seller (whether as debtor in possession or otherwise) nor such trustee shall seek to reject or disaffirm the Lease and Seller (whether as debtor in possession or otherwise) and such trustee shall comply with such demand within thirty (30) days after such notice shall have been given, subject to Buyer's performance of such covenant.

(f) Upon any payment by Buyer to cure any default of Seller, as lessee thereunder, and thereby to prevent termination of the Lease or the exercise of any other remedy of the Lessor thereunder arising out of such default, Seller, within ten (10) days following receipt of notice from Buyer that it made such payment, shall pay the amount of such payment to Buyer plus interest accruing thereon at the Interest Rate, from and including the date of the payment by Buyer to cure such default to but excluding the date of such payment by the Seller.

(g) A memorandum of the Lease shall be recorded in the applicable county.

APPENDIX F

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

INSURANCE

I. GENERAL REQUIREMENTS[1]

As specified in the Agreement, Seller shall furnish Buyer evidence of coverage from insurers acceptable to Buyer and in a form reasonably acceptable to Buyer's Risk Management. Such insurance shall be maintained by Seller at Seller's sole cost and expense. Such insurance shall not limit or qualify the liabilities and obligations of Seller assumed under this Agreement. Buyer shall not, by reason of its inclusion under these policies, incur liability to the insurance carrier for payment of premium for these policies.

With the exception of Workers' Compensation/Employers Liability Insurance, any insurance carried by Buyer which may be applicable shall be deemed to be excess insurance and Seller's insurance is primary for purposes under this Agreement despite any conflicting provision in Seller's policies to the contrary.

Said evidence of insurance shall contain a provision that the policy cannot be canceled or nonrenewed without first giving thirty (30) days' prior notice thereof (ten (10) days for non-payment of premium) by registered mail to Buyer, addressed as follows: Department of Water and Power of the City of Los Angeles, Attention: Risk Management, Room 465, Post Office Box 5111, 111 North Hope Street, Los Angeles, CA 90012.

Should any portion of the required insurance be on a "Claims Made" policy, Seller shall, at the policy expiration date following completion of work, provide evidence that the "Claims Made" policy has been renewed or replaced with a retroactive date back to the policy in effect as of the Effective Date with the same limits, terms and conditions of the expiring policy.

Buyer reserves the right to request at any time during the term or during any extension of this Agreement, applying generally accepted risk management principles, to adjust the amounts and types of insurance required hereunder to ensure such coverage remains adequate and relevant throughout the term and any extension of this Agreement, which Seller shall take commercially reasonable efforts to obtain. Failure to maintain and provide acceptable evidence of the required insurance for the required period of coverage shall constitute a breach of contract, upon which Buyer may immediately terminate or suspend the Agreement.

Seller shall take commercially reasonable efforts to require, and shall be responsible for, all Major Subcontractors' compliance with the insurance requirements set forth herein. Seller shall also take commercially reasonable efforts to require its other Subcontractors to obtain and

[1] **NTD:** Subject to further review by both parties.

maintain, throughout the performance of any work, types of insurance with limits and terms that are normal and customary for the industry and type of services being performed by such subcontractor; provided that Seller shall obtain and maintain the insurance coverages listed in Section II of this Appendix F.

In the event that any insurance (including the limits or deductibles thereof) described in Section II, other than insurance required by law to be maintained, is not available on commercially reasonable terms in the global commercial insurance market, Buyer shall not unreasonably withhold its agreement to modify Seller's obligation to obtain such insurance to the extent of such unavailability; provided, however, that as a condition of agreeing to such modification, (i) Seller shall first request any such modification in writing, which request shall be accompanied by written reports prepared by Seller and its insurance broker, in a form reasonably acceptable to Buyer, certifying that such insurance is not available on commercially reasonable terms in the global commercial insurance market for similar facilities (and, in any case where the required amount is not so available, certifying as to the maximum amount which is available), and explaining in detail the basis for such conclusions; (ii) at any time after the granting of such modification (but no more frequently than once per year unless Buyer has reason to believe, in good faith, that the applicable insurance has become available on commercially reasonable terms), Buyer may reasonably request supplemental reports updating the reports and reaffirming the certifications described in (i), and Seller shall, within sixty (60) days after such reasonable request, provide to Buyer such supplemental reports in a form reasonably acceptable to Buyer; and (iii) any such modification shall be effective only so long as such insurance shall not be available on commercially reasonable terms in the global commercial insurance market (including re-insurers) and Seller shall promptly notify Buyer if such insurance becomes available, it being understood that the failure of Seller to timely furnish any supplemental report described in (ii) shall be considered conclusive evidence that such modification is no longer effective because such condition no longer exists.

II. SPECIFIC COVERAGES REQUIRED

A. Commercial Automobile Liability

Seller shall provide Commercial Automobile Liability insurance, which shall include coverages for liability arising out of the use of owned, non-owned and hired vehicles for performance of the work as required to be licensed under the California, or any other applicable state, vehicle code. The Commercial Automobile Liability insurance shall have not less than two million dollars ($2,000,000.00) combined single limit per occurrence and shall apply to all operations of Seller. Limits may be satisfied through a combination of primary and excess policies.

The Commercial Automobile Liability policy shall include Buyer, Buyer's Board of Commissioners, its members, and their officers, agents, and employees as additional insureds with Seller and shall insure against liability for death, bodily injury or property damage resulting from the performance of this Agreement. The form of evidence of insurance shall be a Buyer Additional Insured Endorsement or equivalent or an endorsement to the policy acceptable to Buyer's Risk Management Section. Blanket additional insured endorsement shall be deemed acceptable to Buyer's Risk Management for auto liability coverage.

B. Commercial General Liability

Seller shall provide Commercial General Liability insurance with Blanket Contractual Liability, Independent Contractors, Broad Form Property Damage, Premises and Operations, Products and Completed Operations, fire Legal Liability and Personal Injury coverages included. Such insurance shall provide coverage for not less than twenty-five million dollars ($25,000,000.00) combined single limit per occurrence. Umbrella or Excess Liability coverages may be used to supplement primary coverages to meet the required limits. Evidence of such coverage shall be on Buyer's Additional Insured Endorsement form or equivalent or on an endorsement to the policy acceptable to Buyer's Risk Management Section and shall provide for the following:

1. Include Buyer and its officers, agents, and employees as additional insureds for the activities and operations under this Agreement.

2. Include Severability-of-Interest or Cross-Liability Clause such as: "The policy to which this endorsement is attached shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the company's liability."

3. Include a description of the coverages included under the policy.

For general liability coverage, a blanket additional insured endorsement shall be deemed acceptable to Buyer's Risk Management.

C. Excess Liability

Seller may use an Umbrella or Excess Liability Coverage with "follow form" to meet coverage limits specified in this Agreement. Seller shall require the carrier for Excess Liability to properly schedule and to identify the underlying policies as provided for Buyer on the Buyer Additional Insured Endorsement Form, or equivalent, or on an endorsement to the policy acceptable to Buyer's Risk Management Section. A blanket additional insured endorsement shall be deemed acceptable to Buyer's Risk Management Section. Such policy shall include, as appropriate, coverage for Commercial General Liability, Hired & Non-Owned Commercial Automobile Liability or other applicable insurance coverages.

D. Workers' Compensation/Employer's Liability Insurance

Seller shall provide Workers' Compensation insurance covering all of Seller's employees in accordance with the laws of any state in which the work of the Agreement is to be performed and including Employer's Liability insurance, where possible, and a Waiver of Subrogation in favor of Buyer. The limit for Employer's Liability coverage shall be not less than one million dollars ($1,000,000.00) for each accident or illness and shall be a separate policy if not included with Workers' Compensation coverage. Umbrella or Excess Liability coverages may be used to supplement primary coverages to meet the required limits. Workers' Compensation/Employer's Liability exposure may be self-insured, *provided* that Buyer is furnished with a copy of the certificate issued by the state

authorizing Seller to self-insure. Seller shall notify Buyer's Risk Management Section by receipted delivery as soon as possible of the state withdrawing authority to self-insure.

E. Builders' Risk

Builder's Risk insurance shall be of the "all risk" type, shall be written in full replacement value and shall protect the Seller and Buyer against risks of damage to buildings, structures and materials and equipment whether on site or in transit from any location worldwide. The amount of such insurance shall be not less than the insurable value of the work at completion, subject to standard and commercially available sublimits and deductibles. Buyer shall be an additional insured on the policy. The Builder's Risk insurance shall provide for losses to be payable to the Seller and the aforementioned additional insured, as their interests may appear, unless required otherwise by a Facility Lender. The policy shall contain a provision that in the event of payment for any loss under the coverage provided, the insurance company shall have no rights of recovery against the Buyer. The Builder's Risk policy shall insure against all risks of direct physical loss or damage to property from any cause, including testing, ensuing loss, commissioning, earthquake and flood, subject to standard and commercially available sublimits. Seller shall maintain such Builder's Risk insurance policy in full force and effect from the later of the Effective Date or the date of commencement of construction of the Facility through the Commercial Operation Date. Evidence of this coverage shall be provided by Seller to Buyer by the later of the Effective Date or commencement of construction of the Facility.

F. Property All Risk Insurance

Seller shall procure and maintain or cause to be procured and maintained an All Risk Physical Damage policy to insure the full replacement value of the property located at the Facility as described in this Agreement, subject to standard and commercially available sublimits and deductibles. The policy shall include coverage for expediting expense, extra expense, Business Interruption, ensuing loss from faulty workmanship, faulty materials or faulty design. This policy need not be in full force and effect until the date of expiration of the Builder's Risk policy described in Paragraph II.E. This policy shall have the same insureds, and all losses shall be payable in the same manner, as provided for the Builders' Risk policy in Paragraph II.E.

G. Cyber Security Insurance

Seller shall procure and maintain a cyber liability and financial loss, intellectual property infringement, and data protection liability insurance. Seller shall procure and maintain coverage for cyber liabilities and financial loss resulting or arising from acts, errors, or omissions, in connection with data maintenance, hosting, software development and other information technology services provided under this Agreement. Coverage shall include protection for liability arising from:

1. intellectual property infringement arising out of software and/or content (excluding patent infringement and misappropriation of trade secrets);

2. breaches of security;

3. violation or infringement of any right, privacy, breach of federal, state, or foreign security and/or privacy laws or regulations; and,

4. data theft, damage, destruction, or corruption, including without limitation, unauthorized access, unauthorized use, identity theft, theft of personally identifiable information or confidential corporate information, transmission of a computer virus or other type of malicious code; and participation in a denial of service attack on a third party.

The minimum limits shall be three million dollars ($3,000,000) for each claim and in the aggregate.

H. Pollution Liability Insurance

Seller shall procure and maintain, or cause to be procured and maintained, for the duration of the Agreement Term Third Party Pollution Liability insurance that provides coverage for liability caused by pollution conditions arising out of the operations of the Facility. Coverage must be included on behalf of the insured for covered claims arising out of the actions of independent contractors. If the insured is using Subcontractors, the policy must include work performed "by or on behalf" of the insured. Coverage may be satisfied through a standalone third party pollution liability policy or via endorsement under the General Liability policy.

The policy limit must provide coverage of no less than five million dollars ($5,000,000) per occurrence and in the aggregate. Coverage must apply to bodily injury; property damage, including loss of use of damaged property or of property that has not been physically inured; cleanup costs; and costs of defense, including costs and expenses incurred in the investigation, defense, or settlement of claims.

Buyer, its officers, agents, employees, and representatives must be added to the policy as additional insureds by endorsement.

APPENDIX G

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

METEOROLOGICAL AND PYRANOMETER MEASUREMENTS

Monitored Meteorological Data Points:

1. Irradiance (horizontal and plane of array)
2. Ambient air temperature
3. Back of module temperature
4. Rainfall quantity
5. Wind speed
6. Wind direction
7. Relative humidity

APPENDIX H

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

REAL PROPERTY AGREEMENTS

Leases

1. Solar Facilities Ground Lease dated September 1, 2013, by and between Granger Peck, trustee of the Granger Peck and Suying Dai Peck Family Trust U/A DTD 12/08/2020 (formerly Granger Peck, individually), as lessor, and Notch Peak Project, LLC, a Delaware limited liability company formerly known as Notch Peak Solar, LLC ("Notch Peak"), as lessee, as evidenced by that certain Memorandum of Lease recorded in the official records of the Millard County Recorder's Office (the "Official Records") on August 18, 2015, as Entry No. 00193089, as amended by that certain First Amendment to Solar Facilities Ground Lease dated January 12, 2016, and by that certain Second Amendment to Solar Facilities Ground Lease dated February 14, 2020, as evidenced by that certain Amended Memorandum of Lease recorded in the Official Records on March 9, 2020, as Entry No. Entry No. 00209190.

2. Solar Facilities Ground Lease dated August 2013, by and between Barbara Anne Pine, not individually but solely as sale Trustee of her Child's Trust created by Alice Roberts' Will and governed by certain provision of the Charles Roberts Family Trust under Trust Agreement dated October 10, 1972 as amended (formerly The Child's Trust for the Benefit of Barbara Pine), as lessor, and Notch Peak, as lessee, as evidenced by that certain Memorandum of Lease recorded in the Official Records on September 3, 2015, as Entry No. 00193263, as amended by that certain First Amendment to Solar Facilities Ground Lease dated January 12, 2016, and by that certain Second Amendment to Solar Facilities Ground Lease dated February 27, 2020, as evidenced by that certain Amended Memorandum of Lease recorded in the Official Records on March 12, 2020, as Entry No. 00209225.

3. Solar Facilities Ground Lease dated September 10, 2013, by and between Maurice O. Ellsworth, as lessor, and Notch Peak, as lessee, as evidenced by that certain Memorandum of Lease recorded in the Official Records on August 18, 2015, as Entry No. 00193095, as amended by that certain First Amendment to Solar Facilities Ground Lease dated January 12, 2016, and by that certain Second Amendment to Solar Facilities Ground Lease dated February 19, 2020, as evidenced by that certain Amended Memorandum of Lease recorded in the Official Records on March 9, 2020, as Entry No. 00209189.

4. Solar Facilities Ground Lease dated August 15, 2013, by and between Homer K. Cutrubus, as lessor, and Notch Peak, as lessee, as evidenced by that certain Memorandum of Lease recorded in the Official Records on August 18, 2015, as Entry No. 00193090, as amended by that certain First Amendment to Solar Facilities Ground Lease dated January 12, 2016, and by that certain Second Amendment to Solar Facilities Ground Lease dated February 27, 2020, as evidenced by that certain Amended Memorandum of Lease recorded in the Official Records on March 9, 2020, as Entry No. 00209188.

5. Solar Facilities Ground Lease dated July 25, 2013, by and between Melissa Ann Wiley, as Successor Trustee of the Family Trust created under Michael and Mary Ann Hiskey Revocable Trust, dated June 20, 2017, as amended (formerly Michael K. Hiskey and Mary Ann Hiskey), as lessor, and Notch Peak, as lessee, as evidenced by that certain Memorandum of Lease recorded in the Official Records on August 18, 2015, as Entry No. 00193091, as amended by that certain First Amendment to Solar Facilities Ground Lease dated November 12, 2015, as evidenced by that certain First Amendment to Memorandum of Lease recorded in the Official Records on January 12, 2016, as Entry No. 00194322, as amended by that certain Second Amendment to Solar Facilities Ground Lease dated January 15, 2016, as evidenced by that certain Second Amendment to Memorandum of Lease recorded in the Official Records on February 18, 2016, as Entry No. 00194702, as amended by that certain Third Amendment to Solar Facilities Ground Lease dated February 15, 2020, as evidenced by that certain Third Amended Memorandum of Lease recorded in the Official Records on March 9, 2020, as Entry No. 00209191, and as amended by that certain Fourth Amendment to Solar Facilities Ground Lease dated February 9, 2026, as evidenced by that certain Fourth Amended Memorandum of Lease recorded in the Official Records on February 17, 2026, as Entry No. 00235638.

6. Solar Facilities Ground Lease dated July 8, 2013, by and between Darrell A. Checketts and Nancy S. Checketts, as Trustee of The Checketts Family Revocable Trust dated March 29, 2016, as lessor, and Notch Peak, as lessee, as evidenced by that certain Memorandum of Lease recorded in the Official Records on August 18, 2015, as Entry No. 00193093, as amended by that certain First Amendment to Solar Facilities Ground Lease dated January 12, 2016, and by that certain Second Amendment to Solar Facilities Ground Lease dated February 29, 2020, as evidenced by that certain Amended Memorandum of Lease recorded in the Official Records on March 12, 2020, as Entry No. 00209226.

7. Solar Facilities Ground Lease dated July 3, 2013, by and between Edward G. Blankstein, Ingrid C. Blankstein, Ari P. Blankstein and Andrea Blankstein-Otloski, Co-Trustees of the Blankstein Family Trust U/T/A dated April 28, 2006, as amended, as lessor, and Notch Peak, as lessee, as evidenced by that certain Memorandum of Lease recorded in the Official Records on August 18, 2015, as Entry No. 00193092, as amended by that certain First Amendment to Solar Facilities Ground Lease dated January 12, 2016, and by that certain Second Amendment to Solar Facilities Ground Lease dated March 9, 2020, as evidenced by that certain Amended Memorandum of Lease recorded in the Official Records on March 26, 2020, as Entry No. 00209359.

8. Solar Facilities Ground Lease dated October 31, 2013, by and between Paul J. West Company, a co-partnership, as lessor, and Notch Peak, as lessee, as evidenced by that certain Memorandum of Lease recorded in the Official Records on August 18, 2015, as Entry No. 00193094, as amended by that certain First Amendment to Solar Facilities Ground Lease dated January 12, 2016, and by that certain Second Amendment to Solar Facilities Ground Lease dated February 29, 2020, as evidenced by that certain Amended Memorandum of Lease recorded in the Official Records on March 12, 2020, as Entry No. 00209227.

9. Solar Facilities Ground Lease dated May 25, 2016, by and between KMJA, LLC, a Utah limited liability company, as lessor, and Notch Peak, as lessee, as evidenced by that certain Memorandum of Lease recorded in the Official Records on June 16, 2016, as Entry No. Entry No. 00195817.

10. Solar Facilities Ground Lease dated December 14, 2016, by and between E-6 Resources, LLC, a Utah limited liability company, and Elb2 Consuelo, LLC, an Arizona limited liability company, as lessor, and Notch Peak, as lessee, as evidenced by that certain Memorandum of Lease recorded in the Official Records on February 9, 2017, as Entry No. 00198246, as amended by that certain First Amendment to Solar Facilities Ground Lease dated February 24, 2020, and by that certain First Amendment to Solar Facilities Ground Lease dated December 20, 2021.

11. Renewable Energy Use Lease Agreement No. 50 dated October 1, 2025, by and between the State of Utah, School and Institutional Trust Lands Administration, as lessor, and Notch Peak, as lessee, as evidenced by that certain Memorandum of Agreement recorded in the Official Records on January 21, 2026, as Entry No. 00235420.

<u>Easement</u>

12. Easement Agreement No. 2787 dated [ ], by and between the State of Utah, School and Institutional Trust Lands Administration, as grantor, and Notch Peak, as grantee, recorded in the Official Records on [ ], as Entry No. [ ].

<u>Surface Waivers</u>

13. Surface Occupancy Waiver Agreement dated April 26, 2023, by and between Katherine Hulse, a married woman, as mineral owner, and Notch Peak, as surface lessee.

14. Surface Occupancy Waiver Agreement dated April 26, 2023, by and between Kimball Young, a married man, as mineral owner, and Notch Peak, as surface lessee.

15. Mineral and Solar Set-Aside and Joint Use Agreement dated December 16, 2025, by and between KMJA, LLC, a Utah limited liability company, as mineral owner, and Notch Peak, as surface lessee, recorded in the Official Records on January 21, 2026, as Entry No. 00235413.

APPENDIX I

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

TABLE 1

EXPECTED ANNUAL GENERATION; GUARANTEED DELIVERED ENERGY

Facility Contract Capacity: 324 MW

Contract Year	Expected Annual Generation, MWh	Guaranteed Delivered Energy, MWh
Initial Stub Year	See note (1)	80% of Expected Annual Generation
1	860,491	688,393
2	856,189	684,951
3	851,908	681,526
4	847,648	678,119
5	843,410	674,728
6	839,193	671,354
7	834,997	667,998
8	830,822	664,658
9	826,668	661,334
10	822,534	658,028
11	818,422	654,737
12	814,330	651,464
13	810,258	648,206
14	806,207	644,965
15	802,176	641,741
16	798,165	638,532
17	794,174	635,339
18	790,203	632,163
19	786,252	629,002
20	782,321	625,857
21	778,409	622,727

22	774,517	619,614
23	770,645	616,516
24	766,791	613,433
25	762,957	610,366
26	759,143	607,314
27	755,347	604,278
28	751,570	601,256
29	747,812	598,250
30	744,073	595,259
Final Stub Year	See note (2)	80% of Expected Annual Generation

(1) The "***Expected Annual Generation***" for the Initial Stub Year equals 860,491 MWh, multiplied by the sum of the percentages (from the Expected Monthly Production Table below) of Energy generated by the Facility during the months between the Commercial Operation Date (prorated for the month in which the Commercial Operation Date occurs if the same does not occur on the first day of such month) and the end of the Initial Stub Year. For example, if the Commercial Operation Date is achieved on June 1, 2026, the Expected Annual Generation in the Initial Stub Year would be 860,491 MWh x 60.16% (June through December) (which is 517,671 MWh), and the Guaranteed Delivered Energy would be 80% of this number (which is 414,137 MWh).

(2) The Expected Annual Generation for the Final Stub Year equals 744,073 MWh multiplied by the sum of the percentages (from the Expected Monthly Production Table below) of Energy generated by the Facility during the months from January 1 of the Final Stub Year to the end of the Final Stub Year (prorated for final month in the Final Stub Year if not a full month). For example, if the Commercial Operation Date is achieved on June 1, 2026, the Expected Annual Generation in the Final Stub Year would be 744,073 MWh x 39.84% (January through May) (which is 296,439 MWh), and the Guaranteed Delivered Energy would be 80% of this number (which is 237,151 MWh).

TABLE 2

EXPECTED ENERGY MONTHLY PRODUCTION TABLE

The following table shows the percentage of generation by the Facility per calendar month for purposes of calculating the Guaranteed Delivered Energy for the Initial Stub Year and the Final Stub Year.

Month	Percent	Month	Percent
Jan	4.33%	Jul	11.96%
Feb	5.37%	Aug	11.39%
Mar	8.01%	Sep	9.72%
Apr	9.66%	Oct	7.87%
May	11.17%	Nov	4.82%
Jun	11.86%	Dec	3.85%
		Total	**100.0%**

APPENDIX J

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

QUALITY ASSURANCE PROGRAM

Seller shall implement a Quality Assurance ("***Q/A***") Program to ensure that the performance of the development, design and construction of the Facility fulfills the Requirements. The Q/A Program shall provide assurance that design, purchasing, manufacturing, shipping, storage, construction, testing and examination of all equipment, materials, services and maintenance of the Facility will comply with the Requirements and the manufacturers' and/or suppliers' requirements for successful operation of the Facility.

Quality at Seller

What is quality? Seller believes that quality is the unit of measure for assessing fulfillment of project goals. A quality project meets or exceeds the contract requirements and accepted standards of professional and industry practice. Furthermore, high quality projects are those that address client and societal needs more successfully than "low" quality projects. While this may seem like a straightforward definition, the process to ensure quality is much more involved and includes quality management, quality planning, quality control, quality assurance, a quality system, and total quality management.

"Quality assurance" refers to a process that reduces the potential for error throughout the phases of a project. On projects with a Q/A Program, the chances of producing a poor quality deliverable are substantially reduced. Quality control procedures are an integral part of quality assurance. Historically, industry has used the term "quality control" to indicate a checking procedure for verifying the quality of deliverables. This checking commonly occurs at the end of the process, long after an error may have been made and compounded by subsequent work. While quality control checks at the end of a project are an essential exercise, scheduled periodic reviews at each phase of project conceptual and final design are integral to Seller's Q/A Program. In addition, quality maintenance which meet or exceed manufacturers' and/or suppliers' requirements and best industry practices must be an integral part of Seller's Q/A Program.

The Quality Management Process

The surest way to achieve satisfactory quality is to adhere to a proven quality process. The term "quality" most accurately refers to a project's ability to satisfy needs when considered as a whole and each part of the process meets or exceeds the standards of Prudent Utility Practices.

Seller's project management team is responsible for proactively planning and directing the quality of the work process, services, and deliverables. Seller's project management team will target six (6) areas to monitor quality:

1) A written work plan with accompanying Q/A Manual (as defined below).

2) Detailed review of the Facility design at the planning and conceptual design phase.

3) Detailed review of Facility final design prior to construction.

4) A quality control program during construction to verify implementation is in compliance with design documents and document any changes.

5) Independent engineering review of the entire process, from design review through Commercial Operation.

6) A written maintenance manual for the Facility for the duration of the Commercial Operation that complies with the maintenance manuals of the manufacturers and suppliers from whom Seller has purchased equipment and/or material and best industry practices.

Written Work Plan and Q/A Manual

The idea of a written work plan and Q/A Manual is to incorporate quality assurance in all areas of project execution. Seller has found that quality needs to be institutionalized into the project process, not only in the budgeting process, but everywhere. For example, specific tasks and duties need to be allocated to specific individuals; roles and interface points need to be clearly defined; individual assignments need to be realistic; special attention needs to be paid to complex areas within projects; schedules need to be realistic and achievable; and, lastly, the work culture needs to be enjoyable and open so that employees are empowered to react quickly to symptoms of quality problems before they actually manifest.

Seller's quality program shall be documented in a written work plan and Quality Assurance manual (the "***Q/A Manual***"). The form and the format of the Q/A Manual shall be developed by Seller, but must comply with Prudent Utility Practices and follow manufacturers' and suppliers' recommendations without deviation. The content of the Q/A Manual shall provide written descriptions of policies, procedures and methodology to accomplish a quality project. Seller shall submit one (1) electronic copy of the Q/A Manual at least sixty (60) days prior to the Facility construction commencement milestone to Buyer or Buyer's Representative. The Q/A Manual shall be kept current by Seller throughout the Agreement Term through the submittal of revisions, as appropriate, by Seller to Buyer or Buyer's Authorized Representative.

The Q/A Manual shall describe the authority and the responsibility of the Persons in charge of the Q/A Program and inspection activities. It shall also provide the plan for detailed review of Facility conceptual design and final design, hold points, and methodology for document control and comment. Furthermore, it shall provide the plan and strategy for quality control and review during the construction of the Facility and for maintenance and operations during Commercial Operation. The Q/A Manual shall strive; at a minimum, to define control procedures or methods to assure the following:

(a) The design documents, drawings, specifications, Q/A procedures, records, inspection procedures and purchase documents are maintained to be current, accurate and in compliance with all applicable law.

(b) The purchased materials, equipment and services comply with the Requirements.

(c) The materials received at the site are inspected for compliance with specifications.

(d) The subcontracted work is adequately inspected by third parties or qualified internal personnel.

(e) Proper methods are employed for the qualification of personnel who are performing work for the development, design and construction of the Facility.

(f) Proper documentation, control and disposition of nonconforming equipment and materials is maintained.

(g) Proper records are kept and available following project completion to ensure accurate documentation of as-built conditions.

(h) Detailed and complete plan for maintenance and operation during Commercial Operation consistent with manufacturers' and suppliers' recommendations and best industry practices.

Conceptual Design Review

Seller shall have a team of professionals who develop and review the Facility layout and Facility conceptual design. The team shall consist of specialists in land-use and planning, permitting, meteorology, engineering, construction, project management, and finance. A preliminary site plan is developed and meetings are held to assess optimization of the resource, constructability, minimization of cultural and biological impacts, land use restrictions, and landowner requirements. Preliminary road design will also be started and access to the Facility Site will be reviewed in detail. When this plan is ready for review, a formal plan and map shall be created and a final internal review is conducted. Following that shall be detailed studies for biological, cultural and other types of impacts completed by various third parties. The site plan will be reviewed, modified as necessary, and then used to begin the permitting and public review process. The site plan shall be further modified based on comments in that process. At that point, the site plan can be issued for construction, and final engineering can commence.

In parallel with this process, preliminary conceptual design will start for the major areas of the Facility, including the substation, transmission line, racking systems, and communications system; and road and grading done to develop construction estimates as well as materials specifications. All of these areas of conceptual designs shall be used to check and verify the assumptions used for development of the site plan.

Seller shall provide Buyer the foregoing designs and any related documents at (i) 60% through the Conceptual Design Review Process (as measured in Seller's sole discretion) and (ii) final completion of the Conceptual Design Review Process. Buyer may request interim designs throughout the Conceptual Design Review Process.

Final Engineering Design

Following finalization of the site plan, the detailed design will be done for the roads and grading, transmission line, and substation by third party engineering firms licensed to practice in the State of Utah. Each firm shall have its own quality assurance and checking procedures, however, Seller shall review the final work products in detail to check with conformance with this Agreement and provide comments as a second round of quality assurance. When Seller's

comments have been incorporated, the design of each area will be considered final, and that design will then be submitted to an independent engineer for review and comment. This ensures that another entity, in addition to Seller, has done a comprehensive review of all areas of the Facility and details to ensure conformance with this Agreement.

In parallel with final design and checking activities, final geotechnical studies will be conducted at the Facility Site, and a final resource assessment will be performed with the issued-for-construction Facility layout. If existing subsurface conditions are different from what is expected, the racking locations could be slightly modified. Any changes of this nature would be documented in as-built design drawings and approved of in advance by Seller.

Seller shall provide Buyer the foregoing designs and any related documents at (a) 60% through the Final Engineering Design Process (as measured in Seller's sole discretion) and (b) final completion of the Final Engineering Design Process. Buyer may request interim designs throughout the Final Engineering Design Process.

Quality Assurance at the Construction Site

Seller will engage a proven construction contractor to perform the construction activities. A Construction Quality Assurance Plan will be agreed upon between Seller and such contractor for all construction activity at the construction site. This Construction Quality Assurance Plan will be consistent with industry standards and norms and will assure all activities receive appropriate attention. Seller will perform active construction management oversight of the contractor during the construction of the Facility to further assure quality performance.

Quality Assurance and Quality Control ("*Q/C*") Activities After Commercial Operation

Throughout the Agreement Term, Seller shall perform Q/A and Q/C activities on all materials and equipment associated with the Facility, including all photovoltaic solar power generation equipment, on a periodic basic. Seller shall provide Buyer a detailed report identifying all areas of inspections performed, O&M contractor provided reports, results found, remedial actions taken, if any, and follow up for any corrective actions.

Seller shall provide Buyer with a schedule for performance actions needed as result of Q/A and Q/C activities. Buyer shall review the schedule, and provide comments to Seller.

QUALITY ASSURANCE (Q/A) AND QUALITY CONTROL (Q/C) CHECKLIST

[To be provided by Seller prior to Construction Commencement Milestone]

APPENDIX K

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

PERMITS

*Shaded items have been obtained as of the Effective Date

Agency/Office	Permit, Clearance, Approval, or Authorization	Permit Trigger
Millard County	Conditional Use Permit	Project requires a Conditional C-2 Use Permit in compliance with procedures set forth I Title 10, Chapter 8 of the Millard County Zoning Ordinance.
Millard County	Environmental Assessment Report	County Land Use, Development and Management Act, UCA Title 17, Ch.41, Secs. 401-403 & 506
Utah Division of Water Quality	Utah Pollutant Discharge Elimination System General Construction Stormwater Permit	Construction activities that will disturb 1 acre or more of land.

APPENDIX L

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

OPTION AGREEMENT

[See attached.]

OPTION AGREEMENT

by and between

NOTCH PEAK PROJECT, LLC
as "Seller"

and

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
as "Buyer"

Dated as of April 16, 2026

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Schedule 4.3 Buyer's Consents

OPTION AGREEMENT

THIS OPTION AGREEMENT is entered into as of this 16th day of April, 2026, by and between Notch Peak Project, LLC, a limited liability company organized and existing under the laws of the State of Delaware ("***Seller***"), and SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY ("***Buyer***"), a joint powers agency and a public entity organized under the laws of the State of California and created under the provisions of the California Joint Exercise of Powers Act (California Government Section 6500 *et seq.*). Each of Buyer and Seller is referred to individually in this Agreement as a "***Party***" and together they are referred to as the "***Parties***."

RECITALS

WHEREAS, Seller and Buyer have entered into that certain Power Purchase Agreement of even date herewith (the "***PPA***") relating to the purchase by Buyer of Delivered Energy, Capacity Rights and associated Environmental Attributes (each as defined in the PPA) generated by a photovoltaic solar facility to be developed, constructed, owned or leased (in accordance with the PPA) and operated by Seller in Millard County, Utah; and

WHEREAS, Seller desires to grant to Buyer, and Buyer wishes to have, an option, exercisable at various times as set forth herein, to purchase the Facility Assets (as defined herein) on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein, and Buyer entering into the PPA, and in consideration of the agreements herein and in the other Operative Documents (as defined herein) and in reliance upon the representations and warranties therein and herein, Buyer and Seller, intending to be legally bound, hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 Definitions. Except as otherwise expressly provided herein, capitalized terms used in this Agreement, including in its Recitals, Schedules and Exhibits, shall have the meanings given in Exhibit 1.1. Capitalized terms used herein but not defined in Exhibit 1.1 shall have the meanings ascribed thereto in the PPA.

1.2 Rules of Interpretation. Except as otherwise expressly provided herein, the rules of interpretation set forth in the PPA shall apply to this Agreement.

ARTICLE II
OPTION TO PURCHASE; CLOSING

2.1 Option to Purchase. Seller hereby grants Buyer an option, on the terms and conditions set forth in this Agreement, to purchase all of Seller's right, title and interest in and to the Facility Assets, but not the Excluded Assets, and to assume the Assumed Liabilities, but not the Excluded Liabilities, on and subject to the terms and conditions set forth in this Agreement (the "***Project Purchase Option***"). The Project Purchase Option may only be exercised with respect to all of Seller's right, title and interest in and to the Facility Assets, and not with respect to only a portion thereof.

2.2 Exercise of Project Purchase Option. Buyer may exercise the Project Purchase Option in accordance with the provisions of Section 2.3 and Section 2.4 at any time following the Approvals Date:

(a) one (1) year prior to the tenth (10th) anniversary of the Commercial Operation Date;

(b) one (1) year prior to the fifteenth (15th) anniversary of the Commercial Operation Date;

(c) one (1) year prior to every subsequent five (5) years after the fifteenth (15th) anniversary of the Commercial Operation Date until the end of the Agreement Term;

(d) during the sixty (60) day period commencing on the date on which a Termination Notice is provided by Buyer to Seller pursuant to Section 13.4(a) of the PPA.

Each opportunity of Buyer to exercise the Project Purchase Option set forth in Sections 2.2(a), 2.2(b), 2.2(c) and 2.2(d) above shall be referred to herein as a "***Purchase Option Opportunity***."

Seller acknowledges that Buyer has no obligation to exercise the Project Purchase Option and that Buyer may decline to exercise the Project Purchase Option for any or no reason, as Buyer deems appropriate in its sole discretion.

2.3 Tentative Exercise Notice. Buyer shall exercise the Project Purchase Option (if at all) by delivering to Seller a written notice of exercise signed by Buyer (the "***Purchase Option Tentative Exercise Notice***") within the periods of time specified in Section 2.2. Within forty-five (45) days after it receives the Purchase Option Tentative Exercise Notice, Seller will deliver to Buyer (the date of such delivery being the "***Schedule Delivery Date***") the following, dated as of the Schedule Delivery Date: (a) Schedule 3.3 (Real Property Matters); (b) Schedule 3.4 (Seller's Consents); (c) Schedule 3.5 (Certain Assets); (d) Schedule 3.6 (Title to Facility Assets); (e) Schedule 3.7 (Environmental Matters); (f) Schedule 3.8 (Liabilities); (g) Schedule 3.9 (Tax Matters); (h) Schedule 3.10 (Compliance with Laws); (i) Schedule 3.11 (Litigation); (j) Schedule 3.12(a) (Contracts); (k) Schedule 3.12(b) (Exceptions to Assumed Contracts); (l) Schedule 3.13 (Intellectual Property); (m) Schedule 3.15 (Permits); (n) Schedule 3.17 (Employee Matters); (o) Schedule 3.18 (General Matters); and (p) Schedule 3.20 (Support Obligations) ((a) through (p) collectively, the "***Seller Disclosure Schedules***"), each of which shall be applicable to the Facility and be reasonably acceptable to Buyer, and which shall include, as required, any qualifications or exceptions required to make the representations in Article III true and correct in all material respects, and Seller, at its sole discretion, may elect, to submit an RWI Proposal along with the submission of the Seller Disclosure Schedules. Thereupon, Buyer will deliver to Seller Schedule 4.3 (Buyer's Consents) (together with the Seller Disclosure Schedules, the "***Disclosure Schedules***"). Each Disclosure Schedule shall include and set forth the properties, materials, instruments, matters and all other specifications and information as indicated in the form of such Disclosure Schedule attached to this Agreement.

2.4 Fair Market Value; Exercise Notice.

(a) The Fair Market Value shall be determined in accordance with Exhibit 2.4. After the Disclosure Schedules have been delivered and the Fair Market Value has been determined pursuant to Section 2.4(a), Buyer may elect, in its sole discretion to (i) decline to exercise the Project Purchase Option with respect to the applicable Purchase Option Opportunity, or (ii) exercise the Project Purchase Option for the Final Purchase Price determined in accordance with Exhibit 2.4. If Buyer elects to exercise the Project Purchase Option, upon determination of the Final Purchase Price in accordance with Exhibit 2.4, Buyer shall give written notice (the "***Purchase Option Exercise Notice***") to Seller no later than the Purchase Option Exercise Deadline, which notice shall state that Buyer is electing to exercise the Project Purchase Option under this Agreement and designating the applicable Closing Date. If Buyer elects not to exercise the Project Purchase Option, Buyer shall notify Seller of such election. The delivery of a Purchase Option Exercise Notice by Buyer shall constitute a binding and irrevocable commitment by Buyer to purchase, subject to the acceptance of such Purchase Option Exercise Notice by Seller in accordance with Section 2.4(c) and the satisfaction or waiver of each of the conditions to Closing set forth in Article VII and Article VIII by the applicable Closing Date.

(b) If Buyer (i) declines to exercise the Project Purchase Option pursuant to Section 2.4(b)(i), or (ii) fails to timely deliver a Purchase Option Tentative Exercise Notice or Purchase Option Exercise Notice with respect to any Purchase Option Opportunity within the deadlines therefor under Sections 2.3 and 2.4(a) respectively, then Buyer's right to exercise the Project Purchase Option with respect to such Purchase Option Opportunity shall expire and shall no longer be effective (but such expiration shall not affect Buyer's right to exercise any Project Purchase Option with respect to any future Purchase Option Opportunity).

(c) If Buyer elects to exercise the Project Purchase Option, then Seller may elect, in its sole and absolute discretion, within thirty (30) days after Buyer delivers the Purchase Option Exercise Notice, to (i) decline to accept the Purchase Option Exercise Notice with respect to the applicable Purchase Option Opportunity, or (ii) accept Buyer's exercise of the Project Purchase Option for the Final Purchase Price determined in accordance with Exhibit 2.4 by providing written notice of such acceptance to Buyer (the "***Acceptance Notice***"); provided, that if Seller submitted an RWI Proposal pursuant to Section 2.3, then such Acceptance Notice may be contingent upon Buyer's agreement to accept such proposal. The delivery of the Acceptance Notice shall create a binding obligation of Seller to sell, the Facility Assets as specified herein, subject to the provisions set forth in Exhibit 2.4 and the satisfaction or waiver of each of the conditions to Closing set forth in Article VII and Article VIII, by the applicable Closing Date.

(d) If Buyer delivers the Purchase Option Exercise Notice and Seller delivers the Acceptance Notice, then, subject to Section 2.6, the Closing Date shall occur (i) in the case of a Project Purchase Option exercised pursuant to Section 2.2(a), on the tenth (10th) anniversary of the Commercial Operation Date, (ii) in the case of a Project Purchase Option exercised pursuant to Section 2.2(b), on the fifteenth (15th) anniversary of the Commercial Operation Date, (iii) in the case of a Project Purchase Option exercised under Section 2.2(c), on the twentieth (20th), twenty-fifth (25th) or thirtieth (30th) anniversary of the

Commercial Operation Date, as applicable, and (iv) in the case of a Project Purchase Option exercised under Section 2.2(d), no later than twelve (12) months after the delivery by Buyer of a Purchase Option Exercise Notice.

(e) If Seller does not provide an Acceptance Notice within the time period set forth in Section 2.4(d), then Buyer's right to exercise the Project Purchase Option with respect to such Purchase Option Opportunity shall expire and shall no longer be effective (but such expiration shall not effect Buyer's right to exercise any Project Purchase Option with respect to any future Purchase Option Opportunity). For the avoidance of doubt, neither Party shall have any liability to the other as a result of Seller's election not to provide an Acceptance Notice within the time period set forth in Section 2.4(c).

2.5 Memorandum of Option. Concurrently with the Approvals Date, the Parties shall execute and acknowledge a memorandum of option in the form attached hereto as Exhibit 2.5, and Seller shall record such memorandum in the Official Records of Millard County, Utah. Seller shall be responsible for payment of all fees and Taxes associated with such recording.

2.6 Closing. In the event Buyer delivers a Purchase Option Exercise Notice, the closing of the purchase and sale of the Facility Assets (the "***Closing***") shall occur at 11:59 p.m. local time on the Closing Date designated pursuant to Section 2.4(d), or such later date within the following fourteen (14) days as shall be thereafter designated by Buyer due to conditions affecting Buyer's bond financing with respect to the acquisition of the Facility Assets. The Closing shall be held at the offices of Buyer in Glendora, California, or such other reasonable location in California that Buyer designates in a timely notice to Seller, unless the Parties otherwise agree. All events at the Closing shall be deemed to occur simultaneously, unless otherwise provided herein. In the event the Closing has not occurred by the Closing Date in respect of a Purchase Option Opportunity, then Buyer (in the case of the conditions set forth in Article VII) or Seller (in the case of the conditions set forth in Article VIII), upon written notice to the other Party and without liability, may terminate the Project Purchase Option with respect to such Purchase Option Opportunity, and such Purchase Option Opportunity shall expire and shall no longer be effective (but such termination shall not effect Buyer's right to exercise any Project Purchase Option with respect to any future Purchase Option Opportunity); provided that a Party cannot terminate any Project Purchase Option with respect to a Purchase Option Opportunity if the failure of the Closing to occur is the result of the failure on the part of such Party to perform its obligations under this Agreement.

2.7 No Additional Warranties. OTHER THAN THE REPRESENTATIONS AND WARRANTIES EXPLICITLY SET FORTH IN THIS AGREEMENT, NO OTHER REPRESENTATIONS OR WARRANTIES WHETHER EXPRESS OR IMPLIED SHALL BE GIVEN OR DEEMED GIVEN AS TO THE FACILITY OR THE FACILITY ASSETS CONSTITUTING THE FACILITY.

2.8 Assumed Liabilities. At the Closing, Buyer shall assume and agree to pay for, perform, fulfill and discharge from and after the Closing, the liabilities and obligations relating to the Facility Assets or the Business that are first required to be performed after the Closing or arising or occurring after the Closing, other than the Excluded Liabilities (collectively, the "***Assumed Liabilities***"), including the following:

(a) Any Taxes attributable to the ownership of the Facility Assets or operation of the Business for any Post-Closing Tax Period, except for those Taxes attributable to a Pre-Closing Tax Period imposed on Buyer as transferee or successor by contract or under any Requirement of Law as set forth in Section 2.9(b)(iii);

(b) Any liability or obligation arising from or relating to any period of time or event occurring after the Closing or that, with notice or lapse of time, could constitute or result in a breach of any Assumed Contracts or Transferred Permit arising from or relating to any period of time or event occurring after the Closing, but only to the extent such liability or obligation does not (i) arise from or relate to any breach by Seller of any Assumed Contract or Transferred Permit prior to Closing, (ii) arise from or relate to any event, circumstance, or condition occurring or existing on or prior to Closing that, with notice or the lapse of time, would constitute a breach of any such Assumed Contract or Transferred Permit, and (iii) arise from any violation of law, breach of warranty, tort or infringement committed by Seller at any time;

(c) Any liability or obligation for the remediation or cleanup of the Facility Site under applicable Environmental Laws attributable to the Release of Hazardous Substances arising or occurring after the Closing Date; but only to the extent such liability or obligation does not (i) arise from or relate to any act or omission of Seller prior to Closing, and (ii) arise from any violation of law, breach of any Permit or breach of any Contract committed by Seller at any time; or

(d) Any liability or obligation for the decommissioning or demolition of the Facility and any environmental and other liability associated with such decommissioning or demolition, without regard to the timing or cause of such decommissioning or demolition.

2.9 Excluded Liabilities. Notwithstanding anything in this Agreement to the contrary, Buyer shall not assume, and shall not be deemed to have assumed, and shall have no liability with respect to (whether asserted before or after the Closing and regardless of whether the same or the basis therefor may have been disclosed to Buyer by Seller or otherwise be known to Buyer), any liabilities or obligations of any nature, fixed or contingent or known or unknown related to the Facility Assets or the Business other than as specifically set forth in Section 2.7 (with all such unassumed obligations referred to in this Agreement as the "***Excluded Liabilities***"). Without limiting the generality of the preceding sentence, it is agreed that Buyer shall have no liability with respect to any of the following liabilities or obligations (whether asserted before or after the Closing and regardless whether the same or the basis therefor may have been disclosed to Buyer by Seller or otherwise be known to Buyer), all of which are included in the Excluded Liabilities:

(a) Any liability or obligation with respect to any Taxes due from Seller, and any Taxes on or attributable to Facility Assets with respect to any Pre-Closing Tax Period;

(b) (i) Any and all Taxes of any member of an affiliated, consolidated, combined or unitary group of which Seller (or any predecessor thereto) is or was a member, including under Treasury Regulations Section 1.1502-6 or any analogous or similar state, local or non-U.S. law or regulation, (ii) all Transfer Taxes, and (iii) all Taxes imposed on

Buyer in respect of Seller and the transactions contemplated hereby as transferee or successor, by contract or under any Requirement of Law, in each case with respect to any Pre-Closing Tax Period;

(c) Any liability or obligation of Seller (other than for Taxes), whether it is ascertainable in nature and amount by reference to the express written terms of any Assumed Contracts or Transferred Permits, relating to the Facility Assets or the Business, including arising out of Seller's ownership and operation of the Facility Assets to the extent that such liability or obligation (i) arose, or otherwise relates to the period, prior to Closing, or (ii) relates to Seller's ownership or operation of the Facility Assets or the Business prior to Closing;

(d) Any liability or obligation of Seller arising out of Seller's ownership and operation of any assets other than the Facility or any business other than the Business at any time;

(e) Any liability or obligation of Seller under (i) any Contract (including with respect to any contractors or subcontractors thereunder) other than an Assumed Contract or (ii) any Permit other than a Transferred Permit;

(f) Any liability or obligation under any Assumed Contract or a Transferred Permit to the extent such liability or obligation arises from or relates to any breach by Seller of any provision of any such Assumed Contracts or Transferred Permits on or prior to the Closing;

(g) Any liability or obligation (other than for Taxes) arising from or relating to any period of time or event occurring prior to the Closing or that, with notice or lapse of time, could constitute or result in a breach of any Assumed Contracts or Transferred Permit arising from or relating to any period of time or event occurring on or prior to the Closing;

(h) Any liability or obligation with respect to any Assumed Contracts or Transferred Permits that is not ascertainable, in nature and amount, solely by reference to the express written terms of any Assumed Contracts or Transferred Permits;

(i) Any liability or obligation of Seller arising from or relating to any breach by Seller of any provision of this Agreement, or arising from a breach by Seller, or any event, circumstance or condition occurring or existing on or prior to the Closing that, with notice or lapse of time, constitutes or results in a breach by Seller under this Agreement, the PPA (including the Ancillary Documents), or any of the Operative Documents;

(j) Any liability or obligation under any Contract entered into during the Applicable Diligence Period and not assumed by Buyer pursuant to Section 5.10;

(k) Any liability or obligation for the remediation or cleanup of the Facility Site under applicable Environmental Laws attributable to the Release of Hazardous Substances arising or occurring on or prior to the Closing Date;

(l) Any liability or obligation of Seller with respect to the employment or termination of any employee or group of employees by Seller, or the terms thereof, whether union or nonunion, whether the liability or obligation calls for performance or observance before or after the Closing and whether the liability or obligation arises from a collective bargaining agreement, pension trust fund plan, or other agreement or arrangement to which Seller is a party or by which Seller is bound (whether oral or written and whether express or implied in fact or in law) or any past practice or custom or otherwise, it being understood and agreed that after the Closing, Buyer will itself be specifying the terms on which it offers employment to any individual to whom it, in its sole discretion, chooses to offer employment and will not be bound by any term of employment of Seller in effect at or at any time prior to the Closing;

(m) Any liability or obligation of Seller for pension fund payments or unfunded pension fund liabilities;

(n) Any liability or obligation arising from or associated with any of the Excluded Assets;

(o) Any liability or obligation of Seller or its Affiliates (other than for Taxes) arising out of or related to any claim or loss against Seller or its Affiliates or any third-party claims or losses which adversely affects the Facility Assets and which shall have been asserted prior to the Closing or to the extent the basis of which shall have arisen exclusively prior to the Closing;

(p) Any liability or obligation of Seller or its Affiliates to a third party arising from any indemnification claim, injury to or death of any person or damage to or destruction of any property (and including workers' compensation claims, discrimination, wrongful discharge, or unfair labor practice), whether based on negligence, breach of warranty, strict liability, enterprise liability or any other legal or equitable theory arising from actions by, for or on behalf of Seller or its Affiliates arising prior to the Closing; and

(q) Any liability or obligation of Seller or its Affiliates representing Facility Debt incurred by Seller or its Affiliates or Liens or encumbrances other than Closing Permitted Encumbrances.

Seller shall remain liable for or otherwise pay or discharge, or cause the payment or discharge, of all Excluded Liabilities prior to the Closing.

2.10 Schedule Updating: Final Purchase Price.

(a) No later than the date that is thirty (30) days prior to the designated Closing Date (the "***Updated Schedule Delivery Date***"), Seller shall have provided Buyer with updated Seller Disclosure Schedules which shall be the final Seller Disclosure Schedules for purposes of its representation and warranties made under Article III as of the Closing. Notwithstanding the foregoing, any update included in an updated Seller Disclosure Schedule delivered pursuant to this Section 2.9(a) shall have no effect for purposes of

determining the satisfaction of any condition to Closing set forth in Article VII and shall not alter the effect of Buyer's right to terminate this Agreement pursuant to Section 10.2.

(b) At the Closing, upon the terms and subject to the conditions set forth herein, Buyer shall, in exchange for the sale, transfer, assignment, conveyance and delivery of the Facility Assets by Seller, and the assumption by Buyer of the Assumed Liabilities in accordance with this Agreement, pay Seller the Final Purchase Price determined in accordance with Exhibit 2.4. Such Final Purchase Price shall be paid by Buyer by wire transfer of immediately available funds to an account designated in writing by Seller. The Parties agree to allocate the Final Purchase Price (and all other capitalizable costs) among the Facility Assets in accordance with Code §1060 and the U.S. Department of Treasury regulations thereunder (and any similar provision of state, local, or non-U.S. law, as appropriate).

2.11 Proration. Buyer and Seller agree that any items normally prorated, including those listed below, relating to the Business and the Facility Assets, shall be prorated as of the Closing, with Seller being liable therefor to the extent such items relate to periods (or portions thereof) ending on or prior to the Closing, and Buyer being liable to the extent such items relate to periods (or portions thereof) beginning after the Closing with, to the extent practicable, a cash settlement on the Closing:

(a) personal property and real estate Taxes, assessments and other charges, if any, by the applicable municipality, on the basis of the applicable municipality's fiscal year, on or with respect to the Business;

(b) rent, Taxes and other items payable by or to Seller under any of the Assumed Contracts assigned to and assumed by Buyer hereunder which are associated with the Facility Assets;

(c) any Permit, registration, compliance, assurance fees or other fees with respect to any Transferred Permit comprising part of the Facility Assets; and

(d) sewer rents and charges for water, telephone, electricity and other utilities.

In connection with the prorations referred to in this Section 2.11, in the event that the actual amounts for such items are not available on the Closing Date, the proration to be used as of the Closing Date shall be based upon actual Taxes or fees for the preceding year (or such other appropriate period of time) for which actual Taxes or fees are available. The prorated amounts of Taxes or fees shall be adjusted upon the request of Seller, on the one hand, or Buyer, on the other hand, within sixty (60) days following the date on which actual amounts become available. Seller and Buyer shall furnish each other with such documents and other records as may be reasonably requested in order to confirm any adjustments to the proration calculations made pursuant to this Section 2.11. The Parties shall make any true-up payments owed to the other Party within thirty (30) days following receipt by the Parties of all required information required in connection with the prorations referred to in this Section 2.11. Taxes shall be prorated as provided in the definition of "Straddle Period".

2.12 Closing Costs; Transfer Taxes and Fees. Seller shall be solely responsible for all recording, documentary and transfer Taxes and any sales, use or other Taxes imposed by reason of the transfer of the Facility Assets as provided hereunder (collectively, "***Transfer Taxes***"), and any deficiency, interest or penalty asserted with respect thereto, under applicable Requirements of Law. Seller shall provide Buyer with evidence reasonably satisfactory to Buyer that all Transfer Taxes have been paid by Seller. If any Transfer Taxes are imposed on Buyer and Buyer pays such Transfer Taxes, Buyer shall have the right to seek reimbursement for its payment of such Transfer Taxes from Seller, and Seller shall be obligated to reimburse Buyer for such payment.

2.13 Decommissioning and Other Costs. Unless a Closing occurs pursuant to the exercise by Buyer of the Project Purchase Option, Buyer shall not be responsible for any cost of decommissioning or demolition of the Facility or any environmental or other liability associated with such decommissioning or demolition, without regard to the timing or cause of such decommissioning or demolition.

2.14 Closing Obligations. At the Closing: (a) Seller will deliver (or will have delivered) to Buyer each of the certificates, instruments, documents and agreements referred to in Article VII to be provided by Seller on or prior to the Closing, and (b) Buyer will deliver (or will have delivered) to Seller (i) the Final Purchase Price, and (ii) each of the certificates, instruments, documents and agreements referred to in Article VIII to be provided by Buyer on or prior to the Closing.

2.15 Bulk Sales Law. Unless waived by Buyer or otherwise not applicable, Seller shall, prior to the Closing, comply with the requirements of sellers under any applicable bulk sales law.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLER

Upon the exercise of the Project Purchase Option, Seller represents and warrants to Buyer as follows as of the Schedule Delivery Date and the Closing Date and, with respect to Sections 3.1 and 3.2, the Effective Date (with the understanding that, following the Schedule Delivery Date, Seller shall have the right, until it delivers final Seller Disclosure Schedules as provided in Section 2.10(a), to update any information contained in the Seller Disclosure Schedules if the occurrence of events or the discovery of new information makes the revision of such Seller Disclosure Schedules necessary, but subject to a Purchase Price adjustment as set forth in Exhibit 2.4 and the limitations on the effect of such revisions set forth in Section 2.10(a)):

3.1 Organization and Good Standing. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of its state of organization and is qualified to do business in the State of California and the State of Utah, and has the legal power and authority to own its properties, to carry on its Business as now being conducted and to enter into and perform its obligations under this Agreement and each of the Operative Documents to which Seller is a party.

3.2 Authority; Absence of Conflict or Breach. The sale of the Facility Assets and the execution, delivery and performance by Seller of this Agreement and each of the Operative Documents have been duly authorized by all necessary limited liability company action on the

part of Seller and the owners of any interest in Seller and do not require any consent or approval other than those which have already been obtained or otherwise as disclosed in the Seller Disclosure Schedules. This Agreement and each of the Operative Documents to which Seller is a party constitute the legal, valid and binding obligation of Seller, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law. The execution and delivery of this Agreement and each of the Operative Documents to which Seller is a party, the consummation of the sale of the Facility Assets and the fulfillment of and compliance with the provisions of this Agreement and the Operative Documents to which Seller is a party do not conflict with or constitute a breach of or a default under, any of the terms, conditions or provisions of any Requirements of Law, or any Organizational Documents, agreement, deed of trust, mortgage, loan agreement, other evidence of indebtedness or any other agreement or instrument to which Seller is a party or by which it or any of its property is bound, or result in a breach of or a default under any of the foregoing or result in or require the creation or imposition of any Lien upon any of the properties or assets of Seller (except as contemplated hereby).

3.3 Real Property Matters.

(a) If Seller entered into a Sale Leaseback Financing of the Facility Site in accordance with the PPA, the Lessor (as defined in the PPA) has provided Buyer evidence, which evidence Buyer has either confirmed in writing is satisfactory to Buyer or has not objected to in writing, of a binding obligation of such Lessor or Lessors and Seller to terminate such Sale Leaseback Financing (as defined in the PPA) on or prior to the Closing by the (i) reconveyance of the Facility Site by such Lessor or Lessors to Seller and the termination of the lease of the Facility Site by such Lessor or Lessors and Seller, or (ii) transfer of the Facility Site directly by such Lessor or Lessors to Buyer, provided that any such transfer from Lessor directly to Buyer shall be on the same terms and conditions as a transfer of the Facility Site from Seller to Buyer as set forth in this Agreement.

(b) As of the Closing Date**,** Schedule 3.3 contains a true, correct and complete list of any Contracts, including the Land Documents, that provide Seller with any rights in or to real property ("***Real Property Contracts***"), including rights in the nature of leases, easements, licenses, rights of way, franchise agreements, restrictive covenants, purchase agreements, agreements to relinquish or limit surface access rights with regards to minerals, options to purchase or lease, or applications for or bids to Governmental Authorities with respect to any of the foregoing interests in real property (collectively, "***Real Property Interests***"), as well as leases (including farm and grazing leases) and other agreements that grant or purport to grant, or reserve or purport to reserve to third parties, interests in or to the land which is subject to Real Property Interests ("***Third Party Property Interests***"). True, correct and complete copies of the Real Property Contracts have been delivered to Buyer. As of the Closing Date, Seller holds no Real Property Interests other than those that are set forth in such Real Property Contracts. Neither Seller, nor to Seller's Knowledge, any counterparty thereto, is in default in any material respect of any material obligation with respect to the Real Property Contracts. Each of the Real Property Interests granted by a Real Property Contract provides legal, valid, and enforceable rights in favor

of Seller and constitutes a legal, valid and binding obligation of Seller and, to Seller's Knowledge, of the other parties thereto. To the extent obtained by or in the possession or control of Seller, or any Affiliate of Seller, true, correct and complete copies of all title reports, surveys, mineral reports for any severed minerals (including any evaluation as to feasibility or likelihood of mineral extraction and any separate chain of title for severed minerals), material records searches (for any governmental records not included in any title reports) and exception documents referenced in such reports, policies, or searches have been delivered to Buyer.

(c) Except as set forth in Schedule 3.3, Seller has not received any written notice of any appropriation, condemnation or like proceeding, or of any violation of any applicable zoning or land use law, regulation or rule or other Requirement of Law relating to or affecting any of the Real Property Interests.

(d) Except as set forth in Schedule 3.3, Seller has not previously severed any mining, mineral or water rights from any of the Real Property Interests and has disclosed to Buyer any information known to Seller or any Affiliate of Seller regarding any severed mining, mineral or water rights affecting the Real Property Interests.

(e) Except as set forth in Schedule 3.3, other than with respect to the Real Property Contracts or Permits and any Third-Party Property Interests, Seller has not received any written notice that any agreements with any Governmental Authority or public or private utility affect the Real Property Interests.

(f) Except as set forth in Schedule 3.3, each of the Real Property Interests consisting of a "fee estate" has been legally subdivided and is assessed for real estate tax purposes as one or more wholly independent tax lot or lots, separate from any adjoining land or improvements not constituting a part of such lot or lots, and no other land or improvements is assessed and taxed together with any such Real Property Interests consisting of a Fee Estate or any portion thereof. Except as set forth in Schedule 3.3, with respect to Real Property Interests comprising either a leasehold or easement estate, the Facility Assets have either been separately assessed for real estate tax purposes by Millard County or any liability of the holder of such leasehold or easement estate for real estate taxes has been apportioned pursuant to the Real Property Contracts creating the leasehold or easement estate.

(g) Except as set forth in Schedule 3.3, none of the Real Property Interests has been designated as "Border Zone Property" under the provisions of California Health and Safety Code, Sections 25220 *et seq.* or any regulation adopted in accordance therewith, and there has been no occurrence or condition on any real property adjoining any of the Real Property Interests that is reasonably likely to cause such Real Property Interest or any part thereof to be designated as border zone property.

3.4 Consents. Except as set forth in Schedule 3.4, including the Consent required under the Federal Power Act, other than those that have been obtained or filed, no Consent of, or registration, qualification or filing with, any Person, including any Governmental Authority, is

required for the sale of the Facility Assets or the execution and delivery by Seller of this Agreement or any of the Operative Documents to which it is a party or in order for Seller to perform its obligations hereunder or thereunder.

3.5 Assets of the Business. Except as set forth in Schedule 3.5, the Facility Assets (a) constitute all of the assets, properties, rights, privileges, claims, Permits and Contracts of every kind and nature, real or personal, tangible or intangible, absolute or contingent, wherever located, owned or used (including those necessary to access and utilize any common use facilities) necessary to conduct operations on the Premises, to operate the Facility, and to sell, and deliver Energy generated by the Facility, in substantially the same manner as it has historically been operated by Seller, and (b) are free from material defects caused by errors or omissions in design, engineering or construction, and are generally consistent with the description of the Facility set forth in the PPA. Except as provided in Schedule 3.5, the Fixtures and Equipment are in good repair and operating condition, ordinary wear and tear excepted.

3.6 Title to Facility Assets. Except as provided in Schedule 3.6, on the Schedule Delivery Date, Seller has good (and, with respect to real property, marketable) title to all of the Facility Assets, free and clear of all Liens, except for the Purchase Option Permitted Encumbrances. Except as provided in Schedule 3.6, at the Closing, Seller shall deliver and Buyer shall acquire good (and, with respect to the real property, marketable) title to all of the Facility Assets free and clear of all Liens, except for Closing Permitted Encumbrances.

3.7 Environmental. Except as set forth in Schedule 3.7:

(a) There are no pending or outstanding or threatened Agency Actions concerning the Facility or the Premises with respect to Environmental Laws applicable to Seller, the Facility or the Premises, or to Seller's ownership, operation and use of the Facility. Seller is, and at all times has been, and has owned (except in connection with any Sale Leaseback Financing) and operated (or its designated Qualified Operator has operated) the Facility and the Premises in compliance with all applicable Environmental Laws. There are no writs, injunctions, decrees, Orders or judgments outstanding, or any notices, actions, suits, Proceedings or investigations outstanding or pending or threatened involving Seller relating to (i) its compliance with any Environmental Laws with respect to any of the Facility Assets, the Premises, or any other asset owned or used by Seller or in which it has or had an interest in connection with the Facility, or (ii) the Release of any Hazardous Substances at the Premises.

(b) All Permits required by Environmental Laws and necessary for the operation of the Facility have been obtained and are currently in full force and effect. Seller's operations at the Premises and in connection with the Facility Assets are in compliance with all the requirements of such Permits. Seller is not in possession of any current written notice of violation or other notification from any Governmental Authority or from any other Person alleging that Seller has committed any act, or failed to act, in any manner or under any circumstance that would preclude continued operation of the Facility Assets, including the Premises, under any of these Permits.

(c) Each of the Facility Assets and Seller are in compliance with all Environmental Laws. There are currently no circumstances or conditions existing on the Premises which could reasonably be expected to prevent or substantially interfere with Seller's compliance with Environmental Laws in connection with Seller's operation of the Facility Assets and use of the Premises.

(d) Hazardous Substances have not been generated, used, treated or stored on, or transported to or from, any of the Premises in violation of Environmental Laws.

(e) There is no asbestos contained in or forming any part of any building, building component, structure or other asset that is part of the Facility Assets, and no asbestos is or has been stored, disposed of or otherwise been present at the Premises or on or in any of the Facility Assets, and Seller does not have any liability for asbestos in connection with the use, operation, renovation or demolition of any of the Facility Assets.

(f) There has been no Release or threatened Release of Hazardous Substances by Seller or any party under the reasonable control of Seller and, to Seller's Knowledge, there has been no Release or threatened Release of Hazardous Substances by any other party at, on, under or from any of the Premises or at, on, under or from any property adjoining any of the Premises, other than in compliance with applicable Environmental Laws or as has previously been remediated in accordance with applicable Environmental Laws.

(g) In connection with its ownership and operation of the Facility Assets, Seller has disposed of all wastes, including those containing any Hazardous Substances, in compliance with all applicable Environmental Laws, and Seller has not received any notice or demand letter from any Person claiming Seller may be liable for any on- or off-site Release or threatened Release of Hazardous Substances. Seller has not received written notice from any Person or Governmental Authority indicating that there has been ongoing or past Release of Hazardous Substances at, from or migrating beneath of on to any of the Real Property Interests.

(h) There are not now, and never have been, any above-ground or underground storage tanks or PCB-containing transformers or equipment located at the Premises.

(i) To the extent obtained by or in the possession or control of Seller or any Affiliate of Seller, Seller has provided Buyer with all reports, surveys, studies, correspondence, investigations, tests and environmental sampling and analyses (whether commissioned by Seller or otherwise) concerning the wildlife, cultural resources, natural resources, the Environmental Condition of any of the Facility Assets, and Hazardous Substances in, at, on and under the Premises, regardless of whether such Environmental Conditions were caused by, or arose from, Seller's operation of the Facility, Seller's ownership of all or any portion of the Facility Assets, Seller's compliance with applicable Environmental Laws in the operation of the Facility, the use of the Facility Assets, or otherwise.

(j) Seller has not received any written request for information nor any written notification that it is a potentially responsible party under CERCLA or any similar state Environmental Laws, including any such request or notification relating directly or indirectly to any of the Facility Assets, and none of the Premises is proposed to be listed or is listed on the National Priorities List under CERCLA or any similar state Environmental Laws requiring environmental investigation or cleanup.

3.8 No Undisclosed Liabilities. Seller has no liabilities (absolute, accrued, contingent or otherwise) in excess of Twenty Five Thousand Dollars ($25,000) in the aggregate, except for those (a) set forth in Schedule 3.5, Schedule 3.7, Schedule 3.8, Schedule 3.9, Schedule 3.10, or Schedule 3.11, (b) otherwise disclosed in writing to Buyer or explicitly set forth in any of the Assumed Contracts, Transferred Permits, or Support Obligations, (c) constituting Excluded Liabilities, or (d) disclosed in the Financial Statements.

3.9 Taxes. As of the Schedule Delivery Date, and again as of the designated Closing Date, any Liens for Taxes are set forth in Schedule 3.9, and, except to the extent set forth therein:

(a) There are no Liens for Taxes on any of the Facility Assets, except for Purchase Option Permitted Encumbrances and, upon the Closing, Closing Permitted Encumbrances.

(b) The Facility Assets do not include, for Taxes purposes, any equity interest in any corporation, any partnership or other entity.

(c) All Tax Returns that Seller (or any Affiliate of Seller) is required to file with respect to the Facility Assets have been filed with the appropriate Governmental Authorities, all such Tax Returns were correct and complete in all material respects and all Taxes due and payable by Seller and all Tax assessments made against Seller by any Governmental Authority have been paid whether or not shown to be due on such Tax Returns. All property Taxes due and payable with respect to the Facility Assets or any fee property thereunder have been paid (whether or not shown to be due on any Tax Return) and all Tax Returns related thereto have been filed with the appropriate Governmental Authorities.

(d) Seller has not received any written notice from any Governmental Authority of, and has no other Knowledge of, any outstanding claims or assessments with respect to any Tax relating to the Facility Assets and no such claim is pending or is presently being asserted in writing against the Seller or with respect to any of the Facility Assets.

(e) Seller has no Knowledge of any proposed Tax assessment against the Facility Assets, other than a proposed Tax assessment that is being actively contested by Seller in good faith and by appropriate proceedings, so long as the results of any such actively-contested assessment could not reasonably be expected to have a Material Adverse Effect hereunder.

(f) Seller is not subject to any pending Tax audit, investigation, action or Proceeding with any Governmental Authority that has been asserted in writing, and there

is no threatened Tax audit, investigation, action or Proceeding by any Governmental Authority that has been asserted in writing with respect to any of the Facility Assets that remains pending. Seller has not received written notice of any claim by any Governmental Authority in any jurisdiction where it does not file Tax Returns or pay Taxes that it is or may be subject to Tax by that jurisdiction.

(g) Seller has timely withheld and timely paid all Taxes that are required to have been withheld and paid by it in connection with amounts paid or owing to any employee, independent contractor, creditor or other Person.

3.10 Compliance With Laws. Except as set forth in Schedule 3.10, Seller is in full compliance in all respects with all Requirements of Law applicable to the Facility Assets and operation and use of the Facility, and there are no condemnations or similar proceedings applicable to any part of the Facility.

3.11 Litigation. Except as set forth in Schedule 3.11:

(a) There are no Proceedings pending, or to Seller's Knowledge threatened, against the Facility or any material portion thereof;

(b) There are no existing Orders, writs, injunctions, judgments or decrees of any court, arbitrator, tribunal or other Governmental Authority against the Facility or any material portion thereof.

3.12 Assumed Contracts.

(a) Seller has delivered or made available to Buyer true and complete copies of all Contracts. Schedule 3.12(a) contains a true, correct and complete list of all Contracts (excluding Land Contracts) and any Contract listed therein that is not an Assumed Contract is identified with an asterisk (*).

(b) Except as set forth in Schedule 3.12(b), all Assumed Contracts are in full force and effect, and neither Seller nor, to Seller's Knowledge, any other party thereto is in default under or in breach of any of them, nor does any event or condition exist that after notice or lapse of time or both could constitute a default thereunder or breach thereof on the part of Seller or, to Seller's Knowledge, any other party thereto (except for defaults, events of default and other events as to which requisite waivers have been, or prior to Closing will have been, obtained). Except as set forth in Schedule 3.12(b), no approval, consent, or waiver of or by any Person that has not already been obtained is needed in order that the Assumed Contracts continue in full force and effect following the consummation of the transactions contemplated by this Agreement, and no Assumed Contract includes any provision, the effect of which may be to terminate (or give rise to a right of termination under) such Assumed Contract, to give rise to, enlarge, or accelerate any obligations of Seller thereunder, or to give additional rights to any other Person, upon or by reason of the consummation of the transactions contemplated by this Agreement.

3.13 Intellectual Property.

(a) Schedule 3.13 lists all of the patents, patent applications, inventions, improvements, computer programs, computer applications, operating programs, other programs and software, including system documentation and instructions, engineering, construction and other drawings (other than drawings not needed for the operation, maintenance or repair of the Facility), designs, technology, know-how, trade secrets, trademarks, trademark applications, trade names, copyrights and other proprietary rights and proprietary information used in connection with the operation and/or maintenance of the Facility as of the Schedule Delivery Date, including control room operating system software (collectively, the "***Intellectual Property Assets***").

(b) Except as set forth in Schedule 3.13, Seller owns or is the licensee of, the Intellectual Property Assets. No assignment or Consent from any third party is necessary to transfer, license, assign or convey to Buyer, as appropriate, any of the Intellectual Property Assets.

(c) Except as set forth in Schedule 3.13, none of the Intellectual Property Assets infringes on or conflicts with the intellectual property rights of others.

(d) Except as set forth in Schedule 3.13, there have been no claims, and there is no basis for any claim, challenging the scope, validity or enforceability of any of the Intellectual Property Assets. Except as set forth in Schedule 3.13, there are no instances where it has been held, or to Seller's Knowledge claimed or alleged, whether directly or indirectly, and, to Seller's Knowledge, there is no basis upon which a claim may be made, that any activity of Seller relating to the operation or maintenance of the Facility, infringes or may infringe upon, is in violation of, or misappropriates, any rights of a third party.

3.14 Brokers or Finders. Neither Seller nor any of its officers, directors, employees, shareholders or Affiliates has employed or made any agreement with any broker, finder or similar agent or any Person which will result in the obligation of Buyer or any of its Affiliates to pay any finder's fee, brokerage fees or commission or similar payment in connection with the transactions contemplated hereby.

3.15 Permits. All Permits are set forth on Schedule 3.15 and any Permit listed therein that is not a Transferred Permit is identified with an asterisk (*). Except as set forth on Schedule 3.15, all non-environmental Permits required by any Requirement of Law for the operation of the Facility have been obtained, are currently in effect, are final and non-appealable, and are transferrable to Buyer. Except as set forth on Schedule 3.15, Seller's operations at the Premises and in connection with the Facility Assets are in compliance with all the requirements of such Permits and, as of Closing, Seller is not in possession of, and, to the Knowledge of Seller, there is no basis for the issuance of, any written notice of violation or other notification from any Governmental Authority or from any other Person alleging that the Facility is in violation of such Permits or that Seller has committed any act, or failed to act, in any manner or under any circumstance that could have a Material Adverse Effect on the continued operation of the Facility Assets, including the Premises, by Buyer under any of these Permits. Seller has made available to Buyer complete and correct copies of each such Permit, together with all amendments thereto. Except as set forth on Schedule 3.15, no suspension, cancellation of termination of any such Permit is, to Seller's Knowledge, threatened or imminent.

3.16 Investment Company Act. Seller is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act.

3.17 Employees and Employee Benefit Plans. Except as set forth in Schedule 3.17, Seller does not have and has never had any employees, and Seller does not maintain or contribute to, and has not ever maintained or contributed to, any pension, profit-sharing, deferred compensation, bonus, stock, option, share, appreciation right, severance, group or individual health, dental, medical, life, insurance, survivor benefit or similar plan, policy or arrangement for the benefit of any director, officer, consultant or employee, whether active or terminated, of Seller.

3.18 General Representation. Except as set forth in Schedule 3.18, no representation or warranty made by Seller, its agents and Representatives in this Agreement, including the schedules and exhibits hereto, or any of the Operative Documents, or in any certificate or other agreement delivered by Seller to Buyer in connection with the transactions contemplated hereby or thereby, contains any untrue statement of a fact, or omits to state a fact necessary in order to make the statements contained herein, in light of the circumstances in which they were made, not misleading. All information contained in the Provided Materials is or will be, or is or will be consistent with, the information which has been used by Seller in the management of the Business and also with what has been or will be reported to Seller's management, equity holders and the Facility Lender in connection with the Business.

3.19 Regulatory Status. The Facility is an "Exempt Wholesale Generator," as that term is defined under 18 C.F.R. § 366.1, and is also a "public utility" under the Federal Power Act, and the regulations of the Federal Energy Regulatory Commission ("***FERC***") thereunder (collectively, the "***FPA***"). The status of Seller and the Facility hereunder is not subject to any pending or threatened challenge, petition or investigation by or before the FERC. Seller requires no authorization under the FPA to execute, deliver, and perform its obligations under this Agreement, apart from such authorizations from FERC that have already been received or will be received as of the Closing Date. The Facility is interconnected to the electrical grid pursuant to a valid and effective agreement for such interconnection, which agreement is sufficient to permit the delivery of the Facility's entire net electrical output to the therein-specified point of interconnection.

3.20 Support Obligations. All of the Support Obligations that have been provided by, on behalf of, or for the benefit of, Seller or the Facility are as described on Schedule 3.20. True, correct and complete copies of each Support Obligation have been delivered to Buyer and such Support Obligations constitute all of the credit and other contractual support and assurance that Buyer is required by any law (including any Permit) or Contract to provide as of the Closing Date.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BUYER

Upon the exercise of the Project Purchase Option, Buyer represents and warrants to Seller as follows as of the date on which Buyer delivers the Purchase Option Exercise Notice to Seller and the Closing Date and, with respect to Sections 4.1 and 4.2, the Effective Date:

4.1 Organization. Buyer is a validly existing joint powers agency formed under the laws of the State of California and has the legal power and authority to own its properties, to carry

on its business as now being conducted and to enter into and perform its obligations under this Agreement and each of the Operative Documents to which Buyer is a party.

4.2 Authority; Absence of Conflict or Breach. The purchase of the Facility Assets and the execution, delivery and performance by Buyer of this Agreement and each of the Operative Documents executed and delivered by Buyer in connection with such purchase have been duly authorized by all necessary action on the part of each of Buyer's Members and do not require any consent or approval of Buyer's regulatory or governing bodies other than that which has been obtained; provided that further authorizations from Buyer and Buyer's Members will be required for Buyer to exercise the Project Purchase Option; provided, further, that on the date on which Buyer delivers the Purchase Option Exercise Notice to Seller and the Closing Date, Buyer and Buyer's Members shall have obtained all required authorizations, consents or approvals of Buyer's or Buyer's Members' regulatory or governing bodies required for Buyer to consummate the Closing, except for the required authorizations, consents or approvals of Buyer or Buyer Members with respect to Buyer's bond financing for the acquisition of the Facility Assets. This Agreement and each of the Operative Documents to which Buyer is a party constitute the legal, valid and binding obligation of Buyer enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law.

4.3 Consents. Except as set forth in Schedule 4.3, other than those that have been obtained or filed, no Consent of, or registration, qualification or filing with any Person, including any Governmental Authority, is required for the purchase of the Facility Assets or the execution and delivery by Buyer of any of the Operative Documents to which it is a party or in order for Buyer to perform its obligations hereunder.

4.4 Brokers or Finders. Neither Buyer nor any of Buyer's Members, officers, directors, employees, shareholders or Affiliates has employed or made any agreement with any broker, finder or similar agent or any Person which will result in the obligation of Seller or any of its Affiliates to pay any finder's fee, brokerage fees, or commission or similar payment in connection with the transactions contemplated hereby.

4.5 Litigation. There are no Proceedings pending or, to Buyer's knowledge, threatened, against Buyer which could reasonably be expected to materially adversely affect its ability to perform its obligations with respect to the purchase of the Facility Assets pursuant to the Project Purchase Option.

ARTICLE V
COVENANTS OF SELLER PRIOR TO CLOSING DATE

5.1 Access to Materials. Prior to the Schedule Delivery Date, Seller will furnish to Buyer all information required hereunder to be furnished by the Schedule Delivery Date. Between the Schedule Delivery Date and the earlier of (a) the Closing Date or (b) the date upon which Buyer has declined to exercise the applicable Purchase Option Opportunity, such Purchase Option Opportunity has expired or is no longer in effect, or the Agreement has terminated (such period, the "***Applicable Diligence Period***"), upon reasonable advance notice, Seller will (i) afford Buyer and its Representatives (and the Qualified Appraiser) full and complete access during normal

business hours to the Facility and to Seller's personnel, Assumed Contracts, Permits, Books and Records, properties and other documents and data relating to the Facility (provided that Buyer shall observe, and shall cause its Representatives to observe, all of Seller's security protocols and such access shall not disturb or interfere with the normal operations of the Facility Assets in any material respect), (ii) furnish Buyer and Buyer's Representatives (and the Qualified Appraiser) with copies of all such Assumed Contracts, Permits, Books and Records, and other existing documents and data in Seller's possession or to which Seller has access with respect to the Facility or pertaining to the design of the Facility (including design schematics, blueprints or other similar documents) and other Facility Assets as Buyer or the Qualified Appraiser may reasonably request, and (iii) furnish Buyer and its Representatives (and the Qualified Appraiser) with such additional financial, operating, and other data and information of or pertaining to the Business in Seller's possession or to which Seller has access as Buyer and its representatives (and the Qualified Appraiser) may reasonably request. All such Assumed Contracts, Books and Records, documents, data and information required to be furnished by Seller under this Section 5.1 are collectively referred to as the "***Provided Materials***." Buyer shall have the right to diligently review the Provided Materials. The Provided Materials may be redacted as necessary to allow for disclosure to Buyer and the Qualified Appraiser to the extent any Provided Materials are (A) subject to confidentiality, non-disclosure or similar agreements in favor of third parties whose consent to disclose cannot be obtained by the Closing, (B) legally-privileged information of Seller, (C) concerning any alleged dispute or pending litigation, investigation or Proceeding involving Seller or its Affiliates that is protected by or subject to a court order or the attorney-client privilege or (D) sensitive and proprietary economic information of Seller that is not relevant to the purchase, ownership, operation, maintenance, repair or use of the Facility or Facility Assets.

5.2 Investigations. During the Applicable Diligence Period, upon reasonable advance notice (but not less than twenty four (24) hours), Seller shall afford Buyer and its Representatives (and the Qualified Appraiser) with reasonable access to the Facility Assets for the purpose of inspecting the same, to conduct any performance tests or physical inspections or otherwise, including to conduct a phase 1 environmental site assessment and, in Buyer's sole discretion, a phase 2 environmental site assessment, during normal business hours in such manner that complies with Seller's safety protocols and in such manner so as not to materially disturb or interfere with the normal operations of the Facility Assets and subject to a reasonable number of visits.

5.3 Financial Statements. On the Schedule Delivery Date, Seller will deliver to Buyer unaudited balance sheets and unaudited statements of income and cash flow of Seller for the three (3) most recent fiscal years of Seller, prepared in material compliance with GAAP. From and after the Schedule Delivery Date, as soon as available and in any event during the Applicable Diligence Period or the end of each fiscal quarter of Seller, Seller will provide Buyer with unaudited statements of income and cash flow for such quarter, setting forth in comparative form figures for the corresponding period of the preceding fiscal year. All Financial Statements (as defined below) shall be accompanied by a certificate signed by an authorized officer of Seller stating that such financial statements present fairly in all material respects the financial condition of Seller and that the same have been prepared in compliance with GAAP. Seller will also deliver to Buyer copies of all financial statements or other financial information delivered to any Facility Lender during the Applicable Diligence Period contemporaneously with the delivery thereof to such Facility Lender. The financial statements required to be provided by Seller to Buyer under this Section are collectively referred to as the "***Financial Statements.***"

5.4 Operation of the Business. During the Applicable Diligence Period, Seller will conduct its Business with respect to the Facility in accordance with the ordinary course of business consistent with past practices and Prudent Utility Practices.

5.5 Disposition of Assets. During the Applicable Diligence Period, unless required by any contract entered into by Seller prior to the Schedule Delivery Date, Seller shall not (a) sell or otherwise dispose of or encumber (other than Purchase Option Permitted Encumbrances) any of the Facility Assets or any other property or assets which are primarily related to the operation, maintenance and use of the Facility (other than sales, leases, transfers or dispositions in the ordinary course of business consistent with past practice and Prudent Utility Practices), or (b) except as may be required by their terms, and except in the ordinary course of business consistent with past practice, modify, subordinate, amend, terminate, cancel, sever or surrender, or permit or suffer the modification, subordination, amendment, termination, cancellation, severance or surrender of any Assumed Contract, Permit or Warranties, without the prior written approval of Buyer.

5.6 Required Approvals. As promptly as practicable following Buyer's delivery of the Purchase Option Exercise Notice until the end of the Applicable Diligence Period, Seller will make, and thereafter diligently pursue during the Applicable Diligence Period, all registrations, qualifications or filings to be identified in Schedule 3.4 or necessary or appropriate to obtain all the Consents therein identified.

5.7 Notification. During the Applicable Diligence Period, Seller shall give prompt notice (each notice, a "***Change Notice***") to Buyer of the occurrence or non-occurrence of any event, change, effect or development of any kind which would or could reasonably be expected to result in: (a) any representation or warranty of Seller contained in any Operative Document or this Agreement being untrue or incorrect in any material respect on the date such representation or warranty is to be made or that would otherwise result in a Material Adverse Effect, or (b) a breach of any of Seller's covenants under this Agreement or any Operative Document. Each Change Notice must include a detailed description of the event, change, effect, development or failure and a description of the action Seller has taken and proposes to take with respect thereto. The delivery of a Change Notice will not be deemed to (i) modify any representation or warranty hereunder (other than to the extent included in updated Seller Disclosure Schedules in accordance with Section 2.9), (ii) modify any condition set forth in Article VII, or (iii) limit or otherwise affect the remedies available hereunder to Buyer. Buyer shall thereafter have the right, but not the obligation, to terminate the Project Purchase Option with respect to the applicable Purchase Option Opportunity, in which case such Purchase Option Opportunity shall no longer be effective; provided, however, that such termination shall not affect Buyer's right to exercise any Project Purchase Option with respect to a future Purchase Option Opportunity.

5.8 Reasonable Efforts. Following Buyer's delivery of the Purchase Option Exercise Notice and until the end of the Applicable Diligence Period, Seller will, and will cause its Affiliates to, use all commercially reasonable efforts to satisfy the conditions in Article VII and Article VIII to be performed by Seller and its Affiliates.

5.9 Waivers of Claims. During the Applicable Diligence Period, Seller shall not incur, create, assume or otherwise become liable for indebtedness for borrowed money, or issue any debt securities, other than those that are or will be discharged at or prior to Closing, nor shall it waive or release any right that it has relating to the Facility Assets or any Assumed Liabilities

(other than to the extent provided for pursuant to Section 5.5). If any Assumed Contract necessary for the operation of the Facility (and is required for ongoing operations of the Facility consistent with past practices and Prudent Utility Practices) expires or is terminated prior to the Closing Date, then Seller will replace same with a contract approved by Buyer, such approval not to be unreasonably withheld. The preceding sentence shall not be deemed a limitation of the obligations of Seller under Section 5.5.

5.10 Additional Contracts. Any Contract entered into by Seller during the Applicable Diligence Period shall be an Excluded Liability unless Buyer agrees in writing to include such Contract as an Assumed Contract.

5.11 Transitional Services. During the period between Buyer's delivery of the Purchase Option Tentative Exercise Notice until the earliest to occur of (a) Buyer's delivery of the Purchase Option Exercise Notice, (b) the Purchase Option Exercise Deadline, (c) termination of the relevant Purchase Option Opportunity, or (d) termination of this Agreement, Buyer and Seller shall negotiate in good faith an agreement for transition operation and maintenance services upon terms and conditions to be mutually agreed upon by both Parties, in form and substance consistent with Exhibit 5.11.

5.12 Replacing or Procuring Intellectual Property Assets. If Seller within six (6) months prior to the Closing Date has information or reasonably believes that (1) any of the Intellectual Property Assets allegedly or actually infringes or is likely to infringe upon any third-party intellectual property rights, or (2) any of the Intellectual Property Assets licenses used to operate or maintain the Facility and the Facility Site is to expire, to be terminated or enjoined within six (6) months prior to or after the Closing Date, Seller shall immediately notify Seller of such alleged, actual or potential infringement or license status. Upon Buyer's request, Seller shall, at Seller's own expense: (i) procure for Buyer the right or license to continue using the Intellectual Property Asset(s) at issue; or (ii) replace the Intellectual Property Asset(s) at issue with a functionally equivalent, non-infringing product, if commercially practicable. Exercise of any of the above-mentioned options shall not cause undue business interruption to the operation or maintenance of the Facility and the Facility Site, or diminish the intended benefits, output and enjoyment of the Facility and the Facility Site by the Seller under this Agreement or the PPA.

5.13 Shared Facilities. If in connection with Seller's or any of its Affiliates' development of additional phases of the Facility or additional projects that (i) share real estate with the Facility Site or infrastructure or equipment of the Facility or (ii) interconnect through the Point of Interconnection, Seller reasonably determines that it requires the use of certain shared facilities, the right to occupy or use shared real property, or the ownership or governance of the rights associated with either, then upon written notice to Buyer from Seller, Buyer shall reasonably cooperate and negotiate in good faith with Seller or Seller's Affiliates to enter into one or more Shared Facilities Agreements with Seller's Affiliates, subject to the approval of Buyer, which approval shall not be unreasonably withheld so long as Buyer is not materially adversely impacted (including under this Agreement or in connection with its use of the Facility) by the terms and conditions of any such Shared Facilities Agreement.

ARTICLE VI
COVENANTS OF BUYER PRIOR TO CLOSING DATE

6.1 Notification. During the Applicable Diligence Period, Buyer shall give reasonable notice to Seller of the occurrence or non-occurrence of any event, change, effect or development of which Buyer has knowledge and that would cause (a) any representation or warranty of Buyer contained in any Operative Document or this Agreement to be untrue or incorrect in any material respect on the date such representation or warranty is to be made, or (b) a breach of any of Buyer's covenants under this Agreement or any Operative Document. Each Change Notice must include a detailed description of the event, change, effect, development or failure and a description of the action Buyer has taken and proposes to take with respect thereto. The delivery of a Change Notice will not be deemed to (i) modify any representation or warranty hereunder, (ii) modify any condition set forth in Article VII, or (iii) limit or otherwise affect the remedies available hereunder to Seller.

6.2 Required Approvals. As promptly as practicable following Buyer's delivery of the Purchase Option Exercise Notice and until the end of the Applicable Diligence Period, Buyer will make, and thereafter during the Applicable Diligence Period pursue, all registrations, qualifications or filings identified in Schedule 4.3 or necessary or appropriate to obtain any Consent therein identified.

6.3 Reasonable Efforts. Following Buyer's delivery of the Purchase Option Exercise Notice until the end of the Applicable Diligence Period, Buyer will use reasonable efforts to cause the conditions in Article VII and Article VIII to be performed by Buyer, to be satisfied.

ARTICLE VII
CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE

Buyer's obligation to purchase the Facility Assets and to take the other actions required to be taken by Buyer at the Closing Date is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Buyer in its sole discretion, in whole or in part):

7.1 Accuracy of Representations. All of Seller's representations and warranties in this Agreement and the other Operative Documents (considered collectively), and each of these representations and warranties (considered individually), must have been accurate in all material respects as of the date when deemed made and must be accurate in all material respects as of the Closing Date as if made on the Closing Date.

7.2 Seller's Performance. All of the covenants and obligations that Seller is required to perform or to comply with pursuant to this Agreement or any of the other Operative Documents at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), must have been duly performed and complied with in all material respects.

7.3 Consents. Each of the Consents identified in Schedule 3.4 and Schedule 4.3 must have been obtained and must be in full force and effect.

7.4 Additional Seller Documents. Seller, at its sole cost and expense, shall deliver each of the following documents to Buyer:

(a) legal opinion of Seller's counsel, dated the Closing Date, with respect to the enforceability of the Agreement and due authorization by Seller to sell the Facility Assets and related matters, in form and substance reasonably acceptable to Buyer;

(b) a written certificate, in form and substance satisfactory to Buyer, executed and delivered by Seller by its authorized officer, certifying that each of the conditions specified in Sections 7.1, 7.2, and 7.3, have been satisfied;

(c) a Bill of Sale, dated as of the Closing Date, in form and substance reasonably acceptable to Buyer ("***Bill of Sale***"), and executed by Seller by its authorized officer;

(d) agreements and related documentation effective to transfer to Buyer the Real Property Interests, Transferred Permits, the Assumed Contracts, and any other Facility Assets (together with the Bill of Sale, the "***Asset Assignment Documents***") in form and substance reasonably acceptable to Buyer, executed by Seller by its authorized officer;

(e) an irrevocable commitment by a title company acceptable to Buyer to issue an extended coverage owner's policy of title insurance based upon a recent ALTA survey, including such endorsements as Buyer may reasonably require, insuring Buyer in the amount of the Final Purchase Price, that title to the Premises (in fee, leasehold and/or easement, as applicable) is vested in Buyer, subject only to those exceptions that are Closing Permitted Encumbrances;

(f) confirmation in writing by Seller that any existing operations and maintenance agreement with respect to the Facility shall terminate upon the Closing Date (unless Buyer elects to assume such agreement, in which case such agreement shall be deemed an Assumed Contract);

(g) duly executed pay-off letters for the release or termination of all Liens securing Facility Debt, if any, that acknowledge repayment in full of such Facility Debt (unless Buyer otherwise agrees in writing that any such Liens shall not be released or terminated);

(h) if Seller has entered into a Sale Leaseback Financing, evidence satisfactory to Buyer of the (i) reconveyance of the Facility Site by Lessor or Lessors to Seller and the termination of the lease of the Facility by such Lessor or Lessors and Seller or (ii) transfer of the Facility Site directly by such Lessor or Lessors to Buyer on the same terms and conditions as a transfer of the Facility Site from Seller to Buyer as set forth in this Agreement;

(i) the Seller Guaranty, dated as of the Closing Date and executed by Seller Guarantor; and

(j) such other documents as Buyer may reasonably request for the purpose of (i) evidencing the accuracy of any of Seller's representations and warranties, (ii) evidencing the performance by Seller of, or the compliance by Seller with, any covenant or obligation required to be performed or complied with by Seller, or (iii) evidencing the satisfaction of any condition referred to in this Article VII; provided, that any such documentation shall have been identified by Buyer in writing on or prior to the date upon which Buyer delivers the Purchase Option Exercise Notice to Seller.

7.5 Litigation. No Proceeding shall have been instituted or any other action taken or Requirement of Law or Environmental Law enacted, promulgated or deemed applicable by any Governmental Authority or by any other Person and, at what would otherwise have been the Closing Date, remain pending, that could reasonably be expected to delay, restrain or prohibit any part of the transactions contemplated by this Agreement or to seek any divestiture or to revoke or suspend any Permit by reason of any or all of the transactions contemplated by this Agreement; nor shall any Governmental Authority have notified either Party or any of their respective Affiliates that consummation of all or any part of the transactions contemplated by this Agreement would constitute a violation of the Requirements of Law or Environmental Laws of any jurisdiction or that it intends to commence a Proceeding to restrain or prohibit all or any part of the transactions contemplated by this Agreement or to require such divestiture, revocation or suspension; unless, in any such case, such Governmental Authority or other Person could not reasonably be expected to prevail or shall have withdrawn such notice and abandoned such Proceeding, action, Requirement of Law or Environmental Law, in each case, to the reasonable satisfaction of Buyer.

7.6 Liens. Title to the Facility Assets shall be free and clear at the Closing of all Liens other than Closing Permitted Encumbrances (which shall include any Lien approved in writing by Buyer as a Purchase Option Permitted Encumbrance following the Schedule Delivery Date).

7.7 No Material Adverse Effect. During the Applicable Diligence Period, no action shall have been taken or omitted and no event shall have occurred or be threatened which has had or could reasonably be expected to result in a Material Adverse Effect.

7.8 Assets and Property. If a Material Casualty Event occurs prior to the Closing Date, the Parties shall have complied with the terms of Section 9.3.

ARTICLE VIII
CONDITIONS PRECEDENT TO SELLER'S OBLIGATION TO CLOSE

Seller's obligation to sell the Facility Assets and to take the other actions required to be taken by Seller at the Closing Date is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Seller in its sole discretion, in whole or in part):

8.1 Accuracy of Representations. All of Buyer's representations and warranties in this Agreement and the other Operative Documents (considered collectively), and each of these representations and warranties (considered individually), must have been accurate in all material respects as of the date of this Agreement and as of the date when deemed made.

8.2 Buyer's Performance.

(a) All of the covenants and obligations that Buyer is required to perform or to comply with pursuant to this Agreement or any of the other Operative Documents at or prior to the Closing, and each of these covenants and obligations (considered collectively and individually), must have been performed and complied with in all material respects.

(b) Buyer must have paid the Final Purchase Price to Seller.

8.3 Consents. Each of the Consents identified in Schedule 3.4 and Schedule 4.3 must have been obtained and must be in full force and effect.

8.4 Additional Buyer Documents. Buyer shall deliver each of the following documents to Seller:

(a) a legal opinion with respect to the enforceability and due authorization by Buyer (but not with respect to any of Buyer's Members) of this Agreement and the purchase of the Facility Assets;

(b) the Bill of Sale and other Asset Assignment Documents (as delivered by Seller pursuant to Section 7.4) executed by Buyer by its authorized Representative; and

(c) any Performance Security then held by Buyer pursuant to Section 5.6 of the PPA.

8.5 Litigation. No Proceeding shall have been instituted or any other action taken or Requirement of Law or Environmental Law enacted, promulgated or deemed applicable by any Governmental Authority or by any other Person and, at what would otherwise have been the Closing Date, remain pending, that could reasonably be expected to delay, restrain or prohibit any material part of the transactions contemplated by this Agreement; nor shall any Governmental Authority have notified either Party or any of their respective Affiliates that consummation of any part of the transactions contemplated by this Agreement would constitute a violation of the Requirements of Law or Environmental Laws of any jurisdiction or that it intends to commence a Proceeding to restrain or prohibit any part of the transactions contemplated by this Agreement, unless, in any such case, such Governmental Authority or other Person could not reasonably be expected to prevail or shall have withdrawn such notice and abandoned such Proceeding, action, Requirement of Law or Environmental Law, in each case, to the reasonable satisfaction of Seller.

ARTICLE IX
MUTUAL COVENANTS, TAXES AND OTHER MATTERS

9.1 Tax Matters. Seller, at its own expense, will file, to the extent required by applicable Requirements of Law, all necessary Tax Returns and other documentation with respect to its portion of any Transfer Taxes, and, if required by applicable Requirements of Law, Buyer will join in the execution of any such Tax Returns or other documentation and will take such positions in such returns as are reasonably requested by Seller.

(a) With respect to any Tax Return reporting Taxes with respect to the ownership or operation of the Facility Assets for any taxable period ending on or before the Closing Date that is due after the Closing Date or for any Straddle Period, Buyer shall prepare and timely file all such Tax Returns, if any, and shall duly and timely pay all such Taxes, whether imposed on Buyer or Seller, shown to be due on such Tax Returns. Buyer shall make such Tax Returns available for Seller's review and approval no later than fifteen (15) Business Days prior to the due date for filing such Tax Return. With respect to each Tax Return filed in accordance with this Section 9.1(a), each Party shall reimburse the other Party, within ten (10) Business Days of demand therefor, for any such Taxes shown as due on such Tax Return that it is responsible for under this Agreement but that were paid by the other Party or economically borne by the other Party pursuant to Section 2.11 in accordance with the reimbursement procedures set forth in the flush language of Section 2.11, *mutatis mutandis*.

(b) Each of Buyer and Seller shall provide the other with such assistance as may reasonably be requested by the other Party in connection with the preparation of any Tax Return, any audit or other examination by any taxing authority, or any judicial or administrative Proceeding relating to liability for Taxes, and each will retain and provide the requesting Party with any records or information which may be relevant to such return, audit or examination, Proceedings or determination. Each Party will take any and all commercially reasonable steps, act in good faith, and cooperate fully, to permit the other Party to comply with its/their obligations and secure its/their rights to indemnification hereunder.

(c) Seller will be entitled to any refunds or credits of Taxes with respect to the ownership or operation of the Facility Assets that pertains to any Pre-Closing Tax Period (and such refunds and credits shall be Excluded Assets), and Buyer shall be entitled to such refunds or credits of Taxes that pertain to any Post-Closing Tax Period. Each of Buyer and Seller will promptly notify and forward to the other Party the amounts of any such refunds or credits received by such Party, but to which the other Party is entitled, within sixty (60) days after receipt thereof.

(d) After the Closing, Buyer will notify Seller in writing, within thirty (30) days after its receipt, of any correspondence, notice or other communication from a taxing authority or any Representative thereof, of any pending or threatened Tax audit, or any pending or threatened Proceeding that involves Taxes relating to the Facility Assets that pertains to any Pre-Closing Tax Period, and furnish Seller with copies of all correspondence received from any taxing authority in connection with any audit or information request with respect to any such Taxes relating to the Facility Assets that pertains to any Pre-Closing Tax Period. After the Closing, Seller will notify Buyer in writing, within thirty (30) days after its receipt, of any correspondence, notice or other communication from a taxing authority or any Representative thereof, of any pending or threatened Tax audit, or any pending or threatened judicial or administrative Proceeding that involves Taxes relating to the Facility Assets, and furnish Buyer with copies of all correspondence received from any taxing authority in connection with any audit or information request with respect to any such Taxes relating to the Facility Assets.

(e) Notwithstanding any provision of this Agreement to the contrary, with respect to any claim for refund, audit, examination, notice of deficiency or assessment or any Proceeding that involves Taxes relating to the Facility Assets (collectively, "***Tax Claim***"), each of Buyer and Seller will reasonably cooperate with the other Party in prosecuting or contesting any Tax Claim, including making available original books, records, documents and information for inspection, copying and, if necessary, introduction of evidence at any such Tax Claim contest or Proceeding and making employees available on a mutually convenient basis to provide additional information or explanation of any material provided hereunder with respect to such Tax Claim or to testify at Proceedings relating to such Tax Claim. Seller will control all Proceedings taken in connection with any Tax Claim that pertains entirely to any period ending on or prior to the Closing Date, and Buyer will control all Proceedings taken in connection with any Tax Claim that pertains to any period commencing after the Closing Date, and Seller and Buyer will jointly control all Proceedings taken in connection with any Tax Claim pertaining to any period commencing prior to and ending after the Closing. Seller shall have no right to settle or otherwise compromise any Tax Claim which pertains entirely to a period ending on or prior to the Closing without Buyer's prior written consent, which consent shall not be unreasonably withheld or delayed; neither Buyer nor Seller shall have the right to settle or otherwise compromise any Tax Claim which pertains to a Straddle Period without the other Party's prior written consent, which consent shall not be unreasonably withheld or delayed; and Seller shall have no right to settle or other compromise any Tax Claim which pertains entirely to any taxable period or portion thereof beginning after the Closing.

9.2 Seller Cooperation Post-Closing. In furtherance, and not in limitation of, the transitional services agreement to be executed in connection with Section 5.11, Seller agrees that, for a period of two (2) years after the Closing, it will use good faith efforts to respond to Buyer's inquiries relating to the Facility or the Facility Assets.

9.3 Risk of Loss.

(a) Promptly following the delivery by Buyer of a Purchase Option Exercise Notice and delivery by Seller of the Acceptance Notice, Seller shall make Buyer a named insured under Seller's all risk property insurance policy through the Applicable Diligence Period. If, either at the time of Buyer's delivery of a Purchase Option Exercise Notice or at any time during the Applicable Diligence Period, all or any portion of the Facility is damaged or destroyed in whole or in part by a Material Casualty Event or becomes subject to or threatened with any condemnation or eminent domain proceeding (the "***Affected Portion***"), and the amount that is the greater of the (i) fair market value of the Affected Portion (such value to be determined as of the date immediately prior to such damage, destruction or actual or threatened condemnation or eminent domain proceeding) or (ii) the cost of repair of the Affected Portion, as determined by a qualified independent engineer (which engineer has appropriate training and sufficient experience to evaluate the proper repair scope) (such greater amount, the "***Diminished Amount***") is equal to or greater than three percent (3%) of the then-current Fair Market Value, then such Fair Market Value shall be reduced by an amount equal to one hundred percent (100%) of the Diminished Amount; provided, that (1) notwithstanding whether Buyer is named as a "named insured"

on any such all-risk property insurance policy, Seller shall receive all proceeds from all risk property insurance with respect to such Material Casualty Event (whether paid out prior to or after the Closing Date) or any such condemnation or eminent domain proceeding, (2) Buyer shall have the option to either (A) if Buyer requests Seller to repair the Facility, to delay the Closing Date for such reasonable time as may be necessary for Seller to complete restoration of the Affected Portion, or (B) proceed with Closing on the scheduled Closing Date with the Final Purchase Price adjusted to reflect the Diminished Amount, and (3) if Seller, at Buyer's request, restores the Affected Portion prior to the Closing Date (if and as extended by Buyer pursuant to the foregoing clause (2)(A)) to the reasonable satisfaction of Buyer utilizing all available insurance proceeds and equity contributed by Seller, the Fair Market Value shall be adjusted to the Fair Market Value as computed prior to deduction of the Diminished Amount.

(b) If, during the Applicable Diligence Period, all or any portion of the Facility is damaged or destroyed in whole or in part by a Material Casualty Event or becomes subject to or threatened with any condemnation or eminent domain proceeding, such that it cannot reasonably be expected (as determined by the Qualified Appraiser(s)), that, (i) in the case of a Material Casualty Event, the Facility will be fully repaired within sixty (60) days after the Closing Date or (ii) in the case of a condemnation or eminent domain proceeding, such condemnation or eminent domain proceeding would not have a Material Adverse Effect, then Buyer may, in its sole discretion, elect to terminate this Agreement or withdraw from the present Project Purchase Opportunity.

9.4 Liabilities.

(a) From and after Closing, Buyer shall assume, pay, perform and discharge when due, and, as between Buyer and Seller, shall be solely responsible for, the Assumed Liabilities. Other than as set forth in Section 9.1, Seller shall have no liability or obligation for the Assumed Liabilities from and after the Closing Date (and Buyer shall have no liability or obligation for the Assumed Liabilities prior to the Closing Date).

(b) Except for the Assumed Liabilities, Buyer shall not assume by virtue of this Agreement or the transactions contemplated by this Agreement, and shall have no liability under this Agreement for, the Excluded Liabilities.

9.5 Insurance. Buyer acknowledges and agrees that, effective upon the Closing, Seller's insurance policies in respect of the Facility and the Facility Assets shall be terminated or modified to exclude coverage of the Facility Assets, except to the extent required to address a Material Casualty Event under Section 9.3. Buyer acknowledges and agrees that it may need to provide to certain Governmental Authorities and third parties evidence of replacement or substitute insurance coverage for the continued operation of the Facility Assets following the Closing.

9.6 Securities Replacement. Within ten (10) Business Days after the Closing Date, Buyer shall, at its sole cost, (i) with respect to any Support Obligations set forth on Schedule 3.20 (whether any such Support Obligation is in the form of a letter of credit, bond or cash deposit) ("Seller Support Obligations"), deliver to the applicable beneficiary or counterparty duly executed

replacement or substitute Support Obligations, in each case, in a form that satisfies the requirements of the beneficiaries of the Seller Support Obligations (such replacement or substitute security, the "Replacement Security"), and (ii) use commercially reasonable efforts to cause the beneficiary of each such Seller Support Obligation, as soon as practicable following receipt of the Replacement Security thereof pursuant to this Section 9.6, to terminate, surrender, and redeliver to Seller each instrument constituting or evidencing such Seller Support Obligation. If the applicable beneficiary of any Seller Support Obligation delivers or returns any such Seller Support Obligations, including any cash deposit amounts, to Buyer and Seller has not previously been reimbursed for such amounts, Buyer shall promptly, and in any event within seven (7) Business Days, deliver such Seller Support Obligations to Seller or, in the case of cash deposit amounts, pay such cash deposit amounts to Seller. Except as set forth in the immediately preceding sentence, Buyer shall have no obligation pursuant to this Section 9.6 to pay any amount to Seller in respect of any Seller Support Obligation that is in the form of a cash deposit.

9.7 RWI Insurance Proposal. Seller may propose to procure, at its sole cost and expense, insurance coverage for misrepresentations or breaches by Seller of its representations and warranties made to Buyer pursuant to Article III, subject to customary exclusions, in which case, Seller shall provide Buyer relevant details of the proposed representations and warranties insurance and such insurance coverage may be Buyer's sole recourse (subject to customary exclusions) for breaches by Seller of its representations and warranties made to Buyer pursuant to Article III that are covered by such representations and warranties insurance (the "RWI Proposal") and Buyer shall consider such proposal in good faith.

ARTICLE X
TERM AND TERMINATION

10.1 Term. This Agreement shall become effective when it is executed by each of the Parties and delivered to the other Party and the term of this Agreement shall continue for the Agreement Term (including any survival periods set forth in Section 2.4 of the PPA), or such other period as may be provided in this Agreement, but in any event up to and including the Closing Date, if any, unless terminated earlier as provided in Section 10.2.

10.2 Termination Events. This Agreement shall be terminated upon the delivery of a termination notice under Section 2.6 of the PPA. In addition, this Agreement may, by notice given prior to the Closing, be terminated:

(a) by either Buyer or Seller upon (i) a failure by the other Party to perform any of its duties or obligations under this Agreement when and as due which is not cured to the reasonable satisfaction of the Party obligated to perform such duties or obligations under this Agreement by the earlier of the Closing Date or the date that is thirty (30) days after receipt of written notice thereof from the other Party, or (ii) an inaccuracy in any material respect of any representation, warranty, certification or other statement made by the other Party herein or in any other document contemplated hereby or in any Operative Document at any time given by a Party in writing pursuant hereto or thereto, or in connection herewith or therewith at the time made or deemed to be made;

(b) either (i) by Buyer if satisfaction of any of the conditions in Article VII has become impossible due to an event outside of Buyer's reasonable control despite the

exercise of due care and diligence (and in no event through the failure of Buyer to comply with its obligations under this Agreement) and Buyer has not previously waived such condition; or (ii) by Seller if satisfaction of any of the conditions in Article VIII has become impossible due to an event outside of Seller's reasonable control despite the exercise of due care and diligence (and in no event through the failure of Seller to comply with its obligations under this Agreement) and Seller has not previously waived such condition;

(c) (i) by either Party, if a Default of the other Party shall have occurred under the PPA or any Ancillary Document or the PPA or any Ancillary Document is terminated or shall fail to be in full force and effect prior to or concurrently with this Agreement, or (ii) by either Party, if the other Party or such other Party's Affiliates shall contest the validity or enforceability of the PPA or any provision thereof in writing or deny that it has any further liability thereunder; or

(d) by mutual consent of Buyer and Seller.

10.3 Effect of Termination. In the event of termination of this Agreement:

(a) To the extent reasonably available, upon a request from the other Party, each Party will redeliver all documents, work papers and other material of the other Party relating to the transactions contemplated hereby or by the other Operative Documents to the Party furnishing the same, whether so obtained before or after the execution hereof, and each Party will withdraw any applications for approval of transfer of Permits and surrender any Permits already transferred, as necessary;

(b) The provisions of Article XII shall survive in full force and effect;

(c) Neither Party shall have any liability or further obligation to the other Party, except as stated in subsections (a) and (b) of this Section 10.3, and except for any breach of representation, warranty or obligation arising under this Agreement or otherwise occurring prior to the proper termination of this Agreement. The foregoing provisions shall not limit or restrict the availability of specific performance or other injunctive relief to the extent that specific performance or such other relief would otherwise be available to a Party hereunder; and

(d) The PPA shall remain in full force and effect in accordance with its terms.

ARTICLE XI
LIMITATION OF LIABILITY

11.1 Survival of Representations, Etc.. The representations, warranties, covenants and agreements of Seller and Buyer contained herein shall survive the consummation of the transactions contemplated hereby and the Closing Date, without regard to any investigation made by either of the Parties or, subject to Section 11.2, the fact that the damaged Party had knowledge of any misrepresentation or breach of warranty or covenant at the time of Closing or at any other time, until the expiration of two (2) years after the Closing Date (a) other than with respect to the covenants set forth in Section 2.11 and Section 9.1 and the representation

and warranties set forth in Sections 3.1, 3.2, 3.5, 3.6 and 3.9, which shall survive for the applicable statute of limitations, and (b) Section 3.7, which shall survive upon expiration of five (5) years after the Closing Date (at which time, in each case, the other Party shall be precluded from making a claim or commencing a cause of action with respect thereto). The termination of any representation and warranty provided herein shall not affect the rights of a Party in respect of a Claim made by such Party with specificity and in a writing received by the other Party prior to the expiration of the applicable survival period provided herein.

11.2 Limitation of Liability.

(a) Notwithstanding anything contained in this Agreement to the contrary:

(i) In no event shall Seller's aggregate liability to Buyer (1) for breach of Seller's representations and warranties under Article 3 of this Agreement exceed twenty percent (20%) of the Final Purchase Price, and (2) otherwise under this Agreement or any Operative Document to Buyer under any theory of liability (whether contract, tort, strict liability or otherwise) exceed one hundred percent (100%) of the Final Purchase Price; provided that the foregoing limitations shall not apply (A) to any liability arising under or caused in whole or in part by Seller's fraud, (B) to the extent based upon a breach of any covenant made in Section 2.11 and Section 9.1 or any representation or warranty made in Section 3.1, 3.2, 3.4, 3.6, 3.9, 3.13 or 3.14, (C) to Excluded Liabilities or (D) to bodily injury or property damage arising from activities conducted on any Premises on or prior to the Closing or from Hazardous Substances that were present at or on the Premises on or prior to the Closing and that were released by Seller or any other Person for whose conduct Seller is held responsible at any time on or prior to the Closing.

(ii) in no event shall Seller have any liability under this Agreement or any Operative Document following the Closing for any event, circumstance or condition arising from Facility Assets to the extent that, prior to the Purchase Option Exercise Deadline, Buyer (A) had actual knowledge of such event, circumstance or condition, (B) such event, circumstance or condition was disclosed to Buyer in a Disclosure Schedule, or (C) such event has been included in the determination of Fair Market Value.

(iii) payments by a Party in respect of any claim for indemnification pursuant to Section 12.1 shall be limited to the amount of any liability or damage that remains after deducting therefrom any insurance proceeds and any indemnity, contribution or other similar payment received by the Party being indemnified in respect of any such claim.

(iv) Each Party being indemnified under this Agreement shall take all reasonable steps to mitigate any loss upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to such loss.

ARTICLE XII
GENERAL PROVISIONS

12.1 Indemnification.

(a) Seller undertakes and agrees to indemnify and hold harmless Buyer, and its officers, agents, employees, attorneys, consultants, advisors, and representatives (collectively, "***Indemnitees***") from and against any and all charges, damages, demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever, arising by reason of any (i) material breach of this Agreement or any of the Operative Documents by Seller, (ii) failure of any representation, warranty or guarantee made by Seller herein or in any of the other Operative Documents that is qualified by materiality to have been true when made, (iii) failure of any representation, warranty or guarantee made by Seller herein or in any of the other Operative Documents that is not so qualified by materiality to have been true in all material respects when made, or (iv) Excluded Liabilities.

(b) Buyer shall promptly notify Seller of any action, suit, proceeding, demand, or breach (a "***Claim***") with respect to which Buyer claims indemnification; provided, however, that failure of Buyer to give such notice shall not relieve Seller of its obligations under this Section 12.1, unless such failure or delay actually and demonstrably prejudices Seller's ability to effectively defend such Claim. If such Claim relates to any action, suit, proceeding, or demand instituted by a third party against the Indemnitees (a "***Third Party Claim***"), Buyer shall notify Seller thereof, and upon receipt of notice from Buyer, Seller shall be entitled to participate in the defense of such Third Party Claim, and if and only if each of the conditions set forth in clauses (i) through (iii) below is satisfied, Seller shall be entitled to assume the defense of such Third Party Claim, and in the case of such an assumption, Seller shall have the authority to negotiate, compromise, and settle such Third Party Claim (provided that Seller shall not settle any such Third Party Claim without consent of Buyer, not to be unreasonably withheld or delayed, unless such settlement (x) includes a full and complete release of Buyer and Indemnitees by the claimant, (y) does not include an admission of guilt or responsibility of Buyer, and (z) does not include any non-monetary conditions that would be binding on Buyer):

(i) Seller has selected counsel to handle the defense that is reasonably acceptable to Buyer;

(ii) Buyer does not give Seller written notice, which shall be given within sixty (60) days of Buyer's notice to Seller of the Claim, that, in the exercise of its reasonable discretion, matters of policy or a conflict of interest make separate representation by Buyer's own counsel advisable; and

(iii) Seller establishes to the reasonable satisfaction of Buyer that Seller has (and will continue to have) adequate financial resources to satisfy and discharge such Claim.

(c) Buyer shall retain the right to participate in the defense of any Third Party Claim, the defense of which has been assumed by Seller pursuant hereto, but Buyer shall bear and shall be solely responsible for its own costs and expenses in connection with such participation, unless such Claim is determined by a court of competent jurisdiction against Seller, in which case, Seller shall be solely responsible for Buyer's reasonable and documented costs and expenses in connection with Buyer's participation. In the event Seller shall fail or not be entitled to assume the defense of any Third Party Claim, then Buyer shall control the defense and settlement thereof, and Seller shall be responsible for (i) the reasonable and documented costs and expenses of a single counsel selected by Buyer, and (ii) any judgment on or settlement of such Third Party Claim entered into by Buyer with the consent of Seller (not to be unreasonably withheld or delayed), which shall be conclusive and binding on Seller for all purposes.

(d) Any liability for indemnification under this Section 12.1 shall be determined without duplication of recovery by Indemnitees.

(e) No individual Representative of either Party shall be personally liable for any losses under the provisions contained in this Section 12.1. Nothing herein shall relieve either Party of any liability to make any payment expressly required to be made by such Party pursuant to this Agreement.

(f) Subject to Section 12.2, Section 12.12 and except in the case of fraud, willful misconduct or negligence Buyer acknowledges and agrees that its sole and exclusive remedy with respect to any and all Claims for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement from and after the Closing Date, shall be pursuant to the indemnification provisions set forth in this Section 12.1 and in Section 12.2. Nothing in this Section 12.1(f) shall limit any Person's right to seek and obtain any specific performance of the obligations set forth in this Agreement or equitable relief to which any Person shall be entitled pursuant to Section 12.12.

(g) Any payment pursuant to this Article XII shall be treated by the Parties hereto as an adjustment to the purchase consideration for the Facility Assets by the Parties for income Tax purposes, unless otherwise required by the Requirements of Law.

12.2 Intellectual Property Indemnification. Seller, at its own expense, undertakes and agrees to defend, indemnify and hold harmless Buyer and the Indemnitees from and against all charges, damages, civil fines and penalties, or losses of any kind or nature whatsoever arising out of any Third Party Claim of infringement, actual or alleged, direct or contributory, caused by the use of any Intellectual Property Assets in connection with the operation and maintenance of the Facility in accordance with industry standards for its intended use as designed; provided, however, that this Section 12.2 will not apply to the extent the underlying actual or alleged infringement arises from (a) the Buyer's material breach of this Agreement or (b) the combination of the Intellectual Property Assets with any materials not used by Seller immediately prior to the Closing Date, except that Seller's obligations under this Section will apply to any Third Party Claims arising from the combination of the Intellectual Property Assets with any other materials or

products where such combination is described in or contemplated by the applicable written specifications, documentation, usage manuals or other instructions or information guides.

12.3 Expenses. Except as otherwise expressly provided in this Agreement, each Party will bear its respective expenses incurred in connection with the preparation, execution, and performance of this Agreement and the transactions contemplated by this Agreement, including all fees and expenses of agents, representatives, counsel, and accountants. Both Parties agree that, in any action to enforce the terms of this Agreement, each Party shall be responsible for its own attorney fees and costs. Each of the Parties was represented by its respective legal counsel during the negotiation and execution of this Agreement.

12.4 Ambiguity. The Parties acknowledge that this Agreement was jointly prepared by them, by and through their respective legal counsel, and any uncertainty or ambiguity existing herein shall not be interpreted against either Party on the basis that the Party drafted the language, but otherwise shall be interpreted in accordance with Exhibit 1.1 and according to the application of the rules on interpretation of contracts.

12.5 Voluntary Execution. The Parties acknowledge that they have read and fully understand the content and effect of this Agreement and that the provisions of this Agreement have been reviewed and approved by their respective counsel. The Parties further acknowledge that they have executed this Agreement voluntarily, subject only to the advice of their own counsel, and do not rely on any promise, inducement, representation or warranty that is not expressly stated herein.

12.6 Notices. All notices, requests, demands, consents, waivers, and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when given in the manner set forth in Section 14.2 of the PPA.

12.7 Entire Agreement; Amendments.

(a) This Agreement (including all Schedules and Exhibits) and the PPA contain the entire understanding concerning the subject matter herein and supersede and replace any prior negotiations, discussions or agreements between the Parties concerning that subject matter, whether written or oral, except as expressly provided for herein. This is a fully integrated document. Each Party acknowledges that no other party, representative or agent has made any promise, representation or warranty, express or implied, that is not expressly contained in this Agreement or the other documents of even date herewith between the Parties that induced the other Party to sign this document.

(b) This Agreement may be amended or modified only by an instrument in writing signed by both Parties.

12.8 Further Assurances. The Parties agree to furnish upon request to the other Party such further information, to execute and deliver to the other Party such other documents, and to do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and the other Operative Documents.

12.9 Waiver. The failure of either Party to enforce or insist upon compliance with or strict performance of any of the terms or conditions hereof, or to take advantage of any of its rights hereunder, shall not constitute a waiver or relinquishment of any such terms, conditions or rights, but the same shall be and remain at all times in full force and effect.

12.10 Severability. In the event all or part of any of the terms, covenants or conditions of this Agreement, or the application of any such terms, covenants or conditions, shall be held invalid, illegal or unenforceable by any court having jurisdiction, all other terms, covenants and conditions of this Agreement and their application not adversely affected thereby shall remain in force and effect; provided, however, that the remaining valid and enforceable provisions materially retain the essence of the Parties' original bargain.

12.11 Consequential or Punitive Damages. Neither Party shall be liable to the other Party for special, incidental, exemplary, indirect, punitive or consequential damages arising out of a Party's performance or non-performance under this Agreement, whether based on or claimed under contract, tort (including such Party's own negligence) or any other theory at law or in equity, including damages for lost revenues, income or profits.

12.12 Equitable Remedies. The Parties acknowledge that money damages may not be an adequate remedy for violations of this Agreement by either Party and that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or equity. The Parties hereby waive any objection to specific performance or injunctive or other equitable relief.

12.13 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

12.14 Governing Law. This Agreement shall be interpreted, governed by, and construed under the laws of the State of California without consideration of conflicts of law principles. The venue for any litigation relating to this Agreement shall be in Los Angeles, California and each Party hereby waives any objections on the basis of *forum non-conveniens* or otherwise with respect to the venue of any such action being heard in Los Angeles, California.

12.15 Execution in Counterparts. This Agreement may be executed in counterparts and upon execution by each signatory, each executed counterpart shall have the same force and effect as an original instrument and as if all signatories had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signature thereon, and may be attached to another counterpart of this Agreement identical in form hereto by having attached to it one or more signature pages. The Parties may execute this Agreement by manual signature or by electronic signature, each of which shall have the same force and effect.

12.16 Relationship of the Parties. This Agreement shall not be interpreted to create an association, joint venture or partnership between the Parties or to impose any partnership obligation or liability upon either such Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other Party.

12.17 Third Party Beneficiaries. Except as expressly provided herein, this Agreement shall not be construed to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or any duty, obligation or undertaking established herein.

12.18 Provisions of PPA. The provisions of Section 14.3 ("Dispute Resolution"), Section 14.6 ("Assignment of Agreement; Change in Control"), Section 14.17(a) ("Indemnification"), Section 14.19 ("Confidentiality") and Section 14.20 ("Mobile Sierra") of the PPA are incorporated herein in their entirety, *mutatis mutandis.*

12.19 Exhibits and Schedules. The Exhibits and Schedules referred to in and attached to this Agreement are incorporated herein in full by this reference. To the extent that the terms and conditions of an Exhibit or Schedule conflict with the terms and conditions of the main body of this Agreement, the terms and conditions of the main body of this Agreement shall control.

12.20 Relationship with PPA. Except as otherwise specifically stated herein, this Agreement is independent of the PPA and, as a separate agreement, shall survive the amendment, modification, or termination of the PPA, except as otherwise provided herein. In the event of a conflict between this Agreement and the PPA, this Agreement shall control.

[Remainder of Page Intentionally Left Blank]

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

NOTCH PEAK PROJECT, LLC, a Delaware limited liability company

By: _____
Name:
Title:

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Date:_____ By:_____
Tikan Singh
Vice President

Attest:_____
Daniel E. Garcia
Assistant Secretary

Approved as to legal form and content:

By:_____
Christine Godinez
General Counsel

EXHIBIT 1.1
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

DEFINITIONS

"***AAA***" shall have the meaning ascribed to it in Exhibit 2.4.

"***Acceptance Notice***" shall have the meaning ascribed to it in Section 2.4(c).

"***Affected Portion***" shall have the meaning ascribed to it in Section 9.3(a).

"***Agency Action***" means any notice of violation, complaint, order, consent order, consent agreement, assessment of a fine or penalty or other similar demand for action brought by a Governmental Authority having the requisite authority and jurisdiction to bring such action.

"***Agreement***" means this Option Agreement.

"***Applicable Diligence Period***" shall have the meaning ascribed to it in Section 5.1.

"***Asset Assignment Documents***" shall have the meaning ascribed to it in Section 7.4(d).

"***Assumed Contracts***" means all of Seller's rights under the Contracts to which Seller is a party or to which the Facility is subject, as set forth in Schedule 3.3 and Schedule 3.12(a) (excluding any Contract identified with an asterisk (*)).

"***Assumed Liabilities***" shall have the meaning ascribed to it in Section 2.7.

"***Bill of Sale***" means the document described in Section 7.4(c).

"***Books and Records***" means, to the extent relating to any period of time prior to the Closing, (a) all books, records, purchasing records, lists, files and papers in the possession or control of Seller or its Affiliates pertaining to the Facility Assets and the Facility, and all records and lists concerning suppliers to and personnel of the Facility or Taxes with respect thereto; (b) all ledgers, and reports, plans, drawings, maps, photographs, technical manuals and operating records of every kind maintained by Seller with respect to the Facility, whether in hard copy or electronic format; and (c) all software used by Seller primarily in connection with the operation of the Facility, in each case to the extent transferable; provided that Books and Records may include inextricable information or data unrelated to the Facility, in which case such information or data may be redacted; provided, further that Books and Records shall not include income Tax Returns and associated workpapers and other documentation.

"***Business***" means the business of owning and operating the Facility.

"***Buyer***" shall have the meaning ascribed to it in the first paragraph of this Agreement.

"***CERCLA***" means the federal Comprehensive Environmental Response, Compensation and Liability Act.

"***Change Notice***" shall have the meaning ascribed to it in Section 5.7.

"***Claim***" shall have the meaning ascribed to it in Section 12.1(b).

"***Closing***" shall have the meaning ascribed to it in Section 2.6.

"***Closing Date***" means the date on which the Closing is required to take place, as set forth in Section 2.6.

"***Closing Permitted Encumbrances***" means any Purchase Option Permitted Encumbrances other than those (i) that secure any form of Facility Debt, if any, or any other monetary obligation (other than Liens for Taxes not yet due and payable) and (ii) otherwise accepted by Buyer in writing.

"***Consent***" means any approval, consent, ratification, waiver, license, permit, certification, registration or other authorization (including any issued, granted, given, or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Requirement of Law or Environmental Law).

"***Contract***" means any agreement, arrangement, lease, commitment, sales order, purchase order, indenture, mortgage, right, warrant or instrument, which provides for ownership or operation of the Facility or the Premises and is intended to, or purports to be, or is required to be binding and enforceable as contemplated under this Agreement, including the Land Documents, but excluding the Permits.

"***Diminished Amount***" shall have the meaning ascribed to it in Section 9.3(a).

"***Disclosure Schedules***" shall have the meaning ascribed to it in Section 2.3.

"***Environment***" includes (a) the navigable waters, the contiguous zone, and the ocean waters of which the natural resources are under the exclusive management authority of the United States under the Magnuson-Stevens Fishery Conservation and Management Act and (b) any other surface water, ground water, drinking water supply, stream sediments, soil, land surface or subsurface strata, or ambient air, plant and animal life, and any other environmental medium or natural resource within the United States, or a foreign nation or under jurisdiction of the United States or a foreign nation.

"***Environmental Conditions***" means the presence of Hazardous Substances which have been Released into the Environment or the presence of Hazardous Substances that could reasonably be expected to pose a threat of Release of Hazardous Substances into the Environment.

"***Excluded Assets***" means, notwithstanding any other provision of this Agreement, the following assets:

(a) cash, certificates of deposit and other bank deposits, treasury bills and other cash equivalents or other investments, on hand or in bank accounts, and all of Seller's bank accounts, intercompany accounts and accounts receivable;

(b) accounts and notes receivable relating to the period prior to the Closing Date, including amounts owing under the PPA;

(c) all of Seller's rights under the PPA and any other Contract between Seller and Buyer or between Seller and any other third party for the sale of Facility Energy or Capacity Rights from the Facility;

(d) any Contract between Seller and its Affiliates, other than for on-going operations and maintenance of the Facility on commercially reasonable terms;

(e) any Contract that is not an Assumed Contract;

(f) any Permit that is not a Transferred Permit;

(g) any computers not used primarily in connection with the Facility, any communication or data network systems not used primarily in connection with the Facility, and any other equipment not reasonably required to operate the Facility;

(h) all refunds or credits, if any, of Taxes of, due to or from Seller and any refunds of Taxes with respect to the ownership or operation of the Facility Assets for any Pre-Closing Tax Period;

(i) any income Tax Returns of Seller;

(j) all corporate, financial and tax records of Seller that (i) do not relate in whole or in part to the Facility, (ii) relate solely to any Excluded Asset, (iii) relate solely to any Excluded Liability, (iv) relate to the organization, existence, capitalization or debt financing of Seller, (v) relate to information about Seller or its Affiliates pertaining to energy or project evaluation methodologies, economic evaluation of the Facility Assets (other than the Financial Statements), energy or other economic predictive models, or (vi) do not constitute Books and Records;

(k) all rights to claims, refunds or adjustments against Buyer or any other third parties arising out of the period prior to the Closing Date;

(l) Seller's insurance policies; and

(m) the assets identified as "Excluded Assets" in Schedule 3.5; provided that no asset that is required for the operation or maintenance of the Facility in the ordinary course and as intended may be listed on Schedule 3.5.

"***Excluded Liabilities***" shall have the meaning set forth in Section 2.8.

"***Facility Assets***" means all of the following (excluding those assets constituting Excluded Assets):

(a) the Facility;

(b) the Premises;

(c) all Assumed Contracts (including all Real Property Contracts and the Interconnection Agreement);

(d) all Transferred Permits;

(e) all Fixtures and Equipment;

(f) all Books and Records;

(g) all Permits;

(h) all Intellectual Property Assets;

(i) all Supplies;

(j) all Transmission Assets;

(k) all Warranties; and

(l) all other assets, properties, rights, privileges, claims and Contracts (excluding any Contract identified with an asterisk(*)) of every kind and nature, real or personal, tangible or intangible, absolute or contingent, wherever located, owned or used (including those necessary to access to utilize any common use facilities), comprising the Facility.

"***Fair Market Value***" shall mean, with respect to a particular time of calculation, the amount a willing buyer would pay for the Facility Assets and all rights, title and interests associated therewith, in an arm's-length transaction, to a willing seller under no compulsion to sell on the applicable Closing Date, taking into account all relevant facts and circumstances relating to the Facility Assets, the Excluded Assets, the Assumed Liabilities, the Excluded Liabilities and the Disclosure Schedules, as of the Closing Date, and assuming (1) compliance with the terms and provisions of the PPA through the Agreement Term, including delivery of the generation for the then-remaining Agreement Term at the Contract Price or Replacement Energy, as applicable, and (2) that the Facility is able to generate revenue for the remaining Useful Life of the Facility Assets at a price per MWh equal to the then fair market price for Energy, Capacity Rights, Environmental Attributes and other products generated by the Facility (except in the case Buyer is exercising its Project Purchase Option as a result of a Default of Seller under the PPA, in which case the Energy, Capacity Rights, Environmental Attributes and other products generated by the Facility will be

assumed to be sold at their fair market price as of the Closing Date for the remaining Useful Life of the Facility Assets), as determined in accordance with Exhibit 2.4.

"***Final Purchase Price***" shall have the meaning ascribed to it in Exhibit 2.4.

"***Financial Statements***" shall have the meaning ascribed to it in Section 5.3.

"***Fixtures and Equipment***" means the fixtures, equipment (including solar panels, control rooms and other auxiliaries, furniture, office equipment, communications equipment, fixtures, furnishings, machinery, vehicles, computers, air conditioning ventilation and heating equipment and control stations), but excluding Supplies and other tangible personal property located on the Premises and owned or used by Seller in connection with the operation of the Facility.

"***FPA***" means the Federal Power Act.

"***Hazardous Substances***" means any substance, material or waste that is regulated by or forms the basis of liability now or hereafter under, any Hazardous Substances Law or Environmental Law, including any material, substance or waste that is (a) defined as a "solid waste," "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "restricted hazardous waste," "pollutant," "contaminant," "hazardous constituent," "special waste," "toxic substance" or other similar term or phrase under any Environmental Law, (b) petroleum or any fraction or by-product thereof, asbestos, polychlorinated biphenyls (PCB's), or any radioactive substance.

"***Hazardous Substances Law***" means any current or future treaty, constitution, law, statute, ordinance, rule, Order, decree, regulation or other directive which is legally binding and has been enacted, issued or promulgated by any Governmental Authority that imposes liability for or standards of conduct or compliance concerning the generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of Hazardous Substances, including, the Federal Water Pollution Control Act, the Resource Conservation and Recovery Act of 1976, CERCLA, the Toxic Substances Control Act, the Oil Pollution Act, the Safe Drinking Water Act, and includes the Occupational Safety and Health Act of 1970, to the extent that it relates to the handling of and exposure to hazardous or toxic materials or similar substances.

"***Indemnitees***" shall have the meaning ascribed to it in Section 12.1(a).

"***Intellectual Property Assets***" shall have the meaning ascribed to in Section 3.13(a).

"***Interconnection Agreement"*** shall have the meaning ascribed to it in the PPA.

"***Investment Company Act***" means the Investment Company Act of 1940.

"***Knowledge***" means the actual, current knowledge after due inquiry of any officer or any other agent, employee or representative of Seller responsible for the management of the operation or maintenance of the Facility, of any fact, circumstance or condition.

"***Land Documents***" means the documents listed in Appendix H of the PPA, as may be updated.

"***Material Adverse Effect***" means a material adverse change (or changes which, taken together, result in a material adverse change) in, or effect on, Seller, the Facility, the business, condition (financial or otherwise) or results of operations of the Business, or any of the Facility Assets; provided, however, that "Material Adverse Effect" shall not include any event, occurrence, fact, condition or change arising out of or attributable to: (i) general economic, political or regulatory conditions; (ii) conditions generally affecting the electric generating, transmission or distribution industries; (iii) changes in the national, regional, state or local renewable energy industry or wholesale or retail markets for electric power, power generation, power transmission or other fuel supply or transportation or related products and operations, including those due to actions by competitors and regulators; (iv) changes in the markets for or costs for electricity, generally; (v) new generating facilities and their effect on pricing or transmission; (vi) labor strikes, requests for representation, organizing campaigns, work stoppages, slowdowns or other labor disputes; (vii) epidemics, pandemics or disease outbreaks (including COVID-19) and any material worsening of any epidemic, pandemic or disease outbreak threatened or existing as of the Closing Date, or nay shutdown or material limitation of federal, state or local government services, declaration of martial law, quarantine or similar directive, guidance, policy or other similar action by any Governmental Authority in connection with any epidemic, pandemic or disease outbreak; (viii) any changes in financial, banking or securities markets in general, including any disruption thereof and any decline in the price of any security or any market index; (ix) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (x) any action required or expressly permitted by this Agreement or any action taken (or omitted to be taken) with the written consent of or at the written request of the Buyer; (xi) any changes in applicable Requirements of Law or accounting rules (including GAAP) or the interpretation or enforcement thereof; (xii) the announcement, pendency or completion of the transactions contemplated by this Agreement; (xiii) any breach, violation or non-performance of any provision of this Agreement by Buyer; (xiv) changes in or effects on the Facility Assets which are cured (including by the payment of money) by Seller; (xv) effects of weather, meteorological conditions or events or other natural disasters or acts of God; or (xvi) any failure by the Facility to meet any internal or published projections, forecasts or revenue or earnings predictions (provided that the underlying causes of such failures (subject to the other provisions of this definition) shall not be excluded); provided further, that the exclusions provided in clauses (i)-(ix), (xi) and (xv) shall not apply to the extent the Facility is disproportionately adversely affected by any such event, occurrence, fact, condition or change relative to other similarly situated participants in the industries in which the Facility generally operates.

"***Material Casualty Event***" means any physical damage or destruction to all or a portion of the Facility that would materially and adversely affect the capacity or output of the Facility, or Buyer's ownership or operation of the Facility Assets as of and following the Closing.

"***National Priorities List***" means the list of national priorities among the known releases or threatened releases of hazardous substances, pollutants, or contaminants throughout the United

States and its territories and that guides the Environmental Protection agency in determining which sites warrant further investigation.

"***Operations Period***" means the six (6) month period of time prior to the delivery by Buyer of the Purchase Option Exercise Notice.

"***Operative Documents***" means each of the agreements, instruments, certificates and other documents executed and delivered by a Party under this Agreement in connection with the performance and consummation of the transaction contemplated by this Agreement, but excluding the PPA and Ancillary Documents as defined in the PPA.

"***Order***" means any final, non-appealable award, decision, injunction, judgment, order, ruling, subpoena, or verdict entered, issued, made, or rendered by any court, administrative agency, or other Governmental Authority, or by any arbitrator.

"***Organizational Documents***" means as applicable, (a) the articles or certificate of incorporation and the bylaws of a corporation; (b) any charter or similar document adopted or filed in connection with the creation, formation, or organization of a Person; (c) the certificate of organization and the operating agreement of a limited liability company; and (d) any amendment to any of the foregoing.

"***Party***" and "***Parties***" shall have the meaning ascribed to it in the preamble to this Agreement.

"***Post-Closing Tax Period***" means any taxable period, or portion thereof for any Straddle Period, that does not constitute a Pre-Closing Tax Period.

"***PPA***" shall have the meaning ascribed to it in the recitals to this Agreement.

"***Pre-Closing Tax Period***" means any taxable period ending on or before the Closing Date and the portion of any Straddle Period ending on the Closing Date.

"***Premises***" means the fee, leasehold, easement and other Real Property Interests held by Seller in connection with the ownership or operation of the Facility, together with all buildings, improvements, structures and fixtures thereon owned by Seller, and all easements, privileges, rights-of-way, lands underlying any adjacent streets or roads, appurtenances, licenses and other rights owned by Seller pertaining to or accruing to the benefit of such property.

"***Proceeding***" means any action, order, writ, judgment or decree outstanding, arbitration, audit, hearing, investigation, claim, litigation, or suit (whether civil, criminal, regulatory, administrative, investigative, or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Person.

"***Project Purchase Option***" shall have the meaning ascribed to it in Section 2.1.

"***Provided Materials***" shall have the meaning ascribed to it in Section 5.1.

"***Purchase Option Exercise Deadline***" means a period of one hundred eighty (180) days after the date of delivery of the Disclosure Schedules for the applicable Purchase Option Opportunity.

"***Purchase Option Exercise Notice***" shall have the meaning ascribed to it in Section 2.4(a).

"***Purchase Option Opportunity***" shall have the meaning ascribed to it in Section 2.2.

"***Purchase Option Permitted Encumbrances***" means (a) any Lien approved by Buyer in a writing; (b) Liens for Taxes not yet due and payable or for Taxes being contested in good faith by appropriate proceedings, so long as either (i) such proceedings do not involve a substantial risk of the sale, forfeiture, loss or restriction on the use of the Facility or any part thereof, or (ii) a bond or other security reasonably acceptable to Buyer that has been posted or provided in such manner and amount as to assure Buyer that any Taxes determined to be due will be promptly paid in full when such contest is determined; (c) zoning, building codes and other land use laws regulating the use or occupancy of the Premises or the activities conducted thereon which are imposed by any Governmental Authority having jurisdiction over the Premises; (d) suppliers', vendors', mechanics', workman's, repairman's, employees' or other like Liens arising in the ordinary course of business for work or service performed, or materials furnished in connection with, the Facility for amounts the payment of which is either not yet delinquent or is being contested in good faith by appropriate proceedings, so long as either (i) such proceedings do not involve a substantial risk of the sale, forfeiture, loss or restriction on use of the Facility or any part thereof, or (ii) a bond or other security reasonably acceptable to Buyer has been posted or provided in such manner and amount as to assure Buyer that any amounts determined to be due will be promptly paid in full when such contest is determined; (e) easements, rights of way, use rights, exceptions, encroachments, reservations, restrictions, conditions or limitations which do not materially impair the Premises affected thereby for the purpose for which title was acquired or materially interfere with or impair the operation of the Facility Assets; (f) Liens in favor of Facility Lenders; (g) the Real Property Agreements, or memoranda of such Real Property Agreements, or Liens contemplated the Real Property Agreements; and (h) Liens created or reserved pursuant to or contemplated by the PPA (including Section 14.6 thereof), this Agreement (including any Liens imposed by the memorandum of this Agreement) or any Performance Security under the PPA.

"***Purchase Option Tentative Exercise Notice***" shall have the meaning ascribed to it in Section 2.3.

"***Qualified Appraiser***" means a nationally recognized, appropriately licensed, certified general real estate appraiser, which shall (a) be qualified to appraise independent electric generating businesses, (b) have been engaged in the appraisal or business valuation and consulting business for a period of not less than five (5) years, (c) be qualified and have expertise at calculating forward projections of power curves and valuations, and (d) not be associated with Seller, Buyer or any of their respective Affiliates.

"***Real Property Contracts***" shall have the meaning ascribed to it in Section 3.3(b).

"***Real Property Interests***" shall have the meaning ascribed to it in Section 3.3(b).

"***Release***" means any physical release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, dumping, leaching or migration of Hazardous Substances in the Environment, including the movement of Hazardous Substances through or in the Environment, including the Premises.

"***Replacement Security***" shall have the meaning ascribed to it in Section 8.4(d)(i).

"***Representative***" means, with respect to a particular Person, any director, officer, employee, agent, consultant, advisor, or other representative of such Person, including legal counsel, accountants, and financial advisors,

"***Schedule Delivery Date***" shall have the meaning ascribed to it in Section 2.3.

"***Seller***" shall have the meaning ascribed to it in the first paragraph of this Agreement.

"***Seller Disclosure Schedules***" shall have the meaning ascribed to it in Section 2.3.

"***Seller Guarantor***" means an entity to be mutually agreed by the Parties.

"***Seller Guaranty***" means the guaranty to be executed by Seller Guarantor in the form attached hereto as Exhibit 7.4(i).

"***Straddle Period***" means any taxable period that includes but does not end on the Closing Date. For all purposes of this Agreement, with respect to Taxes for any Straddle Period, the portion of such Taxes related to the portion of the Tax period ending on and including the Closing Date shall, (i) in the case of any property or ad valorem Taxes, equal the product of (A) the amount of such Tax for the entire Straddle Period and (B) a fraction the numerator of which is the total number of days from the beginning of the Straddle Period through and including the Closing Date and the denominator of which is the total number of days in the entire Straddle Period and (ii) in the case of all other Taxes other than Transfer Taxes (such as franchise Taxes, Taxes that are based upon or related to income or receipts, based upon production or occupancy or imposed in connection with any sale or other transfer or assignment of property (real or personal, tangible or intangible)) be computed on a "closing-of-the-books" basis as though the relevant Straddle Period ended at the end of the Closing Date.

"***Supplies***" means those supplies, inventories and spare parts on the Premises or otherwise dedicated to the Facility as of the Closing Date.

"***Support Obligations***" means any letters of credit, cash collateral, parent company guaranties, surety bonds and other similar credit support.

"***Tax Claim***" shall have the meaning ascribed to it in Section 9.1(e).

"***Tax Return***" means any return, report, information return or other document (including any related or supporting information) required to be supplied to any authority with respect to Taxes, and including any amendment thereof or thereto.

"***Third Party Claim***" shall have the meaning ascribed to it in Section 12.1(b).

"***Third Party Property Interests***" shall have the meaning ascribed to it in Section 3.3(b).

"***Transfer Taxes***" shall have the meaning ascribed to it in Section 2.11.

"Transferred Permit" means any Permit transferred to Buyer at Closing, as set forth in Schedule 3.15 (excluding any Permit identified with an asterisk (*)).

"***Transmission Assets***" means the fixtures, equipment (including transformers and switchgear) and other tangible property interests owned by Seller and required for the interconnection and transmission of Energy to the Point of Delivery.

"***Updated Schedule Delivery Date***" shall have the meaning ascribed to it in Section 2.9(a).

"***Useful Life of the Facility Assets***" shall mean no less than thirty-five (35) years from the Commercial Operation Date.

"***Warranties***" means all rights of Seller under or pursuant to all third-party warranties, representations and guarantees made by manufacturers and suppliers in connection with the Facility Assets or services furnished to Seller pertaining to the Facility or affecting the Facility Assets.

EXHIBIT 2.4
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

PURCHASE PRICE

The "***Fair Market Value,***" as defined for purposes of this Agreement in Exhibit 1.1, shall be determined in accordance with this Exhibit 2.4.

Within sixty (60) days following the delivery of the Disclosure Schedules, the Parties shall meet and attempt to agree on the Fair Market Value based on the Disclosure Schedules. If the Parties are unable to agree on the Fair Market Value within sixty (60) days after the delivery of the Disclosure Schedules, then each of Seller and Buyer shall, within fourteen (14) additional days, select an independent recognized appraiser who will meet the requirements for the Qualified Appraiser. Within forty-five (45) days following the deadline for the Parties to select Qualified Appraisers, each such independent recognized appraiser shall determine the Fair Market Value. Upon completion of the two appraisals, each of Buyer and Seller shall deliver the results to the other Party. If the Fair Market Value appraisals of the two independent appraisers vary by less than ten percent (10%), the Fair Market Value determination shall be the simple average of the Fair Market Value determinations of the two appraisals. If the variance is greater than ten percent (10%), the two independent appraisers shall either select a third independent appraiser, who meets the requirements for a Qualified Appraiser, or, if the two independent appraisers fail to agree on a third independent appraiser within fourteen (14) days following delivery of the second appraisal, a third independent appraiser shall be appointed by the American Arbitration Association ("AAA") upon application by either Party in accordance with the applicable rules and regulations of the AAA for such selection. The third independent appraiser shall select one of the appraisals generated by the two independent appraisers within thirty (30) days of retention and such appraisal shall be the Fair Market Value determination. If the third independent appraiser selects the appraisal originally prepared by Buyer's independent appraiser, Seller shall pay the fees and costs of the third independent appraiser. If the third independent appraiser selects the appraisal originally prepared by Seller's independent appraiser, Buyer shall pay the fees of the third independent appraiser.

The Fair Market Value shall be adjusted from time to time by the amount (as determined by the Parties in good faith, or absent their mutual agreement, by the Qualified Appraiser or the independent appraisers using the same methodology set forth in paragraph 2 above) necessary to compensate Buyer for (i) any differences between the Seller Disclosure Schedules originally delivered to Buyer on the Schedule Delivery Date and any updated Seller Disclosure Schedules delivered to Buyer from time to time prior to Closing, (ii) any item or omission in a Seller Disclosure Schedule that is not resolved to the reasonable satisfaction of Buyer, (iii) any differences in Facility Assets, Excluded Assets, Assumed Liabilities or

Excluded Liabilities from the Schedule Delivery Date to the Closing, (iv) the inability of Seller to satisfy any of the Buyer Closing Conditions set forth in Article VII, (v) a Material Casualty Event or any real or threatened condemnation or eminent domain proceeding as described under Section 9.3(a) of the Agreement, but solely to the extent an adjustment to Fair Market Value is required under such Section 9.3, or (vi) any issue that requires the delivery of a Change Notice.

The "***Final Purchase Price***" to be paid by Buyer at the Closing shall be the Fair Market Value determined in accordance with this Exhibit 2.4, as such may be adjusted hereunder.

EXHIBIT 2.5
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

FORM OF MEMORANDUM OF OPTION

AFTER RECORDING, RETURN TO:

Attn: _____

MEMORANDUM OF OPTION AGREEMENT

THIS MEMORANDUM OF OPTION AGREEMENT (this "***Memorandum***") is dated as of _____, 202_ (the "***Effective Date***"), by and between NOTCH PEAK PROJECT, LLC, a Delaware limited liability company (the "***Seller***"), and SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY, a joint powers agency and a public entity organized under the laws of the State of California and created under the provisions of the California Joint Exercise of Powers Act (California Government Section 6500 et seq.) (together with its successors and assigns, "***Buyer***").

RECITALS

A. Buyer and Seller entered into that certain Option Agreement dated of even date herewith (the "***Agreement***"), which by its terms grants to Buyer an option to purchase the Facility Assets, including the Premises as legally described on Exhibit A attached hereto, all as more particularly described in the Agreement and incorporated herein by this reference.

B. Buyer and Seller have executed and acknowledged this Memorandum for the purpose of providing constructive notice of the Agreement.

C. Capitalized terms used but not otherwise defined in this Memorandum shall have the meanings given to such terms in the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Buyer provide record notice of the following:

(a) 1. **Grant of Option and Option Term**. Pursuant to the Agreement, Seller has granted to Buyer an exclusive, irrevocable option to purchase the Facility Assets (the "***Project Purchase Option***"). The Project Purchase Option may be exercised at any time: (a) one (1) year prior to the tenth (10th) anniversary of the Commercial Operation

Date; (b) one (1) year prior to the fifteenth (15th) anniversary of the Commercial Operation Date; (c) one (1) year prior to every subsequent five (5) years after the fifteenth (15th) anniversary of the Commercial Operation Date until the end of the Agreement Term; (d) during the sixty (60) day period commencing on the date on which a Termination Notice is provided by Buyer to Seller pursuant to Section 13.4(a) of the PPA.

2. **Manner of Exercise**. Buyer may exercise the Project Purchase Option during a Purchase Option Opportunity by delivering written notice to Seller and complying with the terms of Section 2.3 of the Agreement.

3. **Covenant by Seller**. Seller hereby covenants to and for the benefit of Buyer that neither Seller nor any of its agents, employees, directors, officers, shareholders, members, or representatives shall contract with any other party to sell, convey, lease, sublease, grant any option rights with respect to, or encumber in any way all or any portion of the Facility Assets in a manner that would adversely affect the rights of Buyer under the Agreement.

4. **Effect of Agreement**. The Parties intend that the Agreement create a valid option in favor of Buyer as to the Facility Assets on the terms set forth in the Agreement and shall inure to the benefit of, and bind, each of the Parties and their respective successors and assigns.

5. **No Conflict**. In the event of any conflict or inconsistency between the provisions of this Memorandum and the provisions of the Agreement, the provisions of the Agreement shall control. Nothing in this Memorandum shall be deemed to amend, modify, change, alter, amplify, limit, interpret or supersede any provision of the Agreement or otherwise limit or expand the rights and obligations of the Parties under the Agreement.

6. **Counterparts**. This Memorandum may be executed in two or more counterparts, each of which will be deemed an original, but all of which together shall constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank. Signature Pages Follow.]

IN WITNESS WHEREOF, Buyer has caused this Memorandum to be executed and delivered by its duly authorized representative.

BUYER:

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Date: _____ By: _____

Name:
Title:

Attest: _____

Name:
Title:

Approved as to legal form and content:

By:_____

Name:
Title:

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, before me,_____, Notary Public personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE _____

PLACE NOTARY SEAL ABOVE

IN WITNESS WHEREOF, Seller has caused this Memorandum to be executed and delivered by its duly authorized representative.

SELLER:

NOTCH PEAK PROJECT, LLC,
a Delaware limited liability company

By: _____
Name: _____
Its: _____

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____, 202_, by _____, as _____ of Notch Peak Project, LLC, a Delaware limited liability company.

_____
[SEAL] Notary Public

My commission expires:

Exhibit A – Legal Description of the Premises

[LEGAL DESCRIPTION + TAX PARCEL NUMBER TO BE INSERTED]

EXHIBIT 5.11
FORM OF TRANSITION SERVICES AGREEMENT
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

This **TRANSITION SERVICES AGREEMENT** (this "Agreement") is entered into on [•], 20[__] (the "Effective Date"), by and between Notch Peak Project, LLC, a Delaware limited liability company ("Seller") and SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY, a joint powers agency and a public entity organized under the laws of the State of California and created under the provisions of the California Joint Exercise of Power Act (California Government Section 6500 *et seq*.) ("Buyer"). Seller and Buyer are hereinafter sometimes collectively referred to as the "Parties," and each individually as a "Party."

W I T N E S S E T H:

WHEREAS, the Parties have entered into that certain Option Agreement, dated as of [_____] (the "Option Agreement"), pursuant to which, among other things, Seller has agreed to sell, transfer, assign, convey and deliver to Buyer, and Buyer has agreed to purchase, receive and assume from Seller, the Facility Assets (as defined in the Option Agreement), upon the terms and subject to the conditions set forth in the Option Agreement; and

WHEREAS, Section 5.11 of the Option Agreement provides that Seller or its Affiliates will provide Buyer with transitional operation and maintenance services; and

WHEREAS, Buyer hereby requests that Seller (or its Affiliates) perform certain transitional operation and maintenance services for a period of time following the Closing Date to facilitate the transition of the operations of the Facility to Buyer; and

WHEREAS, Seller is willing to provide, or cause its Affiliates to provide, such services to Buyer subject to the terms and conditions set forth herein:

NOW, THEREFORE, in consideration of the premises and the covenants set forth herein and the benefits to be derived herefrom, the Parties hereby agree as follows:

ARTICLE I
DEFINED TERMS

Capitalized terms used in this Agreement shall have (unless provided elsewhere in this Agreement) the meanings given to such terms in the Option Agreement and as set forth below:

"Services" means the services that are listed on Schedule 1 attached hereto; provided, however, that the term "Services" shall not include the services listed under the heading "Excluded Services" on Schedule 1 attached hereto.

ARTICLE II
DESCRIPTION OF SERVICES

2.1 Seller's Undertakings. The purpose of this Agreement is to give Buyer the option, but not the obligation, to receive the Services from Seller or Seller's Affiliates on an interim basis in order to permit Buyer the opportunity to obtain alternate sources of supply of such Services prior to the expiration of the Initial Term, or if extended, the Extension Term (as such terms are defined in Section 3.1 below). Seller agrees to provide, or to cause the provision through its Affiliates, the Services to Buyer during the Initial Term or Extension Term, if any, in accordance with the terms and conditions of this Agreement, in a professional, workmanlike manner, subject to the Requirements of Law and in a manner that is substantially the same as the manner in which such Services were performed prior to the date of this Agreement.

2.2 Resources Committed. Seller shall provide the Services set forth on Schedule 1, provided that Seller shall not be required to provide any services to Buyer that neither Seller nor its Affiliates previously provided and/or performed in connection with the ownership of the Facility Assets or the Business prior to the Closing Date. Nothing herein shall require Seller to install equipment, acquire licenses, expand any systems or services or expend or devote any resources beyond the level provided by Seller and its Affiliates to the Business during the Operations Period. In connection with the performance of the Services, Seller may, at its sole cost and expense and at all times on an arms-length basis: (a) subcontract with a non-Affiliate and/or personnel of a non-Affiliate to perform any portion of the Services to be performed hereunder; (b) utilize personnel who are employees of Affiliates of Seller; or (c) subcontract work to Affiliates of Seller; provided that all such personnel and subcontractors shall be fully qualified to perform the applicable Services pursuant to the terms and conditions of this Agreement and Buyer shall have consented in writing to such personnel and subcontracts, such consent not to be unreasonably withheld or delayed; provided, that if such subcontract is on substantially the same terms and conditions as was being provided to Seller prior to the Closing Date, then such subcontract shall be deemed to be acceptable to Buyer.

ARTICLE III
TERM AND TERMINATION

3.1 Term. The initial term of this Agreement (the "Initial Term") shall commence as of the Closing Date and shall continue in effect for a maximum of six (6) months; provided, however, that following the expiration of the Initial Term this Agreement may be extended for up to three additional terms (or such greater number that is agreed by the Parties), each not to exceed two (2) months (each such two (2) month extensions, an "Extension Term" and collectively with the Initial Term, the "Term") if Buyer provides written notice not less than thirty (30) days prior to the expiration of the Initial Term.

3.2 Termination of Entire Agreement. Notwithstanding anything herein or elsewhere to the contrary, this Agreement may be terminated and the transactions contemplated hereby abandoned, at any time, upon the occurrence of any of the following events or conditions:

(a) upon the mutual written agreement of the Parties to terminate this Agreement;

(b) by Seller, upon Buyer's breach of a material obligation under this Agreement (including Buyer's failure to pay Seller amounts owing hereunder) and such breach is not remedied to Seller's reasonable satisfaction within thirty (30) days after notice to Buyer of such breach; or

(c) by Buyer, upon Seller's breach of a material obligation under this Agreement and such breach is not remedied to Buyer's reasonable satisfaction within fifteen (15) days after notice to Seller of such breach or if such breach is not capable of rectification within fifteen (15) days, if Seller has not promptly commenced to rectify the breach within such fifteen (15)-day period and is not proceeding diligently to rectify the breach; provided, however, that such right to continue to rectify a breach shall end upon expiration of this Agreement.

In the event of termination of this Agreement pursuant to this Section 3.2, no Party will have any further liability or obligation hereunder, except that any such termination will not affect (i) the provisions of Section 4.1, Article V and Article VI, which will survive any such termination, or (ii) the rights and obligations of the Parties accruing prior to such termination.

3.3 Termination of Particular Service. Notwithstanding anything herein or elsewhere to the contrary, Buyer shall have the right, upon thirty (30) days written notice to Seller, to terminate this Agreement as to any Service listed on Schedule 1. Upon the effectiveness of the termination of any particular Service, Seller shall no longer be required to provide such Service to Buyer, and Buyer shall incur no additional obligations to pay Seller the fee associated with the provision of such Service, other than obligations that have accrued prior to the termination of such Service, including, without limitation, any third-party fees, penalties or other payments related to the termination by Seller of such Service.

3.4 Termination Procedures. Upon any termination of this Agreement (in whole or in part), each Party shall cooperate with the other Party as reasonably necessary to assist Buyer in transferring responsibility for the provision of the terminated Service(s) to Buyer (or any third party as designated in writing by Buyer).

ARTICLE IV
FEES, BILLING, AND PAYMENT

4.1 Compensation. Buyer shall, in accordance with Section 4.2, (a) pay Seller the fees set forth on Schedule 1 attached hereto for the provision of each particular Service provided under this Agreement and (b) except as set forth in Section 3.3 above, reimburse Seller for any incidental, out-of-pocket expenses reasonably incurred by Seller or Seller's Affiliates in connection with

performing the Services. All amounts paid by Buyer to Seller hereunder shall be paid in full without any deduction or withholding for taxes or any other fees or expenses.

4.2 Billing and Payment. After the end of each calendar month, Seller shall send to Buyer an invoice, setting forth a description of the Services provided during the prior calendar month and identifying the fees that are to be paid. Buyer shall pay to Seller the amounts due and payable on each such invoice within sixty (60) days after its receipt thereof. If Buyer in good faith disputes any portion of an invoice, and Buyer notifies Seller in writing of the nature and basis of such good faith dispute within sixty (60) days after Buyer's receipt of such invoice, Buyer shall have the right to withhold payment of the disputed portion and Buyer shall pay only the undisputed portion. Seller shall be entitled to a late fee on any undisputed amounts, and any amounts not disputed in good faith by Buyer, due hereunder that remain unpaid following the date due hereunder at the rate of one percent (1%) per month.

4.3 Access. During the Term, Buyer will provide Seller, Seller's Affiliates and their respective authorized representatives, at each such Party's sole risk, reasonable access (during regular business hours and upon reasonable prior notice), to Buyer and its employees, representatives, facilities and books and records as Seller, Seller's Affiliates and their respective authorized representatives may reasonably request which are reasonably necessary for providing the Services and not subject to confidentiality restrictions; provided, that (i) Buyer shall have the right to have a representative present for any communication with employees or representatives of Buyer; (ii) such access and activities incidental thereto shall be undertaken in accordance with the Requirements of Law and Buyer's generally applicable policies and procedures; and (iii) Buyer shall have the right to impose reasonable restrictions and requirements for safety purposes. Buyer grants to Seller and its representatives access to the Facility for a period of thirty (30) days after the expiration or termination of this Agreement so that Seller may demobilize its work force, including the removal of its personal property that was brought to the Facility by Seller to provide the Services.

4.4 Records Retention. Each Party shall retain all records relating to this Agreement for so long as required by any Governmental Authority having jurisdiction.

ARTICLE V
INDEMNIFICATION; LIMITATION OF LIABILITY; INSURANCE

5.1 Indemnification. Each Party shall indemnify, defend and hold harmless either Party and its officers, directors, employees, agents and representatives from and against any and all suits, sanctions, liabilities, legal proceedings, claims, demands, losses, costs and expenses of whatsoever kind or character, including reasonable attorneys' fees and expenses, for injury or death of persons or physical loss of or damage to property of Persons to the extent arising from either Party's (including its employees or agents) negligence, breach or willful misconduct in connection with the performance of Services under this Agreement. Each Party shall also indemnify, defend and hold harmless either Party and its officers, directors, employees, agents and representatives from and against any and all regulatory penalties or fines and reasonable expenses (including attorneys' fees and expenses) to the extent arising from the either Party's violation of

any law, regulation, or government approval in connection with the performance of this Agreement.

5.2 Limitation of Liability. Each Party's liability in connection with its performance of the Services hereunder, regardless of whether such liability arises in contract, tort or otherwise, shall not exceed the aggregate amount of the fees payable hereunder; provided that, the such limitation shall not apply to, and each Party shall be liable for, Losses arising under or caused in whole or in part by either Party's gross negligence, fraud or willful misconduct or the Party's third party indemnification obligations under Section 5.1. The Parties agree that for any loss implicating any of the liability or property insurance required to be carried by Seller under this Agreement, or otherwise carried by Buyer in relation to the Facility, the limitation of liability in this Section 5.2 shall correspond to and not reduce the coverage limits in all such primary and excess insurance policies. The Parties' liability shall be covered, at a minimum, to the full extent of the limits of their respective insurance coverages. Nothing in this Section 5.2 inures to the benefit of the Parties' insurers. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY, IN NO EVENT SHALL EITHER PARTY, OR ANY OF ITS AFFILIATES, HAVE ANY LIABILITY HEREUNDER TO THE CLAIMING PARTY OR ITS AFFILIATES IN RESPECT OF ANY INCIDENTAL, SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES, LOSSES, OR EXPENSES ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT OR THE PERFORMANCE OR NONPERFORMANCE OF SERVICES HEREUNDER.

5.3 Insurance. Seller shall at its sole cost and expense procure, provide, and maintain, and shall require each subcontractor (regardless of tier) to provide and maintain, in effect during the performance of any Services under this Agreement, and with respect to subparagraphs (d) and (e) below, the period of time specified therein, insurance coverage with carriers reasonably satisfactory to Buyer, as follows (collectively, the "Required Policies")[1]:

(a) Workers' Compensation insurance in accordance with statutory limits, as required by the state in which the services are to be performed, including a waiver of subrogation favoring Buyer, and Employer's Liability insurance with limits of not less than [one million dollars ($1,000,000)] each employee for accident, [one million dollars ($1,000,000)] each employee for disease, and [one million dollars ($1,000,000)] policy limit for disease.

(b) Commercial General Liability insurance providing coverage for bodily injury, property damage, personal injury, advertising liability, blanket contractual liability, Seller's obligations under this Agreement, products and completed operations, and coverage for independent contractors with limits of not less than [one million dollars ($1,000,000)] for each occurrence. Such policy shall cover Buyer as an additional insured, include a severability of

[1] Note to the Form: Parties to negotiate the policy limits and deductions to reflect customary and market limits at the time of signing the Transition Services Agreement.

interest provision, and be primary and not contributory with respect to any insurance carried by Buyer.

(c) Commercial Automobile Liability insurance providing coverage for all owned, non-owned, and hired automobiles used by Seller in the performance of the Services with a combined single limit of not less than [one million dollars ($1,000,000)] for each occurrence of bodily injury and property damage.

(d) Errors & Omissions/Professional Liability insurance, including coverage for liability arising from intellectual property infringement, information technology and software development services, with limits of [one million dollars ($1,000,000)] per claim and in the aggregate. The policy must be kept in force during the life of the contract and for three years (either as a policy in force with "prior acts" coverage covering the Agreement's term, or under an extended reporting provision) after contract termination.

(e) Cyber Security Coverage including technology / professional liability insurance, intellectual property infringement, and data protection liability insurance. Seller shall procure and maintain coverage for cyber liabilities and financial loss resulting or arising from acts, errors, or omissions, in connection with data maintenance, hosting, software development and other information technology services provided under this agreement. Coverage shall include protection for liability arising from:

(i) intellectual property infringement arising out of software and/or content (excluding patent infringement and misappropriation of trade secrets);
(ii) breaches of security;
(iii) violation or infringement of any right, privacy, breach of federal, state, or foreign security and/or privacy laws or regulations; and
(iv) data theft, damage, destruction, or corruption, including without limitation, unauthorized access, unauthorized use, identity theft, theft of personally identifiable information or confidential corporate information, transmission of a computer virus or other type of malicious code; and participation in a denial of service attack on a third party.

The minimum limits shall be [three million dollars ($3,000,000)] for each claim and in the aggregate.

The Required Policies must address all of the foregoing without limitation if caused by an employee of Seller or an independent contractor working on behalf of Seller in performing Services under this Agreement. Policy must provide coverage for wrongful acts, claims, and lawsuits anywhere in the world. The Required Policies must be kept in force during the Term and for three years (either as a policy in force with "prior acts" coverage covering the Agreement's Term, or under an extended reporting provision) after contract termination.

All Required Policies shall provide not less than thirty (30) calendar day notice of cancellation to Buyer. The Required Policies shall not include any of the following: except for

Professional Liability Insurance, any claims-made insurance policies; any self-insured retention or deductible amount greater than [two hundred fifty thousand dollars ($250,000)] unless approved in writing by Buyer; any endorsement limiting coverage available to Buyer that is otherwise required by this Section 5.3; and any policy or endorsement language that (A) negates coverage to Buyer for Buyer's own negligence; (B) limits the duty to defend Buyer under the policy; (C) provides coverage to Buyer only if Seller is negligent, or (D) permits the recovery of defense costs from any additional insured. The insurance provided under this Agreement shall not contain any restrictions or limitations which are inconsistent with Buyer's rights under this Agreement.

Seller shall furnish Buyer proof of all Required Policies evidencing the required coverages prior to commencement of Services under this Agreement. Seller shall provide Buyer a new or renewed certificate of insurance upon any changes or modifications to coverage including any extension or renewal of required insurance coverage; provided that any changes or modifications to coverage shall be consistent with the requirements of this Agreement.

The insurance requirements set forth in this Section 5.3 are separate and independent from the indemnification and defense provisions of this Agreement. The insurance provisions do not limit the applicability, scope, or obligations of indemnification and defense obligations of this Agreement, and this Agreement's indemnification and defense obligations do not limit the insurance coverage requirements of this Agreement.

ARTICLE VI
RELATIONSHIP OF PARTIES

This Agreement is not intended to and shall not be construed as creating a joint venture, partnership, agency or other association within the meaning of the common law or under the laws of the state in which any Party is incorporated, organized, or conducting business. Except for the obligations arising from the authorized activities of Seller as described herein, no Party shall be responsible for the obligations or actions of any other Party, each Party being severally responsible only for its obligations and actions arising hereunder. It is the intent of the Parties that with respect to performing the Services, the Seller and its Affiliates are independent contractors, and shall provide the Services in accordance with the reasonable instructions provided by authorized representatives of Buyer, subject to the provisions of this Agreement.

ARTICLE VII
FORCE MAJEURE

7.1 Force Majeure Event. No Party shall be liable to any other Party for its failure or delay in performing its obligations hereunder (other than its obligation to pay money for Services rendered hereunder) due to any contingency beyond such Party's reasonable control (a "Force Majeure Event") including, without limitation, acts of God, fires, floods, wars, acts of war, sabotage, terrorism, accidents, labor disputes (whether or not such disputes are within the power of the Party to settle), shortages, governmental laws, ordinances, rules or regulations.

7.2 Notice of Force Majeure Event. Each Party affected by a Force Majeure Event will give notice to the other Party as promptly as practicable of the nature and probable duration of the Force Majeure Event as well as of the anticipated termination of such Force Majeure Event. The Party affected by the Force Majeure Event will use commercially reasonable efforts to remove the Force Majeure Event and, in the case of Seller, to resume the performance of the Services as soon as reasonably practicable after such removal.

ARTICLE VIII
CONFIDENTIALITY

This Agreement is subject to the terms and conditions of Section 14.19 of the PPA.

ARTICLE IX
MISCELLANEOUS

9.1 Operational Coordination. Buyer designates [_____] as Buyer's representative[s] for purposes of operational coordination under this Agreement. Seller designates [_____] as Seller's representative[s] for purposes of operational coordination under this Agreement. Either Party may change its designee for purposes of this Section 9.1 by providing notice thereof to the other Party in accordance with this Section.

9.2 Notices. All notices and other communications required or permitted to be given or delivered hereunder shall be in writing signed by or on behalf of the Party making the same, shall specify the Section under this Agreement pursuant to which it is given or made and shall be delivered personally, transmitted by facsimile with answerback confirmed or sent by recognized overnight courier service or United States mail, postage prepaid and return receipt requested, directed to the Party intended at the address or facsimile number set forth in Section 12.5 of the Option Agreement, or at such other address or facsimile number as may be designated by such Party by notice given to the other Party in the manner aforesaid, and shall be effective upon receipt. Such address may be changed from time to time by means of a notice given in the manner provided in this Section 9.2.

9.3 Waiver. The failure of a Party at any time or times to enforce or require performance of any provision hereof shall in no way operate as a waiver or affect the right of such Party at a later time to enforce the same. No waiver by a Party of any condition or the breach of any term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or breach, or a waiver of any other condition or of any breach of any other term, covenant, representation or warranty contained in this Agreement. Any waiver of an obligation, agreement or condition contained herein shall be valid and effective only if in writing and signed by the Party making such waiver.

9.4 Severability. In the event any provision of this Agreement is held to be invalid by a court or arbitrator of competent jurisdiction, the invalidity of any such provision shall in no way affect any other provision contained herein; provided, however, that any such invalidity does not

materially prejudice either Buyer or Seller in their respective rights and obligations contained in the valid provisions of this Agreement.

9.5 Dispute. In the event of any claim, controversy or dispute between the Parties arising out of or relating to or in connection with this Agreement (including any dispute concerning the validity of this Agreement or the scope and interpretation of this Section 9.5 (a "Dispute"), either Party (the "Notifying Party") may deliver to the other Party (the "Recipient Party") notice of the Dispute with a detailed description of the underlying circumstances of such Dispute (a "Dispute Notice"). The Dispute Notice shall include a schedule of the availability of the Notifying Party's senior officers (having a title of senior vice president (or its equivalent) or higher) duly authorized to settle the Dispute during the thirty (30) day period following the delivery of the Dispute Notice. The Recipient Party shall within five (5) Business Days following receipt of the Dispute Notice, provide to the Notifying Party a parallel schedule of availability of the Recipient Party's senior officers (having a title of senior vice president (or its equivalent) or higher) duly authorized to settle the Dispute. Following delivery of the respective senior officers' schedules of availability, the senior officers of the Parties shall meet and confer as often as they deem reasonably necessary during the remainder of the thirty (30) day period in good faith negotiations to resolve the Dispute to the satisfaction of each Party. In the event a Dispute is not resolved pursuant to the procedures set forth herein by the expiration of the thirty (30) day period set forth above, then either Party may pursue any legal remedy available to it in accordance with the provisions of this Agreement. In the event of a dispute regarding payments due hereunder, each Party shall continue to perform its respective obligations hereunder pending the resolution of such dispute.

9.6 Governing Law; Venue. This Agreement shall be governed by, interpreted and enforced in accordance with laws of the State of California, without regard to the conflict of laws principles thereof. In addition to the Dispute resolution process set forth above, the Parties must comply with California law governing claims against public entities and presentment of such claims. All litigation arising out of, or relating to this Agreement, shall be brought in a state or federal court in the County of Los Angeles in the State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs. Each of the Parties was represented by its respective legal counsel during the negotiation and execution of this Agreement.

9.7 No Third-Party Beneficiaries. Nothing in this Agreement, whether express or implied, is intended or shall be construed to confer any rights or remedies under or by reason of this Agreement on any persons other than the Parties and their respective successors and assigns permitted hereby, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third person to any Party to this Agreement, and no provision of this Agreement shall give any third persons any right of subrogation or action over and against any Party to this Agreement.

9.8 Counterparts. This Agreement may be executed in any number of original or facsimile counterparts and by different Parties on separate counterparts, all of which shall be considered one and the same agreement, and each of which shall be deemed an original, and this Agreement shall become binding when one or more such counterparts have been signed by each of the Parties and delivered to the other Parties.

9.9 Assignment; Delegation. No Party may assign any right, interest, or obligation granted it under this Agreement without the express written consent of the other Party. Subject to the foregoing, this Agreement shall be binding upon, shall inure to the benefit of, and shall be enforceable by the Parties and their permitted successors and assigns.

9.10 Entire Agreement; Amendments. This Agreement (including Schedule 1 hereto) and the Option Agreement (a) constitute the entire agreement among the Parties with respect to the subject matter hereof and (b) supersede all prior statements, representations, discussions and understandings relating to such subject matter. This Agreement shall only be amended or modified by a written instrument signed by a duly authorized representative of each of the Parties.

9.11 Headings. The headings of Articles and Sections contained in this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of or to affect in any way the meaning or interpretation of this Agreement.

[SIGNATURE PAGE FOLLOWS]

The Parties have caused this Agreement to be executed and delivered as of the date first set forth above by their duly authorized representatives.

SELLER

NOTCH PEAK PROJECT, LLC

By:_____

Name:_____

Title:_____

BUYER

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By:_____

Name:_____

Title:_____

SCHEDULE 1
TO TRANSITION SERVICES AGREEMENT

SERVICES[2]

Following the Closing Date, during the Initial Term and, if applicable, the Extension Term, Seller shall perform (or shall cause its Affiliates to perform) the following Services:

1. Access, Information and Training. Seller shall provide Buyer and Buyer's representatives, agents, employees and personnel ("Buyer's Personnel") with access, information and training as may be reasonably required so that the transfer of the duties and responsibilities of Seller cause as little disruption as possible to the Facility.
2. System Monitoring. Seller shall conduct system monitoring or assist Buyer's Personnel with conducting system monitoring, including, as applicable, continued upkeep and operation of any operations center that monitors project metrics or hosts SCADA activities, retrieval and storage of performance data and remote or on-Premises monitoring and support.
3. Preventative and Scheduled Maintenance. Seller shall perform or assist Buyer's Personnel with performing maintenance duties for the Facility Assets, which may include, but are not limited to, the following duties:
    - Regular inspection, repair and functional testing of Facility components, including, as necessary, of photovoltaic modules, mounting systems, combiner boxes and fuse boxes, inverter shelters, power conversion station performers, switchgear and other components.
    - Regular inspection, repair and functional testing of inverters in compliance with, and to ensure continued coverage under, any applicable warranties.
    - Regular inspection and repair, adjustment or cleaning, in accordance with manufacturers' recommendations, of filters, cable connections, warning labels, paint and exterior, operators and handles, weather stripping, relays, transistors and other items.
    - Visual inspection of the Facility and the Premises and correction of undesirable conditions, including fencing, shading, vegetation, animal damage, erosion, corrosion and discolored panels.
    - Inspection and correction of loose electrical connections and ground connections.
    - Training regarding Seller's Quality Assurance Program (as defined in the Power Purchase Agreement between the Parties), and provision of and

[2] **NTD**: To be updated in connection with execution.

training regarding Seller's operation and maintenance plan and related records.

- Maintain records of service history and information and training regarding such maintenance.
- Maintenance and testing of sensors and meters.

4. Emergency Response. Seller shall provide or assist Buyer's Personnel with providing responses to emergency events that reduce or halt power production and with performing unscheduled repairs. Seller shall provide, and provide training regarding, any documents, plans or protocols Seller has developed in relation to such events.
5. Warranty Management. Seller shall verify and enforce or assist Buyer's Personnel with verifying and enforcing all warranties applicable to the Facility Assets.
6. Spare Parts Inventory Management. Seller shall maintain or assist Buyer's Personnel with maintaining spare parts inventories for the Facility and documentation related to the usage and location of spare parts. Seller shall assist Buyer's Personnel in determining appropriate quantities of inventory and with the procurement of goods and materials that Buyer will need for continued operating and maintenance of the Facility.
7. Performance Reporting. Seller shall continue to generate or assist Buyer's Personnel with generating appropriate reports from Facility data.
8. Compliance with Requirements. Seller shall comply with, assist Buyer's Personnel in complying with, and provide information and training regarding compliance with all applicable permits, Operative Documents, Assumed Contracts, warranties, and other requirements applicable to the Facility Assets.
9. Data Transfer. Seller shall transfer the data from the Computerized Maintenance Management System to Buyer.

B. **Excluded Services.**

[Seller and Buyer shall mutually agree on any Excluded Services on or before the Closing Date.]

C. **Fees for Services.**

[Seller and Buyer shall mutually agree on fees for Services on or before the Closing Date.]

EXHIBIT 7.4(i)
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

SELLER GUARANTY

[To come.]

SCHEDULE 3.3
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

REAL PROPERTY MATTERS

[All Real Property Contracts and Real Property Interests of Seller to be set forth in accordance with Section 3.3 shall be specified and briefly described in this Schedule]

SCHEDULE 3.4
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

SELLER'S CONSENTS

[All Consents of Seller which are necessary or incidental to the Facility shall be specified and briefly described in this Schedule]

SCHEDULE 3.5
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

CERTAIN ASSETS

[Any Assets that are not in good repair and operating condition, normal wear and tear excepted, and Excluded Assets.]

SCHEDULE 3.6
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

TITLE TO FACILITY ASSETS

[Any exceptions to Seller's representation regarding having good title to the Facility Asset, free and clear of all Liens, except for certain permitted liens.]

SCHEDULE 3.7
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

ENVIRONMENTAL MATTERS

[All environmental matters referred to in Section 3.7 shall be specified and briefly described in this Schedule]

SCHEDULE 3.8
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

LIABILITIES

[All liabilities referred to in Section 3.8 shall be specified and briefly described in this Schedule]

SCHEDULE 3.9
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

TAX MATTERS

[All tax matters referred to in Section 3.9 shall be specified and briefly described in this Schedule]

SCHEDULE 3.10
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

COMPLIANCE WITH LAWS

[All non-compliance with laws referred to in Section 3.10 shall be specified and briefly described in this Schedule]

SCHEDULE 3.11
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

LITIGATION

[All litigation proceedings referred to in Section 3.11 shall be specified and briefly described in this Schedule]

SCHEDULE 3.12(a)
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

CONTRACTS

[All Contract matters referred to in Section 3.12(a) of the Agreement shall be specified and briefly described in this Schedule, with any Contract not constituting an Assumed Contract identified by an asterisk (*)]

SCHEDULE 3.12(b)
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

EXCEPTIONS TO ASSUMED CONTRACTS

[All exceptions to the Assumed Contracts referred to in Section 3.12(a) and 3.12(b) of the Agreement shall be specified and briefly described in this Schedule.]

SCHEDULE 3.13
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

INTELLECTUAL PROPERTY

[All Intellectual Property Asset matters referred to in Section 3.13 with respect to the Facility shall be specified and briefly described in this Schedule]

SCHEDULE 3.15
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

PERMITS

[All Permit matters referred to in Section 3.15 of the Agreement shall be specified and briefly described in this Schedule, with any Permit not constituting a Transferred Permit identified by an asterisk (*)]

SCHEDULE 3.17
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

EMPLOYEE MATTERS

[All Employee matters referred to in Section 3.17 shall be specified and briefly described in this Schedule]

SCHEDULE 3.18
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

GENERAL MATTERS

[All general representation matters referred to in Section 3.18 shall be specified and briefly described in this Schedule]

SCHEDULE 4.3
to
OPTION AGREEMENT
dated as of April 16, 2026
by and between
NOTCH PEAK PROJECT, LLC
and
SCPPA

BUYER'S CONSENTS

[All Consents of Buyer which are necessary or incidental to the Closing shall be specified and briefly described in this Schedule]

APPENDIX M

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

FORM OF LETTER OF CREDIT

DATE:

IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____

BENEFICIARY: Southern California Public Power Authority 1160 Nicole Court Glendora, California 91740 Telephone: (626) 793-9364 Facsimile: (626) 793-9461	APPLICANT:
ADVISING BANK:	AMOUNT: USD (FIGURES) (AMOUNT IN WORDS)
DATE OF EXPIRY: AT COUNTER OF ISSUING BANK	

Ladies and Gentlemen:

We hereby issue our Irrevocable Unconditional, Standby Letter of Credit ("Letter of Credit"*)* in favor of the beneficiary by order and for the account of the applicant, and on behalf of Notch Peak Project, LLC, which is available at sight for USD $[XX,XXX,XXX] by sight payment:

(a) upon presentation to us at our office at [*insert address*], of: (i) your written demand for payment containing the text of Exhibit I and (ii) your signed statement containing the text of Exhibit II (collectively, the "Documents"); or

(b) _____ Upon both beneficiary's telephone or fax advice of demand to the attention of transaction services at telephone [_____] and/or fax number [_____] and presentation to us by fax to address [_____] of: (i) your written demand for payment containing the text of Exhibit I and (ii) your statement containing the text of Exhibit II.

If you present a fax drawing under this Letter of Credit you do not need to present the original of any drawing documents, and if we receive any such original drawing documents, they will not be examined by us. In the event of a full or final drawing the original Letter of Credit must be

returned to us by overnight courier.

Funds may be drawn under this letter of credit, from time to time, in one or more drawings, in amounts not exceeding in the aggregate the amount specified above.

Upon presentation to us of your Documents in conformity with the foregoing, on the second Business Day after such presentation (unless such presentation occurs after [1:00 p.m. Eastern Standard Time] on the day of such presentation, in which event payment will be made on the third Business Day), but without any other delay whatsoever, irrevocably and without reserve or condition, we will make payment to your order in the account at the bank designated by you in the demand in immediately available funds. Funds may be drawn under this Letter of Credit, from time to time, in one or more drawings, in amounts not exceeding in the aggregate the Amount specified above.

"Business Day" means a day other than a Saturday, Sunday or any other day on which banking institutions in the State of New York are authorized or required by law to close.

Provided that the presentation of this Letter of Credit is made on or prior to the Expiration Date and the applicable Documents as set forth above conform to the requirements of this Letter of Credit, payment hereunder shall be made regardless of: (a) any written or oral direction, request, notice or other communication now or hereafter received by us from the Applicant or any other person except you, including any communication regarding fraud, forgery, lack of authority or other defect not apparent on the face of the Documents presented by you, but excluding solely a valid written order issued by a court of competent jurisdiction that is legally binding upon us and specifically orders us not to make such payment; (b) the solvency, existence or condition, financial or other, of the Applicant or any other person or property from whom or which we may be entitled to reimbursement for such payment; and (c) without limiting clause (b) above, whether we are in receipt of or expect to receive funds or other property as reimbursement in whole or in part for such payment.

We agree that the time set forth herein for payment of any demand(s) for payment is sufficient to enable us to examine such demand(s) and the related Documents referred to above with care so as to ascertain that on their face they appear to comply with the terms of this Letter of Credit, and that if such demand(s) and Documents on their face appear to so comply, failure to make any such payment within such time shall constitute dishonor of such demand(s).

The stated amount of this Letter of Credit may be increased or decreased, and the expiration date of this Letter of Credit may be extended, by an amendment to this Letter of Credit and as otherwise provided in this Letter of Credit. Any amendment shall become effective only upon acceptance by your signature on a hard copy amendment. The expiration date shall also be amended as provided in the following paragraph.

This Letter of Credit shall expire on the earliest to occur of (1) the Expiration Date or (2) our receipt of written confirmation from the Beneficiary authorizing us to cancel this Letter of Credit accompanied by the original of this Letter of Credit. This Letter of Credit shall automatically renew, without amendment, for a term of one year (and the Expiration Date shall automatically be extended for such period) upon the Expiration Date unless we provide the Beneficiary with a written notice of non-renewal (each such notice a "Notice of Non-Renewal") in a customary form on our letterhead, by overnight courier, at least sixty (60) days prior to the then existing

Expiration Date. It is agreed that a Notice of Non-Renewal shall be deemed given without any further action by us with respect to any extension of the Expiration Date to any date occurring after [_____][2]. To the extent a Notice of Non-Renewal has been provided to the Beneficiary in accordance herewith, the Beneficiary is authorized to draw on us up to the stated amount of this Letter of Credit, by presentation to us, in the manner specified herein of (i) your written demand for payment containing the text of Exhibit I and (ii) your signed statement containing the text of Exhibit II.

You shall not be bound by any written or oral agreement of any type between us and the Applicant or any other person relating to this credit, whether now or hereafter existing.

In the event of an Act of God, riot, civil commotion, insurrection, war or any other cause beyond our control that interrupts our business and causes the place for presentation of this Letter of Credit to be closed for business on the last day for presentation, the expiry date of this Letter of Credit will be automatically extended without amendment to a date twenty (20) calendar days after the place for presentation reopens for business.

We hereby engage with you that your demand(s) for payment in conformity with the terms of this Letter of Credit will be duly honored as set forth above. All fees and other costs associated with the issuance of and any drawing(s) against this Letter of Credit shall be for the account of the Applicant. All of the rights of the Beneficiary set forth above shall inure to the benefit of your successors by operation of law. In this connection, in the event of a drawing made by a party other than you, such drawing must be accompanied by the following signed certification:

"The undersigned does hereby certify that _[drawer]_ is the successor by operation of law to Southern California Public Power Authority, the Beneficiary named in [name of banks] Letter of Credit No._____ ."

THIS LETTER OF CREDIT IS TRANSFERABLE IN FULL, BUT NOT IN PART BY BENEFICIARY, AND MAY BE TRANSFERRED SUCCESSIVELY. WE SHALL NOT RECOGNIZE ANY TRANSFER OF THIS CREDIT UNTIL A TRANSFER APPLICATION IN THE FORM OF EXHIBIT III ATTACHED HERETO IS FILED WITH US, AND OUR TRANSFER CHARGES HAVE BEEN PAID BY THE APPLICANT. OUR TRANSFER FEE IS [____]. THE ORIGINAL LETTER OF CREDIT AND ANY ORIGINAL AMENDMENTS MUST ACCOMPANY THE TRANSFER APPLICATION. THE SIGNATURE AND THE TITLE OF THE PERSON SIGNING THE TRANSFER APPLICATION MUST BE VERIFIED BY YOUR BANK OR NOTARIZED BY A NOTARY PUBLIC.

Except so far as otherwise expressly stated herein, this Letter of Credit is governed by International Standby Practices 98 ("ISP98"). As to matters not governed by the ISP98, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of New York. Any litigation arising out of, or relating to this Letter of Credit, shall be brought in a State or Federal court in the Borough of Manhattan in the State of New York. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of New York.

Please send all claims and drawings as per the terms and conditions herein at the following address:

---

[2] **NTD**: To be finalized at time of issuance.

[_____]

.

For queries if any contact our client services team at: [_____] or [_____]

_____ _____

[_____] [_____]

AUTHORIZED SIGNATURE AUTHORIZED SIGNATURE

Exhibit I
Demand for Payment

TO: [_____]
[_____]

Re: Irrevocable and Unconditional, Standby Letter of Credit

No. _____ Dated _____, 20__

To Whom It May Concern:

Demand is hereby made upon you for payment to us of $_____ by deposit to our account no. at [insert name of bank]. This demand is made under, and is subject to and governed by, your Irrevocable and Unconditional, Standby Letter of Credit No. ___ dated _____, 20__ in the amount of $_____ established by you in our favor for the account of _____ as the Applicant.

DATED: _____ , 20 __

SOUTHERN CALIFORNIA PUBLIC
POWER AUTHORITY

By: _____
Name:
Title:

Date:

Attest: _____
Name:
Title:

Exhibit II
Statement

TO: [_____]
[_____]

Re: Irrevocable and Unconditional, Standby Letter of Credit

No. _____ Dated _____, 20__

To Whom It May Concern:

Reference is hereby made to your Irrevocable and Unconditional, Standby Letter of Credit No. [_____] dated [_____] in the amount of $ [_____] established by you in our favor for the account of _____., on behalf of Notch Peak Project, LLC.

We hereby certify to you that $_____is payable to us [as provided in our agreement with Notch Peak Project, LLC and that we are entitled to draw on this Irrevocable and Unconditional, Standby Letter of Credit No. [_____] pursuant to the terms of such agreement.] [because you have provided us a Notice of Non-Renewal.]

DATED: _____ , 20 __

SOUTHERN CALIFORNIA PUBLIC
POWER AUTHORITY

By: _____
Name:
Title:

Date:

Attest: _____
Name:
Title:

Exhibit III
Application

APPLICATION TO TRANSFER A STANDBY CREDIT

DATE: _____

TO
[_____]
[_____]

STANDBY LETTER OF CREDIT REFERENCE NO. _____

LADIES AND GENTLEMEN,

FOR VALUE RECEIVED, THE UNDERSIGNED BENEFICIARY HEREBY IRREVOCABLY TRANSFERS TO:

_____
(NAME OF TRANSFEREE)

_____
(ADDRESS)

REASON FOR TRANSFER OF STANDBY LETTER OF CREDIT:
_____

ALL RIGHTS OF THE UNDERSIGNED BENEFICIARY TO DRAW UNDER THE ABOVE STANDBY LETTER OF CREDIT IN ITS ENTIRETY.

BY THIS TRANSFER, ALL RIGHTS OF THE UNDERSIGNED BENEFICIARY IN SUCH STANDBY LETTER OF CREDIT ARE TRANSFERRED TO THE TRANSFEREE AND THE TRANSFEREE SHALL HAVE THE SOLE RIGHTS AS BENEFICIARY THEREOF, INCLUDING SOLE RIGHTS RELATING TO ANY AMENDMENTS, WHETHER INCREASES OR EXTENSIONS, OR OTHER AMENDMENTS AND WHETHER NOW EXISTING OR HEREAFTER MADE.

ALL AMENDMENTS ARE TO BE ADVISED DIRECTLY TO THE TRANSFEREE WITHOUT NECESSITY OF CONSENT OR NOTICE TO THE UNDERSIGNED BENEFICIARY.

THE ORIGINAL OF SUCH STANDBY LETTER OF CREDIT IS RETURNED HEREWITH AND WE ASK YOU TO ENDORSE THE TRANSFER ON THE REVERSE THEREOF, AND FORWARD IT DIRECTLY TO THE TRANSFEREE WITH YOUR CUSTOMARY NOTICE OF TRANSFER.

AUTHORIZED SIGNATORIES

NAME OF BENEFICIARY: _____

BY: _____

PRINT NAME:_____

TITLE: _____

TELEPHONE NUMBER: _____ E-MAIL ADDRESS: _____

THE ABOVE SIGNATURE, WITH TITLE AS STATED, CONFORMS TO THAT ON FILE WITH US, AND IS AUTHORIZED FOR THE EXECUTION OF THIS DOCUMENT.

NAME OF BANK/ NOTARY: _____

BANK / NOTARY ADDRESS: _____

_____

BY: _____
AUTHORIZED SIGNATURE

NAME: _____

TITLE: _____
TELEPHONE NUMBER: _____ E-MAIL ADDRESS:
_____

APPENDIX N

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

CERTIFICATE FOR COMMERCIAL OPERATION

In accordance with the terms of that certain Power Purchase Agreement dated as of [___], 2026 ("***Agreement***") by and between Southern California Public Power Authority ("***Buyer***") and Notch Peak Project, LLC ("***Seller***"), in order to determine achievement of Commercial Operation of the Facility, Seller shall demonstrate to Buyer that the Facility is operating and able to produce and deliver Facility Energy to Buyer in accordance with the terms of the Agreement by delivery of a Certificate of Commercial Operation (the "***Certificate***"), signed by an authorized representative of Seller as to all of the items below, and which shall include a certificate in the form attached hereto of an Independent Engineer, licensed in the State of Utah, regarding the Facility's ability to deliver Facility Energy and confirming the items set forth therein. Any term used but not defined in the Certificate shall have the meaning set forth in the Agreement. The Certificate shall be submitted by Seller, along with reasonable documentation as may be requested by Buyer, and certify as to the following:

1. Solar panels and all other equipment comprising the Facility have been installed in accordance with the manufacturer's specifications.

2. The electrical collection system related to the solar panels referenced in (1) above is complete, functional, and energized for the Facility.

3. Seller's collector substation is complete and capable of delivering an as-available product.

4. The Facility is operational and interconnected with the Point of Delivery and capable of delivering the Facility Energy.

5. Copies of any documentation provided by the manufacturer of the solar panels referenced in paragraph (1) with respect to the warranties provided in connection therewith have been provided to Buyer.

6. Construction of the Facility has been completed in accordance with the terms and conditions of this Agreement, and the Facility possesses all of the characteristics required by, and satisfies all of, the Requirements.

7. The Facility has successfully completed all testing required by Prudent Utility Practices or any Requirement of Law to be completed prior to full commercial operation. Testing shall include but not be limited to operating the Facility for a period of not less than seven (7) consecutive days and delivering Delivered Energy in an amount equal to at least ninety-five percent (95%) of the Contract Capacity during such period in accordance with the Requirements. The Facility shall demonstrate it has delivered the Facility Energy to the Point of Delivery at a rate, volume, and time of day in a manner

equivalent to a facility with similar specifications and under similar solar profiles during such period.

8. Seller has obtained all of the Permits required for the development, construction, operation and maintenance of the Facility (other than ministerial Permits that can reasonably be expected to be obtained in the ordinary course of business), including those identified in Appendix K of the PPA, and all such Permits are final and effective.

9. Seller has obtained the Operating Insurance.

10. Seller shall have entered into, and delivered to Buyer, an agreement providing for the operation and maintenance of the Facility with a Qualified Operator (which may be redacted for confidential or proprietary information), in form and substance reasonably satisfactory to Buyer, unless Seller provides the operation and maintenance of the Facility.

11. Seller provided the Performance Security in accordance with Section 5.6 of the Agreement.

12. Seller has fully performed and discharged any liabilities, indebtedness, guarantees or other obligations in compliance with the definition of "Special Purpose Entity."

13. Seller has delivered and Buyer has approved the final Transmission Line Loss Factor.

14. Buyer has received a bring-down of the Non-Consolidation Opinion.

15. Buyer has received a true and complete copy of the Interconnection Agreement.

16. Buyer has accepted (which acceptance shall not be unreasonably withheld, conditioned or delayed) Seller's proof of registration with NERC for all applicable Function Types in the NERC Compliance Registry in accordance with the currently effective NERC Rules of Procedure, including Seller's registration as both Generator Owner and Generator Operator.

17. Buyer has accepted Seller's mapping of NERC registered Function Types in accordance with the currently-effective WECC Entity Function Mapping procedures.

18. Buyer has received and found reasonably acceptable the applicable Q/A Program documentation in accordance with Appendix J.

Upon reasonable notice and during regular business hours, Buyer's representative(s) may inspect the Facility and observe the testing associated with achievement of Commercial Operation, provided that such representative(s) of Buyer shall at all times comply with Seller's written instructions regarding safety and security while on the Facility Site.

Signed,

_____

NAME:
TITLE:
DATE:

INDEPENDENT ENGINEER CERTIFICATE

In accordance with the terms of that certain Power Purchase Agreement dated as of [___], 2026 ("***Agreement***") by and between Southern California Public Power Authority ("***Buyer***") and Notch Peak Project, LLC ("***Seller***"), in order determine achievement of Commercial Operation of the Facility, I, _____, an Independent Engineer, licensed in the State of Utah, certify the following regarding the Facility's ability to deliver Delivered Energy:

1. Solar panels and all other equipment comprising the Facility have been installed in accordance with the manufacturer's specifications.

2. The electrical collection system related to the solar panels referenced in (1) above is complete, functional, and energized for the Facility.

3. Seller's collector substation is complete and capable of delivering an as-available product.

4. Copies of any documentation provided by the manufacturer of the solar panels referenced in paragraph (1) with respect to the warranties provided in connection therewith have been provided to Buyer.

5. The Facility is operational and interconnected with the Point of Delivery and capable of delivering the Facility Energy.

6. Construction of the Facility has been completed in accordance with Prudent Utility Practices.

7. The Transmission Line Loss Factor is [●]%, which is consistent with the percentage Seller submitted to Buyer and Buyer approved prior to the date hereof.

8. The Facility has successfully completed all testing required by Prudent Utility Practices or any Requirement of Law to be completed prior to full commercial operation. Testing shall include but not be limited to operating the Facility for a period of not less than seven (7) consecutive days and delivering Delivered Energy in an amount equal to at least ninety-five percent (95%) of the Contract Capacity during such period in accordance with the Requirements. The Facility shall demonstrate it has delivered the Facility Energy to the Point of Delivery at a rate, volume, and time of day in a manner equivalent to a facility with similar specifications and under similar solar profiles during such period.

[*Signature Page to Follow*]

Signed,

_____

Name:
Title:
Date:

APPENDIX O

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

FORM OF CONSENT AND ESTOPPEL AGREEMENT[3]

CONSENT AND ESTOPPEL AGREEMENT

This CONSENT AND ESTOPPEL AGREEMENT (this "Consent"), dated as of _____, 20__, by and among Southern California Public Power Authority ("Buyer"), [_____] (in its capacity as collateral agent for the Facility Lenders under the Financing Agreement, as defined below, "Collateral Agent") and Notch Peak Project, LLC, a Delaware limited liability company ("Seller"). Each of Buyer, Seller and Collateral Agent is referred to under this Agreement as a "Party" and together they are referred to as the "Parties"; provided, that in no event shall the term "Buyer" refer to any of the members of Buyer. Capitalized terms used but not defined herein shall have the meanings set forth in the PPA (as defined below).

RECITALS[4]

A. [_____] ("Borrower"), an indirect owner of Seller, entered into a Financing Agreement with Collateral Agent, as administrative agent and collateral agent and certain other lenders party thereto, dated as of _____, 20__ (the "Financing Agreement"), under which Seller will finance the construction of an up to [_____] MW solar-powered electric generating facility (the "Facility" as further described in the PPA). Seller and Collateral Agent have also entered into a Guarantee and Security Agreement (the "Security Agreement") under which Seller collaterally assigned its interest under the PPA to Collateral Agent as collateral for the credit facilities under the Financing Agreement and a deed of trust or mortgage under which Seller has granted to Collateral Agent a lien on the Facility to be recorded in [_____] (the "Financing Deed of Trust"). Additionally, [_____] ("Pledgor") has entered into a Guarantee, Pledge and Security Agreement pursuant to which it has pledged to Collateral Agent all of the membership interests in Seller, to secure Borrower's obligations under the Financing Agreement (the "Pledge Agreement" and, together with the Security Agreement and Financing Deed of Trust, the "Lender Collateral Documents"). [On the "Term Conversion Date" (which for purposes of this Consent shall mean the date upon which the construction period security is released, the construction loan is converted to a term loan, the Lender Collateral Documents are terminated, and the remaining collateral security in the Project is as described by Collateral Agent in Section 4.10 hereof), the only remaining collateral security of the Collateral Agent securing the obligations of the Borrower under the Financing Agreement will be the membership interests in

[3] ***NTD: Subject to lender comments, this Consent and Estoppel Agreement to be in substantially similar form as Appendix O.***

[4] ***NTD: Conforming changes to be made throughout this Consent (including the Recitals) to reflect the structure of the applicable financing arrangement and the final form of consent is subject to the actual financing structure.***

and any assets of the Pledgor and the Borrower, and there will be no remaining collateral security of the Collateral Agent in the Seller or its assets that secures the obligations of the Borrower under the Financing Agreement. A true and correct copy of each of the Lender Collateral Documents has been furnished to Buyer.][5]

B. Buyer and Seller entered into that certain Power Purchase Agreement, dated as of [___], 2024 (as may be amended, supplemented, or modified from time to time, the "PPA"), pursuant to which Seller will develop, finance, construct, own, and operate the Facility, and will, except as otherwise provided in the PPA, sell the Energy to Buyer.

C. Pursuant to Section 13.4 of the PPA, Seller is assigning, pursuant to the Security Agreement, to Collateral Agent Seller's interest under the PPA. In addition, this Consent is entered into in compliance with Section 14.6(d) of the PPA.

AGREEMENT

1. Assignment and Agreement.

1.1 Consent to Assignment. Buyer hereby consents to the collateral assignment to Collateral Agent pursuant to the Security Agreement of Seller's rights to and under the PPA, pursuant to the Financing Deed of Trust of Seller's interests in the Facility and pursuant to the Pledge Agreement of Pledgor's membership interests in Seller (together, the "Assigned Interests") as security for Borrower's obligations under the Financing Agreement. Subject to the terms and conditions of this Consent, Buyer agrees that in exercising its remedies, Collateral Agent may exercise Seller's rights under the PPA.

1.2 Notices: Right to Cure by Collateral Agent. Upon the occurrence of a Default (as defined under the PPA) by Seller under the PPA, Buyer shall give concurrent notice of such Default to Seller and Collateral Agent. Buyer shall not terminate or suspend its performance under the PPA until Collateral Agent has been given, (a) if such Default is a monetary Default, thirty (30) days after the later of (i) the expiration of all cure periods available to Seller under the PPA and (ii) receipt of such notice to cure a monetary Default or, (b) if such Default is a nonmonetary Default, sixty (60) days after the later of (i) the expiration of all cure periods available to Seller under the PPA and (ii) receipt of such notice (or up to sixty (60) additional days, so long as Collateral Agent reasonably demonstrates to Buyer that it is diligently pursuing appropriate action to cure and is making sufficient progress toward curing such Default); provided, that if the Collateral Agent is prohibited from curing any such Default by any process, stay or injunction issued by any Governmental Authority or pursuant to any bankruptcy or insolvency proceeding or other similar proceeding involving Seller, then the time periods specified herein for curing a Default shall be extended for the period of such prohibition, so long as the Collateral Agent has diligently pursued removal of such process, stay or injunction, but in no event more than one hundred twenty (120) days. Failure of Buyer to provide such notice to Collateral Agent shall not constitute a breach of the PPA or this Consent by Buyer and Collateral Agent agrees that Buyer shall have no liability to Collateral Agent for such failure whatsoever; provided that no claim of

[5] ***NTD: It is anticipated that the Facility level liens would terminate on the Term Conversion Date. However, it is possible that they will not depending upon how the monetization of the anticipated tax credits from the Facility are structured. Conforming changes to be made to this Consent and Agreement to reflect the final financing structure.***

Default or termination of the PPA by Buyer shall be binding without such notice and the lapsing of the applicable periods set forth above. If Collateral Agent fails to cure a Default within the applicable period, Buyer shall have all its rights and remedies with respect to such Default as set forth in the PPA.

1.3 Subsequent Owner or Replacement Agreement.

(a) Subsequent Owner. Subject to the terms and conditions of this Consent, the Parties agree that the Collateral Agent shall, in accordance with Section 1.5, notify Buyer of the pendency of such foreclosure or transfer and, in addition, Collateral Agent shall subsequently notify Buyer following the occurrence of such foreclosure or transfer. If Collateral Agent notifies Buyer in writing that it has foreclosed on the Facility or the Assigned Interests pursuant to the Lender Collateral Documents, or taken a "deed in lieu of foreclosure", Collateral Agent or its permitted successor or assigns, or any other purchaser of the Assigned Interests shall be recognized as a party substituting for Seller under the PPA and the Option Agreement so long as Collateral Agent or its permitted successor or assigns, or any other purchaser of the Assigned Interests meets the qualifications for a Qualified Transferee and expressly assumes in writing Seller's obligations under the PPA and the Option Agreement and agrees to comply with the terms of the PPA and the Option Agreement in connection with such foreclosure or the "deed in lieu of foreclosure" (provided, that if the Collateral Agent or an Affiliate of the Collateral Agent would be deemed as the Subsequent Owner, then it shall not be obligated to meet the requirement set forth in clause (a)(ii)(B) of the definition of Qualified Transferee so long as the Collateral Agent or its applicable Affiliate transfers the Facility or the Assigned Interests to a Qualified Transferee within six (6) months following the foreclosure) (each such permitted and qualified successor or assign or other purchaser of the Assigned Interests, a "Subsequent Owner") and the terms and conditions of the PPA and the Option Agreement as in effect on such date of assignment or foreclosure shall continue to apply to such Subsequent Owner. For purposes of the definition of Qualified Transferee contained in the PPA, any Person that meets the definition of Qualified Operator or is identified on Exhibit E hereof or an Affiliate of such Person shall be a Qualified Operator, so long as such Person is not in active litigation adverse to Buyer or any Participating Member.

(b) Replacement Agreement. If the PPA is terminated or rejected in connection with a bankruptcy, insolvency, winding up or similar occurrence with respect to Seller, then, Collateral Agent or a Subsequent Owner shall certify in writing to Buyer, not more than ninety (90) days after the date of such termination or rejection, as applicable, occurs, that it meets the requirements of a Subsequent Owner and will perform the obligations of Seller as and to the extent required under the PPA. Following receipt of such certification and at the request of Collateral Agent, Buyer will execute and deliver to Collateral Agent or Subsequent Owner a new agreement for the balance of the remaining term under the original PPA containing the same conditions, agreements, terms, provisions and limitations as the original PPA.

1.4 Buyer Cure Rights under the Financing Agreement. Under the Financing Agreement, the Collateral Agent shall agree not to exercise remedies under the Financing Agreement or any related collateral documents that could preclude Buyer from exercising its purchase option pursuant to Section 1.5 below until Buyer has been given: (a) if such default thereunder is a monetary default, thirty (30) days after the expiration of all cure periods available to Seller under the Financing Agreement, or (b) if such default thereunder is a nonmonetary

default, sixty (60) days after the expiration of all cure periods available to Seller under the Financing Agreement, so long as, in the case of this clause (b), Buyer reasonably demonstrates that it is diligently pursuing appropriate action to cure and is making sufficient progress toward curing such default; and the effect of any such cure by Buyer shall be as if Seller had cured the applicable default within the cure period afforded Seller under the Financing Agreement, including cessation of exercise of remedies by the Collateral Agent; provided, that Buyer shall not have any cure rights pursuant to this Section 1.4 to the extent that Seller's default under the Financing Agreement is caused by Buyer's payment default under the PPA. Upon any payment or cure by Buyer relating to such a default by Seller, the amounts expended by Buyer to provide such cure, including any defaulted payment and interest thereon at the Interest Rate, and all other payments made and expenses incurred by Buyer in providing such cure shall be applied either (i) in reduction of the price for the Delivered Energy payable by Buyer as provided under Section 6.1 and Appendix A of the PPA, provided that the reduction of the price for the Delivered Energy shall not result in an inability of Seller to pay required debt service in connection with the Facility Debt (as defined below), or (ii) in the event of the purchase of the Facility by Buyer under Section 1.5 hereof, the purchase price shall be reduced by such amounts expended to provide such cure, provided that the purchase price shall not be less than the Facility Debt (as defined below). For purposes of this Consent, "Facility Debt" shall have the meaning set forth in the PPA, except that (i) the reference to the obligations of "Seller" thereunder shall be deemed to refer to the obligations of "Borrower," as the counterparty under the Financing Agreement and (ii) any debt of Borrower to the lenders under the Financing Agreement shall be deemed "Facility Debt". Upon the request of the Buyer, the Collateral Agent can send a written notice of the amount of Facility Debt that is needed to be received by the Collateral Agent pursuant to the Financing Agreement.

1.5 Buyer's Purchase in Lieu of Foreclosure. In the event of any default by Seller under the Financing Agreement that has not been cured as provided hereunder or thereunder, prior to taking any action, whether judicial or non-judicial, to foreclose upon and sell the Facility or the Assigned Interests (in either case, a "Foreclosure Sale") pursuant to the Lender Collateral Documents, or prior to taking a deed in lieu of foreclosure, Collateral Agent shall, concurrent with any statutory notice required to be delivered to Seller, give notice in writing to Buyer not less than ninety (90) days prior to the date of such Foreclosure Sale or taking of a deed in lieu of foreclosure in the form of Exhibit A hereto containing the information specified therein (the "Foreclosure Notice").

(a) Upon receipt by Buyer of a Foreclosure Notice, Buyer shall have the right, at its option, to purchase the Facility from Seller in lieu of foreclosure as set forth in this Section 1.5. In the event that, within thirty (30) days following Buyer's receipt of such Foreclosure Notice, Buyer furnishes written notice to Collateral Agent that it will (concurrent with and subject to the closing of a bond financing by Buyer) exercise its option to purchase the Facility, which notice shall be in the form of, and containing the information specified in, Exhibit B hereto (the "Purchase Notice"), including setting forth the date of such purchase (which shall be within ninety (90) days following the date of Buyer's notice to Collateral Agent in the form of Exhibit B, which date may be reasonably extended by Buyer for up to an additional fifteen (15) days in order to close the bond financing), Buyer shall purchase the Facility from Seller as hereinafter provided. The purchase price of the Facility shall be paid by the Buyer to the account designated by Collateral Agent and shall be equal to the amount, measured as of the date of such payment, of the Facility Debt. In

consideration of such payment, Collateral Agent shall, upon the closing therefor, release of record all of the liens and security interests under the Lender Collateral Documents.

(b) If Buyer believes that the purchase of the Facility will not take place within such ninety (90) day period, and, prior to the end of such ninety (90) day period provides notice to Collateral Agent in the form of Exhibit C, then the Foreclosure Sale (or, as applicable, the taking of a deed in lieu of foreclosure) shall not be held and Buyer shall, within ten (10) days after the end of such ninety (90) day period, purchase from the Collateral Agent all of their right, title and interest in, to and under the Financing Agreement and the Lender Collateral Documents, free and clear of all Collateral Agent liens, claims and encumbrances. Upon such a purchase by Buyer, Collateral Agent agrees to cause the transfer, sale and assignment of all of the right, title and interest of the Collateral Agent in, to and under the Financing Agreement, related promissory notes, and the Lender Collateral Documents to be made to Buyer (or, if and to the extent designated by Buyer, to a member of Buyer that is a purchaser from Buyer of Energy produced by the Facility (a "Member")) upon the payment by Buyer or such Member to Collateral Agent of the amount of the Facility Debt measured as of the date of such purchase.

(c) If Buyer has not provided Collateral Agent a notice in the form of Exhibit C prior to the end of such ninety (90) day period after the Foreclosure Notice, then the Collateral Agent may effect the Foreclosure Sale or take a deed in lieu of foreclosure at any time after the end of such ninety (90) day period.

1.6 Foreclosure Sale. In the event a Foreclosure Sale under the Lender Collateral Documents shall take place, Collateral Agent may sell the Assigned Interests pursuant to such Foreclosure Sale to any Person, free of any rights of Buyer under this Section 1.6, and Seller waives, to the extent permitted by law, all rights of redemption, stay or appraisal; provided, however, Buyer or any Member shall have the right to bid at such Foreclosure Sale.

1.7 Third Party Beneficiary. No action of Buyer taken pursuant to the exercise of its rights as provided in this Consent shall be deemed to be a waiver of any right accruing to Buyer on account of the occurrence of any matter which constitutes a default or a breach of Seller's obligations under the Financing Agreement.

1.8 No Assignment. Buyer agrees that it shall not, without the prior written joint consent of Seller and Collateral Agent (such consent to not be unreasonably withheld, conditioned or delayed) sell, assign or transfer any of its rights under the PPA other than in accordance with Section 14.6 of the PPA. Collateral Agent shall be deemed to have consented to such sale, assignment or transfer should it fail to respond within (90) days after the date of the notice from Buyer.

1.9 Limitation of Liability.

(a) Seller agrees that it shall indemnify and hold Buyer harmless from any third-party claims, losses, liabilities, damages, costs or expenses (including, without limitation, any third-party direct, indirect or consequential claims, losses, liabilities, damages, costs or expenses, including legal fees) in connection with or arising out of any of the transactions related to the Financing Agreement or any of the Lender Collateral Documents, or this Consent.

(b) Collateral Agent or any Subsequent Owner shall expressly assume in writing Seller's obligations under the PPA and the Option Agreement and agree to comply with the terms of the PPA and the Option Agreement if Collateral Agent forecloses on the Facility or the Assigned Interests or takes a "deed in lieu of foreclosure", and shall not have any liability under the PPA unless and until such assumption. Collateral Agent agrees that, except to the extent expressly provided hereunder, in no event shall Buyer be liable to Collateral Agent or any Subsequent Owner for any claims, losses, expenses or damages whatsoever under the PPA other than liability Buyer may have to Seller under the PPA. In the event a Subsequent Owner elects to perform Seller's obligations under the PPA, Buyer's rights under the Option Agreement shall survive any Foreclosure Sale. A Subsequent Owner shall assume both the PPA and the Option Agreement, or neither, and may not assume only the PPA without assuming the Option Agreement.

1.10. Assignment of PPA by Collateral Agent. In connection with an exercise of remedies under the Financing Agreement or any related security documents, the Collateral Agent shall not assign the PPA without also assigning the Option Agreement therewith.

2. Payments under the PPA. Without limiting the rights of Buyer under the PPA, Buyer shall pay any amounts owed in the manner and when required under the PPA directly to the accounts specified below or otherwise designated by Collateral Agent to Buyer in writing. From and after such time as an entity qualifies as a Subsequent Owner, Buyer shall pay all such amounts owed directly to or at the written direction of such Subsequent Owner. Seller hereby directs Buyer, and Buyer agrees, to make all payments and amounts Buyer is obligated to pay to Seller under the PPA, which payments shall satisfy any such payment obligations of Buyer to Seller in full and complete satisfaction of Buyer's obligations to Seller under the PPA, to the following account:

Bank Name: _____
Account Number: _____
ABA Number: _____
Account Name: [_____]

Collateral Agent and Seller agree that any change in payment notification shall become effective within thirty (30) days after receipt by Buyer of written notice thereof in accordance with this Consent. Buyer shall have no liability to Seller or Collateral Agent (or their successors and assigns) for making payments due or to become due under the PPA to Lender or for failure to direct such payments to Collateral Agent rather than Seller.

3. Acknowledgements; Representations and Warranties.

(a) Seller and Collateral Agent acknowledge that Buyer has not made and hereby makes no representation or warranty, expressed or implied, that Seller has any right, title or interest in the collateral secured by the Lender Collateral Documents (the "Collateral") and Collateral Agent acknowledges that it has not relied upon any such representations of Buyer. Collateral Agent acknowledges that it is responsible for satisfying itself as to the existence and extent of Seller's right, title, and interest in the Collateral.

(b) Except as otherwise expressly provided herein, Collateral Agent acknowledges that Buyer shall not have any contractual obligations to Collateral Agent, and

Collateral Agent acknowledges that it has not relied upon any representations of Buyer in connection with its lending arrangements with Seller, other than the representations of Buyer set forth in this Consent and the representations of Buyer set forth in the estoppel certificate that Buyer will deliver pursuant to this Consent.

(c) Except in the event of Buyer's breach of this Consent, Seller and Collateral Agent acknowledge that Buyer shall have no liability to Seller or Collateral Agent resulting from or related to this Consent, or for consenting to any future assignments of the Collateral or any interest of Seller or Collateral Agent therein.

(d) Seller and Collateral Agent each agree that Buyer shall at all times have (and Buyer hereby expressly reserves) the right to set off or deduct from payments due to Seller under the PPA amounts owing to Buyer by Seller under the PPA in accordance with Section 11.4 of the PPA.

(e) Each of Buyer, Seller and Collateral Agent represents and warrants that it is duly authorized to enter into and perform its obligations under this Consent.

(f) Seller represents and warrants to Buyer that the rights of Buyer to exercise its cure rights and other rights and remedies hereunder, including to purchase the Facility in accordance with the provisions of Section 1.5 of this Consent, do not and will not conflict with the Financing Agreement, and are permitted by the Financing Agreement, the Lender Collateral Documents, and any related agreements and documents securing Seller's performance under the Financing Agreement.

(g) Buyer agrees that any foreclosure by Collateral Agent on the membership interests in Borrower or Pledgor upon the occurrence of a default by Borrower under the Financing Agreement shall not constitute a breach under the PPA if the Facility is operated and maintained by a Qualified Operator (as defined in the PPA) following any such foreclosure. Collateral Agent shall obtain Buyer's consent (such consent not to be unreasonably withheld) prior to any transfer by Collateral Agent of the membership interests in Borrower or Pledgor upon the occurrence of a default by Borrower under the Financing Agreement to an entity other than a Qualified Transferee (provided, that if the Collateral Agent or an Affiliate of the Collateral Agent is the Subsequent Owner, then it shall not be obligated to meet the requirement set forth in clause (a)(ii)(B) of the definition of Qualified Transferee so long as the Collateral Agent or its applicable Affiliate transfers the Facility or the Assigned Interests to a Qualified Transferee within six (6) months following any foreclosure).

4. Miscellaneous.

4.1 Governing Law; Submission to Jurisdiction.

(a) This Consent shall be governed by, interpreted and enforced in accordance with the laws of the State of California, without regard to conflict of law principles.

(b) All litigation arising out of, or relating to this Consent, shall be brought in a State or Federal court in the County of Los Angeles in the State of California. The Parties

irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of forum non conveniens.

4.2 No Amendment of PPA. This Consent (in the form as attached to the PPA as of the Effective Date) shall not be deemed to be an amendment to the PPA.

4.3 Counterparts. This Consent may be executed in any number of counterparts and by the different Parties on separate counterparts, each of which, when so executed and delivered, shall be an original, but all of which shall together constitute one and the same instrument.

4.4 Amendment, Waiver. Neither this Consent nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by Buyer and Collateral Agent and after the initial funding by any Tax Equity Investor, such Tax Equity Investor.

4.5 Successors and Assigns. This Consent shall bind and benefit Buyer, Seller and Collateral Agent, and their respective successors and permitted assigns.

4.6 Attorney's Fees. Seller shall reimburse Buyer for all actual and documented reasonable costs and expenses incurred by Buyer in connection with the facilitation of Seller's collateral assignment or pledge of the PPA, or any other action taken in connection with the transactions contemplated in this Consent, or otherwise pursuant to any request made by Seller or any Collateral Agent.

4.7 Representation by Counsel. Each of the Parties was represented by its respective legal counsel during the negotiation and execution of this Consent.

4.8 Estoppel Certificate. Buyer agrees to deliver to the Tax Equity Investors and the Collateral Agent a customary estoppel certificate substantially in the form of Exhibit D from time to time, including on the date of delivery of this Consent, in connection with the fundings by the Tax Equity Investors and in connection with the achievement of Commercial Operation of the Facility following receipt of a written request therefor from Seller.

4.9 Notices. Any communications between the Parties or notices provided herein to be given shall be given to the following addresses:

If to Seller:

Notch Peak Project, LLC
c/o [_____]

If to Buyer:

Southern California. Public Power Authority
1160 Nicole Court
Glendora, CA 91740
Facsimile: (626) 793-9461
Telephone: (626) 793-9364
Attention: Executive Director

If to Collateral Agent:

[_____]

All notices or other communications required or permitted to be given hereunder shall be in writing and shall be considered as properly given (a) if delivered in person, (b) if sent by overnight delivery service, (c) if mailed by first class United States Mail, postage prepaid, registered or certified with return receipt requested, or (d) if sent by prepaid telegram or by facsimile. Any Party may change its address for notice hereunder by giving written notice of such change to the other Parties.

4.10 [Termination of Collateral Documents and Consent. Seller and Collateral Agent agree that upon the termination of the Lender Collateral Documents on the Term Conversion Date (as defined in the Recitals), the only remaining collateral security of the Collateral Agent securing the obligations of the Borrower under the Financing Agreement will be the membership interests in and any assets of the Pledgor and the Borrower, and there will be no remaining collateral security of the Collateral Agent in the Seller or its assets that secures the obligations of the Borrower under the Financing Agreement. Seller agrees to deliver notice of the occurrence of the Term Conversion Date to Buyer (with a copy to Collateral Agent) promptly but in no event more than 10 days after such Term Conversion Date. The Parties agree that, as of such date, any rights, duties or obligations arising hereunder shall terminate and no longer be applicable; provided, that Sections 1.9(a), 3, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.8, 4.9, and 4.10 and the definition of "Facility Debt" in Section 1.4 shall survive the termination of this Consent.][6]

4.11 [Tax Equity Investor Accession. Each of Buyer, Collateral Agent, Seller and the Tax Equity Investors hereby agree as follows:

(a) Effective as of (i) the date of the initial funding by any Tax Equity Investor, (ii) the execution by the Tax Equity Investor of an accession agreement to this Consent reasonably acceptable to the other Parties hereto and (iii) the earlier to occur of (1) the date that the obligations under the Financing Agreement are repaid in full; and (2) the Term Conversion Date:

I. The rights of the Collateral Agent under Section 1 hereof and the payment direction in Section 2 hereof will terminate.

II. Buyer will not terminate the PPA or suspend performance of its services under the PPA on account of any Default (as defined under the PPA) of Seller thereunder, without written notice to the Tax Equity Investors and first providing to the Tax Equity Investors (i) thirty (30) days from the date notice of Default is delivered to the Tax Equity Investors to cure such Default if such Default is the failure to pay amounts to Buyer which are due and payable by Seller under the PPA, or (ii) one forty-five (45) days from receipt of such notice, to cure such Default if the Default cannot be cured by the payment of money to Buyer.

(b) The address of the Tax Equity Investors for purposes of all notices and other communications shall be as set forth in the applicable accession agreement.]

[Signature page follows]

[6] ***NTD: These provisions to be included if applicable.***

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

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____
[_____]
President

Date: _____

Attest: _____
[_____]
Assistant Secretary

Notch Peak Project, LLC, a Delaware limited liability company

By: _____
Name: [_____]
Title: [_____]

[Collateral Agent]

By: _____
Name: [_____]
Title: [_____]

EXHIBIT A
to Consent and Estoppel Agreement

FORM OF FORECLOSURE NOTICE
[Letterhead of Collateral Agent]

[Insert date]

Via Certified Mail, Return Receipt Requested

Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
Attn: Executive Director

Re: **[]**

Ladies and Gentlemen:

This notice is provided to you pursuant to the Consent and Agreement ("Consent") dated as of _____, 20__, among Southern California Public Power Authority ("Buyer"), _____, as collateral agent ("Collateral Agent") and Notch Peak Project, LLC ("Seller"). This is a Foreclosure Notice, as defined in the Consent. Capitalized terms used herein and not defined herein have the respective meanings given in the Consent.

As of the date hereof, the following amounts are due and owing by Seller under the Financing Agreement:

Principal amount of loans:
Accrued Interest:
Reimbursable Amounts
Fees:

As of the date hereof, interest is accruing at the rate of ____% per annum *[Insert if applicable*: and fees are accruing at the rate of _____% per annum]. This interest rate will apply until *[insert date which is end of current interest period]*, from which time the interest rate may be higher or lower. A default rate of interest equal to [2][7]% above the otherwise applicable rate *[does/does not]* currently apply *[If does not currently apply, add*: but may be applied at any time]. *[If applicable, state*: The principal amount of loans shown above does not reflect the entire loan commitment under the Financing Agreement. Additional loans may be made, with or without the Seller's consent, and such additional loans will accrue interest as provided in the Financing Agreement.]

[7] **NTD**: Subject to applicable Financing Agreement.

An Event of Default, as defined in the Financing Agreement, has occurred and is continuing. The Collateral Agent anticipates that it may foreclose upon the Assigned Interests or take a deed in lieu of foreclosure on a date estimated to be *[insert day no less than ninety (90) days from the date of notice]*. Such date may be modified as permitted by law, but will in no event be prior to ninety (90) days after the date hereof.

Very truly yours,

[_____]

EXHIBIT B
to Consent and Estoppel Agreement

FORM OF PURCHASE NOTICE

[Letterhead of SCPPA]

[Insert date]

Via Certified Mail, Return Receipt Requested

[_____]
[Address]
[City, State ZIP]
Attn: [_____]

Re:

Ladies and Gentlemen:

This notice is provided to you pursuant to the Consent and Agreement ("Consent"), dated as of _____, 20__, among Southern California Public Power Authority ("Buyer"), _____, as collateral agent ("Collateral Agent") and Notch Peak Project, LLC ("Seller"). This is a Purchase Notice, as defined in the Consent. Capitalized terms used and not defined herein have the respective meanings given in the Consent.

We have received your foreclosure Notice, dated [insert date of Foreclosure Notice]. By this Purchase Notice, we hereby notify Collateral Agent that we will exercise our option and purchase the Facility pursuant to our rights under Section 1.5(a) of the Consent no later than ninety (90) days from the date of the Foreclosure Notice, and upon consummation of such purchase, pay to Collateral Agent, for the account of the Collateral Agent, the Facility Debt.

Very truly yours,

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____
[_____]
President

Date: _____

Attest: _____
[_____]
Assistant Secretary

EXHIBIT C
to Consent and Estoppel Agreement

FORM OF PURCHASE NOTICE

[Letterhead of SCPPA]

[Insert date]

Via Certified Mail, Return Receipt Requested

[_____]
[Address]
[City, State ZIP]
Attn: [_____]

Re:

Ladies and Gentlemen:

This notice is provided to you pursuant to the Consent and Agreement ("Consent"), dated as of _____, 20__, among Southern California Public Power Authority ("Buyer"), _____, as collateral agent ("Collateral Agent") and Notch Peak Project, LLC ("Seller"). Capitalized terms used herein and not defined herein have the respective meanings given in the Consent.

We have received your Foreclosure Notice, dated ***[insert date of Foreclosure Notice]***. By this notice, we hereby notify Collateral Agent that we believe that the purchase of the Facility pursuant to Section 1.5(b) of the Consent will not take place within the ninety (90) day period following our receipt of such Foreclosure Notice. We will, within ten (10) days after the end of such ninety (90) day period, purchase from the Collateral Agent all of their right, title and interest in, to and under the Financing Agreement, related promissory notes, and Lender Collateral Documents, for a price equal to the Facility Debt.

Very truly yours,

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____
[_____]
President

Date: _____

Attest: _____
[_____]
Assistant Secretary

EXHIBIT D
to Consent and Estoppel Agreement

[FORM OF] PPA ESTOPPEL CERTIFICATE

[Date][8]

Reference is made to that certain Power Purchase Agreement (the "Power Purchase Agreement") dated as of [___], 2026 (the "PPA"), by and between the Southern California Public Power Authority, a public entity and joint powers agency formed and organized pursuant to the California Joint Exercise of Powers Act (California Government Code Section 6500, *et seq.*) ("Buyer"; provided, that in no event shall the term "Buyer" refer to any of the members of Buyer, and the term "Buyer's knowledge" as used herein shall refer only to the knowledge of persons at SCPPA, and not to the knowledge of anyone at any of the members of Buyer) and Notch Peak Project, LLC, a Delaware limited liability company ("Seller"). Terms used herein but not defined herein have the same meanings as in the PPA.

Buyer hereby confirms and agrees as of the date hereof as follows:

1. The copy of the PPA, as amended, attached as Exhibit A, constitutes a true and complete copy of the PPA.

2. The PPA is in full force and effect and has not been modified or amended in any way [since [_____ __, 202_]], and constitutes the only agreement between Buyer and Seller other than that certain Consent and Estoppel Agreement dated as of [_____, 20__] and that certain Option Agreement dated as of [___], 2026.

3. Buyer has not transferred or assigned its interest in the PPA.

4. Buyer is not in default under the PPA nor has Buyer breached any of its representations, warranties, agreements or covenants under the PPA and, to Buyer's knowledge, no facts or circumstances exist which, with the passage of time or the giving of notice nor both, would constitute a default or breach by Buyer under the PPA or that would give Seller the right to terminate the PPA. To Buyer's knowledge, Seller is not in default under the PPA nor, to Buyer's knowledge, has Seller breached any of its representations, warranties, agreements or covenants under the PPA and, to Buyer's knowledge, no facts or circumstances exist which, with the passage of time or the giving of notice nor both, would constitute a default or breach by Seller under the PPA or that would allow Buyer to terminate the PPA.

5. All representations made by Buyer in the PPA were true and correct as of the effective date of the PPA and continue to be true and correct.

6. To Buyer's knowledge, no event, act, circumstance or condition constituting an event of Force Majeure under the PPA has occurred and is continuing.

[8] To be delivered on the date of delivery of the Consent and, upon the initial funding and upon the final funding under the Tax Equity transaction commensurate with COD.

7. Seller has not claimed any amounts under the indemnification obligation of Buyer set forth in the PPA.

8. To Buyer's knowledge, Buyer has no existing counterclaims, offsets or defenses against Seller under the PPA. Buyer has no present knowledge of any facts entitling Buyer to any material claim, counterclaim or offset against Seller in respect of the PPA.

9. All payments due and owing[, except for those under dispute as described in Schedule I hereto][9], under the PPA by Buyer have been paid in full through the period ending on the date hereof.

10. [The Commercial Operation Date of the Facility occurred on [____], 202[__].

11. The Contract Capacity of the Project as of the Commercial Operation Date is [ ] MW.] [10]

IN WITNESS WHEREOF, Buyer has caused this Certificate to be duly executed by its officer thereunto duly authorized as of the date first set forth above.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____
Name:
Title:

[9] To include if applicable.

[10] Bracketed language in 10 and 11 to be included in the Estoppel Certificate delivered at the final funding under the Tax Equity Transaction commensurate with COD.

[Schedule I

SCHEDULE I TO [FORM OF] PPA ESTOPPEL CERTIFICATE][11]

[11] To include if applicable.

EXHIBIT E
to Consent and Estoppel Agreement

[*Seller to provide*]
Qualified Operators

[_____]

provided, however, that no Person listed above shall be a Qualified Operator if at the relevant time such Person is in active litigation adverse to Buyer or any Participating Member. Moreover, this list is not exclusive and, subject to the foregoing proviso, other entities that meet the definition of Qualified Operator in the PPA shall be deemed to be Qualified Operators hereunder.

APPENDIX P

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

BUYER'S SYSTEM PROTECTION DESIGN

The Facility shall be equipped with a distributed control system ("***DCS***") that will be able to throttle, ramp, turn-on, turn-off, and telemeter the total MW output. The DCS will use the DNP 3.0 and International Electrotechnical Commission ("***IEC***") 61850 communication protocols to interface with LADWP's SCADA Remote Terminal Unit ("***RTU***"). All control, metering, and relay systems shall be provided with DNP 3.0 and IEC 61850, as may be updated from time to time.

Seller shall provide weather stations including data storage with automatic archiving of data files necessary to validate irradiance calculations at the Facility Site. Data storage capacity shall be sufficient to store 360 days of weather data.

Inverter/DCS Performance Criteria

A. Distributed Control System – The Facility Site shall have one master DCS at the 34.5 kV level controlling the inverters. The master DCS shall provide the capability of controlling the entire Facility's output, and shall provide to the operators the ability to control the active power output of the Facility through a single setpoint. The DCS shall allow LADWP's ECC to issue commands (single setpoint) for the options listed below.

B. Normal Startup – The master DCS shall provide the capability of starting the entire Facility to partial or full output ("***Normal Startup***"), and shall provide to the operators the ability to control Normal Startup of the entire Facility through a single command.

C. Normal Shutdown – The master DCS shall provide the capability of stopping the entire Facility from partial or full output ("***Normal Shutdown***"), and shall provide to the operators the ability to control Normal Shutdown of the entire Facility through a single command.

D. Emergency Stop – The DCS shall be capable of operating in two stop modes (each, an "***Emergency Stop***"), as necessary (automatic Emergency Stop and directed Emergency Stop). In automatic Emergency Stop mode, the master DCS shall meet any shutdown requirements specified in applicable NERC Reliability Standards, including as of the Effective Date NERC Reliability Standard PRC-024, and shall be capable of shutting down in full compliance with UL1741, and with applicable NERC Reliability Standards, in either mode as necessary for LADWP operations. In directed Emergency Stop mode, the master DCS shall provide the capability of stopping the entire Facility from partial or full output through a single command.

E. Black Start – The master DCS's capability of starting the entire Facility from a Black Start condition, even when sufficient solar irradiance is available to the solar collectors, is NOT

required. However, the Facility shall maintain communication and control power and capability with LADWP's ECC whether solar irradiance is available or not.

F. Solar Curtailment – The master DCS shall provide the capability to curtail solar photovoltaic power generation to a specified percentage of the nominal power rating. Such curtailment of a Participating Member shall be effected by the control of the solar photovoltaic inverters of such Participating Member.

G. Voltage Ride Through – All systems supplied shall meet the Low Voltage Fault Ride Through ("***LVRT***") requirements and any over or under voltage capabilities specified in the applicable NERC Reliability Standards, including as of the Effective Date NERC Reliability Standard PRC-024, and shall be capable of operating in full compliance with UL1741, and with applicable NERC Reliability Standards applicable to LVRT requirements, in either mode as necessary for LADWP operations.

H. Fault Ride Through - All systems supplied under this Agreement shall meet any fault ride through requirements specified in applicable NERC Reliability Standards, including as of the Effective Date NERC Reliability Standard PRC-024, and shall be capable of operating in full compliance with UL1741, and with applicable NERC Reliability Standards relating to fault ride through requirements, in either mode as necessary for LADWP operations.

I. Frequency Ride Through - All systems supplied shall meet the over and under frequency capabilities specified in applicable NERC Reliability Standards, including as of the Effective Date NERC Reliability Standard PRC-024, and shall be capable of operating in full compliance with UL1741, and with applicable NERC Reliability Standards relating to over and under frequency capabilities, in either mode as necessary for LADWP operations.

J. Reactive Power - The inverters shall have the capability to supply and absorb reactive power over the complete real power range. The DCS shall be able to control inverter reactive power dispatch through a single setpoint in each of the following three modes: Power Factor Control Mode, Voltage Control Mode, and Reactive Power Control Mode. In Power Factor Control Mode, the DCS shall provide the operators the ability to control the Facility's reactive power dispatch within the power factor range of 0.95 lead/lag at the Point of Interconnection (as specified in the Generator Interconnection Agreement). In Reactive Power Control mode, the DCS shall provide the operators the ability to control the Facility's reactive power dispatch at the Point of Interconnection independently of active power production. In Voltage Control Mode, the DCS shall provide the operators the ability to control the voltage at the Point of Interconnection within a specified range by automatically controlling reactive power dispatch dependent on active power production.

APPENDIX Q

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

BUSINESS POLICIES FORMS

City of Los Angeles
Department of Public Works
Bureau of Contract Administration
Office of Contract Compliance
1149 S. Broadway, Suite 300, Los Angeles, CA 90015
Phone: (213) 847-2625 E-mail: bca.eeoe@lacity.org

EQUAL BENEFITS ORDINANCE COMPLIANCE AFFIDAVIT

Prime contractors must certify compliance with Los Angeles Administrative Code (LAAC) Section 10.8.2.1 et seq. prior to the execution of a City agreement subject to the Equal Benefits Ordinance (EBO).

1. SECTION 1. CONTACT INFORMATION

Company Name: _____

Company Address: _____

City:_____State:_____Zip: _____

Contact Person:_____Phone:_____E-mail: _____

Approximate Number of Employees in the United States: _____

Approximate Number of Employees in the City of Los Angeles: _____

2. SECTION 2. EBO REQUIREMENTS

The EBO requires City Contractors who provide benefits to employees with spouses to provide the same benefits to employees with domestic partners. Domestic Partner means any two adults, of the same or different sex, who have registered as domestic partners with a governmental entity pursuant to state or local law authorizing this registration, or with an internal registry maintained by the employer of at least one of the domestic partners.

Unless otherwise exempt, the contractor is subject to and shall comply with the EBO as follows:

A. The contractor's operations located within the City limits, regardless of whether there are employees at those locations performing work on the City Contract; and
B. The contractor's operations located outside of the City limits if the property is owned by the City or the City has a right to occupy the property, and if the contractor's presence at or on the property is connected to a Contract with the City; and
C. The Contractor's employees located elsewhere in the United States, but outside of the City Limits, if those employees are performing work on the City Contract.

A Contractor must post a copy of the following statement in conspicuous places at its place of business available to employees and applicants for employment:

"During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners."

3. SECTION 3. COMPLIANCE OPTIONS

I have read and understand the provisions of the Equal Benefits Ordinance and have determined that this company will comply as indicated below:

☐……. I have no employees.

☐……. I provide no benefits.

☐……. I provide benefits to employees only. Employees are prohibited from enrolling their spouse or domestic partner.

☐……. I provide equal benefits as required by the City of Los Angeles EBO.

☐……. I provide employees with a "Cash Equivalent." Note: The "Cash Equivalent" is the amount of money equivalent to what your company pays for spousal benefits that are unavailable for domestic partners, or vice versa.

☐……. All or some employees are covered by a collective bargaining agreement (CBA) or union trust fund. Consequently, I will provide Equal Benefits to all non-union represented employees, subject to the EBO, and will propose to the affected unions that they incorporate the requirements of the EBO into their CBA upon amendment, extension, or other modification of the CBA.

☐……. Health benefits currently provided do not comply with the EBO. However, I will make the necessary changes to provide Equal Benefits upon my next Open Enrollment period which begins on (Date) _____.

☐……. Our current company policies, i.e., family leave, bereavement leave, etc., do not comply with the provisions of the EBO. However, I will make the necessary modifications within three (3) months from the date of this affidavit.

4. SECTION 4. DECLARATION UNDER PENALTY OF PERJURY

I understand that I am required to permit the City of Los Angeles access to and upon request, must provide certified copies of all company records pertaining to benefits, policies and practices for the purpose of investigation or to ascertain compliance with the Equal Benefits Ordinance. I will notify the City's Designated Administrative Agency if any changes are made that will affect our compliance with the Equal Benefits Ordinance. Furthermore, I understand that failure to comply with LAAC Section 10.8.2.1 et seq., Equal Benefits Ordinance may be deemed a material breach of any City contract by the Awarding Authority. The Awarding Authority may cancel, terminate or suspend in whole or in part, the contract; monies due or to become due under a contract may be retained by the City until compliance is achieved. The City may also pursue any and all other remedies at law or in equity for any breach. The City may use the failure to comply with the Equal Benefits Ordinance as evidence against the Contractor in actions taken pursuant to the provisions of the LAAC Section 10.40, et seq., Contractor Responsibility Ordinance.

_____ will comply with the Equal Benefits Ordinance requirements
Company Name
as indicated above prior to executing a contract with the City of Los Angeles and will comply for the entire duration of the contract(s).

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this _____ day of _____, in the year 20____, at _____, _____
(City) (State)

Signature	Mailing Address
Name of Signatory (please print)	City, State, Zip Code
Title	EIN/TIN

City of Los Angeles
Department of Water and Power

CERTIFICATION OF COMPLIANCE WITH CHILD SUPPORT OBLIGATIONS

The Undersigned hereby agrees that_____will:
Name of Business

1. Fully comply with all applicable State and Federal employment reporting requirements for its employees.

2. Fully comply with and implement all lawfully served Wages and Earnings Assignment Orders and Notices of Assignment.

3. Certify that the principal owner(s) of the business are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally. "Principal owner" means any person who owns an interest of 10 percent or more of the business or of a subcontractor assigned to City work. If there are no principal owners, please so indicate with an X here: ____(no principal owners)

4. Certify that the business will maintain compliance with Child Support Obligations Ordinance provisions.

I declare under penalty of perjury that the foregoing is true and was executed at:

_____
City/County/State

_____
Date

☐ **Please check if company has already submitted to DWP certification relative to Child Support Obligations Ordinance.**

_____
Name of Business Address

_____
Signature of Authorized Officer or Representative Print Name

_____
Title Telephone Number

Rev. April 2025

IRAN CONTRACTING ACT OF 2010 COMPLIANCE AFFIDAVIT

(California Public Contract Code Sections 2200-2208)

The California Legislature adopted the Iran Contracting Act of 2010 to respond to policies of Iran in a uniform fashion (PCC § 2201(q)). The Iran Contracting Act prohibits proposers engaged in investment activities in Iran from bidding on, submitting proposals for, or entering into or renewing contracts with public entities for goods and services of one million dollars ($1,000,000) or more (PCC § 2203(a)). A proposer who "engages in investment activities in Iran" is defined as either:

1. A proposer providing goods or services of twenty million dollars ($20,000,000) or more in the energy sector of Iran, including provision of oil or liquefied natural gas tankers, or products used to construct or maintain pipelines used to transport oil or liquefied natural gas, for the energy sector of Iran; **or**

2. A proposer that is a financial institution (as that term is defined in 50 U.S.C. § 1701) that extends twenty million dollars ($20,000,000) or more in credit to another person, for 45 days or more, if that person will use the credit to provide goods or services in the energy sector in Iran and is identified on a list created by the California Department of General Services (DGS) pursuant to PCC § 2203(b) as a person engaging in the investment activities in Iran.

The proposer shall certify that at the time of submitting a proposal for new contract or renewal of an existing contract, he or she is **not** identified on the DGS list of ineligible businesses or persons and that the proposer is **not** engaged in investment activities in Iran in violation of the Iran Contracting Act of 2010.

California law establishes penalties for providing false certifications, including civil penalties equal to the greater of $250,000 or twice the amount of the contract for which the false certification was made; contract termination; and three-year ineligibility to bid on contracts (PCC § 2205).

To comply with the Iran Contracting Act of 2010, the proposer shall complete and sign **ONE** of the options shown below.

OPTION #1: CERTIFICATION

I, the official named below, certify that I am duly authorized to execute this certification on behalf of the proposer or financial institution identified below, and that the proposer or financial institution identified below is **not** on the current DGS list of persons engaged in investment activities in Iran and is **not** a financial institution extending twenty million dollars ($20,000,000) or more in credit to another person or vendor, for 45 days or more, if that other person or vendor will use the credit to provide goods or services in the energy sector in Iran and is identified on the current DSG list of persons engaged in investment activities in Iran.

Name of Proposer/Financial Institution (Printed): _____

Signed by:_____(Authorized Signature)

_____(Printed Name)

_____(Title of Person Signing)

OPTION #2: EXEMPTION

Pursuant to PCC § 2203(c) and (d), a public entity may permit a proposer or financial institution engaged in investment activities in Iran, on a case-by-case basis, to be eligible for, or to bid on, submit a proposal for, or enter into, or renew, a contract for goods and services. If the proposer or financial institution identified below has obtained an exemption from the certification requirement under the Iran Contracting Act of 2010, the proposer or financial institution shall complete and sign below and attach documentation demonstrating the exemption approval.

Name of Proposer/Financial Institution (Printed): _____

Signed by:_____(Authorized Signature)

_____(Printed Name)

_____(Title of Person Signing)

CITY OF LOS ANGELES
PLEDGE OF COMPLIANCE WITH CONTRACTOR RESPONSIBILITY ORDINANCE

Los Angeles Administrative Code (LAAC) Section 10.40 et seq. (Contractor Responsibility Ordinance) provides that, unless specifically exempt, City contractors working under service contracts of at least $25,000 and three months, contracts for services and for purchasing goods and products that involve a value in excess of twenty-five thousand dollars ($25,000) and a term in excess of three months are covered by this Article; and construction contracts of any amount; public lessees; public licensees; and certain recipients of City financial assistance or City grant funds, shall comply with all applicable provisions of the Ordinance. Upon award of a City contract, public lease, public license, financial assistance or grant, the contractor, public lessee, public licensee, City financial assistance recipient, or grant recipient, and any of its subcontractor(s), shall submit this Pledge of Compliance to the awarding authority.

The contractor agrees to comply with the Contractor Responsibility Ordinance and the following provisions:

(a) To comply with all federal, state, and local laws in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.

(b) To notify the awarding authority within 30 calendar days after receiving notification that any governmental agency has initiated an investigation which may result in a finding that the contractor did not comply with any federal, state, or local law in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.

(c) To notify the awarding authority within 30 calendar days of all findings by a governmental agency or court of competent jurisdiction that the contractor has violated any federal, state, or local law in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees.

(d) If applicable, to provide the awarding authority, within 30 calendar days, updated responses to the Responsibility Questionnaire if any change occurs which would change any response contained within the Responsibility Questionnaire and such change would affect the contractor's fitness and ability to continue the contract.

(e) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, or sublicensee that perform or assist in performing services on the leased or licensed premises) shall comply with all federal, state, and local laws in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.

(f) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, sublicensee that perform or assist in performing services on the leased or licensed premises) submit a Pledge of Compliance.

(g) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, or sublicensee that perform or assist in performing services on the leased or licensed premises) shall comply with paragraphs (b) and (c).

Failure to complete and submit this form to the Awarding Authority may result in withholding of payments by the City Controller, or contract termination.

Company Name, Address and Phone Number

Signature of Officer or Authorized Representative Date

Print Name and Title of Officer or Authorized Representative

Awarding City Department Contract Number

NOTICE: Responses to this Questionnaire will not be made available to the public for review.

CITY OF LOS ANGELES RESPONSIBILITY QUESTIONNAIRE

RESPONSES TO THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE MUST BE SUBMITTED ON THIS FORM. In responding to the Questionnaire, neither the City form, nor any of the questions contained therein, may be retyped, recreated, modified, altered, or changed in any way, in whole or in part. Bidders or Proposers that submit responses on a form that has been retyped, recreated, modified, altered, or changed in any way shall be deemed non-responsive.

The signatory of this Questionnaire guarantees the truth and accuracy of all statements and answers to the questions herein. Failure to complete and return this questionnaire, any false statements, or failure to answer (a) question(s) when required, may render the bid/proposal non-responsive. All responses must be typewritten or printed in ink. Where an explanation is required or where additional space is needed to explain an answer, use the Responsibility Questionnaire Attachments. Submit the completed form and all attachments to the awarding authority. Retain a copy of this completed form for future reference. Contractors must submit updated information to the awarding authority if changes have occurred that would render any of the responses inaccurate in any way. Updates must be submitted to the awarding authority within 30 days of the change(s).

A. INFORMATION

_____
Bid Number and Project Title

BIDDER/CONTRACTOR INFORMATION

_____
Bidder/Proposer Business Name Contractor's License Number

_____
Street Address City State Zip

_____
Contact Person, Title Phone Fax

CERTIFICATION UNDER PENALTY OF PERJURY

I certify under penalty of perjury under the laws of the State of California that I have read and understand the questions contained in this questionnaire and the responses contained herein and on all Attachments. I further certify that I have provided full and complete answers to each question, and that all information provided in response to this Questionnaire is true and accurate to the best of my knowledge and belief.

☐ **The Questionnaire being submitted is:** *(check one)*

☐ An initial submission of a completed Questionnaire.

☐ An update of a prior Questionnaire dated_____/_____/_____. A copy of the prior Questionnaire **and** newly updated information are attached.

_____
Print Name, Title Signature Date

5. TOTAL NUMBER OF PAGES SUBMITTED, INCLUDING ALL ATTACHMENTS: _____

B. BUSINESS ORGANIZATION/STRUCTURE

Indicate the organizational structure of your firm. "Firm" includes a sole proprietorship, corporation, joint venture, consortium, association, or any combination thereof.

☐ **Corporation:** Date incorporated: ____/____/____ State of incorporation: _____
List the corporation's current officers.

President: _____

Vice President: _____

Secretary: _____

Treasurer: _____

□ Check the box only if your firm is a publicly traded corporation.
List those who own 5% or more of the corporation's stocks. Use Attachment A if more space is needed. Publicly traded corporations need not list the owners of 5% or more of the corporation's stocks.

_____ _____

_____ _____

☐ **Limited Liability Company:** Date of formation: ____/____/____ State of formation: _____
List members who own 5% or more of the company. Use Attachment A if more space is needed.

_____ _____

_____ _____

☐ **Partnership:** Date formed: ____/____/____ State of formation: _____
List all partners in your firm. Use Attachment A if more space is needed.

_____ _____

_____ _____

☐ **Sole Proprietorship:** Date started: ____/____/____
List any firm(s) that you have been associated with as an owner, partner, or officer for the last five years. Use Attachment A if more space is needed. Do not include ownership of stock in a publicly traded company in your response to this question.

_____ _____

_____ _____

☐ **Joint Venture:** Date formed: ____/____/____
List: (1) each firm that is a member of the joint venture and (2) the percentage of ownership the firm will have in the joint venture. Use Attachment A if more space is needed. **Each member of the Joint Venture must complete a separate Questionnaire for the Joint Venture's submission to be considered as responsive to the invitation.**

_____ _____

_____ _____

C. OWNERSHIP AND NAME CHANGES

1. Is your firm a subsidiary, parent, holding company, or affiliate of another firm?

   □ **Yes** □ **No**

   If **Yes**, explain on Attachment A the relationship between your firm and the associated firms. Include information about an affiliated firm only if one firm owns 50% or more of another firm, or if an owner, partner or officer of your firm holds a similar position in another firm.

2. Has any of the firm's owners, partners, or officers operated a similar business in the past five years?
   □ **Yes** □ **No**

   If **Yes**, list on Attachment A the names and addresses of all such businesses, and the person who operated the business. Include information about a similar business only if an owner, partner or officer of your firm holds a similar position in another firm.

3. Has the firm changed names in the past five years?
   □ **Yes** □ **No**

   If **Yes**, list on Attachment A all prior names, addresses, and the dates they were used. Explain the reason for each name change in the last five years.

4. Are any of your firm's licenses held in the name of a corporation or partnership?
   □ **Yes** □ **No**

   If Yes, list on Attachment A the name of the corporation or partnership that actually holds the license.

Bidders/Contractors must continue on to Section D and answer all remaining questions contained in this Questionnaire.

D. FINANCIAL RESOURCES AND RESPONSIBILITY

5. Is your firm now, or has it ever been at any time in the last five years, the debtor in a bankruptcy case?
   □ **Yes** □ **No**

   If **Yes**, explain on Attachment B the circumstances surrounding each instance.

6. Is your company in the process of, or in negotiations toward, being sold?
   □ **Yes** □ **No**

   If **Yes**, explain the circumstances on Attachment B.

E. PERFORMANCE HISTORY

7. How many years has your firm been in business?_____Years.

8. Has your firm ever held any contracts with the City of Los Angeles or any of its departments?
   □ **Yes** □ **No**

   If, **Yes,** list on an Attachment B all contracts your firm has had with the City of Los Angeles for the last 10 years. For each contract listed in response to this question, include: (a) entity name; (b) purpose of contract; (c) total cost; (d) starting date; and (e) ending date.

9. List on Attachment B all contracts your firm has had with any private or governmental entity (other than the City of Los Angeles) over the last five years that are similar to the work to be performed on the contract for which you are bidding or proposing. For each contract listed in response to this question, include: (a) entity name; (b) purpose of contract; (c) total cost; (d) starting date; and (e) ending date.

   ☐ Check the box if you have not had any similar contracts in the last five years

10. In the past five years, has a governmental or private entity or individual terminated your firm's contract prior to completion of the contract?
    □ **Yes** □ **No**

    If **Yes**, explain on Attachment B the circumstances surrounding each instance.

11. In the past five years, has your firm used any subcontractor to perform work on a government contract when you knew that the subcontractor had been debarred by a governmental entity?

    □ **Yes** □ **No**

    If **Yes**, explain on Attachment B the circumstances surrounding each instance.

12. In the past five years, has your firm been debarred or determined to be a non-responsible bidder or contractor?

    □ **Yes** □ **No**

    If **Yes**, explain on Attachment B the circumstances surrounding each instance.

F. DISPUTES

13. In the past five years, has your firm been the defendant in court on a matter related to any of the following issues? For parts (a) and (b) below, check **Yes** even if the matter proceeded to arbitration without court litigation. For part (c), check **Yes** only if the matter proceeded to court litigation. If you answer **Yes** to any of the questions below, explain the circumstances surrounding each instance on Attachment B. You must include the following in your response: the name of the plaintiffs in each court case, the specific causes of action in each case; the date each case was filed; and the disposition/current status of each case.

    (a) Payment to subcontractors?
    □ **Yes** □ **No**

    (b) Work performance on a contract?
    □ **Yes** □ **No**

    (c) Employment-related litigation brought by an employee?
    □ **Yes** □ **No**

14. Does your firm have any outstanding judgements pending against it?
    □ **Yes** □ **No**

    If **Yes**, explain on Attachment B the circumstances surrounding each instance.

15. In the past five years, has your firm been assessed liquidated damages on a contract?
    □ **Yes** □ **No**

    If **Yes**, explain on Attachment B the circumstances surrounding each instance and identify all such projects, the amount assessed and paid, and the name and address of the project owner.

G. COMPLIANCE

16. In the past five years, has your firm or any of its owners, partners or officers, ever been investigated, cited, assessed any penalties, or been found to have violated any laws, rules, or regulations enforced or administered, by any of the governmental entities listed on Attachment C (Page 9)? For this question, the term "owner" does not include owners of stock in your firm if your firm is a publicly traded corporation.

    □ **Yes** □ **No**

    If **Yes**, explain on Attachment B the circumstances surrounding each instance, including the entity that was involved, the dates of such instances, and the outcome.

17. If a license is required to perform any services provided by your firm, in the past five years, has your firm, or any person employed by your firm, been investigated, cited, assessed any penalties, subject to any disciplinary action by a licensing agency, or found to have violated any licensing laws?

    □ **Yes** □ **No**

    If **Yes**, explain on Attachment B the circumstances surrounding each instance in the last five years.

18. In the past five years, has your firm, any of its owners, partners, or officers, ever been penalized or given a letter of warning by the City of Los Angeles for failing to obtain authorization from the City for the substitution of a Minority-owned (MBE), Women-owned (WBE), or Other (OBE) business enterprise?

    □ **Yes** □ **No**

    If **Yes**, explain on Attachment B the circumstances surrounding each instance in the last five years.

H. BUSINESS INTEGRITY

19. For questions (a), (b), and (c) below, check **Yes** if the situation applies to your firm. For these questions, the term "firm" includes any owners, partners, or officers in the firm. The term "owner" does not include owners of stock in your firm if the firm is a publicly traded corporation. If you check **Yes** to any of the questions below, explain on Attachment B the circumstances surrounding each instance.

    (a) Is a governmental entity or public utility currently investigating your firm for making (a) false claim(s) or material misrepresentation(s)?

    □ **Yes** □ **No**

    (b) In the past five years, has a governmental entity or public utility alleged or determined that your firm made (a) false claim(s) or material misrepresentation(s)?

    □ **Yes** □ **No**

    (c) In the past five years, has your firm been convicted or found liable in a civil suit for, making (a) false claim(s) or material misrepresentation(s) to any governmental entity or public utility?

    □ **Yes** □ **No**

20. In the past five years, has your firm or any of its owners or officers been convicted of a crime involving the bidding of a government contract, the awarding of a government contract, the performance of a government contract, or the crime of fraud, theft, embezzlement, perjury, bribery? For this question, the term "owner" does not include those who own stock in a publicly traded corporation.

    □ **Yes** □ **No**

    If **Yes**, explain on Attachment B the circumstances surrounding each instance.

ATTACHMENT A FOR SECTIONS A THROUGH C

Where additional information or an explanation is required, use the space below to provide the information or explanation. Information submitted on this sheet must be typewritten or printed in ink. Include the number of the question for which you are submitting additional information. Make copies of this Attachment if additional pages are needed.

Page

ATTACHMENT B FOR SECTIONS D THROUGH H

Where additional information or an explanation is required, use the space below to provide the information or explanation. Information submitted on this sheet must be typewritten or printed in ink. Include the number of the question for which you are submitting additional information. Make copies of this Attachment if additional pages are needed.

Page

ATTACHMENT C: GOVERNMENTAL ENTITIES FOR QUESTION NO. 16

Check **Yes** in response to Question No. 16 if your firm or any of its owners, partners or officers, have ever been cited, assessed any penalties, or found to have violated any laws, rules, or regulations enforced or administered, by any of the governmental entities listed below (or any of its subdivisions), including but not limited to those examples specified below. The term "owner" does not include owners of stock in your firm if your firm is a publicly traded corporation. If you answered **Yes**, provide an explanation on Attachment B of the circumstances surrounding each instance, including the entity involved, the dates of such instances, and the outcome.

FEDERAL ENTITIES

Federal Department of Labor
- American with Disabilities Act
- Immigration Reform and Control Act
- Family Medical Leave Act
- Fair Labor Standards Act
- Davis-Bacon and laws covering wage requirements for federal government contract workers
- Migrant and Seasonal Agricultural Workers Protection Act
- Immigration and Naturalization Act
- Occupational Safety and Health Act
- anti-discrimination provisions applicable to government contractors and subcontractors
- whistleblower protection laws

Federal Department of Justice
- Civil Rights Act
- American with Disabilities Act
- Immigration Reform and Control Act of 1986
- bankruptcy fraud and abuse

Federal Department of Housing and Urban Development (HUD)
- anti-discrimination provisions in federally subsidized/assisted/sponsored housing programs
- prevailing wage requirements applicable to HUD related programs

Federal Environmental Protection Agency
- Environmental Protection Act

National Labor Relations Board
- National Labor Relations Act

Federal Equal Employment Opportunity Commission
- Civil Rights Act
- Equal Pay Act
- Age Discrimination in Employment Act
- Rehabilitation Act
- Americans with Disabilities Act

STATE ENTITIES

California's Department of Industrial Relations
- wage and labor standards, and licensing and registration
- occupational safety and health standards
- workers' compensation self insurance plans
- Workers' Compensation Act
- wage, hour, and working standards for apprentices
- any provision of the California Labor Code

California's Department of Fair Employment and Housing
- California Fair Employment and Housing Act
- Unruh Civil Rights Act
- Ralph Civil Rights Act

California Department of Consumer Affairs
- licensing, registration, and certification requirements
- occupational licensing requirements administered and/or enforced by any of the Department's boards, including the Contractors' State Licensing Board

California's Department of Justice

LOCAL ENTITIES

City of Los Angeles or any of its subdivisions for violations of any law, ordinance, code, rule, or regulation administered and/or enforced by the City, including any letters of warning or sanctions issued by the City of Los Angeles for an unauthorized substitution of subcontractors, or unauthorized reductions in dollar amounts subcontracted.

OTHERS

Any other federal, state, local governmental entity for violation of any other federal, state, or local law or regulation relating to wages, labor, or other terms and conditions of employment.

CITY OF LOS ANGELES
Department of General Services
Office of the Purchasing Agent
(213) 928-9525

CONTRACTOR CODE OF CONDUCT

The City of Los Angeles has long supported the premise that employers should fairly compensate employees, that the health and safety of workers should be protected, and that no form of discrimination or abuse should be tolerated. Experience indicates that laws and regulations designed to safeguard basic tenets of ethical business practices are disregarded in some workplaces, commonly referred to as "sweatshops."

In its role as a market participant that procures equipment, goods, materials and supplies, the City seeks to protect its interests by assuring that the integrity of the City's procurement process is not undermined by contractors who engage in sweatshop practices and other employment practices abhorrent to the City. When the City inadvertently contracts with these contractors, the City's ethical contractors are placed at a distinct competitive disadvantage. Many times ethical contractors are underbid by unscrupulous contractors in competition for City contracts. These ethical contractors may be dissuaded from participating in future procurement contracts.

The City's proprietary contracting interests are served byFA doing business with contractors who make a good faith effort to ensure that they and their subcontractors shun sweatshop practices and adhere to workplace and wage laws. Seeking to protect these municipal interests, the City requires that all contractors subject to the Sweat-free Procurement Ordinance certify that they and, to the best of their knowledge, their subcontractors will comply with the City's Contractor Code of Conduct and to promise the following:

(a) To comply with all applicable wage, health, labor, environmental and safety laws, legal guarantees of freedom of association, building and fire codes, and laws and ordinances relating to workplace and employment discrimination.

(b) To comply with all human and labor rights and labor obligations that are imposed by treaty or law on the country in which the equipment, supplies, goods or materials are made or assembled, including but not limited to abusive forms of child labor, slave labor, convict or forced labor, or sweatshop labor.

(c) To take good faith measures to ensure, to the best of the contractor's knowledge, that the contractor's subcontractors also comply with the City's Contractor Code of Conduct.

(d) To pay employees working on contracts for garments, uniforms, foot apparel, and related accessories a procurement living wage, meaning for domestic manufacturers a base hourly wage adjusted annually to the amount required to produce, for 2,080 hours worked, an annual income equal to or greater than the U.S. Department of Health and Human Services most recent poverty guideline for a family of three plus an additional 20 percent of the wage level paid either as hourly wages or health benefits. For manufacturing operations in countries other than the United States, a procurement living wage which is comparable to the wage for domestic manufacturers as defined above, adjusted to reflect the country's level of economic development by using the World Bank's Gross National Income Per Capita Purchasing Power index.

CERTIFICATION UNDER PENALTY OF PERJURY

I certify under penalty of perjury under the laws of the State of California that I have read and understood the City's Contractor Code of Conduct and agree to comply with its requirements.

_____

Signature of Officer or Authorized Representative Date

_____

Print Name and Title of Authorized Representative

_____

Print Company Name, Address and Phone Number

APPENDIX S

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

PMU REQUIREMENTS

I. LADWP Compliance Responsibilities

As Planning Coordinator and Transmission Operator registered with NERC, LADWP shall demonstrate compliance with NERC Reliability Standard MOD-033-2, and any successor NERC Reliability Standard. As Seller's Planning Coordinator, LADWP does not expect Seller to submit any compliance documentation for MOD-033-2 to NERC or WECC, however, Seller shall cooperate to enable LADWP to demonstrate compliance with MOD-033-2. In particular, as Seller's Planning Coordinator, LADWP requires the phasor measurement unit ("***PMU***") data specified below in order to continue planning for the Project Site and to perform data validation in accordance with NERC Reliability Standard MOD-033-2 requirement R1, as such requirement may be amended from time to time subject to FERC approval.

II. Compliance under Agreement

LADWP's Transmission Analysis and Regional Planning ("***Transmission Planning***") has deemed necessary the collection of PMU data, both from sources at LADWP sites and at sites of projects for which LADWP has power purchase agreements, to adequately perform data validation per NERC Reliability Standard MOD-033-2 requirement R1, as such requirement may be amended from time to time subject to FERC approval. LADWP's Transmission Planning has identified the Project Site as a site required to have PMU data.

a. PMU Location

To ensure the availability of needed PMU data for LADWP's Transmission Planning to perform adequate data validation per NERC Reliability Standard MOD-033-2 requirement R1, as such requirement may be amended from time to time subject to FERC approval, Seller shall take the necessary steps to ensure that adequate PMU data is available for the location specified by LADWP's Transmission Planning. This includes the installation of PMU equipment if there is no PMU currently installed at the specified location. This also includes modifying existing PMUs to satisfy LADWP's Transmission Planning's validation requirements. If adequate PMU data exists for the location specified by LADWP's Transmission Planning, then Seller does not need to install additional PMUs.

b. PMU Technical Requirements

The provided PMU data shall, at minimum, be time-synchronized and include 30 samples per second of the positive sequence data (including voltage, real and reactive power flow, frequency, phase angle).

c. Communications

Seller shall coordinate with LADWP to ensure the needed communications infrastructure exists to continuously provide PMU data to LADWP's designated server. So long as PMU communications with LADWP functions correctly, Seller shall not be required to archive PMU data on-site. Rather, Seller shall continuously provide PMU data to LADWP's designated server. However, if the PMU fails to send data to LADWP's designated server, Seller shall archive the PMU data for the duration of the failure and provide the data to LADWP.

d. Maintenance Requirements

Seller shall perform the necessary maintenance, within reason, to ensure that PMU data is continuously provided to LADWP. In the event of a failure of PMU recording or communications capability, Seller shall complete the following steps:

1. Within 1 Business Day following discovery of failure, notify LADWP's Transmission Planning of the failure.

2. Within 4 Business Days following discovery of failure:

    a. Provide LADWP's Transmission Planning with a corrective action plan ("***CAP***") to restore the PMU's recording and communications capability within the timeframes for proposed CAP completion determined in items (i)-(v) below:

        i. For CAPs consisting of PMU replacement for which a spare is available: within 7 Business Days following discovery of failure;

        ii. For CAPs consisting of PMU replacement for which a spare is not available: within 10 Business Days of discovery of failure;

        iii. For CAPs consisting of CVT replacement: within 10 calendar days following discovery of failure;

        iv. For CAPs addressing communications failure: within 5 Business Days following discovery of failure;

        v. For CAPs addressing other issues not addressed above: within 10 Business Days following discovery of failure.

3. Within the timeframe for initial proposed CAP completion date determined in Step 2.a.:

    a. Restore the PMU's recording and communications capability.

b. If, within reasonable effort, it is not possible to restore the PMU's recording and communications capability within the timeframe specified above, then Seller shall provide an updated CAP within 3 Business Days following the initial proposed CAP completion date and obtain LADWP's agreement on the updated plan.

e. Compliance Documentation

Seller shall maintain the necessary information to provide, upon request by LADWP, the following:

1. Confirmation of whether the PMU equipment has been running and providing data for the timeframe in question.
2. If there have been outages, a list of the outage dates within the timeframe in question, as well as: cause of outages, duration of outages, and corrective actions taken.

f. Financial Liability for a Compliance Violation

Seller shall be financially liable for any failure to provide regulatory data, per Prudent Utility Practices, to the extent such failure (i) causes LADWP to pay penalties to FERC, NERC, or WECC and (ii) was due to Seller's act or omission.

g. LADWP Points of Contact

Transmission Planning and Contacts

Manager

Sunaja Lakshman

(213) 367-3281

Sunaja.Lakshman@LADWP.com

Regulatory, Standards and Compliance Group

Assistant Supervisor
Sangeetha Losari
(213) 367-2315
Sangeetha.losari@ladwp.com

APPENDIX T
TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

PRELIMINARY DRAFT FORM OF INVOICE

In accordance with Section 11.1(g), below are non-binding preliminary draft forms of invoices to be used by the Parties for monthly financial settlements under Article 11 and the Parties shall finalize a single final form for use in accordance with Section 11.1(g). Invoices will be materially similar to the attachment, but all information in the form invoices below is preliminary and indicative and for form only. Other provisions of the Agreement shall control in the event of any conflict or inconsistency with this preliminary draft form of invoice.

Note: Invoices will be materially similar to this Appendix T.

Notch Peak Solar Project

12/ 2026 - Energy Invoice

From:
Notch Peak Project, LLC
C/O (Blank)
(Address)
(Address)

To:
Attn: Accounting Division - Accounts Payable Section - Supervisor of Accounts Payable
P.O. Box 51211
Room 424 JFB
Los Angeles, CA 90051-5511
Attn: Accounting Division - Accounts Payable Section - Supervisor of Accounts Payable

Invoice Information:

Invoice Number:	*1*
Invoice issue Date:	*1-Dec-26*
Billing Period Begin:	*1-Nov-26*
Billing Period End:	*30-Nov-26*
Payment Due Date:	*30-Jan-27*
COD Date:	*8-Dec-26*
Generating Facility:	Notch Peak Solar (Address)
LADWP Contracts:	Notch Peak Solar[, PSA, LADWP No. BP 24-002] Notch Peak Solar[, AA, LADWP No. BP 24-003]

Current Month Billing Calculation

DESRI Charge Code	Description	Energy (MWh)	Rate ($/MWh)	Amount ($)
100	**GROSS** Energy Generated	0		
	Energy Loss (ancillary/line loss etc.)	0		
	NET Delivered Energy	-1	$ 50.85	$ (50.85)
	Test Energy	0	$ 25.43	$ -
102	Energy Curtailed	*0*	$ -	$ -
Total Due:				**$ (50.85)**

Delivered Energy (MWh)	
Current Month	-1
Year-to-Date	172,569

Curtailed Energy (MWh)	
Current Month	-
Year-to-Date	7,703

Energy Participant's Breakdown:	
Glendale:	(Fill IN)%
LADWP:	(Fill IN)%
SCPPA (Total)	100.00%

Payments Information:

Due 60 days after receipt of invoice by wire transfer to the following account:

Bank:	(Fill IN)
ABA Number:	(Fill IN)
Account Number:	(Fill IN)
Account Name:	Notch Peak Project, LLC

Notch Peak Project Contact:	(Fill IN)
Title:	(Fill IN)
Email:	(Fill IN)
Phone:	(Fill IN)

II Project

Attestation

RECs Delivered (MWh)	
Jan-26	35,539
Feb-26	37,677
Mar-26	42,792
Apr-26	56,561
May-26	
Jun-26	
Jul-26	
Aug-26	
Sep-26	
Oct-26	
Nov-26	
Dec-26	
Year-to-Date	172,569

mental Attribute Attestation and Bill of Sale

"Seller" (Notch Peak Project, LLC) hereby confirms to comply with Article VIII - Environmental Attributes; EPS and RPS Compliance of the Power Purchase Agreement (PPA) and delivers to the "Buyer" (Southern California Public Power Authority) the Environmental Attributes. The "Seller" also confirms that the "Seller" has uploaded Environmental Attributes to WREGIS System ***(" WREGIS Certificates")*** as shown below:

Facility Information:	
Facility Name:	Notch Peak Solar
Generation Type:	Solar
GPS Coordinates:	(Fill in)
Capacity (MW):	300
Commercial Operation Date:	8-Dec-26
CEC Reg. No.	(Fill in)
Q.F. ID No.	(Fill in)
Dates:	REC (in MWh) Transferred or To-Be-Transferred
Period	REC (in MWh)
Jan-26	35,539
Feb-26	37,677
Mar-26	42,792
Apr-26	56,561
May-26	-
Jun-26	-
Jul-26	-
Aug-26	-
Sep-26	-
Oct-26	-
Nov-26	-
Dec-26	-
TOTAL for 2026	**172,569**

** REC is calculated per "Gross Energy", generated at plant's bus-bar.

REC = Renewable Energy Credit as defined in the Power Purchase Agreement.

Seller further attests, warrants and represents as follows:

i) the information provided herein is true and correct;
ii) its sale to Buyer is its one and only sale of the Environmental Attributes and all of the associated Environmental Attribute Reporting Rights referenced herein;
iii) the Facility generated and delivered to the grid the Energy in the amount indicated as undifferentiated Energy; and
iv) Seller owns the Facility and each of the Environmental Attributes and Environmental Attribute Reporting Rights associated with the generation of the indicated Energy of delivery to the grid have been generated and sold by the Facility.

This serves as a bill of sale,

Contact Person: (FILL IN) Tel:

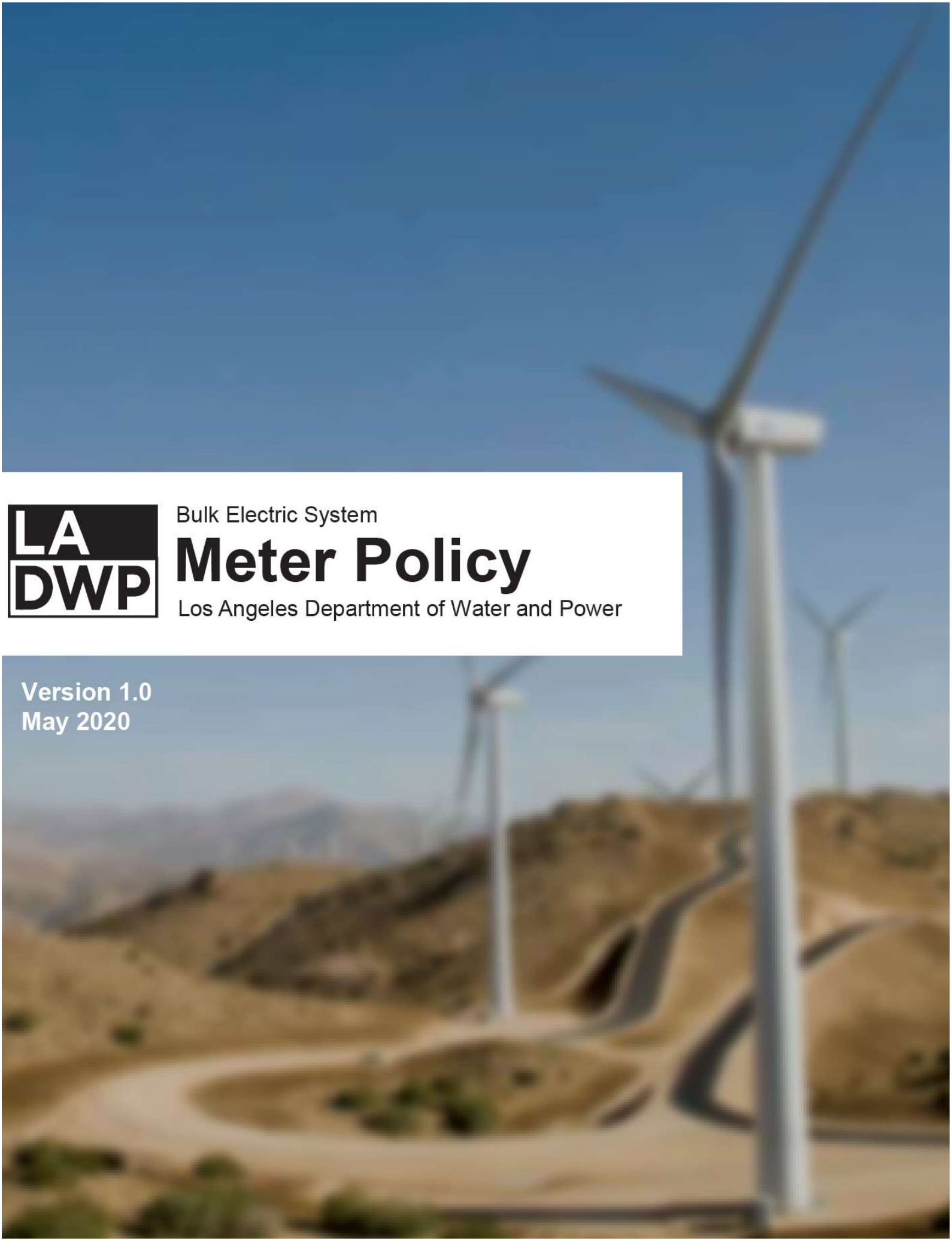
ReadTimeHour	Date	Month	TotalKWhReceived

APPENDIX U

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

LADWP METERING POLICY

[See attached.]



Bulk Electric System

Meter Policy

Los Angeles Department of Water and Power

Version 1.0
May 2020

LADWP Bulk Electric System Meter Policy

Signature Sheet

May 2020

This Document Is Hereby Approved By:

Martin L. Adams
General Manager and Chief Engineer

Reiko A. Kerr — Date: 6/8/2020

Senior Assistant General Manager – Power System Engineering, Planning, and Technical Services

Andrew C. Kendall — Date: 6/9/2020

Senior Assistant General Manager – Power System Construction, Maintenance, and Operations

Louis C. Ting — Date: 5/4/2020

Power Planning, Development and Engineering Division

Paul R. Schultz — Date: 5/4/20

Power External Energy Resources Division

Robert P. Gonzalez — Date: 6.4.20

Power Construction and Maintenance Division

Simon Zewdu — Date: 05/11/2020

Power System Regulatory Compliance and Specifications Division

Christopher J. Lynn — Date: 5/4/2020

Energy Control and Grid Reliability Division

Tyrone G. Jeffery — Date: 5/11/2020

Power Supply Operations Division

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I. Revision History

Effective Date	Version Number	Revised By	Revision History
06/01/2020	1.0	MDM Committee Oscar Herrera - LADWP Tyler Breiner - Advisian	

II. Definitions

Term	Definition
Accumulator	Digital counter for collecting meter kWh or MWh digital pulses at a predetermined pulse rate that equals kW·hour or MW·hour, normally referred to as a "SCADA hourly pulse counter."
American National Standards Institute (ANSI)	The American National Standards Institute (ANSI) is a private, not-for-profit organization dedicated to supporting the U.S. voluntary standards and conformity assessment system and strengthening its impact, both domestically and internationally.
Area Control Error (ACE)	The instantaneous difference between a Balancing Authority's net actual and scheduled interchange, taking into account the effects of Frequency Bias, correction for meter error, and Automatic Time Error Correction (ATEC), if operating in ATEC mode.
Automated Dispatching System (ADS)	The CAISO systems application to communicate Dispatch Instructions to Scheduling Coordinators.
Automatic Generation Control (AGC)	Equipment that automatically adjusts generation in a Balancing Authority Area from a central location to maintain the Balancing Authority's interchange schedule plus Frequency Bias. AGC may also accommodate automatic inadvertent payback and time error correction.
Balancing Authority (BA)	The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real-time.
Balancing Authority Area (BAA)	The collection of generation, transmission, and loads within the metered interchange boundaries of the Balancing Authority. The Balancing Authority maintains a load-resource balance within this area.

Backup Automatic Generation Control (BAGC)	LADWP's backup to its Supervisory Control And Data Acquisition is the Backup Automatic Generation Control Program.
Business Day	Business Day means any day other than Saturday, Sunday, or a legal public holiday as designated in Section 6103 of Title 5, U.S. Code.
Bulk Electric System (BES)	As defined by NERC, the Bulk Electric System, or BES, is: (A) facilities and control systems necessary for operating an interconnected electric energy transmission network (or any portion thereof); and (B) electric energy from generation facilities needed to maintain transmission system reliability. The term does not include facilities used in the local distribution of electric energy. (Note that the terms "Bulk-Power System" or "Bulk Power System" shall have the same meaning.
California Independent System Operator (CAISO)	The California Independent System Operator is a non-profit Independent System Operator, BA, and BAA, serving California. It oversees the operation of California's bulk electric power system, transmission lines, and electricity market generated and transmitted by its member utilities. The CAISO is also the Market Operator for the Energy Imbalance Market.
Critical Infrastructure Protection (CIP)	NERC standards designed to secure the electronic assets required for operating the Bulk Electric System.
Current Transformer (CT)	A current transformer is an instrument transformer, used along with measuring or protective devices, in which the secondary current is proportional to the primary current.
Electrical Engineering Design Standard (EEDS)	The Electrical Engineering Design Standard is LADWP's design standard for electrical equipment installations.
Energy Imbalance Market (EIM)	The California ISO's Western Energy Imbalance Market (EIM) is a real-time bulk power trading market. The EIM's advanced market systems automatically find the lowest-cost energy to serve real-time customer demand across a wide geographic area. BA's and other entities participating in the EIM will maintain control over their assets and remain responsible for balancing requirements while sharing in the cost benefits the market produces for participants.
Institute of Electrical and Electronics Engineers (IEEE)	IEEE is the world's largest technical professional society. It is designed to serve professionals involved in all aspects of the electrical, electronic, and computing fields and related areas of science and technology.
In-Basin Thermal Generation	LADWP-owned thermal generation that is located south of the San Gabriel Mountain Range. Plants that meet this criterion are Haynes Generating Station, Harbor Generating Station, Valley Generating Station, and Scattergood Generating Station.

Local Regulatory Authority (LRA)	As described in the CAISO Tariff, a Local Regulatory Authority is: "[t]he state or local governmental authority, or the board of directors of an electric cooperative, responsible for the regulation or oversight of a utility." CAISO Tariff, Appendix A (Master Definition Supplement).
Meter Interrogation	A process by which interval, register, and event data is retrieved directly from the meters and utilizes a standardized communication method.
Metering Points	A Metering Point is a location where metering (physical or contractual) is physically or financially settled. Such points include (but not limited to): • Generation Metering Points • Interchange Metering Points • Jointly-Owned Generating Unit Metering Points • 3rd Party Generating Unit Metering Points • Jointly-Owned Transmission Metering Points
Meter System	Measuring equipment that is composed of the Meter, Potential Transformer, Current Transformer, and other sensors.
Meter System Equipment	May refer to any individual or grouping of components that comprise the Meter System.
Meter Data Management System (MDMS)	A system that aggregates multiple sources of information, which is kept in a central repository and serves as a clearinghouse of LADWP's Meter Data. Such a system has validation rules, Verify, Estimate, Edit (VEE) functionality, and connectivity to internal and external systems (e.g. the California Independent System Operator) for operation in the Energy Imbalance Market.
Meter Data Management (MDM) Committee	The committee responsible for the meter data value chain in LADWP. This includes the development and approval of the LADWP Bulk Electric System Meter Policy.
National Electric Safety Code (NESC)	The National Electrical Safety Code sets the ground rules and guidelines for the practical safeguarding of utility workers and the public during the installation, operation, and maintenance of electric supply, communication lines, and associated equipment.
North American Electric Reliability Corporation (NERC)	NERC was designated as the Electric Reliability Organization (ERO) by the Federal Energy Regulatory Commission (FERC). NERCs mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid. NERC develops and enforces Reliability Standards, annually assesses seasonal and long-term reliability, monitors the bulk power system through system awareness, and educates, trains, and certifies industry personnel.
Remote Terminal Unit (RTU)	A processor-controlled electronic device that interfaces station equipment to a centralized control system or SCADA.

Potential Transformer (PT)	A potential transformer is an instrument transformer, used along with measuring or protective devices, in which the secondary voltage is proportional to the primary voltage.
Pseudo-Tie	A time-varying energy transfer that is updated in Real-Time and included in the Actual Net Interchange, as defined by NERC, in the same manner as a Tie Line in the affected Balancing Authorities' control ACE equations (or alternate control processes). Pseudo-ties typically require firm transmission service reservation.
Scheduling Coordinator Metering Entity (SCME)	A generator, eligible customer, or end-user, which is not a CAISO Metered Entity, responsible for obtaining, processing, and submitting Settlement Quality Meter Data. LADWP is an SCME.
Settlement Quality Meter Data (SQMD)	Meter data sourced from a Revenue Quality Meter that is gathered, edited, validated, and stored in a settlement-ready format, for settlement and auditing purposes.
Settlement Quality Meter Data Plan	A Settlement Quality Meter Plan is defined in the CAISO Tariff Section 10.3.7.1, which requires "Scheduling Coordinators [to] submit an SQMD Plan to ensure that the Scheduling Coordinator will submit and maintain the integrity of Meter Data submitted to the CAISO for that Scheduling Coordinator Metered Entity."
Supervisory Control and Data Acquisition (SCADA)	The SCADA system is the enterprise system for data acquisition, monitoring, and controlling of the Power System's Generation, Transmission and Distribution assets. The system consists of critical applications and remote units that load dispatchers use to monitor the bulk power and the distribution system for alarms, limits, and other potential issues to ensure the reliable and safe operation of the power system. The SCADA system is composed of: • The SCADA/EMS applications suites in the control center. • Remote Terminal Units for Data Acquisition from stations and field devices. • The communication infrastructure
Western Electric Coordinating Council (WECC)	Designated by the North American Electric Reliability Corporation to be the Regional Reliability Organization and serves as the compliance monitor for utilities in the Western Interconnection.

III. Purpose

a) This Los Angeles Department of Water and Power (LADWP) Bulk Electric System Meter Policy (Policy) establishes standards for LADWP's Balancing Authority Area (BAA) for Revenue Meters (Intertie, Generation, and Load) and Meter Systems equipment.

b) In accordance with LADWP Station Design Standards, LADWP adheres to and complies with NERC and WECC Reliability Standards as they apply to LADWP's NERC registered functions. LADWP adheres to relevant standards for maintaining accurate data for AGC and ACE systems.

c) This Policy addresses requirements for LADWP's planned participation in the CAISO EIM starting in April 2021. Participating in the CAISO EIM requires adherence to certain standards and requirements either regulated by CAISO directly or when applicable, by a Local Regulatory Authority (also referred to as the LRA), as defined in the CAISO Tariff.

d) LADWP's Local Regulatory Authority is the Board of Water and Power Commissioners. Pursuant to Los Angeles City Charter Sections 672 and 675, the Board manages and controls the Power Assets and has the power and duty to make and enforce all necessary rules and regulations governing the construction, maintenance, operation, connection to and use of the Power Assets. Additionally, the Board has the power and duty to acquire, provide for, construct, extend, maintain and operate all improvements, utilities, structures, facilities, and services as it may deem necessary or convenient for LADWP's purposes. The Board also can delegate its authority to the General Manager or his/her designee.

e) This Policy conforms with Section 10 of the CAISO Tariff. LADWP is registered as an SCME with the CAISO.

IV. Scope

a) This Policy applies to Meter Systems for registered resources in LADWP's BAA. New or replacement Meter Systems are required to adhere to the provisions of this Policy to the maximum extent possible.

    i. A list of registered resources that LADWP registered with the CAISO to participate in its Energy Imbalance Market is provided in Attachment A.

b) This Policy does not necessarily require immediate updates to existing Metering System conditions and configurations that already have an approved Settlement Quality Meter Data Plan. However, as opportunities permit, LADWP will modify existing Metering Systems to comply with this Policy, but shall not conflict with LADWP Station Design Standards. Considerations will be given to the availability of resources, equipment, capital project prioritization, physical locations, availability of meter ports, and other project management constructs.

c) For the purpose of this Policy, LADWP's Pseudo-Tied Generation is treated as LADWP generation and will adhere to the provisions of this Policy.

d) The Manager of Energy Reconciliation will be responsible for administering the Bulk Electric System Meter Policy.

V. Revenue Quality Requirements

a) Meter installations must meet the following general standard:

   i. Must be revenue quality with a 0.2 Accuracy Class, (having an accuracy rating of ± two-tenths percent (±0.2%) accuracy) or better.

   ii. Must be capable of storing data (in internal meter registers) that can be accessed using Meter Interrogation by various communication methods.

      1. Local interrogation as a data collection method shall be accessible.

   iii. Must maintain billing data and associate timestamps during the loss of auxiliary power to the meter for no less than to 30 days

   iv. If documentation is not readily available to demonstrate the accuracy rating, then testing pursuant to Section VIII will be conducted to substantiate accuracy.

b) Meters that conform with the CAISO Approved Meters List (Attachment B) are deemed compliant with Section V.a.

c) Potential Transformers must have an accuracy rating of ± three-tenths percent (±0.3%) or better.

   i. If documentation is not readily available to demonstrate the accuracy rating, then testing pursuant to Section VIII will be conducted to substantiate accuracy.

d) Current Transformers must have an accuracy rating of ± three-tenths (±0.3%) or better.

   i. If documentation is not readily available to demonstrate the accuracy rating, then testing pursuant to Section VIII will be conducted to substantiate accuracy.

e) Generator auxiliary load metering must have an overall accuracy of ± three percent (±3%) or better.

   i. If documentation is not readily available to demonstrate the accuracy rating, then testing pursuant to Section VIII will be conducted to substantiate accuracy.

f) Existing Metering Systems, which do not meet the accuracy class/ratings stated in Section V, have a temporary correction factor applied. Correction factors are a temporary patch fix.

   i. Existing Metering System equipment that falls into this criterion shall be replaced.

   ii. A plan to replace the meter must be developed 90 days from issue discovery. The meter must be replaced within a reasonable timeframe.

VI. Meter System Requirements

a) Only one Revenue Quality Meter shall be designated as the Primary Revenue Meter of data for all billing, power accounting, and scheduling.

b) Contractual, operational, and settlement metering constructs shall be from a physical, meterable location.

   i. Any aggregation, disaggregation, special metering configurations, or calculated points must have its source data originate from a Revenue Quality Meter. Such arrangements must be documented and tracked by LADWP personnel.

c) For Interchange Metering Points, and Jointly-Owned Transmission Meter Points, a Backup Metering System meeting the requirements of this Policy shall be available.

   i. A backup meter will only be utilized during testing, data inaccuracy, or failure of the Primary Meter.

   ii. The Backup Metering System will connect to either SCADA or BAGC.

      1. Data limitations of BAGC override Section VI.e of this Policy.

d) For Generation Metering Points, and Jointly Owned Generation Metering Points, a backup meter data source shall be made available. The backup meter data source will only be utilized during testing, data inaccuracy, or failure of the Primary Meter.

e) A primary Revenue Quality Meter shall provide all meter functions and outputs, which include (but not limited to):

   i. Real-time Power (Mega-Watts or Kilo-Watts),

   ii. Real-Time Reactive Power (Mega-VAR or Kilo-VAR),

   iii. Accumulated Power (Mega-Watt-Hour or Kilo-Watt-Hour),

   iv. Accumulated Reactive Power (Mega-VAR-Hour or Kilo-VAR-Hour) pulses and data interval storage.

f) The precision of the data shall either be in:

   i. Kilo (1 kW, 1 kVAR), or

   ii. The nearest thousandth (0.001 MW, 0.001 MVAR).

g) Interchange Meter Systems shall be installed in an LADWP-owned or a neighboring facility.

h) Generation Meter Systems shall be installed at the generating station or the interconnecting station.

i) For a Generation Unit, the Primary Revenue Meter Systems shall be installed on:

   i. The high voltage side of a generator step-up transformer for the EIM and AGC Control.

1. This measurement is equivalent to a net meter read unless the auxiliary loads are metered elsewhere.

ii. For In-Basin thermal generation, the low side of the step-up transformer for the South Coast Air Quality Management District (SCAQMD) Continuous Emissions Monitoring System (CEMS).

1. This measurement is equivalent to a gross meter read.

j) Metering Systems shall be capable of providing telemetering to LADWP Energy Control Center (ECC).

i. Metering shall be capable of programming to adjust measured values with loss compensation to the point of delivery.

ii. Metering shall be capable of DNP 3.0 protocol and MODBUS protocol.

k) Preferred installation of Potential Transformer (PT) and Current Transformer (CT) equipment to be from a Common Electrical Node if there's a significant impedance present between both devices.

l) The Primary Meter shall provide hourly and 5-minute Accumulator data.

m) The Primary Meter shall, at a minimum, have three ports for multiple communication needs.

n) Interrogation is required for every meter installation. The remote Meter Interrogation access may be provided by TCP/IP or utility internal circuit (SCADA).

i. Reasonable accommodation shall be considered if NERC CIP requirements prove to be an impedance to a direct connection to the meter.

o) Interchange Metering design must conform to NERC Standard BAL-005 Balancing Authority Control or its successor. Both continuous analog kW/MW signals and integrated kWh/MWh readings are required for interchange metering installations.

p) Meter Time Clocks must meet or exceed the following requirement:

i. The meter time clock must be accurate within 2 minutes per week (0.02%) via internal or external time sources when not synchronized to the LADWP AGC clock.

q) Metering system installations shall adhere to current applicable utility standards that include, but are not limited to ANSI, IEEE, NESC, WECC, and NERC.

VII. Design Standards

a) All Meter System installations shall conform to the LADWP Electrical Engineering Design Standard.

VIII. Testing and Validation

a) Testing process

   i. The accuracy testing for Watt-Hour Metering shall adhere to the ***Substation, Generation, and Intertie Watthour Metering Standard for Energy Imbalance Market*** Standard. [1]

   ii. The accuracy testing of Meter Instrument Transformers shall adhere to the ***Substation, Generation, and Intertie Instrument Transformer Standard for Energy Imbalance Market*** Standard.[2]

IX. Drawings

a) For new meter installations, a one-line diagram shall be provided delineating the following information:

   i. PT Location with Accuracy Information

   ii. CT Location with Accuracy Information

   iii. Meter Location with Accuracy Information

b) An updated One-Line Diagram shall be provided for existing meter installations delineating the information list in Section IXa.

c) Multi-Page one-line diagrams are acceptable.

d) Drawings shall be provided to the Manager of Energy Reconciliation.

X. Meter Data Submittal to External Entities

a) CAISO data submittals shall conform to the following timelines:

   i. LADWP personnel will reconcile meter data in the MDMS no later than five Business Days after a Trading Day (T+5B).

[1] The Substation, Generation, and Intertie Watthour Metering Standard for Energy Imbalance Market is an LADWP standard document.
[2] The Substation, Generation, and Intertie Instrument Transformer Standard for Energy Imbalance Market is an LADWP standard document.

1. Once reconciled, such data will be deemed to be Settlement Quality Meter Data.

ii. LADWP personnel will submit SQMD to CAISO's Market Results Interface – Settlements (MRI-S) no later than seven Business Days after a Trading Day (T+7B).

1. In instances where data has to be reconciled after T+7B, LADWP will track deltas between the original T+7B submittal and subsequent SQMD submittals in the MDMS

a. Subsequent data shall be submitted no later than fifty-two Business Days after a Trading Day (T+52B)

XI. Issue Resolution

a) The Manager of Energy Reconciliation shall be responsible for leading the Issue Resolution process.
b) The LADWP resources that have committed support of this Policy as signatories on the first page of this document shall make good faith efforts to prioritize the resolution of the metering issue.
c) When an issue is discovered, the problem should be reported to the Manager of Energy Reconciliation as soon as possible.
d) A plan to resolve this issue shall be collaboratively developed with necessary stakeholders and resource providers and finalized in no more than 90 days from the time of issue reporting.
e) Once complete, notification of Issue Resolution shall be communicated to (at minimum):

1. Manager of Grid Operations
2. Manager of Wholesale Energy Resource Management
3. Manager of Energy Reconciliation
4. Manager of Generating Stations and Facilities Engineering
5. Manager of System Protection
6. Manager of Metering and Controls

XII. Resource Exclusion

a) In the instance where a resource (as listed in Attachment A) cannot meet the provisions of this policy, such resource is prohibited from market participation.

XIII. Update / Replacement Plan

a) In the instance where a Meter System cannot meet Section V or Section VI of this policy, or cannot pass Testing and Validation, a plan to replace the Meter System equipment will be developed pursuant to Section XI.

b) A plan to replace the meter must be developed 90 days from issue discovery. The meter must be replaced within a reasonable timeframe unless Grid Operations or Wholesale Energy Resource Management requests the replacement occur earlier. A mutually-agreeable deadline decision shall be struck. Considerations will be given to the availability of resources, equipment, capital project prioritization, physical locations, availability of meter ports, and other project management constructs.

XIV. Record Retention

a) Contemporaneous records of the following documents must be maintained to substantiate the requirements of this policy per resource:

   i. Meter Make and Model, or testing records
   ii. One-Line Diagram conforming to Section IX of this Policy.
   iii. PT Accuracy documentation or testing records
   iv. CT Accuracy documentation or testing records
   v. Compensation Factor documentation, if used
   vi. Completed and Approved Settlement Quality Meter Data Plan
   vii. Attestation of Compliance per this Policy
   viii. Attachments A and B of this Policy.

b) Record Retention shall be managed by the Manager of Energy Reconciliation.

XV. Testing and Audit Cycle

a) LADWP will test all interchange and generation metering in accordance with Section VIII of this Policy. The testing will include examination and testing of metering facilities to ensure the accuracy and integrity of the Settlement Quality Meter Data.

b) On an annual basis, LADWP will complete a self-audit report for the audit review period of August 1st through July 31st. This audit report is due by October 31st of each year.

c) LADWP will perform tests at least every twenty-four (24) months on all revenue, generation integration, and interchange Meter Systems in accordance with Section 10.3.10.1 of the CAISO Tariff.[3]

XVI. Annual Review

a) The Manager of Energy Reconciliation shall be responsible for the Annual Review of this Policy.

b) The annual review should examine whether the provisions of this policy are up-to-date and pertinent.

[3] CAISO Tariff Section 10.3.10.1 states: "At least every two years, each Scheduling Coordinator shall (or engage an independent, qualified entity to conduct) audit and test the Metering Facilities of the Scheduling Coordinator Metered Entities that it represents and the Meter Data provided to the Scheduling Coordinator in order to ensure compliance with all applicable requirements of any relevant Local Regulatory Authority and the Scheduling Coordinator Metered Entity's SQMD Plan. Scheduling Coordinators shall undertake any other actions that are reasonably necessary to ensure the accuracy and integrity of the Settlement Quality Meter Data (actual or Scheduling Coordinator estimated) provided by them to the CAISO."

XVII. Attachment A: LADWP EIM Registered Resources List (CONFIDENTIAL)

Project Name	Resource ID	MW Capability	Latitude	Longitude
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

[redacted]

XVIII. Attachment B: CAISO Approved List of Meters

This list is updated as needed by the CAISO. The current list is available at the following link: **https://www.caiso.com/Documents/ApprovedISOMeters.pdf**

California ISO

ISO Approved Meters

The following meters have been certified and are compliant with ISO standards for the use in ISO Metered Entity applications. For more information on the ISO standards please refer to the Business Practice Manual (BPM) for Metering. *Note: The meters listed below come with different options such as memory capacity. Make sure your selections stay within compliance of the ISO standards outlined in the BPM.

Schweitzer Engineering Laboratories
SEL 734, SEL 735
Contact: Josh Barklow
MKI Matzinger-Keegan Inc.
Phone: 916-226-6642 Cell: 925-586-9611
Email: josh@mkireps.com
Web: www.mkireps.com

Landis + Gyr
Quad 4, MAXsys 2510, Elite
Contact: Robert Ingalls
Lafayette, CA 94549
Phone: 510-719-2464
Email: ringalls46@comcast.net
Web: www.landisgyr.com

AMETEK Power Instruments
JEMStar II
Contact: Steve Bleier
AMETEK Power
Phone: 585-238-4078
Email: steve.bleier@ametek.com
Web: www.ametekpower.com

SATEC Powerful Solutions
EM920
Contact: Joe Ruggeri
SATEC, INC.
Office: 908-686-9510 Cell: 908-346-0057
Email: Jruggeri@satecinc.com
Web: www.satec-global.com

TransData, Inc.
Mark-V
Contact: Steve Clegg
Transdata, Inc.
Phone: 972-418-7717 x 401
Email: sclegg@transdatainc.com
Web: www.transdatainc.com

Schneider Electric
ION 8650 A, B, & C, ION 8600 A, B, & C
ION 7400, 7650
Contact: Carlos Tello
Phone: (512) 496-0632
Email: Carlos.tello@schneider-electric.com
Web: www.schneider-electric.com

Electro Industries/Gauge Tech
Nexus 1272, Nexus 1500+*
Contact: Sales
Electro Industries/ Gauge Tech
Phone: 866-928-7908
Email: sales@electroind.com
Web: www.electroind.com

APPENDIX V

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

[FORM OF TAX EQUITY CONSENT AND ESTOPPEL]

[Date][15]

Reference is made to that certain Power Purchase Agreement (the "Power Purchase Agreement") dated as of [___], 2026 (the "PPA"), by and between the Southern California Public Power Authority, a public entity and joint powers agency formed and organized pursuant to the California Joint Exercise of Powers Act (California Government Code Section 6500, *et seq.*) ("Buyer"; provided, that in no event shall the term "Buyer" refer to any of the members of Buyer, and the term "Buyer's knowledge" as used herein shall refer only to the knowledge of persons at SCPPA, and not to the knowledge of anyone at any of the members of Buyer) and Notch Peak Project, LLC, a Delaware limited liability company ("Seller"). Terms used herein but not defined herein have the same meanings as in the PPA.

Buyer hereby confirms and agrees as of the date hereof as follows:

1. The copy of the PPA, as amended, attached as Exhibit A, constitutes a true and complete copy of the PPA.

2. The PPA is in full force and effect and has not been modified or amended in any way [since [_____ __, 202_]], and constitutes the only agreement between Buyer and Seller other than that certain Consent and Estoppel Agreement dated as of [_____, 20__] and that certain Option Agreement dated as of [___], 2026.

3. Buyer has not transferred or assigned its interest in the PPA.

4. Buyer is not in default under the PPA nor has Buyer breached any of its representations, warranties, agreements or covenants under the PPA and, to Buyer's knowledge, no facts or circumstances exist which, with the passage of time or the giving of notice nor both, would constitute a default or breach by Buyer under the PPA or that would give Seller the right to terminate the PPA. To Buyer's knowledge, Seller is not in default under the PPA nor, to Buyer's knowledge, has Seller breached any of its representations, warranties, agreements or covenants under the PPA and, to Buyer's knowledge, no facts or circumstances exist which, with the passage of time or the giving of notice nor both, would constitute a default or breach by Seller under the PPA or that would allow Buyer to terminate the PPA.

5. All representations made by Buyer in the PPA were true and correct as of the effective date of the PPA and continue to be true and correct.

---

[15] To be delivered on the date of delivery of the Consent and, upon the initial funding and upon the final funding under the Tax Equity transaction commensurate with COD.

6. To Buyer's knowledge, no event, act, circumstance or condition constituting an event of Force Majeure under the PPA has occurred and is continuing.

7. Seller has not claimed any amounts under the indemnification obligation of Buyer set forth in the PPA.

8. To Buyer's knowledge, Buyer has no existing counterclaims, offsets or defenses against Seller under the PPA. Buyer has no present knowledge of any facts entitling Buyer to any material claim, counterclaim or offset against Seller in respect of the PPA.

9. All payments due and owing[, except for those under dispute as described in Schedule I hereto][16], under the PPA by Buyer have been paid in full through the period ending on the date hereof.

10. [The Commercial Operation Date of the Facility occurred on [____], 202[__].

11. The Contract Capacity of the Project as of the Commercial Operation Date is [ ] MW.

[12. Upon the occurrence of a Default (as defined under the PPA) by Seller under the PPA, Buyer shall give concurrent notice of such Default to Seller and Tax Equity Investor. Buyer will not terminate the PPA or suspend performance of its services under the PPA on account of any Default (as defined under the PPA) of Seller thereunder, without written notice to the Tax Equity Investors and first providing to the Tax Equity Investors (i) thirty (30) days from the date notice of Default is delivered to the Tax Equity Investors to cure such Default if such Default is the failure to pay amounts to Buyer which are due and payable by Seller under the PPA, or (ii) forty-five (45) days from receipt of such notice, to cure such Default if the Default cannot be cured by the payment of money to Buyer (or up to sixty (60) additional days, so long as the Tax Equity Investors reasonably demonstrate to Buyer that they are diligently pursuing appropriate action to cure and are making sufficient progress toward curing such Default); provided, that if the Tax Equity Investors are prohibited from curing any such Default by any process, stay or injunction issued by any Governmental Authority or pursuant to any bankruptcy or insolvency proceeding or other similar proceeding involving Seller, then the time periods specified herein for curing a Default shall be extended for the period of such prohibition, so long as the Tax Equity Investors have diligently pursued removal of such process, stay or injunction, but in no event more than one hundred twenty (120) days. Failure of Buyer to provide such notice to Tax Equity Investor shall not constitute a breach of the PPA or this Tax Equity Consent and Estoppel and Tax Equity Investor agrees that Buyer shall have no liability to Tax Equity Investor for such failure whatsoever; provided that no claim of Default or termination of the PPA by Buyer shall be binding without such notice and the lapsing of the applicable periods set forth above. If Tax Equity Investor fails to cure a Default within the applicable period, Buyer shall have all its rights and remedies with respect to such Default as set forth in the PPA.][17]

[16] To include if applicable.

[17] Bracketed language in 10, 11 and 12 to be included in the Estoppel Certificate delivered at the final funding under the Tax Equity Transaction commensurate with COD.

IN WITNESS WHEREOF, Buyer has caused this Certificate to be duly executed by its officer thereunto duly authorized as of the date first set forth above.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____

Name:
Title:

[Schedule I

SCHEDULE I TO FORM OF TAX EQUITY CONSENT AND ESTOPPEL]**[18]**

[18] To include if applicable.

APPENDIX W

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

FORM OF MONTHLY REPORT

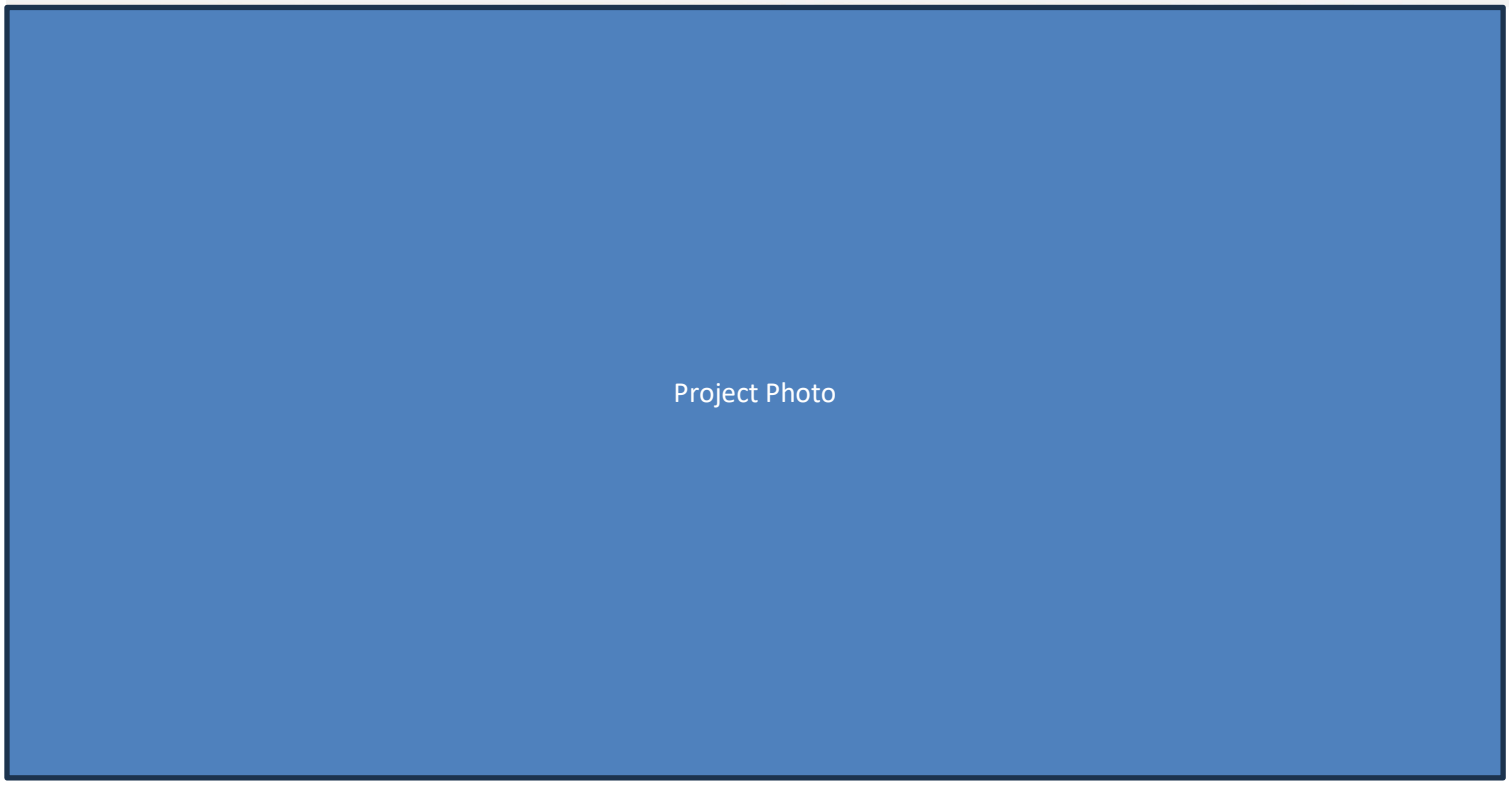
In accordance with Section 7.3(d), below are non-binding preliminary draft forms of monthly reporting to be used by the parties when finalizing a single final form. Monthly reports will be materially similar to the attachment, but all information in the current form below is preliminary and indicative and for form only. Other provisions of the Agreement shall control in the event of any conflict or inconsistency with this preliminary draft form of monthly reporting.

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Report Date: Month Day, Year

Monthly Report

Month, Day Year



Project Name	
Address	

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Getting started,

The report aims to ensure normal operation and maximize power generation through regular inspections and power generation analysis of operated and maintained power plants.

The results of the review may be evaluated differently in accordance with the criteria and cannot be used as an absolute basis for judgment or as a means of resolving a legal dispute.

Project Technical Team

The person in charge of the technical due diligence service of the plant is as follows.

Inspector: Last Name, First Name

Report: Last Name, First Name

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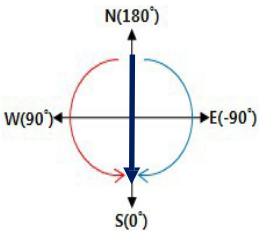
1 Introduction

1.1 Introduction

This monthly report consists of four (4) sections; Section 1 introduces the project with a general site summary, information on capacity, and location; Section 2 presents the actual energy output, availability, and Meteorological data; Section 3 presents the status on operations and maintenance log; Section 4 presents reports related to spare parts, the visitor log, warranty claim, etc.

1.2 General Site Information

Project Name	
Capacity	kWP DC / kWP AC
Address	
PV Module	Company, Part Number (Qty.:) Company, Part Number (Qty.:)
Inverter	Company, Part Number (Qty.:)
Mounting Type	
Tracker	Company, Part Number (Qty.:)

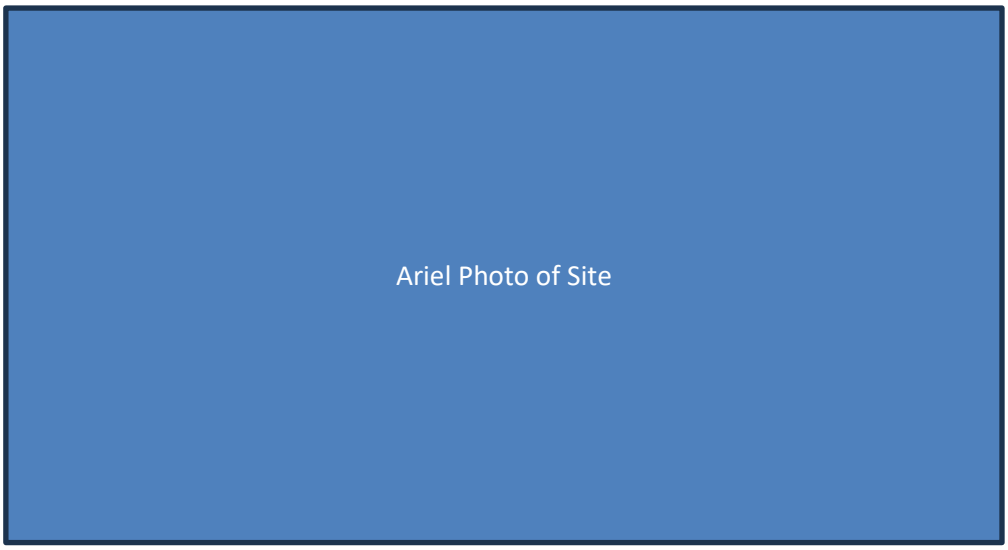


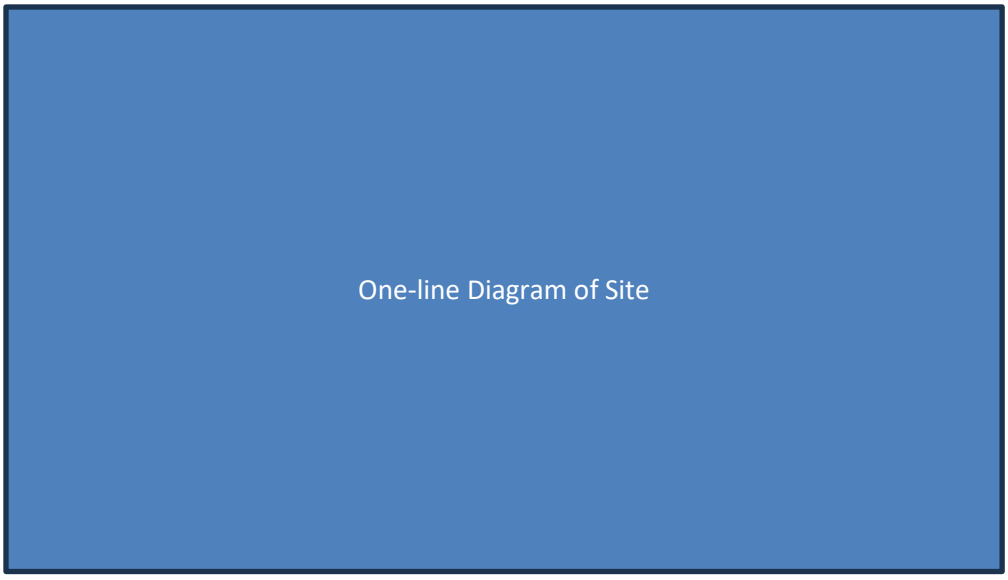
1.3 Contact Point

Division	Name	Position	E-Mail
On-site	First Name, Last Name	On-Site Tech	
Off-site	First Name, Last Name	SR Director	
Off-site	First Name, Last Name	O&M Project Manager	
Off-site	First Name, Last Name	Performance Analyst	
Off-site	First Name, Last Name	Sr. Project Engineer	
Off-site	First Name, Last Name	O&M Operator	

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1.4 Location





Latitude	
Longitude	
Altitude	

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1.5 Site Safety Event

Month	OSHA Reportable Incidents (# count)	Near Misses (# count)	Property Damage (# count)	Days Without Recordable	Note
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total					

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1.6 Hours Worked

Month	SIT Renewables Hours Worked (h)	Sub-Contract/Other Hours Worked (h)	Companies (Hrs. mins)
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
Total			**Total Hours (## Days)**

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2 Performance and Availability

2.1 Performance Summary Table

Duration	Performance	Value	Units
Month Day Year to Month Day Year	Generated Energy		MWh
	Avg. Generation Hour		h/day
	POA (Plane of Array Insolation)		kWh/m²
	GHI (Global Horizontal Insolation)		kWh/m²
	PR (Performance Ratio)		%
	Effective Availability		%

2.2 Definitions

Performance	Name	Description
MWh	Generated Energy	The energy generated by Site Name during the period as measured by the revenue meter(s).
MWh_l	Lost Energy	The summation of all lost energy classified as Forced Outage (FO), Maintenance Outage (MO) or Planned Outage (PO) at Site Name during the period.
MWh_omc	OMC Lost Energy	The summation of all lost energy classified as Outside Management Control (OMC) at Site Name during the period.
MWh_m	Modeled Energy	The energy predicted to be generated by Site Name during the period based on the plant configuration, historical insolation (e.g., TMY data) and actual plant capacity history
MWh_e	Expected Energy	The energy expected to be generated by Site Name during the period after correcting for the impacts of measured weather. This value is based on PPA.
MWh/ MWh_m (%)	Ratio of Generated Energy to Modeled Energy	The energy generated by Site Name during the period divided by the energy predicted to be generated by Site Name during the period.
MWh/ MWh_e (&)	Ratio of Generated Energy to Expected Energy	The energy generated by Site Name during the period divided by the energy expected to be generated by Site Name during the period.
EA (%)	Effective Availability	The effective availability of Site Name during the period: EA = MWh / (MWh + MWh_l)
TA (%)	Technical Availability	The technical availability of Site Name during the period: TA = MWh / (MWh + MWh_l + MWh_omc - MWh_curtailment)
PI (%)	Performance Index	The performance index of Site Name during the period: PI = MWh / (MWh_e - MWh_l)
PR (%)	Performance Ratio	The performance ratio of Site Name during the period: PR = MWh / MW_DC / POA (kWh/m^2)

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2.3 Daily Performance Data

Date	kWh (kWh)	kWh_ e (kWh)	kWh/ kWh_e (%)	kWh_m (kWh)	kWh/ kWh_m (%)	POA (Modeled)	POA (Actual)	PR (%)
2-1-2024								
2-2-2024								
2-3-2024								
2-4-2024								
2-5-2024								
2-6-2024								
2-7-2024								
2-8-2024								
2-9-2024								
2-10-2024								
2-11-2024								
2-12-2024								
2-13-2024								
2-14-2024								
2-15-2024								
2-16-2024								
2-17-2024								
2-18-2024								
2-19-2024								
2-20-2024								
2-21-2024								
2-22-2024								
2-23-2024								
2-24-2024								
2-25-2024								
2-26-2024								
2-27-2024								
2-28-2024								
2-29-2024								
TOTAL								

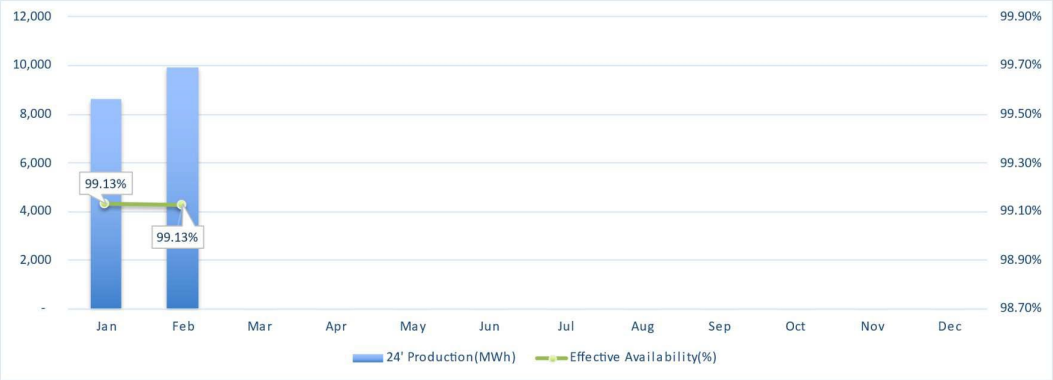
* A healthy plant typically has a performance ratio (PR) between 75%-85%. PR greater than 95% probably indicates bad irradiance sensor data loss/inaccuracy. In winter months, PR can go up to 90% due to cool climate. (NREL Weather Corrected PR; Technical report NREL/TP-5200-57991 page 1, paragraph 2)

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2.4 Detailed Availability Information

Month	Off-Line Unit Loss (MWh)	Excused Loss (MWh)	De-rated Unit Loss (MWh)	Facility Off-Line Loss (MWh)	Raw Availability (%)	Effective Availability (%)	Curtailed Energy (MWh)
January							
February							
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							
Total							

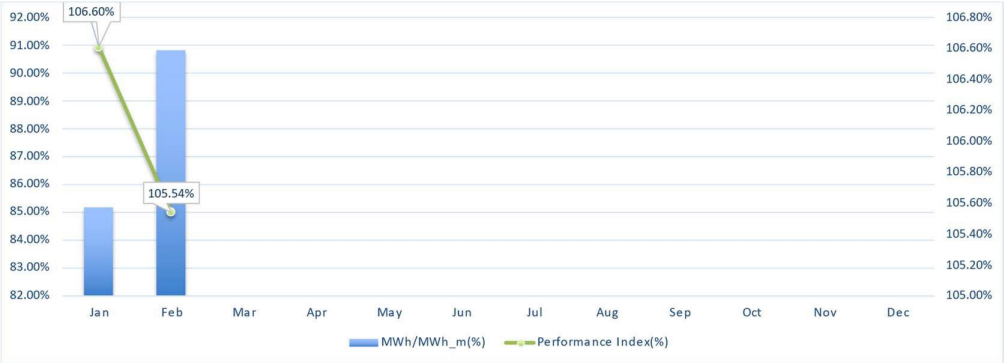
2.5 Energy and Effective Availability



The figure above displays the electricity generated at Site Name and the effective availability of Site Name so far in 2024.

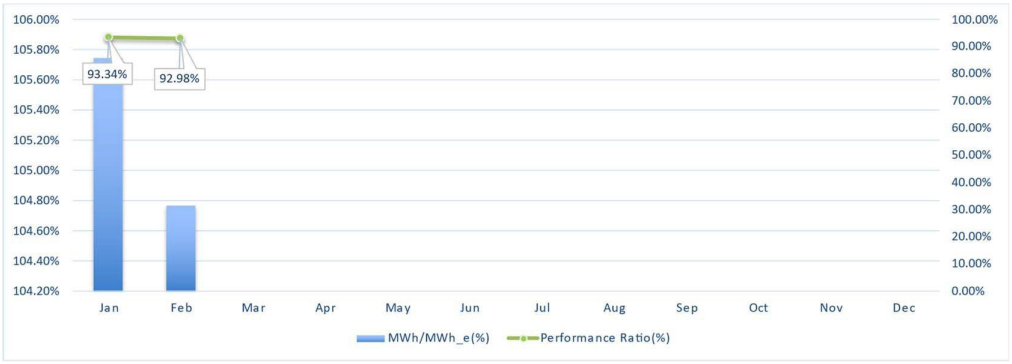
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2.6 Performance Index: Measured / Modeled



The figure above displays the performance index of Site Name so far in 2024 in comparison to predicted data (e.g., TMY weather data and the accompanying plant model energy prediction).

2.7 Performance Index: Measured / Expected



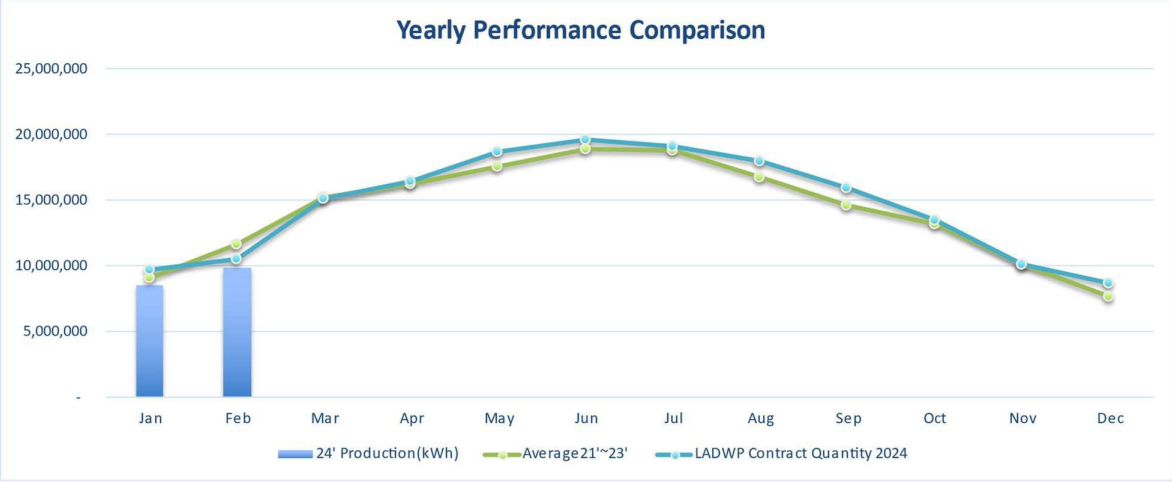
The figure above displays the performance index of Site Name so far in 2024 in comparison to expected data (e.g., measured weather data and the accompanying plant model energy expectation)

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2.8 Yearly Performance Comparison with Previous 3 Years.

Month	Net Production Current Year (kWh)	Net Production 2023 Year (kWh)	Net Production 2022 Year (kWh)	Net Production 2021 Year (kWh)	Avg. Production Latest 3 Years (kWh)	LADWP Contract Quantity 2024 (kWh)
January						
February						
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						
Total						

2.8.1 Yearly Performance Comparison Graph



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2.9 Year to Date Lost Energy by Outage Classification

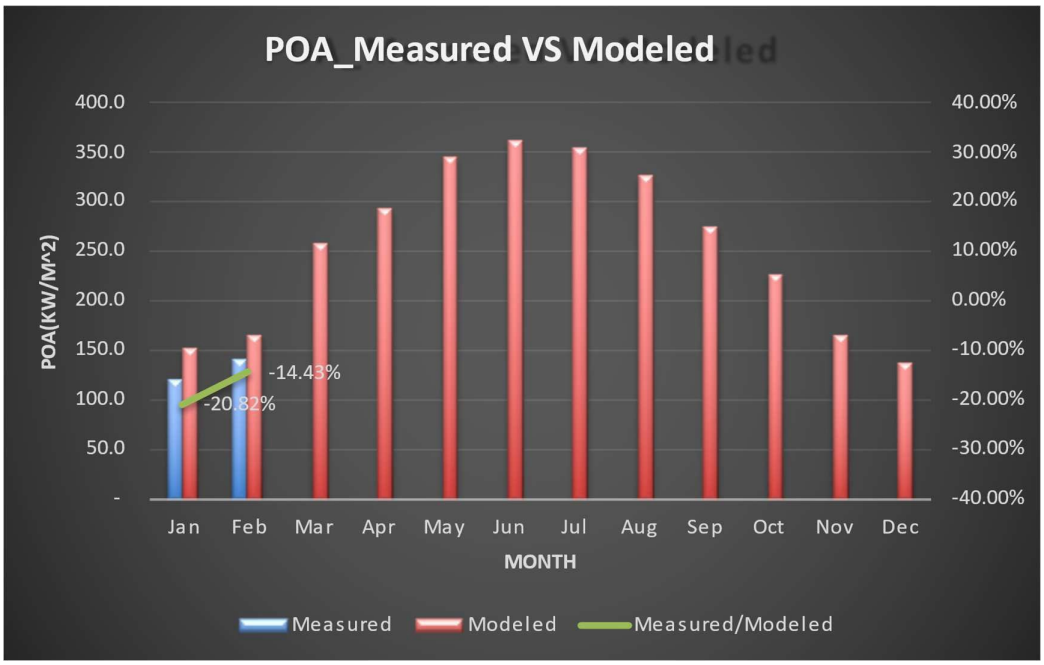
Month	Forced Outage		Maintenance		Planned Outage		Emergency Outside POI		Oversupply Management		Owner Instructed Curtailment		Over Generation		Transmission	
	MWh Loss	Hrs	MWh Loss	Hrs	MWh Loss	Hrs	MWh Loss	Hrs	MWh Loss	Hrs	MWh Loss	Hrs	MWh Loss	Hrs	MWh Loss	Hrs
January																
February																
March																
April																
May																
June																
July																
August																
September																
October																
November																
December																

DRAFT TEMPLATE

2.10 Meteorological Data - Yearly POA Insolation Comparison (Previous Three (3) Years).

Month	Net POA Current Year (kW/ m²)	Net POA 2023 Year (kW/ m²)	Net POA 2022 Year (kW/ m²)	Net POA 2021 Year (kW/ m²)	Avg. POA Latest 3 Years (kW/ m²)
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total					

2.10.1 POA_Measured VS Modeled

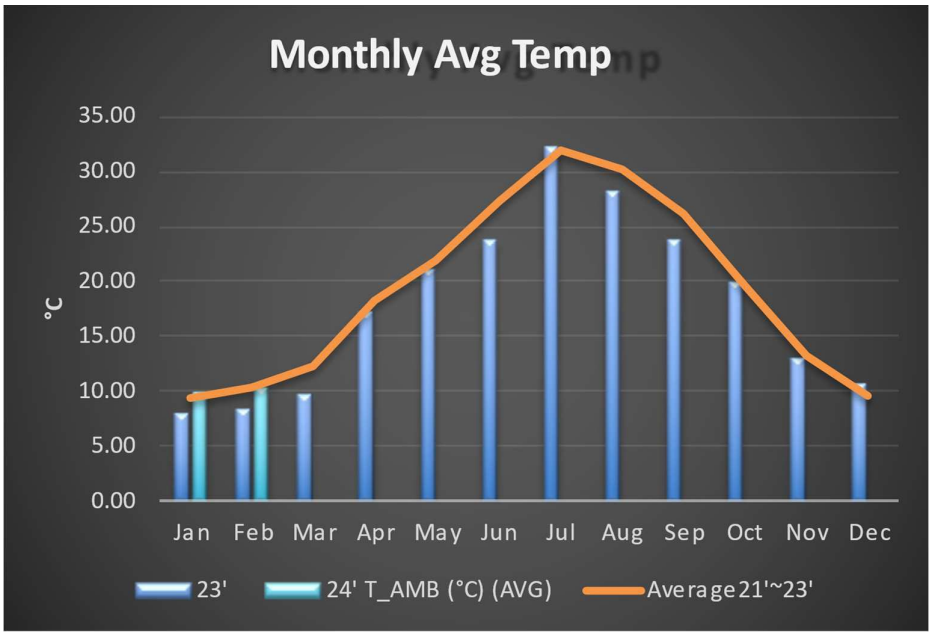


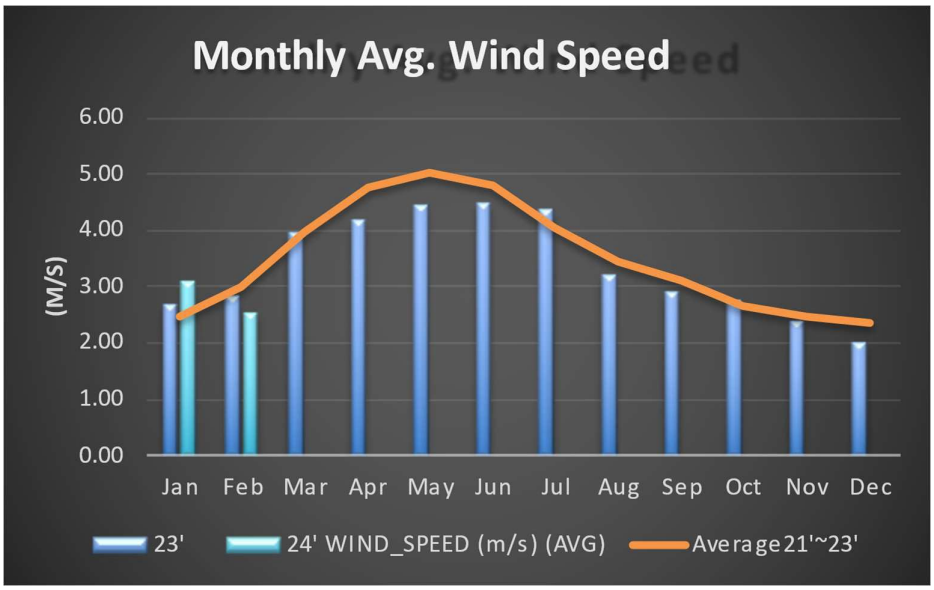
DRAFT TEMPLATE

2.10.2 Wind & Temperature Data

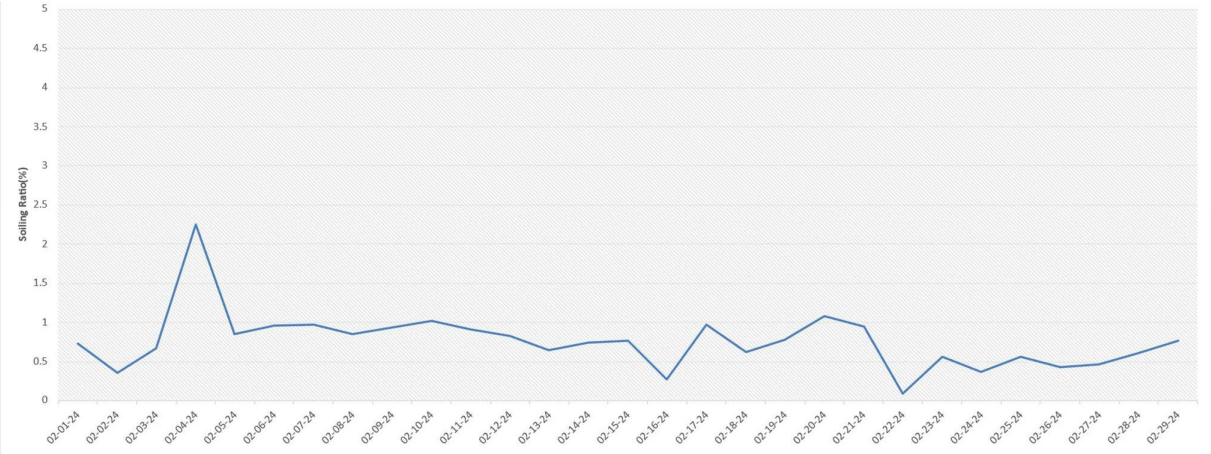
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Temp												
Wind												

*Unit: Temp.(℃), Wind(m/s)





2.10.3 Soiling Data



- Observed overall soiling loss at average of 0.75% range for Feb, 2024.

DRAFT TEMPLATE

3 Operation and Maintenance

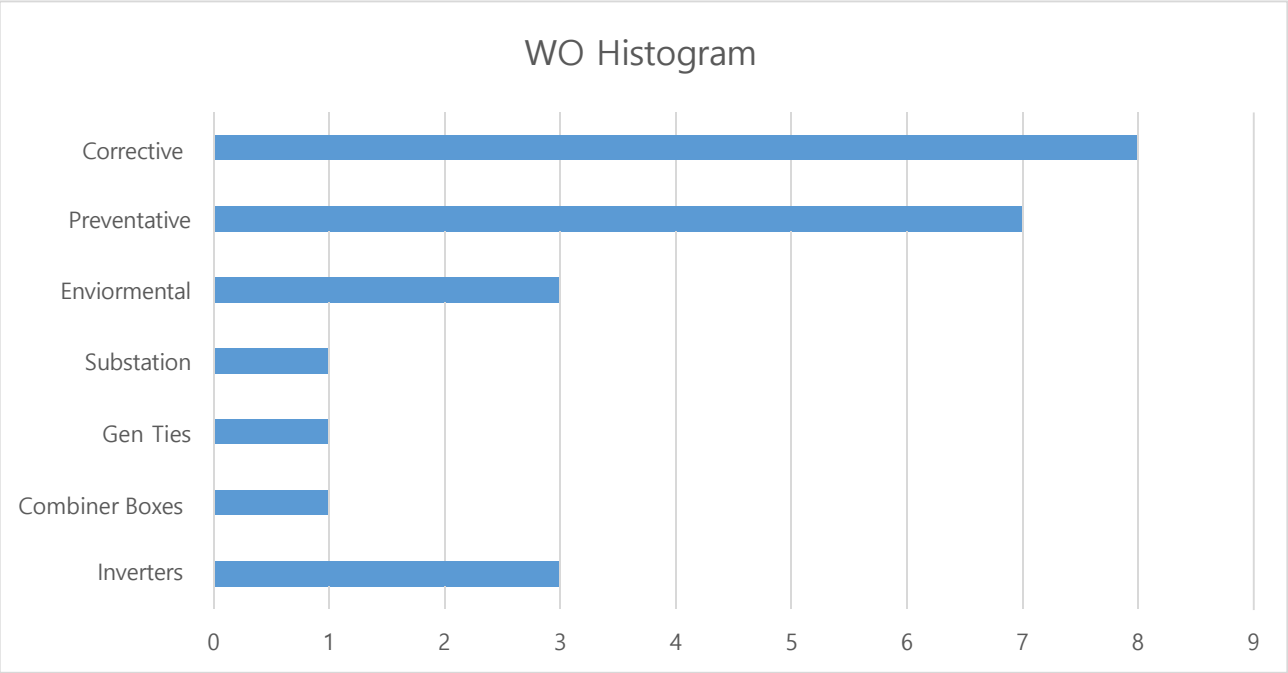
3.1 Work Order Activities

Corrective Maintenance					
Work Order	Event Start	Event End	Asset Description	Description Completion Notes	Status
				-	

DRAFT TEMPLATE

3.2 Work Orders Per Equipment

3.2.1 Work Order Histogram



DRAFT TEMPLATE

3.3 Preventative Maintenance Activities

Preventative Maintenance					
Work Order	Event Start	Event End	Description	Description Completion Notes	Status
				-	

DRAFT TEMPLATE

3.3.1 Scheduled Maintenance for Next Month

Work Order#	Asset Description	Description Frequency	Event Start	Event End	Status

4 Documents

4.1 Site Security Log

Date	Location/Contact	Description	Reportable or not	Status

4.2 Environmental or Permitting

DRAFT TEMPLATE

4.3 Non-covered Services

Date	Title	Description

4.4 Site Visit Log

Date	Company Name	Purpose

APPENDIX X

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

SHORTFALL ENERGY EXAMPLES

The following examples are based on hypothetical Contract Years 4, 5 and 6, as described in further detail below, using hypothetical numbers for Actual Delivered Energy. They assume that Contract Year 6 is the last year of an RPS Compliance Period. For reference, the Guaranteed Delivered Energy for these years is specified below. These examples assume that there has been no reduction in the amount of the Guaranteed Delivered Energy in accordance with Section 6.5 of this Agreement.

Guaranteed Delivered Energy:

Contract Year 4: 678,119 MWh

Contract Year 5: 674,728 MWh

Contract Year 6: 671,354 MWh

Contract Year 7: 667,998 MWh

Total of Guaranteed Delivered Energy for Contract Years 4, 5 and 6: 2,024,201 MWh

1. Example #1: *Shortfall Energy in a Contract Year that is not the end of an RPS Compliance Period, but no RPS Compliance Shortfall Energy*

Actual Delivered Energy:

Contract Year 4: 600,000 MWh

Contract Year 5: 674,728 MWh

Contract Year 6: 800,000 MWh

Total for RPS Compliance Period: 2,074,728 MWh

Shortfall Energy for Contract Year 4 = 78,119 MWh

RPS Compliance Shortfall Energy = 0 MWh (since total Delivered Energy over the RPS Compliance Period exceeds the Guaranteed Delivered Energy for such RPS Compliance Period)

Consequence:

Seller may remedy this Shortfall Energy for Contract Year 4 in the following Contract Year 5 (extended on a day-for-day basis resulting from the occurrence of an event of Force Majeure, but in no event longer than two (2) Contract Years following the end of Contract Year 5) by delivering Replacement Energy at the Point of Delivery or delivering Delivered Energy in

excess of 674,728 MWh (the Guaranteed Delivered Energy in Contract Year 5, as may be adjusted pursuant to Section 6.5) in the amount equal to 78,119 MWh. If Shortfall Energy has not been cured with Delivered Energy or Replacement Energy by the commencement of Contract Year 6, Seller must pay Annual Shortfall Liquidated Damages in an amount for each MWh that was not delivered equal to any positive difference between (i) the sum of (A) the weighted average of the Market Price Index during Contract Year 4, weighted by hourly Delivered Energy and (B) Green Value associated therewith, and (ii) the Full Contract Price.

2. Example #2: *Shortfall Energy in the last Contract Year of an RPS Compliance Period, but no RPS Compliance Shortfall Energy*

Actual Delivered Energy:

Contract Year 4: 700,000 MWh

Contract Year 5: 700,000 MWh

Contract Year 6: 600,000 MWh

Total for RPS Compliance Period: 2,000,000 MWh

Shortfall Energy for Contract Year 6 = 71,354 MWh

RPS Compliance Shortfall Energy = 0 MWh (since total Delivered Energy over the RPS Compliance Period exceeds the Guaranteed Delivered Energy for such RPS Compliance Period)

Consequence:

Seller may remedy this Shortfall Energy for Contract Year 6 in the following Contract Year 7 (extended on a day-for-day basis resulting from the occurrence of an event of Force Majeure, but in no event longer than two (2) Contract Years following the end of Contract Year 7) by delivering Replacement Energy at the Point of Delivery or delivering Delivered Energy in excess of 667,998 MWh (the Guaranteed Delivered Energy in Contract Year 7, as may be adjusted pursuant to Section 6.5) in the amount equal to 71,354 MWh. If Shortfall Energy has not been cured with Delivered Energy or Replacement Energy by the commencement of Contract Year 8, Seller must pay Annual Shortfall Liquidated Damages in an amount for each MWh that was not delivered equal to any positive difference between (i) the sum of (A) the weighted average of the Market Price Index during Contract Year 6, weighted by hourly Delivered Energy and (B) Green Value associated therewith, and (ii) the Full Contract Price.

3. Example #3: *Shortfall Energy in the last Contract Year of an RPS Compliance Period and the same amount of RPS Compliance Shortfall Energy*

Actual Delivered Energy:

Contract Year 4: 678,119 MWh

Contract Year 5: 674,728 MWh

Contract Year 6: 600,000 MWh

Total for RPS Compliance Period: 1,952,847 MWh

Shortfall Energy for Contract Year 6 = 71,354 MWh

RPS Compliance Shortfall Energy = 71,354 MWh

Consequence:

With respect to the RPS Compliance Shortfall Energy, Seller may remedy this shortfall by providing Replacement Energy during Contract Year 6 in the amount of 71,354 MWh. If the RPS Compliance Shortfall Energy has not been cured with Replacement Energy by the end of Contract Year 6, then Seller must pay (I) RPS Compliance Shortfall Liquidated Damages in an amount for each MWh that was not delivered equal to any positive difference between (i) the sum of (A) the weighted average of the Market Price Index during the last 90 days of Contract Year 6, weighted by hourly Delivered Energy and (B) Green Value associated therewith, and (ii) the Full Contract Price and (II) any and all amounts of reasonably documented penalties or fines incurred or paid by any Participating Member as a result of such Participating Member's noncompliance with EPS Law or RPS Law to the extent such non-compliance was caused by Seller's uncured failure to provide the RPS Compliance Shortfall Energy.

With respect to the Shortfall Energy for Contract Year 6, Seller will not owe any Annual Shortfall Liquidated Damages, as such Shortfall Energy has already been covered by remedies for the RPS Compliance Shortfall Energy pursuant to the immediately preceding paragraph.

4. Example #4: *Shortfall Energy in the last Contract Year of an RPS Compliance Period and smaller amount of RPS Compliance Shortfall Energy*

Actual Delivered Energy:

Contract Year 4: 678,119 MWh

Contract Year 5: 700,000 MWh

Contract Year 6: 600,000 MWh

Total for RPS Compliance Period: 1,978,119 MWh

Shortfall Energy for Contract Year 6 = 71,354 MWh

RPS Compliance Shortfall Energy = 46,073 MWh

Consequence:

With respect to the RPS Compliance Shortfall Energy, Seller may remedy this shortfall by providing Replacement Energy during Contract Year 6 in the amount of 46,073 MWh. If the RPS Compliance Shortfall Energy has not been cured with Replacement Energy by the end of Contract Year 6, then Seller must pay (I) RPS Compliance Shortfall Liquidated Damages in an amount for each MWh that was not delivered equal to any positive difference between (i) the sum of (A) the weighted average of the Market Price Index during the last 90 days of Contract Year 6, weighted by hourly Delivered Energy and (B) Green Value associated therewith, and (ii) the Full Contract Price and (II) any and all amounts of reasonably documented penalties or fines incurred or paid by any Participating Member as a result of such Participating Member's noncompliance with EPS Law or RPS Law to the extent such non-compliance was caused by Seller's uncured failure to provide the RPS Compliance Shortfall Energy.

With respect to the remaining Shortfall Energy for Contract Year 6 (i.e., the Shortfall Energy (71,354 MWh) less the RPS Compliance Shortfall Energy (46,073 MWh), which is 25,281 MWh), Seller may remedy this shortfall in the following Contract Year 7 (extended on a day-for-day basis resulting from the occurrence of an event of Force Majeure, but in no event longer than two (2) Contract Years following the end of Contract Year 7) by delivering Replacement Energy at the Point of Delivery or delivering Delivered Energy in excess of 667,998 MWh (the Guaranteed Delivered Energy in Contract Year 7, as may be adjusted pursuant to Section 6.5) in the amount equal to 25,281 MWh. If such Shortfall Energy has not been cured with Delivered Energy or Replacement Energy by the commencement of Contract Year 8, Seller must pay Annual Shortfall Liquidated Damages in an amount for each MWh that was not delivered equal to any positive difference between (i) the sum of (A) the weighted average of the Market Price Index for during Contract Year 6, weighted by hourly Delivered Energy and (B) Green Value associated therewith, and (ii) the Full Contract Price.

5. Example #5: *Shortfall Energy in a Contract Year that is not the end of an RPS Compliance Period and some RPS Compliance Shortfall Energy*

Actual Delivered Energy:

Contract Year 4: 600,000 MWh

Contract Year 5: 674,728 MWh

Contract Year 6: 671,354 MWh

Total for RPS Compliance Period: 1,946,082 MWh

Shortfall Energy for Contract Year 4 = 78,119 MWh

RPS Compliance Shortfall Energy = 78,119 MWh

Consequence:

Same as in Example 1, Seller may remedy the Shortfall Energy for Contract Year 4 in the following Contract Year 5 (extended on a day-for-day basis resulting from the occurrence of an event of Force Majeure, but in no event longer than two (2) Contract Years following the end of Contract Year 5) by delivering Replacement Energy at the Point of Delivery or delivering Delivered Energy in excess of 674,728 MWh (the Guaranteed Delivered Energy in Contract Year 5, as may be adjusted pursuant to Section 6.5) in the amount equal to 78,119 MWh. If Shortfall Energy has not been cured with Delivered Energy or Replacement Energy by the commencement of Contract Year 6, Seller must pay Annual Shortfall Liquidated Damages in an amount for each MWh that was not delivered equal to any positive difference between (i) the sum of (A) the weighted average of the Market Price Index during Contract Year 4, weighted by hourly Delivered Energy and (B) Green Value associated therewith, and (ii) the Full Contract Price.

With respect to the RPS Compliance Shortfall Energy, Seller may remedy this shortfall by providing Replacement Energy during Contract Years 4, 5 or 6 in the amount of 78,119 MWh reduced by the Shortfall Energy for Contract Year 4 for which the Annual Shortfall Liquidated Damages have been paid pursuant to the immediately preceding paragraph. If the RPS Compliance Shortfall Energy (as reduced in the immediately preceding sentence) has not been cured with Replacement Energy by the end of Contract Year 6, then Seller must pay (I) RPS

Compliance Shortfall Liquidated Damages in an amount for each MWh that was not delivered equal to any positive difference between (i) the sum of (A) the weighted average of the Market Price Index during the last 90 days of Contract Year 6, weighted by hourly Delivered Energy and (B) Green Value associated therewith, and (ii) the Full Contract Price; provided, that, for the avoidance of doubt, the reduction of the RPS Compliance Shortfall Energy described in the first sentence of this paragraph shall not result in any refund of Annual Shortfall Liquidated Damages or the RPS Compliance Shortfall Liquidated Damages by Buyer.

SCHEDULE 12.2(H)

TO THE
POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
NOTCH PEAK PROJECT, LLC

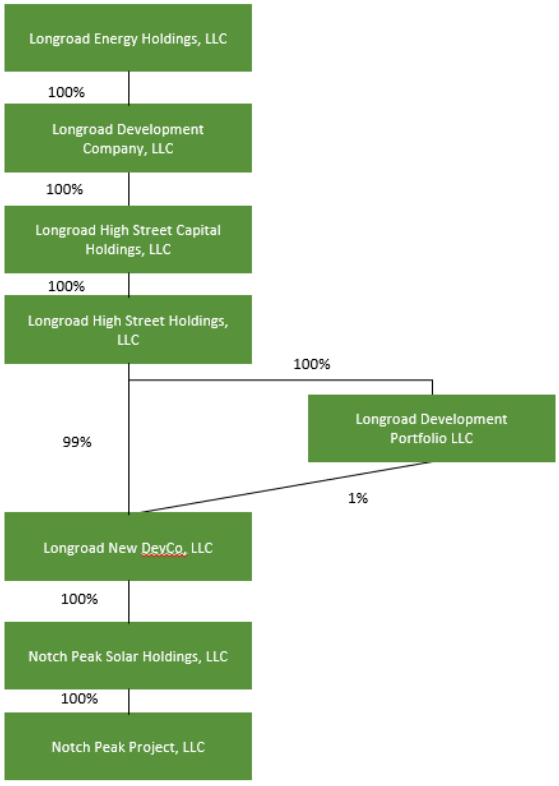
SPECIFIED UPSTREAM EQUITY OWNERS AND ORGANIZATIONAL AND OWNERSHIP STRUCTURE OF SELLER AND UPSTREAM EQUITY OWNERS

This Schedule 12.2(h) may be updated from time to time by agreement of Buyer and Seller to account for a Change in Control that has been consented to by Buyer in accordance with this Agreement.

Section 1. Specified Ultimate Upstream Equity Owner.

Longroad Energy Holdings, LLC

Section 2. Organizational and Ownership Structure of Seller and Upstream Equity Owners.



Section 3. Principals:

Paul Gaynor, Chief Executive Officer
Peter Keel, Chief Financial Officer
Michael U. Alvarez, Chief Operating Officer
Charles Spiliotis, Chief Investment Officer

(LADWP NO. BP 26-011)

NOTCH PEAK PROJECT

POWER SALES AGREEMENT

BETWEEN

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

AND

THE CITY OF LOS ANGELES ACTING BY AND THROUGH THE DEPARTMENT OF WATER AND POWER

Dated as of April 16, 2026

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NOTCH PEAK PROJECT

POWER SALES AGREEMENT

1. PARTIES. This Notch Peak Project Power Sales Agreement (this "Agreement"), is dated for convenience as of the 16th day of April, 2026, by and between the SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY, a joint powers agency and a public entity organized under the laws of the State of California, hereinafter designated as "SCPPA," created under the provisions of the Act, and the CITY OF LOS ANGELES acting by and through the Department of Water and Power, a California municipality. The CITY OF LOS ANGELES is also periodically designated in this Agreement as "LADWP" or as "Purchaser." LADWP and SCPPA are also sometimes herein referred to individually as a "Party" and together as the "Parties."

2. RECITALS, CONSTRUCTION AND PRELIMINARY MATTERS. The Recitals set forth herein and the facts, which follow, are incorporated into this Agreement by reference for all purposes. The facts and the circumstances of the Parties contained in the Recitals, among others, represent the background and framework for this Agreement, the aim and purpose of this Agreement, and the intent of the Parties with respect thereto. This Agreement has been reviewed by attorneys for both Parties and shall not be interpreted with reference to the rules of construction providing for construction against a Party responsible for drafting or creating a particular provision or section, but should instead be interpreted in a manner which broadly carries forth the goals and objectives of the Parties as expressed herein. References to "Sections," "Annexes," "Appendices," "Schedules," and "Exhibits" shall be to Sections, Annexes, Appendices, Schedules, and Exhibits, as the case may be, of this Agreement unless otherwise specifically provided. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose nor given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word "include" or "including", when following any general statement, term, or matter, shall not be construed to limit such statement, term, or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term, or matter. This Agreement is made with reference to the following facts among others:

2.1 SCPPA was created pursuant to provisions contained in the Joint Exercise of Powers Act found in Chapter 5 of Division 7 of Title 1 of the Government Code of California, as amended from time to time (the "Act" as defined in Appendix A), by its members, which are municipalities and an irrigation district that supply, among other things, electrical energy in the State of California, for the purpose of jointly and cooperatively undertaking the planning, financing, development, acquisition, construction, improvement, betterment, operation, and maintenance of projects for the generation or transmission of electric energy, including the development and implementation of systems and frameworks for the acquisition and delivery of secure, long-term, reliable supplies of renewable electric energy.

2.2 Pursuant to the terms of the Act, SCPPA has the power, for the purpose of promoting, maintaining, and operating electric generation and transmission, to plan, develop, contract for, finance, acquire, design, undertake, own, construct, manage, operate, maintain, and administer projects involving systems, methodologies, and programs for the acquisition, supply, procurement, and delivery of secure, long-term, reliable supplies of renewable electric energy, including solar energy, and to cause such projects to be planned, developed, contracted for, financed, acquired, designed, undertaken, constructed, managed, operated, maintained, and administered and to provide by agreement for the performance and carrying out of any such activities.

2.3 Purchaser is a chartered California municipality which provides electric energy to its citizens through its municipally-owned electric system. Purchaser is one of the parties to the SCPPA Joint Powers Agreement and is one of the eleven founding member municipalities which formed SCPPA. Since the initial creation of SCPPA pursuant to the Joint Powers Agreement, Purchaser has acted, in part, through SCPPA's Board of Directors to carry out generation, transmission, and other projects through SCPPA.

2.4 In pursuit of potential renewable electric resources to address SCPPA member renewable energy needs, SCPPA issued a request for proposals to acquire renewable energy resources. As a result of the response by Longroad Energy Holdings, LLC on behalf of its affiliate, Notch Peak Project, LLC, SCPPA and two of its members, Purchaser and the City of Glendale ("Glendale" and, together with LADWP, the "Project Participants" and each, individually, a "Project Participant"), have identified and investigated the feasibility of a facility consisting of a photovoltaic solar energy generation resource to be located in Millard County, Utah. The solar project denominated as Notch Peak Project is to be developed by Notch Peak Project, LLC.

2.5 The Project Participants have participated with SCPPA in the negotiation of an agreement and related arrangements for purchase of the electric output of the Notch Peak Project (the "Project" as defined in Appendix A), and SCPPA is to enter into a Power Purchase Agreement, which is incorporated herein by this reference, with Notch Peak Project, LLC providing for purchase of the electric output and associated rights, benefits, and credits from the Project and also providing certain acquisition alternatives under which SCPPA may have opportunities to purchase and acquire ownership of the Project.

2.6 Purchaser has a need for a percentage of the electric output and associated rights, benefits, and credits of the Project which comply with environmental and energy procurement laws, and has determined to enter into this Power Sales Agreement with SCPPA to purchase its Entitlement Share of Facility Products and associated rights, benefits, and credits of the Project from SCPPA.

2.7 Purchaser has a need for an economical, reliable source of Energy and Environmental Attributes to meet the requirements of environmental and energy procurement laws, including renewables portfolio standard

requirements, as well as the demands of its current and/or future customers in an environmentally responsible manner and, as such, has determined that it is desirable to enter into this Agreement to purchase a share of the Energy and Environmental Attributes of the Facility from SCPPA.

3. AGREEMENT. For and in consideration of the premises and the mutual covenants and agreements hereinafter set forth, and in order to pay SCPPA for its costs of Purchaser's share of the Facility Products, the Parties agree as herein set forth.

4. DEFINITIONS. Appendix A to this Agreement sets forth definitions of certain terms used in this Agreement. The terms defined in Appendix A and this Section 4, whether in the singular or plural, unless specifically provided otherwise, when used herein or in the Appendices hereto and initially capitalized, shall have the meaning ascribed thereto in said Appendix A or as set out below:

4.1 Agreement. This Agreement, as it may be amended, modified, or supplemented from time to time.

4.2 Effective Date. The date described in Section 20.1 hereof.

4.3 Cost of Acquisition. The Cost of Acquisition shall equal the sum of the amounts described in Sections 4.3.1 through 4.3.18. SCPPA shall apply, as a credit against the Cost of Acquisition, receipts, revenues, and other moneys received by it from the sale, if any, of surplus equipment, materials, and supplies, all if and to the extent held in or paid into (without duplication) Funds, and as provided for in the Indenture, as well as such other payments or amounts to be applied as a credit against the Cost of Acquisition pursuant to this Agreement.

4.3.1 All costs associated with Acquisition of the Facility or the ownership interests therein and its resources pursuant to the Power Purchase Agreement and acquiring the Facility and its associated resources pursuant to any purchase option or pursuant to the purchase of rights and interests in and to any applicable credit agreement or any other agreement, including, if applicable, any other agreement relating to any security interest in the Facility or any assignment or consent to assignment, including, the purchase of the Facility pursuant to any provisions in any of the Power Purchase and Security Agreements, including without limitation the following costs, as applicable: (i) the cost of acquiring the Facility pursuant to the Power Purchase and Security Agreements, (ii) the cost of planning, designing, acquiring, constructing, mitigating impacts, installing, and developing the Project including any Capital Improvements, (iii) the cost of the exercise of cure rights or enforcement of SCPPA's rights with respect to any defaults by the Power Purchase Provider or any other counterparty under any agreements, deeds of trust, leases or other instruments relating to or affecting the Project, (iv) the cost, where applicable, of contracting for and facilitating the delivery of the output of the

Project at the prescribed Point of Delivery or other prescribed location, (v) the cost, where applicable, of placing the Project into operation, concluding, terminating and decommissioning (as applicable) the Project, obtaining governmental approvals, certificates, permits, assurances, entitlements and licenses relating to the Project, including, where necessary, environmental entitlements, clearances or credits, heretofore or hereafter paid or incurred by SCPPA, (vi) all costs, expenses, obligations and liabilities associated with exercising all performance rights, options, benefits, entitlements, duties, liabilities and obligations under the Project Agreements, (vii) to the extent deemed appropriate by the Coordinating Committee, the cost of procurement of rights associated with interconnection, transmission, dispatching, scheduling, storage (if any) and delivery of energy and for otherwise facilitating the sale, disposition, storage (if any), movement, taking and accounting for energy (including planning and design costs) and (viii) the cost of those measures taken for the benefit of, and in connection with, the Project that the Coordinating Committee determines shall be included within this Section 4.3.1.

4.3.2 All costs and expenses for investigation and development of the Project, for performance studies, for feasibility studies, economic studies, and meteorological modeling and planning, for examination of legal, environmental, and regulatory issues and for securing of legal, environmental or regulatory approvals, services for energy cost modeling, project modeling or projections, economic analyses, diurnal, barometric, and meteorological forecasts and weather analyses, as well as costs for land, land rights, land options, resources, facilities, regulatory developments, geographic, diurnal, barometric and meteorological investigation and analysis, and, if applicable, engineering, consultants, experts' fees, contractors' fees, processing fees, labor, materials, equipment, utility services and supplies, and legal fees and financing costs relating to and in connection with the Project.

4.3.3 The costs and expenses incurred in the issuance and sale of bonds, notes, certificates of participation, commercial paper or other evidences of indebtedness (tax-exempt or taxable) which may from time to time be issued, the proceeds of which will have been used or will be required to be applied to one or more purposes for which Bonds could be issued, including, without limitation, legal, accounting, engineering, consulting, financing, technical, fiscal agent and underwriting costs, fees and expenses, bond discount, insurance, rating agency fees, and all other costs and expenses incurred in connection with the authorization, sale and issuance of the Bonds.

4.3.4 Interest accruing in whole or in part on Bonds for such period as SCPPA may reasonably determine to be necessary in accordance with the provisions of the Indenture.

4.3.5 To the extent not included in Power Costs, the cost of any administrative, regulatory or judicial proceeding or any litigation associated with the Power Purchase and Security Agreements or other Project Agreement, or any aspect of the operation, management or administration of the Project or in connection therewith.

4.3.6 To the extent not included in Power Costs, all costs incurred by SCPPA related to the acquisition of resources, agreements, facilities and supplies for solar energy acquisition, procurement, interconnection, transmission, sale, dispatching, scheduling, movement and delivery and all other incidental costs necessary for and in connection with the Project.

4.3.7 Training and testing costs which are properly allocable to the cost of acquisition and development of the Project.

4.3.8 All costs of insurance, if any, applicable to the development of and in connection with the Project.

4.3.9 All costs relating to injury or damage claims or judgments paid by SCPPA in connection with the acquisition, development, or implementation of the Project, less proceeds of insurance, if any.

4.3.10 To the extent not included in Power Costs, legally required or permitted federal, state, and local taxes relating to the Project.

4.3.11 All other costs incurred by SCPPA and properly allocable to the planning, design, acquisition, and development of the Project, including, without limitation, all legal fees relating to the Project (including, but not limited to, legal fees incurred by SCPPA in the enforcement of any provision or provisions of the Project Agreements).

4.3.12 The working capital requirements and reserves in such amounts as shall be required during development of the Project and for placing the Project in operation as deemed reasonably necessary by the Board of Directors, and as may be provided or required in the Indenture, and such additional amounts of working capital and reserves, as may be established pursuant to the Indenture.

4.3.13 Interest accrued in whole or in part on Bonds prior to and during development of the Project or during any time period as SCPPA may reasonably determine necessary for placing the Project or any

component thereof in operation in accordance with the provisions of the Indenture.

4.3.14 The deposit or deposits from the proceeds of Bonds issued to finance such costs in any Fund established pursuant to the Indenture to meet the Debt Service reserve requirements for the Bonds.

4.3.15 Without duplication with respect to amounts otherwise provided in this Section 4.3, the deposit or deposits from the proceeds of Bonds issued to finance such costs in any other Funds established pursuant to the Indenture which deposit or deposits are required or permitted by the Indenture.

4.3.16 The payment of principal, premium, if any, and interest when due (whether at the maturity of principal or at the due date of interest or upon redemption) of any note or other evidence of indebtedness, if any should exist, which is issued in anticipation of Bonds for the purpose of financing the Cost of Acquisition.

4.3.17 All costs required to be paid to the Project Manager pursuant to any applicable agreement for project management which are applied or are to be applied thereunder to the payment of the Cost of Acquisition.

4.3.18 Without duplication, all other costs (including incidental financing costs and the costs of issuance of Bonds) financed by the issuance of Bonds (i) pursuant to Section 13 of this Agreement, (ii) for procurement of rights associated with the acquisition, production, generation, transmission, interconnecting, balancing, shaping, firming, and delivery and for otherwise facilitating the dispatching, scheduling, disposition, movement, and taking and accounting for Facility Products (including planning and design costs) relating to, or for the benefit of, the Project that the Board of Directors reasonably determines shall be included within this Section 4.3.18, (iii) for the acquisition of the Facility or the rights and interests under any of the Power Purchase and Security Agreements; and (iv) for any amounts required to be paid pursuant to section 148 of the Internal Revenue Code.

4.4 Power Costs. All of SCPPA's costs to the extent not paid from the proceeds of Bonds, certificates of participation, commercial paper, notes, or other evidences of indebtedness issued in anticipation of Bonds, resulting from SCPPA's contracting for, providing for, accommodating, acquiring, and facilitating the Project, and from its administration, ownership, operation and maintenance of, and renewal, replacement, and replenishment of any facility, service, or other element or component of the Project, including costs arising under any of the Power Purchase and Security Agreements or other Project Agreements. SCPPA shall apply, as a credit against Power Costs, any receipts,

revenues, and other moneys received by SCPPA from surplus equipment, materials, supplies, or assets relating to the Project sold prior to the date of Commercial Operation for the benefit of SCPPA (not otherwise applied as a credit against the Cost of Acquisition as provided in Section 4.3), as well as such other amounts to be applied as a credit against Power Costs pursuant to this Agreement or the Indenture. The term "Power Costs" shall consist of, as applicable (i) an Operating cost component (described in Section 4.4.1), (ii) a Supplementary Services cost component to the extent SCPPA incurs such costs (described in Section 4.4.2), (iii) a Reserve Fund cost component (described in Section 4.4.3), (iv) an Indenture cost component (described in Section 4.4.4), and (v) a Power Purchase and Security Agreements cost component (described in Section 4.4.5), and shall include, but not be limited to, the items of cost and expense referred to in the Power Purchase and Security Agreements and this Section 4.4 that are accrued or paid by SCPPA during each Month of each Power Supply Year. In the event any Power Supply Year shall consist of fewer than twelve Months, the fraction set forth in Sections 4.4.1 and 4.4.4(c) shall be adjusted accordingly and, in the event of any revision of the Annual Budget after the commencement of any Power Supply Year, the amount determined pursuant to said Sections shall be appropriately adjusted so that any increase or decrease in the portion of the Annual Budget applicable to said Sections shall be evenly apportioned over the remaining Months of such Power Supply Year.

4.4.1 The Operating cost component of Power Costs for each Month shall, as applicable, consist of: one-twelfth of the costs of all Operating Work, operating expenses, and all costs related to contracting for, providing for, managing, administering, producing, procuring, transporting, and delivering of the Facility Products during such Power Supply Year, including, but not limited to (i) ordinary operation and maintenance costs (including any Operating Insurance premiums and Taxes and any other operation and maintenance costs payable by SCPPA under the Power Purchase Agreement), costs of repairs, replacements, replenishment, reconstitution, and reconstruction of the Project (that are not included in any Cost of Acquisition), administrative and general costs, legal fees, costs relating to litigation (including disbursements and other amounts paid as a result of such litigation), insurance costs (including amounts to fund any self-insurance program), overhead costs, Taxes required to be paid by SCPPA with respect to the Project, and any other costs payable by SCPPA in connection with Facility Products, (ii) all expenses incurred in enforcing the Power Purchase Agreement and other Power Purchase and Security Agreements and the other Project Agreements and the expenses of enforcing the applicable covenants and provisions of the easements, estates and other interests in real property, associated with the Facility, including all expenses of foreclosure or otherwise perfecting any property interests or security interest in the Facility, (iii) all costs of compliance by SCPPA with its indemnification obligations under Section 17.7 of this Agreement, (iv) all costs related to the conducting of the

business of SCPPA with respect to the Project, including the applicable portion of salaries, fees for legal, engineering, financial, and other services, all other costs attributable to miscellaneous and incidental expenses in connection with the administration of the Project, all costs, expenses, and payment and performance obligations of SCPPA under the Notch Peak Project Agency Agreement, including without limitation, any and all payments, costs and expenses with respect to compliance with its indemnification obligations under Section 17 of the Notch Peak Project Agency Agreement, or under any other agreement with the Project Manager, and all other expenses properly related to the conduct of such affairs of SCPPA and shall include all operating costs so incurred by SCPPA to provide the Facility Products.

4.4.2 The Supplementary Services cost component of Power Costs for a Month shall consist of all costs for such Month of SCPPA, if any, to the extent not included in Section 4.4.1, in connection with services for transmission, dispatching, scheduling, tagging, firming, balancing, swapping, exchanging, or delivery and for otherwise facilitating the disposition, movement, taking, receiving, crediting and accounting for the Facility Products provided for under this Agreement. The Supplementary Services cost component of Power Costs shall also entail all monthly costs incurred by SCPPA, if any, which are necessary to move or otherwise handle delivery of Purchaser's Entitlement Share from the Point of Delivery to one or more specified delivery point(s) as determined by Purchaser pursuant to Sections 9.2 and 9.5.

4.4.3 The Reserve Fund cost component of Power Costs for a Month shall consist of the cost for such Month that is necessary to establish and maintain the Reserve Funds at the level deemed reasonably prudent and appropriate by the Coordinating Committee and the Board of Directors; provided, however, that to the extent such a Reserve Fund cost component of Power Costs is paid by the Project Participants pursuant to the Indenture cost component of Power Costs, the Project Participants shall be credited for that amount of the monthly Reserve Fund cost component so paid by the Project Participants which is contained in such monthly Indenture cost component.

4.4.4 The Indenture cost component of Power Costs shall consist of:

(a) The amount, without duplication, which SCPPA is required under the Indenture to pay with respect to Debt Service or to pay or deposit during such Month into Funds established by the Indenture for Debt Service and for any reserve requirements for the Bonds or reserve requirements recommended by the Coordinating Committee and approved by Board of Directors, including replenishment (the timing of which shall be in

accordance with the provisions of this Agreement and the Indenture) of any reserves drawn down as a result of any failure of a Project Participant to pay all or any portion of its share of Monthly Costs.

(b) The amount which SCPPA is required to pay or deposit during such Month into any Fund or account established by the Indenture for the payment of interest on notes or on other evidences of indebtedness issued in anticipation of the issuance of the Bonds.

(c) One-twelfth of the amount (not otherwise included under any item in this Section 4.4.4 or in Section 4.4.1, 4.4.2, 4.4.3, or 4.4.5 hereof) which SCPPA is required under the Indenture to pay or deposit during such Power Supply Year into any other Fund established by the Indenture, including, without limitation, any amounts required to make up a deficiency in any Fund required or permitted by the Indenture, whether or not resulting from a default in payments by a Project Participant of amounts due under a Power Sales Agreement.

(d) The amount of fees, expenses or other charges incurred or payable by SCPPA under the Indenture; and

(e) Any rebate amount owed to the United States government.

4.4.5 The Power Purchase and Security Agreements cost component of Power Costs shall consist of costs for a Month, to the extent not otherwise included under this Section 4.4, associated with the Power Purchase and Security Agreements, including all costs for such Month incurred by SCPPA in connection with its enforcement of the Power Purchase and Security Agreements or the performance required of SCPPA under any of the Power Purchase and Security Agreements. Power Purchase and Security Agreement costs shall include, without duplication, SCPPA's monthly payment of any applicable associated ancillary costs under the Power Purchase and Security Agreements, and, to the extent not otherwise included under this Section 4.4, all Direct Reimbursable Costs and any costs SCPPA is required to pay for the Facility Products, including, where applicable, the costs of Startup and Test Energy and Excess Energy.

4.5 Monthly Costs. The costs payable by the Purchaser as described in Section 7.1 hereof in accordance with Purchaser's Project Cost Share, as set forth in Appendix B hereto.

5. PURCHASE AND SALE OF FACILITY PRODUCTS AND THE OBLIGATIONS OF SCPPA AND THE PURCHASER.

5.1 Purchase and Sale of Facility Products. In accordance with the terms and conditions of this Agreement, commencing on the earliest of (i) the date SCPPA is obligated to pay any portion of the costs of the Project, (ii) the date upon which SCPPA first incurs or accrues costs associated with the issuance of any Bonds, (iii) the effective date of the Power Purchase Agreement, or (iv) the date of the first delivery of energy to Purchaser pursuant to this Agreement, and continuing through the term of this Agreement, except as otherwise provided herein, SCPPA shall provide Purchaser its Entitlement Share of all products, rights, and benefits, whether tangible or intangible, received or obtained by SCPPA with respect to the Project, including without limitation Facility Products, or, if applicable, Replacement Energy, and Purchaser shall be responsible for and pay its Project Cost Share of any and all costs, liabilities, and obligations associated with the acquisition of such products, rights, and benefits, which shall include without limitation all costs, liabilities, and obligations associated with Facility Products or Replacement Energy, as applicable, under the Power Purchase Agreement and any other applicable Project Agreement, or associated with the purchase and operation of the Facility upon any purchase or acquisition of the Facility by SCPPA, including purchase or acquisition of any rights pursuant to the Power Purchase and Security Agreements and any other applicable Project Agreement, and all costs, credits, liabilities and obligations under the Indenture, any Cost of Acquisition, or any Capital Improvements.

5.2 Facility Products and Deliverables. SCPPA shall provide and Purchaser shall purchase and receive its Entitlement Share of Facility Products or Replacement Energy pursuant to the terms of this Agreement. To the extent permitted by the Power Purchase and Security Agreements, the applicable Project Agreements, or otherwise determined by the Coordinating Committee or Board of Directors, SCPPA will endeavor to take such actions or implement such measures as may be necessary or desirable for the utilization, maintenance, or preservation of the rights and interests of the Project Participants in the Project including, if appropriate, such enforcement actions or other measures as the Coordinating Committee or Board of Directors deems to be in the Project Participants' best interests. To the extent not inconsistent with the Power Purchase and Security Agreements or other applicable Project Agreements, SCPPA may also be reposed with responsibilities for planning, designing, financing, developing, acquiring, insuring, contracting for, administering, operating, and maintaining the Project to effectuate the delivery and sale of the Facility Products to Purchaser in accordance with Purchaser's Entitlement Share. To the extent such services are available and can be carried forth in accordance with the Power Purchase and Security Agreements or other applicable Project Agreements, SCPPA shall also provide such other services, as approved by the Coordinating Committee or Board of Directors, as may be deemed necessary to secure the benefits and/or satisfy the obligations associated with the Power Purchase and Security Agreements or other applicable Project Agreements. SCPPA shall use its best efforts, on behalf of

Purchaser and the other Project Participant, to secure the benefits of the transactions contemplated under the Power Purchase and Security Agreements or other applicable Project Agreements including, if applicable, SCPPA's acquisition of the Facility and its associated resources, as well as the delivery of the Facility Products or Replacement Energy, as applicable, contemplated by this Agreement, and shall endeavor to maintain and secure the rights and benefits accruing to SCPPA through the Power Purchase and Security Agreements and the other applicable Project Agreements in accordance with Purchaser's Entitlement Share. SCPPA is authorized to exercise the powers vested in SCPPA pursuant to the Act, its Joint Powers Agreement, and this Agreement, as agent for Purchaser to fully carry forth Purchaser's objectives in the Project as set forth herein.

5.3 Project Manager. SCPPA shall initially appoint LADWP to act as Project Manager to administer the Project in accordance with the Notch Peak Project Agency Agreement or cause the Project to be administered through a project management or agency agreement with another agent on behalf of the Project Participants.

5.4 Adoption of Annual Budget. The Annual Budget and any amendments to the Annual Budget shall be prepared and approved in accordance with Sections 5.4.1 or 5.4.2, respectively.

5.4.1 SCPPA will prepare and submit to Purchaser a proposed Annual Budget at least 60 days prior to the beginning of each Power Supply Year. In connection with the preparation of the Annual Budget, SCPPA shall incorporate therein the Operating Budget (including an energy production costs budget)

and, where appropriate, a provision for the payment of costs of renewals, replacements, replenishment or other costs of acquisition and development which are not being financed by proceeds of Bonds or other sources) for such Power Supply Year as prepared by the Project Manager and approved by the Coordinating Committee. Purchaser and the other Project Participants may then submit to SCPPA, at any time until the Annual Budget is adopted, any matters or suggestions relating to the Annual Budget. SCPPA shall adopt the Annual Budget not less than 30 nor more than 60 days prior to the beginning of such Power Supply Year and shall cause copies of such adopted Annual Budget to be delivered to each Project Participant; provided, however, the Annual Budget for the first Power Supply Year shall be prepared, considered, adopted, and delivered in the most practicable manner available prior to Commercial Operation of the Facility. As required from time to time during any Power Supply Year after seven days written notice to each Project Participant, SCPPA may, pursuant to the foregoing provisions for adopting the Annual Budget, adopt an amended Annual Budget for and applicable to such Power Supply Year for the remainder of such Power Supply Year. The Annual Budget

shall establish the basis for monthly Billing Statements to be sent to the Project Participants, as provided in Section 7 hereof.

5.4.2 Any adjustment, and any other or further mechanism for adjustment, as may be required to address the variability of costs of operation of the Project at any time during the Power Supply Year or the variability of or addition to any other Annual Budget component, may be incorporated into the Annual Budget as provided above, or any amendment to an Annual Budget at any time during any Power Supply Year upon seven days' written notice each Project Participant as set forth in Section 5.4.1.

5.5 Reports. SCPPA will prepare and issue to Purchaser and the other Project Participants the following reports each quarter of a Power Supply Year:

5.5.1 Financial and operating statement relating to the Project.

5.5.2 Variance report comparing the costs in the Annual Budget versus actual costs, and the status of other cost-related issues with respect to the Project.

5.6 Records and Accounts. SCPPA will keep, or cause to be kept, accurate records and accounts of each of the properties and facilities comprising the Project as well as of the operations relating to the Project, all in a manner similar to accepted accounting methodologies associated with similar projects. All transactions of SCPPA relating to the Project with respect to each Fiscal Year shall be subject to an annual audit. Purchaser shall have the right at its own expense to examine and copy the records and accounts referred to above on reasonable notice during regular business hours.

5.7 Provide Information. Purchaser agrees to supply SCPPA, upon request, with such information, documentation and certifications as SCPPA shall reasonably determine to be requisite to and necessary or desirable for the design, financing, refinancing, development, operation, administration, maintenance and ongoing activities of the Project, including information reasonably available to allow SCPPA to respond to requests for such information from any federal, state or local regulatory body or other authority.

5.8 Consultants and Advisors Available. SCPPA shall make available to the Coordinating Committee all consultants and advisors, including financial advisors and legal counsel including Bond Counsel and Tax Counsel, that are retained by SCPPA, and such consultants, counsel and advisors shall be authorized to consult with and advise the Coordinating Committee on Project matters.

5.9 Deposit of Insurance Proceeds. Except as otherwise may be required by any of the Project Agreements and unless otherwise provided by the Board of Directors, SCPPA promptly shall deposit with the Project Trustee or Lender any insurance proceeds received by SCPPA as a result of injury or damage to

any insured interest attributable to any component or all or any portion of the Project. All insurance proceeds collectible by SCPPA as a result of an insured event affecting the Project shall be applied as directed by SCPPA (which directions shall be in accordance with any applicable provisions of the Indenture).

5.10 Compliance with Federal Tax Law Requirements. Notwithstanding anything to the contrary in this Agreement, SCPPA and Purchaser shall each take all actions necessary to comply in all respects with the Federal Tax Law Requirements applicable to any Bonds and shall refrain from taking any action that would result in or cause non-compliance with the Federal Tax Law Requirements applicable to any Bonds.

5.11 Liquidated Damages. Any amounts paid to SCPPA, or applied against payments otherwise due by SCPPA, by the Power Purchase Provider as and for Daily Delay Damages for failure, among others, to achieve any of the Key Milestones (as defined in the Power Purchase Agreement), including the Guaranteed Commercial Operation Date, or as and for Shortfall Liquidated Damages, including for failure to deliver the Guaranteed Delivered Energy or relating to any RPS Compliance Shortfall Energy as provided under the Power Purchase Agreement, shall be remitted or credited, as applicable, to the Project Participants in accordance with their respective Project Cost Shares.

6. COORDINATING COMMITTEE.

6.1 Establishment and Authorization of the Coordinating Committee. The Coordinating Committee is hereby established and duly authorized to act on behalf of the Project Participants as provided in this Section 6 for the purpose of (a) providing coordination among, and information to, the Project Participants and SCPPA, (b) the administration of the Project Agreements other than the Notch Peak Project Agency Agreement, (c) making any recommendations to the Board of Directors regarding the administration of the Project, and (d) execution of the Coordinating Committee responsibilities set forth in Section 6.3 hereof, including the various financial, administrative, and technical matters which may arise from time to time in connection with the Project or the administration thereof, and such further developments as may need to be addressed.

6.2 Coordinating Committee.

6.2.1 The Coordinating Committee shall consist of one representative from each Project Participant. Each Project Participant shall be entitled to cast a vote equal to its Project Cost Share as set forth in Appendix B hereof. SCPPA shall be entitled to one non-voting representative. Within thirty (30) days after SCPPA has entered into Power Sales Agreements with each Project Participant, SCPPA and each Project Participant shall provide notice to each other of such party's representative on the Coordinating Committee. Alternate representatives may be appointed by similar

written notice to act on the Coordinating Committee, or on any subcommittee established by the Coordinating Committee or by the Board of Directors, in the absence of the regular representative or to act on specified occasions with respect to specified matters. An alternate representative may attend all meetings of the Coordinating Committee but may vote only if the representative for whom she/he serves as alternate is absent. No Project Participant's representative shall exercise any greater authority than permitted by the Project Participant which she/he represents. The chairperson of the Coordinating Committee ("Chairperson") shall be a representative of the Project Manager. The Chairperson shall be responsible for calling and presiding over meetings of the Coordinating Committee.

6.2.2 The Chairperson or SCPPA shall promptly call a meeting of the Coordinating Committee at the request of any representative in a manner and to the extent permitted by law. For purposes of conducting meetings, a quorum shall exist so long as SCPPA's representative and the representative of each of the Project Participants shall be present. Except as may otherwise be provided in an agreement to which both of the Project Participants agree, all actions taken by the Coordinating Committee shall require an affirmative vote of Project Participants having Project Cost Shares aggregating at least eighty percent (80%) of the total Project Cost Shares. Notwithstanding the forgoing, however, (i) if a proposed action before the Coordinating Committee or the Board of Directors relates solely to the interests of a Project Participant other than Purchaser and Purchaser determines, in good faith, that such proposed action will not adversely affect, economically or otherwise, its interests, Purchaser agrees that it shall not unreasonably withhold its affirmative vote with respect to such proposed action; and (ii) any recommendation by the Coordinating Committee to the Board of Directors to exercise a Project Purchase Option shall require an affirmative vote of Project Participants having Project Cost Shares aggregating one hundred percent (100%) of the total Project Cost Shares; provided, however, that a Project Participant who does not wish to participate in such Project Purchase Option will cooperate in good faith with the Project Participant desiring to participate in the Project Purchase Option to facilitate the Project Purchase Option; and provided further, that a Project Participant who does wish to participate in such Project Purchase Option will cooperate in good faith with the Project Participant not desiring to participate in the Project Purchase Option to facilitate an equitable resolution of all of the rights and responsibilities of the Project Participants with respect to the exercise of such Project Purchase Option. Unless the Board of Directors shall otherwise determine to require a majority vote pursuant to the terms of the Joint Powers Agreement, all actions with respect to the Project taken by the Board of Directors shall

require an affirmative vote of at least eighty percent (80%) of the Project Votes (as defined in the Joint Powers Agreement) cast thereon. Purchaser acknowledges and agrees that SCPPA, with the approval of the Coordinating Committee or the Board of Directors, as applicable, may enter into future Project Agreements or amendments to the existing Project Agreements (in accordance with their respective terms). Except as provided herein or in the Project Agreements or as otherwise provided by resolution of the Board of Directors or required by law, SCPPA will not be required to obtain the consent or approval of Purchaser in connection with any such new Project Agreement or amendment. Conducting of Coordinating Committee meetings and actions taken by the Coordinating Committee may be taken by vote given in an assembled meeting or by telephone, video conferencing, letter, e-mail or by any combination thereof, to the extent permitted by law.

6.3 Coordinating Committee Responsibilities. In addition to those responsibilities described in Section 6.1, the Coordinating Committee shall have the following responsibilities:

6.3.1 Provide liaison between SCPPA and the Project Participants at the management or other levels with respect to the Project, maintain a liaison between the Project Participants and all other SCPPA members with respect to the Project, and where the Coordinating Committee deems it appropriate, maintain a liaison with the counterparties to any Project Agreements and with any other entities or utilities engaged in or in connection with other renewable energy projects.

6.3.2 Exercise general supervision over any subcommittee established pursuant to Section 6.6.

6.3.3 If any Project design, feasibility or planning studies or activities which are to be completed by SCPPA have not been completed by the Effective Date of this Agreement, oversee, as appropriate, the continuation and completion of such Project design, feasibility or planning studies or activities.

6.3.4 Review, develop and, if appropriate, recommend, modify, or approve all budgets and revisions thereof prepared and submitted by SCPPA or the Project Manager pursuant to any applicable agreement.

6.3.5 Review, develop, and, if appropriate, recommend, modify, approve, or otherwise act upon any systems or procedures for adjustment of the Annual Budget or any alternative methodologies for budgeting or billing as set forth in Section 5 and Section 7 of this Agreement.

6.3.6 Carry out all other actions reposed in the Coordinating Committee with respect to budgeting and billing as set forth in Section 5 and Section 7 of this Agreement.

6.3.7 Review, discuss, and attempt to resolve any disputes among the Project Participants or the parties to any Project Agreements including, without limitation, the Power Purchase Provider or any other counterparty to any Project Agreement.

6.3.8 Make recommendations to the Project Manager, the Board of Directors, the Project Participants, or to the counterparties to any of the Project Agreements, as appropriate, with respect to the development, operation, and ongoing administration of the Project.

6.3.9 Review, develop, and, if appropriate, modify and approve rules, procedures, and protocols for the administration of the Project or Project Agreements, including rules, procedures, and protocols for the management of the costs of the Facility and the scheduling, handling, tagging, dispatching and crediting of Facility Products, and the handling and crediting of Environmental Attributes associated with the Facility or Replacement Energy under the Power Purchase Agreement.

6.3.10 Review, develop, and, if appropriate, modify and approve rules, procedures and protocols for the monitoring, inspection and the exercise of due diligence activities in connection with the Acquisition relating to the Project and the operation of the Facility.

6.3.11 Review, and, if appropriate, modify, approve, or otherwise act upon, the form or content of any written statistical, administrative, or operational reports, solar energy related data, electric generation information, solar energy production data, diurnal, barometric and meteorological information, solar photovoltaic, metallurgic, chemical and technical information, facility reliability data, transmission information, forecasting, scheduling, dispatching, tagging, parking, firming, exchanging, balancing, movement, or other delivery information, climate and weather related matters, cloud conditions, regulatory matters or requirements, and other information and other similar records or matters pertaining to the Project which are furnished to the Coordinating Committee by the Project Manager, the counterparties to Project Agreements, experts, consultants or others.

6.3.12 In coordination with the Board of Directors, review, and, if appropriate, recommend, modify or approve rules, procedures, and protocols as provided in Section 10.3.

6.3.13 Review, formulate and, if appropriate, modify, or otherwise act upon, practices and procedures to be followed by Purchaser for,

among other things, the production, scheduling, tagging, transmission, delivery, firming, balancing, exchanging, crediting, tracking, monitoring, remarketing, sale or disposition of Facility Products.

6.3.14 Act upon such changes as appropriate as set forth in Section 15.5 of the Power Sales Agreements. Such changes as may occur in accordance with Section 15.5 with respect to Appendices A and B herein shall be considered an element of the administration of this Agreement and shall not be deemed an amendment of this Agreement requiring the consent of the Parties hereto.

6.3.15 Review, formulate, modify and approve, if necessary, the schedule of planned activities or practices and procedures formulated by the Project Manager or the applicable counterparty with respect to the performance of any Project Agreement, including the policies for selection and utilization of contractors and consultants included in the budgets with respect to the Project. In formulating and approving such schedules, consideration may be given, if possible, to each Project Participant's electric system conditions, which may prevail during such planned activities.

6.3.16 Review, and if appropriate, recommend, or otherwise act upon any matters or issues associated with Operating Work and any other matters or issues which may arise in the operation, maintenance, or administration of the Project.

6.3.17 Review and act upon any matters involving any arrangements and instruments entered into by the Power Purchase Provider or any affiliate thereof to, among other things, secure certain performance requirements, including, but not limited to, the Project Agreements, the Development Security or the Performance Security and any other letter of credit delivered to or for the benefit of SCPPA by the Power Purchase Provider or any other counterparty to any Project Agreement in connection with the Project and take such actions or make such recommendations as may be appropriate or desirable in connection therewith.

6.3.18 Review, and, if appropriate, recommend, modify, or approve policies or programs formulated by the Project Manager or any counterparty under any Project Agreement for determining or estimating solar energy or the values, quantities, volumes or costs of renewable energy from the Facility.

6.3.19 Review, modify, or approve recommendations of the Project Manager or counterparties made pursuant to the provisions of any Project Agreement.

6.3.20 Review, and, if appropriate, recommend Cost of Acquisition and costs of Operating Work and submit to the Board of Directors any budget revisions or other provisions for the payment or financing thereof.

6.3.21 Review, and, if appropriate, recommend SCPPA's insurance program with respect to the Project (as applicable) including, without limitation, the establishment of any self-insurance program and the maximum amount or amounts of any uninsured claim that the Project Manager may settle without the prior approval of the Coordinating Committee.

6.3.22 Review, and where appropriate, recommend the implementation of metering technologies and methodologies appropriate for the delivery, accounting for, transferring, and crediting of Facility Products to the Point of Delivery or other points or destinations, as applicable.

6.3.23 Review, examine, modify, and where appropriate, recommend or approve the implementation of methods for addressing curtailments or other interruptions having a tendency to cause Deemed Delivered Energy.

6.3.24 Review, modify and, where appropriate, recommend or approve the implementation of practices and procedures to carry forth the provisions of Section 9 herein, as may be applicable to any of the Project Participants; provided, that the Coordinating Committee shall take no action with respect to the possible provision of Supplementary Services unless and until a Project Participant makes a specific request that SCPPA provide such Supplementary Services.

6.3.25 Identify, or develop criteria to identify, contracts or agreements relating to work or Operating Work that shall be deemed to be Major Contracts under any applicable project management or operating agreement.

6.3.26 Review, and to the extent permitted by this Agreement or any other relevant agreement relating to the Project, modify and approve or disapprove the specifications, vendors' proposals, bid evaluations, form of final agreement, or any other matters with respect to Major Contracts.

6.3.27 Review, and make recommendations with respect to actions, disposition or use, if any, relating to Acquisition activities, including with respect to the exercise of a Project Purchase Option. The Coordinating Committee must meet and consider a recommendation to the Board of Directors regarding the exercise of a Project Purchase Option before the exercise of such Project

Purchase Option is presented to the Board of Directors for a Project Vote (as defined in the Joint Powers Agreement).

6.3.28 Make recommendations to the Board of Directors with respect to the application of the payments, if any, received by SCPPA from the Development Security and Performance Security and the amounts, if any, received by SCPPA as a result of a Default by the Power Purchase Provider under the Power Purchase Agreement, provided that, subject to compliance with the terms and provisions of the Indenture, such payments or amounts shall, in any event, be applied to one or more of the following purposes: (i) the payment, redemption or defeasance of Bonds, (ii) the payment of or a credit against the Cost of Acquisition, (iii) a credit against Power Costs, or (iv) the distribution to Purchaser.

6.3.29 Perform such other functions and duties as may be provided for under this Agreement, the Power Purchase Agreement, the Power Purchase and Security Agreements, the Ancillary Documents, or any other applicable Project Agreement, or as may otherwise be appropriate or beneficial to the Project or the Project Participants.

6.4 Management Decisions and the Role of the Board of Directors. The rights and obligations of SCPPA under the Project Agreements shall be subject to the ultimate control at all times of the Board of Directors. The Project Participants shall be entitled to participate in the decisions of the Board of Directors with respect to SCPPA's rights and interests in the Facility and the Project, as described herein. SCPPA, through the Board of Directors, shall have, in addition to the duties and responsibilities set forth elsewhere in this Agreement, the following duties and responsibilities, among others:

6.4.1 Future Matters Liaison. The Board of Directors shall provide liaison between the Project Participants at the management level with respect to the administration of the Project and other future matters arising out of the Project Agreements.

6.4.2 Dispute Resolution. The Board of Directors shall endeavor to review, discuss and attempt to resolve any disputes among SCPPA, any of the Project Participants and the counterparties under the Project Agreements relating to the Project, the operation and management of the Facility and SCPPA rights and interests in the Facility.

6.4.3 Scheduling Procedures. When recommended by the Coordinating Committee, or when otherwise appropriate, the Board of Directors shall act upon and approve or modify the practices and procedures for the scheduling, delivering, controlling and allocating Facility Products.

6.4.4 Project Agreements. The Board of Directors shall have the authority to approve the Project Agreements and to review modify and approve, as appropriate, all amendments, modifications and supplements to the Project Agreements.

6.4.5 Capital Improvements. The Board of Directors shall review, modify and approve, if appropriate, all Capital Improvements and Acquisitions undertaken with respect to the Project and all financing arrangements for such Capital Improvements or Acquisitions. The Board of Directors shall approve those budgets or other provisions for the payments associated with the Project and the financing for any development or Acquisitions associated with the Project.

6.4.6 Bond Issuance. The Board of Directors shall have authority to approve any and all of the following: (1) each issuance of SCPPA indebtedness relating to the Project, (2) each supplement or amendment to the Indenture relating to the Project, (3) the Bonds issued to finance the purchase or acquisition of the Facility or Capital Improvements of the Facility or costs related to the exercise or enforcement by SCPPA of its rights with respect to any agreements, deeds of trust, leases or other Power Purchase and Security Agreements relating to or affecting the Project, or the purchase of rights and interests under the Power Purchase and Security Agreements, or other Acquisitions to carry out the objectives of the Project, (4) the selection of underwriters for each series of Bonds, (5) the manner and timing of marketing (including of the manner of sale), amount, interest rates and other terms and conditions of each series of SCPPA indebtedness associated with the Project, and (6) any other action necessary or appropriate to carry forth Section 13 of this Agreement.

6.4.7 Committees. The Board of Directors shall exercise such review, direction or oversight as may be appropriate with respect to the Coordinating Committee and any other committees established pursuant to the Project Agreements.

6.4.8 Budgeting. The Board of Directors shall review, modify and approve each Annual Budget and the revisions thereto in accordance with Section 5.4 of this Agreement.

6.4.9 Federal Tax Law Requirements. With respect to any Bonds, the Board of Directors, in consultation with Bond Counsel or Tax Counsel, shall develop and promulgate rules, procedures, and protocols, including the development and maintenance of relevant information and reporting procedures, and shall provide direction to Purchaser with respect to the Federal Tax Law Requirements.

6.4.10 Application of Certain Payments Under the Power Purchase Agreement. The Board of Directors shall review, modify and approve the recommendations of the Coordinating Committee, made pursuant to Section 6.3.28 of this Agreement, as to the application of any payments or amounts received by SCPPA from the Development Security and Performance Security or as a result of a Default by the Power Purchase Provider under the Power Purchase Agreement; provided that, subject to compliance with the terms and provisions of the Indenture, such payments and amounts shall be applied to one or more of the purposes set forth in Section 6.3.28.

6.4.11 Supervening Authority of the Board. The Board of Directors is reposed with complete and plenary supervening power and authority to act upon any matter which is capable of being acted upon by the Coordinating Committee or which is specified as being within the authority of the Coordinating Committee pursuant to the provisions of this Agreement, including those matters enumerated in Section 6.1 and Section 6.3 of this Agreement.

6.4.12 Other Matters. The Board of Directors is authorized to perform such other functions and duties, including oversight of those matters and responsibilities addressed by the Coordinating Committee, as may be provided for under this Power Sales Agreement and under the other Project Agreements, or as may otherwise be appropriate.

6.5 Periodic Audits. The Board of Directors or the Coordinating Committee may arrange for the annual audit under Section 5.6 of this Agreement by certified accountants, selected by SCPPA and experienced in electric generation or electric utility accounting, of the books and accounting records of SCPPA, and where deemed appropriate the Project Manager (if other than SCPPA), the Power Purchase Provider (to the extent provided under any of the Power Purchase and Security Agreements) and any other counterparty under any Project Agreement to the extent allowable, and any cost reimbursable consultant or cost reimbursable contractor relevant to the Acquisition, development, administration or operation of the Project, and such audit shall be completed and submitted to SCPPA as soon as reasonably practicable after the close of the Fiscal Year. SCPPA shall promptly furnish to the Project Participants copies of all audits. No more frequently than once every calendar year, Purchaser may, at its sole cost and expense, audit or cause to be audited the books and cost records of SCPPA, the Project Manager (if other than SCPPA), the counterparty under any Project Agreement to the extent so provided in the applicable Project Agreement, and any cost reimbursable consultant or cost reimbursable contractor relevant to the Acquisition, development, administration or operation of the Project.

6.6 Additional Committees. The Coordinating Committee may establish as needed subcommittees including, but not limited to, auditing, legal, financial,

engineering, mechanical, weather, geologic, diurnal, barometric, meteorological, operating, insurance, governmental relations, environmental and public information subcommittees. The authority, membership, and duties of any subcommittee shall be established by the Coordinating Committee; provided, however, such authority, membership or duties shall not conflict with the provisions of any of the Project Agreements. Each such subcommittee shall be initially responsible to the Coordinating Committee.

6.7 Change in Representative. Purchaser shall promptly give written notice concurrently to the other Project Participants and SCPPA of any changes in the designation of its representative on the Coordinating Committee or any subcommittee, and SCPPA shall promptly give written notice concurrently to Purchaser and the other Project Participants of any changes in the designation of its representative on the Coordinating Committee or any subcommittee.

6.8 Costs of Consultants. Costs (or the applicable portion thereof) of consultants and others employed or appointed by the Coordinating Committee to perform the duties required hereunder, to the extent the Coordinating Committee is authorized to so employ or appoint, shall be included in the Cost of Acquisition or Power Costs, as appropriate, and shall be billed to SCPPA or the Project Manager (if other than SCPPA).

6.9 Representative's Expenses. Any expenses incurred by any representative of any Project Participant or group of Project Participants serving on the Coordinating Committee or any other committee in connection with his/her duties on such committee shall be the responsibility of the Project Participant which he/she represents and shall not be an expense payable under this Agreement.

6.10 Inaction by Committee. It is recognized by SCPPA and Purchaser that if the Coordinating Committee is unable or fails to agree with respect to any matter or dispute which it is authorized to determine, resolve, approve, disapprove or otherwise act upon after a reasonable opportunity to do so, or within the time specified herein or in any other applicable Project Agreement, then SCPPA may take such action as in its discretion is necessary for its timely performance under any Project Agreement pending the resolution of any such inability or failure to agree, but nothing herein shall be construed to allow SCPPA to act in violation of the express terms of any Project Agreement.

6.11 Compliance with Indenture. It is recognized by SCPPA and Purchaser that the planning, financing, development, acquisition, operation and maintenance of, and insurance programs relating to, the Project must comply in all respects with requirements of the Indenture and all licenses, permits and regulatory provisions necessary for such planning, financing, development, acquisition, operation and maintenance and it is therefore agreed that, notwithstanding any provision of this Agreement, no action by the Coordinating Committee or the Project Manager (if a designee other than SCPPA) shall require SCPPA to act in any manner inconsistent with any such requirements or to refrain from acting as required by this Agreement and the Power Purchase Agreement and if the

Project Manager (if a designee other than SCPPA) shall fail to make recommendations or act with respect to any matter in connection with an action that is required to be taken pursuant to any of the foregoing, SCPPA shall take such action as is appropriate to assure compliance with the foregoing.

6.12 Delegation. To secure the effective cooperation and interchange of information in a timely manner in connection with various administrative, technical and other matters which may arise from time to time in connection with administration of the Project Agreements, in appropriate cases, duties and responsibilities of the Board of Directors or the Coordinating Committee, as the case may be under this Section 6, may be delegated to SCPPA's Executive Director by the Board of Directors upon notice to the Project Participants.

7. CHARGES AND BILLINGS.

7.1 Monthly Costs. The amount of Monthly Costs which shall be paid by Purchaser for a particular Month shall be the sum of the following:

7.1.1 Purchaser's Project Cost Share multiplied by the Operating cost component of Power Costs (as provided in Section 4.4.1 hereof) for such Month.

7.1.2 Purchaser's share of the Supplementary Services cost component of Power Costs (as provided in and subject to the limitations set forth in Section 4.4.2 hereof) for such Month based on Purchaser's allocated share of any such services procured by SCPPA on behalf of Purchaser.

7.1.3 Purchaser's Project Cost Share multiplied by the Reserve Fund cost component of Power Costs (as provided in Section 4.4.3 hereof) for such Month.

7.1.4 Purchaser's Project Cost Share multiplied by the Indenture cost component of Power Costs (as provided in Section 4.4.4 hereof) for such Month as the Indenture cost component has been reduced by interest earned on investments of amounts held under the Indenture if and to the extent not credited against the Cost of Acquisition or has been off-set or reduced by other amounts made available therefor as provided in the Indenture.

7.1.5 Purchaser's Project Cost Share multiplied by the Power Purchase and Security Agreements cost component of Power Costs (as provided in Section 4.4.5 hereof) for such Month.

7.2 Billing Statements. By the fifth calendar day of each Month during each Power Supply Year, SCPPA shall bill Purchaser for the amount of Monthly Costs to be paid by Purchaser for the current Month by providing Purchaser with a Billing Statement in accordance with the charges established pursuant to the provisions of this Agreement; provided, however, that such Billing Statement,

with respect to Debt Service and other obligations payable from the Debt Service Fund under the Indenture, shall instead include the amount, if any, to be paid by Purchaser with respect to the applicable Bonds and the other obligations payable from the Debt Service Fund that is due and payable in the immediately succeeding Month or as otherwise provided under the Indenture, and provided further, that such Billing Statement, with respect to the cost of Facility Products provided by SCPPA to Purchaser under this Agreement, shall also include with respect to the performance by SCPPA or the counterparty under and pursuant to applicable Project Agreements, a charge or credit to Purchaser, in accordance with Purchaser's Project Cost Share or Entitlement Share, as applicable, with respect to the costs or revenues attributable to the Project Participants pursuant to and under any applicable Project Agreement. Such Billing Statement shall detail the costs described in Section 7.1 hereof and shall set forth, among other things, the amounts due for such Month by Purchaser with respect to the items of Monthly Costs set forth in Section 7.1, as such Monthly Costs may be adjusted from time to time in accordance with Section 5 and this Section 7. Such Billing Statement shall be paid by Purchaser on or before 20 days after receipt of such Billing Statement.

7.3 Adoption of Alternative Billing Statement Procedures. The Coordinating Committee may recommend the adoption of an alternative Billing Statement billing methodology in connection with each Project Participant's Billing Statement with respect to the Power Costs and the costs associated with any Project Agreement. Such alternative Billing Statement procedures may be placed into effect with the approval of the same by resolution of the Board of Directors. Any such alternative Billing Statement billing methodology shall satisfy all requirements of the Indenture and shall be fiscally prudent, financially sound and shall assure coverage of all potential and actual costs and obligations of SCPPA.

7.4 Disputed Monthly Billing Statement. In case any portion of any Billing Statement received by Purchaser from SCPPA shall be in bona fide dispute, Purchaser shall pay SCPPA the full amount of such Billing Statement and, upon determination of the correct amount, the difference between such correct amount and such full amount, if any, including interest at the rate received by SCPPA on any overpayment, will be credited to Purchaser by SCPPA after such determination; provided, however, that such interest shall not accrue on any overpayment that is acknowledged by SCPPA and returned to Purchaser by the fifth calendar day following the receipt by SCPPA of the disputed overpayment. In the event such Billing Statement is in dispute, SCPPA will give consideration to such dispute and will advise Purchaser with regard to SCPPA's position relative thereto within 30 days following receipt of written notification by Purchaser of such dispute.

7.5 Reconciliation of Monthly Costs.

7.5.1 As soon as practicable after the end of each Power Supply Year, SCPPA will submit to the Project Participants a detailed statement of the actual aggregate Monthly Costs and other amounts payable

hereunder, including any credits thereto, for all of the Months of such Power Supply Year, and the adjustments of the aggregate Monthly Costs and other amounts payable hereunder, if any, for any prior Power Supply Year, based on the annual audit of accounts provided for in Section 6.5. If, on the basis of the statement submitted as provided in this Section 7.5.1, the actual aggregate Monthly Costs and other amounts payable by the Purchaser or the other Project Participants for any Power Supply Year exceed the amount thereof which the Purchaser or the other Project Participant, as applicable, has been billed, the Purchaser or the other Project Participant, as applicable, shall pay SCPPA, within 20 days of receipt of SCPPA's invoice requesting payment of such incremental amount, the amount to which SCPPA is entitled. If, on the basis of the statement submitted pursuant to this Section 7.5.1, the actual aggregate Monthly Costs or other amounts payable by the Purchaser or the other Project Participants for any Power Supply Year are less than the amount for which the Purchaser or any other Project Participant has been billed, SCPPA shall, unless otherwise directed by the Purchaser or any other Project Participant with respect to moneys owed to each, credit such excess against Purchaser's and/or the other Project Participant's, as applicable, next monthly Billing Statement.

7.5.2 In the event that the failure of Purchaser to make its payments in accordance with this Agreement shall have resulted in the application of amounts in any Reserve Fund under this Agreement to the payment of costs payable from such Reserve Fund and such other Project Participants shall have made up the deficiency created by such application or paid additional amounts as a result of a draw on such Reserve Fund, amounts thereafter paid to SCPPA by Purchaser for application to such past due payments including interest shall be credited on the Billing Statements of the other Project Participants in the next Month or Months as provided in the applicable provisions of Section 11.

7.6 Other or Additional Cost Reconciliation Mechanisms. The Board of Directors may, by resolution, authorize or prescribe other billing, payment, costing, and cost reconciliation mechanisms to address such billing, payment, costing, and cost reconciliation issues as may from time to time arise with respect to the Project.

7.7 Interest on Late Payments. If Purchaser fails to pay any Billing Statement when due, interest shall accrue, to the extent permitted by law, at a rate equal to the lesser of (i) one percent per Month (12% per annum) on the unpaid amount of the bill or (ii) the monthly equivalent of the "prime" rate of interest as noticed in the Federal Reserve's HR 15 weekly bulletin (or the subsequent equivalent thereof) as of the date of nonpayment on the unpaid amount of the bill, until such Billing Statement is paid.

7.8 Prepayment of Monthly Costs. Purchaser may, at any time, pay moneys to SCPPA or utilize any credits due or amounts owed by SCPPA to Purchaser with respect to the Project for the purpose of prepaying its monthly Billing Statement. Such moneys and amounts owed by SCPPA under any Project Agreement shall be deposited into an account established by, or at the direction of, SCPPA. Consistent with SCPPA's investment policy, moneys in such account shall be invested pursuant to instructions provided to SCPPA by Purchaser and all investment income shall be credited to such account. Payment of the amount of any monthly Billing Statement or Default Invoice shall be made from moneys available in such account to the extent set forth in written directions from Purchaser to SCPPA received at least five business days prior to the due date of such payment. Any credit or prepayment with respect to its monthly Billing Statement shall not relieve or reduce Purchaser's other obligations under this Agreement.

7.9 Costs or Expenses Incurred for Sole Benefit of Purchaser. Notwithstanding anything to the contrary in this Agreement, if a particular cost or expense is incurred by SCPPA for the sole benefit of Purchaser, unless otherwise determined by the Coordinating Committee, then such cost or expense shall be allocated only to Purchaser, in which event only Purchaser (and no other Project Participant) shall be responsible for the payment thereof under this Agreement. Any such cost or expense incurred by SCPPA for the sole benefit of Purchaser shall be deemed to be paid from amounts paid by Purchaser from the payment of its Billing Statements.

7.10 Credit or other Payment Attributable to a Specific Project Participant. Subject to Section 5.12 of this Agreement, should any Project Participant make or provide, through any type of payment mechanism, for a separate payment or prepayment for Facility Products or other Project purpose which results in a credit or reduction in SCPPA's obligation being credited to the purchase of Facility Products, or a reduced cost of power or otherwise credited under the Power Purchase Agreement or other Project Agreement, then, to the extent that such credit is credited to an obligation of SCPPA under the Power Purchase Agreement or such other Project Agreement, such credit shall be passed through or credited to the applicable Project Participant under such Project Participant's Power Sales Agreement. Such a credit may, at the request of the applicable Project Participant, be credited on the Project Participant's subsequent Billing Statements or handled pursuant to a Billing Statement methodology which bills for and places an amount which is the equivalent of the credit into the Project Participant's project stabilization account or such a credit may be otherwise handled in such manner as the applicable Project Participant may reasonably request. The provisions of this Section 7.10 shall be in addition to the terms and provisions of Section 12 and shall not be applicable to any circumstances, conditions or matters that are within the scope of Section 12.

8. UNCONDITIONAL PAYMENT OBLIGATIONS; RATE COVENANT; AUTHORIZATIONS; CONFLICTS; LITIGATION.

8.1 Unconditional Payment Obligation. Beginning with the earliest of (i) the date SCPPA is obligated to pay any portion of the costs of the Project, (ii) the date upon which SCPPA first incurs or accrues costs associated with the issuance of the Bonds, (iii) the date of Commercial Operation, or (iv) the date of the first delivery of Facility Products to Purchaser and continuing through the term of this Agreement, Purchaser shall pay SCPPA the amounts of Monthly Costs set forth in the Billing Statements submitted by or on behalf of SCPPA to Purchaser in accordance with the provisions of Section 7 hereof and, without duplication, any amount set forth in any Step-Up Invoice and Default Invoice received by Purchaser as a result of the operation of Section 15 hereof, whether or not this Agreement has been terminated, or the Project or any part thereof has been completed, is functioning, producing, operating or operable or its output are suspended, interrupted, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

8.2 Source of Payments. Purchaser hereby represents and warrants that the obligations of Purchaser to make the payments to SCPPA under this Agreement shall constitute a cost of purchased power and an operating expense of Purchaser payable solely from its power revenue fund, including any and all legally available power system reserves. Purchaser will annually in each and every fiscal year of Purchaser during the term of this Agreement include in its power system budget, whether or not any other items are included, an appropriation from the revenues of its power system (including moneys derived from sales to third parties) sufficient to satisfy all the payments required to be made in such year under this Agreement until all payments required under this Agreement have been paid in full.

8.3 Rate Covenant. Purchaser will establish, maintain, and collect rates and charges for the electric service of its power system each year so as to provide revenues sufficient, together with any legally available power system reserves, to enable Purchaser to pay to SCPPA all amounts payable when due under this Agreement and to pay all other amounts payable from, and all lawful charges against or liens on, the revenues of its power system.

8.4 Authorizations. Purchaser hereby represents and warrants that no order, approval, consent, or authorization of any governmental or public agency, authority or person, is required on the part of Purchaser for the execution and delivery by Purchaser of this Agreement, or the performance by Purchaser of its obligations under this Agreement except for such as have been obtained.

8.5 Conflicts. Purchaser represents and warrants to SCPPA as of the Effective Date and as of the date of the opinion of counsel referenced in Section 13.4, that, to Purchaser's knowledge, the execution and delivery of this Agreement

by Purchaser, and Purchaser's performance hereunder will not constitute a default under any agreement or instrument to which it is a party, or any order, judgment, decree or ruling of any court that is binding on Purchaser, or a violation of any applicable law of any governmental authority, which default or violation would have a material adverse effect on the financial condition of Purchaser's power revenue fund.

8.6 Litigation. Purchaser represents and warrants to SCPPA as of the Effective Date and as of the date of the opinion of counsel referenced in Section 13.4 that, to Purchaser's knowledge, except as disclosed, there are no actions, suits or proceedings pending against Purchaser (service of process on Purchaser having been made) in any court that questions the validity of the authorization, execution or delivery by Purchaser of this Agreement, or the enforceability on Purchaser of this Agreement.

9. OTHER TERMS AND SERVICES.

9.1 Delivery Procedures. Prior to the time at which any Energy will be delivered to Purchaser from the Facility, Purchaser will schedule and shall be obligated to take delivery of its Entitlement Share of the Energy to be delivered under this Agreement. The Facility Products generated and produced from the Project shall be scheduled and delivered to the Project Participants at the Point of Delivery under the practices and procedures approved pursuant to Section 6.3, as applicable.

9.2 Other Services and Transmission From Point of Delivery. It is the obligation of Purchaser to receive its share of the Energy from the Facility and to arrange for delivery of such Energy to its ultimate destination or destinations after having reached the Point of Delivery, as determined by Purchaser. However, to the extent specified by Purchaser, and to the extent practicable for SCPPA to do so, SCPPA shall assist in arranging for Supplementary Services and for such additional transmission, interconnection arrangements, energy management, firming, shaping, swaps, exchanges, or other services associated with the transmission, use, or disposition of Facility Products to be utilized by Purchaser and to provide for delivery, accounting for, transferring, and crediting the ownership and transfer of Facility Products from the Point of Delivery to any other points or destinations, as determined by Purchaser.

9.3 Energy Services. Except as otherwise provided in this Agreement and subject to Section 18.1, nothing herein shall prevent or restrict Purchaser from providing for its own transmission, energy management services, firming, balancing, or exchanging services or otherwise using or dispatching its Energy under this Agreement; provided, however, that such services, use, or activities shall not affect any of the obligations of Purchaser under this Agreement or, if applicable, result in or cause non-compliance with the Federal Tax Law Requirements, and shall at all times conform to the applicable requirements of Section 10 of this Agreement.

9.4 Actions Respecting Facility Purchase. SCPPA shall endeavor to take those actions and carry forth those measures necessary to maintain and preserve SCPPA's rights with respect to any purchase obligation or purchase or purchase option contained in the Power Purchase and Security Agreements and, if so determined pursuant to the terms of this Agreement, to facilitate any such purchase or acquisition of the Facility pursuant to the terms of the Power Purchase and Security Agreements or under or pursuant to any consents, assignments, or any agreements relating thereto. SCPPA's services in connection with any such purchase obligation or purchase option may include but is not limited to determining the advisability of such purchase, preparing such documents and instruments, carrying forth any diurnal, barometric meteorological or similar reporting, prepare any facility efficiency reports, economic, modeling or appraisal studies as may be desirable to facilitate any proposed transaction and to obtain any necessary or appropriate information in connection with any such potential purchase or acquisition of the Facility.

9.5 Balancing Agent, Pseudo-Tie, and Dynamic Scheduling. Upon the request of Purchaser, and to the extent practicable for SCPPA to do so, SCPPA shall either (a) retain an agent to maintain and balance Purchaser's hourly Energy schedules in accordance with WECC protocols ("Balancing Agent"), including the provision or absorption of imbalance energy to accommodate intra-hour fluctuations of Facility Products as compared to Purchaser's Energy schedule and maintaining a balancing account of accumulated imbalance energy to be settled by adjusting future Purchaser Energy schedules or (b) arrange for Pseudo-Tie or Dynamic Scheduling from the Point of Delivery to Purchaser's control area or electric system, including the procurement and installation of scheduling hardware, software, and communications equipment necessary to effectuate Pseudo-Tie or Dynamic Scheduling (if such a scheduling methodology is deemed appropriate, applicable and/or otherwise feasible). In the event that a Pseudo-Tie or Dynamic Scheduling is implemented, SCPPA and the Project Participants shall collectively cooperate to do all things necessary and appropriate to deliver to the Point of Delivery each Project Participant's capacity (as set forth in Appendix B of the Power Sales Agreements) in accordance with the Project Participants' respective Entitlement Shares. Upon the request of Purchaser, and to the extent practicable for SCPPA to do so, SCPPA shall also (x) procure, contract for, or otherwise arrange for any available integration services to address any of the above referenced imbalances, fluctuations, variability, intermittency, or like conditions or (y) address the costs, charges, or consequences of such imbalances, fluctuations, variability, intermittency, or like conditions through other mechanisms or methodologies which are mutually agreeable to Purchaser and SCPPA.

9.6 Transfer of Environmental Attributes to Project Participants. SCPPA shall transfer all Environmental Attributes received by SCPPA either under the Power Purchase Agreement or with respect to Facility Products following its purchase or acquisition of the Facility to the Project Participants in accordance with their respective Entitlement Shares in the same manner by which SCPPA

receives Environmental Attributes under the Power Purchase Agreement or otherwise as may be determined by the Coordinating Committee.

10. FEDERAL TAX LAW REQUIREMENTS.

10.1 Purchaser to Provide Information Relevant to Compliance with Federal Tax Law Requirements. At such times and through such means as prescribed by the rules, procedures, and protocols promulgated by SCPPA to address compliance with the applicable Federal Tax Law Requirements with respect to any Bonds, or pursuant to any request by SCPPA, Purchaser shall provide SCPPA with a tax certificate relating to such Bonds, and such additional information and representations as necessary to establish Purchaser's compliance with the Federal Tax Law Requirements, including, to the extent applicable, information and representations concerning the disposition or use of electric energy provided under this Agreement or the disposition or use of any assets acquired with the proceeds of such Bonds.

10.2 Compliance with Federal Tax Law Requirements. With respect to any Bonds, Purchaser agrees that it will promptly act in accordance with written instructions which SCPPA may reasonably require from time to time in connection with the Federal Tax Law Requirements, and in addition Purchaser will not at any time take any action, or fail to take any action, if such action or failure to take action would result in or cause non-compliance with Federal Tax Law Requirements. Purchaser agrees to execute new or revised tax certificates or provide such information or other assurance respecting past and future compliance with the Federal Tax Law Requirements applicable to any Bonds as may be reasonably requested by SCPPA. In connection therewith, Purchaser shall cooperate with and provide to SCPPA such other information, representations, and certifications as necessary for Bond Counsel or Tax Counsel to render an opinion or advise to the effect that any applicable Federal Tax Law Requirements are met.

10.3 SCPPA to Issue Rules, Procedures and Protocols. SCPPA shall develop and promulgate such reasonable rules, procedures and protocols, together with amendments thereto, as necessary, in consultation with Bond Counsel or Tax Counsel, to ensure compliance with any applicable Federal Tax Law Requirements, including to establish expectations regarding future compliance under applicable laws and regulations existing from time to time with respect to any Bonds, and shall include, without limitation, the appropriate reporting, documentation, and certifications to establish and maintain compliance with the provisions of this Section 10.

11. PROJECT SPECIFIC MATTERS AND PURCHASER RIGHTS AND OBLIGATIONS UNDER PROJECT AGREEMENTS.

11.1 Rights and Obligations under the Project Agreements. Notwithstanding anything to the contrary contained herein: (i) the obligation of SCPPA to

deliver Purchaser's Entitlement Share of Facility Products during the Delivery Term of this Agreement is limited to the Facility Products which SCPPA receives from the Facility (or the Power Purchase Provider, as applicable) at the Point of Delivery for redelivery to Purchaser hereunder during such time; (ii) the obligation of SCPPA to pay any amount to Purchaser hereunder or to give credits against amounts due from Purchaser hereunder is limited to amounts SCPPA receives in connection with the transaction to which the payment or credit relates (or is otherwise available to SCPPA in connection with this Agreement for which such payment or credit relates); (iii) any purchase costs, operating costs, energy costs, capacity costs, environmental attribute costs, transmission costs, tax costs, insurance costs, indemnifications, other costs or other charges for which SCPPA is responsible under the Project Agreements shall be considered purchase costs, operating costs, energy costs, capacity costs, environmental attribute costs, transmission costs, tax costs, insurance costs, indemnifications, other costs or other charges incurred by SCPPA and payable by Project Participants as provided in this Agreement; and (iv) any Force Majeure under the Power Purchase Agreement or other event of force majeure affecting the delivery of energy pursuant to applicable provisions of the Project Agreements shall be considered an event caused by Uncontrollable Forces affecting SCPPA with respect to the delivery of energy, and/or environmental attributes hereunder and SCPPA forwarding to Purchaser notices and information from the Power Purchase Provider concerning an event of Force Majeure upon receipt thereof shall be sufficient to constitute a notice that Uncontrollable Forces have occurred pursuant to Section 16.3 of this Agreement. Any net proceeds received by SCPPA from the sale of Facility Products by the Power Purchase Provider to any third-party purchaser as a result of a Force Majeure event or failure by SCPPA to accept delivery of Energy pursuant to the Power Purchase Agreement and any reimbursement received by SCPPA for purchase of Replacement Energy shall be remitted by SCPPA to the Project Participants in accordance with their respective Entitlement Shares.

11.2 Acquisition of the Facility by SCPPA. The Parties mutually acknowledge and agree that SCPPA may, under certain circumstances, acquire ownership of the Facility and succeed to the rights and obligations associated with ownership of the Facility pursuant to the provisions of the Power Purchase and Security Agreements, at such time and under such terms as provided in the Power Purchase and Security Agreements or on such other terms as may be agreed upon between SCPPA and the Power Purchase Provider, or otherwise. The Parties also anticipate that any acquisition of the Facility may be carried out with SCPPA financing. Any such acquisition of the Facility shall require the prior consideration or approval of the LADWP Board of Water and Power Commissioners. If SCPPA purchases the Facility pursuant to the Power Purchase and Security Agreements, SCPPA may finance the associated Cost of Acquisition through the issuance of Bonds.

12. PLEDGE OF PAYMENTS. All or any portion of the payments required to be made by Purchaser in accordance with or pursuant to any provision of this Agreement may be pledged by SCPPA to secure the payment of the Bonds, and interest thereon, subject to the application

thereof to such purposes and on such terms as provided in the Indenture, and as required by the Act. SCPPA may assign, among other rights and security, to the Project Trustee or Lender its rights to receive from Purchaser all or any portion of the payments to be made by Purchaser pursuant to this Agreement. SCPPA may direct Purchaser to make all or any portion of such payments directly to the Project Trustee or Lender for application by the Project Trustee or Lender under the Indenture. Notwithstanding the foregoing or any other provision of this Agreement, SCPPA shall not acquire the Facility unless there shall be compliance with the applicable provisions of Section 10 and with the provisions of the Indenture applicable to the acquisition of the Facility.

13. ISSUANCE OF BONDS.

13.1 Issuance of Bonds. Bonds will be issued by SCPPA in accordance with this Agreement, the provisions of the Indenture, and the Act for the purpose of financing the Cost of Acquisition, which may entail, among other things, the purchase or acquisition of the Facility and all associated assets, rights and interests under or pursuant to the Power Purchase and Security Agreements, all other Acquisitions and all Capital Improvements.

13.2 Additional Bonds. Additional Bonds may be issued by SCPPA in accordance with this Agreement, the provisions of the Indenture, and the Act at any time and from time to time in the event funds are required for completion of the Project or for the purpose of financing any further Cost of Acquisition or other Acquisitions or Capital Improvements, including without limitation the cost of acquiring the Facility or the rights and interests otherwise described in Section 11.2, and upon approval of the Board of Directors, SCPPA shall use its best efforts to issue such additional Bonds.

13.3 Refunding Bonds. In the event that Monthly Costs may be reduced by the refunding of any of the Bonds or in the event it shall otherwise for the Project Participants be advantageous, in the opinion of SCPPA, to refund any Bonds, SCPPA may issue and sell refunding Bonds in accordance with the Indenture and the Act.

13.4 Opinions of Counsel. In connection with the issuance of Bonds, additional Bonds or Refunding Bonds for the purposes described in this Section 13, Purchaser shall provide an opinion of an attorney or firm of attorneys, or the equivalent thereof, in substantially the form as attached hereto as Appendix C as may be reasonably necessary to facilitate the issuance of such Bonds. SCPPA shall likewise provide an opinion in substantially the form attached hereto as Appendix D as necessary or advisable at SCPPA's discretion to facilitate the transaction described in this paragraph.

13.5 Redemption or Payment of Bonds. SCPPA may issue such bonds, notes, certificates of participation, commercial paper, other evidences of indebtedness or other instruments, in accordance with the Indenture and the Act, as it may deem appropriate to facilitate the redemption or payment of Bonds.

13.6 Bond-Related Documents. Purchaser agrees to supply SCPPA, upon written request, with such additional information and documentation as SCPPA shall reasonably determine to be necessary or desirable to facilitate the issuance of

Bonds, additional Bonds or refunding Bonds for the purposes described in this Section 13 and to comply with Federal Tax Law Requirements and continuing disclosure requirements including, but not limited to, requirements under the United States Securities and Exchange Commission Rule 15c2-12.

14. EXCESS BOND PROCEEDS. In the event the proceeds derived from the sale of any Bonds exceed the aggregate amount required for the purposes for which such Bonds were issued, the amount of such excess shall be used, after prior consultation with Bond Counsel or Tax Counsel, to make up any deficiency existing in any Funds under the Indenture in the manner therein provided, and any balance shall (i) be used to retire, by purchase or redemption, Bonds in advance of maturity, (ii) be deposited in any applicable account established in accordance with Section 7.8 hereof, (iii) reduce the payments by the Project Participants required pursuant to Section 7 hereof, and in such event SCPPA will reduce the monthly Billing Statements of the Project Participants as necessary and appropriate, or (iv) be used for other lawful Project expenses or purposes.

15. NONPERFORMANCE AND PAYMENT DEFAULT.

15.1 Nonperformance by Project Participants. If a Project Participant shall fail to perform any covenant, agreement or obligation under this Agreement or shall cause SCPPA to be in default with respect to any undertaking entered into for the Project or to be in default under the Power Purchase Agreement, or any other Project Agreement, as applicable, or cause a default to occur pursuant to such agreements, SCPPA may, in the event the performance of any such obligation remains unsatisfied after 30 days' prior written notice thereof to such Project Participant and a demand to so perform, take any action permitted by law to enforce its rights under such Project Participant's Power Sales Agreement, including but not limited to termination of such Project Participant's Power Sales Agreement, and/or (unless SCPPA has already taken action pursuant to the immediately following sentence) bring any suit, action or proceeding at law or in equity as may be necessary or appropriate to recover damages and/or enforce any covenant, agreement or obligation against such Project Participant with regard to its failure to so perform. In addition to any other rights SCPPA may have under the Power Sales Agreements as a result of nonpayment by a Project Participant, if a Project Participant fails to pay Debt Service in accordance with this Agreement and the result is that SCPPA defaults on the payment of principal of or interest on any Bond or other obligations payable from the Debt Service Fund under the Indenture, SCPPA may, immediately and without delay, take any action permitted by law to enforce its rights under such Project Participant's Power Sales Agreement and/or bring any suit, action, or proceeding at law or in equity as may be necessary or appropriate to recover damages and/or enforce any covenant, agreement, or obligation against such Project Participant with regard to its failure to so perform.

15.2 Notice of Payment Default. On or promptly following the Initial Payment Default Date by a Project Participant, SCPPA shall issue a Default Invoice and shall provide written notice to such Project Participant that as a result of a Payment Default it is in default under this Agreement and has assumed the status of the Defaulting Project Participant and that such Project Participant's

Project Rights are subject to discontinuance, termination and disposal in accordance with Sections 15.4 and 15.5 of this Agreement. Notice of such Payment Default shall be provided promptly by SCPPA to the other Project Participant and the Project Trustee or Lender. In addition to the foregoing, the notice of Payment Default shall specify that five days after the issuance of the written notice of Payment Default by SCPPA, deliveries of Facility Products to the Defaulting Project Participant pursuant to such Project Participant's Power Sales Agreement shall be thereafter suspended until such time as such Defaulting Project Participant is in Compliance. SCPPA may take any action through or in conjunction with the Power Purchase Provider or any other counterparty under a Project Agreement or with the Project Manager, if applicable, to expeditiously carry forth the provisions of this Section 15.

15.3 Cured Payment Default. Except for a Payment Default which causes SCPPA to default on the payment of principal of or interest on Bonds or other obligations payable from the Debt Service Fund under the Indenture, which shall be subject to and addressed as provided in Section 15.4 and the other applicable sections of this Agreement, and except as provided in Sections 15.2 and 15.12, if after a Payment Default, the Defaulting Project Participant cures such Payment Default within 30 days (the Cure Period) its Project Rights shall not be subject to discontinuance, termination or disposal as provided for in Sections 15.4 and 15.5 of such Project Participant's Power Sales Agreement as a result of any Payment Default associated with such Cured Payment Default.

15.4 Failure to Cure Payment Default. If at any time 30 days after an uncured Payment Default by a Defaulting Project Participant, such Defaulting Project Participant fails to be in Compliance, or if at any time SCPPA defaults on the payment of principal of or interest on any Bond, or other obligations payable from the Debt Service Fund under the Indenture, due to the failure of such Defaulting Project Participant to pay its share of Debt Service in a timely manner in accordance with such Project Participant's Power Sales Agreement, such Defaulting Project Participant's Project Rights shall immediately be discontinued and terminated and its Project Rights and Obligations shall be disposed of by SCPPA in accordance with Section 15.5 of such Project Participant's Power Sales Agreement; provided, however, the Defaulting Project Participant's obligation to make payments under such Project Participant's Power Sales Agreement shall not be eliminated or reduced except to the extent provided in Section 15.6. SCPPA shall provide to the Defaulting Project Participant a separate monthly invoice of any such payment obligations under such Project Participant's Power Sales Agreement. SCPPA shall immediately notify the Project Manager, the other Project Participant, the Project Trustee or Lender, and such others as SCPPA deems appropriate, of such discontinuance and termination of the Defaulting Project Participant's Project Rights.

15.5 Treatment of the Defaulting Project Participant's Project Rights and Obligations upon Payment Default. In the event a Defaulting Project Participant's Project Rights are discontinued and terminated pursuant to Section 15.4 of such Project Participant's Power Sales Agreement, SCPPA

shall undertake or cause to be undertaken the following actions in the order indicated:

15.5.1 SCPPA shall, to the extent permitted under the Project Agreements, offer to convey, transfer and assign, on a temporary or permanent basis as determined by SCPPA to (i) a requesting non-defaulting Project Participant the amount of Project Rights and Obligations requested if the aggregate of such requests does not exceed the amount of the Project Rights and Obligations of the Defaulting Project Participant, or (ii) a requesting non-defaulting Project Participant on a pro-rata basis (based upon the amount requested) if the aggregate of such requests equals or exceeds the amount of the Project Rights and Obligations of the Defaulting Project Participant. Such requesting non-defaulting Project Participant shall assume all, but not less than all, Project Rights and Obligations so conveyed, transferred, and assigned to it by SCPPA.

15.5.2 If all of the Defaulting Project Participant's Project Rights and Obligations are not conveyed, transferred, and assigned to the non-defaulting Project Participant as provided in Section 15.5.1, SCPPA shall, to the extent permitted under the Project Agreements and to the extent SCPPA in its discretion determines it appropriate, offer to convey, transfer, and assign, on a temporary or permanent basis as determined by SCPPA, the remaining (or all, if applicable) Project Rights and Obligations of the Defaulting Project Participant to third parties, all in accordance with applicable law; provided, however, that SCPPA shall not offer or permit the conveyance, transfer or assignment of the Defaulting Project Participant's Project Rights and Obligations in such a manner or in such an amount as would, in the opinion of Bond Counsel or Tax Counsel, result in or cause non-compliance with the Federal Tax Law Requirements relating to (if applicable) the Bonds. Each such third party transferee shall assume all, but not less than all, Project Rights and Obligations so conveyed, transferred and assigned to it by SCPPA. If such third party is a SCPPA member but not a Project Participant as defined herein, such SCPPA member, upon accepting such conveyance, transfer, and assignment on a permanent basis, shall be deemed a Project Participant.

15.5.3 If, at any time or from time to time, any of the Project Rights and Obligations of the Defaulting Project Participant are not conveyed, transferred, and assigned as provided in Sections 15.5.1 and 15.5.2, SCPPA shall use its best efforts, to the extent reasonably possible and economically beneficial, to offer all non-defaulting Project Participant and third parties for long-term or short-term sale as determined by SCPPA, Facility Products associated with such Project Rights and Obligations or to remarket or resell such Facility Products, or cause the same to be remarketed or resold; provided, however, that SCPPA shall not offer or permit the sale or

remarketing of such Facility Products associated with a Defaulting Project Participant's Project Rights in such a manner or in such an amount as would, in the opinion of Bond Counsel or Tax Counsel, result in or cause non-compliance with the Federal Tax Law Requirements relating to (if applicable) the Bonds; and provided further, however, that without eliminating the Defaulting Project Participant's obligation to make payments under this Power Sales Agreement (notwithstanding anything to the contrary herein), including payment of SCPPA's costs and expenses related to such default and sale, such payment obligation shall be satisfied to the extent that payments are received by SCPPA from the remarketing or sale of Facility Products associated with such Defaulting Project Participant's Project Rights. If at the time of any Coordinating Committee meeting or Board of Directors meeting, any of the Defaulting Project Participant's Project Rights and Obligations are not conveyed, transferred and assigned as provided in Sections 15.5.1 or 15.5.2, the associated voting rights with respect to such Defaulting Project Participant's Project Rights and Obligations shall be redistributed pro rata among the non-defaulting Project Participants, based upon the Entitlement Share of each such Project Participant, such that that total voting rights remain at one hundred percent (100%).

Except as provided in this Section 15.5, if Purchaser is a Defaulting Project Participant, or otherwise in this Agreement, SCPPA may not convey, transfer, or assign any of Purchaser's Project Rights and Obligations without Purchaser's prior written consent.

15.6 Elimination or Reduction of Payment Obligations. Upon termination of a Defaulting Project Participant's Project Rights pursuant to Section 15.5 and the conveyance, transfer, or assignment of such Defaulting Project Participant's Project Rights and Obligations pursuant to Sections 15.5.1 and/or 15.5.2, such Defaulting Project Participant's obligation to make payments under this Agreement (notwithstanding anything to the contrary herein) shall not be eliminated or reduced except to the extent of moneys received by SCPPA as a result of the conveyance, transfer and assignment of such Defaulting Project Participant's Project Rights and Obligations, less SCPPA's related costs and expenses; provided, however, such payment obligations for the Defaulting Project Participant may be eliminated or reduced to the extent permitted by law, if and to the extent costs incurred by SCPPA have been fully paid, and
(a) no Bonds are outstanding or adequate provision for the payment thereof has been made in accordance with the applicable provisions of the Indenture and
(b) the Board of Directors, by resolution, determines to eliminate or reduce such payment obligations, which determination shall not be unreasonably withheld.

15.7 Use of Operating Reserve Account. With respect to a Payment Default by a Defaulting Project Participant, funds in the operating reserve account, if any, whether held by SCPPA or held under the Indenture may be used, to the extent necessary and to the extent available and consistent with the Indenture, to cover

any deficiency with respect to any payment due by SCPPA attributable to such Defaulting Project Participant's participation in the Project under the Indenture during the period prior to the Operating Reserve Depletion Date. Any replenishing of the operating reserve account under the Indenture shall be in accordance with the Indenture. The replenishing of any operating reserve account held by SCPPA shall be in accordance with the rules and protocols promulgated by SCPPA.

15.8 Use and Replenishment of Debt Service Reserve Fund(s). SCPPA may maintain Debt Service Reserve Fund(s) which shall be funded and maintained in the amount(s) specified in the Indenture. With respect to a Payment Default by a Defaulting Project Participant, funds (or any surety bond, credit facility or similar instrument) in the Debt Service Reserve Fund(s) under the Indenture shall be used, to the extent necessary and to the extent available, to cover any shortfall in the Debt Service account(s) relating to the Indenture to pay for Debt Service (but, unless otherwise provided in the Indenture, not the payment of other obligations payable from amounts deposited in the Debt Service Fund). The replenishment of the Debt Service Reserve Fund(s) shall be in accordance with the Indenture.

15.9 Step-Up Invoices. Step-Up Invoices shall be issued in accordance with the provisions set forth below.

15.9.1 In the event of a Payment Default by one or more Defaulting Project Participants, SCPPA shall provide by the fifth (5th) day of the Month following such Payment Default a separate Step-Up Invoice to each non-defaulting Project Participant that specifies such non-defaulting Project Participant's pro rata share, based on the Project Cost Share of each such non-defaulting Project Participant, of the amount of the Payment Default with respect to the Indenture cost component (described in Section 4.4.4 hereof) set forth in the Billing Statement for the Defaulting Project Participant(s). Notwithstanding the previous sentence, (i) the amount of a Step-Up Invoice provided to a Project Participant that is not a Defaulting Project Participant under this Section 15.9.1 shall not exceed one hundred percent (100%) of the amount that such Project Participant was billed for the Indenture cost component in its Billing Statement for the Month preceding such monthly Step-Up Invoice and (ii) following the Operating Reserve Depletion Date, the provisions of Section 15.9.2 hereof shall apply and no additional Step-Up Invoices shall be issued pursuant to this Section 15.9.1 with respect to such Payment Default.

15.9.2 In the event of a Payment Default by a Defaulting Project Participant, which is in existence following the Operating Reserve Depletion Date, SCPPA shall provide by the fifth (5th) day of the Month following such Operating Reserve Depletion Date, a separate Step-Up Invoice to the non-defaulting Project Participant that includes a charge equal to such non-defaulting Project

Participant's pro rata share, based upon the Project Cost Share of the non-defaulting Project Participant, of the amount of Power Costs included in the unpaid Billing Statements for the previous Month for the Defaulting Project Participant. Notwithstanding the foregoing, the amount of each monthly Step-Up Invoice provided to the non-defaulting Project Participant shall not exceed one hundred percent (100%) of the aggregate amount that such non-defaulting Project Participant was billed with respect to the Power Costs in its Billing Statement for the Month preceding such monthly Step-Up Invoice.

15.9.3 Step-Up Invoices shall be due and payable within twenty (20) days of the receipt thereof, and payments to SCPPA with respect to Step-Up Invoices shall be separate from any other payments due under each Project Participant's Power Sales Agreement, including, but not limited to, monthly Billing Statement payments.

15.10 Application of Moneys Received from Step-Up Invoices. Payments received by or on behalf of SCPPA from Step-Up Invoices relating to a Payment Default of a Project Participant shall be applied in the following manner:

15.10.1 Moneys received from the non-defaulting Project Participant with respect to the Indenture cost component of Power Costs, as set forth in the Step-Up Invoices, to the extent such moneys relate to Debt Service, shall be forwarded to the Project Trustee or Lender for deposit directly into the Debt Service Reserve Fund(s) under the Indenture, and to the extent such moneys relate to any other portion of the Indenture cost component, shall be forwarded to the Project Trustee or Lender for deposit into such other Funds as are appropriate under the Indenture.

15.10.2 Moneys received from the non-defaulting Project Participant with respect to the amount of Power Costs, other than the Indenture cost component of Power Costs, as set forth in the Step-Up Invoices shall be forwarded to the Project Trustee or Lender for deposit into the Revenue Fund under the Indenture, as appropriate, or into such other Funds as are appropriate under the Indenture.

15.10.3 In the event a non-defaulting Project Participant pays less than the total amount of its Step-Up Invoice, such Project Participant shall become a Defaulting Project Participant and its partial payment shall be allocated in the following order: (i) toward all Power Costs, except the Indenture cost component, and (ii) toward the Indenture cost component of Power Costs.

15.11 Application of Moneys Received from a Default Invoice. Moneys received by or on behalf of SCPPA from the Defaulting Project Participant's payment of a

Default Invoice shall be credited on the non-defaulting Project Participant's next monthly Billing Statement(s) in an amount equal to the aggregate amount such non-defaulting Project Participant paid as a result of Step-Up Invoices with respect to such Default Invoice, plus a pro rata share, based upon the Project Cost Shares of such non-defaulting Project Participant, of the amount SCPPA received regarding late payment interest charges. In the event that a Defaulting Project Participant pays less than the full amount of its Default Invoice, the credit to the non-defaulting Project Participant shall be adjusted proportionately.

15.12 Application of Moneys Received from Compliance Payments. Moneys received by or on behalf of SCPPA from the Defaulting Project Participant, as payment to remain in Compliance with respect to a Payment Default, shall be credited on the other Project Participant's next monthly Billing Statement(s) in an amount equal to the aggregate amount such other Project Participant paid as a result of Step-Up Invoices with respect to such Compliance payment, plus a pro rata share, based upon the Project Cost Share of such other Project Participant, of the amount SCPPA received regarding late payment interest charges.

15.13 Application of Moneys Received from Sale of Facility Products. Moneys received by or on behalf of SCPPA from the sale of Facility Products related to the Defaulting Project Participant's Project Rights and Obligations, as provided in Section 15.5.3 hereof, shall be applied in the following manner in order:

15.13.1 SCPPA shall credit on the next monthly Billing Statement(s) of the non-defaulting Project Participant an amount up to, but not in excess of, the aggregate amount paid to SCPPA by such non- defaulting Project Participant with respect to each such Project Participant's Step-Up Invoices.

15.13.2 SCPPA shall forward or cause to be forwarded to the applicable Project Trustee or Lender for deposit into the Revenue Fund of the Indenture, as appropriate, or into such other Funds as are appropriate under the Indenture, the applicable portion of such moneys.

15.13.3 Following consultation with the non-defaulting Project Participant, SCPPA shall determine the disposition of any moneys received that are in excess of the aggregate amount of related Step- Up Invoices paid by the non-defaulting Project Participant. Except as otherwise required by law, the Defaulting Project Participant shall have no claim or right to any such moneys.

15.14 Limitation on Cure Period. Notwithstanding anything to the contrary in this Agreement, there shall be no Cure Period with respect to a Project Participant's failure to pay those costs constituting Debt Service in a timely manner in

accordance with this Agreement, and any such Debt Service not paid by a Project Participant when due shall be immediately due and payable to SCPPA.

16. CHARACTER, CONTINUITY OF SERVICE.

16.1 Outages, Interruptions and Curtailment of Energy Deliveries. The Power Purchase Provider or other counterparty may under certain conditions set forth in the applicable provisions of a Project Agreement or other applicable operating agreement, interrupt or curtail deliveries of Facility Products to SCPPA which SCPPA was to deliver to the Project Participants. Should such an interruption or curtailment occur, each Project Participant shall be credited with such revenues as are credited or paid to SCPPA on such Project Participant's behalf, in accordance with such Project Participant's Entitlement Share, and shall be obligated to pay any costs incurred by SCPPA attributable to such Project Participant, in accordance with such Project Participant's Project Cost Share, which are payable by SCPPA pursuant to the Power Purchase Agreement, other applicable Project Agreement or other applicable operating agreement. SCPPA or the Project Manager (if other than SCPPA) or SCPPA's agent will use its best efforts to apprise the Project Participants of potential outages, interruptions, or curtailments, the reason therefor and the probable duration thereof, when such outages, interruptions, or curtailments can be deemed likely to occur.

16.2 Outages, Interruptions and Curtailment of Energy from the Facility. Following SCPPA's purchase or acquisition of the Facility, SCPPA or its agent or the Project Manager, as applicable, may temporarily interrupt or curtail deliveries of Facility Products to the Project Participants if SCPPA or its agent or the Project Manager, as applicable, shall determine that such interruption or curtailment is necessary in the case of an emergency or in order to take out of service the Facility or any portion thereof; or to install equipment in or make repairs to or replacements, investigations, and inspections of or to perform other maintenance work on the Facility or any portion thereof; provided, however, that such interruption or curtailment shall not relieve the Project Participants of their obligations to make payments under their respective Power Sales Agreements. After informing the Project Participants regarding any such planned interruption or curtailment, giving the reason therefor, and stating the probable duration thereof, SCPPA, its agent or the Project Manager, as applicable, will to the best of its ability schedule such interruption or curtailment at a time which will cause the least interference with the system operations of the Project Participants.

16.3 Uncontrollable Forces. SCPPA shall not be required to provide, and SCPPA shall not be liable for failure to provide, Facility Products, Replacement Energy, or other service under this Agreement when such failure or the cessation or curtailment of or interference with the service is caused by Uncontrollable Forces or by the inability of SCPPA, the Power Purchase Provider (to the extent allowed under the Power Purchase Agreement) or other applicable counterparty to obtain any required governmental permits, licenses, or approvals to enable SCPPA or the Power Purchase Provider, as applicable,

to acquire, administer, or operate the Project; provided, however, that the Project Participants shall not thereby be relieved of their obligations to make payments under their respective Power Sales Agreements except to the extent SCPPA is so relieved pursuant to the Indenture and/or other applicable Project Agreements.

17. LIABILITY.

17.1 Project Participants' Obligations Several. The Project Participants shall be severally responsible and liable for performance under their respective Power Sales Agreements. The obligation of Purchaser to make payments under this Agreement is a several obligation and not a joint obligation with those of the other Project Participants under each of the other Power Sales Agreements to which each of the other Project Participants is a party.

17.2 No Liability of SCPPA or Purchaser, Their Directors, Officers, Etc.; SCPPA, Purchaser's and Project Manager's Directors, Officers, Employees Not Individually Liable. Both Parties agree that neither SCPPA, Purchaser, the Project Manager, nor any of their past, present or future directors, officers, employees, board members, agents, attorneys or advisors (collectively, the "Released Parties") shall be liable to any other of the Released Parties for any and all claims, demands, liabilities, obligations, losses, damages (whether direct, indirect or consequential), penalties, actions, loss of profits, judgments, orders, suits, costs, expenses (including attorneys' fees and expenses), or disbursements of any kind or nature whatsoever in law, equity, or otherwise (including, without limitation, death, bodily injury, or personal injury to any person or damage or destruction to any property of Purchaser, SCPPA, the Project Manager or third persons) suffered by any Released Party as a result of the action or inaction or performance or non-performance by the Power Purchase Provider under the Power Purchase and Security Agreements or any of the Released Parties under this Agreement or any Project Agreement (excluding gross negligence and willful misconduct, which, unless otherwise agreed to by the Parties, are both to be determined and established by a court of competent jurisdiction in a final, non-appealable order). Each Party shall release each of the other Released Parties from any claim or liability that such Party may have cause to assert as a result of any actions or inactions or performance or non-performance by any of the other Released Parties under this Agreement or any Project Agreement (excluding gross negligence and willful misconduct, which, unless otherwise agreed to by the Parties, are both to be determined and established by a court of competent jurisdiction in a final, non-appealable order). Notwithstanding the foregoing, no such action or inaction or performance or non-performance by any of the Released Parties shall relieve SCPPA or Purchaser from their respective obligations under this Agreement, including, without limitation, Purchaser's obligation to make payments required under Section 8.1 of this Agreement and SCPPA's obligation to make payments under Section 17.7 of this Agreement, or under any other Project Agreement. The provisions of this Section 17.2 shall not be construed so as to relieve the Project Manager or the Power Purchase Provider from any obligation (or liability in the case of the Power Purchase Provider)

under this Agreement, the Power Purchase Agreement and Security Agreements, or any other applicable Project Agreement. It is also hereby recognized and agreed that no member of the Board of Directors, the Project Manager or Purchaser, nor their officers, employees, board members, agents, attorneys or advisors, or member of SCPPA in its capacity as a member of SCPPA, shall be individually liable in respect of any undertakings by any of the Released Parties under this Agreement or any Project Agreement. Nothing in this Section 17.2 or in any other provision of this Agreement shall affect Purchaser's obligation to make any payment in accordance with Section 8.1 or any other provision of this Agreement or to pay any other amounts or costs required to be paid by it under this Agreement.

17.3 Extent of Exculpation; Enforcement of Rights. The exculpation provision set forth in Section 17.2 hereof shall apply to all types of claims or actions including, but not limited to, claims or actions based on contract or tort. Notwithstanding the foregoing, either Party may protect and enforce its rights under this Agreement by a suit or suits in equity for specific performance of any obligations or duty of the other Party, and each Party shall at all times retain the right to recover, by appropriate legal proceedings, any amount determined to have been an overpayment, underpayment or other monetary damages owed by the other Party in accordance with the terms of this Agreement.

17.4 Determination or Enforcement of Rights. Notwithstanding Sections 17.2 and 17.3 hereof, Purchaser or SCPPA may determine, protect, and enforce its rights under this Agreement or any Project Agreement by a suit(s) in equity for specific performance of, or declaratory action with respect to, any obligation or duty hereunder or thereunder.

17.5 No Relief From Insurer's Obligations. Notwithstanding any provision in this Agreement to the contrary, including but not limited to the provisions in this Section 17, the provisions of this Section 17 shall not be construed or applied so as to relieve any insurer of its obligation to pay any insurance claims in accordance with any applicable insurance policy.

17.6 No General Liability of SCPPA. The undertakings under this Agreement by SCPPA, or the Project Manager in its capacity as such, shall never constitute a debt or indebtedness of SCPPA or the Project Manager within the meaning of any provision or limitation of the Constitution or statutes of the State of California, and shall not constitute or give rise to a charge against its general credit.

17.7 Indemnification of Purchaser. SCPPA undertakes and agrees, to the extent permitted by law, to indemnify and hold harmless Purchaser, its directors, board members, officers, employees, agents, attorneys and advisors, past, present or future (collectively, "Purchaser Indemnitees"), from and against any and all claims, demands, liabilities, obligations, losses, damages (whether direct, indirect or consequential), penalties, actions, loss of profits, judgments, orders, suits, costs, expenses (including attorneys' fees and expenses,) or disbursements of any kind or nature whatsoever in law, equity, or otherwise

(collectively, "Losses"), which Losses include, without limitation, death, bodily injury, or personal injury to any person or damage or destruction to any property of Purchaser, SCPPA or third persons, that may be imposed on, incurred by or asserted against Purchaser arising by manner of any breach of this Agreement by SCPPA, or the negligent acts, errors, omissions, or willful misconduct incident to the performance of this Agreement on the part of SCPPA or any of SCPPA's directors, board members, officers, employees, agents, and advisors, past, present, or future. At Purchaser's option, SCPPA shall defend Purchaser Indemnitees from and against any and all Losses. If SCPPA, with Purchaser's consent, defends any Purchaser Indemnitee, Purchaser and Purchaser's City Attorney shall approve the selection of counsel, and Purchaser shall further approve any settlement or disposition, such approval not to be unreasonably withheld. Nothing in this Section 17.7 or in any other provision of this Agreement shall affect Purchaser's obligation to make any payment in accordance with Section 8.1 of this Agreement or to pay any other amounts or costs required to be paid by it under this Agreement.

17.8 Indemnification of Project Manager. The Parties acknowledge that SCPPA is obligated, as provided under Section 17 of the Notch Peak Project Agency Agreement, to indemnify and hold harmless LADWP, as Project Manager, the LADWP Board of Water and Power Commissioners and LADWP's officers, employees, agents, and advisors, past, present, or future, when acting for LADWP as Project Manager (collectively, the "Project Manager Indemnitees"), from and against any and all Losses, which Losses include, without limitation, death, bodily injury, or personal injury to any person or damage or destruction to any property of LADWP, SCPPA, or third persons, arising by reason of any actions, inactions, errors, or omissions incident to the performance of the Notch Peak Project Agency Agreement (excluding gross negligence and willful misconduct, which, unless otherwise agreed by the Parties, are both to be determined and established by a court of competent jurisdiction in a final, non-appealable order) on the part of any of the Project Manager Indemnitees, when acting for LADWP as Project Manager. It is further acknowledged by the Parties that all payments, costs and expenses of SCPPA with respect to compliance with such indemnification obligations under Section 17 of the Notch Peak Project Agency Agreement shall be payable as Monthly Costs by the Project Participants in accordance with the terms of their respective Power Sales Agreements. Notwithstanding any provision of this Agreement which might be construed to the contrary, nothing in this Section 17.8 or in any other provision of this Agreement shall affect LADWP's obligation, as Purchaser under this Agreement, or the obligations of each other Project Participant under its Power Sales Agreement, to make any payment or to pay any cost required of it in accordance with each such Project Participant's Power Sales Agreement, or SCPPA's obligation to make any payment or to pay any cost required of it under the Notch Peak Project Agency Agreement.

17.9 Separate Legal Capacities. The Parties acknowledge that LADWP, as Project Manager under the Notch Peak Project Agency Agreement, acts in a legal capacity that is separate from its capacity as Purchaser and a Party under this

Agreement. Accordingly, for purposes of this Agreement and applicable Project Agreements, the rights, entitlements, obligations and liabilities of LADWP, as Purchaser and a Party under this Agreement, shall not apply to or otherwise be affected by, and shall be legally separate from, the rights, entitlements, obligations and liabilities of LADWP in its capacity as Project Manager.

18. RESTRICTIONS ON DISPOSITION.

18.1 Limitations Concerning Private Use. Purchaser recognizes that certain Federal Tax Law Requirements, if applicable, limit the arrangements permitted with respect to the purchase, sale, assignment, or other disposition of Purchaser's Project Rights and Obligations. Purchaser shall comply with the rules, procedures, and protocols promulgated by SCPPA pursuant to Section 10.3 with respect to compliance with the Federal Tax Law Requirements applicable to any Bonds. Except as provided in Section 15 hereof, no sale, assignment, or other disposition of all or any portion of Purchaser's Project Rights and Obligations, including Purchaser's Entitlement Share of the Facility Products, shall be effective until (i) Purchaser shall have given prior written notice thereof to SCPPA, and (ii) unless waived by the Board of Directors after consultation with Bond Counsel or Tax Counsel, Bond Counsel or Tax Counsel shall have rendered an opinion that such sale, assignment, or other disposition will not result in or cause non-compliance with any applicable Federal Tax Law Requirements and will not be inconsistent with this Agreement. Notwithstanding the immediately preceding sentence, Purchaser may (without giving such notice or obtaining such opinion) contract to provide or otherwise sell or dispose of its Entitlement Share of the Facility Products in a transaction which complies with guidelines established by SCPPA and approved by SCPPA's Bond Counsel or Tax Counsel from time to time.

18.2 Restrictions on Elimination of Payment Obligations. No sale, assignment, or other disposition of Purchaser's Project Rights and Obligations to any Person ("Assignee") that occurs when any Bonds are outstanding shall release Purchaser from its payment obligations under this Agreement; provided, however, such payment obligations may be eliminated or reduced if no Bonds are outstanding or adequate provisions for the payment thereof have been made in accordance with the provisions of the Indenture if (i) such Assignee shall assume and agree to fully perform and discharge the Project Rights and Obligations under this Agreement, (ii) such Assignee shall have a corporate or long-term senior unsecured credit rating of "A-" or higher by S&P or "A3" or higher by Moody's, and (iii) the Board of Directors, by resolution, determines to eliminate or reduce such payment obligations, which determination shall not be unreasonably withheld.

18.3 Restrictions on Disposition of Purchaser's Entire System. Purchaser shall not sell, lease or otherwise dispose of all or substantially all of its electric system to any Person ("Acquiring Entity") unless the following conditions shall be met: (A) in the event that Bonds are outstanding then (i) Purchaser shall assign its Project Rights and Obligations hereunder to such Acquiring Entity and such

Acquiring Entity shall assume and agree to fully perform and discharge the Project Rights and Obligations under this Agreement, (ii) such sale, lease or other disposition shall not, in and of itself, cause the rating of any Bonds to be downgraded, suspended, or withdrawn (which fact shall be evidenced by letters of the rating agencies then rating the Bonds), and (iii) such sale, lease or other disposition will not adversely affect the value of this Agreement as security for the payment of the Indenture cost component; (B) in the event that no Bonds are outstanding or adequate provisions for the payment thereof have been made in accordance with the provisions of the Indenture then (i) such Acquiring Entity shall assume and agree to fully perform and discharge the Project Rights and Obligations under this Agreement, and (ii) such Acquiring Entity shall have a corporate or long-term senior unsecured credit rating not less than investment grade; and (C) in all cases, unless waived by SCPPA after consultation with Bond Counsel or Tax Counsel, Bond Counsel or Tax Counsel shall have rendered an opinion that such sale, lease or other disposition will not result in or cause non-compliance with any applicable Federal Tax Law Requirements with respect to any Bonds.

18.4 Successors and Assigns. Subject in all respects to Sections 15 and 18 hereof, the Project Rights and Obligations under this Agreement shall inure to the benefit of and shall be binding upon the respective successors and assigns of the Parties to this Agreement.

19. REIMBURSEMENT OF PROJECT DEVELOPMENT COSTS. Within 90 days after the issuance of the first Bonds, all of the following project development costs and expenses and other applicable costs for Development Work paid by Purchaser prior to the date of such issuance, to the extent reimbursable under applicable tax law and regulations, shall be reimbursed to Purchaser by SCPPA from the proceeds of the Bonds (in an amount determined to be reasonable by the Coordinating Committee or Board of Directors, as appropriate): costs of planning and development of the Project; costs relating to any acquisition of the Project; costs of investigation and feasibility studies; technical, legal and financing expenses; legal costs including but not limited to the costs of Bond Counsel, Tax Counsel, electric utility counsel, secured transaction and real estate specialists, solar energy counsel, environmental counsel, bankruptcy counsel, and counsel experienced in securing and facilitating this transaction under California and Federal law, costs of obtaining permits, clearances, licenses, entitlements, and approvals or other governmental authorizations, options or rights therein; costs of preparing agreements or other documents; and other costs relating to the Project in amounts determined to be reasonable by the Board of Directors.

20. EFFECTIVE DATE, TERM AND EXPIRATION.

20.1 Effective Date; Execution in Counterparts. This Agreement shall become effective on the first day when each and all of the following shall have occurred: (i) this Agreement shall have been duly executed and delivered by SCPPA and Purchaser, (ii) the Power Purchase Agreement shall have been duly executed and delivered by SCPPA and the Power Purchase Provider, and (iii) the Power Sales Agreement between SCPPA and each other Project Participant shall have been duly executed and delivered by the parties thereto. Once the Power Purchase Agreement has been executed and delivered as set

forth above, SCPPA shall deliver a copy of the same to Purchaser. This Agreement may be executed in any number of counterparts, each of which shall constitute an original.

20.2 Termination Conditions. This Agreement shall be effective upon satisfaction of the conditions set forth in Section 20.1 and shall extend for the term specified in Section 20.3 unless earlier terminated pursuant to an express provision of this Agreement, or by operation of the Indenture or of law; provided, however, that (i) any obligation to make payments to SCPPA or any outstanding liability of Purchaser hereunder which either exists or may exist as of the date of termination of this Agreement, or which comes into existence at any future time as a result of any activity or transaction carried forth under this Agreement, shall survive such termination and (ii) any obligation of SCPPA or Purchaser hereunder to comply with the Federal Tax Law Requirements shall continue until such time as provided in Section 23.2.

20.3 Term/Expiration. The term of this Agreement shall begin on the day this Agreement becomes effective pursuant to Section 20.1 hereof. Unless terminated earlier pursuant to Sections 20.4, 20.5, or 20.6 and subject to Sections 20.2 and 23 hereof, the term of this Agreement shall expire on the later of: (i) the date SCPPA's Joint Powers Agreement (including any extensions thereof) expires or (ii) the date on which all Bonds and the interest thereon shall have been paid in full or adequate provision for such payment shall have been made and the Bonds are no longer outstanding (the "Expiration Date"); provided, however, that in no event shall the term of this Agreement expire so long as the Power Purchase Agreement is of any force or effect.

20.4 Transfer of SCPPA Interest. Except as provided in Section 20.5 hereof, and subject to any applicable provisions of any associated operating agreements, upon the expiration of the term of this Agreement pursuant to Section 20.3 hereof, in the event SCPPA shall have purchased or acquired the Facility, SCPPA shall transfer to the Project Participants and each Project Participant shall assume its pro rata share of any right, title and interest in the Facility (including all rights and obligations of SCPPA under any Project Agreement), as evidenced by a participation agreement developed by SCPPA and the Project Participants, unless otherwise agreed to by SCPPA and the Project Participants. The purchase price and consideration to be paid to SCPPA by Purchaser for such transfer shall consist of the payments made by Purchaser pursuant to this Agreement prior to the date of such transfer plus any remaining costs or obligations incurred by SCPPA in connection with the Project.

20.5 Termination of Agreement before Expiration Date. Notwithstanding the Expiration Date set forth in Section 20.3 hereof, this Agreement shall terminate, subject to Sections 20.2 and 23 hereof, on the date, if any, by which each and all of the following have occurred:

20.5.1 All Bonds and the interest thereon shall have been paid in full or adequate provision for such payment shall have been made and the Bonds are no longer outstanding under the Indenture;

20.5.2 SCPPA notifies Purchaser that all Power Sales Agreements are superseded as a result of each of the Project Participants having (iii) succeeded to SCPPA's rights through another agreement or agreements, or (ii) entered into a replacement power sales agreement or other agreement with SCPPA. The purchase price and consideration to be paid to SCPPA by Purchaser with respect to any such superseding arrangement shall consist of the payments and satisfaction of all obligations by Purchaser under and pursuant to this Agreement prior to the effective date of the superseding arrangement plus any remaining costs or obligations incurred by SCPPA in connection with the Facility; and

20.5.3 The Power Purchase Agreement shall no longer be of any force or effect.

20.6 Termination of Agreement Based on Termination of Power Purchase Agreement. Notwithstanding the Expiration Date set forth in Section 20.3 hereof, this Agreement shall terminate, subject to Sections 20.2 and 23 hereof, on the date, on which the Power Purchase Agreement is terminated and all of Project Participants' obligation(s) under the Project Agreements have been fully satisfied or otherwise adequate provision for satisfaction for such obligation(s) have been made and no other such obligation(s) under the Project Agreements are outstanding.

20.7 Final Distribution of Reserve Fund. Following the expiration or earlier termination of all Power Sales Agreements, and upon payment and satisfaction of any and all liabilities and obligations to make payments of the Project Participants under their respective Power Sales Agreements and upon satisfaction of all remaining costs and obligations of SCPPA under the Project Agreements and in connection with the Facility, any amounts then remaining in the Reserve Fund shall be paid to the Project Participants pro rata in accordance with their respective Project Cost Shares.

21. RELATIONSHIP TO AND COMPLIANCE WITH OTHER INSTRUMENTS.

21.1 Agreement Subject to the Indenture. It is recognized by the Parties hereto that SCPPA, in undertaking the planning and financing, development, acquisition, operation, and maintenance of the Project, must comply with the requirements of the Indenture and all conditions, permits and approvals or other governmental authorizations necessary for such planning, financing, development, acquisition, operation, and maintenance and it is therefore agreed that this Agreement is made subject to the provisions of the Indenture and all such conditions, permits, approvals, and governmental authorizations.

21.2 Comply With the Indenture. SCPPA covenants and agrees for the benefit of Purchaser to comply in all material respects with all terms, conditions, and covenants of the Indenture and all conditions, permits, approvals, and governmental authorizations relating to the Project, provided that SCPPA shall not be prevented from contesting the validity or applicability of any such

conditions, permits, approvals, and governmental authorizations in good faith by appropriate proceedings.

22. SEVERABILITY. In case any one or more of the provisions of this Agreement shall for any reason be held to be illegal or invalid by a court of competent jurisdiction, it is the intention of each of the Parties hereto that such illegality or invalidity shall not affect any other provision hereof, but this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein unless a court holds that the provisions are not separable from all other provisions of this Agreement.

23. CONDITIONS TO TERMINATION, AMENDMENT OR EXTENSION OF INTIAL TERM.

23.1 No Adverse Effect. So long as any of the Bonds are outstanding under the Indenture, this Agreement shall not be terminated, amended, modified, or otherwise altered in such a manner (i) as will materially reduce the payments pledged as security for the Bonds or extend the time of such payments provided herein, (ii) as will materially impair or materially adversely affect the rights of the owners from time to time of any Bonds, or (iii) as would be prohibited by any applicable provision of the Indenture.

23.2 Rights Among Project Participants. None of the Power Sales Agreements may be terminated as to any one or more of the Project Participants, or be amended as to any one or more of the Project Participants so as to provide terms and conditions materially different from those contained therein, except, subject to the provisions of Section 23.1 and consistent with the Indenture, upon written notice to and written consent or waiver by the other Project Participant, and upon similar amendment, if appropriate, being made to the Power Sales Agreement of the Project Participant requesting such amendment after receipt by such Project Participant of written notice of such amendment.

23.3 Continuing Compliance with Federal Tax Law Requirements. Notwithstanding anything contained in the Power Sales Agreements to the contrary, all obligations of SCPPA and the Project Participants with respect to compliance with Federal Tax Law Requirements with respect to any Bonds shall survive any termination of the Power Sales Agreements until such time as all Bonds to which such Federal Tax Law Requirements shall apply shall have been fully paid or redeemed and discharged, or such earlier time as SCPPA shall determine upon consultation with Bond Counsel or Tax Counsel, or Bond Counsel or Tax Counsel shall have rendered an opinion to the effect that such Federal Tax Law Requirements shall no longer be applicable.

24. REPRESENTATION AND GOVERNING LAW. The Parties acknowledge that each Party was represented by counsel in the negotiation and execution of this Agreement. This Agreement was made and entered into in the County of Los Angeles and shall be governed by, interpreted, and enforced in accordance with the laws of the State of California. All litigation arising out of, or relating to this Agreement, shall be brought in a State or Federal court in the County of Los Angeles in the State of California. The Parties irrevocably agree to submit to

the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

25. ARBITRATION AND ATTORNEYS' FEES. If a dispute arises between the Parties which the Coordinating Committee or the Board of Directors is unable to resolve, the Parties may by mutual agreement submit the dispute to mediation or non-binding arbitration. With respect to any such dispute the Parties agree that each Party shall bear its own attorneys' fees and costs. Notwithstanding the foregoing, Purchaser and SCPPA recognize and agree that SCPPA's attorneys' fees associated with any matter relating to the Project or this Agreement, including any dispute relating thereto, shall constitute a Project cost which shall be allocated and billed as set forth in Sections 4 and 7 of this Agreement.

26. NOTICES. Any notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given, or made if delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

Southern California Public Power Authority
Attention: Executive Director
1160 Nicole Court
Glendora, California 91740

Los Angeles Department of Water and Power
Attention: General Manager
RE: Power System Contracts
111 N. Hope Street, Room 921
Los Angeles, California 90012

27. AMENDMENTS. The Parties acknowledge and agree that any amendment to this Agreement shall be in writing and duly executed by the Parties.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have duly caused this Agreement to be executed on their respective behalves by their duly authorized representatives.

SOUTHERN CALIFORNIA PUBLIC
POWER AUTHORITY

By: _____
TIKAN SINGH
Vice President

Attest:_____
DANIEL E GARCIA
Assistant Secretary

Approved as to legal form:

By:_____
CHRISTINE GODINEZ
General Counsel

DEPARMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES BY BOARD OF
WATER AND POWER COMMISSIONERS

By signing below, the signatories for the Department of Water and Power attest that they have no personal, financial, beneficial, or familial interest in this contract.

By:_____
DAVID W. HANSON
Interim General Manager

Date:_____

And:_____
CHANTE L. MITCHELL
Board Secretary

APPENDIX A

DEFINITIONS

The following terms, whether in the singular or the plural, and initially capitalized, shall have the meanings specified below:

1. Acquiring Entity. "Acquiring Entity" shall have the meaning set forth in Section 18.3.

2. Acquisition. Acquisition shall entail the procurement of SCPPA's rights and obligations pursuant to the Power Purchase Agreement and applicable Project Agreements, any purchase of the Facility, including the purchase of rights and interests under any of the Power Purchase and Security Agreements, SCPPA financing arrangements for the foregoing, and all rights and entitlements associated with the acquisition, development and implementation of the Project, including those resources, contracts, rights, benefits, entitlements and arrangements as may be necessary, desirable or appropriate to the Project to further SCPPA's and the Project Participants' goals and those associated structures and services procured, retained or acquired by and on behalf of the Project Participants as part of the Project and which have been approved by the Coordinating Committee and, where applicable, the Board of Directors. Acquisition also includes the rights and interests under any consents to assignment and related agreements, and taking foreclosure action (or a deed in-lieu-of foreclosure) under and pursuant to any of the Power Purchase and Security Agreements, and, if and as applicable, associated financing, and all rights and entitlements of SCPPA under the Power Purchase and Security Agreements or other Project Agreements associated with the development and implementation of the Project.

3. Act. All of the provisions contained in the California Joint Exercise of Powers Act found in Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, beginning at California Government Code Section 6500 *et seq*., as amended from time to time.

4. Ancillary Documents. "Ancillary Documents" shall have the definition set forth in the Power Purchase Agreement.

5. Annual Budget. The budget approved by the Coordinating Committee and adopted by SCPPA pursuant to Section 5.4.1 of this Agreement not less than 30 days nor more than 60 days prior to the beginning of each Power Supply Year, including any amendments thereto, which shall show a detailed estimate of Power Costs under the Power Sales Agreements and all credits, charges, revenues, income, or other funds to be applied to such costs, for and applicable to such Power Supply Year.

6. Assignee. "Assignee" shall have the meaning set forth in Section 18.2.

7. Balancing Agent. "Balancing Agent" shall have the meaning set forth in Section 9.5.

8. Billing Statement. The written statement prepared or caused to be prepared each Month by, or on behalf of, SCPPA which shall be based upon certain of the information in the Annual Budget

and shall show for such Month the amount to be paid to SCPPA by a Project Participant in accordance with the provisions of Section 7 of its Power Sales Agreement.

9. Board of Directors. The Board of Directors of the Southern California Public Power Authority.

10. Bond Counsel. Nationally recognized legal counsel having background and experience in the issuance of municipal bonds, including the Federal Tax Law Requirements relating thereto, and selected by SCPPA to evaluate and advise regarding the Bonds with respect to specified cases, transactions and matters from time to time.

11. Bonds. The bonds, notes, bond anticipation notes, certificates of participation, commercial paper or other evidences of indebtedness issued or incurred by SCPPA and outstanding pursuant to the provisions of the Indenture to finance or refinance the Cost of Acquisition and any Capital Improvements and, where applicable, the purchase of the Facility or any part, portion or component thereof, including purchase of the rights and interests under any applicable Project Agreement. Bonds shall include but not be limited to the taxable and/or tax-exempt bonds, notes, bond anticipation notes, certificates of participation, commercial paper or other evidences of indebtedness issued or incurred by SCPPA to finance any purchase of the Facility, including purchase of the rights and interests under any applicable Project Agreement, or bonds, notes, certificates of participation, commercial paper or other evidences of indebtedness issued to redeem or refund such bonds, notes, certificates of participation, commercial paper or evidences of indebtedness, and any and all other obligations which SCPPA issues or incurs relating to the Project. Bonds shall also include any additional Bonds authorized by the Indenture or any supplement thereto and issued or incurred pursuant to the provisions of Section 13.2 of the Power Sales Agreements and any refunding of Bonds issued pursuant to the provisions of Sections 13.3 or 13.5 thereof. Bonds may constitute other categories of bonds eligible for certain tax benefits under the Internal Revenue Code, including but not limited to tax-exempt bonds, tax credit bonds, or direct payment bonds.

12. Capacity. The ability or potential to generate, produce or transfer electricity, expressed in kilowatts ("kW") or megawatts ("MW"), including, when feasible, ancillary, or regulating services or other valuable non-energy products or services from a generating facility.

13. Capacity Rights. "Capacity Rights" shall have the definition set forth in the Power Purchase Agreement.

14. Capital Improvements. Any unit of property, property right, land or land right which is a replacement, repair, addition, improvement, or betterment to the Project or any transmission facilities relating to, or for the benefit of, the Project, the betterment of land or land rights or the enlargement or betterment of any such unit of property constituting a part of the Project or related transmission facilities which is (i) consistent with Prudent Utility Practices and determined necessary and/or desirable by the Board of Directors or (ii) required by any governmental agency having jurisdiction over the Project.

15. Chairperson. "Chairperson" is defined in Section 6.2.1.

16. Commercial Operation. "Commercial Operation" shall have the definition set forth in the Power Purchase Agreement.

17. Compliance. Following a Payment Default, the Defaulting Project Participant shall be in compliance with its payment obligations under its Power Sales Agreement if it (i) no later than the last day of the Cure Period fully pays all amounts owed as reflected in any Default Invoice; (ii) pays any monthly Billing Statement which comes due during the Cure Period; and (iii) replenishes any reduction made to the applicable operating reserve account, Debt Service reserves or other Reserve Fund as a result of any Payment Default.

18. Consent and Agreement. "Consent and Agreement" shall have the definition set forth in the Power Purchase Agreement.

19. Coordinating Committee. The Coordinating Committee established in accordance with Section 6 of this Agreement.

20. Cost of Acquisition. "Cost of Acquisition" is defined in Section 4.3.

21. Cure Period. That period of time beginning on the date of a Payment Default and concluding thirty (30) days thereafter.

22. Cured Payment Default. A Payment Default which has been cured in accordance with Section 15.3 of this Agreement. If at any time during the Cure Period the Defaulting Purchaser is in Compliance, then the requirements of a Cured Payment Default shall be deemed to have been satisfied as of the date of receipt of such payments by SCPPA and the Cure Period shall expire.

23. Daily Delay Damages. "Daily Delay Damages" shall have the definition set forth in the Power Purchase Agreement.

24. Debt Service. The debt service payable with respect to the Indenture pertaining to any category of Bonds, any Bonds issued pursuant to Section 13 of this Agreement, or other applicable series of Bonds, as determined by the context; provided that in the case of any Bonds, Debt Service may, to the extent provided in the Indenture, be reduced by the amount of any applicable cash grant or rebate payable by the Federal Government to SCPPA (or to the trustee under the Indenture) with respect to interest on such Bonds. Debt Service shall also include any payments required to be deposited into the Debt Service Fund under the Indenture to pay, for example, amounts due under any interest rate swap agreements or other derivative agreements.

25. Debt Service Fund. The Debt Service Fund or account, or similar fund or account, established by the Indenture to pay Debt Service. The Debt Service Fund shall not include the Debt Service Reserve Fund(s) under the Indenture.

26. Deemed Delivered Energy. "Deemed Delivered Energy" shall have the definition set forth in the Power Purchase Agreement.

27. Default. "Default" shall have the definition set forth in the Power Purchase Agreement.

28. Default Invoice. An invoice during the Payment Default Period and the Cure Period issued to the Defaulting Project Participant pursuant to Section 15 of this Agreement that identifies the total defaulted amount owed, including late payment interest, to achieve a Cured Payment Default. During the Cure Period, the Default Invoice shall also include the amount that must be paid to achieve Compliance.

29. Defaulting Project Participant. A Project Participant that causes a Payment Default which has not been remedied and where the Defaulting Project Participant has not effected a Cured Payment Default.

30. Delivery Term of the Power Purchase Agreement. The time period for the delivery of Energy pursuant to the Power Purchase Agreement as set forth therein.

31. Development Security. "Development Security" shall have the definition set forth in the Power Purchase Agreement.

32. Development Work. All work and activities in connection with the development of the Project, including, without limitation, all planning, designing, acquiring (by purchase or otherwise), mitigating impacts, constructing, installing, investigating, cost monitoring and control activities, negotiating and administering contracts, purchasing, environmental monitoring, scheduling, protecting, erecting, supervising, expediting inspecting, testing and training activities, recruitment and training of technical, operational and administrative personnel, insuring, accounting, budgeting, public information services and activities, services of consultants and legal counsel, preparing of manuals and reports, and activities relating to securing requisite actions, permits, licenses, approvals, and certificates from governmental agencies and authorities.

33. Direct Reimbursable Costs. "Direct Reimbursable Costs" shall include Operating Insurance premiums and Taxes.

34. Dynamic Scheduling. "Dynamic Scheduling" shall mean the automated scheduling of Energy from the Point of Delivery to a Project Participant's control area or electric system, provided that such dynamic schedules adjust at four-second intervals, or other intervals as specified by WECC, to match the amount of Energy actually delivered to the Point of Delivery with respect to such Project Participant.

35. Energy. "Energy" shall include both Energy and any Replacement Energy, as those terms are defined in the Power Purchase Agreement.

36. Entitlement Share. The percentage entitlement of each Project Participant to the Project and Facility Products in any Power Supply Year, as set forth in Appendix B of each of the Power Sales Agreements (entitled "Schedule of Project Participants Entitlement Shares and Project Cost Shares") attributable to each such Project Participant, as amended from time to time so long as such amendments are in compliance with the Power Sales Agreements and any applicable provisions of the Indenture. Revisions to Appendix B pursuant to Section 15 herein shall be considered an element of the administration of this Power Sales Agreement and shall not require the consent of the Parties hereto.

37. Environmental Attributes. "Environmental Attributes" shall have the definition set forth in the Power Purchase Agreement.

38. Excess Energy. "Excess Energy" shall have the definition set forth in the Power Purchase Agreement.

39. Facility. "Facility" means all of the facilities and real and personal properties and resources and rights and interests, all as described or defined as the Facility in the Power Purchase Agreement and all of the Acquisitions, related assets and accompanying rights and obligations associated therewith and all rights, interests and obligations associated with such facilities, including the rights interests and obligations under the Ancillary Documents and shall also include all Capital Improvements.

40. Facility Products. All solar energy output, rights, and other tangible or intangible benefits derived from the Facility whatsoever, including without limitation all Energy (including Replacement Energy as defined in the Power Purchase Agreement), Capacity Rights and Environmental Attributes whether received by SCPPA under or pursuant to the Power Purchase Agreement or other applicable Project Agreement or derived from the Facility by SCPPA as owner following SCPPA's purchase of the Facility.

41. Federal Tax Law Requirements. "Federal Tax Law Requirements" shall mean, with respect to the issuer of Bonds, any and all requirements and limitations to which any specified type or category of Bonds are subject under the Internal Revenue Code or related Treasury regulations in order that such specified Bonds initially qualify and maintain qualification as that type or category of Bonds.

42. Financing Agreement. "Financing Agreement" shall have the definition set forth in the Power Purchase Agreement.

43. Fiscal Year. The twelve-month period commencing at 12:01 a.m. on July 1 of each year and ending at 12:01 a.m. on the following July 1, or such other time frame as determined by the Coordinating Committee or Board of Directors.

44. Force Majeure. "Force Majeure" shall have the definition set forth in the Power Purchase Agreement.

45. Fund or Funds. Any fund or account created under the Indenture.

46. Glendale. The City of Glendale, a California municipality.

47. Guaranteed Commercial Operation Date. "Guaranteed Commercial Operation Date" shall have the definition set forth in the Power Purchase Agreement.

48. Guaranteed Delivered Energy. "Guaranteed Delivered Energy" shall have the definition set forth in the Power Purchase Agreement.

49. Indenture. The indenture of trust, trust agreement, credit or loan agreement and other similar agreements with respect to the Bonds, between SCPPA and a Project Trustee or Lender, as

from time to time amended and supplemented in conformity with its provisions and of this Agreement. Under such agreements, SCPPA may enter into, or authorize the entering into of, interest rate swap agreements, other derivative agreements, and such other agreements as are authorized or permitted under such agreements. Indenture shall include, but not be limited to, any and all indentures in connection with any bridge loans, bond anticipation notes or other notes, or draw down bonds or with respect to any other type of bonds, and the indentures of trust, trust agreements or other similar agreements entered into between SCPPA and the Project Trustee or Lender to effect the redemption or refunding of any bridge loans, bond anticipation notes or other notes, draw down bonds or other bonds, as from time to time amended and supplemented in conformity with their provisions and the provisions of this Agreement.

50. Indenture cost component. "Indenture cost component" is defined in Section 4.4.4.

51. Initial Payment Default Date. The earlier of (i) the end of the fifth day following the first Payment Default for that no remedy in payment has occurred and been received by SCPPA, or (ii) the last day of the Month in which the first Payment Default has occurred for which no remedy in payment has occurred and been received by SCPPA.

52. Interconnection Agreements. "Interconnection Agreements" shall have the meaning set forth in the Power Purchase Agreement.

53. Internal Revenue Code. The Internal Revenue Code of 1986, as amended.

54. Joint Powers Agreement. The "Southern California Public Power Authority Joint Powers Agreement" dated as of November 1, 1980, as amended and modified from time to time, entered into pursuant to the provisions of the Act, among SCPPA and its members.

55. Key Milestones. "Key Milestones" shall have the meaning set forth in the Power Purchase Agreement.

56. LADWP. The City of Los Angeles acting by and through the Department of Water and Power.

57. Losses. "Losses" shall have the meaning set forth in Section 17.7.

58. Major Contracts. The Project Agreements and, to the extent not finalized or effective on the Effective Date of this Agreement, any other contract or agreement so identified by the Coordinating Committee or the Board of Directors, as such contracts or agreements may be amended or supplemented from time to time.

59. Month. A calendar month.

60. Monthly Costs. "Monthly Costs" is defined in Section 7.1.

61. Moody's. "Moody's" shall mean Moody's Investor Services, Inc.

62. Notch Peak Project Agency Agreement. "Notch Peak Project Agency Agreement" shall have the definition set forth in this Appendix A under the definition of "Project Manager."

63. Notch Peak Project, LLC. "Notch Peak Project, LLC" means the limited liability company so named and that is organized and existing under the laws of the State of Delaware, or its successor or successors.

64. Operating Budget. The operating budget approved by the Board of Directors which shall show a detailed estimate of all Project operating costs, including all revenues, income, or other funds to be applied to such operating costs for and applicable to a Power Supply Year.

65. Operating cost component. "Operating cost component" is defined in Section 4.4.1.

66. Operating Insurance. "Operating Insurance" shall have the meaning set forth in the Power Purchase Agreement.

67. Operating Reserve Depletion Date. The date that is two Months prior to the date on which SCPPA anticipates, assuming continued Payment Defaults by one or more Defaulting Project Participants, that the moneys in the operating reserve account of the Indenture will be fully depleted; provided, however, if as of the date on which a Payment Default occurs SCPPA determines that the moneys in the operating reserve account will be fully depleted in less than two Months (or currently are fully depleted), then the Operating Reserve Depletion Date shall be deemed to have occurred when such a Payment Default occurs.

68. Operating Work. All work and activities in connection with the administration, operation and maintenance of the Project, including without limitation, negotiating and administering contracts, planning, mitigating impacts, purchasing, repairing, inspecting, maintaining, investigating and monitoring all aspects of the Project, performing modeling functions, economic analysis, quality control, testing and evaluating, recruitment and training of operating entities and personnel, electric energy and environmental attribute procurement, regulatory efforts, tagging, interconnecting, transmission, storing, dispatching, firming, balancing, exchanging and scheduling activities, the scheduling, facilitation, receipt, supervising, expediting, budgeting, insuring, accounting, tracking, registering, protecting, operating and managing activities, public information services and services of consultants, operators, engineers, contactors and legal counsel, renewals, replacements, reconstruction, and improvements, and activities related to securing requisite permits, franchises, licenses, approvals, entitlements, credits, and certificates from governmental agencies and authorities.

69. Option Agreement. "Option Agreement" shall have the definition set forth in the Power Purchase Agreement.

70. Payment Default. A failure by a Project Participant to pay when due all of its Billing Statement for any Month.

71. Payment Default Period. That period of time during which a Payment Default exists.

72. Performance Security. "Performance Security" shall have the definition set forth in the Power Purchase Agreement.

73. Permit. "Permit" shall have the definition set forth in the Power Purchase Agreement.

74. Person. "Person" means any individual, corporation, partnership, joint venture, limited liability company, association, joint stock company, trust, unincorporated organization, entity, government or other political subdivision.

75. Point of Delivery. The point at which Energy is to be delivered to the Project Participants pursuant to the Power Purchase Agreement or any other agreement with the Power Purchase Provider or, if SCPPA shall purchase or acquire the Facility, the same point of delivery of the Energy or such other point of delivery as authorized and determined by the Coordinating Committee or the Board of Directors.

76. Power Costs. "Power Costs" has the meaning described in Section 4.4.

77. Power Purchase Agreement. The Power Purchase Agreement between Southern California Public Power Authority and Notch Peak Project, LLC, dated as of April 16, 2026, attached hereto as Appendix E, as the same may be amended from time to time.

78. Power Purchase and Security Agreements. The Power Purchase Agreement, the Option Agreement, the Ancillary Documents, the Consent and Agreement, the Financing Agreement, and all other agreements associated with the Facility, and any other consent to assignment or other agreement with any financial institution or Person relating to the Project or any loan or other credit agreement associated with the Facility, or any other agreement under which SCPPA might acquire or otherwise purchase or obtain the Facility or related resources and assets or the Facility Products or carry forth any Acquisition all as and to the extent applicable to any particular Project matter or matters. The Power Purchase and Security Agreements shall also include any instrument or form of security which affords any opportunity for the purchase of the Facility or Acquisition, whether through foreclosure or otherwise, including any deed or deed of trust, mortgage, lease, assignment, beneficial interest, collateral instrument or other device or mechanism providing for the ability to acquire the Facility.

79. Power Purchase and Security Agreements cost component. "Power Purchase and Security Agreements cost component" is defined in Section 4.4.5.

80. Power Purchase Provider. Notch Peak Project, LLC, as the counterparty to SCPPA under the Power Purchase Agreement, and any other entity named under any applicable operating agreement to operate or otherwise run or manage the Facility along with each of their successors, or any successors or assigns to the rights of these entities.

81. Power Sales Agreements. This Agreement and that certain Power Sales Agreement, dated for convenience as of April 16, 2026, by and between SCPPA and Glendale, as the same may hereafter be amended from time to time, entered into for, among other things, the acquisition of the Entitlement Shares.

82. Power Supply Year. The Fiscal Year, except that the first Power Supply Year shall begin on

the first to occur of (i) the date SCPPA is obligated to pay any portion of the costs of the Project, (ii) the date upon which SCPPA first incurs or accrues costs associated with the issuance of the Bonds, (iii) 90 days before the scheduled date for issuance of the Bonds, (iv) the date of Commercial Operation of the Facility, or (v) the date of the first delivery of Energy to Purchaser pursuant to this Agreement. Further, the first Power Supply Year shall end on the last day of the then current Fiscal Year.

83. Project or Notch Peak Project. The term "Project" or "Notch Peak Project" shall be broadly construed to entail the aggregate of rights, liabilities, interests and obligations of SCPPA pursuant to the Power Purchase Agreement, the Power Purchase and Security Agreements and the other Project Agreements, including but not limited to all rights, liabilities, interests and obligations associated with the Facility Products, or, upon purchase or acquisition by SCPPA, all rights, liabilities, interests and obligations associated with the Facility, and including all aspects of the operation and administration of the Facility and the Project Agreements and the rights, liabilities, interests and obligations associated therewith. The term Project shall also include those rights, liabilities, interests, or obligations necessary or appropriate to carry out the functions specified in Section 6 and to utilize or deliver the energy of the Facility as specified in Section 9.

84. Project Agreements. Any project management agreement, the Indenture, the Power Sales Agreements, each of the Power Purchase and Security Agreements, Real Property Agreements (as defined in the Power Purchase Agreement), the Interconnection Contracts, the Ancillary Documents, the Notch Peak Project Agency Agreement or any other agreement of SCPPA with the Project Manager, other contracts and leases, easements, rights of way and other real property arrangements or agreements associated with the Facility, if any, any other Acquisition agreement or agreement for the purchase, procurement, delivery or transmission of Facility Products, including all agreements connected or associated with any purchase of the Facility or passing to SCPPA in connection with any purchase of the Facility, and including the rights and interests under the Financing Agreement or any other consents to assignments or agreements for assignment, any operating agreements, any maintenance agreements, any warranty agreements, any participation agreements, any agreements for scheduling, dispatching, exchanging, tagging, movement or transmission, any agreements relating to any Capital Improvements and the agreements to which SCPPA is a party relating to the project design, development, administration, management or operation of the Facility and for placing of the Facility into operation or maintaining its operation.

85. Project Cost Share. For any Power Supply Year and as to any particular Project Participant, the share (expressed as a percentage) set forth in Appendix B of this Agreement (entitled "Schedule of Project Participants Entitlement Shares and Project Cost Shares") attributable to such Project Participant with respect to costs, other than financing and refinancing related costs, associated with the Project, as amended from time to time so long as such amendments are in compliance with both of the Power Sales Agreements and any applicable provisions of the Indenture. Revisions to Appendix B pursuant to Section 15 herein shall be considered an element of the administration of this Agreement and shall not require the consent of the Parties hereto.

86. Project Determination. "Project Determination" means any matter involving a question pertinent to the studying, investigating, planning, financing, developing, acquiring, constructing, reconstructing, operating, maintaining, administering, managing, improving, enlarging, or bettering of the Project.

87. Project Manager. LADWP, in its capacity as agent for and on behalf of SCPPA under the Notch Peak Project Agency Agreement, dated as of April 16, 2026, between LADWP and SCPPA (the "Notch Peak Project Agency Agreement" or "Agency Agreement") or if the Notch Peak Project Agency Agreement shall no longer be in force and effect, SCPPA or a designee or designees appointed by SCPPA to assist SCPPA to carry out SCPPA's responsibilities under the Power Sales Agreements.

88. Project Manager Indemnitees. "Project Manager Indemnitees" shall have the meaning set forth in Section 17.8.

89. Project Participants. Those entities executing Power Sales Agreements with SCPPA, together in each case with each entity's successors or assigns, identified as "Project Participants" in Appendix B of the Power Sales Agreements (entitled "Schedule of Project Participants Entitlement Shares and Project Cost Shares").

90. Project Purchase Option. "Project Purchase Option" shall have the definition set forth in Power Purchase Agreement.

91. Project Rights. All rights and privileges of a Project Participant under its Power Sales Agreement, including but not limited to its Entitlement Share, its right to receive Facility Products from the Facility, and its right to vote on Coordinating Committee matters.

92. Project Rights and Obligations. Purchaser's Project Rights and obligations under the terms of this Agreement.

93. Project Trustee or Lender. Any bank or other financial firm or institution at any time serving as trustee under the Indenture or any bank or financial firm party to the Indenture as a lender or as agent for a lender or lenders thereunder.

94. Prudent Utility Practices. "Prudent Utility Practices" shall have the meaning provided in the Power Purchase Agreement.

95. Pseudo-Tie. "Pseudo Tie" shall mean the definition of "Pseudo-Tie" approved by the Federal Energy Regulatory Commission and set forth in the publication entitled: "Glossary of Terms used in NERC Reliability Standards", as may be amended from time to time.

96. Purchaser Indemnitees. "Purchaser Indemnitees" shall have the meaning set forth in Section 17.7.

97. Released Parties. "Released Parties" shall have the meaning set forth in Section 17.2.

98. Replacement Energy. "Replacement Energy" shall have the definition set forth in the Power Purchase Agreement.

99. Reserve Fund cost component. "Reserve Fund cost component" is defined in Section 4.4.3.

100. Reserve Fund(s). Those reserve accounts deemed appropriate to afford a reliable source of funds for the payment obligations of the Project and, taking into account the variability of costs

associated with the Project for the purpose of providing a reliable payment mechanism to address the ongoing costs associated with the Project.

101. RPS Compliance Shortfall Energy. "RPS Compliance Shortfall Energy" shall have the definition set forth in the Power Purchase Agreement.

102. S&P. "S&P" shall mean Standard & Poor's Financial Services LLC.

103. Shortfall Liquidated Damages. "Shortfall Liquidated Damages" shall have the definition set forth in the Power Purchase Agreement

104. Startup and Test Energy. "Startup and Test Energy" shall have the definition set forth in the Power Purchase Agreement.

105. Step-Up Invoice. An invoice sent to a Project Participant that is not a Defaulting Project Participant as a result of one or more Payment Defaults, which invoice shall separately identify any amount owed with respect to the monthly Billing Statement of the Defaulting Project Participant for, as the case may be, pursuant to Sections 15.9.1 or 15.9.2 hereof, either the Indenture cost component of the Defaulting Project Participant's unpaid monthly Billing Statement or the total Monthly Costs reflected in the Defaulting Project Participant's unpaid monthly Billing Statement.

106. Supplementary Services. Those services in connection with the delivery of Energy involving additional transmission, interconnection arrangements, energy management, firming, shaping, energy balancing, dispatching, tagging, scheduling, transmitting, interconnecting, swapping, exchanging, or other services associated with the transmission, use, or disposition of Facility Products to be utilized by the Project Participants under the Power Sales Agreements, and to otherwise provide for delivery and facilitate the disposition, movement, taking, receiving, accounting for, transferring, and crediting the ownership and transfer of Facility Products from the Point of Delivery to any other points or destinations, as determined by the Project Participants. Supplementary Services include but are not limited to delivery point swaps, stranded energy/transmission curtailments, tiepoint liquidity improvement, transmission loss savings, tiepoint price spread optimization, on-peak/off-peak exchanges, peak shifting exchanges, seasonal exchanges, and both simultaneous or non-simultaneous green energy exchanges.

107. Supplementary Services cost component. "Supplementary Services cost component" is defined in Section 4.4.2.

108. Tax Counsel. Nationally recognized legal counsel having background and experience in tax-exempt financing and selected by SCPPA to evaluate and advise regarding the Federal Tax Law Requirements with respect to specified cases, transactions and matters from time to time.

109. Taxes. "Taxes" shall have the meaning set forth in the Power Purchase Agreement.

110. Transmission System. "Transmission System" shall have the meaning set forth in the Power Purchase Agreement.

111. Uncontrollable Forces. Any Force Majeure event and any cause beyond the control of any Party, which by the exercise of due diligence such Party is unable to prevent or overcome, including but not limited to, failure or refusal of any other Person to comply with then existing contracts, an act of God, fire, flood, explosion, earthquake, strike, sabotage, pestilence, an act of the public enemy (including terrorism), civil or military authority including court orders, injunctions and orders of governmental agencies with proper jurisdiction or the failure of such agencies to act, insurrection or riot, an act of the elements, failure of equipment, a failure of any governmental entity to issue a requested order, license, or permit, inability of any Party or any Person engaged in work on the Project to obtain or ship materials or equipment because of the effect of similar causes on suppliers or carriers, or inability of SCPPA to sell or issue its Bonds. Notwithstanding the foregoing, Uncontrollable Forces as defined herein shall also include events of Force Majeure pursuant to the Power Purchase Agreement, as defined therein.

112. WECC. The Western Electricity Coordinating Council, or its successor.

APPENDIX B

SCHEDULE OF PROJECT PARTICIPANT ENTITLEMENT SHARES AND PROJECT COST SHARES

Project Participants	**Capacity (MW)**	**Entitlement Shares**	**Project Cost Shares**
Glendale	25	7.72%	7.72%
LADWP	299	92.28%	92.28%
Total	324	100%	100%

APPENDIX C

OPINION OF COUNSEL TO PURCHASER

[Date]

Southern California Public Power Authority
c/o Executive Director
1160 Nicole Court
Glendora, California 91740

[Underwriters for the Bonds]

[Bond Insurer or credit enhancement entity]

Ladies and Gentlemen:

We have acted as counsel to the City of Los Angeles, acting by and through the Department of Water and Power, as Purchaser (the "Purchaser") under the Notch Peak Project Power Sales Agreement, dated for convenience as of April 16, 2026 (the "Power Sales Agreement"), between Purchaser and Southern California Public Power Authority ("SCPPA").

We have examined originals or copies of those records and documents we considered appropriate for purposes of this opinion. As to relevant factual matters, we have relied upon, among other things, Purchaser's factual representations.

We have assumed the genuineness of all signatures (other than the signatures of persons signing the Power Sales Agreement on behalf of Purchaser), the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies. To the extent Purchaser's obligations depend on the enforceability of the Power Sales Agreement against SCPPA, we have assumed that the Power Sales Agreement is enforceable against SCPPA.

From such examination, on the basis of our reliance upon the assumptions in this opinion and our consideration of those questions of law we considered relevant, and subject to the limitations and qualifications in this opinion, we are of the opinion that:

1. Purchaser is a municipal corporation organized and existing under the laws of the State of California and authorized under The Los Angeles City Charter to furnish retail electricity within its service area.

2. Purchaser is empowered under The Los Angeles City Charter to enter into the Power Sales Agreement and to perform its obligations thereunder.

3. The Power Sales Agreement has been duly authorized, executed and delivered by Purchaser and, assuming due authorization, execution and delivery by SCPPA of such Power Sales Agreement, constitutes the legal, valid and binding obligation of Purchaser enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and

other similar laws affecting creditors' rights generally and to general principles of equity, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against municipal corporations in the State of California.

Our opinion in paragraph 3 as to enforceability is subject to the unenforceability of provisions waiving a right to jury trial. Also, a court may refuse to enforce a provision of the Power Sales Agreement if it deems that such provision is in violation of public policy.

We express no opinion with respect to your ability to collect attorneys' fees and costs in an action if you are not the prevailing party in that action (we call your attention to the effect of Section 1717 of the California Civil Code, which provides that where a contract permits one party thereto to recover attorneys' fees, the prevailing party in any action to enforce any provision of the contract shall be entitled to recover its reasonable attorneys' fees).

We express no opinion as to any provision requiring written amendments or waivers insofar as it suggests that oral or other modifications, amendments or waivers could not be effectively agreed upon by the parties or that the doctrine of promissory estoppel might not apply.

It is our opinion that no person, other than SCPPA, has setoff rights against payments due from Purchaser. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, severability or waiver provisions contained in the Power Sales Agreement.

We express no opinion as to any agreement or document referred to in the Power Sales Agreement or incorporated into the Power Sales Agreement by reference, or any agreement other than the Power Sales Agreement itself, or the effect of any such agreement or document on the opinions herein stated.

The opinions expressed are matters of professional judgment and are not a guarantee of result. The law covered by this opinion is limited to the present law of the State of California. We express no opinion as to the laws of any other jurisdiction.

This opinion may be relied upon only by the addressees hereto in connection with the issuance of the Bonds (as described in the Power Sales Agreement). It may not be used or relied upon for any other purpose or by any other person, nor may copies be delivered to any other person, without in each instance our prior written consent, except that this opinion may be included in the closing binder memorializing the Power Sales Agreement.

This opinion is expressly limited to the matters set forth above, and we render no opinion, whether by implication or otherwise, as to any other matters. This letter speaks only as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that arise after the date of this opinion and come to our attention, or any future changes in laws.

Very truly yours,

APPENDIX D

OPINION OF COUNSEL TO SCPPA

[Date]

[Purchaser]

[Underwriters of the Bonds]

[Bond Insurer or credit enhancement entity]

Ladies and Gentlemen:

I am acting as counsel to the Southern California Public Power Authority ("SCPPA") under the Notch Peak Project Power Sales Agreement, dated for convenience as of April 16, 2026, between the City of Los Angeles acting by and through the Department of Water and Power and SCPPA (the "Power Sales Agreement"), and I have acted as counsel to SCPPA in connection with the matters referred to herein. As such counsel, I have examined and am familiar with (i) those documents relating to the existence, organization and operation of SCPPA, (ii) all necessary documentation of SCPPA relating to the authorization, execution and delivery of the Power Sales Agreement, and (iii) the Power Sales Agreement.

Capitalized terms used herein not otherwise defined shall have the respective meanings ascribed thereto in the Power Sales Agreement.

I am of the opinion that:

1. SCPPA is a joint powers authority duly organized and validly existing under the Act, as amended, and the Joint Powers Agreement dated as of November 1, 1980, among SCPPA's members, as amended, and has full legal right, power and authority to execute and deliver, and to perform its obligations under, the Power Sales Agreement.

2. The Power Sales Agreement has been duly authorized, executed, and delivered by SCPPA, and, assuming due authorization, execution and delivery by the parties thereto, other than SCPPA, the Power Sales Agreement constitutes the legal, valid and binding obligation of SCPPA, enforceable against SCPPA in accordance with its terms.

3. To the best of my knowledge, SCPPA is not in material breach of or default under, and the authorization, execution and delivery of the Power Sales Agreement and compliance with the provisions thereof will not conflict with or constitute a breach of, or default under: (i) any instrument relating to the organization existence or operation of SCPPA; (ii) any loan agreement, lease agreement, indenture, bond, note, resolution, commitment, agreement or other instrument to which SCPPA is a party or by which it or its property or assets is bound or affected, and no event has occurred and is occurring which with the passage of time or the giving of notice, or both, would constitute a material default or event of default under any such instrument, which breach or default would have a material adverse impact on the Power Sales Agreement or the ability of SCPPA to comply with its obligations under the Power Sales

Agreement; or (iii) any applicable constitutional provision, law, ruling, administrative regulation, ordinance, judgment, order or decree to which SCPPA (or any of its officers in their respective capacities as such) is subject.

4. To the best of my knowledge, as of the date hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best of my knowledge, threatened against or affecting SCPPA or any of its officers in their respective capacities as such (nor to the best of my knowledge is there any basis therefor), which questions the right, power or authority of SCPPA referred to in paragraph 2 above or the validity of the proceedings taken by SCPPA in connection with the authorization, execution or delivery of the Power Sales Agreement, or wherein any unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Power Sales Agreement, or which, in any way, would adversely affect the validity or enforceability of the Power Sales Agreement or the ability of SCPPA to comply with its obligations thereunder.

Insofar as the foregoing opinions relate to the legal, valid and binding effect, and the enforceability, of any instrument, such opinions are subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and are subject, as to enforceability, to judicial discretion and to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law). Also, a court may refuse to enforce a provision if it deems that such provision is in violation of public policy.

The opinions expressed herein are based upon the law and other matters in effect on the date hereof. The opinions expressed are matters of professional judgment and are not a guarantee of result. I assume no obligation to revise or supplement this opinion should such law or other matters be changed by legislative action, judicial decision, or otherwise, or should any facts or other matters upon which I have relied change.

The opinions which are set forth or which are expressed herein are limited to the laws of the State of California.

This opinion is furnished exclusively for the benefit of the recipients to which it is addressed. This opinion may not be provided to, made available to, or relied upon by, any other party without prior written consent, except that this opinion may be included in the closing binder memorializing the transaction.

Very truly yours,

General Counsel
Southern California Public Power Authority

APPENDIX E

POWER PURCHASE AGREEMENT

BY AND BETWEEN

NOTCH PEAK PROJECT, LLC

AND

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

DATED AS OF APRIL 16, 2026

NOTCH PEAK PROJECT

POWER SALES AGREEMENT

BETWEEN

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

AND

THE CITY OF GLENDALE

Dated as of April 16, 2026

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NOTCH PEAK PROJECT

POWER SALES AGREEMENT

1. PARTIES. This Notch Peak Project Power Sales Agreement (this "Agreement"), is dated for convenience as of the 16th day of April, 2026, by and between the SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY, a joint powers agency and a public entity organized under the laws of the State of California, hereinafter designated as "SCPPA," created under the provisions of the Act, and the CITY OF GLENDALE, a California municipality. The CITY OF GLENDALE is also periodically designated in this Agreement as "Glendale" or as "Purchaser." Glendale and SCPPA are also sometimes herein referred to individually as a "Party" and together as the "Parties."

2. RECITALS, CONSTRUCTION AND PRELIMINARY MATTERS. The Recitals set forth herein and the facts, which follow, are incorporated into this Agreement by reference for all purposes. The facts and the circumstances of the Parties contained in the Recitals, among others, represent the background and framework for this Agreement, the aim and purpose of this Agreement, and the intent of the Parties with respect thereto. This Agreement has been reviewed by attorneys for both Parties and shall not be interpreted with reference to the rules of construction providing for construction against a Party responsible for drafting or creating a particular provision or section, but should instead be interpreted in a manner which broadly carries forth the goals and objectives of the Parties as expressed herein. References to "Sections," "Annexes," "Appendices," "Schedules," and "Exhibits" shall be to Sections, Annexes, Appendices, Schedules, and Exhibits, as the case may be, of this Agreement unless otherwise specifically provided. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose nor given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word "include" or "including", when following any general statement, term, or matter, shall not be construed to limit such statement, term, or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term, or matter. This Agreement is made with reference to the following facts among others:

2.1 SCPPA was created pursuant to provisions contained in the Joint Exercise of Powers Act found in Chapter 5 of Division 7 of Title 1 of the Government Code of California, as amended from time to time (the "Act" as defined in Appendix A), by its members, which are municipalities and an irrigation district that supply, among other things, electrical energy in the State of California, for the purpose of jointly and cooperatively undertaking the planning, financing, development, acquisition, construction, improvement, betterment, operation, and maintenance of projects for the generation or transmission of electric energy, including the development and implementation of systems and frameworks for the acquisition and delivery of secure, long-term, reliable supplies of renewable electric energy.

2.2 Pursuant to the terms of the Act, SCPPA has the power, for the purpose of promoting, maintaining, and operating electric generation and transmission, to plan, develop, contract for, finance, acquire, design, undertake, own, construct, manage, operate, maintain, and administer projects involving systems, methodologies, and programs for the acquisition, supply, procurement, and delivery of secure, long-term, reliable supplies of renewable electric energy, including solar energy, and to cause such projects to be planned, developed, contracted for, financed, acquired, designed, undertaken, constructed, managed, operated, maintained, and administered and to provide by agreement for the performance and carrying out of any such activities.

2.3 Purchaser is a chartered California municipality which provides electric energy to its citizens through its municipally-owned electric system. Purchaser is one of the parties to the SCPPA Joint Powers Agreement and is one of the eleven founding member municipalities which formed SCPPA. Since the initial creation of SCPPA pursuant to the Joint Powers Agreement, Purchaser has acted, in part, through SCPPA's Board of Directors to carry out generation, transmission, and other projects through SCPPA.

2.4 In pursuit of potential renewable electric resources to address SCPPA member renewable energy needs, SCPPA issued a request for proposals to acquire renewable energy resources. As a result of the response by Longroad Energy Holdings, LLC on behalf of its affiliate, Notch Peak Project, LLC, SCPPA and two of its members, Purchaser and the City of Los Angeles, acting by and through the Department of Water & Power ("LADWP" and, together with Glendale, the "Project Participants" and each, individually, a "Project Participant"), have identified and investigated the feasibility of a facility consisting of a photovoltaic solar energy generation resource to be located in Millard County, Utah. The solar project denominated as Notch Peak Project is to be developed by Notch Peak Project, LLC.

2.5 The Project Participants have participated with SCPPA in the negotiation of an agreement and related arrangements for purchase of the electric output of the Notch Peak Project (the "Project" as defined in Appendix A), and SCPPA is to enter into a Power Purchase Agreement, which is incorporated herein by this reference, with Notch Peak Project, LLC providing for purchase of the electric output and associated rights, benefits, and credits from the Project and also providing certain acquisition alternatives under which SCPPA may have opportunities to purchase and acquire ownership of the Project.

2.6 Purchaser has a need for a percentage of the electric output and associated rights, benefits, and credits of the Project which comply with environmental and energy procurement laws, and has determined to enter into this Power Sales Agreement with SCPPA to purchase its Entitlement Share of Facility Products and associated rights, benefits, and credits of the Project from SCPPA.

2.7 Purchaser has a need for an economical, reliable source of Energy and Environmental Attributes to meet the requirements of environmental and energy procurement laws, including renewables portfolio standard

requirements, as well as the demands of its current and/or future customers in an environmentally responsible manner and, as such, has determined that it is desirable to enter into this Agreement to purchase a share of the Energy and Environmental Attributes of the Facility from SCPPA.

3. AGREEMENT. For and in consideration of the premises and the mutual covenants and agreements hereinafter set forth, and in order to pay SCPPA for its costs of Purchaser's share of the Facility Products, the Parties agree as herein set forth.

4. DEFINITIONS. Appendix A to this Agreement sets forth definitions of certain terms used in this Agreement. The terms defined in Appendix A and this Section 4, whether in the singular or plural, unless specifically provided otherwise, when used herein or in the Appendices hereto and initially capitalized, shall have the meaning ascribed thereto in said Appendix A or as set out below:

4.1 Agreement. This Agreement, as it may be amended, modified, or supplemented from time to time.

4.2 Effective Date. The date described in Section 20.1 hereof.

4.3 Cost of Acquisition. The Cost of Acquisition shall equal the sum of the amounts described in Sections 4.3.1 through 4.3.18. SCPPA shall apply, as a credit against the Cost of Acquisition, receipts, revenues, and other moneys received by it from the sale, if any, of surplus equipment, materials, and supplies, all if and to the extent held in or paid into (without duplication) Funds, and as provided for in the Indenture, as well as such other payments or amounts to be applied as a credit against the Cost of Acquisition pursuant to this Agreement.

4.3.1 All costs associated with Acquisition of the Facility or the ownership interests therein and its resources pursuant to the Power Purchase Agreement and acquiring the Facility and its associated resources pursuant to any purchase option or pursuant to the purchase of rights and interests in and to any applicable credit agreement or any other agreement, including, if applicable, any other agreement relating to any security interest in the Facility or any assignment or consent to assignment, including, the purchase of the Facility pursuant to any provisions in any of the Power Purchase and Security Agreements, including without limitation the following costs, as applicable: (i) the cost of acquiring the Facility pursuant to the Power Purchase and Security Agreements, (ii) the cost of planning, designing, acquiring, constructing, mitigating impacts, installing, and developing the Project including any Capital Improvements, (iii) the cost of the exercise of cure rights or enforcement of SCPPA's rights with respect to any defaults by the Power Purchase Provider or any other counterparty under any agreements, deeds of trust, leases or other instruments relating to or affecting the Project, (iv) the cost, where applicable, of contracting for and facilitating the delivery of the output of the

Project at the prescribed Point of Delivery or other prescribed location, (v) the cost, where applicable, of placing the Project into operation, concluding, terminating and decommissioning (as applicable) the Project, obtaining governmental approvals, certificates, permits, assurances, entitlements and licenses relating to the Project, including, where necessary, environmental entitlements, clearances or credits, heretofore or hereafter paid or incurred by SCPPA, (vi) all costs, expenses, obligations and liabilities associated with exercising all performance rights, options, benefits, entitlements, duties, liabilities and obligations under the Project Agreements, (vii) to the extent deemed appropriate by the Coordinating Committee, the cost of procurement of rights associated with interconnection, transmission, dispatching, scheduling, storage (if any) and delivery of energy and for otherwise facilitating the sale, disposition, storage (if any), movement, taking and accounting for energy (including planning and design costs) and (viii) the cost of those measures taken for the benefit of, and in connection with, the Project that the Coordinating Committee determines shall be included within this Section 4.3.1.

4.3.2 All costs and expenses for investigation and development of the Project, for performance studies, for feasibility studies, economic studies, and meteorological modeling and planning, for examination of legal, environmental, and regulatory issues and for securing of legal, environmental or regulatory approvals, services for energy cost modeling, project modeling or projections, economic analyses, diurnal, barometric, and meteorological forecasts and weather analyses, as well as costs for land, land rights, land options, resources, facilities, regulatory developments, geographic, diurnal, barometric and meteorological investigation and analysis, and, if applicable, engineering, consultants, experts' fees, contractors' fees, processing fees, labor, materials, equipment, utility services and supplies, and legal fees and financing costs relating to and in connection with the Project.

4.3.3 The costs and expenses incurred in the issuance and sale of bonds, notes, certificates of participation, commercial paper or other evidences of indebtedness (tax-exempt or taxable) which may from time to time be issued, the proceeds of which will have been used or will be required to be applied to one or more purposes for which Bonds could be issued, including, without limitation, legal, accounting, engineering, consulting, financing, technical, fiscal agent and underwriting costs, fees and expenses, bond discount, insurance, rating agency fees, and all other costs and expenses incurred in connection with the authorization, sale and issuance of the Bonds.

4.3.4 Interest accruing in whole or in part on Bonds for such period as SCPPA may reasonably determine to be necessary in accordance with the provisions of the Indenture.

4.3.5 To the extent not included in Power Costs, the cost of any administrative, regulatory or judicial proceeding or any litigation associated with the Power Purchase and Security Agreements or other Project Agreement, or any aspect of the operation, management or administration of the Project or in connection therewith.

4.3.6 To the extent not included in Power Costs, all costs incurred by SCPPA related to the acquisition of resources, agreements, facilities and supplies for solar energy acquisition, procurement, interconnection, transmission, sale, dispatching, scheduling, movement and delivery and all other incidental costs necessary for and in connection with the Project.

4.3.7 Training and testing costs which are properly allocable to the cost of acquisition and development of the Project.

4.3.8 All costs of insurance, if any, applicable to the development of and in connection with the Project.

4.3.9 All costs relating to injury or damage claims or judgments paid by SCPPA in connection with the acquisition, development, or implementation of the Project, less proceeds of insurance, if any.

4.3.10 To the extent not included in Power Costs, legally required or permitted federal, state, and local taxes relating to the Project.

4.3.11 All other costs incurred by SCPPA and properly allocable to the planning, design, acquisition, and development of the Project, including, without limitation, all legal fees relating to the Project (including, but not limited to, legal fees incurred by SCPPA in the enforcement of any provision or provisions of the Project Agreements).

4.3.12 The working capital requirements and reserves in such amounts as shall be required during development of the Project and for placing the Project in operation as deemed reasonably necessary by the Board of Directors, and as may be provided or required in the Indenture, and such additional amounts of working capital and reserves, as may be established pursuant to the Indenture.

4.3.13 Interest accrued in whole or in part on Bonds prior to and during development of the Project or during any time period as SCPPA may reasonably determine necessary for placing the Project or any

component thereof in operation in accordance with the provisions of the Indenture.

4.3.14 The deposit or deposits from the proceeds of Bonds issued to finance such costs in any Fund established pursuant to the Indenture to meet the Debt Service reserve requirements for the Bonds.

4.3.15 Without duplication with respect to amounts otherwise provided in this Section 4.3, the deposit or deposits from the proceeds of Bonds issued to finance such costs in any other Funds established pursuant to the Indenture which deposit or deposits are required or permitted by the Indenture.

4.3.16 The payment of principal, premium, if any, and interest when due (whether at the maturity of principal or at the due date of interest or upon redemption) of any note or other evidence of indebtedness, if any should exist, which is issued in anticipation of Bonds for the purpose of financing the Cost of Acquisition.

4.3.17 All costs required to be paid to the Project Manager pursuant to any applicable agreement for project management which are applied or are to be applied thereunder to the payment of the Cost of Acquisition.

4.3.18 Without duplication, all other costs (including incidental financing costs and the costs of issuance of Bonds) financed by the issuance of Bonds (i) pursuant to Section 13 of this Agreement, (ii) for procurement of rights associated with the acquisition, production, generation, transmission, interconnecting, balancing, shaping, firming, and delivery and for otherwise facilitating the dispatching, scheduling, disposition, movement, and taking and accounting for Facility Products (including planning and design costs) relating to, or for the benefit of, the Project that the Board of Directors reasonably determines shall be included within this Section 4.3.18, (iii) for the acquisition of the Facility or the rights and interests under any of the Power Purchase and Security Agreements; and (iv) for any amounts required to be paid pursuant to section 148 of the Internal Revenue Code.

4.4 Power Costs. All of SCPPA's costs to the extent not paid from the proceeds of Bonds, certificates of participation, commercial paper, notes, or other evidences of indebtedness issued in anticipation of Bonds, resulting from SCPPA's contracting for, providing for, accommodating, acquiring, and facilitating the Project, and from its administration, ownership, operation and maintenance of, and renewal, replacement, and replenishment of any facility, service, or other element or component of the Project, including costs arising under any of the Power Purchase and Security Agreements or other Project Agreements. SCPPA shall apply, as a credit against Power Costs, any receipts,

revenues, and other moneys received by SCPPA from surplus equipment, materials, supplies, or assets relating to the Project sold prior to the date of Commercial Operation for the benefit of SCPPA (not otherwise applied as a credit against the Cost of Acquisition as provided in Section 4.3), as well as such other amounts to be applied as a credit against Power Costs pursuant to this Agreement or the Indenture. The term "Power Costs" shall consist of, as applicable (i) an Operating cost component (described in Section 4.4.1), (ii) a Supplementary Services cost component to the extent SCPPA incurs such costs (described in Section 4.4.2), (iii) a Reserve Fund cost component (described in Section 4.4.3), (iv) an Indenture cost component (described in Section 4.4.4), and (v) a Power Purchase and Security Agreements cost component (described in Section 4.4.5), and shall include, but not be limited to, the items of cost and expense referred to in the Power Purchase and Security Agreements and this Section 4.4 that are accrued or paid by SCPPA during each Month of each Power Supply Year. In the event any Power Supply Year shall consist of fewer than twelve Months, the fraction set forth in Sections 4.4.1 and 4.4.4(c) shall be adjusted accordingly and, in the event of any revision of the Annual Budget after the commencement of any Power Supply Year, the amount determined pursuant to said Sections shall be appropriately adjusted so that any increase or decrease in the portion of the Annual Budget applicable to said Sections shall be evenly apportioned over the remaining Months of such Power Supply Year.

4.4.1 The Operating cost component of Power Costs for each Month shall, as applicable, consist of: one-twelfth of the costs of all Operating Work, operating expenses, and all costs related to contracting for, providing for, managing, administering, producing, procuring, transporting, and delivering of the Facility Products during such Power Supply Year, including, but not limited to (i) ordinary operation and maintenance costs (including any Operating Insurance premiums and Taxes and any other operation and maintenance costs payable by SCPPA under the Power Purchase Agreement), costs of repairs, replacements, replenishment, reconstitution, and reconstruction of the Project (that are not included in any Cost of Acquisition), administrative and general costs, legal fees, costs relating to litigation (including disbursements and other amounts paid as a result of such litigation), insurance costs (including amounts to fund any self-insurance program), overhead costs, Taxes required to be paid by SCPPA with respect to the Project, and any other costs payable by SCPPA in connection with Facility Products, (ii) all expenses incurred in enforcing the Power Purchase Agreement and other Power Purchase and Security Agreements and the other Project Agreements and the expenses of enforcing the applicable covenants and provisions of the easements, estates and other interests in real property, associated with the Facility, including all expenses of foreclosure or otherwise perfecting any property interests or security interest in the Facility, (iii) all costs of compliance by SCPPA with its indemnification obligations under Section 17.7 of this Agreement, (iv) all costs related to the conducting of the

business of SCPPA with respect to the Project, including the applicable portion of salaries, fees for legal, engineering, financial, and other services, all other costs attributable to miscellaneous and incidental expenses in connection with the administration of the Project, all costs, expenses, and payment and performance obligations of SCPPA under the Notch Peak Project Agency Agreement, including without limitation, any and all payments, costs and expenses with respect to compliance with its indemnification obligations under Section 17 of the Notch Peak Project Agency Agreement, or under any other agreement with the Project Manager, and all other expenses properly related to the conduct of such affairs of SCPPA and shall include all operating costs so incurred by SCPPA to provide the Facility Products.

4.4.2 The Supplementary Services cost component of Power Costs for a Month shall consist of all costs for such Month of SCPPA, if any, to the extent not included in Section 4.4.1, in connection with services for transmission, dispatching, scheduling, tagging, firming, balancing, swapping, exchanging, or delivery and for otherwise facilitating the disposition, movement, taking, receiving, crediting and accounting for the Facility Products provided for under this Agreement. The Supplementary Services cost component of Power Costs shall also entail all monthly costs incurred by SCPPA, if any, which are necessary to move or otherwise handle delivery of Purchaser's Entitlement Share from the Point of Delivery to one or more specified delivery point(s) as determined by Purchaser pursuant to Sections 9.2 and 9.5.

4.4.3 The Reserve Fund cost component of Power Costs for a Month shall consist of the cost for such Month that is necessary to establish and maintain the Reserve Funds at the level deemed reasonably prudent and appropriate by the Coordinating Committee and the Board of Directors; provided, however, that to the extent such a Reserve Fund cost component of Power Costs is paid by the Project Participants pursuant to the Indenture cost component of Power Costs, the Project Participants shall be credited for that amount of the monthly Reserve Fund cost component so paid by the Project Participants which is contained in such monthly Indenture cost component.

4.4.4 The Indenture cost component of Power Costs shall consist of:

(a) The amount, without duplication, which SCPPA is required under the Indenture to pay with respect to Debt Service or to pay or deposit during such Month into Funds established by the Indenture for Debt Service and for any reserve requirements for the Bonds or reserve requirements recommended by the Coordinating Committee and approved by Board of Directors, including replenishment (the timing of which shall be in

accordance with the provisions of this Agreement and the Indenture) of any reserves drawn down as a result of any failure of a Project Participant to pay all or any portion of its share of Monthly Costs.

(b) The amount which SCPPA is required to pay or deposit during such Month into any Fund or account established by the Indenture for the payment of interest on notes or on other evidences of indebtedness issued in anticipation of the issuance of the Bonds.

(c) One-twelfth of the amount (not otherwise included under any item in this Section 4.4.4 or in Section 4.4.1, 4.4.2, 4.4.3, or 4.4.5 hereof) which SCPPA is required under the Indenture to pay or deposit during such Power Supply Year into any other Fund established by the Indenture, including, without limitation, any amounts required to make up a deficiency in any Fund required or permitted by the Indenture, whether or not resulting from a default in payments by a Project Participant of amounts due under a Power Sales Agreement.

(d) The amount of fees, expenses or other charges incurred or payable by SCPPA under the Indenture; and

(e) Any rebate amount owed to the United States government.

4.4.5 The Power Purchase and Security Agreements cost component of Power Costs shall consist of costs for a Month, to the extent not otherwise included under this Section 4.4, associated with the Power Purchase and Security Agreements, including all costs for such Month incurred by SCPPA in connection with its enforcement of the Power Purchase and Security Agreements or the performance required of SCPPA under any of the Power Purchase and Security Agreements. Power Purchase and Security Agreement costs shall include, without duplication, SCPPA's monthly payment of any applicable associated ancillary costs under the Power Purchase and Security Agreements, and, to the extent not otherwise included under this Section 4.4, all Direct Reimbursable Costs and any costs SCPPA is required to pay for the Facility Products, including, where applicable, the costs of Startup and Test Energy and Excess Energy.

4.5 Monthly Costs. The costs payable by the Purchaser as described in Section 7.1 hereof in accordance with Purchaser's Project Cost Share, as set forth in Appendix B hereto.

5. PURCHASE AND SALE OF FACILITY PRODUCTS AND THE OBLIGATIONS OF SCPPA AND THE PURCHASER.

5.1 Purchase and Sale of Facility Products. In accordance with the terms and conditions of this Agreement, commencing on the earliest of (i) the date SCPPA is obligated to pay any portion of the costs of the Project, (ii) the date upon which SCPPA first incurs or accrues costs associated with the issuance of any Bonds, (iii) the effective date of the Power Purchase Agreement, or (iv) the date of the first delivery of energy to Purchaser pursuant to this Agreement, and continuing through the term of this Agreement, except as otherwise provided herein, SCPPA shall provide Purchaser its Entitlement Share of all products, rights, and benefits, whether tangible or intangible, received or obtained by SCPPA with respect to the Project, including without limitation Facility Products, or, if applicable, Replacement Energy, and Purchaser shall be responsible for and pay its Project Cost Share of any and all costs, liabilities, and obligations associated with the acquisition of such products, rights, and benefits, which shall include without limitation all costs, liabilities, and obligations associated with Facility Products or Replacement Energy, as applicable, under the Power Purchase Agreement and any other applicable Project Agreement, or associated with the purchase and operation of the Facility upon any purchase or acquisition of the Facility by SCPPA, including purchase or acquisition of any rights pursuant to the Power Purchase and Security Agreements and any other applicable Project Agreement, and all costs, credits, liabilities and obligations under the Indenture, any Cost of Acquisition, or any Capital Improvements.

5.2 Facility Products and Deliverables. SCPPA shall provide and Purchaser shall purchase and receive its Entitlement Share of Facility Products or Replacement Energy pursuant to the terms of this Agreement. To the extent permitted by the Power Purchase and Security Agreements, the applicable Project Agreements, or otherwise determined by the Coordinating Committee or Board of Directors, SCPPA will endeavor to take such actions or implement such measures as may be necessary or desirable for the utilization, maintenance, or preservation of the rights and interests of the Project Participants in the Project including, if appropriate, such enforcement actions or other measures as the Coordinating Committee or Board of Directors deems to be in the Project Participants' best interests. To the extent not inconsistent with the Power Purchase and Security Agreements or other applicable Project Agreements, SCPPA may also be reposed with responsibilities for planning, designing, financing, developing, acquiring, insuring, contracting for, administering, operating, and maintaining the Project to effectuate the delivery and sale of the Facility Products to Purchaser in accordance with Purchaser's Entitlement Share. To the extent such services are available and can be carried forth in accordance with the Power Purchase and Security Agreements or other applicable Project Agreements, SCPPA shall also provide such other services, as approved by the Coordinating Committee or Board of Directors, as may be deemed necessary to secure the benefits and/or satisfy the obligations associated with the Power Purchase and Security Agreements or other applicable Project Agreements. SCPPA shall use its best efforts, on behalf of

Purchaser and the other Project Participant, to secure the benefits of the transactions contemplated under the Power Purchase and Security Agreements or other applicable Project Agreements including, if applicable, SCPPA's acquisition of the Facility and its associated resources, as well as the delivery of the Facility Products or Replacement Energy, as applicable, contemplated by this Agreement, and shall endeavor to maintain and secure the rights and benefits accruing to SCPPA through the Power Purchase and Security Agreements and the other applicable Project Agreements in accordance with Purchaser's Entitlement Share. SCPPA is authorized to exercise the powers vested in SCPPA pursuant to the Act, its Joint Powers Agreement, and this Agreement, as agent for Purchaser to fully carry forth Purchaser's objectives in the Project as set forth herein.

5.3 Project Manager. SCPPA shall initially appoint LADWP to act as Project Manager to administer the Project in accordance with the Notch Peak Project Agency Agreement or cause the Project to be administered through a project management or agency agreement with another agent on behalf of the Project Participants.

5.4 Adoption of Annual Budget. The Annual Budget and any amendments to the Annual Budget shall be prepared and approved in accordance with Sections 5.4.1 or 5.4.2, respectively.

5.4.1 SCPPA will prepare and submit to Purchaser a proposed Annual Budget at least 60 days prior to the beginning of each Power Supply Year. In connection with the preparation of the Annual Budget, SCPPA shall incorporate therein the Operating Budget (including an energy production costs budget)

and, where appropriate, a provision for the payment of costs of renewals, replacements, replenishment or other costs of acquisition and development which are not being financed by proceeds of Bonds or other sources) for such Power Supply Year as prepared by the Project Manager and approved by the Coordinating Committee. Purchaser and the other Project Participants may then submit to SCPPA, at any time until the Annual Budget is adopted, any matters or suggestions relating to the Annual Budget. SCPPA shall adopt the Annual Budget not less than 30 nor more than 60 days prior to the beginning of such Power Supply Year and shall cause copies of such adopted Annual Budget to be delivered to each Project Participant; provided, however, the Annual Budget for the first Power Supply Year shall be prepared, considered, adopted, and delivered in the most practicable manner available prior to Commercial Operation of the Facility. As required from time to time during any Power Supply Year after seven days written notice to each Project Participant, SCPPA may, pursuant to the foregoing provisions for adopting the Annual Budget, adopt an amended Annual Budget for and applicable to such Power Supply Year for the remainder of such Power Supply Year. The Annual Budget

shall establish the basis for monthly Billing Statements to be sent to the Project Participants, as provided in Section 7 hereof.

5.4.2 Any adjustment, and any other or further mechanism for adjustment, as may be required to address the variability of costs of operation of the Project at any time during the Power Supply Year or the variability of or addition to any other Annual Budget component, may be incorporated into the Annual Budget as provided above, or any amendment to an Annual Budget at any time during any Power Supply Year upon seven days' written notice each Project Participant as set forth in Section 5.4.1.

5.5 Reports. SCPPA will prepare and issue to Purchaser and the other Project Participants the following reports each quarter of a Power Supply Year:

5.5.1 Financial and operating statement relating to the Project.

5.5.2 Variance report comparing the costs in the Annual Budget versus actual costs, and the status of other cost-related issues with respect to the Project.

5.6 Records and Accounts. SCPPA will keep, or cause to be kept, accurate records and accounts of each of the properties and facilities comprising the Project as well as of the operations relating to the Project, all in a manner similar to accepted accounting methodologies associated with similar projects. All transactions of SCPPA relating to the Project with respect to each Fiscal Year shall be subject to an annual audit. Purchaser shall have the right at its own expense to examine and copy the records and accounts referred to above on reasonable notice during regular business hours.

5.7 Provide Information. Purchaser agrees to supply SCPPA, upon request, with such information, documentation and certifications as SCPPA shall reasonably determine to be requisite to and necessary or desirable for the design, financing, refinancing, development, operation, administration, maintenance and ongoing activities of the Project, including information reasonably available to allow SCPPA to respond to requests for such information from any federal, state or local regulatory body or other authority.

5.8 Consultants and Advisors Available. SCPPA shall make available to the Coordinating Committee all consultants and advisors, including financial advisors and legal counsel including Bond Counsel and Tax Counsel, that are retained by SCPPA, and such consultants, counsel and advisors shall be authorized to consult with and advise the Coordinating Committee on Project matters.

5.9 Deposit of Insurance Proceeds. Except as otherwise may be required by any of the Project Agreements and unless otherwise provided by the Board of Directors, SCPPA promptly shall deposit with the Project Trustee or Lender any insurance proceeds received by SCPPA as a result of injury or damage to

any insured interest attributable to any component or all or any portion of the Project. All insurance proceeds collectible by SCPPA as a result of an insured event affecting the Project shall be applied as directed by SCPPA (which directions shall be in accordance with any applicable provisions of the Indenture).

5.10 Compliance with Federal Tax Law Requirements. Notwithstanding anything to the contrary in this Agreement, SCPPA and Purchaser shall each take all actions necessary to comply in all respects with the Federal Tax Law Requirements applicable to any Bonds and shall refrain from taking any action that would result in or cause non-compliance with the Federal Tax Law Requirements applicable to any Bonds.

5.11 Liquidated Damages. Any amounts paid to SCPPA, or applied against payments otherwise due by SCPPA, by the Power Purchase Provider as and for Daily Delay Damages for failure, among others, to achieve any of the Key Milestones (as defined in the Power Purchase Agreement), including the Guaranteed Commercial Operation Date, or as and for Shortfall Liquidated Damages, including for failure to deliver the Guaranteed Delivered Energy or relating to any RPS Compliance Shortfall Energy as provided under the Power Purchase Agreement, shall be remitted or credited, as applicable, to the Project Participants in accordance with their respective Project Cost Shares.

6. COORDINATING COMMITTEE.

6.1 Establishment and Authorization of the Coordinating Committee. The Coordinating Committee is hereby established and duly authorized to act on behalf of the Project Participants as provided in this Section 6 for the purpose of (a) providing coordination among, and information to, the Project Participants and SCPPA, (b) the administration of the Project Agreements other than the Notch Peak Project Agency Agreement, (c) making any recommendations to the Board of Directors regarding the administration of the Project, and (d) execution of the Coordinating Committee responsibilities set forth in Section 6.3 hereof, including the various financial, administrative, and technical matters which may arise from time to time in connection with the Project or the administration thereof, and such further developments as may need to be addressed.

6.2 Coordinating Committee.

6.2.1 The Coordinating Committee shall consist of one representative from each Project Participant. Each Project Participant shall be entitled to cast a vote equal to its Project Cost Share as set forth in Appendix B hereof. SCPPA shall be entitled to one non-voting representative. Within thirty (30) days after SCPPA has entered into Power Sales Agreements with each Project Participant, SCPPA and each Project Participant shall provide notice to each other of such party's representative on the Coordinating Committee. Alternate representatives may be appointed by similar

written notice to act on the Coordinating Committee, or on any subcommittee established by the Coordinating Committee or by the Board of Directors, in the absence of the regular representative or to act on specified occasions with respect to specified matters. An alternate representative may attend all meetings of the Coordinating Committee but may vote only if the representative for whom she/he serves as alternate is absent. No Project Participant's representative shall exercise any greater authority than permitted by the Project Participant which she/he represents. The chairperson of the Coordinating Committee ("Chairperson") shall be a representative of the Project Manager. The Chairperson shall be responsible for calling and presiding over meetings of the Coordinating Committee.

6.2.2 The Chairperson or SCPPA shall promptly call a meeting of the Coordinating Committee at the request of any representative in a manner and to the extent permitted by law. For purposes of conducting meetings, a quorum shall exist so long as SCPPA's representative and the representative of each of the Project Participants shall be present. Except as may otherwise be provided in an agreement to which both of the Project Participants agree, all actions taken by the Coordinating Committee shall require an affirmative vote of Project Participants having Project Cost Shares aggregating at least eighty percent (80%) of the total Project Cost Shares. Notwithstanding the forgoing, however, (i) if a proposed action before the Coordinating Committee or the Board of Directors relates solely to the interests of a Project Participant other than Purchaser and Purchaser determines, in good faith, that such proposed action will not adversely affect, economically or otherwise, its interests, Purchaser agrees that it shall not unreasonably withhold its affirmative vote with respect to such proposed action; and (ii) any recommendation by the Coordinating Committee to the Board of Directors to exercise a Project Purchase Option shall require an affirmative vote of Project Participants having Project Cost Shares aggregating one hundred percent (100%) of the total Project Cost Shares; provided, however, that a Project Participant who does not wish to participate in such Project Purchase Option will cooperate in good faith with the Project Participant desiring to participate in the Project Purchase Option to facilitate the Project Purchase Option; and provided further, that a Project Participant who does wish to participate in such Project Purchase Option will cooperate in good faith with the Project Participant not desiring to participate in the Project Purchase Option to facilitate an equitable resolution of all of the rights and responsibilities of the Project Participants with respect to the exercise of such Project Purchase Option. Unless the Board of Directors shall otherwise determine to require a majority vote pursuant to the terms of the Joint Powers Agreement, all actions with respect to the Project taken by the Board of Directors shall

require an affirmative vote of at least eighty percent (80%) of the Project Votes (as defined in the Joint Powers Agreement) cast thereon. Purchaser acknowledges and agrees that SCPPA, with the approval of the Coordinating Committee or the Board of Directors, as applicable, may enter into future Project Agreements or amendments to the existing Project Agreements (in accordance with their respective terms). Except as provided herein or in the Project Agreements or as otherwise provided by resolution of the Board of Directors or required by law, SCPPA will not be required to obtain the consent or approval of Purchaser in connection with any such new Project Agreement or amendment. Conducting of Coordinating Committee meetings and actions taken by the Coordinating Committee may be taken by vote given in an assembled meeting or by telephone, video conferencing, letter, e-mail or by any combination thereof, to the extent permitted by law.

6.3 Coordinating Committee Responsibilities. In addition to those responsibilities described in Section 6.1, the Coordinating Committee shall have the following responsibilities:

6.3.1 Provide liaison between SCPPA and the Project Participants at the management or other levels with respect to the Project, maintain a liaison between the Project Participants and all other SCPPA members with respect to the Project, and where the Coordinating Committee deems it appropriate, maintain a liaison with the counterparties to any Project Agreements and with any other entities or utilities engaged in or in connection with other renewable energy projects.

6.3.2 Exercise general supervision over any subcommittee established pursuant to Section 6.6.

6.3.3 If any Project design, feasibility or planning studies or activities which are to be completed by SCPPA have not been completed by the Effective Date of this Agreement, oversee, as appropriate, the continuation and completion of such Project design, feasibility or planning studies or activities.

6.3.4 Review, develop and, if appropriate, recommend, modify, or approve all budgets and revisions thereof prepared and submitted by SCPPA or the Project Manager pursuant to any applicable agreement.

6.3.5 Review, develop, and, if appropriate, recommend, modify, approve, or otherwise act upon any systems or procedures for adjustment of the Annual Budget or any alternative methodologies for budgeting or billing as set forth in Section 5 and Section 7 of this Agreement.

6.3.6 Carry out all other actions reposed in the Coordinating Committee with respect to budgeting and billing as set forth in Section 5 and Section 7 of this Agreement.

6.3.7 Review, discuss, and attempt to resolve any disputes among the Project Participants or the parties to any Project Agreements including, without limitation, the Power Purchase Provider or any other counterparty to any Project Agreement.

6.3.8 Make recommendations to the Project Manager, the Board of Directors, the Project Participants, or to the counterparties to any of the Project Agreements, as appropriate, with respect to the development, operation, and ongoing administration of the Project.

6.3.9 Review, develop, and, if appropriate, modify and approve rules, procedures, and protocols for the administration of the Project or Project Agreements, including rules, procedures, and protocols for the management of the costs of the Facility and the scheduling, handling, tagging, dispatching and crediting of Facility Products, and the handling and crediting of Environmental Attributes associated with the Facility or Replacement Energy under the Power Purchase Agreement.

6.3.10 Review, develop, and, if appropriate, modify and approve rules, procedures and protocols for the monitoring, inspection and the exercise of due diligence activities in connection with the Acquisition relating to the Project and the operation of the Facility.

6.3.11 Review, and, if appropriate, modify, approve, or otherwise act upon, the form or content of any written statistical, administrative, or operational reports, solar energy related data, electric generation information, solar energy production data, diurnal, barometric and meteorological information, solar photovoltaic, metallurgic, chemical and technical information, facility reliability data, transmission information, forecasting, scheduling, dispatching, tagging, parking, firming, exchanging, balancing, movement, or other delivery information, climate and weather related matters, cloud conditions, regulatory matters or requirements, and other information and other similar records or matters pertaining to the Project which are furnished to the Coordinating Committee by the Project Manager, the counterparties to Project Agreements, experts, consultants or others.

6.3.12 In coordination with the Board of Directors, review, and, if appropriate, recommend, modify or approve rules, procedures, and protocols as provided in Section 10.3.

6.3.13 Review, formulate and, if appropriate, modify, or otherwise act upon, practices and procedures to be followed by Purchaser for,

among other things, the production, scheduling, tagging, transmission, delivery, firming, balancing, exchanging, crediting, tracking, monitoring, remarketing, sale or disposition of Facility Products.

6.3.14 Act upon such changes as appropriate as set forth in Section 15.5 of the Power Sales Agreements. Such changes as may occur in accordance with Section 15.5 with respect to Appendices A and B herein shall be considered an element of the administration of this Agreement and shall not be deemed an amendment of this Agreement requiring the consent of the Parties hereto.

6.3.15 Review, formulate, modify and approve, if necessary, the schedule of planned activities or practices and procedures formulated by the Project Manager or the applicable counterparty with respect to the performance of any Project Agreement, including the policies for selection and utilization of contractors and consultants included in the budgets with respect to the Project. In formulating and approving such schedules, consideration may be given, if possible, to each Project Participant's electric system conditions, which may prevail during such planned activities.

6.3.16 Review, and if appropriate, recommend, or otherwise act upon any matters or issues associated with Operating Work and any other matters or issues which may arise in the operation, maintenance, or administration of the Project.

6.3.17 Review and act upon any matters involving any arrangements and instruments entered into by the Power Purchase Provider or any affiliate thereof to, among other things, secure certain performance requirements, including, but not limited to, the Project Agreements, the Development Security or the Performance Security and any other letter of credit delivered to or for the benefit of SCPPA by the Power Purchase Provider or any other counterparty to any Project Agreement in connection with the Project and take such actions or make such recommendations as may be appropriate or desirable in connection therewith.

6.3.18 Review, and, if appropriate, recommend, modify, or approve policies or programs formulated by the Project Manager or any counterparty under any Project Agreement for determining or estimating solar energy or the values, quantities, volumes or costs of renewable energy from the Facility.

6.3.19 Review, modify, or approve recommendations of the Project Manager or counterparties made pursuant to the provisions of any Project Agreement.

6.3.20 Review, and, if appropriate, recommend Cost of Acquisition and costs of Operating Work and submit to the Board of Directors any budget revisions or other provisions for the payment or financing thereof.

6.3.21 Review, and, if appropriate, recommend SCPPA's insurance program with respect to the Project (as applicable) including, without limitation, the establishment of any self-insurance program and the maximum amount or amounts of any uninsured claim that the Project Manager may settle without the prior approval of the Coordinating Committee.

6.3.22 Review, and where appropriate, recommend the implementation of metering technologies and methodologies appropriate for the delivery, accounting for, transferring, and crediting of Facility Products to the Point of Delivery or other points or destinations, as applicable.

6.3.23 Review, examine, modify, and where appropriate, recommend or approve the implementation of methods for addressing curtailments or other interruptions having a tendency to cause Deemed Delivered Energy.

6.3.24 Review, modify and, where appropriate, recommend or approve the implementation of practices and procedures to carry forth the provisions of Section 9 herein, as may be applicable to any of the Project Participants; provided, that the Coordinating Committee shall take no action with respect to the possible provision of Supplementary Services unless and until a Project Participant makes a specific request that SCPPA provide such Supplementary Services.

6.3.25 Identify, or develop criteria to identify, contracts or agreements relating to work or Operating Work that shall be deemed to be Major Contracts under any applicable project management or operating agreement.

6.3.26 Review, and to the extent permitted by this Agreement or any other relevant agreement relating to the Project, modify and approve or disapprove the specifications, vendors' proposals, bid evaluations, form of final agreement, or any other matters with respect to Major Contracts.

6.3.27 Review, and make recommendations with respect to actions, disposition or use, if any, relating to Acquisition activities, including with respect to the exercise of a Project Purchase Option. The Coordinating Committee must meet and consider a recommendation to the Board of Directors regarding the exercise of a Project Purchase Option before the exercise of such Project

Purchase Option is presented to the Board of Directors for a Project Vote (as defined in the Joint Powers Agreement).

6.3.28 Make recommendations to the Board of Directors with respect to the application of the payments, if any, received by SCPPA from the Development Security and Performance Security and the amounts, if any, received by SCPPA as a result of a Default by the Power Purchase Provider under the Power Purchase Agreement, provided that, subject to compliance with the terms and provisions of the Indenture, such payments or amounts shall, in any event, be applied to one or more of the following purposes: (i) the payment, redemption or defeasance of Bonds, (ii) the payment of or a credit against the Cost of Acquisition, (iii) a credit against Power Costs, or (iv) the distribution to Purchaser.

6.3.29 Perform such other functions and duties as may be provided for under this Agreement, the Power Purchase Agreement, the Power Purchase and Security Agreements, the Ancillary Documents, or any other applicable Project Agreement, or as may otherwise be appropriate or beneficial to the Project or the Project Participants.

6.4 Management Decisions and the Role of the Board of Directors. The rights and obligations of SCPPA under the Project Agreements shall be subject to the ultimate control at all times of the Board of Directors. The Project Participants shall be entitled to participate in the decisions of the Board of Directors with respect to SCPPA's rights and interests in the Facility and the Project, as described herein. SCPPA, through the Board of Directors, shall have, in addition to the duties and responsibilities set forth elsewhere in this Agreement, the following duties and responsibilities, among others:

6.4.1 Future Matters Liaison. The Board of Directors shall provide liaison between the Project Participants at the management level with respect to the administration of the Project and other future matters arising out of the Project Agreements.

6.4.2 Dispute Resolution. The Board of Directors shall endeavor to review, discuss and attempt to resolve any disputes among SCPPA, any of the Project Participants and the counterparties under the Project Agreements relating to the Project, the operation and management of the Facility and SCPPA rights and interests in the Facility.

6.4.3 Scheduling Procedures. When recommended by the Coordinating Committee, or when otherwise appropriate, the Board of Directors shall act upon and approve or modify the practices and procedures for the scheduling, delivering, controlling and allocating Facility Products.

6.4.4 Project Agreements. The Board of Directors shall have the authority to approve the Project Agreements and to review modify and approve, as appropriate, all amendments, modifications and supplements to the Project Agreements.

6.4.5 Capital Improvements. The Board of Directors shall review, modify and approve, if appropriate, all Capital Improvements and Acquisitions undertaken with respect to the Project and all financing arrangements for such Capital Improvements or Acquisitions. The Board of Directors shall approve those budgets or other provisions for the payments associated with the Project and the financing for any development or Acquisitions associated with the Project.

6.4.6 Bond Issuance. The Board of Directors shall have authority to approve any and all of the following: (1) each issuance of SCPPA indebtedness relating to the Project, (2) each supplement or amendment to the Indenture relating to the Project, (3) the Bonds issued to finance the purchase or acquisition of the Facility or Capital Improvements of the Facility or costs related to the exercise or enforcement by SCPPA of its rights with respect to any agreements, deeds of trust, leases or other Power Purchase and Security Agreements relating to or affecting the Project, or the purchase of rights and interests under the Power Purchase and Security Agreements, or other Acquisitions to carry out the objectives of the Project, (4) the selection of underwriters for each series of Bonds, (5) the manner and timing of marketing (including of the manner of sale), amount, interest rates and other terms and conditions of each series of SCPPA indebtedness associated with the Project, and (6) any other action necessary or appropriate to carry forth Section 13 of this Agreement.

6.4.7 Committees. The Board of Directors shall exercise such review, direction or oversight as may be appropriate with respect to the Coordinating Committee and any other committees established pursuant to the Project Agreements.

6.4.8 Budgeting. The Board of Directors shall review, modify and approve each Annual Budget and the revisions thereto in accordance with Section 5.4 of this Agreement.

6.4.9 Federal Tax Law Requirements. With respect to any Bonds, the Board of Directors, in consultation with Bond Counsel or Tax Counsel, shall develop and promulgate rules, procedures, and protocols, including the development and maintenance of relevant information and reporting procedures, and shall provide direction to Purchaser with respect to the Federal Tax Law Requirements.

6.4.10 Application of Certain Payments Under the Power Purchase Agreement. The Board of Directors shall review, modify and approve the recommendations of the Coordinating Committee, made pursuant to Section 6.3.28 of this Agreement, as to the application of any payments or amounts received by SCPPA from the Development Security and Performance Security or as a result of a Default by the Power Purchase Provider under the Power Purchase Agreement; provided that, subject to compliance with the terms and provisions of the Indenture, such payments and amounts shall be applied to one or more of the purposes set forth in Section 6.3.28.

6.4.11 Supervening Authority of the Board. The Board of Directors is reposed with complete and plenary supervening power and authority to act upon any matter which is capable of being acted upon by the Coordinating Committee or which is specified as being within the authority of the Coordinating Committee pursuant to the provisions of this Agreement, including those matters enumerated in Section 6.1 and Section 6.3 of this Agreement.

6.4.12 Other Matters. The Board of Directors is authorized to perform such other functions and duties, including oversight of those matters and responsibilities addressed by the Coordinating Committee, as may be provided for under this Power Sales Agreement and under the other Project Agreements, or as may otherwise be appropriate.

6.5 Periodic Audits. The Board of Directors or the Coordinating Committee may arrange for the annual audit under Section 5.6 of this Agreement by certified accountants, selected by SCPPA and experienced in electric generation or electric utility accounting, of the books and accounting records of SCPPA, and where deemed appropriate the Project Manager (if other than SCPPA), the Power Purchase Provider (to the extent provided under any of the Power Purchase and Security Agreements) and any other counterparty under any Project Agreement to the extent allowable, and any cost reimbursable consultant or cost reimbursable contractor relevant to the Acquisition, development, administration or operation of the Project, and such audit shall be completed and submitted to SCPPA as soon as reasonably practicable after the close of the Fiscal Year. SCPPA shall promptly furnish to the Project Participants copies of all audits. No more frequently than once every calendar year, Purchaser may, at its sole cost and expense, audit or cause to be audited the books and cost records of SCPPA, the Project Manager (if other than SCPPA), the counterparty under any Project Agreement to the extent so provided in the applicable Project Agreement, and any cost reimbursable consultant or cost reimbursable contractor relevant to the Acquisition, development, administration or operation of the Project.

6.6 Additional Committees. The Coordinating Committee may establish as needed subcommittees including, but not limited to, auditing, legal, financial,

engineering, mechanical, weather, geologic, diurnal, barometric, meteorological, operating, insurance, governmental relations, environmental and public information subcommittees. The authority, membership, and duties of any subcommittee shall be established by the Coordinating Committee; provided, however, such authority, membership or duties shall not conflict with the provisions of any of the Project Agreements. Each such subcommittee shall be initially responsible to the Coordinating Committee.

6.7 Change in Representative. Purchaser shall promptly give written notice concurrently to the other Project Participants and SCPPA of any changes in the designation of its representative on the Coordinating Committee or any subcommittee, and SCPPA shall promptly give written notice concurrently to Purchaser and the other Project Participants of any changes in the designation of its representative on the Coordinating Committee or any subcommittee.

6.8 Costs of Consultants. Costs (or the applicable portion thereof) of consultants and others employed or appointed by the Coordinating Committee to perform the duties required hereunder, to the extent the Coordinating Committee is authorized to so employ or appoint, shall be included in the Cost of Acquisition or Power Costs, as appropriate, and shall be billed to SCPPA or the Project Manager (if other than SCPPA).

6.9 Representative's Expenses. Any expenses incurred by any representative of any Project Participant or group of Project Participants serving on the Coordinating Committee or any other committee in connection with his/her duties on such committee shall be the responsibility of the Project Participant which he/she represents and shall not be an expense payable under this Agreement.

6.10 Inaction by Committee. It is recognized by SCPPA and Purchaser that if the Coordinating Committee is unable or fails to agree with respect to any matter or dispute which it is authorized to determine, resolve, approve, disapprove or otherwise act upon after a reasonable opportunity to do so, or within the time specified herein or in any other applicable Project Agreement, then SCPPA may take such action as in its discretion is necessary for its timely performance under any Project Agreement pending the resolution of any such inability or failure to agree, but nothing herein shall be construed to allow SCPPA to act in violation of the express terms of any Project Agreement.

6.11 Compliance with Indenture. It is recognized by SCPPA and Purchaser that the planning, financing, development, acquisition, operation and maintenance of, and insurance programs relating to, the Project must comply in all respects with requirements of the Indenture and all licenses, permits and regulatory provisions necessary for such planning, financing, development, acquisition, operation and maintenance and it is therefore agreed that, notwithstanding any provision of this Agreement, no action by the Coordinating Committee or the Project Manager (if a designee other than SCPPA) shall require SCPPA to act in any manner inconsistent with any such requirements or to refrain from acting as required by this Agreement and the Power Purchase Agreement and if the

Project Manager (if a designee other than SCPPA) shall fail to make recommendations or act with respect to any matter in connection with an action that is required to be taken pursuant to any of the foregoing, SCPPA shall take such action as is appropriate to assure compliance with the foregoing.

6.12 Delegation. To secure the effective cooperation and interchange of information in a timely manner in connection with various administrative, technical and other matters which may arise from time to time in connection with administration of the Project Agreements, in appropriate cases, duties and responsibilities of the Board of Directors or the Coordinating Committee, as the case may be under this Section 6, may be delegated to SCPPA's Executive Director by the Board of Directors upon notice to the Project Participants.

7. CHARGES AND BILLINGS.

7.1 Monthly Costs. The amount of Monthly Costs which shall be paid by Purchaser for a particular Month shall be the sum of the following:

7.1.1 Purchaser's Project Cost Share multiplied by the Operating cost component of Power Costs (as provided in Section 4.4.1 hereof) for such Month.

7.1.2 Purchaser's share of the Supplementary Services cost component of Power Costs (as provided in and subject to the limitations set forth in Section 4.4.2 hereof) for such Month based on Purchaser's allocated share of any such services procured by SCPPA on behalf of Purchaser.

7.1.3 Purchaser's Project Cost Share multiplied by the Reserve Fund cost component of Power Costs (as provided in Section 4.4.3 hereof) for such Month.

7.1.4 Purchaser's Project Cost Share multiplied by the Indenture cost component of Power Costs (as provided in Section 4.4.4 hereof) for such Month as the Indenture cost component has been reduced by interest earned on investments of amounts held under the Indenture if and to the extent not credited against the Cost of Acquisition or has been off-set or reduced by other amounts made available therefor as provided in the Indenture.

7.1.5 Purchaser's Project Cost Share multiplied by the Power Purchase and Security Agreements cost component of Power Costs (as provided in Section 4.4.5 hereof) for such Month.

7.2 Billing Statements. By the fifth calendar day of each Month during each Power Supply Year, SCPPA shall bill Purchaser for the amount of Monthly Costs to be paid by Purchaser for the current Month by providing Purchaser with a Billing Statement in accordance with the charges established pursuant to the provisions of this Agreement; provided, however, that such Billing Statement,

with respect to Debt Service and other obligations payable from the Debt Service Fund under the Indenture, shall instead include the amount, if any, to be paid by Purchaser with respect to the applicable Bonds and the other obligations payable from the Debt Service Fund that is due and payable in the immediately succeeding Month or as otherwise provided under the Indenture, and provided further, that such Billing Statement, with respect to the cost of Facility Products provided by SCPPA to Purchaser under this Agreement, shall also include with respect to the performance by SCPPA or the counterparty under and pursuant to applicable Project Agreements, a charge or credit to Purchaser, in accordance with Purchaser's Project Cost Share or Entitlement Share, as applicable, with respect to the costs or revenues attributable to the Project Participants pursuant to and under any applicable Project Agreement. Such Billing Statement shall detail the costs described in Section 7.1 hereof and shall set forth, among other things, the amounts due for such Month by Purchaser with respect to the items of Monthly Costs set forth in Section 7.1, as such Monthly Costs may be adjusted from time to time in accordance with Section 5 and this Section 7. Such Billing Statement shall be paid by Purchaser on or before 20 days after receipt of such Billing Statement.

7.3 Adoption of Alternative Billing Statement Procedures. The Coordinating Committee may recommend the adoption of an alternative Billing Statement billing methodology in connection with each Project Participant's Billing Statement with respect to the Power Costs and the costs associated with any Project Agreement. Such alternative Billing Statement procedures may be placed into effect with the approval of the same by resolution of the Board of Directors. Any such alternative Billing Statement billing methodology shall satisfy all requirements of the Indenture and shall be fiscally prudent, financially sound and shall assure coverage of all potential and actual costs and obligations of SCPPA.

7.4 Disputed Monthly Billing Statement. In case any portion of any Billing Statement received by Purchaser from SCPPA shall be in bona fide dispute, Purchaser shall pay SCPPA the full amount of such Billing Statement and, upon determination of the correct amount, the difference between such correct amount and such full amount, if any, including interest at the rate received by SCPPA on any overpayment, will be credited to Purchaser by SCPPA after such determination; provided, however, that such interest shall not accrue on any overpayment that is acknowledged by SCPPA and returned to Purchaser by the fifth calendar day following the receipt by SCPPA of the disputed overpayment. In the event such Billing Statement is in dispute, SCPPA will give consideration to such dispute and will advise Purchaser with regard to SCPPA's position relative thereto within 30 days following receipt of written notification by Purchaser of such dispute.

7.5 Reconciliation of Monthly Costs.

7.5.1 As soon as practicable after the end of each Power Supply Year, SCPPA will submit to the Project Participants a detailed statement of the actual aggregate Monthly Costs and other amounts payable

hereunder, including any credits thereto, for all of the Months of such Power Supply Year, and the adjustments of the aggregate Monthly Costs and other amounts payable hereunder, if any, for any prior Power Supply Year, based on the annual audit of accounts provided for in Section 6.5. If, on the basis of the statement submitted as provided in this Section 7.5.1, the actual aggregate Monthly Costs and other amounts payable by the Purchaser or the other Project Participants for any Power Supply Year exceed the amount thereof which the Purchaser or the other Project Participant, as applicable, has been billed, the Purchaser or the other Project Participant, as applicable, shall pay SCPPA, within 20 days of receipt of SCPPA's invoice requesting payment of such incremental amount, the amount to which SCPPA is entitled. If, on the basis of the statement submitted pursuant to this Section 7.5.1, the actual aggregate Monthly Costs or other amounts payable by the Purchaser or the other Project Participants for any Power Supply Year are less than the amount for which the Purchaser or any other Project Participant has been billed, SCPPA shall, unless otherwise directed by the Purchaser or any other Project Participant with respect to moneys owed to each, credit such excess against Purchaser's and/or the other Project Participant's, as applicable, next monthly Billing Statement.

7.5.2 In the event that the failure of Purchaser to make its payments in accordance with this Agreement shall have resulted in the application of amounts in any Reserve Fund under this Agreement to the payment of costs payable from such Reserve Fund and such other Project Participants shall have made up the deficiency created by such application or paid additional amounts as a result of a draw on such Reserve Fund, amounts thereafter paid to SCPPA by Purchaser for application to such past due payments including interest shall be credited on the Billing Statements of the other Project Participants in the next Month or Months as provided in the applicable provisions of Section 11.

7.6 Other or Additional Cost Reconciliation Mechanisms. The Board of Directors may, by resolution, authorize or prescribe other billing, payment, costing, and cost reconciliation mechanisms to address such billing, payment, costing, and cost reconciliation issues as may from time to time arise with respect to the Project.

7.7 Interest on Late Payments. If Purchaser fails to pay any Billing Statement when due, interest shall accrue, to the extent permitted by law, at a rate equal to the lesser of (i) one percent per Month (12% per annum) on the unpaid amount of the bill or (ii) the monthly equivalent of the "prime" rate of interest as noticed in the Federal Reserve's HR 15 weekly bulletin (or the subsequent equivalent thereof) as of the date of nonpayment on the unpaid amount of the bill, until such Billing Statement is paid.

7.8 Prepayment of Monthly Costs. Purchaser may, at any time, pay moneys to SCPPA or utilize any credits due or amounts owed by SCPPA to Purchaser with respect to the Project for the purpose of prepaying its monthly Billing Statement. Such moneys and amounts owed by SCPPA under any Project Agreement shall be deposited into an account established by, or at the direction of, SCPPA. Consistent with SCPPA's investment policy, moneys in such account shall be invested pursuant to instructions provided to SCPPA by Purchaser and all investment income shall be credited to such account. Payment of the amount of any monthly Billing Statement or Default Invoice shall be made from moneys available in such account to the extent set forth in written directions from Purchaser to SCPPA received at least five business days prior to the due date of such payment. Any credit or prepayment with respect to its monthly Billing Statement shall not relieve or reduce Purchaser's other obligations under this Agreement.

7.9 Costs or Expenses Incurred for Sole Benefit of Purchaser. Notwithstanding anything to the contrary in this Agreement, if a particular cost or expense is incurred by SCPPA for the sole benefit of Purchaser, unless otherwise determined by the Coordinating Committee, then such cost or expense shall be allocated only to Purchaser, in which event only Purchaser (and no other Project Participant) shall be responsible for the payment thereof under this Agreement. Any such cost or expense incurred by SCPPA for the sole benefit of Purchaser shall be deemed to be paid from amounts paid by Purchaser from the payment of its Billing Statements.

7.10 Credit or other Payment Attributable to a Specific Project Participant. Subject to Section 5.12 of this Agreement, should any Project Participant make or provide, through any type of payment mechanism, for a separate payment or prepayment for Facility Products or other Project purpose which results in a credit or reduction in SCPPA's obligation being credited to the purchase of Facility Products, or a reduced cost of power or otherwise credited under the Power Purchase Agreement or other Project Agreement, then, to the extent that such credit is credited to an obligation of SCPPA under the Power Purchase Agreement or such other Project Agreement, such credit shall be passed through or credited to the applicable Project Participant under such Project Participant's Power Sales Agreement. Such a credit may, at the request of the applicable Project Participant, be credited on the Project Participant's subsequent Billing Statements or handled pursuant to a Billing Statement methodology which bills for and places an amount which is the equivalent of the credit into the Project Participant's project stabilization account or such a credit may be otherwise handled in such manner as the applicable Project Participant may reasonably request. The provisions of this Section 7.10 shall be in addition to the terms and provisions of Section 12 and shall not be applicable to any circumstances, conditions or matters that are within the scope of Section 12.

8. UNCONDITIONAL PAYMENT OBLIGATIONS; RATE COVENANT; AUTHORIZATIONS; CONFLICTS; LITIGATION.

8.1 Unconditional Payment Obligation. Beginning with the earliest of (i) the date SCPPA is obligated to pay any portion of the costs of the Project, (ii) the date upon which SCPPA first incurs or accrues costs associated with the issuance of the Bonds, (iii) the date of Commercial Operation, or (iv) the date of the first delivery of Facility Products to Purchaser and continuing through the term of this Agreement, Purchaser shall pay SCPPA the amounts of Monthly Costs set forth in the Billing Statements submitted by or on behalf of SCPPA to Purchaser in accordance with the provisions of Section 7 hereof and, without duplication, any amount set forth in any Step-Up Invoice and Default Invoice received by Purchaser as a result of the operation of Section 15 hereof, whether or not this Agreement has been terminated, or the Project or any part thereof has been completed, is functioning, producing, operating or operable or its output are suspended, interrupted, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

8.2 Source of Payments. Purchaser hereby represents and warrants that the obligations of Purchaser to make the payments to SCPPA under this Agreement shall constitute a cost of purchased power and an operating expense of Purchaser payable solely from its power revenue fund, including any and all legally available power system reserves. Purchaser will annually in each and every fiscal year of Purchaser during the term of this Agreement include in its power system budget, whether or not any other items are included, an appropriation from the revenues of its power system (including moneys derived from sales to third parties) sufficient to satisfy all the payments required to be made in such year under this Agreement until all payments required under this Agreement have been paid in full.

8.3 Rate Covenant. Purchaser will establish, maintain, and collect rates and charges for the electric service of its power system each year so as to provide revenues sufficient, together with any legally available power system reserves, to enable Purchaser to pay to SCPPA all amounts payable when due under this Agreement and to pay all other amounts payable from, and all lawful charges against or liens on, the revenues of its power system.

8.4 Authorizations. Purchaser hereby represents and warrants that no order, approval, consent, or authorization of any governmental or public agency, authority or person, is required on the part of Purchaser for the execution and delivery by Purchaser of this Agreement, or the performance by Purchaser of its obligations under this Agreement except for such as have been obtained.

8.5 Conflicts. Purchaser represents and warrants to SCPPA as of the Effective Date and as of the date of the opinion of counsel referenced in Section 13.4, that, to Purchaser's knowledge, the execution and delivery of this Agreement

by Purchaser, and Purchaser's performance hereunder will not constitute a default under any agreement or instrument to which it is a party, or any order, judgment, decree or ruling of any court that is binding on Purchaser, or a violation of any applicable law of any governmental authority, which default or violation would have a material adverse effect on the financial condition of Purchaser's power revenue fund.

8.6 Litigation. Purchaser represents and warrants to SCPPA as of the Effective Date and as of the date of the opinion of counsel referenced in Section 13.4 that, to Purchaser's knowledge, except as disclosed, there are no actions, suits or proceedings pending against Purchaser (service of process on Purchaser having been made) in any court that questions the validity of the authorization, execution or delivery by Purchaser of this Agreement, or the enforceability on Purchaser of this Agreement.

9. OTHER TERMS AND SERVICES.

9.1 Delivery Procedures. Prior to the time at which any Energy will be delivered to Purchaser from the Facility, Purchaser will schedule and shall be obligated to take delivery of its Entitlement Share of the Energy to be delivered under this Agreement. The Facility Products generated and produced from the Project shall be scheduled and delivered to the Project Participants at the Point of Delivery under the practices and procedures approved pursuant to Section 6.3, as applicable.

9.2 Other Services and Transmission From Point of Delivery. It is the obligation of Purchaser to receive its share of the Energy from the Facility and to arrange for delivery of such Energy to its ultimate destination or destinations after having reached the Point of Delivery, as determined by Purchaser. However, to the extent specified by Purchaser, and to the extent practicable for SCPPA to do so, SCPPA shall assist in arranging for Supplementary Services and for such additional transmission, interconnection arrangements, energy management, firming, shaping, swaps, exchanges, or other services associated with the transmission, use, or disposition of Facility Products to be utilized by Purchaser and to provide for delivery, accounting for, transferring, and crediting the ownership and transfer of Facility Products from the Point of Delivery to any other points or destinations, as determined by Purchaser.

9.3 Energy Services. Except as otherwise provided in this Agreement and subject to Section 18.1, nothing herein shall prevent or restrict Purchaser from providing for its own transmission, energy management services, firming, balancing, or exchanging services or otherwise using or dispatching its Energy under this Agreement; provided, however, that such services, use, or activities shall not affect any of the obligations of Purchaser under this Agreement or, if applicable, result in or cause non-compliance with the Federal Tax Law Requirements, and shall at all times conform to the applicable requirements of Section 10 of this Agreement.

9.4 Actions Respecting Facility Purchase. SCPPA shall endeavor to take those actions and carry forth those measures necessary to maintain and preserve SCPPA's rights with respect to any purchase obligation or purchase or purchase option contained in the Power Purchase and Security Agreements and, if so determined pursuant to the terms of this Agreement, to facilitate any such purchase or acquisition of the Facility pursuant to the terms of the Power Purchase and Security Agreements or under or pursuant to any consents, assignments, or any agreements relating thereto. SCPPA's services in connection with any such purchase obligation or purchase option may include but is not limited to determining the advisability of such purchase, preparing such documents and instruments, carrying forth any diurnal, barometric meteorological or similar reporting, prepare any facility efficiency reports, economic, modeling or appraisal studies as may be desirable to facilitate any proposed transaction and to obtain any necessary or appropriate information in connection with any such potential purchase or acquisition of the Facility.

9.5 Balancing Agent, Pseudo-Tie, and Dynamic Scheduling. Upon the request of Purchaser, and to the extent practicable for SCPPA to do so, SCPPA shall either (a) retain an agent to maintain and balance Purchaser's hourly Energy schedules in accordance with WECC protocols ("Balancing Agent"), including the provision or absorption of imbalance energy to accommodate intra-hour fluctuations of Facility Products as compared to Purchaser's Energy schedule and maintaining a balancing account of accumulated imbalance energy to be settled by adjusting future Purchaser Energy schedules or (b) arrange for Pseudo-Tie or Dynamic Scheduling from the Point of Delivery to Purchaser's control area or electric system, including the procurement and installation of scheduling hardware, software, and communications equipment necessary to effectuate Pseudo-Tie or Dynamic Scheduling (if such a scheduling methodology is deemed appropriate, applicable and/or otherwise feasible). In the event that a Pseudo-Tie or Dynamic Scheduling is implemented, SCPPA and the Project Participants shall collectively cooperate to do all things necessary and appropriate to deliver to the Point of Delivery each Project Participant's capacity (as set forth in Appendix B of the Power Sales Agreements) in accordance with the Project Participants' respective Entitlement Shares. Upon the request of Purchaser, and to the extent practicable for SCPPA to do so, SCPPA shall also (x) procure, contract for, or otherwise arrange for any available integration services to address any of the above referenced imbalances, fluctuations, variability, intermittency, or like conditions or (y) address the costs, charges, or consequences of such imbalances, fluctuations, variability, intermittency, or like conditions through other mechanisms or methodologies which are mutually agreeable to Purchaser and SCPPA.

9.6 Transfer of Environmental Attributes to Project Participants. SCPPA shall transfer all Environmental Attributes received by SCPPA either under the Power Purchase Agreement or with respect to Facility Products following its purchase or acquisition of the Facility to the Project Participants in accordance with their respective Entitlement Shares in the same manner by which SCPPA

receives Environmental Attributes under the Power Purchase Agreement or otherwise as may be determined by the Coordinating Committee.

10. FEDERAL TAX LAW REQUIREMENTS.

10.1 Purchaser to Provide Information Relevant to Compliance with Federal Tax Law Requirements. At such times and through such means as prescribed by the rules, procedures, and protocols promulgated by SCPPA to address compliance with the applicable Federal Tax Law Requirements with respect to any Bonds, or pursuant to any request by SCPPA, Purchaser shall provide SCPPA with a tax certificate relating to such Bonds, and such additional information and representations as necessary to establish Purchaser's compliance with the Federal Tax Law Requirements, including, to the extent applicable, information and representations concerning the disposition or use of electric energy provided under this Agreement or the disposition or use of any assets acquired with the proceeds of such Bonds.

10.2 Compliance with Federal Tax Law Requirements. With respect to any Bonds, Purchaser agrees that it will promptly act in accordance with written instructions which SCPPA may reasonably require from time to time in connection with the Federal Tax Law Requirements, and in addition Purchaser will not at any time take any action, or fail to take any action, if such action or failure to take action would result in or cause non-compliance with Federal Tax Law Requirements. Purchaser agrees to execute new or revised tax certificates or provide such information or other assurance respecting past and future compliance with the Federal Tax Law Requirements applicable to any Bonds as may be reasonably requested by SCPPA. In connection therewith, Purchaser shall cooperate with and provide to SCPPA such other information, representations, and certifications as necessary for Bond Counsel or Tax Counsel to render an opinion or advise to the effect that any applicable Federal Tax Law Requirements are met.

10.3 SCPPA to Issue Rules, Procedures and Protocols. SCPPA shall develop and promulgate such reasonable rules, procedures and protocols, together with amendments thereto, as necessary, in consultation with Bond Counsel or Tax Counsel, to ensure compliance with any applicable Federal Tax Law Requirements, including to establish expectations regarding future compliance under applicable laws and regulations existing from time to time with respect to any Bonds, and shall include, without limitation, the appropriate reporting, documentation, and certifications to establish and maintain compliance with the provisions of this Section 10.

11. PROJECT SPECIFIC MATTERS AND PURCHASER RIGHTS AND OBLIGATIONS UNDER PROJECT AGREEMENTS.

11.1 Rights and Obligations under the Project Agreements. Notwithstanding anything to the contrary contained herein: (i) the obligation of SCPPA to

deliver Purchaser's Entitlement Share of Facility Products during the Delivery Term of this Agreement is limited to the Facility Products which SCPPA receives from the Facility (or the Power Purchase Provider, as applicable) at the Point of Delivery for redelivery to Purchaser hereunder during such time; (ii) the obligation of SCPPA to pay any amount to Purchaser hereunder or to give credits against amounts due from Purchaser hereunder is limited to amounts SCPPA receives in connection with the transaction to which the payment or credit relates (or is otherwise available to SCPPA in connection with this Agreement for which such payment or credit relates); (iii) any purchase costs, operating costs, energy costs, capacity costs, environmental attribute costs, transmission costs, tax costs, insurance costs, indemnifications, other costs or other charges for which SCPPA is responsible under the Project Agreements shall be considered purchase costs, operating costs, energy costs, capacity costs, environmental attribute costs, transmission costs, tax costs, insurance costs, indemnifications, other costs or other charges incurred by SCPPA and payable by Project Participants as provided in this Agreement; and (iv) any Force Majeure under the Power Purchase Agreement or other event of force majeure affecting the delivery of energy pursuant to applicable provisions of the Project Agreements shall be considered an event caused by Uncontrollable Forces affecting SCPPA with respect to the delivery of energy, and/or environmental attributes hereunder and SCPPA forwarding to Purchaser notices and information from the Power Purchase Provider concerning an event of Force Majeure upon receipt thereof shall be sufficient to constitute a notice that Uncontrollable Forces have occurred pursuant to Section 16.3 of this Agreement. Any net proceeds received by SCPPA from the sale of Facility Products by the Power Purchase Provider to any third-party purchaser as a result of a Force Majeure event or failure by SCPPA to accept delivery of Energy pursuant to the Power Purchase Agreement and any reimbursement received by SCPPA for purchase of Replacement Energy shall be remitted by SCPPA to the Project Participants in accordance with their respective Entitlement Shares.

11.2 Acquisition of the Facility by SCPPA. The Parties mutually acknowledge and agree that SCPPA may, under certain circumstances, acquire ownership of the Facility and succeed to the rights and obligations associated with ownership of the Facility pursuant to the provisions of the Power Purchase and Security Agreements, at such time and under such terms as provided in the Power Purchase and Security Agreements or on such other terms as may be agreed upon between SCPPA and the Power Purchase Provider, or otherwise. The Parties also anticipate that any acquisition of the Facility may be carried out with SCPPA financing. Any such acquisition of the Facility shall require the prior consideration or approval of the Glendale City Council. If SCPPA purchases the Facility pursuant to the Power Purchase and Security Agreements, SCPPA may finance the associated Cost of Acquisition through the issuance of Bonds.

12. PLEDGE OF PAYMENTS. All or any portion of the payments required to be made by Purchaser in accordance with or pursuant to any provision of this Agreement may be pledged by SCPPA to secure the payment of the Bonds, and interest thereon, subject to the application

thereof to such purposes and on such terms as provided in the Indenture, and as required by the Act. SCPPA may assign, among other rights and security, to the Project Trustee or Lender its rights to receive from Purchaser all or any portion of the payments to be made by Purchaser pursuant to this Agreement. SCPPA may direct Purchaser to make all or any portion of such payments directly to the Project Trustee or Lender for application by the Project Trustee or Lender under the Indenture. Notwithstanding the foregoing or any other provision of this Agreement, SCPPA shall not acquire the Facility unless there shall be compliance with the applicable provisions of Section 10 and with the provisions of the Indenture applicable to the acquisition of the Facility.

13. ISSUANCE OF BONDS.

13.1 Issuance of Bonds. Bonds will be issued by SCPPA in accordance with this Agreement, the provisions of the Indenture, and the Act for the purpose of financing the Cost of Acquisition, which may entail, among other things, the purchase or acquisition of the Facility and all associated assets, rights and interests under or pursuant to the Power Purchase and Security Agreements, all other Acquisitions and all Capital Improvements.

13.2 Additional Bonds. Additional Bonds may be issued by SCPPA in accordance with this Agreement, the provisions of the Indenture, and the Act at any time and from time to time in the event funds are required for completion of the Project or for the purpose of financing any further Cost of Acquisition or other Acquisitions or Capital Improvements, including without limitation the cost of acquiring the Facility or the rights and interests otherwise described in Section 11.2, and upon approval of the Board of Directors, SCPPA shall use its best efforts to issue such additional Bonds.

13.3 Refunding Bonds. In the event that Monthly Costs may be reduced by the refunding of any of the Bonds or in the event it shall otherwise for the Project Participants be advantageous, in the opinion of SCPPA, to refund any Bonds, SCPPA may issue and sell refunding Bonds in accordance with the Indenture and the Act.

13.4 Opinions of Counsel. In connection with the issuance of Bonds, additional Bonds or Refunding Bonds for the purposes described in this Section 13, Purchaser shall provide an opinion of an attorney or firm of attorneys, or the equivalent thereof, in substantially the form as attached hereto as Appendix C as may be reasonably necessary to facilitate the issuance of such Bonds. SCPPA shall likewise provide an opinion in substantially the form attached hereto as Appendix D as necessary or advisable at SCPPA's discretion to facilitate the transaction described in this paragraph.

13.5 Redemption or Payment of Bonds. SCPPA may issue such bonds, notes, certificates of participation, commercial paper, other evidences of indebtedness or other instruments, in accordance with the Indenture and the Act, as it may deem appropriate to facilitate the redemption or payment of Bonds.

13.6 Bond-Related Documents. Purchaser agrees to supply SCPPA, upon written request, with such additional information and documentation as SCPPA shall reasonably determine to be necessary or desirable to facilitate the issuance of

Bonds, additional Bonds or refunding Bonds for the purposes described in this Section 13 and to comply with Federal Tax Law Requirements and continuing disclosure requirements including, but not limited to, requirements under the United States Securities and Exchange Commission Rule 15c2-12.

14. EXCESS BOND PROCEEDS. In the event the proceeds derived from the sale of any Bonds exceed the aggregate amount required for the purposes for which such Bonds were issued, the amount of such excess shall be used, after prior consultation with Bond Counsel or Tax Counsel, to make up any deficiency existing in any Funds under the Indenture in the manner therein provided, and any balance shall (i) be used to retire, by purchase or redemption, Bonds in advance of maturity, (ii) be deposited in any applicable account established in accordance with Section 7.8 hereof, (iii) reduce the payments by the Project Participants required pursuant to Section 7 hereof, and in such event SCPPA will reduce the monthly Billing Statements of the Project Participants as necessary and appropriate, or (iv) be used for other lawful Project expenses or purposes.

15. NONPERFORMANCE AND PAYMENT DEFAULT.

15.1 Nonperformance by Project Participants. If a Project Participant shall fail to perform any covenant, agreement or obligation under this Agreement or shall cause SCPPA to be in default with respect to any undertaking entered into for the Project or to be in default under the Power Purchase Agreement, or any other Project Agreement, as applicable, or cause a default to occur pursuant to such agreements, SCPPA may, in the event the performance of any such obligation remains unsatisfied after 30 days' prior written notice thereof to such Project Participant and a demand to so perform, take any action permitted by law to enforce its rights under such Project Participant's Power Sales Agreement, including but not limited to termination of such Project Participant's Power Sales Agreement, and/or (unless SCPPA has already taken action pursuant to the immediately following sentence) bring any suit, action or proceeding at law or in equity as may be necessary or appropriate to recover damages and/or enforce any covenant, agreement or obligation against such Project Participant with regard to its failure to so perform. In addition to any other rights SCPPA may have under the Power Sales Agreements as a result of nonpayment by a Project Participant, if a Project Participant fails to pay Debt Service in accordance with this Agreement and the result is that SCPPA defaults on the payment of principal of or interest on any Bond or other obligations payable from the Debt Service Fund under the Indenture, SCPPA may, immediately and without delay, take any action permitted by law to enforce its rights under such Project Participant's Power Sales Agreement and/or bring any suit, action, or proceeding at law or in equity as may be necessary or appropriate to recover damages and/or enforce any covenant, agreement, or obligation against such Project Participant with regard to its failure to so perform.

15.2 Notice of Payment Default. On or promptly following the Initial Payment Default Date by a Project Participant, SCPPA shall issue a Default Invoice and shall provide written notice to such Project Participant that as a result of a Payment Default it is in default under this Agreement and has assumed the status of the Defaulting Project Participant and that such Project Participant's

Project Rights are subject to discontinuance, termination and disposal in accordance with Sections 15.4 and 15.5 of this Agreement. Notice of such Payment Default shall be provided promptly by SCPPA to the other Project Participant and the Project Trustee or Lender. In addition to the foregoing, the notice of Payment Default shall specify that five days after the issuance of the written notice of Payment Default by SCPPA, deliveries of Facility Products to the Defaulting Project Participant pursuant to such Project Participant's Power Sales Agreement shall be thereafter suspended until such time as such Defaulting Project Participant is in Compliance. SCPPA may take any action through or in conjunction with the Power Purchase Provider or any other counterparty under a Project Agreement or with the Project Manager, if applicable, to expeditiously carry forth the provisions of this Section 15.

15.3 Cured Payment Default. Except for a Payment Default which causes SCPPA to default on the payment of principal of or interest on Bonds or other obligations payable from the Debt Service Fund under the Indenture, which shall be subject to and addressed as provided in Section 15.4 and the other applicable sections of this Agreement, and except as provided in Sections 15.2 and 15.12, if after a Payment Default, the Defaulting Project Participant cures such Payment Default within 30 days (the Cure Period) its Project Rights shall not be subject to discontinuance, termination or disposal as provided for in Sections 15.4 and 15.5 of such Project Participant's Power Sales Agreement as a result of any Payment Default associated with such Cured Payment Default.

15.4 Failure to Cure Payment Default. If at any time 30 days after an uncured Payment Default by a Defaulting Project Participant, such Defaulting Project Participant fails to be in Compliance, or if at any time SCPPA defaults on the payment of principal of or interest on any Bond, or other obligations payable from the Debt Service Fund under the Indenture, due to the failure of such Defaulting Project Participant to pay its share of Debt Service in a timely manner in accordance with such Project Participant's Power Sales Agreement, such Defaulting Project Participant's Project Rights shall immediately be discontinued and terminated and its Project Rights and Obligations shall be disposed of by SCPPA in accordance with Section 15.5 of such Project Participant's Power Sales Agreement; provided, however, the Defaulting Project Participant's obligation to make payments under such Project Participant's Power Sales Agreement shall not be eliminated or reduced except to the extent provided in Section 15.6. SCPPA shall provide to the Defaulting Project Participant a separate monthly invoice of any such payment obligations under such Project Participant's Power Sales Agreement. SCPPA shall immediately notify the Project Manager, the other Project Participant, the Project Trustee or Lender, and such others as SCPPA deems appropriate, of such discontinuance and termination of the Defaulting Project Participant's Project Rights.

15.5 Treatment of the Defaulting Project Participant's Project Rights and Obligations upon Payment Default. In the event a Defaulting Project Participant's Project Rights are discontinued and terminated pursuant to Section 15.4 of such Project Participant's Power Sales Agreement, SCPPA

shall undertake or cause to be undertaken the following actions in the order indicated:

15.5.1 SCPPA shall, to the extent permitted under the Project Agreements, offer to convey, transfer and assign, on a temporary or permanent basis as determined by SCPPA to (i) a requesting non-defaulting Project Participant the amount of Project Rights and Obligations requested if the aggregate of such requests does not exceed the amount of the Project Rights and Obligations of the Defaulting Project Participant, or (ii) a requesting non-defaulting Project Participant on a pro-rata basis (based upon the amount requested) if the aggregate of such requests equals or exceeds the amount of the Project Rights and Obligations of the Defaulting Project Participant. Such requesting non-defaulting Project Participant shall assume all, but not less than all, Project Rights and Obligations so conveyed, transferred, and assigned to it by SCPPA.

15.5.2 If all of the Defaulting Project Participant's Project Rights and Obligations are not conveyed, transferred, and assigned to the non-defaulting Project Participant as provided in Section 15.5.1, SCPPA shall, to the extent permitted under the Project Agreements and to the extent SCPPA in its discretion determines it appropriate, offer to convey, transfer, and assign, on a temporary or permanent basis as determined by SCPPA, the remaining (or all, if applicable) Project Rights and Obligations of the Defaulting Project Participant to third parties, all in accordance with applicable law; provided, however, that SCPPA shall not offer or permit the conveyance, transfer or assignment of the Defaulting Project Participant's Project Rights and Obligations in such a manner or in such an amount as would, in the opinion of Bond Counsel or Tax Counsel, result in or cause non-compliance with the Federal Tax Law Requirements relating to (if applicable) the Bonds. Each such third party transferee shall assume all, but not less than all, Project Rights and Obligations so conveyed, transferred and assigned to it by SCPPA. If such third party is a SCPPA member but not a Project Participant as defined herein, such SCPPA member, upon accepting such conveyance, transfer, and assignment on a permanent basis, shall be deemed a Project Participant.

15.5.3 If, at any time or from time to time, any of the Project Rights and Obligations of the Defaulting Project Participant are not conveyed, transferred, and assigned as provided in Sections 15.5.1 and 15.5.2, SCPPA shall use its best efforts, to the extent reasonably possible and economically beneficial, to offer all non-defaulting Project Participant and third parties for long-term or short-term sale as determined by SCPPA, Facility Products associated with such Project Rights and Obligations or to remarket or resell such Facility Products, or cause the same to be remarketed or resold; provided, however, that SCPPA shall not offer or permit the sale or

remarketing of such Facility Products associated with a Defaulting Project Participant's Project Rights in such a manner or in such an amount as would, in the opinion of Bond Counsel or Tax Counsel, result in or cause non-compliance with the Federal Tax Law Requirements relating to (if applicable) the Bonds; and provided further, however, that without eliminating the Defaulting Project Participant's obligation to make payments under this Power Sales Agreement (notwithstanding anything to the contrary herein), including payment of SCPPA's costs and expenses related to such default and sale, such payment obligation shall be satisfied to the extent that payments are received by SCPPA from the remarketing or sale of Facility Products associated with such Defaulting Project Participant's Project Rights. If at the time of any Coordinating Committee meeting or Board of Directors meeting, any of the Defaulting Project Participant's Project Rights and Obligations are not conveyed, transferred and assigned as provided in Sections 15.5.1 or 15.5.2, the associated voting rights with respect to such Defaulting Project Participant's Project Rights and Obligations shall be redistributed pro rata among the non-defaulting Project Participants, based upon the Entitlement Share of each such Project Participant, such that that total voting rights remain at one hundred percent (100%).

Except as provided in this Section 15.5, if Purchaser is a Defaulting Project Participant, or otherwise in this Agreement, SCPPA may not convey, transfer, or assign any of Purchaser's Project Rights and Obligations without Purchaser's prior written consent.

15.6 Elimination or Reduction of Payment Obligations. Upon termination of a Defaulting Project Participant's Project Rights pursuant to Section 15.5 and the conveyance, transfer, or assignment of such Defaulting Project Participant's Project Rights and Obligations pursuant to Sections 15.5.1 and/or 15.5.2, such Defaulting Project Participant's obligation to make payments under this Agreement (notwithstanding anything to the contrary herein) shall not be eliminated or reduced except to the extent of moneys received by SCPPA as a result of the conveyance, transfer and assignment of such Defaulting Project Participant's Project Rights and Obligations, less SCPPA's related costs and expenses; provided, however, such payment obligations for the Defaulting Project Participant may be eliminated or reduced to the extent permitted by law, if and to the extent costs incurred by SCPPA have been fully paid, and
(a) no Bonds are outstanding or adequate provision for the payment thereof has been made in accordance with the applicable provisions of the Indenture and
(b) the Board of Directors, by resolution, determines to eliminate or reduce such payment obligations, which determination shall not be unreasonably withheld.

15.7 Use of Operating Reserve Account. With respect to a Payment Default by a Defaulting Project Participant, funds in the operating reserve account, if any, whether held by SCPPA or held under the Indenture may be used, to the extent necessary and to the extent available and consistent with the Indenture, to cover

any deficiency with respect to any payment due by SCPPA attributable to such Defaulting Project Participant's participation in the Project under the Indenture during the period prior to the Operating Reserve Depletion Date. Any replenishing of the operating reserve account under the Indenture shall be in accordance with the Indenture. The replenishing of any operating reserve account held by SCPPA shall be in accordance with the rules and protocols promulgated by SCPPA.

15.8 Use and Replenishment of Debt Service Reserve Fund(s). SCPPA may maintain Debt Service Reserve Fund(s) which shall be funded and maintained in the amount(s) specified in the Indenture. With respect to a Payment Default by a Defaulting Project Participant, funds (or any surety bond, credit facility or similar instrument) in the Debt Service Reserve Fund(s) under the Indenture shall be used, to the extent necessary and to the extent available, to cover any shortfall in the Debt Service account(s) relating to the Indenture to pay for Debt Service (but, unless otherwise provided in the Indenture, not the payment of other obligations payable from amounts deposited in the Debt Service Fund). The replenishment of the Debt Service Reserve Fund(s) shall be in accordance with the Indenture.

15.9 Step-Up Invoices. Step-Up Invoices shall be issued in accordance with the provisions set forth below.

15.9.1 In the event of a Payment Default by one or more Defaulting Project Participants, SCPPA shall provide by the fifth (5th) day of the Month following such Payment Default a separate Step-Up Invoice to each non-defaulting Project Participant that specifies such non-defaulting Project Participant's pro rata share, based on the Project Cost Share of each such non-defaulting Project Participant, of the amount of the Payment Default with respect to the Indenture cost component (described in Section 4.4.4 hereof) set forth in the Billing Statement for the Defaulting Project Participant(s). Notwithstanding the previous sentence, (i) the amount of a Step-Up Invoice provided to a Project Participant that is not a Defaulting Project Participant under this Section 15.9.1 shall not exceed one hundred percent (100%) of the amount that such Project Participant was billed for the Indenture cost component in its Billing Statement for the Month preceding such monthly Step-Up Invoice and (ii) following the Operating Reserve Depletion Date, the provisions of Section 15.9.2 hereof shall apply and no additional Step-Up Invoices shall be issued pursuant to this Section 15.9.1 with respect to such Payment Default.

15.9.2 In the event of a Payment Default by a Defaulting Project Participant, which is in existence following the Operating Reserve Depletion Date, SCPPA shall provide by the fifth (5th) day of the Month following such Operating Reserve Depletion Date, a separate Step-Up Invoice to the non-defaulting Project Participant that includes a charge equal to such non-defaulting Project

Participant's pro rata share, based upon the Project Cost Share of the non-defaulting Project Participant, of the amount of Power Costs included in the unpaid Billing Statements for the previous Month for the Defaulting Project Participant. Notwithstanding the foregoing, the amount of each monthly Step-Up Invoice provided to the non-defaulting Project Participant shall not exceed one hundred percent (100%) of the aggregate amount that such non-defaulting Project Participant was billed with respect to the Power Costs in its Billing Statement for the Month preceding such monthly Step-Up Invoice.

15.9.3 Step-Up Invoices shall be due and payable within twenty (20) days of the receipt thereof, and payments to SCPPA with respect to Step-Up Invoices shall be separate from any other payments due under each Project Participant's Power Sales Agreement, including, but not limited to, monthly Billing Statement payments.

15.10 Application of Moneys Received from Step-Up Invoices. Payments received by or on behalf of SCPPA from Step-Up Invoices relating to a Payment Default of a Project Participant shall be applied in the following manner:

15.10.1 Moneys received from the non-defaulting Project Participant with respect to the Indenture cost component of Power Costs, as set forth in the Step-Up Invoices, to the extent such moneys relate to Debt Service, shall be forwarded to the Project Trustee or Lender for deposit directly into the Debt Service Reserve Fund(s) under the Indenture, and to the extent such moneys relate to any other portion of the Indenture cost component, shall be forwarded to the Project Trustee or Lender for deposit into such other Funds as are appropriate under the Indenture.

15.10.2 Moneys received from the non-defaulting Project Participant with respect to the amount of Power Costs, other than the Indenture cost component of Power Costs, as set forth in the Step-Up Invoices shall be forwarded to the Project Trustee or Lender for deposit into the Revenue Fund under the Indenture, as appropriate, or into such other Funds as are appropriate under the Indenture.

15.10.3 In the event a non-defaulting Project Participant pays less than the total amount of its Step-Up Invoice, such Project Participant shall become a Defaulting Project Participant and its partial payment shall be allocated in the following order: (i) toward all Power Costs, except the Indenture cost component, and (ii) toward the Indenture cost component of Power Costs.

15.11 Application of Moneys Received from a Default Invoice. Moneys received by or on behalf of SCPPA from the Defaulting Project Participant's payment of a

Default Invoice shall be credited on the non-defaulting Project Participant's next monthly Billing Statement(s) in an amount equal to the aggregate amount such non-defaulting Project Participant paid as a result of Step-Up Invoices with respect to such Default Invoice, plus a pro rata share, based upon the Project Cost Shares of such non-defaulting Project Participant, of the amount SCPPA received regarding late payment interest charges. In the event that a Defaulting Project Participant pays less than the full amount of its Default Invoice, the credit to the non-defaulting Project Participant shall be adjusted proportionately.

15.12 Application of Moneys Received from Compliance Payments. Moneys received by or on behalf of SCPPA from the Defaulting Project Participant, as payment to remain in Compliance with respect to a Payment Default, shall be credited on the other Project Participant's next monthly Billing Statement(s) in an amount equal to the aggregate amount such other Project Participant paid as a result of Step-Up Invoices with respect to such Compliance payment, plus a pro rata share, based upon the Project Cost Share of such other Project Participant, of the amount SCPPA received regarding late payment interest charges.

15.13 Application of Moneys Received from Sale of Facility Products. Moneys received by or on behalf of SCPPA from the sale of Facility Products related to the Defaulting Project Participant's Project Rights and Obligations, as provided in Section 15.5.3 hereof, shall be applied in the following manner in order:

15.13.1 SCPPA shall credit on the next monthly Billing Statement(s) of the non-defaulting Project Participant an amount up to, but not in excess of, the aggregate amount paid to SCPPA by such non- defaulting Project Participant with respect to each such Project Participant's Step-Up Invoices.

15.13.2 SCPPA shall forward or cause to be forwarded to the applicable Project Trustee or Lender for deposit into the Revenue Fund of the Indenture, as appropriate, or into such other Funds as are appropriate under the Indenture, the applicable portion of such moneys.

15.13.3 Following consultation with the non-defaulting Project Participant, SCPPA shall determine the disposition of any moneys received that are in excess of the aggregate amount of related Step- Up Invoices paid by the non-defaulting Project Participant. Except as otherwise required by law, the Defaulting Project Participant shall have no claim or right to any such moneys.

15.14 Limitation on Cure Period. Notwithstanding anything to the contrary in this Agreement, there shall be no Cure Period with respect to a Project Participant's failure to pay those costs constituting Debt Service in a timely manner in

accordance with this Agreement, and any such Debt Service not paid by a Project Participant when due shall be immediately due and payable to SCPPA.

16. CHARACTER, CONTINUITY OF SERVICE.

16.1 Outages, Interruptions and Curtailment of Energy Deliveries. The Power Purchase Provider or other counterparty may under certain conditions set forth in the applicable provisions of a Project Agreement or other applicable operating agreement, interrupt or curtail deliveries of Facility Products to SCPPA which SCPPA was to deliver to the Project Participants. Should such an interruption or curtailment occur, each Project Participant shall be credited with such revenues as are credited or paid to SCPPA on such Project Participant's behalf, in accordance with such Project Participant's Entitlement Share, and shall be obligated to pay any costs incurred by SCPPA attributable to such Project Participant, in accordance with such Project Participant's Project Cost Share, which are payable by SCPPA pursuant to the Power Purchase Agreement, other applicable Project Agreement or other applicable operating agreement. SCPPA or the Project Manager (if other than SCPPA) or SCPPA's agent will use its best efforts to apprise the Project Participants of potential outages, interruptions, or curtailments, the reason therefor and the probable duration thereof, when such outages, interruptions, or curtailments can be deemed likely to occur.

16.2 Outages, Interruptions and Curtailment of Energy from the Facility. Following SCPPA's purchase or acquisition of the Facility, SCPPA or its agent or the Project Manager, as applicable, may temporarily interrupt or curtail deliveries of Facility Products to the Project Participants if SCPPA or its agent or the Project Manager, as applicable, shall determine that such interruption or curtailment is necessary in the case of an emergency or in order to take out of service the Facility or any portion thereof; or to install equipment in or make repairs to or replacements, investigations, and inspections of or to perform other maintenance work on the Facility or any portion thereof; provided, however, that such interruption or curtailment shall not relieve the Project Participants of their obligations to make payments under their respective Power Sales Agreements. After informing the Project Participants regarding any such planned interruption or curtailment, giving the reason therefor, and stating the probable duration thereof, SCPPA, its agent or the Project Manager, as applicable, will to the best of its ability schedule such interruption or curtailment at a time which will cause the least interference with the system operations of the Project Participants.

16.3 Uncontrollable Forces. SCPPA shall not be required to provide, and SCPPA shall not be liable for failure to provide, Facility Products, Replacement Energy, or other service under this Agreement when such failure or the cessation or curtailment of or interference with the service is caused by Uncontrollable Forces or by the inability of SCPPA, the Power Purchase Provider (to the extent allowed under the Power Purchase Agreement) or other applicable counterparty to obtain any required governmental permits, licenses, or approvals to enable SCPPA or the Power Purchase Provider, as applicable,

to acquire, administer, or operate the Project; provided, however, that the Project Participants shall not thereby be relieved of their obligations to make payments under their respective Power Sales Agreements except to the extent SCPPA is so relieved pursuant to the Indenture and/or other applicable Project Agreements.

17. LIABILITY.

17.1 Project Participants' Obligations Several. The Project Participants shall be severally responsible and liable for performance under their respective Power Sales Agreements. The obligation of Purchaser to make payments under this Agreement is a several obligation and not a joint obligation with those of the other Project Participants under each of the other Power Sales Agreements to which each of the other Project Participants is a party.

17.2 No Liability of SCPPA or Purchaser, Their Directors, Officers, Etc.; SCPPA, Purchaser's and Project Manager's Directors, Officers, Employees Not Individually Liable. Both Parties agree that neither SCPPA, Purchaser, the Project Manager, nor any of their past, present or future directors, officers, employees, board members, agents, attorneys or advisors (collectively, the "Released Parties") shall be liable to any other of the Released Parties for any and all claims, demands, liabilities, obligations, losses, damages (whether direct, indirect or consequential), penalties, actions, loss of profits, judgments, orders, suits, costs, expenses (including attorneys' fees and expenses), or disbursements of any kind or nature whatsoever in law, equity, or otherwise (including, without limitation, death, bodily injury, or personal injury to any person or damage or destruction to any property of Purchaser, SCPPA, the Project Manager or third persons) suffered by any Released Party as a result of the action or inaction or performance or non-performance by the Power Purchase Provider under the Power Purchase and Security Agreements or any of the Released Parties under this Agreement or any Project Agreement (excluding gross negligence and willful misconduct, which, unless otherwise agreed to by the Parties, are both to be determined and established by a court of competent jurisdiction in a final, non-appealable order). Each Party shall release each of the other Released Parties from any claim or liability that such Party may have cause to assert as a result of any actions or inactions or performance or non-performance by any of the other Released Parties under this Agreement or any Project Agreement (excluding gross negligence and willful misconduct, which, unless otherwise agreed to by the Parties, are both to be determined and established by a court of competent jurisdiction in a final, non-appealable order). Notwithstanding the foregoing, no such action or inaction or performance or non-performance by any of the Released Parties shall relieve SCPPA or Purchaser from their respective obligations under this Agreement, including, without limitation, Purchaser's obligation to make payments required under Section 8.1 of this Agreement and SCPPA's obligation to make payments under Section 17.7 of this Agreement, or under any other Project Agreement. The provisions of this Section 17.2 shall not be construed so as to relieve the Project Manager or the Power Purchase Provider from any obligation (or liability in the case of the Power Purchase Provider)

under this Agreement, the Power Purchase Agreement and Security Agreements, or any other applicable Project Agreement. It is also hereby recognized and agreed that no member of the Board of Directors, the Project Manager or Purchaser, nor their officers, employees, board members, agents, attorneys or advisors, or member of SCPPA in its capacity as a member of SCPPA, shall be individually liable in respect of any undertakings by any of the Released Parties under this Agreement or any Project Agreement. Nothing in this Section 17.2 or in any other provision of this Agreement shall affect Purchaser's obligation to make any payment in accordance with Section 8.1 or any other provision of this Agreement or to pay any other amounts or costs required to be paid by it under this Agreement.

17.3 Extent of Exculpation; Enforcement of Rights. The exculpation provision set forth in Section 17.2 hereof shall apply to all types of claims or actions including, but not limited to, claims or actions based on contract or tort. Notwithstanding the foregoing, either Party may protect and enforce its rights under this Agreement by a suit or suits in equity for specific performance of any obligations or duty of the other Party, and each Party shall at all times retain the right to recover, by appropriate legal proceedings, any amount determined to have been an overpayment, underpayment or other monetary damages owed by the other Party in accordance with the terms of this Agreement.

17.4 Determination or Enforcement of Rights. Notwithstanding Sections 17.2 and 17.3 hereof, Purchaser or SCPPA may determine, protect, and enforce its rights under this Agreement or any Project Agreement by a suit(s) in equity for specific performance of, or declaratory action with respect to, any obligation or duty hereunder or thereunder.

17.5 No Relief From Insurer's Obligations. Notwithstanding any provision in this Agreement to the contrary, including but not limited to the provisions in this Section 17, the provisions of this Section 17 shall not be construed or applied so as to relieve any insurer of its obligation to pay any insurance claims in accordance with any applicable insurance policy.

17.6 No General Liability of SCPPA. The undertakings under this Agreement by SCPPA, or the Project Manager in its capacity as such, shall never constitute a debt or indebtedness of SCPPA or the Project Manager within the meaning of any provision or limitation of the Constitution or statutes of the State of California, and shall not constitute or give rise to a charge against its general credit.

17.7 Indemnification of Purchaser. SCPPA undertakes and agrees, to the extent permitted by law, to indemnify and hold harmless Purchaser, its directors, board members, officers, employees, agents, attorneys and advisors, past, present or future (collectively, "Purchaser Indemnitees"), from and against any and all claims, demands, liabilities, obligations, losses, damages (whether direct, indirect or consequential), penalties, actions, loss of profits, judgments, orders, suits, costs, expenses (including attorneys' fees and expenses,) or disbursements of any kind or nature whatsoever in law, equity, or otherwise

(collectively, "Losses"), which Losses include, without limitation, death, bodily injury, or personal injury to any person or damage or destruction to any property of Purchaser, SCPPA or third persons, that may be imposed on, incurred by or asserted against Purchaser arising by manner of any breach of this Agreement by SCPPA, or the negligent acts, errors, omissions, or willful misconduct incident to the performance of this Agreement on the part of SCPPA or any of SCPPA's directors, board members, officers, employees, agents, and advisors, past, present, or future. At Purchaser's option, SCPPA shall defend Purchaser Indemnitees from and against any and all Losses. If SCPPA, with Purchaser's consent, defends any Purchaser Indemnitee, Purchaser and Purchaser's City Attorney shall approve the selection of counsel, and Purchaser shall further approve any settlement or disposition, such approval not to be unreasonably withheld. Nothing in this Section 17.7 or in any other provision of this Agreement shall affect Purchaser's obligation to make any payment in accordance with Section 8.1 of this Agreement or to pay any other amounts or costs required to be paid by it under this Agreement.

17.8 Indemnification of Project Manager. The Parties acknowledge that SCPPA is obligated, as provided under Section 17 of the Notch Peak Project Agency Agreement, to indemnify and hold harmless LADWP, as Project Manager, the LADWP Board of Water and Power Commissioners and LADWP's officers, employees, agents, and advisors, past, present, or future, when acting for LADWP as Project Manager (collectively, the "Project Manager Indemnitees"), from and against any and all Losses, which Losses include, without limitation, death, bodily injury, or personal injury to any person or damage or destruction to any property of LADWP, SCPPA, or third persons, arising by reason of any actions, inactions, errors, or omissions incident to the performance of the Notch Peak Project Agency Agreement (excluding gross negligence and willful misconduct, which, unless otherwise agreed by the Parties, are both to be determined and established by a court of competent jurisdiction in a final, non-appealable order) on the part of any of the Project Manager Indemnitees, when acting for LADWP as Project Manager. It is further acknowledged by the Parties that all payments, costs and expenses of SCPPA with respect to compliance with such indemnification obligations under Section 17 of the Notch Peak Project Agency Agreement shall be payable as Monthly Costs by the Project Participants in accordance with the terms of their respective Power Sales Agreements. Notwithstanding any provision of this Agreement which might be construed to the contrary, nothing in this Section 17.8 or in any other provision of this Agreement shall affect LADWP's obligation, under its Power Sales Agreement, or the obligations of Glendale as Purchaser under this Agreement, , to make any payment or to pay any cost required of it in accordance with each such Project Participant's Power Sales Agreement, or SCPPA's obligation to make any payment or to pay any cost required of it under the Notch Peak Project Agency Agreement.

17.9 Separate Legal Capacities. The Parties acknowledge that LADWP, as Project Manager under the Notch Peak Project Agency Agreement, acts in a legal capacity that is separate from its capacity as Purchaser and a Party under its

Power Sales Agreement. Accordingly, for purposes of the Power Sales Agreements and applicable Project Agreements, the rights, entitlements, obligations and liabilities of LADWP, as purchaser and a party under its Power Sales Agreement, shall not apply to or otherwise be affected by, and shall be legally separate from, the rights, entitlements, obligations and liabilities of LADWP in its capacity as Project Manager.

18. RESTRICTIONS ON DISPOSITION.

18.1 Limitations Concerning Private Use. Purchaser recognizes that certain Federal Tax Law Requirements, if applicable, limit the arrangements permitted with respect to the purchase, sale, assignment, or other disposition of Purchaser's Project Rights and Obligations. Purchaser shall comply with the rules, procedures, and protocols promulgated by SCPPA pursuant to Section 10.3 with respect to compliance with the Federal Tax Law Requirements applicable to any Bonds. Except as provided in Section 15 hereof, no sale, assignment, or other disposition of all or any portion of Purchaser's Project Rights and Obligations, including Purchaser's Entitlement Share of the Facility Products, shall be effective until (i) Purchaser shall have given prior written notice thereof to SCPPA, and (ii) unless waived by the Board of Directors after consultation with Bond Counsel or Tax Counsel, Bond Counsel or Tax Counsel shall have rendered an opinion that such sale, assignment, or other disposition will not result in or cause non-compliance with any applicable Federal Tax Law Requirements and will not be inconsistent with this Agreement. Notwithstanding the immediately preceding sentence, Purchaser may (without giving such notice or obtaining such opinion) contract to provide or otherwise sell or dispose of its Entitlement Share of the Facility Products in a transaction which complies with guidelines established by SCPPA and approved by SCPPA's Bond Counsel or Tax Counsel from time to time.

18.2 Restrictions on Elimination of Payment Obligations. No sale, assignment, or other disposition of Purchaser's Project Rights and Obligations to any Person ("Assignee") that occurs when any Bonds are outstanding shall release Purchaser from its payment obligations under this Agreement; provided, however, such payment obligations may be eliminated or reduced if no Bonds are outstanding or adequate provisions for the payment thereof have been made in accordance with the provisions of the Indenture if (i) such Assignee shall assume and agree to fully perform and discharge the Project Rights and Obligations under this Agreement, (ii) such Assignee shall have a corporate or long-term senior unsecured credit rating of "A-" or higher by S&P or "A3" or higher by Moody's, and (iii) the Board of Directors, by resolution, determines to eliminate or reduce such payment obligations, which determination shall not be unreasonably withheld.

18.3 Restrictions on Disposition of Purchaser's Entire System. Purchaser shall not sell, lease or otherwise dispose of all or substantially all of its electric system to any Person ("Acquiring Entity") unless the following conditions shall be met: (A) in the event that Bonds are outstanding then (i) Purchaser shall assign its Project Rights and Obligations hereunder to such Acquiring Entity and such

Acquiring Entity shall assume and agree to fully perform and discharge the Project Rights and Obligations under this Agreement, (ii) such sale, lease or other disposition shall not, in and of itself, cause the rating of any Bonds to be downgraded, suspended, or withdrawn (which fact shall be evidenced by letters of the rating agencies then rating the Bonds), and (iii) such sale, lease or other disposition will not adversely affect the value of this Agreement as security for the payment of the Indenture cost component; (B) in the event that no Bonds are outstanding or adequate provisions for the payment thereof have been made in accordance with the provisions of the Indenture then (i) such Acquiring Entity shall assume and agree to fully perform and discharge the Project Rights and Obligations under this Agreement, and (ii) such Acquiring Entity shall have a corporate or long-term senior unsecured credit rating not less than investment grade; and (C) in all cases, unless waived by SCPPA after consultation with Bond Counsel or Tax Counsel, Bond Counsel or Tax Counsel shall have rendered an opinion that such sale, lease or other disposition will not result in or cause non-compliance with any applicable Federal Tax Law Requirements with respect to any Bonds.

18.4 Successors and Assigns. Subject in all respects to Sections 15 and 18 hereof, the Project Rights and Obligations under this Agreement shall inure to the benefit of and shall be binding upon the respective successors and assigns of the Parties to this Agreement.

19. REIMBURSEMENT OF PROJECT DEVELOPMENT COSTS. Within 90 days after the issuance of the first Bonds, all of the following project development costs and expenses and other applicable costs for Development Work paid by Purchaser prior to the date of such issuance, to the extent reimbursable under applicable tax law and regulations, shall be reimbursed to Purchaser by SCPPA from the proceeds of the Bonds (in an amount determined to be reasonable by the Coordinating Committee or Board of Directors, as appropriate): costs of planning and development of the Project; costs relating to any acquisition of the Project; costs of investigation and feasibility studies; technical, legal and financing expenses; legal costs including but not limited to the costs of Bond Counsel, Tax Counsel, electric utility counsel, secured transaction and real estate specialists, solar energy counsel, environmental counsel, bankruptcy counsel, and counsel experienced in securing and facilitating this transaction under California and Federal law, costs of obtaining permits, clearances, licenses, entitlements, and approvals or other governmental authorizations, options or rights therein; costs of preparing agreements or other documents; and other costs relating to the Project in amounts determined to be reasonable by the Board of Directors.

20. EFFECTIVE DATE, TERM AND EXPIRATION.

20.1 Effective Date; Execution in Counterparts. This Agreement shall become effective on the first day when each and all of the following shall have occurred: (i) this Agreement shall have been duly executed and delivered by SCPPA and Purchaser, (ii) the Power Purchase Agreement shall have been duly executed and delivered by SCPPA and the Power Purchase Provider, and (iii) the Power Sales Agreement between SCPPA and each other Project Participant shall have been duly executed and delivered by the parties thereto. Once the Power Purchase Agreement has been executed and delivered as set

forth above, SCPPA shall deliver a copy of the same to Purchaser. This Agreement may be executed in any number of counterparts, each of which shall constitute an original.

20.2 Termination Conditions. This Agreement shall be effective upon satisfaction of the conditions set forth in Section 20.1 and shall extend for the term specified in Section 20.3 unless earlier terminated pursuant to an express provision of this Agreement, or by operation of the Indenture or of law; provided, however, that (i) any obligation to make payments to SCPPA or any outstanding liability of Purchaser hereunder which either exists or may exist as of the date of termination of this Agreement, or which comes into existence at any future time as a result of any activity or transaction carried forth under this Agreement, shall survive such termination and (ii) any obligation of SCPPA or Purchaser hereunder to comply with the Federal Tax Law Requirements shall continue until such time as provided in Section 23.2.

20.3 Term/Expiration. The term of this Agreement shall begin on the day this Agreement becomes effective pursuant to Section 20.1 hereof. Unless terminated earlier pursuant to Sections 20.4, 20.5, or 20.6 and subject to Sections 20.2 and 23 hereof, the term of this Agreement shall expire on the later of: (i) the date SCPPA's Joint Powers Agreement (including any extensions thereof) expires or (ii) the date on which all Bonds and the interest thereon shall have been paid in full or adequate provision for such payment shall have been made and the Bonds are no longer outstanding (the "Expiration Date"); provided, however, that in no event shall the term of this Agreement expire so long as the Power Purchase Agreement is of any force or effect.

20.4 Transfer of SCPPA Interest. Except as provided in Section 20.5 hereof, and subject to any applicable provisions of any associated operating agreements, upon the expiration of the term of this Agreement pursuant to Section 20.3 hereof, in the event SCPPA shall have purchased or acquired the Facility, SCPPA shall transfer to the Project Participants and each Project Participant shall assume its pro rata share of any right, title and interest in the Facility (including all rights and obligations of SCPPA under any Project Agreement), as evidenced by a participation agreement developed by SCPPA and the Project Participants, unless otherwise agreed to by SCPPA and the Project Participants. The purchase price and consideration to be paid to SCPPA by Purchaser for such transfer shall consist of the payments made by Purchaser pursuant to this Agreement prior to the date of such transfer plus any remaining costs or obligations incurred by SCPPA in connection with the Project.

20.5 Termination of Agreement before Expiration Date. Notwithstanding the Expiration Date set forth in Section 20.3 hereof, this Agreement shall terminate, subject to Sections 20.2 and 23 hereof, on the date, if any, by which each and all of the following have occurred:

20.5.1 All Bonds and the interest thereon shall have been paid in full or adequate provision for such payment shall have been made and the Bonds are no longer outstanding under the Indenture;

20.5.2 SCPPA notifies Purchaser that all Power Sales Agreements are superseded as a result of each of the Project Participants having (iii) succeeded to SCPPA's rights through another agreement or agreements, or (ii) entered into a replacement power sales agreement or other agreement with SCPPA. The purchase price and consideration to be paid to SCPPA by Purchaser with respect to any such superseding arrangement shall consist of the payments and satisfaction of all obligations by Purchaser under and pursuant to this Agreement prior to the effective date of the superseding arrangement plus any remaining costs or obligations incurred by SCPPA in connection with the Facility; and

20.5.3 The Power Purchase Agreement shall no longer be of any force or effect.

20.6 Termination of Agreement Based on Termination of Power Purchase Agreement. Notwithstanding the Expiration Date set forth in Section 20.3 hereof, this Agreement shall terminate, subject to Sections 20.2 and 23 hereof, on the date, on which the Power Purchase Agreement is terminated and all of Project Participants' obligation(s) under the Project Agreements have been fully satisfied or otherwise adequate provision for satisfaction for such obligation(s) have been made and no other such obligation(s) under the Project Agreements are outstanding.

20.7 Final Distribution of Reserve Fund. Following the expiration or earlier termination of all Power Sales Agreements, and upon payment and satisfaction of any and all liabilities and obligations to make payments of the Project Participants under their respective Power Sales Agreements and upon satisfaction of all remaining costs and obligations of SCPPA under the Project Agreements and in connection with the Facility, any amounts then remaining in the Reserve Fund shall be paid to the Project Participants pro rata in accordance with their respective Project Cost Shares.

21. RELATIONSHIP TO AND COMPLIANCE WITH OTHER INSTRUMENTS.

21.1 Agreement Subject to the Indenture. It is recognized by the Parties hereto that SCPPA, in undertaking the planning and financing, development, acquisition, operation, and maintenance of the Project, must comply with the requirements of the Indenture and all conditions, permits and approvals or other governmental authorizations necessary for such planning, financing, development, acquisition, operation, and maintenance and it is therefore agreed that this Agreement is made subject to the provisions of the Indenture and all such conditions, permits, approvals, and governmental authorizations.

21.2 Comply With the Indenture. SCPPA covenants and agrees for the benefit of Purchaser to comply in all material respects with all terms, conditions, and covenants of the Indenture and all conditions, permits, approvals, and governmental authorizations relating to the Project, provided that SCPPA shall not be prevented from contesting the validity or applicability of any such

conditions, permits, approvals, and governmental authorizations in good faith by appropriate proceedings.

22. SEVERABILITY. In case any one or more of the provisions of this Agreement shall for any reason be held to be illegal or invalid by a court of competent jurisdiction, it is the intention of each of the Parties hereto that such illegality or invalidity shall not affect any other provision hereof, but this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein unless a court holds that the provisions are not separable from all other provisions of this Agreement.

23. CONDITIONS TO TERMINATION, AMENDMENT OR EXTENSION OF INTIAL TERM.

23.1 No Adverse Effect. So long as any of the Bonds are outstanding under the Indenture, this Agreement shall not be terminated, amended, modified, or otherwise altered in such a manner (i) as will materially reduce the payments pledged as security for the Bonds or extend the time of such payments provided herein, (ii) as will materially impair or materially adversely affect the rights of the owners from time to time of any Bonds, or (iii) as would be prohibited by any applicable provision of the Indenture.

23.2 Rights Among Project Participants. None of the Power Sales Agreements may be terminated as to any one or more of the Project Participants, or be amended as to any one or more of the Project Participants so as to provide terms and conditions materially different from those contained therein, except, subject to the provisions of Section 23.1 and consistent with the Indenture, upon written notice to and written consent or waiver by the other Project Participant, and upon similar amendment, if appropriate, being made to the Power Sales Agreement of the Project Participant requesting such amendment after receipt by such Project Participant of written notice of such amendment.

23.3 Continuing Compliance with Federal Tax Law Requirements. Notwithstanding anything contained in the Power Sales Agreements to the contrary, all obligations of SCPPA and the Project Participants with respect to compliance with Federal Tax Law Requirements with respect to any Bonds shall survive any termination of the Power Sales Agreements until such time as all Bonds to which such Federal Tax Law Requirements shall apply shall have been fully paid or redeemed and discharged, or such earlier time as SCPPA shall determine upon consultation with Bond Counsel or Tax Counsel, or Bond Counsel or Tax Counsel shall have rendered an opinion to the effect that such Federal Tax Law Requirements shall no longer be applicable.

24. REPRESENTATION AND GOVERNING LAW. The Parties acknowledge that each Party was represented by counsel in the negotiation and execution of this Agreement. This Agreement was made and entered into in the County of Los Angeles and shall be governed by, interpreted, and enforced in accordance with the laws of the State of California. All litigation arising out of, or relating to this Agreement, shall be brought in a State or Federal court in the County of Los Angeles in the State of California. The Parties irrevocably agree to submit to

the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

25. ARBITRATION AND ATTORNEYS' FEES. If a dispute arises between the Parties which the Coordinating Committee or the Board of Directors is unable to resolve, the Parties may by mutual agreement submit the dispute to mediation or non-binding arbitration. With respect to any such dispute the Parties agree that each Party shall bear its own attorneys' fees and costs. Notwithstanding the foregoing, Purchaser and SCPPA recognize and agree that SCPPA's attorneys' fees associated with any matter relating to the Project or this Agreement, including any dispute relating thereto, shall constitute a Project cost which shall be allocated and billed as set forth in Sections 4 and 7 of this Agreement.

26. NOTICES. Any notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given, or made if delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

Southern California Public Power Authority
Attention: Executive Director
1160 Nicole Court
Glendora, California 91740

City of Glendale
Glendale Water & Power
Administration
Attn: General Manager,
Glendale Water & Power
141 N. Glendale Blvd., 4th
Floor
Glendale, CA 91206-4496

27. AMENDMENTS. The Parties acknowledge and agree that any amendment to this Agreement shall be in writing and duly executed by the Parties.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have duly caused this Agreement to be executed on their respective behalves by their duly authorized representatives.

SOUTHERN CALIFORNIA PUBLIC
POWER AUTHORITY

By: _____
TIKAN SINGH
Vice President

Attest:_____
DANIEL E GARCIA
Assistant Secretary

Approved as to legal form:

By:_____
CHRISTINE GODINEZ
General Counsel

CITY OF GLENDALE

By:_____
ROUBIK GOLANIAN
City Manager

Date:_____

Approved as to form:

By:_____
DORINE MARTIROSIAN
Principal Assistant City Attorney

APPENDIX A

DEFINITIONS

The following terms, whether in the singular or the plural, and initially capitalized, shall have the meanings specified below:

1. Acquiring Entity. "Acquiring Entity" shall have the meaning set forth in Section 18.3.

2. Acquisition. Acquisition shall entail the procurement of SCPPA's rights and obligations pursuant to the Power Purchase Agreement and applicable Project Agreements, any purchase of the Facility, including the purchase of rights and interests under any of the Power Purchase and Security Agreements, SCPPA financing arrangements for the foregoing, and all rights and entitlements associated with the acquisition, development and implementation of the Project, including those resources, contracts, rights, benefits, entitlements and arrangements as may be necessary, desirable or appropriate to the Project to further SCPPA's and the Project Participants' goals and those associated structures and services procured, retained or acquired by and on behalf of the Project Participants as part of the Project and which have been approved by the Coordinating Committee and, where applicable, the Board of Directors. Acquisition also includes the rights and interests under any consents to assignment and related agreements, and taking foreclosure action (or a deed in-lieu-of foreclosure) under and pursuant to any of the Power Purchase and Security Agreements, and, if and as applicable, associated financing, and all rights and entitlements of SCPPA under the Power Purchase and Security Agreements or other Project Agreements associated with the development and implementation of the Project.

3. Act. All of the provisions contained in the California Joint Exercise of Powers Act found in Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, beginning at California Government Code Section 6500 *et seq*., as amended from time to time.

4. Ancillary Documents. "Ancillary Documents" shall have the definition set forth in the Power Purchase Agreement.

5. Annual Budget. The budget approved by the Coordinating Committee and adopted by SCPPA pursuant to Section 5.4.1 of this Agreement not less than 30 days nor more than 60 days prior to the beginning of each Power Supply Year, including any amendments thereto, which shall show a detailed estimate of Power Costs under the Power Sales Agreements and all credits, charges, revenues, income, or other funds to be applied to such costs, for and applicable to such Power Supply Year.

6. Assignee. "Assignee" shall have the meaning set forth in Section 18.2.

7. Balancing Agent. "Balancing Agent" shall have the meaning set forth in Section 9.5.

8. Billing Statement. The written statement prepared or caused to be prepared each Month by, or on behalf of, SCPPA which shall be based upon certain of the information in the Annual Budget

and shall show for such Month the amount to be paid to SCPPA by a Project Participant in accordance with the provisions of Section 7 of its Power Sales Agreement.

9. Board of Directors. The Board of Directors of the Southern California Public Power Authority.

10. Bond Counsel. Nationally recognized legal counsel having background and experience in the issuance of municipal bonds, including the Federal Tax Law Requirements relating thereto, and selected by SCPPA to evaluate and advise regarding the Bonds with respect to specified cases, transactions and matters from time to time.

11. Bonds. The bonds, notes, bond anticipation notes, certificates of participation, commercial paper or other evidences of indebtedness issued or incurred by SCPPA and outstanding pursuant to the provisions of the Indenture to finance or refinance the Cost of Acquisition and any Capital Improvements and, where applicable, the purchase of the Facility or any part, portion or component thereof, including purchase of the rights and interests under any applicable Project Agreement. Bonds shall include but not be limited to the taxable and/or tax-exempt bonds, notes, bond anticipation notes, certificates of participation, commercial paper or other evidences of indebtedness issued or incurred by SCPPA to finance any purchase of the Facility, including purchase of the rights and interests under any applicable Project Agreement, or bonds, notes, certificates of participation, commercial paper or other evidences of indebtedness issued to redeem or refund such bonds, notes, certificates of participation, commercial paper or evidences of indebtedness, and any and all other obligations which SCPPA issues or incurs relating to the Project. Bonds shall also include any additional Bonds authorized by the Indenture or any supplement thereto and issued or incurred pursuant to the provisions of Section 13.2 of the Power Sales Agreements and any refunding of Bonds issued pursuant to the provisions of Sections 13.3 or 13.5 thereof. Bonds may constitute other categories of bonds eligible for certain tax benefits under the Internal Revenue Code, including but not limited to tax-exempt bonds, tax credit bonds, or direct payment bonds.

12. Capacity. The ability or potential to generate, produce or transfer electricity, expressed in kilowatts ("kW") or megawatts ("MW"), including, when feasible, ancillary, or regulating services or other valuable non-energy products or services from a generating facility.

13. Capacity Rights. "Capacity Rights" shall have the definition set forth in the Power Purchase Agreement.

14. Capital Improvements. Any unit of property, property right, land or land right which is a replacement, repair, addition, improvement, or betterment to the Project or any transmission facilities relating to, or for the benefit of, the Project, the betterment of land or land rights or the enlargement or betterment of any such unit of property constituting a part of the Project or related transmission facilities which is (i) consistent with Prudent Utility Practices and determined necessary and/or desirable by the Board of Directors or (ii) required by any governmental agency having jurisdiction over the Project.

15. Chairperson. "Chairperson" is defined in Section 6.2.1.

16. Commercial Operation. "Commercial Operation" shall have the definition set forth in the Power Purchase Agreement.

17. Compliance. Following a Payment Default, the Defaulting Project Participant shall be in compliance with its payment obligations under its Power Sales Agreement if it (i) no later than the last day of the Cure Period fully pays all amounts owed as reflected in any Default Invoice; (ii) pays any monthly Billing Statement which comes due during the Cure Period; and (iii) replenishes any reduction made to the applicable operating reserve account, Debt Service reserves or other Reserve Fund as a result of any Payment Default.

18. Consent and Agreement. "Consent and Agreement" shall have the definition set forth in the Power Purchase Agreement.

19. Coordinating Committee. The Coordinating Committee established in accordance with Section 6 of this Agreement.

20. Cost of Acquisition. "Cost of Acquisition" is defined in Section 4.3.

21. Cure Period. That period of time beginning on the date of a Payment Default and concluding thirty (30) days thereafter.

22. Cured Payment Default. A Payment Default which has been cured in accordance with Section 15.3 of this Agreement. If at any time during the Cure Period the Defaulting Purchaser is in Compliance, then the requirements of a Cured Payment Default shall be deemed to have been satisfied as of the date of receipt of such payments by SCPPA and the Cure Period shall expire.

23. Daily Delay Damages. "Daily Delay Damages" shall have the definition set forth in the Power Purchase Agreement.

24. Debt Service. The debt service payable with respect to the Indenture pertaining to any category of Bonds, any Bonds issued pursuant to Section 13 of this Agreement, or other applicable series of Bonds, as determined by the context; provided that in the case of any Bonds, Debt Service may, to the extent provided in the Indenture, be reduced by the amount of any applicable cash grant or rebate payable by the Federal Government to SCPPA (or to the trustee under the Indenture) with respect to interest on such Bonds. Debt Service shall also include any payments required to be deposited into the Debt Service Fund under the Indenture to pay, for example, amounts due under any interest rate swap agreements or other derivative agreements.

25. Debt Service Fund. The Debt Service Fund or account, or similar fund or account, established by the Indenture to pay Debt Service. The Debt Service Fund shall not include the Debt Service Reserve Fund(s) under the Indenture.

26. Deemed Delivered Energy. "Deemed Delivered Energy" shall have the definition set forth in the Power Purchase Agreement.

27. Default. "Default" shall have the definition set forth in the Power Purchase Agreement.

28. Default Invoice. An invoice during the Payment Default Period and the Cure Period issued to the Defaulting Project Participant pursuant to Section 15 of this Agreement that identifies the total defaulted amount owed, including late payment interest, to achieve a Cured Payment Default. During the Cure Period, the Default Invoice shall also include the amount that must be paid to achieve Compliance.

29. Defaulting Project Participant. A Project Participant that causes a Payment Default which has not been remedied and where the Defaulting Project Participant has not effected a Cured Payment Default.

30. Delivery Term of the Power Purchase Agreement. The time period for the delivery of Energy pursuant to the Power Purchase Agreement as set forth therein.

31. Development Security. "Development Security" shall have the definition set forth in the Power Purchase Agreement.

32. Development Work. All work and activities in connection with the development of the Project, including, without limitation, all planning, designing, acquiring (by purchase or otherwise), mitigating impacts, constructing, installing, investigating, cost monitoring and control activities, negotiating and administering contracts, purchasing, environmental monitoring, scheduling, protecting, erecting, supervising, expediting inspecting, testing and training activities, recruitment and training of technical, operational and administrative personnel, insuring, accounting, budgeting, public information services and activities, services of consultants and legal counsel, preparing of manuals and reports, and activities relating to securing requisite actions, permits, licenses, approvals, and certificates from governmental agencies and authorities.

33. Direct Reimbursable Costs. "Direct Reimbursable Costs" shall include Operating Insurance premiums and Taxes.

34. Dynamic Scheduling. "Dynamic Scheduling" shall mean the automated scheduling of Energy from the Point of Delivery to a Project Participant's control area or electric system, provided that such dynamic schedules adjust at four-second intervals, or other intervals as specified by WECC, to match the amount of Energy actually delivered to the Point of Delivery with respect to such Project Participant.

35. Energy. "Energy" shall include both Energy and any Replacement Energy, as those terms are defined in the Power Purchase Agreement.

36. Entitlement Share. The percentage entitlement of each Project Participant to the Project and Facility Products in any Power Supply Year, as set forth in Appendix B of each of the Power Sales Agreements (entitled "Schedule of Project Participants Entitlement Shares and Project Cost Shares") attributable to each such Project Participant, as amended from time to time so long as such amendments are in compliance with the Power Sales Agreements and any applicable provisions of the Indenture. Revisions to Appendix B pursuant to Section 15 herein shall be considered an element of the administration of this Power Sales Agreement and shall not require the consent of the Parties hereto.

37. Environmental Attributes. "Environmental Attributes" shall have the definition set forth in the Power Purchase Agreement.

38. Excess Energy. "Excess Energy" shall have the definition set forth in the Power Purchase Agreement.

39. Facility. "Facility" means all of the facilities and real and personal properties and resources and rights and interests, all as described or defined as the Facility in the Power Purchase Agreement and all of the Acquisitions, related assets and accompanying rights and obligations associated therewith and all rights, interests and obligations associated with such facilities, including the rights interests and obligations under the Ancillary Documents and shall also include all Capital Improvements.

40. Facility Products. All solar energy output, rights, and other tangible or intangible benefits derived from the Facility whatsoever, including without limitation all Energy (including Replacement Energy as defined in the Power Purchase Agreement), Capacity Rights and Environmental Attributes whether received by SCPPA under or pursuant to the Power Purchase Agreement or other applicable Project Agreement or derived from the Facility by SCPPA as owner following SCPPA's purchase of the Facility.

41. Federal Tax Law Requirements. "Federal Tax Law Requirements" shall mean, with respect to the issuer of Bonds, any and all requirements and limitations to which any specified type or category of Bonds are subject under the Internal Revenue Code or related Treasury regulations in order that such specified Bonds initially qualify and maintain qualification as that type or category of Bonds.

42. Financing Agreement. "Financing Agreement" shall have the definition set forth in the Power Purchase Agreement.

43. Fiscal Year. The twelve-month period commencing at 12:01 a.m. on July 1 of each year and ending at 12:01 a.m. on the following July 1, or such other time frame as determined by the Coordinating Committee or Board of Directors.

44. Force Majeure. "Force Majeure" shall have the definition set forth in the Power Purchase Agreement.

45. Fund or Funds. Any fund or account created under the Indenture.

46. Glendale. The City of Glendale, a California municipality.

47. Guaranteed Commercial Operation Date. "Guaranteed Commercial Operation Date" shall have the definition set forth in the Power Purchase Agreement.

48. Guaranteed Delivered Energy. "Guaranteed Delivered Energy" shall have the definition set forth in the Power Purchase Agreement.

49. Indenture. The indenture of trust, trust agreement, credit or loan agreement and other similar agreements with respect to the Bonds, between SCPPA and a Project Trustee or Lender, as

from time to time amended and supplemented in conformity with its provisions and of this Agreement. Under such agreements, SCPPA may enter into, or authorize the entering into of, interest rate swap agreements, other derivative agreements, and such other agreements as are authorized or permitted under such agreements. Indenture shall include, but not be limited to, any and all indentures in connection with any bridge loans, bond anticipation notes or other notes, or draw down bonds or with respect to any other type of bonds, and the indentures of trust, trust agreements or other similar agreements entered into between SCPPA and the Project Trustee or Lender to effect the redemption or refunding of any bridge loans, bond anticipation notes or other notes, draw down bonds or other bonds, as from time to time amended and supplemented in conformity with their provisions and the provisions of this Agreement.

50. Indenture cost component. "Indenture cost component" is defined in Section 4.4.4.

51. Initial Payment Default Date. The earlier of (i) the end of the fifth day following the first Payment Default for that no remedy in payment has occurred and been received by SCPPA, or (ii) the last day of the Month in which the first Payment Default has occurred for which no remedy in payment has occurred and been received by SCPPA.

52. Interconnection Agreements. "Interconnection Agreements" shall have the meaning set forth in the Power Purchase Agreement.

53. Internal Revenue Code. The Internal Revenue Code of 1986, as amended.

54. Joint Powers Agreement. The "Southern California Public Power Authority Joint Powers Agreement" dated as of November 1, 1980, as amended and modified from time to time, entered into pursuant to the provisions of the Act, among SCPPA and its members.

55. Key Milestones. "Key Milestones" shall have the meaning set forth in the Power Purchase Agreement.

56. LADWP. The City of Los Angeles acting by and through the Department of Water and Power.

57. Losses. "Losses" shall have the meaning set forth in Section 17.7.

58. Major Contracts. The Project Agreements and, to the extent not finalized or effective on the Effective Date of this Agreement, any other contract or agreement so identified by the Coordinating Committee or the Board of Directors, as such contracts or agreements may be amended or supplemented from time to time.

59. Month. A calendar month.

60. Monthly Costs. "Monthly Costs" is defined in Section 7.1.

61. Moody's. "Moody's" shall mean Moody's Investor Services, Inc.

62. Notch Peak Project Agency Agreement. "Notch Peak Project Agency Agreement" shall have the definition set forth in this Appendix A under the definition of "Project Manager."

63. Notch Peak Project, LLC. "Notch Peak Project, LLC" means the limited liability company so named and that is organized and existing under the laws of the State of Delaware, or its successor or successors.

64. Operating Budget. The operating budget approved by the Board of Directors which shall show a detailed estimate of all Project operating costs, including all revenues, income, or other funds to be applied to such operating costs for and applicable to a Power Supply Year.

65. Operating cost component. "Operating cost component" is defined in Section 4.4.1.

66. Operating Insurance. "Operating Insurance" shall have the meaning set forth in the Power Purchase Agreement.

67. Operating Reserve Depletion Date. The date that is two Months prior to the date on which SCPPA anticipates, assuming continued Payment Defaults by one or more Defaulting Project Participants, that the moneys in the operating reserve account of the Indenture will be fully depleted; provided, however, if as of the date on which a Payment Default occurs SCPPA determines that the moneys in the operating reserve account will be fully depleted in less than two Months (or currently are fully depleted), then the Operating Reserve Depletion Date shall be deemed to have occurred when such a Payment Default occurs.

68. Operating Work. All work and activities in connection with the administration, operation and maintenance of the Project, including without limitation, negotiating and administering contracts, planning, mitigating impacts, purchasing, repairing, inspecting, maintaining, investigating and monitoring all aspects of the Project, performing modeling functions, economic analysis, quality control, testing and evaluating, recruitment and training of operating entities and personnel, electric energy and environmental attribute procurement, regulatory efforts, tagging, interconnecting, transmission, storing, dispatching, firming, balancing, exchanging and scheduling activities, the scheduling, facilitation, receipt, supervising, expediting, budgeting, insuring, accounting, tracking, registering, protecting, operating and managing activities, public information services and services of consultants, operators, engineers, contactors and legal counsel, renewals, replacements, reconstruction, and improvements, and activities related to securing requisite permits, franchises, licenses, approvals, entitlements, credits, and certificates from governmental agencies and authorities.

69. Option Agreement. "Option Agreement" shall have the definition set forth in the Power Purchase Agreement.

70. Payment Default. A failure by a Project Participant to pay when due all of its Billing Statement for any Month.

71. Payment Default Period. That period of time during which a Payment Default exists.

72. Performance Security. "Performance Security" shall have the definition set forth in the Power Purchase Agreement.

73. Permit. "Permit" shall have the definition set forth in the Power Purchase Agreement.

74. Person. "Person" means any individual, corporation, partnership, joint venture, limited liability company, association, joint stock company, trust, unincorporated organization, entity, government or other political subdivision.

75. Point of Delivery. The point at which Energy is to be delivered to the Project Participants pursuant to the Power Purchase Agreement or any other agreement with the Power Purchase Provider or, if SCPPA shall purchase or acquire the Facility, the same point of delivery of the Energy or such other point of delivery as authorized and determined by the Coordinating Committee or the Board of Directors.

76. Power Costs. "Power Costs" has the meaning described in Section 4.4.

77. Power Purchase Agreement. The Power Purchase Agreement between Southern California Public Power Authority and Notch Peak Project, LLC, dated as of April 16, 2026, attached hereto as Appendix E, as the same may be amended from time to time.

78. Power Purchase and Security Agreements. The Power Purchase Agreement, the Option Agreement, the Ancillary Documents, the Consent and Agreement, the Financing Agreement, and all other agreements associated with the Facility, and any other consent to assignment or other agreement with any financial institution or Person relating to the Project or any loan or other credit agreement associated with the Facility, or any other agreement under which SCPPA might acquire or otherwise purchase or obtain the Facility or related resources and assets or the Facility Products or carry forth any Acquisition all as and to the extent applicable to any particular Project matter or matters. The Power Purchase and Security Agreements shall also include any instrument or form of security which affords any opportunity for the purchase of the Facility or Acquisition, whether through foreclosure or otherwise, including any deed or deed of trust, mortgage, lease, assignment, beneficial interest, collateral instrument or other device or mechanism providing for the ability to acquire the Facility.

79. Power Purchase and Security Agreements cost component. "Power Purchase and Security Agreements cost component" is defined in Section 4.4.5.

80. Power Purchase Provider. Notch Peak Project, LLC, as the counterparty to SCPPA under the Power Purchase Agreement, and any other entity named under any applicable operating agreement to operate or otherwise run or manage the Facility along with each of their successors, or any successors or assigns to the rights of these entities.

81. Power Sales Agreements. This Agreement and that certain Power Sales Agreement, dated for convenience as of April 16, 2026, by and between SCPPA and LADWP, as the same may hereafter be amended from time to time, entered into for, among other things, the acquisition of the Entitlement Shares.

82. Power Supply Year. The Fiscal Year, except that the first Power Supply Year shall begin on

the first to occur of (i) the date SCPPA is obligated to pay any portion of the costs of the Project, (ii) the date upon which SCPPA first incurs or accrues costs associated with the issuance of the Bonds, (iii) 90 days before the scheduled date for issuance of the Bonds, (iv) the date of Commercial Operation of the Facility, or (v) the date of the first delivery of Energy to Purchaser pursuant to this Agreement. Further, the first Power Supply Year shall end on the last day of the then current Fiscal Year.

83. Project or Notch Peak Project. The term "Project" or "Notch Peak Project" shall be broadly construed to entail the aggregate of rights, liabilities, interests and obligations of SCPPA pursuant to the Power Purchase Agreement, the Power Purchase and Security Agreements and the other Project Agreements, including but not limited to all rights, liabilities, interests and obligations associated with the Facility Products, or, upon purchase or acquisition by SCPPA, all rights, liabilities, interests and obligations associated with the Facility, and including all aspects of the operation and administration of the Facility and the Project Agreements and the rights, liabilities, interests and obligations associated therewith. The term Project shall also include those rights, liabilities, interests, or obligations necessary or appropriate to carry out the functions specified in Section 6 and to utilize or deliver the energy of the Facility as specified in Section 9.

84. Project Agreements. Any project management agreement, the Indenture, the Power Sales Agreements, each of the Power Purchase and Security Agreements, Real Property Agreements (as defined in the Power Purchase Agreement), the Interconnection Contracts, the Ancillary Documents, the Notch Peak Project Agency Agreement or any other agreement of SCPPA with the Project Manager, other contracts and leases, easements, rights of way and other real property arrangements or agreements associated with the Facility, if any, any other Acquisition agreement or agreement for the purchase, procurement, delivery or transmission of Facility Products, including all agreements connected or associated with any purchase of the Facility or passing to SCPPA in connection with any purchase of the Facility, and including the rights and interests under the Financing Agreement or any other consents to assignments or agreements for assignment, any operating agreements, any maintenance agreements, any warranty agreements, any participation agreements, any agreements for scheduling, dispatching, exchanging, tagging, movement or transmission, any agreements relating to any Capital Improvements and the agreements to which SCPPA is a party relating to the project design, development, administration, management or operation of the Facility and for placing of the Facility into operation or maintaining its operation.

85. Project Cost Share. For any Power Supply Year and as to any particular Project Participant, the share (expressed as a percentage) set forth in Appendix B of this Agreement (entitled "Schedule of Project Participants Entitlement Shares and Project Cost Shares") attributable to such Project Participant with respect to costs, other than financing and refinancing related costs, associated with the Project, as amended from time to time so long as such amendments are in compliance with both of the Power Sales Agreements and any applicable provisions of the Indenture. Revisions to Appendix B pursuant to Section 15 herein shall be considered an element of the administration of this Agreement and shall not require the consent of the Parties hereto.

86. Project Determination. "Project Determination" means any matter involving a question pertinent to the studying, investigating, planning, financing, developing, acquiring, constructing, reconstructing, operating, maintaining, administering, managing, improving, enlarging, or bettering of the Project.

87. Project Manager. LADWP, in its capacity as agent for and on behalf of SCPPA under the Notch Peak Project Agency Agreement, dated as of April 16, 2026, between LADWP and SCPPA (the "Notch Peak Project Agency Agreement" or "Agency Agreement") or if the Notch Peak Project Agency Agreement shall no longer be in force and effect, SCPPA or a designee or designees appointed by SCPPA to assist SCPPA to carry out SCPPA's responsibilities under the Power Sales Agreements.

88. Project Manager Indemnitees. "Project Manager Indemnitees" shall have the meaning set forth in Section 17.8.

89. Project Participants. Those entities executing Power Sales Agreements with SCPPA, together in each case with each entity's successors or assigns, identified as "Project Participants" in Appendix B of the Power Sales Agreements (entitled "Schedule of Project Participants Entitlement Shares and Project Cost Shares").

90. Project Purchase Option. "Project Purchase Option" shall have the definition set forth in Power Purchase Agreement.

91. Project Rights. All rights and privileges of a Project Participant under its Power Sales Agreement, including but not limited to its Entitlement Share, its right to receive Facility Products from the Facility, and its right to vote on Coordinating Committee matters.

92. Project Rights and Obligations. Purchaser's Project Rights and obligations under the terms of this Agreement.

93. Project Trustee or Lender. Any bank or other financial firm or institution at any time serving as trustee under the Indenture or any bank or financial firm party to the Indenture as a lender or as agent for a lender or lenders thereunder.

94. Prudent Utility Practices. "Prudent Utility Practices" shall have the meaning provided in the Power Purchase Agreement.

95. Pseudo-Tie. "Pseudo Tie" shall mean the definition of "Pseudo-Tie" approved by the Federal Energy Regulatory Commission and set forth in the publication entitled: "Glossary of Terms used in NERC Reliability Standards", as may be amended from time to time.

96. Purchaser Indemnitees. "Purchaser Indemnitees" shall have the meaning set forth in Section 17.7.

97. Released Parties. "Released Parties" shall have the meaning set forth in Section 17.2.

98. Replacement Energy. "Replacement Energy" shall have the definition set forth in the Power Purchase Agreement.

99. Reserve Fund cost component. "Reserve Fund cost component" is defined in Section 4.4.3.

100. Reserve Fund(s). Those reserve accounts deemed appropriate to afford a reliable source of funds for the payment obligations of the Project and, taking into account the variability of costs

associated with the Project for the purpose of providing a reliable payment mechanism to address the ongoing costs associated with the Project.

101. RPS Compliance Shortfall Energy. "RPS Compliance Shortfall Energy" shall have the definition set forth in the Power Purchase Agreement.

102. S&P. "S&P" shall mean Standard & Poor's Financial Services LLC.

103. Shortfall Liquidated Damages. "Shortfall Liquidated Damages" shall have the definition set forth in the Power Purchase Agreement

104. Startup and Test Energy. "Startup and Test Energy" shall have the definition set forth in the Power Purchase Agreement.

105. Step-Up Invoice. An invoice sent to a Project Participant that is not a Defaulting Project Participant as a result of one or more Payment Defaults, which invoice shall separately identify any amount owed with respect to the monthly Billing Statement of the Defaulting Project Participant for, as the case may be, pursuant to Sections 15.9.1 or 15.9.2 hereof, either the Indenture cost component of the Defaulting Project Participant's unpaid monthly Billing Statement or the total Monthly Costs reflected in the Defaulting Project Participant's unpaid monthly Billing Statement.

106. Supplementary Services. Those services in connection with the delivery of Energy involving additional transmission, interconnection arrangements, energy management, firming, shaping, energy balancing, dispatching, tagging, scheduling, transmitting, interconnecting, swapping, exchanging, or other services associated with the transmission, use, or disposition of Facility Products to be utilized by the Project Participants under the Power Sales Agreements, and to otherwise provide for delivery and facilitate the disposition, movement, taking, receiving, accounting for, transferring, and crediting the ownership and transfer of Facility Products from the Point of Delivery to any other points or destinations, as determined by the Project Participants. Supplementary Services include but are not limited to delivery point swaps, stranded energy/transmission curtailments, tiepoint liquidity improvement, transmission loss savings, tiepoint price spread optimization, on-peak/off-peak exchanges, peak shifting exchanges, seasonal exchanges, and both simultaneous or non-simultaneous green energy exchanges.

107. Supplementary Services cost component. "Supplementary Services cost component" is defined in Section 4.4.2.

108. Tax Counsel. Nationally recognized legal counsel having background and experience in tax-exempt financing and selected by SCPPA to evaluate and advise regarding the Federal Tax Law Requirements with respect to specified cases, transactions and matters from time to time.

109. Taxes. "Taxes" shall have the meaning set forth in the Power Purchase Agreement.

110. Transmission System. "Transmission System" shall have the meaning set forth in the Power Purchase Agreement.

111. Uncontrollable Forces. Any Force Majeure event and any cause beyond the control of any Party, which by the exercise of due diligence such Party is unable to prevent or overcome, including but not limited to, failure or refusal of any other Person to comply with then existing contracts, an act of God, fire, flood, explosion, earthquake, strike, sabotage, pestilence, an act of the public enemy (including terrorism), civil or military authority including court orders, injunctions and orders of governmental agencies with proper jurisdiction or the failure of such agencies to act, insurrection or riot, an act of the elements, failure of equipment, a failure of any governmental entity to issue a requested order, license, or permit, inability of any Party or any Person engaged in work on the Project to obtain or ship materials or equipment because of the effect of similar causes on suppliers or carriers, or inability of SCPPA to sell or issue its Bonds. Notwithstanding the foregoing, Uncontrollable Forces as defined herein shall also include events of Force Majeure pursuant to the Power Purchase Agreement, as defined therein.

112. WECC. The Western Electricity Coordinating Council, or its successor.

APPENDIX B

SCHEDULE OF PROJECT PARTICIPANT ENTITLEMENT SHARES AND PROJECT COST SHARES

Project Participants	**Capacity (MW)**	**Entitlement Shares**	**Project Cost Shares**
Glendale	25	7.72%	7.72%
LADWP	299	92.28%	92.28%
Total	324	100%	100%

APPENDIX C

OPINION OF COUNSEL TO PURCHASER

[Date]

Southern California Public Power Authority
c/o Executive Director
1160 Nicole Court
Glendora, California 91740

[Underwriters for the Bonds]

[Bond Insurer or credit enhancement entity]

Ladies and Gentlemen:

We have acted as counsel to the City of Glendale, as Purchaser (the "Purchaser") under the Notch Peak Project Power Sales Agreement, dated for convenience as of April 16, 2026 (the "Power Sales Agreement"), between Purchaser and Southern California Public Power Authority ("SCPPA").

We have examined originals or copies of those records and documents we considered appropriate for purposes of this opinion. As to relevant factual matters, we have relied upon, among other things, Purchaser's factual representations.

We have assumed the genuineness of all signatures (other than the signatures of persons signing the Power Sales Agreement on behalf of Purchaser), the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies. To the extent Purchaser's obligations depend on the enforceability of the Power Sales Agreement against SCPPA, we have assumed that the Power Sales Agreement is enforceable against SCPPA.

From such examination, on the basis of our reliance upon the assumptions in this opinion and our consideration of those questions of law we considered relevant, and subject to the limitations and qualifications in this opinion, we are of the opinion that:

1. Purchaser is a municipal corporation organized and existing under the laws of the State of California and authorized under the Glendale City Charter to furnish retail electricity within its service area.

2. Purchaser is empowered under the Glendale City Charter to enter into the Power Sales Agreement and to perform its obligations thereunder.

3. The Power Sales Agreement has been duly authorized, executed and delivered by Purchaser and, assuming due authorization, execution and delivery by SCPPA of such Power Sales Agreement, constitutes the legal, valid and binding obligation of Purchaser enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and

other similar laws affecting creditors' rights generally and to general principles of equity, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against municipal corporations in the State of California.

Our opinion in paragraph 3 as to enforceability is subject to the unenforceability of provisions waiving a right to jury trial. Also, a court may refuse to enforce a provision of the Power Sales Agreement if it deems that such provision is in violation of public policy.

We express no opinion with respect to your ability to collect attorneys' fees and costs in an action if you are not the prevailing party in that action (we call your attention to the effect of Section 1717 of the California Civil Code, which provides that where a contract permits one party thereto to recover attorneys' fees, the prevailing party in any action to enforce any provision of the contract shall be entitled to recover its reasonable attorneys' fees).

We express no opinion as to any provision requiring written amendments or waivers insofar as it suggests that oral or other modifications, amendments or waivers could not be effectively agreed upon by the parties or that the doctrine of promissory estoppel might not apply.

It is our opinion that no person, other than SCPPA, has setoff rights against payments due from Purchaser. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, severability or waiver provisions contained in the Power Sales Agreement.

We express no opinion as to any agreement or document referred to in the Power Sales Agreement or incorporated into the Power Sales Agreement by reference, or any agreement other than the Power Sales Agreement itself, or the effect of any such agreement or document on the opinions herein stated.

The opinions expressed are matters of professional judgment and are not a guarantee of result. The law covered by this opinion is limited to the present law of the State of California. We express no opinion as to the laws of any other jurisdiction.

This opinion may be relied upon only by the addressees hereto in connection with the issuance of the Bonds (as described in the Power Sales Agreement). It may not be used or relied upon for any other purpose or by any other person, nor may copies be delivered to any other person, without in each instance our prior written consent, except that this opinion may be included in the closing binder memorializing the Power Sales Agreement.

This opinion is expressly limited to the matters set forth above, and we render no opinion, whether by implication or otherwise, as to any other matters. This letter speaks only as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that arise after the date of this opinion and come to our attention, or any future changes in laws.

Very truly yours,

APPENDIX D

OPINION OF COUNSEL TO SCPPA

[Date]

[Purchaser]

[Underwriters of the Bonds]

[Bond Insurer or credit enhancement entity]

Ladies and Gentlemen:

I am acting as counsel to the Southern California Public Power Authority ("SCPPA") under the Notch Peak Project Power Sales Agreement, dated for convenience as of April 16, 2026, between the City of Glendale and SCPPA (the "Power Sales Agreement"), and I have acted as counsel to SCPPA in connection with the matters referred to herein. As such counsel, I have examined and am familiar with (i) those documents relating to the existence, organization and operation of SCPPA, (ii) all necessary documentation of SCPPA relating to the authorization, execution and delivery of the Power Sales Agreement, and (iii) the Power Sales Agreement.

Capitalized terms used herein not otherwise defined shall have the respective meanings ascribed thereto in the Power Sales Agreement.

I am of the opinion that:

1. SCPPA is a joint powers authority duly organized and validly existing under the Act, as amended, and the Joint Powers Agreement dated as of November 1, 1980, among SCPPA's members, as amended, and has full legal right, power and authority to execute and deliver, and to perform its obligations under, the Power Sales Agreement.

2. The Power Sales Agreement has been duly authorized, executed, and delivered by SCPPA, and, assuming due authorization, execution and delivery by the parties thereto, other than SCPPA, the Power Sales Agreement constitutes the legal, valid and binding obligation of SCPPA, enforceable against SCPPA in accordance with its terms.

3. To the best of my knowledge, SCPPA is not in material breach of or default under, and the authorization, execution and delivery of the Power Sales Agreement and compliance with the provisions thereof will not conflict with or constitute a breach of, or default under: (i) any instrument relating to the organization existence or operation of SCPPA; (ii) any loan agreement, lease agreement, indenture, bond, note, resolution, commitment, agreement or other instrument to which SCPPA is a party or by which it or its property or assets is bound or affected, and no event has occurred and is occurring which with the passage of time or the giving of notice, or both, would constitute a material default or event of default under any such instrument, which breach or default would have a material adverse impact on the Power Sales Agreement or the ability of SCPPA to comply with its obligations under the Power Sales

Agreement; or (iii) any applicable constitutional provision, law, ruling, administrative regulation, ordinance, judgment, order or decree to which SCPPA (or any of its officers in their respective capacities as such) is subject.

4. To the best of my knowledge, as of the date hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best of my knowledge, threatened against or affecting SCPPA or any of its officers in their respective capacities as such (nor to the best of my knowledge is there any basis therefor), which questions the right, power or authority of SCPPA referred to in paragraph 2 above or the validity of the proceedings taken by SCPPA in connection with the authorization, execution or delivery of the Power Sales Agreement, or wherein any unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Power Sales Agreement, or which, in any way, would adversely affect the validity or enforceability of the Power Sales Agreement or the ability of SCPPA to comply with its obligations thereunder.

Insofar as the foregoing opinions relate to the legal, valid and binding effect, and the enforceability, of any instrument, such opinions are subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and are subject, as to enforceability, to judicial discretion and to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law). Also, a court may refuse to enforce a provision if it deems that such provision is in violation of public policy.

The opinions expressed herein are based upon the law and other matters in effect on the date hereof. The opinions expressed are matters of professional judgment and are not a guarantee of result. I assume no obligation to revise or supplement this opinion should such law or other matters be changed by legislative action, judicial decision, or otherwise, or should any facts or other matters upon which I have relied change.

The opinions which are set forth or which are expressed herein are limited to the laws of the State of California.

This opinion is furnished exclusively for the benefit of the recipients to which it is addressed. This opinion may not be provided to, made available to, or relied upon by, any other party without prior written consent, except that this opinion may be included in the closing binder memorializing the transaction.

Very truly yours,

General Counsel
Southern California Public Power Authority

APPENDIX E

POWER PURCHASE AGREEMENT

BY AND BETWEEN

NOTCH PEAK PROJECT, LLC

AND

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

DATED AS OF APRIL 16, 2026

(LADWP BP 26-012)

NOTCH PEAK PROJECT

AGENCY AGREEMENT

BETWEEN

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

AND

THE CITY OF LOS ANGELES ACTING BY AND THROUGH

THE DEPARTMENT OF WATER AND POWER

Dated as of April 16, 2026

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APPENDICES

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NOTCH PEAK PROJECT

AGENCY AGREEMENT

1. PARTIES. This Notch Peak Project Agency Agreement, dated for convenience as of this 16th day of April, 2026, by and between the SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY, a joint powers agency and a public entity organized under the laws of the State of California, hereinafter designated as "SCPPA," or "the Authority" created under the provisions of the Act, and the CITY OF LOS ANGELES acting by and through the DEPARTMENT OF WATER AND POWER, a California municipal utility created by and existing pursuant to the Charter of the City of Los Angeles. The CITY OF LOS ANGELES acting by and through the DEPARTMENT OF WATER AND POWER is also periodically referred to in this Agency Agreement as "LADWP" or as "Agent". LADWP and SCPPA are also sometimes referred to herein, with respect to this Agency Agreement, individually as the "Party" and together as the "Parties". In addition, LADWP and the City of Glendale ("Glendale"), as the members of SCPPA participating in the Project, may be referred to collectively in this Agency Agreement as "Project Participants".

2. RECITALS, CONSTRUCTION AND PRELIMINARY MATTERS. The Recitals set forth herein and the facts which follow are incorporated into this Agency Agreement by reference for all purposes. This Agency Agreement has been reviewed by attorneys for both Parties and shall not be interpreted with reference to the rules of construction providing for construction against a Party responsible for drafting or creating a particular provision or section, but should instead be interpreted in a manner which broadly carries forth the goals and objectives of the Parties as expressed herein. References to "Sections" or "Appendix" shall be to Sections or the Appendix of this Agency Agreement unless otherwise specifically provided. Section headings in this Agency Agreement are included herein for convenience of reference only and shall not constitute a part of this Agency Agreement for any other purpose or be given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word "include" or "including", when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term, or matter. This Agency Agreement is made with reference to the following facts among others:

2.1 SCPPA was created pursuant to provisions contained in the Joint Exercise of Powers Act found in Chapter 5 of Division 7 of Title 1 of the Government Code of California, as amended from time to time (the "Act"), by its members, which are municipalities and an irrigation district that supply, among other things, electrical energy, in the State of California, for the purpose of jointly and cooperatively undertaking the planning, financing, development, acquisition, construction, improvement, betterment, operation, and maintenance, of projects for the generation or transmission of electric energy, including the development and implementation of systems and frameworks for the acquisition and delivery of secure, long term, reliable supplies of renewable electric energy.

2.2 LADWP is a California municipal utility, created and existing pursuant to the Los Angeles City Charter, which provides electric energy to its citizens through its municipally owned electric system. LADWP is one of the parties to the SCPPA Joint Powers Agreement and is one of the eleven founding member municipalities which formed SCPPA. Since the initial creation of SCPPA pursuant to the Joint Powers Agreement, LADWP has acted, in part, through SCPPA's Board of Directors to carry out generation, transmission, and other projects through SCPPA.

2.3 To carry forth the objectives of the Parties to this Agency Agreement, SCPPA (i) is entering into the Power Purchase Agreement with Notch Peak Project, LLC, an affiliate of Longroad Energy Holdings, LLC, and (ii) in addition, will enter into other Power Purchase and Security Agreements which, along with other applicable provisions of the Power Purchase Agreement, will potentially provide SCPPA with certain purchase rights and obligations with respect to the Project and certain related facilities and property, all as shall inure to SCPPA for and on behalf of LADWP and Glendale, as the respective Project Participants, including all of the rights, benefits, and entitlements and all of the duties, obligations, and liabilities under the Power Purchase and Security Agreements accruing through SCPPA, including the receipt of Facility Products under and pursuant to the terms of the Power Purchase Agreement and the Power Sales Agreements.

2.4 SCPPA is entering into the Power Sales Agreements with each of LADWP and Glendale under which SCPPA will sell to LADWP and Glendale, as the respective Project Participants thereunder, and LADWP and Glendale will purchase from SCPPA, the Facility Products.

2.5 The Power Sales Agreements provide for the designation of a Project Manager to administer the Project on behalf of SCPPA.

2.6 It is the purpose of this Agency Agreement to carry forth the intent of the Power Sales Agreements of all of the Project Participants, to designate and appoint LADWP as Project Manager of the Project, and to repose in LADWP, through this Agency Agreement, the power, authority, and responsibility to act as the Agent (including as Project Manager) for and on behalf of SCPPA in the management and administration of the Project.

3. AGREEMENT. For and in consideration of the premises and the mutual covenants and agreements hereinafter set forth, and in order to carry forth the objectives of the Power Sales Agreements and to appoint LADWP as Agent (including as Project Manager) of the Project, the Parties agree as herein set forth.

4. DEFINITIONS. Appendix A of the Power Sales Agreement, dated as of the date hereof, by and between SCPPA and LADWP (the "Power Sales Agreement") (a copy of which for the convenience of the Parties is set forth in Appendix A of this Agency Agreement), sets forth, where applicable, the defined terms of this Agency Agreement between SCPPA and LADWP. The definitions in said Appendix A shall be applicable to this Agency Agreement. All terms which are not specifically defined in this Section 4, when initially capitalized, shall have the respective meanings ascribed to such terms in Appendix A of the Power Sales Agreement. The definitions in Appendix A shall be equally applicable to the Power Sales Agreement and this Agency Agreement. The terms defined in said

Appendix A and in this Section 4, whether in the singular or plural, unless specifically provided otherwise, when used herein or in Appendix A hereto and initially capitalized, shall have the meaning ascribed thereto in said Appendix A or as set out below:

4.1 Agency Agreement. This Notch Peak Project Agency Agreement, as it may be amended, modified, or supplemented from time to time.

4.2 Agency Costs. The costs, as set forth in Section 8 hereof, of carrying out Agency Work.

4.3 Agency Work. The activities to be performed by the Agent, including in its capacity as Project Manager, pursuant to Section 7 of this Agency Agreement.

4.4 Agent. The City of Los Angeles acting by and through the Department of Water and Power, as agent for SCPPA, including in its capacity as Project Manager, which shall be responsible, in accordance with the terms of this Agency Agreement, for carrying out the Agency Work on behalf of SCPPA.

4.5 Effective Date. The date described in Section 18.1 hereof.

5. APPOINTMENT OF AGENT.

5.1 Appointment of Agent. In accordance with the terms and conditions of this Agency Agreement, SCPPA hereby appoints, designates, authorizes, and directs LADWP to carry out, as agent for and on behalf of SCPPA, Agency Work in accordance with the terms of this Agency Agreement. LADWP hereby accepts such appointment, designation, authorization, and direction. Agent shall act as Project Manager for the Project. Unless this Agency Agreement is otherwise terminated pursuant to Section 18.2 of this Agency Agreement, LADWP shall serve as Agent, including in its capacity as Project Manager, for the duration of the Power Sales Agreement. Except as provided in Section 18.2 hereof, Agent shall not have the right to resign and may not be removed as Agent for the Project during the time which the Power Sales Agreement is in effect.

5.2 Agent's Performance of Agency Work in Accordance with Applicable Laws, Rules and Regulations. In carrying forth its Agency Work pursuant to the terms of this Agency Agreement, Agent shall, in all material respects, observe all applicable laws, rules, and regulations.

5.3 Other Agents. The Authority shall at all times have the right to appoint another agent or agents to perform, apart from and concurrent with this Agency Agreement, activities relative to the Project.

5.4 Procurement. So long as LADWP is not in default under the Power Sales Agreement, the Agent will use LADWP's procurement rules and policies unless other rules or policies are determined by the Agent to be in the best interests of the Project.

5.5 Compliance with the Federal Tax Law Requirements. Notwithstanding anything to the contrary in this Agency Agreement, each of SCPPA and LADWP shall take such actions in the administration of the Project and the performance of this Agency Agreement as may be necessary, if applicable, to comply with the Federal Tax Law Requirements on any Bonds, and each shall refrain from taking any action that would adversely affect compliance with

the Federal Tax Law Requirements.

6. RIGHTS, DUTIES AND RESPONSIBILITIES OF SCPPA. The rights, duties, and responsibilities of SCPPA shall include its duties and responsibilities of the Board of Directors set forth in the Power Sales Agreements and shall also include the following rights, duties, and responsibilities that implement, define, and add to such responsibilities of the Board of Directors:

6.1 SCPPA's Role. SCPPA acting by and through the Coordinating Committee, its Board of Directors, or the Executive Director, as applicable, shall have the following rights duties and responsibilities under this Agency Agreement:

6.1.1 Review Budgets: Review, modify, and approve the budgets submitted pursuant to the applicable provisions of the Power Sales Agreements.

6.1.2 Review Agency Cost Estimates: Review, modify, and approve the estimates of Agency Costs submitted by the Agent pursuant to this Agency Agreement.

6.1.3 Monitor Agency Work: Monitor the continuation and completion of Agency Work.

6.1.4 Make Recommendations and/or Modifications Regarding Agency Work: Make (i) recommendations to the Agent with respect to Agency Work and/or (ii) modifications to Agency Work to be undertaken by Agent.

6.1.5 Provide Assistance: Provide such other assistance to the Agent in carrying out Agency Work as the Board of Directors shall deem reasonable and proper and as the Agent shall request.

6.1.6 Consider Relevant Matters: Consider any matter relating to SCPPA's interests proposed by the Agent, any member of the Board of Directors or any member of SCPPA's staff.

6.1.7 Perform Other Functions and Duties: Perform such other functions and duties as may be required of SCPPA in connection with SCPPA's interests in the Project.

7. ACTIVITIES TO BE PERFORMED BY LADWP AS AGENT. The activities to be performed by LADWP, as the Agent under this Agency Agreement, shall include its responsibilities as Project Manager set forth in the Power Sales Agreements and shall also include the following activities that implement, define, and add to such responsibilities:

7.1 Make Periodic Reports. Make periodic reports to the Coordinating Committee regarding the operation of the Facility, Operating Work, and any relevant operating information and reports, including generation and transmission information, energy use information and data, statistical, financial, and administrative reports, and other similar reports, records, or information which may be helpful to or requested by the Coordinating Committee or the Board of Directors.

7.2 Operating Budget. Prepare and submit a proposed annual Operating Budget to SCPPA at least four months prior to the beginning of each Power Supply Year; provided, however, the initial Operating Budget shall be prepared, considered, adopted, and delivered in the most practical manner available. Each Operating Budget shall be given to the Coordinating

Committee (as applicable) and Board of Directors for its review, modification, and approval along with all other information necessary for the initial forecasts and schedules for Operating Work and each work-activity category thereof.

7.3 Adjustments to Operating Budget. Prepare and submit to the Coordinating Committee and the Board of Directors on the first business day of the second full quarter following the beginning of each Power Supply Year (except such preparation and submittal regarding the initial Operating Budget pursuant to Section 7.2 hereof shall occur on the first business day of the second full quarter following the Effective Date) until the completion of Operating Work, for the Coordinating Committee and the Board of Directors' review, modification, and approval, the following recommendations concerning:

7.3.1 Any revisions to the annual Operating Budget submitted pursuant to Section 7.2 hereof.

7.3.2 Any revisions to the forecasts and schedules for Operating Work and each work-activity category thereof, and a reconciliation between current updated and most recent forecasts and schedules.

7.4 Submit Recommendations. Submit recommendations from time to time to the Coordinating Committee or, if appropriate, the Board of Directors, for review, modification, and approval or disapproval with respect to the following:

7.4.1 Recommend policies, criteria, protocols, or procedures which will carry forth SCPPA's rights responsibilities and obligations pursuant to the Project Agreements and, when appropriate, recommend practices, protocols, and procedures relating to the operation and maintenance of the Facility.

7.4.2 Recommend, when applicable and appropriate, policies, criteria, protocols, or procedures for the maintenance of inventories for spare parts, materials, or supplies.

7.4.3 To the extent appropriate and permissible pursuant to the Power Purchase Agreements, recommend policies, protocols, and procedures for conducting tests or performance of other services with respect to the Facility.

7.4.4 Recommend, when applicable and appropriate, policies, criteria, protocols and procedures for selection and utilization of maintenance contractors and operational consultants with respect to the Facility.

7.4.5 Recommend, when applicable, Capital Improvements as appropriate.

7.5 Billings. Prepare and render in the manner and at the times required by the Power Sales Agreements and submit billings to the Project Participants in accordance with the terms and provisions of the Power Sales Agreements.

7.6 Inform SCPPA. Promptly inform SCPPA regarding significant factors which may affect or have affected Agency Work or SCPPA's interests.

7.7 Expend Funds for Agency Costs. Expend moneys for Agency Costs in accordance with this Agency Agreement.

7.8 Investments. Schedule, select, direct, execute, maintain records of, and provide monthly reports to SCPPA concerning, investments of moneys in accordance with reasonable and customary business practices relating to the administration of such investments and in accordance with any Indenture, if applicable.

7.9 Arrange Services for Agency Work and Operating Work; Administer Contracts; Agent's Employees. Negotiate, arrange for, administer, perform, and enforce all contracts for furnishing, purchasing, procuring, and obtaining from any source (including pursuant to contracts between the Agent and third parties) studies, supplies, engineering services, legal services, or other services necessary for the performance and completion of Agency Work, Operating Work, or Supplementary Services; administer, perform, and enforce such contracts; and furnish conformed copies of such contracts or other related documentation to SCPPA. In performing Agency Work, Operating Work, or Supplementary Services, the Agent may use its own employees and equipment and facilities owned or directly leased by the Agent without obtaining any consent or approval of SCPPA.

7.10 Comply With Laws and Regulations. Comply with any and all laws and regulations applicable to the performance of Agency Work.

7.11 Keep Accounting Records of Expenditures; Audit of Accounting Records. Keep and maintain records of moneys expended, obligations incurred, costs, and credits accrued; and maintain for auditing by SCPPA those accounting records used by the Agent for the purpose of accumulating financial and statistical data for Agency Work.

7.12 Prepare and Submit Estimates of Agency Costs. Prepare and submit to SCPPA the Agent's estimate of Agency Costs to be used in preparing the Operating Budget with respect to the Project for each Fiscal Year.

7.13 Obtain Cost Data. Obtain and furnish to SCPPA, as applicable, cost data, projections, and budgets which may be received from the Power Purchase Provider, the construction manager, construction contractors, the operation manager, or operating entities in accordance with the Project Agreements.

7.14 Assist in Budget Preparation. To the extent requested by SCPPA, assist in the preparation of the Annual Budget, including the provision of information relating to potential Capital Improvements.

7.15 Render Requisitions. To the extent required by the Project Agreements or any resolution of the Board of Directors, prepare, execute, and file with the Project Trustee or Lender under any Indenture or with the fiscal agent under any applicable fiscal agency agreement, any requisition or other request for disbursement of funds necessary under the Project Agreements.

7.16 Communicate with Project Trustee or Lender. Communicate with the Project Trustee or Lender under any Indenture as requested by SCPPA, or as otherwise necessary in the performance of Agency Work.

7.17 Provide Information. Provide the Board of Directors, and any committee established by it, and SCPPA's staff with records and information which may be required for SCPPA to

perform its responsibilities.

7.18 Provide Interface. Provide interface between SCPPA and the Project Participants with respect to the administration of the Power Purchase Agreement.

7.19 Furnish Assistance and Information. Upon request, furnish to SCPPA any assistance and information reasonably available pertaining to Agency Work and the Project.

7.20 Place and Maintain Insurance. Procure or cause to be procured and maintain or cause to be maintained in force insurance coverage with respect to Agency Work or performance of SCPPA's obligations under this Agency Agreement and under any Project Agreement to which SCPPA is a party in such form and amounts as the Board of Directors or the Coordinating Committee determines necessary or as Agent may otherwise believe to be desirable to protect against potential exposures, or as required by law.

7.21 Provide Information Regarding Defaults. Keep the Project Participants and SCPPA fully and promptly informed of any default by any party under any of the Project Agreements of which Agent has knowledge.

7.22 Conduct All Other Activities Relating to Agency Work, Operating Work and Supplementary Services. Conduct all other activities deemed necessary to carry forth Agency Work, Operating Work, or Supplementary Services or to bring the same to completion and perform such other functions and duties as may be assigned to it by SCPPA, but in any event in a manner consistent with this Agency Agreement.

8. AGENCY COSTS.

8.1 Agency Costs. Agency Costs shall include the following:

8.1.1 All costs approved by the Agent of labor, services, transportation, and studies, including costs of legal counsel and consultation fees, performed by the Agent or by others, in connection with this Agency Agreement, together with all costs approved by the Agent of facilities utilized in such performance. All costs (including premiums or deposits to self-insurance funds) of insurance related to Agency Work procured in accordance with Section 7.20.

8.1.2 Payroll and other expenses of employees of the Agent while performing work in connection with this Agency Agreement, including applicable overhead costs and labor loading charges, including but not limited to time-off allowances, payroll taxes, workers' compensation insurance, retirement and death benefits, and other employee benefits.

8.1.3 Costs of the Agent associated with performing its duties and responsibilities under this Agency Agreement.

8.1.4 All costs paid by the Agent for any studies, reports, or other documents obtained from the Project Participants or the Power Purchase Provider.

8.1.5 Costs of the Agent, to the extent not provided for by insurance, of discharging or paying any liability and loss, damage and expense, including costs and expenses for

attorneys' fees and other costs of defending, settling, or otherwise administering claims, liabilities, or losses arising out of workers' compensation or employer's liability claims or by reason of property damage or injuries to or death of any person or persons or by reason of claims of any and every character, or costs that should be paid or provided to Agent to satisfy indemnification obligations under Section 16.1 of this Agency Agreement or other costs that should be paid or provided to Agent to satisfy indemnification obligations under the Power Sales Agreements, resulting from, arising out of, or connected with the performance of Agency Work, including negligent acts or omissions but excluding grossly negligent acts or willful misconduct (which unless otherwise agreed to by the Parties, are both to be determined and established by a court of competent jurisdiction in a final, non-appealable order) of the Agent, its Board of Water and Power Commissioners, or its respective officers, employees or employees of the municipal entity of which Agent is a part.

8.1.6 Except as otherwise included as Agency Costs in this Section 8, Agency Costs shall include all costs, to the extent not covered by insurance, of the Agent in its capacity as Project Manager incurred or paid in connection with the performance of its responsibilities as provided in the Power Sales Agreements.

8.2 Costs Not Agency Costs. Costs incurred by the Agent which (a) are not attributable to the activities, duties, and functions to be performed by the Agent pursuant to Section 7 of this Agreement; and (b) have not been approved by SCPPA under this Agreement, shall not be Agency Costs. In addition, Agency Costs shall not include costs incurred by any Project Participant which are not attributable to Agency Work including the following:

8.2.1 To the extent not specifically included in Agency Costs, costs of studies conducted by any Project Participant to determine, for that Project Participant, the usefulness, economics, legal, and regulatory implications, and feasibility of the Project and such Project Participant's costs of obtaining the entitlements or accommodations necessary to make the Project feasible for that particular Project Participant.

8.2.2 The costs of any Project Participant associated with the preparation and the negotiation of contracts between SCPPA and any Project Participant regarding the Project.

8.2.3 Costs incurred by each Project Participant in the various functions of the Board of Directors, the Coordinating Committee, or any committees established by the Board of Directors or the Coordinating Committee, and the expenses of its personnel while performing such functions.

8.3 No Profit. The Agent shall not receive any profit under this Agency Agreement or any Project Agreement, nor shall the Agent be obligated to make any expenditure or incur any obligation regarding Agency Work with respect to which it shall not be entitled to reimbursement under this Agency Agreement.

8.4 Budget and Review Processes. As is the case with similar costs for other projects of SCPPA, Agency Costs shall be the subject of SCPPA's Annual Budget and periodic budget review processes.

9. PAYMENT TO AGENT FOR AGENCY COSTS; AUDITS.

9.1 Payment and Audit Procedures. From time to time, and at such times (not more than monthly) as the Agent shall determine, it shall submit to SCPPA requests and requisitions for payment of items of Agency Costs incurred or paid. SCPPA shall pay or cause to be paid the amount of each such request or requisition within 45 days after its receipt thereof. As applicable, each such request or requisition shall conform to the requirements of any borrowing instrument entered into by SCPPA from time to time, to the extent the funds to pay such request or requisition are to be paid from funds held under such instrument. At such reasonable times as shall be requested by SCPPA, the books and cost records of the Agent relevant to Agency Costs shall be subject to audit by or on behalf of SCPPA.

9.2 Disputed Invoices. In case any portion of any invoice received by SCPPA from Agent shall be in bona fide dispute, SCPPA shall pay Agent the full amount of such invoice and, upon determination of the correct amount, the difference between such correct amount and such full amount, if any, including interest at the rate received by Agent on any overpayment, will be credited to SCPPA by Agent after such determination; provided, however, that such interest shall not accrue on any overpayment that is acknowledged by Agent and returned to SCPPA by the fifth calendar day following the receipt by Agent of the disputed overpayment. In the event such invoice is in dispute, Agent will give consideration to such dispute and will advise SCPPA with regard to Agent's position relative thereto within 30 days following receipt of written notification by SCPPA of such dispute.

10. LIABILITY.

10.1 No Liability of SCPPA, Agent (including in its capacity as Project Manager), or Their Directors, Officers, Employees, Etc.; SCPPA's and Agent's Directors, Officers, Employees Not Individually Liable. Both Parties agree that neither Party, nor any of their past, present, or future directors, officers, board members, agents, attorneys, advisors, employees, or employees of the governmental entity of which the Agent is a part (collectively, the "Released Parties") shall be liable to any other of the Released Parties for any and all claims, demands, liabilities, obligations, losses, damages (whether direct, indirect or consequential), penalties, actions, loss of profits, judgments, orders, suits, costs, expenses (including attorneys' fee and expenses), or disbursements of any kind or nature whatsoever in law, equity, or otherwise (including, without limitation, death, bodily injury or personal injury to any person or damage or destruction to any property of any of the Released Parties) suffered by any Released Party as a result of the action or inaction or performance or non-performance by the Power Purchase Provider or any of the Released Parties under this Agency Agreement or any Project Agreement (excluding gross negligence or willful misconduct, which, unless otherwise agreed to by the Parties, are both to be determined and established by a court of competent jurisdiction in a final, non-appealable order). Each Party shall release each of the other Released Parties from any claim or liability that such Party may have cause to assert as a result of any action or inaction or performance or non-performance by the Released Parties under this Agency Agreement or any Project Agreement (excluding gross negligence or willful misconduct, which, unless otherwise agreed to by the Parties, are both to be determined and established by a court of competent jurisdiction in a final, non-appealable order). Notwithstanding the foregoing, no such action or inaction or performance or non-performance of any of the Released Parties shall relieve either Party from its respective obligations under this Agency Agreement, including either

Party's obligation to make payments required under this Agency Agreement, the Power Purchase and Security Agreements, or any other Project Agreement. The provisions of this Section 10.1 shall not be construed so as to relieve the Agent from any obligation under this Agency Agreement, the Power Purchase and Security Agreements, or any other applicable Project Agreement. The Parties also hereby recognize and agree that neither Party's past, present, or future directors, officers, board members, agents, attorneys, advisors, employees, or employees of the governmental entity of which the Agent is a part shall be individually liable in respect of any undertakings by any of the Released Parties under this Agency Agreement or any Project Agreement. Notwithstanding any provision of this Agency Agreement which might arguably be construed to the contrary, nothing in this Section 10 shall affect LADWP's obligation as the Purchaser under the Power Sales Agreement to make any payment or pay any cost required of it under the Power Sales Agreement.

10.2 Extent of Exculpation; Enforcement of Rights in Equity. The exculpation provision set forth in Section 10.1 hereof shall apply to all types of claims or actions including, but not limited to, claims or actions based on contract or tort. Notwithstanding the foregoing, either Party may protect and enforce its rights under this Agency Agreement by a suit or suits in equity for specific performance of any obligation or duty of the other Party and the Agent may enforce by any legal means its right to payment for Agency Costs in accordance with the terms of this Agency Agreement.

10.3 No Relief From Insurer's Obligations. The provisions of Section 10.1 shall not be construed so as to relieve any insurer of its obligation to pay any insurance claims.

10.4 SCPPA Directors Officers, Employees, Agents Not Liable; No General Liability of SCPPA. It is hereby recognized and agreed that no officer, agent, or employee of SCPPA shall be individually liable in respect of any undertakings by SCPPA under this Agency Agreement. The undertakings by SCPPA under this Agency Agreement shall never constitute a debt or indebtedness of SCPPA within the meaning of any provision or limitation of the constitution or statutes of the State of California, and shall not constitute or give rise to a pecuniary liability of SCPPA or a charge against its general credit. Any provision of this Agency Agreement to the contrary notwithstanding, the obligation of SCPPA under this Agency Agreement to make or cause to be made payments shall be limited to those payments permitted by and monies available under any Indenture or as provided for in this Agency Agreement.

10.5 No Warranty for Agent Services. All services provided by Agent are provided on an "as is" basis. Agent disclaims all warranties, express or implied, statutory or otherwise, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

11. ALTERNATIVE DISPUTE RESOLUTION.

11.1 Non-Binding Dispute Resolution. If any dispute arises out of or relates to this Agency Agreement, or the asserted breach thereof, the Parties agree that the Parties shall first employ the non-binding mediation process which is set forth in this Section 11 before initiating any other type of legal action.

11.2 Nonbinding Mediation Procedure. If a dispute arises between the Parties under this Agency Agreement, the Project Participants may first attempt to resolve the dispute through the Coordinating Committee and, if the Coordinating Committee is unable to resolve such dispute, the dispute shall be submitted to the Board of Directors. If the Board of Directors is unable to resolve the dispute, the Parties may then submit the dispute to non-binding mediation.

12. RELATIONSHIP OF THE PARTIES.

12.1 Separate and Several Interests. The covenants, obligations, and liabilities of the Parties are intended to be several and not joint or collective and nothing herein contained shall ever be construed to create an association, joint venture, trust, partnership, or other legal entity, or to impose a trust or partnership covenant, obligation, or liability on or with regard to either or both of the Parties. Each Party shall be individually responsible for its own covenants, obligations, and liabilities under this Agency Agreement. Neither Party shall be under the control of nor shall be deemed to control any other Party. Neither Party shall be the agent of or have a right or power to bind the other Party without its express written consent, except as expressly provided in this Agency Agreement.

13. UNCONTROLLABLE FORCES.

13.1 Excuse of Performance by Reason of Uncontrollable Forces. Other than with respect to the obligation of a Party to make payments as provided in this Agency Agreement, neither Party shall be considered to be in default in the performance of any of its obligations under this Agency Agreement when a failure of performance shall be due to an Uncontrollable Force. Nothing contained herein shall be construed so as to require a Party to settle any strike or labor dispute in which it may be involved. In the event a Party is rendered unable to fulfill any of its obligations under this Agency Agreement by reason of an uncontrollable force, such Party shall give prompt written notice of such fact to the other Party and shall exercise due diligence to remove such inability with all reasonable dispatch. In such event, the Parties shall diligently and expeditiously determine how they may equitably proceed to carry out the objectives of this Agency Agreement.

14. BINDING OBLIGATIONS.

14.1 All Obligations Binding. All of the obligations set forth in this Agency Agreement shall bind the Parties and their successors and assigns.

15. GENERAL PROVISIONS GOVERNING AGREEMENT.

15.1 Severability. In the event that any of the terms, covenants, or conditions of this Agency Agreement or the application of any such term, covenant, or condition, shall be held invalid as to any person or circumstance by a court of competent jurisdiction, such invalidity shall not affect other terms, covenants, or conditions of this Agency Agreement and their application shall not be affected thereby, but shall remain in force and effect, unless a court of competent jurisdiction holds that the provisions are not separable from all other provisions of this Agency Agreement.

15.2 Waiver Not to Effect Subsequent Events. Any waiver at any time by a Party of its rights with respect to a default or any other matter arising in connection with this Agency Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

15.3 Headings Not Binding. The headings and captions in this Agency Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or Sections of this Agency Agreement.

16. INDEMNITY AND RELATED MATTERS, POWER SALES AGREEMENT.

16.1 Indemnification of Agent. In its capacity as Agent under this Agency Agreement, Agent shall be entitled to indemnification from SCPPA as set forth herein. SCPPA shall indemnify and hold harmless Agent, its Board of Water and Power Commissioners, its City Council, officers, agents, attorneys, advisors, and employees, past, present, or future (collectively, "Agent Indemnitees") from and against any and all claims, demands, liabilities, obligations, losses, damages (whether direct, indirect or consequential), penalties, actions, loss of profits, judgments, orders, suits, costs, expenses (including attorneys' fees and expenses), or disbursements of any kind or nature whatsoever in law, equity or otherwise (including, without limitation, death, bodily injury, or personal injury to any person or damage or destruction to any property of Agent, SCPPA or third persons) (collectively, "Losses") arising by reason of any actions, inactions, errors, or omissions incident to the performance of this Agency Agreement (excluding gross negligence or willful misconduct, which, unless otherwise agreed to by the Parties, are both to be determined and established by a court of competent jurisdiction in a final, nonappealable order) on the part of Agent Indemnitees. At Agent's option, SCPPA shall defend Agent Indemnitees from and against any and all Losses. If SCPPA, with Agent's consent, defends any Agent Indemnitee, Agent and Agent's City Attorney's Office shall approve the selection of counsel, and Agent shall further approve any settlement or disposition, such approval not to be unreasonably withheld.

16.2 Obligations under the Power Sales Agreement. Notwithstanding any provision of this Agency Agreement which might arguably be construed to the contrary, nothing in this Agency Agreement shall affect LADWP's obligation, as a Project Participant, to make any payment or pay any cost required of it under the Power Sales Agreement.

16.3 Separate Capacities. The Parties acknowledge that LADWP, as Agent under and a Party to this Agency Agreement, acts in a legal capacity that is separate from its capacity as a Project Participant under the Power Sales Agreement. Accordingly, for purposes of this Agency Agreement, the rights, entitlements, obligations, and liabilities of LADWP, as Agent and a Party to this Agency Agreement, shall not apply to or otherwise be affected by, and shall be legally separate from the rights, entitlements, obligations, and liabilities of LADWP as a Project Participant under the Power Sales Agreement.

17. GOVERNING LAW. This Agency Agreement has been entered into in the County of Los Angeles and shall be governed by, interpreted, and enforced in accordance with the laws of the State of

California, without regard to conflict of law principles.

18. TERM AND EXPIRATION.

18.1 Effective Date. This Agency Agreement as executed by the Parties shall become effective and in full force and effect on the date the Power Sales Agreement has been entered into and is in effect (the "Effective Date").

18.2 Termination. This Agency Agreement shall continue in force and effect from the Effective Date until the expiration of the term of the Power Sales Agreement and any extensions or replacements thereof; provided, however, that this Agency Agreement may be terminated by either Party upon not less than three years' prior written notice to the other Party. Payment obligations of the Parties hereunder shall survive any termination of this Agency Agreement until satisfied.

19. VENUE. All litigation arising out of, or relating to this Agency Agreement, shall be brought in a State or Federal court in the County of Los Angeles in the State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

20. ATTORNEYS FEES. With respect to any dispute under this Agency Agreement, the Parties agree that each Party shall bear its own attorneys' fees and costs. Notwithstanding the forgoing, LADWP and SCPPA acknowledge, and the Project Participants have acknowledged, that SCPPA's attorney's fees associated with any matter relating to the Project or this Agency Agreement, including any dispute relating thereto, shall constitute a Project cost which shall be allocated and billed as set forth in Section 4 and Section 7 of the Power Sales Agreements.

21. REPRESENTATION AND NOTICES. The parties acknowledge that each party was represented by counsel in the negotiation and execution of this Agency Agreement. Any notice, demand, or request provided for in this Agency Agreement shall be in writing and shall be deemed properly served, given, or made if delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

Southern California Public Power Authority
Executive Director
1160 Nicole Court
Glendora, California 91740

City of Los Angeles acting by and through the Department of Water and Power
General Manager
111 North Hope Street, Room 921
Los Angeles, California 90012

22. AMENDMENTS. The Parties acknowledge and agree that any amendment to this Agency Agreement shall be in writing and duly executed by the Parties.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties hereto have duly caused this Agreement to be executed on their respective behalves by their duly authorized representatives.

SOUTHERN CALIFORNIA PUBLIC
POWER AUTHORITY

By:_____
TIKAN SINGH
Vice President

Attest:_____
DANIEL E GARCIA
Assistant Secretary

Approved as to legal form:

By:_____
CHRISTINE GODINEZ
General Counsel

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS

By signing below, the signatories for the Department of Water and Power attest that they have no personal, financial, beneficial, or familial interest in this contract.

By:_____
DAVID W. HANSON,
Interim General Manager

Date:_____

And:_____

_____
CHANTE L. MITCHELL
Board Secretary

CONVENIENCE COPY

FOR INFORMATIONAL PURPOSES

OF "APPENDIX A OF THE

POWER SALES AGREEMENT"

APPENDIX A OF THE POWER SALES AGREEMENT

DEFINITIONS

The following terms, whether in the singular or the plural, and initially capitalized, shall have the meanings specified below:

[TO BE ADDED]

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AGENDA ITEM STAFF REPORT

MEETING DATE: April 16, 2026 **RESOLUTION NUMBER:** 2026-025

SUBJECT: Award of a Master Professional Services Agreement to Accent Gold Solutions, LLC for an Online Rebate Processing and Energy Efficiency Platform

DISCUSSION: ☒ **OR** **CONSENT:** ☐

Select the appropriate box(es):

FROM:		METHOD OF SELECTION:	
Finance	☐	Competitive	☒
Project Development	☐	Cooperative Purchase	☐
Program Development	☒	Sole Source	☐
Regulatory/Legislative	☐	Other	☐
Project Administration	☐	*Other (Please describe):*	
Legal	☐		
Executive Director	☐		

MEMBER PARTICIPATION:

Sponsoring Member: Azusa, Banning, Colton

Other Members Potentially Participating: Other Members may participate as desired.

Approved by Executive Director: Signed by: DAE0F3A6ECDE496... _____

RECOMMENDATION:

Award and authorize the execution of a Master Professional Services Agreement ("Agreement" or "MPSA") with Accent Gold Solutions, LLC (AGS) for an Online Rebate Processing and Energy Efficiency Platform.

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BACKGROUND:

AGS is a software company based in Culver City, California that develops tools to support utilities' demand-side management and energy efficiency programs. The company's solutions include rebate application management, program tracking, reporting, and mobile auditing tools, helping utilities manage and evaluate their efficiency offerings.

DISCUSSION:

Through coordination with the Customer Programs Working Group, SCPPA staff identified the need for an online rebate processing and energy efficiency platform that would provide electric customers with access to a comprehensive digital energy efficiency portal, streamlined rebate processing for eligible products and services, and digital home energy reports. SCPPA conducted extensive outreach to market the solicitation to national trade associations and California hi tech hubs, including California Association of Environmental Professionals, Los Angeles Cleantech Incubator (LACI) and University of California Los Angeles Smart Grid Energy Research (SMERC). SCPPA issued a Request for Proposals (RFP) and received eight proposals in response to the RFP. Based on the evaluation of proposals, SCPPA staff is recommending award of a Master Professional Services Agreement to AGS to support implementation of an online rebate processing and energy efficiency platform.

- **Scope of Contract Services:**
  AGS will provide its Dynamic DSM rebate processing platform to support Member energy efficiency and demand-side management programs. The platform includes customer-facing rebate application tools, administrative program management functionality, and contractor support features to facilitate efficient program delivery. The system is designed to support digital application intake, automated incentive calculations, workflow management, document uploads, and reporting. The platform also includes data management and security features to ensure proper tracking, compliance, and program oversight.

  AGS' scope includes, but is not limited to, the following core services:

  1. Residential Rebate Processing Platform
  2. Commercial & Industrial (C&I) Rebate Processing Platform
  3. Program Administration and Workflow Management Tools
  4. Automated Incentive Calculation and Application Processing
  5. Reporting, Data Management, and System Security Services

- **Selection Method:**
  On November 21, 2025, SCPPA issued an RFP for an Online Rebate Processing and Energy Efficiency Platform that would provide electric customers with access to a comprehensive digital energy efficiency portal, streamlined rebate processing for eligible products and services, and digital home energy reports. The submittal deadline for the RFP was January 9, 2026.

  A total of eight responses were received and independently evaluated by staff of Azusa, Banning and Colton, based on each proposer's qualifications, experience, skills required to provide the required services, demonstration of project management abilities, references, and cost-competitiveness. AGS is recommended for award of contract as one of the most qualified and

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cost-effective firms for online rebate processing and energy efficiency platform out of the eight respondents to SCPPA's competitive solicitation.

- **SCPPA's Authority:**
  SCPPA has the authority to execute this Agreement in accordance with the California Joint Exercise of Powers Act, the SCPPA Joint Powers Agreement and the provisions of Section 9615 of the California Public Utilities Code ("Section 9615"). The SCPPA Joint Powers Agreement provides SCPPA with the authority to develop, finance, construct, operate and maintain electric energy generation and transmission projects. SCPPA's ability to exercise this right is supplemented by the requirements of Section 9615 which requires that each local publicly owned electric utility, in procuring energy, "shall first acquire all available energy efficiency and demand reduction resources that are cost effective, reliable and feasible." As a local publicly owned utility, as that term is defined by the California Public Utilities Code, SCPPA and its Members are subject to the requirements of Section 9615. This Agreement for an online rebate processing and energy efficiency platform is designed to allow Members implement streamlined, technology-enabled energy efficiency programs that increase customer participation and improve program performance. By offering online rebate processing, an integrated marketplace for qualifying energy-efficient products, and digital home energy reports, the platform reduces administrative barriers and encourages adoption of energy-efficient technologies, supporting measurable energy savings and peak demand reductions

FISCAL IMPACT:

There is de minimis impact on SCPPA's Administrative and General budget related to staff time to administer the MPSA.

The amount to be spent under this MPSA by participating Members shall not exceed $500,000 over the 3-year term of the Agreement.

Participating Members will commit in writing to paying for any, and all, services procured from AGS under the MPSA pursuant to separate Task Orders to be signed by each SCPPA Member who elects to receive such services from AGS.

ATTACHMENTS:

1. Resolution No. 2026-025
2. MPSA between SCPPA and AGS

RESOLUTION NO. 2026-025

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AWARDING A MASTER PROFESSIONAL SERVICES AGREEMENT TO ACCENT GOLD SOLUTIONS, LLC, AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE SUCH AGREEMENT, PROVIDING FOR ADDITIONAL CONTRIBUTIONS TO THE AUTHORITY'S REVOLVING GENERAL FUND, AND AUTHORIZING CERTAIN RELATED ACTION

WHEREAS, the Southern California Public Power Authority (the "Authority") owns interests in various generation and transmission projects, the output or services of which has been sold to Members of the Authority (Members); and

WHEREAS, certain Authority member utilities ("Members") are engaged in the generation, transmission, and distribution of electrical energy to retail customers, including assisting such customers with the efficient use of said energy; and

WHEREAS, the Authority's ability to exercise this right is supplemented by the requirements of Section 9615 of the California Public Utilities Code ("Section 9615") which requires that each local publicly owned electric utility, in procuring energy, "shall first acquire all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible"; and

WHEREAS, as a local publicly owned utility, as that term is defined by the California Public Utilities Code, the Authority and its members are subject to the requirements of Section 9615; and

WHEREAS, certain Authority Members have a need from time to time for energy efficiency services and demand reduction services, including the need for an online rebate processing and energy efficiency platform that would provide electric customers with access to a comprehensive digital energy efficiency portal, streamlined rebate processing for eligible products and services, and digital home energy reports, leading to lower overall electricity demand and helping reduce the need for new generation capacity ("Services"); and

WHEREAS, Accent Gold Solutions, LLC ("AGS"), can provide such Services to the Authority; and

WHEREAS, after a competitive solicitation conducted by the Authority, AGS was recommended by evaluation team for award of contract; and

WHEREAS, the Authority is willing and able to enter into a Master Professional Services Agreement with AGS to provide the Services; and

WHEREAS, the Board of Directors of the Authority, in its Resolution No. 1990-15, established a revolving general fund (the General Fund) for the payment of costs and expenses incurred by the Authority from time to time in carrying out its purposes; and

WHEREAS, the Board of Directors of the Authority, in its Resolution No. 1992-1, provided for the continuation of the General Fund and established a procedure to be followed with respect to additional contributions to the General Fund; and

WHEREAS, the Board of Directors of the Authority, in its Resolution No. 1995-2, provided for a separate bank account (the Joint Planning Account) to hold and disburse the additional contributions to the General Fund with respect to joint planning matters; and

WHEREAS, the Board of Directors of the Authority, in its Resolution No. 1995-13, changed the name of the Joint Planning Account to the Restructuring Account and charges to the Restructuring Account are referred to as "Resolution Billing"; and

WHEREAS, the Board of Directors of the Authority wishes to provide for additional contributions to the General Fund, and certain Members of the Authority are willing to make such additional contributions.

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

1. The Board of Directors hereby awards a contract to Accent Gold Solutions, LLC, for the Services.

2. The Executive Director is authorized and directed to execute a Master Professional Services Agreement with Accent Gold Solutions, LLC for the Services, which agreement been presented to the Board of Directors in substantially final form, with such changes, insertions, and omissions as shall be approved by the Authority's President, Vice President, or Executive Director (such approval to be conclusively evidenced by her or his execution and delivery thereof).

3. The Board of Directors hereby provides for additional contributions to the General Fund. Notwithstanding anything to the contrary in Resolution No. 1992-1, such additional contributions:

    a) shall be solely for the purpose of paying costs and expenses incurred by the Authority with respect to Services provided by Accent Gold Solutions, LLC, and pending application for such purpose the contributions shall not be expended to pay costs or expenses for any other purpose;

    b) with respect to each invoice the Authority receives from Accent Gold Solutions, LLC, each such invoice shall be billed to the Members that have received services from Accent Gold Solutions, LLC, with respect to such invoice, with the amount of each such Member's bill to be based upon the services performed by Accent Gold Solutions, for the benefit of such Member; and

c) shall be billed and collected from each Member under the Alternative Billing Method authorized by Resolution 2015-025, with such amount designated as a charge under this Resolution.

4. Although the amounts to be contributed under this Resolution and related income shall constitute part of the General Fund, they shall be held and accounted for within the existing Restructuring Account. The Executive Director of the Authority is hereby directed to utilize the Restructuring Account for the purpose of holding contributions and related income, and making disbursements, under this Resolution. The President, Vice President, Secretary, any Assistant Secretary and the Executive Director of the Authority are each authorized to execute checks drawn on the Restructuring Account from time to time.

5. Amounts contributed to and held in the General Fund pursuant to this Resolution will not be contributed or held for the purposes of any project for which the Authority has obtained any form of external financing. Such amounts shall not constitute (a) Revenues, or (b) revenues, income, rents or receipts derived by the Authority from or attributable to Authority Capacity (or to the payment of the costs thereof) or the ownership or operation of any Project. As used herein, "Revenues", "Authority Capacity" and "Project" shall have the respective meanings set forth in the indentures of trust and other instruments governing the external financing arrangements entered into from time to time by the Authority.

6. The President, Vice President, Secretary, any Assistant Secretary, Executive Director and any other officer of the Authority are each hereby authorized to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.

7. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 16th day of April 2026.

_____

TIKAN SINGH
VICE PRESIDENT
Southern California
Public Power Authority

ATTEST:

_____

DANIEL E GARCIA
ASSISTANT SECRETARY
Southern California Public
Power Authority

MASTER PROFESSIONAL SERVICES AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
ACCENT GOLD SOLUTIONS, LLC

This MASTER PROFESSIONAL SERVICES AGREEMENT ("Agreement") is dated and effective March 19, 2026, by and between ACCENT GOLD SOLUTIONS, LLC ("Consultant"), a California LLC, located at 20500 Belshaw Ave, Carson, CA 90746 and Southern California Public Power Authority ("SCPPA"), a joint powers agency created pursuant to the laws of the State of California, with offices at 1160 Nicole Court, Glendora, California 91740. SCPPA and Consultant are also referred to herein individually as "Party" and together as "Parties." Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference.

WHEREAS, SCPPA member utilities ("Members") are engaged in the generation, transmission, and distribution of electrical energy to retail customers; and

WHEREAS, SCPPA has been formed for the purpose of undertaking the planning, financing, development, acquisition, construction, reconstruction, improvement, enlargement, betterment, operation, or maintenance of projects involving the generation, transmission, and distribution of electrical energy for the benefit of its Members ("Purpose"); and

WHEREAS, SCPPA has a need for goods and/or professional and technical services including studies and reports to facilitate SCPPA's Purpose and that support its Members' procurement of generation and transmission resources and their obligation to first acquire energy efficiency and demand reduction resources that are cost effective, reliable, and feasible as mandated by Section 9615 of the California Public Utilities Code; and

WHEREAS, Consultant is qualified and capable of providing the goods and/or services specified herein which are consistent with SCPPA's Purpose.

NOW, THEREFORE, in consideration of the premises herein and for other good and valuable consideration, the Parties agree as follows:

1. **Work to be Provided:**
   SCPPA engages Consultant to provide goods and/or services and related tasks ("Goods" or "Services," respectively, or collectively "Work") outlined in Exhibit A for itself and its Members to utilize pursuant to one or more separate task orders ("Task Order") substantially

in the form attached hereto as Exhibit C. The Work performed and provided by Consultant under all Task Orders shall be based upon the price terms listed in Exhibit B, provided that in no event shall the payments to Consultant exceed the designated maximum amount listed in Exhibit B for all Task Orders under this Agreement. Each Task Order shall specify the tasks and assignments from among the Work identified in Exhibit A, to be performed and provided by Consultant. Each Task Order may include a cap for all payments for Work performed and provided under each individual Task Order and a time schedule for completion of the Work. Any Member that elects to participate in any individual Task Order is referred to herein as the "Participating Member."

2. **Consultant's Services and Personnel:**

(a) Independent Contractor. Consultant is an independent contractor. Neither the Consultant nor the Consultant's employees or agents are employees of SCPPA or any Member and shall not be entitled to any employment benefits or rights afforded by SCPPA or Members to their employees, including, but not limited to, sick leave, vacation leave, paid leave, holiday pay, retirement benefits, worker's compensation, or other insurance benefits. Consultant hereby warrants that: (1) The Consultant and its employees and agents are free from the control and direction of SCPPA and its Members in connection with the performance of the work to be provided hereunder, both under this contract and in fact, (2) The Consultant and its employees and agents perform work that is outside the usual course of SCPPA's business, and (3) the Consultant and its employees and agents performing Work under this Agreement are customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the Work to be performed under this Agreement. Consultant shall furnish the Work according to its own manner and methods except as required by applicable laws and this Agreement. Consultant shall have no authority, express or implied, to act on behalf of or bind SCPPA or Members to any obligation in any capacity whatsoever as agent or otherwise.

(b) Subcontractors. Consultant may use the services of subcontractors to perform a portion of its obligations under this Agreement with the prior written approval of SCPPA. All subcontractors retained by Consultant shall be duly licensed as required by law. Subcontractors shall be provided with a copy of this Agreement and Consultant shall cause all subcontractors to comply with the same and agree in a separate writing to be bound by its terms. Consultant shall be the responsible party with respect to all actions of its subcontractors. Consultant's visit to and time spent at SCPPA, Member, or project site locations shall be subject to normal business hours, appropriate safety standards, and security requirements.

(c) Prevailing Wages. Work by persons deemed to be employees of Consultant may be subject to prevailing wages under California Labor Code 1770 et seq. Consultant is solely responsible for compliance with prevailing wage requirements, where applicable.

(d) Indemnity. Consultant shall indemnify, defend, and hold harmless SCPPA and Members, and their respective officers, employees, assigns, and successors in interest from and against any and all liability, claims, suits, demands, damages, fines, penalties, wages, costs or expenses pertaining to (i) prevailing wage laws and (ii) the payment of any employee and/or employer contributions for the California Public Employees Retirement System ("PERS") benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions which would otherwise be the responsibility of SCPPA or Members. This indemnification is intended to supplement and is not intended to limit or exclude the application of the indemnification requirements provided in Section 8 hereof.

3. **Standard of Care:**

The Consultant will perform Work under this Agreement with the degree of skill and diligence normally practiced in the same industry by consultants performing the same or similar services. Consultant shall be in full compliance with all applicable rules, regulations, guidelines, and procedures adopted by any Card Association or Payment Network relating to the privacy and security of Cardholder and Card transaction data, including without limitation the most up to date version of the Payment Card Industry Data Security Standard (PCI-DSS), as amended from time to time by the Payment Card Industry Security Standards Council. Consultant shall comply with all Federal, State, County, local and other governing laws, rules, and regulations applicable to the performance of the Work including Participating Member(s) business practices or other requirements set forth in a Task Order, including , but not limited to, equal opportunity practices, living wage ordinances, applicable business licenses, taxpayer protection acts (limiting gifts or campaign contributions), and assignment of antitrust causes of action. Consultant represents and warrants that it is appropriately licensed, qualified and experienced to provide the Services. Consultant acknowledges that it may be subject to the requirements of the California Consumer Privacy Act ("CCPA") and represents that all Services performed hereunder shall comply with such requirements. If requested, Consultant agrees to execute a Non-Disclosure Agreement or other ancillary agreement to document Member specific requirements for purposes of addressing CCPA, California Public Records Act ("CPRA"), Confidentiality and/or Cybersecurity concerns

4. **Amendments:**

Amendments to this Agreement must be in writing and signed by both Parties. No Task Order issued under this Agreement may be amended except by written agreement executed by Consultant, SCPPA and the Participating Member, provided further that if a Participating Member has elected to confirm its Task Order participation through a letter to SCPPA, the Participating Member shall have submitted a new letter to SCPPA requesting the amendment to the Task Order prior to SCPPA's execution of the amended Task Order.

5. **Payment:**
SCPPA shall pay Consultant for Work in accordance with the terms of this Agreement and the applicable Task Order. Consultant is not authorized to perform any Work or incur any costs whatsoever until: (1) a Task Order has been signed by both Parties (and the Participating Member has signed either the Task Order or a letter to SCPPA confirming the Participating Member's participation in the Task Order); and (2) a written purchase order providing authorization for the start of Work for such Task Order has been issued to the Consultant by the SCPPA designated representative. In addition to any specific requirements in a Task Order, each invoice from Consultant shall include the following:

   a. A reference to the purchase order number issued by SCPPA for such Work to be performed under the Agreement and Task Order and any other number assigned by SCPPA for invoices under this Agreement;
   b. Name of each Participating Member that has received Goods and/or Services for which the invoice is being issued by Consultant; and
   c. The basis for the amount invoiced, including a description of Goods and/or Services provided.

   Consultant shall submit all invoices to SCPPA. Consultant shall submit invoices at no more than monthly intervals and no later than thirty (30) days after completion of the Work covered by the invoice. Invoices delivered to SCPPA shall be sent to billinginvoices@scppa.org. Invoices received by SCPPA on or before the 15th day of a given month and subsequently approved by the Participating Member(s) on or before the 25th day of the same month, shall be paid by SCPPA before the end of the following month. All other properly invoiced amounts shall be paid not more than sixty (60) calendar days after delivery of an invoice, provided that the funds for the payment of such invoices have been transmitted to SCPPA by the Participating Member(s). SCPPA shall inform Consultant of any disputed invoice amounts within thirty (30) calendar days of receipt of the invoice by SCPPA. SCPPA may withhold payment of such disputed amounts until both Parties have reached agreement on the proper amount of the invoice.

6. **Taxes:**
All taxes imposed on Consultant's income, imposed, or assessed by reason of this Agreement or its performance, including but not limited to sales or use taxes, shall be paid by Consultant. Consultant shall be responsible for any taxes or penalties assessed by reason of any claims that Consultant is an employee of SCPPA.

7. **Audit:**
During the Agreement's term and for a period of four years after the termination or expiration of the Agreement, Consultant shall (a) maintain all records, books, papers, or documents related to Consultant's performance of the Agreement ("Records"); and (b)

provide SCPPA or its representatives, at all reasonable times, the right to examine, excerpt, photocopy, photograph, or transcribe such Records, including but not limited to direct and indirect charges and detailed documentation for Work that Consultant has performed or will perform under the Agreement.

8. **Indemnity**:
   To the maximum extent permitted by law, Consultant shall defend, indemnify, and hold harmless SCPPA and Members and their respective officers, employees, assigns and successors in interest (collectively, "Indemnified Parties") from and against any and all suits and causes of action, claims, charges, damages, demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever, whether actual or alleged, arising out of, or incident to, the performance of Services or the supply of Goods under this Agreement, or both ("Claims"), excluding only those Claims arising from the gross negligence or willful misconduct of Indemnified Parties. Consultant shall promptly notify SCPPA of any Claim(s) against the Consultant or any of Consultant's directors, employees, subcontractors of any tier, or agents, arising out of or related to Services being performed or Goods to be provided under this Agreement.

9. **Intellectual Property Infringement:**
   Consultant shall defend, indemnify, and hold harmless SCPPA and each Participating Member from and against any loss, cost, and expense that SCPPA or each Participating Member incurs because of a claim that any deliverables, materials, software, or hardware or equipment (hereinafter "Product") provided pursuant to this Agreement infringes on the intellectual property rights of others. Consultant's indemnification obligation under this Section 9 is conditioned on the following: (i) SCPPA must notify Consultant of any such claim and (ii) the claim must not arise from modifications to or misuse of the Product by SCPPA or the Participating Member. In the event of an infringement claim, Consultant, at its sole option and expense, may (A) retake title and possession of the Product and refund all compensation paid by SCPPA, or (B) obtain for SCPPA and any Participating Member the right to continue using the Product under the terms of this Agreement as was being used prior to the infringement claim; or (C) replace for SCPPA and any Participating Member the Product with another that is substantially equivalent in function, or modify the Product so that it becomes non-infringing and substantially equivalent in function. Consultant's election in response to an infringement claim as described in this Section 9 shall not result in any additional costs or liability to SCPPA and any Participating Member.

10. **Insurance:**
    Consultant shall at its sole cost and expense procure, provide, and maintain, and shall require each subcontractor (regardless of tier) to provide and maintain, in effect during the performance of any Work under this Agreement, and with respect to subparagraphs (d) and (e)

below, the period of time specified therein, insurance coverage with carriers reasonably satisfactory to SCPPA, as follows:

(a) Workers' Compensation insurance in accordance with statutory limits, as required by the state in which the services are to be performed, including a waiver of subrogation favoring SCPPA, and Employer's Liability insurance with limits of not less than one million dollars ($1,000,000) each employee for accident, $1,000,000 each employee for disease, and $1,000,000 policy limit for disease.

(b) Commercial General Liability insurance providing coverage for bodily injury, property damage, personal injury, advertising liability, blanket contractual liability, Consultant's obligations under this Agreement, products and completed operations, and coverage for independent contractors with limits of not less than one million dollars ($1,000,000) for each occurrence. Such policy shall cover SCPPA and each Participating Member as an additional insured, include a severability of interest provision, and be primary and not contributory with respect to any insurance carried by SCPPA or Participating Members.

(c) Commercial Automobile Liability insurance providing coverage for all owned, non-owned, and hired automobiles used by Consultant in the performance of the Work with a combined single limit of not less than one million dollars ($1,000,000) for each occurrence of bodily injury and property damage.

(d) Errors & Omissions/Professional Liability insurance, including coverage for liability arising from intellectual property infringement, information technology and software development services, with limits of one million dollars ($1,000,000) per claim and in the aggregate. The policy must be kept in force during the life of the contract and for three years (either as a policy in force with "prior acts" coverage covering the Agreement's term, or under an extended reporting provision) after contract termination.

(e) Cyber Security Coverage including technology / professional liability insurance, intellectual property infringement, and data protection liability insurance. Consultant shall procure and maintain coverage for cyber liabilities and financial loss resulting or arising from acts, errors, or omissions, in connection with data maintenance, hosting, software development and other information technology services provided under this agreement. Coverage shall include protection for liability arising from:

1. intellectual property infringement arising out of software and/or content (excluding patent infringement and misappropriation of trade secrets);
2. breaches of security;
3. violation or infringement of any right, privacy, breach of federal, state, or foreign security and/or privacy laws or regulations; and,

4. data theft, damage, destruction, or corruption, including without limitation, unauthorized access, unauthorized use, identity theft, theft of personally identifiable information or confidential corporate information, transmission of a computer virus or other type of malicious code; and participation in a denial of service attack on a third party.

The minimum limits shall be three million dollars ($3,000,000) for each claim and in the aggregate.

Such insurance must address all of the foregoing without limitation if caused by an employee of the Consultant or an independent contractor working on behalf of the Consultant in performing Work under this contract. Policy must provide coverage for wrongful acts, claims, and lawsuits anywhere in the world. The policy must be kept in force during the life of the contract and for three years (either as a policy in force with "prior acts" coverage covering the Agreement's term, or under an extended reporting provision) after contract termination.

(f) All required policies shall provide not less than thirty (30) calendar day notice of cancellation to SCPPA.

The insurance to be provided by Consultant under this Agreement shall not include any of the following: except for Professional Liability Insurance, any claims-made insurance policies; any self-insured retention or deductible amount greater than two hundred fifty thousand dollars ($250,000) unless approved in writing by SCPPA; any endorsement limiting coverage available to SCPPA or Participating Members that is otherwise required by this Section 10; and any policy or endorsement language that (i) negates coverage to SCPPA or Participating Members for SCPPA's or Participating Members' own negligence; (ii) limits the duty to defend SCPPA or Participating Members under the policy; (iii) provides coverage to SCPPA or Participating Members only if Consultant is negligent, or (iv) permits the recovery of defense costs from any additional insured. The insurance provided under this Agreement shall not contain any restrictions or limitations which are inconsistent with SCPPA's or the Participating Members' rights under this Agreement.

Consultant shall furnish SCPPA proof of all specified insurance evidencing the required coverages prior to commencement of Work under this Agreement or any Task Order issued pursuant to this Agreement. Consultant shall provide SCPPA a new or renewed certificate of insurance upon any changes or modifications to coverage including any extension or renewal of required insurance coverage; provided that any changes or modifications to coverage shall be consistent with the requirements of this Agreement.

The insurance requirements set forth in this Section 10 are separate and independent from the indemnification and defense provisions of this Agreement. The insurance provisions do not limit the applicability, scope, or obligations of indemnification and defense obligations of

this Agreement, and this Agreement's indemnification and defense obligations do not limit the insurance coverage requirements of this Agreement.

11. **Term and Termination; Survival:**

(a) The term of this Agreement shall be three (3) years from the date hereof at which time it shall either expire or be extended by written agreement of the Parties for one (1) or more additional terms totaling no more than three (3) years, unless sooner terminated in accordance with this Section 11.

(b) Either Party may terminate this Agreement, or any Task Order hereunder, with or without cause, upon thirty (30) calendar days' written notice to the other Party. Upon such termination, (i) Consultant shall reimburse SCPPA for all payments made by SCPPA for Work not yet completed and supplied, or (ii) if outstanding payments are owed to Consultant, SCPPA shall pay Consultant for all Work satisfactorily performed and supplied in accordance with this Agreement up to the date of termination.

(c) No Task Order shall be executed pursuant to this Agreement if the time or deadline for performance thereof extends beyond the then-applicable expiration date of the Agreement. Notwithstanding the foregoing, at SCPPA's sole discretion and for good cause shown, this Agreement shall not expire while Work to be performed under an existing Task Order remains incomplete.

(d) Termination for Conflicts of Interest. Consultant confirms that it understands the conflicts of interest codes and requirements applicable to its profession, as well as the requirements of California Government Code Section 1090, et seq. and Section 87100, et seq. Consultant represents and certifies that it is unaware of any conflict of interest relating to this Agreement and that SCPPA, its Members, and their respective officers, agents, employees, representatives, and elected and appointed officials do not, and will not, have any indirect or indirect financial interest in this Agreement. Consultant will immediately inform SCPPA about any conflict of interest that may arise as a result of any change in circumstances. Notwithstanding any other provision of this Agreement, it is further understood and agreed that if such conflict of interest does exist or develop, SCPPA may immediately terminate this Agreement by giving Consultant written notice thereof.

(e) Survival. Any rights or obligations pursuant to Sections 2(d), 3, 5-12, 14, 17, 20-22 shall survive the termination or expiration of this Agreement.

12. **Use and Ownership of Work Product:**

(a) As used in this agreement, the term "Work Product" means any and all deliverables or materials fixed in a tangible medium of expression, including software code, written

procedures, written documents, abstracts, and summaries thereof, or any portions or components of the foregoing created, written, developed, conceived, perfected, or designed in connections with the Work provided under this Agreement.

(b) Subject to Section 12(c) below, SCPPA is and shall be, the sole and exclusive owner of all right, title and interest in the Work Product, including all patents, copyrights, trademarks, trade secrets and other intellectual property rights (collectively, "Intellectual Property Rights") therein.

(c) To the extent that any of Consultant's pre-existing materials, including Intellectual Property Rights, are contained in the Work Product, Consultant retains ownership of such pre-existing materials and hereby grants to SCPPA an irrevocable and worldwide license to use, publish, reproduce, display, distribute copies of, and prepare derivative works based upon, such pre-existing materials and derivative works thereof. SCPPA may assign, transfer and sublicense such rights to others without Contractor's approval.

13. **Information Provided by Others:**

To the extent reasonably available to SCPPA and/or the Participating Members, and not otherwise subject to any confidentiality requirement, SCPPA and/or the Participating Members, upon Consultant's request, shall provide to the Consultant in a timely manner any information reasonably needed to perform the Work hereunder. Consultant may rely on the accuracy of information provided by SCPPA and Participating Members. Any Customer Data (as defined in Section 13 herein) furnished to Consultant by SCPPA or Participating Members shall be deemed Confidential Information subject to Section 14 of this Agreement.

14. **Confidential Information:**

As used herein, "Customer Data" shall mean any and all data that describes anything whatsoever about an individual customer of a Participating Member, such as address, employment, contact information, usage history, financial transactions and/or credit history, or that affords a clear basis for inferring things done by or to an individual or entity such as a record of a person's presence in a place, or requests for temporary changes in service. "Customer Responses" shall be all information or opinion collected or gathered from an individual customer of a Participating Member, either verbally, in writing, or electronically.

Either Party (as to information disclosed, the "Disclosing Party") may provide the other (as to information received, the "Receiving Party") with information in connection with this Agreement that it may deem to be "Confidential Information" as defined herein. Confidential Information shall mean any and all: (1) Customer Data provided by SCPPA or any Participating Member to Consultant or any of Consultant's subcontractors; (2) Customer Responses collected by Consultant or any of Consultant's subcontractors from customers of

any Members; and (3) any information provided to one Party from another that is labeled and/or marked confidential. Receiving Party agrees: (a) to use or reproduce the Confidential Information only as necessary to realize the benefits of or perform its obligations under this Agreement and for no other purpose, (b) to take reasonable measures to prevent disclosure of the Confidential Information to third parties, and (c) not to disclose the Confidential Information to a competitor of Disclosing Party.

Notwithstanding the foregoing, Confidential Information does not include information which (i) at the time of disclosure is within the public domain through no breach of this Agreement by either Party; (ii) has been known or independently developed by and is currently in the possession of recipient prior to disclosure or receipt thereof; (iii) was or is acquired by recipient from a third party (other than a Participating Member customer contacted by Consultant in the course of performance of this Agreement) or (iv) disclosed pursuant to a legal requirement or order. The recipient may disclose the Confidential Information on a need-to-know basis to its contractors, agents and affiliates who agree to confidentiality and non-use terms that are substantially similar to these terms.

In the case of a *bona fide* request received by SCPPA under the California Public Records Act ("CPRA,") Cal. Gov't Code § 7920.000 et seq.) from a third party for access to Consultant's Confidential Information subject to this Agreement, or as may otherwise be required by the California Ralph M. Brown Act ("Brown Act") (California Government Code §§ 54950 et. seq.), SCPPA shall notify Consultant of such request and shall seek to follow Consultant's reasonable instructions in responding thereto subject to the understanding that SCPPA cannot delegate the responsibilities imposed on it by the CPRA or Brown Act to Consultant. SCPPA's responsibilities under both the CPRA and Brown Act shall be determined in the sole discretion of SCPPA. In the event access to such Confidential Information is denied and the third party requesting the same initiates litigation to compel access under the CPRA, SCPPA shall promptly advise Consultant of such litigation, and SCPPA shall have no other duty or obligation to Consultant under this Agreement with respect to the denial of access to such Confidential Information or to oppose or defend any such litigation. Consultant, at its own cost and expense, shall indemnify, defend, and hold SCPPA free and harmless from such litigation or any claim, suit, cost, expense, attorneys' fees, judgment, or order related thereto or otherwise arising from the denial of access to Consultant's Confidential Information to said third party.

If Consultant is requested or required, pursuant to any order, rule, ruling, discovery request, subpoena, civil investigation or similar process to disclose any of SCPPA's or Participating Members' Confidential Information, Consultant shall provide prompt written notice to each of SCPPA and the affected Participating Members of such request or requirement so that SCPPA and the affected Participating Members may, at their own expense, seek a protective order or other appropriate remedy concerning such disclosure.

Confidential Information must be kept in a secure location. Confidential Information received from or pertaining to customers of a Member shall only be provided by Consultant to the Participating Member providing service to that customer, and to no other party, and Consultant shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information to protect the personal information from unauthorized access, destruction, use, modification, or disclosure. Consultant shall, when directed by SCPPA, create aggregated data derived from Confidential Information in such a way that individual customer responses or data cannot be determined. Consultant shall retain the Confidential Information only so long as it is necessary to perform Consultant's tasks under the Agreement, and after such time, the Confidential Information shall be returned to SCPPA or at SCPPA's written request, destroyed, and Consultant shall retain no copies of the Confidential Information. Under no circumstance may Consultant, or its officers, employees, subcontractors, or agents use Confidential Information of SCPPA or its Members for any commercial purpose not related to the primary purpose of this Agreement.

Consultant shall be responsible for ensuring that any subcontractors used to provide Goods and Services that have access to Confidential Information or who shall collect Customer Responses comply with the provisions of this Section 13.

Notwithstanding these restrictions, only where permitted by law, including as limited by Section 1798.98 of the California Civil Code and Section 8381 of the California Public Utilities Code, (a) Consultant may disclose Confidential Information to its affiliates and subcontractors to the limited extent necessary for the performance of the Agreement, (b) a Receiving Party may disclose Confidential Information to its auditors, (c) SCPPA may disclose Confidential Information to Members, and (d) a Receiving Party may disclose Confidential Information to any other third party with the prior written permission of Disclosing Party, and in each case, only so long as the Receiving Party obtains a non-disclosure commitment from any such subcontractors, auditors, lenders or other permitted third party that prohibits disclosure of the Confidential Information and provided further that the Receiving Party remains responsible for any unauthorized use or disclosure of the Confidential Information. Each Disclosing Party warrants that it has the right to disclose the information that it discloses.

15. **SCPPA's Right to Inspect Property:**
Upon reasonable notice to Consultant, SCPPA and/or Members shall have the right during the performance of the Work to inspect the site where the Work is to be performed, subject in all cases to all applicable rules, policies and regulations related to safety, as well as state and local building code and ordinance compliance, including Consultant and its subcontractors' reasonable safety precautions, provided that such inspection and presence does not unreasonably interfere with or delay the completion of the Work and Consultant's performance

of its other obligations under this Agreement.

16. **Materials:**
In accordance with California Public Contract Code section 22152 et seq., Consultant shall certify the minimum, if not the exact, percentage of postconsumer materials in the materials, Goods, or supplies offered or sold pursuant to this Agreement, including, where applicable, printer cartridges. Where applicable, the Consultant shall ensure that any printing paper used meets the recycled content requirements set forth in Section 12209 of the California Public Contract Code.

17. **Title to Goods; Warranties:**

(a) Title to Goods. The risk of loss and title to Goods supplied by Consultant to SCPPA pursuant to the Work scope shall pass upon delivery to SCPPA, unless otherwise specified in the Work scope.

(b) Warranties. Consultant warrants that Goods shall be delivered free from defects in material, workmanship, and title and that the Work shall be performed in a competent, diligent manner in accordance with any mutually agreed specifications, as identified in Exhibit A and/or the specific Task Order. Consultant warrants that the services performed by it hereunder will be performed in a workmanlike manner and in accordance with generally accepted professional standards. Any and all written warranties asserted by Consultant shall be incorporated herein as Exhibit D. In the event the Goods and Services do not conform, such nonconforming Goods and Services shall be corrected by Consultant. If Goods or Services do not meet the above warranties, SCPPA shall promptly notify Consultant in writing prior to expiration of the warranty period. Consultant shall (i) at its option, repair or replace defective Goods and (ii) re-perform defective services. If despite Consultant's reasonable efforts, non-conforming Goods cannot be repaired or replaced, or non-conforming services cannot be re-performed, then, without limitations to SCPPA's legal and equitable remedies and any remedies provided under this Agreement, Consultant shall refund, or credit monies paid by SCPPA for such non-conforming Goods and Services.

18. **Dispute Resolution:**
In the event of a dispute between the Parties either Party may deliver to the other Party a notice of dispute with a detailed description of the underlying circumstances for the dispute. The dispute notice shall include a schedule of availability of the notifying Party's officers having a title of senior vice president or equivalent or higher duly authorized to settle the dispute during the thirty (30) calendar day period following delivery of the dispute notice. The recipient Party shall, within five (5) business days of receipt of the dispute notice, provide to the notifying Party a parallel schedule of availability of its officers having a title of senior vice president or equivalent or higher duly authorized to settle the dispute. The senior officers of the Parties shall meet and confer as often as reasonably necessary during the thirty (30) day period in good faith negotiations to resolve the dispute. In the event the dispute is not resolved within the

thirty (30) calendar day period then either Party may pursue any legal remedy available to it; provided further, however, nothing herein shall prohibit either Party from pursuing temporary, injunctive, or equitable relief during this thirty (30) calendar day period.

19. **Representatives:**

SCPPA's representative for administration of this Agreement:
Brandon Czownriak, (626) 793-9364, and e-mail address is Bczworniak@scppa.org. All questions to SCPPA pertaining to this Agreement shall be referred to the person named above.

Consultant's representative for this Agreement:
Tim Priestley, 310-645-0006, and e-mail address is tim.priestley@accentgold.com. All questions to Consultant pertaining to this Agreement shall be referred to the person named above.

The representatives set forth herein shall have authority to give all notices required herein.

20. **Notices:**

Notices, requests, demands and other communications made pursuant to this Agreement shall be deemed given only if in writing signed by an authorized representative of the sender and delivered by first class mail, electronic mail, or by a courier or service guaranteeing overnight delivery to the receiving party, addressed as follows:

To SCPPA:	To Consultant:
Executive Director 1160 Nicole Court Glendora, CA 91740 executivedirector@scppa.org	Tim Priestley President 20500 Belshaw Ave, Carson, CA 90745 Tim.priestley@accentgold.com

Either party may change its contact information for the purposes of this Agreement by giving written notice of such change to the other party in the manner provided in this Section.

Notice shall be deemed effective: 1) immediately, upon personal delivery or upon transmission by electronic mail accompanied by a telephone call to the intended recipient; 2) one (1) calendar day after transmission by electronic mail not accompanied by a telephone call; 3) five (5) calendar days after deposit in first class mail, if mailed within the United States; and 4) ten (10) calendar days after deposit in the mail, if mailed from outside the United States.

21. **Miscellaneous:**

(a) Assignment – This Agreement is binding upon and shall inure to the benefit of SCPPA and Consultant and their respective successors and assigns. Neither Party may assign its rights

or obligations hereunder without the prior written consent of the other Party; provided, however, that either Party may assign this Agreement to a successor of the Party's entire business relating to this Agreement.

(b) Integration; Conflicts – This Agreement, including Exhibits hereto, contains the entire agreement between the Parties and supersedes all prior negotiations, representations, or agreements, whether written or oral. In the event of any conflict between the terms of this Agreement and the Exhibits hereto, or any Task Order or purchase order issued hereunder, the terms of this Agreement shall control. In the event of any conflicts between the Exhibits and any Task Order or purchase order, the Exhibits shall control. In the event of a conflict between any Task Order or purchase order, the Task Order shall control.

(c) Third Party Beneficiary – SCPPA Participating Members are not parties to this Professional Services Agreement but are third party beneficiaries to the Professional Services Agreement and are entitled to the rights and benefits hereunder and may enforce the provisions hereof as if they were parties hereto.

(d) Waiver – The failure to enforce any terms of this Agreement or the waiver of any breach of this Agreement shall not constitute a waiver of any other breach or a relinquishment of right to enforce the same or any other provision of this Agreement.

(e) Severability – If any provision of this Agreement is rendered invalid or unenforceable under any circumstance, the remainder of this Agreement shall continue to be in full force and effect and the provision declared invalid or unenforceable shall continue to be in full force and effect as to other circumstances in accordance with the laws of the State of California.

(f) Governing Law – This Agreement is entered into in Los Angeles County in the State of California and shall be governed by, and construed in accordance with, the laws of the State of California.

(g) Venue – All litigation arising out of, or relating to this Agreement, shall be brought in a state or federal court in the County of Los Angeles in the State of California, and both Parties waive any defense of forum non conveniens.

22. **Execution in Counterparts, Electronic Signatures and Document Transmission:**
This Agreement may be executed in counterparts, and, upon execution by each signatory, each executed counterpart shall have the same force and effect as an original instrument and as if all signatories had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signature thereon, and may be attached to another counterpart of this Agreement identical in

form hereto by having attached to it one or more signature pages.

The Parties may execute this Agreement by manual signature or by electronic signature, each of which shall have the same force and effect. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes, to the extent provided under applicable law, including California's Uniform Electronic Transactions Act.

[SIGNATURE PAGE FOLLOWS]

Online Rebate Processing & Energy Efficiency Platform

MASTER PROFESSIONAL SERVICES AGREEMENT

Exhibit A

Scope of Work

1. Overview

Accent Gold Solutions ("Consultant") shall provide SCPPA and its Participating Members with a cloud-based Online Rebate Processing & Energy Efficiency Platform ("Dynamic DSM"), including implementation services, configuration, training, integration, and ongoing support. The platform is built on Microsoft Dynamics 365 and the Microsoft Power Platform.

Each Participating Member may independently select services from the menu below through individual Task Orders. Services are organized into the following categories:

- **Core Platform**: Foundational system and environments
- **Rebate Processing Services**: Program configuration, integrations, reporting, and training
- **Digital Energy Efficiency Online Platform (DEEOP)**: Customer engagement, marketing, and portal enhancements
- **Digital Home Energy Reports (DHER)**: Personalized energy reports, segmentation, and outreach
- **Ongoing Support**: Tiered support and continued implementation

Please note: all Work described in this Exhibit A shall be limited exclusively to electric energy measures.

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2. Core Platform

The following are included with the core platform deployment for each Participating Member:

Service	**Description**
Core System Setup	Implementation and configuration of the Dynamic DSM platform with full standard functionality

Service	Description
Environments	Production, Staging, and Test environments (additional environments available upon request)
Users & Security Roles	Initial framework for up to 5 users per Participating Member with role-based access and data isolation
Program Configuration Framework	Config Panel with sample programs that can be cloned and customized per Participating Member
Workflows	Configurable internal workflows for application review, communication, approval, and payment readiness
Core Reporting	Standard dashboards and reports for day-to-day program management
General Training	Training on system components, configuration options, and available services
Standard Support (Tier 1)	99.9% uptime guarantee; M–F, 9 AM–5 PM PT availability; single point of contact per Participating Member
Ticketing System	Portal for staff to report issues, submit task requests, and track feature requests

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3. Rebate Processing Services

The following services are available to each Participating Member through individual Task Orders:

Service	Description
Customer Portal	Branded portal for customers to view project status and submit rebate applications
Contractor Portal	Branded portal for contractors/trade allies to submit and track applications on behalf of customers
Program Implementation	Configuration of rebate/incentive programs including application processes, measures, calculations, approval workflows, and payment rules
Data Migration	Migration of historical and/or legacy project data (closed and in-flight) into the platform
Customer Data Integration	Integration with Participating Member's customer information system (CIS) via API or ETL/file-based exchange for eligibility validation and account data
Payment/Financial Integration	Integration for sending payment requests and receiving payment confirmations via API or ETL/file-based exchange
Utility Portal Integration	Single sign-on integration (e.g., SAML 2.0) with Participating Member's existing customer portal
Financing Integration	Configuration to support applicable financing options, including third-party financing referrals or workflows

Service	Description
Custom Reports	Development of custom reports beyond standard reporting, using Power BI, Excel, or native reporting tools
Additional Users & Security Roles	Provisioning and configuration of additional user licenses and security roles beyond the initial setup
Training	Role-based training on implemented programs, integrations, and system functions

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4. Digital Energy Efficiency Online Platform (DEEOP) Services

The following optional services support customer engagement, education, and digital program participation:

Service	Description
Branded Communication	Configuration of utility-branded templates for emails, portals, and outreach materials
Customer Engagement — Events	Configuration and training for online/in-person event management, attendee tracking, and follow-up
Customer Engagement — Surveys	Design, distribution, and tracking of customer surveys with integration to marketing and program workflows
Customer Engagement — Quizzes	Interactive quizzes to support energy education and program awareness

Service	Description
Customer Engagement — Marketing Lists	Automated or manual customer segmentation for targeted outreach
Customer Engagement — Marketing Campaigns	Email and SMS campaign configuration with conditional logic and response tracking
Lead Generation	Tools to convert engagement activities (events, surveys, campaigns) into program leads
Online Energy Assessments	Interactive assessments to help customers evaluate energy use and identify savings opportunities
Additional Portal Functions	Enhancements to customer/contractor portals (e.g., surveys, quizzes, recommendations at login)
AI Integration (Portal)	Configuration of AI-powered chat agents (via Microsoft Copilot) trained on program information for portal users
Digital Marketplace	Integration with third-party energy efficiency product marketplaces (e.g., Enervee, Uplight) or configuration of a native e-store via Microsoft Dynamics Commerce

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5. Digital Home Energy Reports (DHER) Services

The following optional services support personalized energy reporting and proactive customer outreach:

Service	Description
Digital Home Energy Reports	Personalized, branded energy report emails tailored to individual customer profiles using usage data and segmentation
Advanced Marketing Segmentation	AI-driven customer segmentation (via Microsoft Copilot) with automated list generation and campaign triggering
Proactive Outreach Strategies	Targeted communications incorporating customer-specific data points and program recommendations
Customer Data Collection	Self-reporting tools (surveys, quizzes, assessments) to supplement utility-provided customer data
Customized Reporting	Actionable reports on marketing effectiveness, engagement metrics, and program performance
Energy Analysis	AI-configured trend analysis and forecasting to support customer profiling and campaign optimization
Virtual Energy Assessments	Portal-based assessments with rules-driven recommendations, delivered without in-person visits
Advanced Energy Calculations	Multi-layer calculations for energy savings, incentives, and customer-specific ROI projections
Advanced AI "Insight-to-Action"	AI-driven analysis of consumption data to generate personalized savings projections and program recommendations, populated directly into customer records

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6. Ongoing Support

Service	Description
Tier 1 Support (Standard)	Included with the core platform. 99.9% uptime; M–F, 9 AM–5 PM PT
Tier 2 Support	Extended availability: 7 days/week, 9 AM–5 PM PT
Tier 3 Support	Full availability: 7 days/week, 24/7
Continued Implementation	Ongoing configuration of additional programs, integrations, and services from the menu above

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7. General Provisions

- All services are available on a per-Participating-Member basis through individual Task Orders.
- Each Participating Member's environment is logically isolated with independent data, programs, configurations, and reporting.
- Licensing requirements (Microsoft Dynamics 365 and Dynamic DSM) are specified in Exhibit B.
- Service pricing is specified in Exhibit B and the accompanying pricing schedule.
- Specific scope, acceptance criteria, and any additional terms for individual services will be documented in the applicable Task Order.

Online Rebate Processing & Energy Efficiency Platform

MASTER PROFESSIONAL SERVICES AGREEMENT

Exhibit B

Pricing

1. ☑ FEES

Pricing in all Proposals should be made based on good faith estimates of the requirements defined in this RFP. Please include all necessary details of specific examples or estimates of the fees, labor rates and service charges. Describe how the fees, rates or charges will be determined. Respondents shall also be prepared to provide a breakdown of the applicable overheads and fringe benefit costs that are part of any labor rates and other direct costs associated with the services to be performed.

Pricing has several components: Licensing, Subscription Factors, and Services. These are in the attached document **"Accent Gold_SCPPA Pricing Menu.xlsx"**.

A. **Licensing** can be procured according to the SCPPA Pricing Menu (***Subscription Pricing sheet***) addendum attachment (Excel). As our software solution, Dynamic DSM, is built on the Microsoft Power Platform, you will be purchasing licenses for Dynamic DSM as well as Microsoft licensing, depending on what components you require. We have provided standard Microsoft retail pricing, however if you have a Microsoft Enterprise Agreement, your prices may be lower than what is listed.

B. **Subscription Capacity Add-Ons.** Although you will be paying for a license for the Marketing Module (Microsoft Customer Insights), it comes with a max number of people you interact with (inbound or outbound interactions, incl. emails, SMS, form submission, surveys, etc.) In the case that you have more unique people that you need to interact with, you can purchase additional capacity packs from Microsoft. These are also included in the SCPPA Pricing Menu (***Subscription Pricing sheet***)

C. **Services** are the third component. As per the RFP, we are providing you with a menu of services to choose from as you implement your programs and integrations in the Rebate Processing phase of the implementation, as well as the DEEOP and DHER elements of the system. These services and related pricing can be viewed below in the pricing menu. Further details can be found in the SCPPA Pricing Menu attachment (***Service Pricing sheet***).

Service pricing and assumptions are as follows:

(Simple, Standard, Complex)

Rate Card follows the pricing table.

Phase	Menu Item	Simple Price	Simple Assumption	Standard Price	Standard Assumption	Complex Price	Complex Assumption
Phase 1	**Core System Stand Up**. The entire system will be implemented and configured for core functionality.		n/a	included	The core Dynamic DSM system will be implemented. All standard functionality will be included.		n/a
Phase 1	**3 Environments**. The system will include a PRODUCTION environment, a STAGING environment, and a TEST environment**.** NOTE: Additional environments can be implemented in future phases (for example, SIT).		n/a	included	The system will include a PRODUCTION environment, a STAGING environment, and a TEST environment. NOTE: Additional environments can be implemented in future phases (for example, SIT).		n/a
Phase 1	**Users & Security Roles**. Up to 5 Users will be set up for each of the Member Utilities. Each Utility will have access to its own system, data, programs, reports, configurations. This provides a foundation for all QA and procurement of tasks. NOTE: Additional user licenses can be implemented during the next phases as needed.		n/a	included	We will provide a framework with the ability to configure up to 5 Users and roles .There is no upward limit for the number of users and roles.		n/a
Phase 1	**Program-Ready**. Programs will be configurable within the Config Panel. Sample programs will be provided. These can then be cloned and implemented at the time that each utility is ready to move forward.		n/a	included	Programs will be configurable within the Config Panel. Sample programs will be provided. These can then be cloned and implemented at the time that each utility is ready to move forward.		n/a
Phase 1	**Customer Portal.** This will be *personalized* for each utility. Applicants will be *view* existing projects as well as *apply* for rebates.		n/a	$20,000	This will be personalized for each utility. Once programs are designed (see Phase 2), Applicants will be view existing projects as well as apply for rebates. Portals serving		n/a

					customerbase over 1 million customers will be $50,000/yr.		
Phase 1	**Partner/Contractor Portal.** This will be *personalized* for each utility. Once programs are designed (see Phase 2), Applicants will be *view* existing projects as well as *apply* for rebates on behalf of Customers.		n/a	$20,000	This will be personalized for each utility. Once programs are designed (see Phase 2), Applicants will be view existing projects as well as apply for rebates. Portals serving customerbase over 1 million customers will be $50,000/yr.		n/a
Phase 1	**Workflows**. Internal staff workflows for review, communication, approval, and payment readiness		n/a	included	Internal staff workflows for review, communication, approval, and payment readiness		n/a
Phase 1	**Core reporting** and operational visibility required for day-to-day program management. Data for each report will reflect permitted access.		n/a	included	Core reporting and operational visibility required for day-to-day program management. Data for each report will reflect permitted access.		n/a
Phase 1	**General Training.** We will provide training for Member regarding system components, functions, implementation options.			included	We assume this training will be online, last 2-3 days, and be 16 hours in duration.The purpose will be [a] show how the core system functions [b] how each of the task/implementation options function so that Members can order these services as needed.		

Phase 1	**Standard Support**. Our core system includes **Tier 1 Support**, which means **[a]** a 99.9% Uptime guarantee and **[b]** M-F 9am-5pm PT availability. Further details are below in the "Support" section. Additional Support or increase availability can be procured in the below Phases. This assumes a single point of contact at each Member Utility.		n/a	included	Standard Support. Our core system includes Tier 1 Support, which means [a] a 99.9% Uptime guarantee and [b] M-F 9am-5pm PT availability. Further details are below in the "Support" section. Additional Support or increase availability can be procured in the below Phases.		n/a
Phase 1	**Ticketing System.** We provide a ticketing system for staff members to report bugs, concerns, issues, task requests, and feature requests		n/a	included	We provide a ticketing system for staff members to report bugs, concerns, issues, task requests, and feature requests		n/a
Phase 2	**Program** Implementation	$5,000	1 Process, up to 5 Milestones, 1 Payment, 3 Measures, 1 simple Measure Calculator, 1 Approval Level, 10 Fields	$15,000	1 Process, up to 10 Milestones, 1 Payment, 8 Measures, 2 simple Measure Calculator, 5 Approval Level, 30 Fields	BA: 20-32 hrs SA: 8-16 hrs Dev: 24-40 hrs Eng: 60-100 hrs QA: 23-56 hrs PM: 16-30 hrs	Includes 2-4 Processes, Pre/Post, Inspections, Branching, Uploader, API, additional Measures, calculators, approval levels, fields.
Phase 2	**Additional Users or Security Roles** can be implemented. Component A is the licensing. Each license is procured according to the rate in the Licensing portion of the "Fees"section.Component B is the configuration of the Users or Security Roles.	$2,000	Config of 1-4 Users and/or 1-3 Security Roles. Minimal testing required.	$6,000	Config of 5-10 Users and/or 1-5 Security Roles. Standard testing required.	$ 10,000	Includes 11-25 Users and/or up to 10 Security Roles and Testing.
Phase 2	**Migration** of historical/legacy projects	$6,000	Closed Projects. Assumes no business process. Up to 50 Project Fields. Up to 3 Programs, 1,000 Projects, 10 unique Measures.	$20,000	Closed Projects. Assumes no business process. Up to 50 Project Fields. Up to 5 Programs, 10,000 Projects, 20 unique Measures.	BA: 20-32 hrs SA: 12-20 hrs Dev: 32-52 hrs Eng: 32-52 hrs IE: 32-52 hrs QA: 30-56 hrs PM: 20-30 hrs	Includes Closed and In-Flight Projects as well as items that go beyond the Standard Migration assumptions.
Phase 2	**Customer Data Integration.** Member Utilities will have a choice of integrating via API (sending/receiving data on an ad-hoc or as needed basis, typically one customer at a time) or via ETL (for example, uploading bulk data each night from their system of record into the Rebate Processing system)	$25,000	Entities include: Customers, Contacts, Premise, Contract Accounts. Method = ETL/File Upsert. Data precleaned by Utility. Total Records upserted	$40,000	Entities include: Customers, Contacts, Premise, Contract Accounts. Method = ETL/File Upsert. Data precleaned by Utility. Total Records upserted per entity: up to 250,000.	BA: 24-40 hrs SA: 20-32 hrs Dev: 40-60 hrs Eng: 40-60 hrs IE: 60-100 hrs QA: 40-64 hrs PM: 24-40 hrs	Includes additional entities (e.g. Meters, Readings, other). Method = API or ETL/File Upsert. Data Precleaned by Utility. Total Records upserted per entity: up to 2,000,000.

			per entity: up to 100,000.				
Phase 2	**Payment/Financial Integration.** This represents sending Payment Requests to each utility and receiving Payment Confirmation data in return. This can be done via API (one payment at a time) or via ETL (approving one or more payments at a time, receiving responses in the same manner).	$12,000	Project Level Payments, Entities 1 Payment Approval levels, Method = ETL/File Upsert. Data = Fields, Disbursement = Checks	$25,000	Project Level Payments, Entities up to 5 Payment Approval levels, Method = ETL/File Upsert. Data = Fields, Disbursement = Checks and/or Bill Credit	BA: 20-32 hrs SA: 12-20 hrs Dev: 32-48 hrs Eng: 20-36 hrs IE: 40-64 hrs QA: 28-44 hrs PM: 16-24 hrs	Project level or Measure level or Project Group level Payments, multiple Funding Sources, Method = ETL/File or API, Data = Fields and/or Files, Disbursement = Checks and/or Bill Credit
Phase 2	**Utility Portal Integration.** This is typically via SAML 2.0 or similar method.	$7,000	We assume simple, straightforward SAML 2.0. We assume the Member's existing Portal (e.g. SEW) is fully functional and connected to the Utility's CIS.	$20,000	We assume SAML 2.0 or similar method. We assume the Member's existing Portal (e.g. SEW) is fully functional and connected to the Utility's CIS.	BA: 12-20 hrs SA: 12-20 hrs Dev: 28-44 hrs IE: 24-60 hrs QA: 20-36 hrs PM: 12-20 hrs	This might include other integration protocols or methods - as well as increased complexity of requirements.
Phase 2	**Custom Reports.** Although Utility Staff is able to create their own reports within the system, within the Excel Module, or within Power BI, there may also be special reports that are desired.	$1,000	Configurable Reports within the native List View function, 1 key entity plus up to 5 parent entites, up to 30 fields	$5,000	Configurable Reports within Power BI or Excel or the native List View function, 1 key entity plus up to 10 parent entites, up to 100 fields	BA: 8-12 hrs SA: 4-8 hrs Dev: 12-36 hrs QA: 8-12 hrs PM: 4-8 hrs	Configurable Reports within Power BI or Excel or the native List View function, Multiple joined key entities plus up to 25 parent entites, up to 200 fields, Auto-Scheduling, Auto-Sending, Grraphics/Images, Coding, Auto-Push reports to the portal for customers or contractors to view their own data
Phase 2	**Training.** We will train Member staff regarding each of the above items that they have implemented. In the case of Programs, Applications, and Reports, the level of training is dependent on the number of items that have been implemented on the behalf of the Member Utility.	$2,000	We assume a smaller amount of programs will be implemented and trained on in an online setting. Process documentation included. 1-3 programs (simple	$6,000	4-10 programs (simple or standard) will be trained on with s	Train: 40-80 hrs PM: 8-16 hrs	Additional training beyond "standard" requirements.

			or standard) will be trained.				
Phase 2	**Extended Support (Availability).** Depending on the amount of engagement needed for the above items, each Member Utility can choose from three Support Tiers. These are detailed below in the Support Section of our proposal. Pricing for this is included in the Component C portion of the "Fees" section.	Included	Stanard Tier 1 Support includes M-F (9am-5pm PT) availablityy. This is already included (See Phase 1 Assumptions). No additional fee	$20,000	Tier 2 Support includes S-S (9am-5pm PT) availablity.	$50,000	Tier 3 Support includes S-S (24/7) availablity. Includes dedicated support engineer who knows your specific system and integrations.
Phase 3	**Customer Engagement: Event Configuration/Training.**. This consists of multiple components. Component A is the licensing for the *necessary module*. This is procured according to the rate in the Licensing portion of the "Fees" section. Component B is the training or configuration.	$2,000	Training for Utility Staff regarding the Event Management component of the System.	$4,000	Training for Utility Staff plus the configuration of one Event component of the System.	BA: 4-12 hrs Eng: 12-20 hrs QA: 8-12 hrs PM: 4-8 hrs Train: 12-20	Training plus additional configuration.
Phase 3	**Customer Engagement: Survey Configuration/Training.**. This consists of multiple components. Component A is the licensing for the *necessary module*. This is procured according to the rate in the Licensing portion of the "Fees" section. Component B is the training or configuration..	$2,000	Training for Utility Staff regarding the Survey component of the System.	$5,000	Training for Utility Staff plus the configuration of one Survey.	BA: 4-12 hrs Eng: 16-24 hrs QA: 8-12 hrs PM: 4-8 hrs Train: 12-20	Training plus additional configuration
Phase 3	**Customer Engagement: Quizzes Configuration/Training.**. This consists of multiple components. Component A is the licensing for the *necessary module*. This is procured according to the rate in the Licensing portion of the "Fees" section. Component B is the training or configuration..	$2,000	Training for Utility Staff regarding the Survey/Quiz component of the System.	$5,000	Training for Utility Staff plus the configuration of one Quiz.	BA: 4-12 hrs Eng: 16-24 hrs QA: 8-12 hrs PM: 4-8 hrs Train: 12-20	Training plus additional configuration

Phase 3	**Customer Engagement: Marketing List Configuration/Training.**. This consists of multiple components. Component A is the licensing for the *necessary module*. This is procured according to the rate in the Licensing portion of the "Fees" section. Component B is the training or configuration..	$1,000	Training for Utility Staff regarding the Marketing List component of the System.	$3,000	Training for Utility Staff plus the configuration of one Marketing List.	BA: 4-12 hrs Eng: 8-16 hrs QA: 8-12 hrs PM: 4-8 hrs Train: 8-12	Training plus additional configuration
Phase 3	**Customer Engagement: Marketing Campaigns Configuration/Training.**. This consists of multiple components. Component A is the licensing for the *necessary module*. This is procured according to the rate in the Licensing portion of the "Fees" section. Component B is the training or configuration..	$5,000	Training for Utility Staff regarding the Marketing Campaign component of the System.	$10,000	Training for Utility Staff plus the configuration of one simple Marketing Campaign.	BA: 8-12 hrs SA: 4-8 hrs Dev: 8-12 hrs Eng: 20-32 hrs QA: 12-20 hrs PM: 8-12 hrs Train: 12-20 hrs	Training plus additional or complex configuration
Phase 3	**Customer Engagement: Lead Configuration/Training.**. This consists of multiple components. Component A is the licensing for the *necessary module*. This is procured according to the rate in the Licensing portion of the "Fees" section. Component B is the training or configuration..	$2,500	Training for Utility Staff regarding the Lead function including conversion	$10,000	Training for Utility Staff plus simple configuration of Lead module	BA: 8-12 hrs SA: 4-8 hrs Dev: 8-12 hrs Eng: 20-32 hrs QA: 12-20 hrs PM: 8-12 hrs Train: 12-20 hrs	Training plus additional or complex configuration
Phase 3	**Customer Engagement: Online Energy Assessment.**. This consists of multiple components. Component A is the licensing for the *necessary module*. This is procured according to the rate in the Licensing portion of the "Fees" section. Component B is the training or configuration..	$8,000	Configuration of a simple Online Energy Assessment with simple result-calculations using out-of-the-box functions	$20,000	Configuration of a simple Online Energy Assessment with standard result-calculations using out-of-the-box functions	BA: 8-12 hrs SA: 12-20 hrs Dev: 20-32 hrs Eng: 32-52 hrs QA: 20-32 hrs PM: 12-20 hrs Train: 16-24 hrs	Configuration of a more complex Online Energy Assessment with complex result-calculations using out-of-the-box functions, coding, or other tools.

Phase 3	**Addtional Portal Functions** can be added as needed to support customer enrollment in projects. Natively, the Portals provide views of existing projects and the ability to enroll in new projects. Functionality can be added at Portal Login, such as tying in Surveys, Quizzes, Assessments, Program Recommendations based on Marketing Lists. Depending on the type of function, additional licensing or modules may be required. If so, then such modules may be procured according to the rate in the Licensing portion of the "Feeds" section.	$5,000	Configuration of a an existing Survey, Quiz, Event, Assessment, Recommendation (configured separately from this line item) to be triggered by or placed on the Portal.	$10,000	Configuration of a an existing Survey, Quiz, Event, Assessment, Recommendation (configured separately from this line item) to be conditionally triggered by or conditionally placed on the Portal.	BA: 8-12 hrs SA: 4-8 hrs Dev: 12-20 hrs Eng: 20-44 hrs QA: 12-20 hrs PM: 8-12 hrs	Complex Configuration of Portal functionality beyond what is stated as simple or standard.
Phase 3	**AI Integration (Portal)**. Because we are built on MS Dynamics 365, which includes Copilot AI integration, Portal Users can be offered the ability to chat with a trained AI Agent (trained with all program information as well as possibly trained to upsell or communicate the risk-free application process – the customer can "back out" if they later choose to not implement the measure). This consists of multiple components. Component A is the licensing for the necessary module. This is procured according to the rate in the Licensing portion of the "Fees" section. Component B is the training or configuration..	$ 10,000	Training for Utility Staff regarding Copilot (and AI Agent) configuration in the System (incl. linking to database tables)	$20,000	Training for Utility Staff regarding Copilot configuration the System (incl. linking to database tables) plus the configuration of one AI Agent.	BA: 12-20 hrs SA: 12-20 hrs Dev: 20-32 hrs Eng: 24-52 hrs QA: 20-32 hrs PM: 12-20 hrs Train: 12-20 hrs	Training plus additional configuration
Phase 3	**Digital Marketplace**. Microsoft Dynamics includes a Commerce module that functions as an E-store. Utilities can choose to implement this and configure the items to be sold within that marketplace. This would enable customers to browse and purchase qualified energy-efficient products directly through the platform. Alternatively, our system can integrate via API with existing tools that are already optimized for Energy Efficiency products. Examples of existing systems include: *ENERVEE* (our recommendation, see SCE Marketplace, *Uplight* (see	$5,000	We assume that SCPPA will choose to have us integrate our system with an existing Marketplace. Simple implementation would not include integrating our internal Rebate Processing System	$25,000	Standard implementation would include simple integration with our internal Rebate Process System (including linking within the Portal.)	BA: 16-24 hrs SA: 16-24 hrs Dev: 32-52 hrs Eng: 40-120 hrs QA: 24-40 hrs PM: 16-24 hrs	Complex implementation includes [a] building out the Marketplace based on the MS Dynamics Commerce module… or [b] integrating a third-party system (e.g. ENERVEE) including API build-out such that Marketplace purchases connect are represented in the RP (Rebate Processing) as Projects, Measures, and Savings.

	Consumers Energy Market), *AM Conservation*, and *Electrum*.						
Phase 3	**Training.** For Phase 3, training is included as part of each of these above items. All trainings are 4 hours (2x2 hour sessions) by default. If additional training is needed, this can be paid for on an ad-hoc basis at the standard training rate.		n/a		We assume that all training will be online unless otherwise agreed. All trainings are 4 hours (2x2 hour sessions) by default. If additional training is needed, this can be paid for on an ad-hoc basis at the standard training rate.		n/a

Phase 4	**Digital Home Energy Reports.** Microsoft Dynamics 365 includes a Marketing Module that allows for custom marketing emails per recipient. Home Energy Reports can also be sent on the basis of *Advanced Marketing Segmentation* (see separate item directly below) – where the AI Agents identify values and segmentation, followed by the *Power Automate* function being used to automatically calculate and update values on the customer record – thus tailoring insights to the customer profile. **NOTE:** This implementation consists of multiple components. Component A is the licensing for the necessary module. This is procured according to the rate in the Licensing portion of the "Fees" section. Component B is the selection of the quantity/type of Emails/SMS that will be sent from each Utility to its customers. Component C is the training or configuration.	$6,000	Training for Utility Staff regarding configuration of the Home Energy Report function.	$25,000	Training for Utility Staff regarding configuration of the Home Energy Report function plus a simple configuration	BA: 16-30 hrs SA: 12-24 hrs Dev: 24-40 hrs Eng: 36-64 hrs QA: 20-32 hrs PM: 12-24 hrs Train: 12-20 hrs	Training plus additional or complex configuration

Phase 4	**Advanced Marketing Segmentation**. The AI Agents (built in MS Copilot) within the system allow users to describe segmentation criteria (e.g. show me all customers in Zip Code 12345 whose first name starts with a J and who have participated in Program ABC). The AI Agent can be set up to run daily and place all such customers into a specified Marketing List (e.g. Campaign #12). Then "Automation XYZ" can be triggered to update specific Mail-Merge fields with values, followed by triggering an automated email campaign to run each month. In this way, the system will automatically place customers into a list based on criteria provided by the admin, followed by updating field values that can be used for Mail-Merge emails, followed by sending out Emails to these customers that include these fields – all as part of a specific Campaign #12. These emails can be tracked regarding Open Rates, Unsubscribes, and Buttons/Links that were clicked on – which can be used to indicate who should be selected for another email campaign at a later time.	$5,000	Training for Utility Staff regarding Copilot (and AI Agent) configuration for Advanced Marketing Segmentationin the System (incl. linking to database tables)	$20,000	Training for Utility Staff regarding Copilot configuration for Advanced Marketing Segmentationin the System (incl. linking to database tables) plus the configuration of one such AI Agent.	BA: 12-24 hrs SA: 12-24 hrs Dev: 24-32 hrs Eng: 36-64 hrs QA: 16-24 hrs PM: 12-24 hrs Train: 12-20 hrs	Training plus additional configuration
Phase 4	**Proactive Outreach Strategies**. Based on the native functionality of Marketing Lists, AI Agents, Marketing Campaigns, and Customer Journey tracking, each utility is empowered to identify target customers and send out targeted communication that includes [a] data points specific to the customer and [b] recommended programs based on that data.					BA: 12-24 hrs SA: 12-24 hrs Dev: 24-32 hrs Eng: 36-64 hrs QA: 16-24 hrs PM: 12-24 hrs Train: 12-20 hrs	
Phase 4	**Secure and Efficient Customer Data Collection**. By including Surveys, Quizzes, and Assessments in the above-mentioned Outreach Strategies, users are able to add self-reporting components to the customer data provided by each Utility's Customer Database (CIS).					BA: 8-12 hrs SA: 4-8 hrs Dev: 12-20 hrs Eng: 24-40 hrs QA: 8-12 hrs PM: 8-12 hrs Train: 8-12 hrs	

Phase 4	**Customized Reporting**. Combining the above components allows for customized reporting that is actionable – allowing program managers to determine which marketing activities should be continued, altered, or stopped.					BA: 8-12 hrs SA: 8-12 hrs Dev: 12-20 hrs Eng: 24-40 hrs QA: 8-12 hrs PM: 8-12 hrs Train: 8-12 hrs	
Phase 4	**Energy Analysis**. AI Agents within the native MS Copilot can be configured to analyze customers and segments for trends and forecasting. These factors can then be used to automatically update data points within the customer profile – once again leading to actionable reports and campaigns.					BA: 8-12 hrs SA: 12-24 hrs Dev: 24-32 hrs Eng: 20-32 hrs QA: 8-12 hrs PM: 8-12 hrs Train: 8-12 hrs	
Phase 4	**Virtual Energy Efficiency Assessments** can be designed and implemented via the Portal. Utility staff are empowered to design assessments with resulting recommendations based on predetermined logic and rules. Similar to Surveys, these incorporate business logic and Power Automate rules to provide recommendations to customers.					BA: 8-24 hrs SA: 8-12 hrs Dev: 16-24 hrs Eng: 20-32 hrs QA: 12-20 hrs PM: 8-12 hrs Train: 4-8 hrs	
Phase 4	**Advanced Energy Calculations**. Our system includes a multi-layer calculator and DMN engine that can be used for complex calculations. Often used for Measure calculations (savings, incentives), these can also be applied to					BA: 8-12 hrs SA: 12-24 hrs Dev: 24-40 hrs Eng: 16-24 hrs QA: 12-20 hrs PM: 8-12 hrs Train: 4-8 hrs	

Phase 4	**Advanced AI "Insight-to-Action".** Microsoft Copilot AI Agents can autonomously analyze raw consumption data and synthesize with specific Measure Type savings values (e.g. deemed savings for an efficient Water Heater). This enables the system to calculate precise, customer-specific ROI projections *("This Water Heater replacement will reduce your energy usage 10%, which will, in turn, reduce your energy bill by $100 per month ($6,000 over 5 years")*. The AI Agent will then automatically populate these actionable insights directly into the customer record as a dedicated field or timeline activity.					BA: 12-24 hrs SA: 16-24 hrs Dev: 24-40 hrs Eng: 36-64 hrs QA: 16-24 hrs PM: 12-24 hrs Train: 8-12 hrs	
Phase 4	**Training.** For Phase 4, training is included as part of each of these above items. All trainings are 4 hours (2x2 hour sessions) by default. If additional training is needed, this can be paid for on an ad-hoc basis at the standard training rate.						

Rate Card:

Role	Rate
Business Analyst (BA)	$175
Solution Architect (SA)	$200
Developer (Dev)	$140
Configuration Engineer (Eng)	$120
Integration Engineer (IE)	$200
QA tester (QA)	$120
Project Manager (PM)	$150
Trainer (Train)	$120

Annual Subscriptions--Licensing and Support

Phase	Component	Vendor	Software Pricing	Details	Unit	$ Per Unit	Year 1 Cost	Year 2 Cost	Year 3 Cost	Year 4 Cost	Year 5 Cost	Year 6 Cost
Phase 1												
Phase 1	Base System	Dynamic DSM	DDSM Core Licensing	Base system includes up to 5 users.	1	$40,000	$40,000	$41,200	$42,436	$43,709	$45,020	$46,371
Phase 1	Base System	Dynamic DSM	DDSM Core Licensing	Additional users after initial 5 that are included	0	$1,500	$0	$0	$0	$0	$0	$0
Phase 1	Base System	Microsoft	Microsoft Power Apps Premium	Per User	5	$240	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200
Phase 1	Base System	Microsoft	Microsoft Storage-Database	Unit per GB. Included database storage = 250MB per Power Apps User (or 1.5GB for 5 users)	4	$480	$1,920	$1,920	$1,920	$1,920	$1,920	$1,920
Phase 1	Base System	Microsoft	Microsoft Storage-Log	Unit per GB.	1	$120	$120	$120	$120	$120	$120	$120
Phase 1	Base System	Microsoft	Microsoft Storage-File	Unit per GB. Included file storage = 2GB per Power Apps user (or 10GB for 5 users).	0	$24	$0	$0	$0	$0	$0	$0
Phase 1	Base System	Dynamic DSM	Management of 2 Sandbox Environments Hosted in Client Tenant	We assume 2 sandbox environments: DEV, TEST. This includes support for those environments and DMN processor for each.	2	$4,000	$8,000	$8,240	$8,487	$8,742	$9,004	$9,274
Phase 1	Portal Module	Dynamic DSM	DDSM Customer Portal	Customer application portal	1	$20,000	$20,000	$20,600	$21,218	$21,855	$22,510	$23,185
Phase 1	Portal Module	Dynamic DSM	DDSM Partner/Contractor Portal	Contractor management portal	1	$20,000	$20,000	$20,600	$21,218	$21,855	$22,510	$23,185
Phase 1	Portal Module	Microsoft	Microsoft Power Pages T1 Anonymous Users	Unit = block of 500 anonymous users/mo. Total users from Customer & Partner portals.	1	$900	$900	$900	$900	$900	$900	$900
Phase 1	Portal Module	Microsoft	Microsoft Power Pages T1 Authenticated Users	Unit = block of 100 authenticated users/mo. Total users from Customer & Partner portals.	1	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400
Phase 1	Bulk Uploader Module	Dynamic DSM	Dynamic DSM Bulk Record Upload Module	Module for bulk loading application records from a spreadsheet (or other format)	1	$6,000	$6,000	$6,180	$6,365	$6,556	$6,753	$6,956
Phase 1	Bulk Uploader Module	Microsoft	Azure App Service Premium (P1v3 Plan)	Used for Bulk Record Uploader (for Agreements)	1	$2,551	$2,551	$2,551	$2,551	$2,551	$2,551	$2,551
Phase 2												
Phase 2	Data Migration Option	Microsoft	Azure VM for SSIS/SFTP	This will be used for data migration from legacy systems (customer and/or program data). Typically just during the first year.	1	$5,040	$5,040	$0	$0	$0	$0	$0
Phase 2	Advanced Reports Option	Microsoft	Microsoft Power BI	Advanced reports and analytics. Per user.	1	$168	$168	$168	$168	$168	$168	$168
Phase 3												
Phase 3	Marketing Option	Microsoft	Microsoft Dynamics 365 Customer Insights	Includes marketing campaigns, customer journeys and automated orchestration, surveys and feedback, event management, etc. Base capacity includes 10,000 interacted people/year and 100,000 unified people.	1	$20,400	$20,400	$20,400	$20,400	$20,400	$20,400	$20,400
Phase 3	Marketing Option	Microsoft	Microsoft Dynamics 365 Customer Insights-Additional Interacted People Capacity	Each pack includes 5000 interacted people/year. Interacted people refers to any record that is interacted with via inbound or outbound channel (such as email, SMS, form submission, survey, etc)	1	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000
Phase 3	Marketing Option	Microsoft	Microsoft Dynamics 365 Customer Insights-Additional Unified People Capacity	Each pack includes 100,000 unified people. Unified people refers to a uniquely identified individual that is created through a collection of defined data source sets from multiple systems.	1	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000
Phase 3	AI Option	Microsoft	Microsoft 365 Copilot Business	AI integration. Per user.	1	$252	$252	$252	$252	$252	$252	$252

*Dynamic DSM subscription and support has a 3% year over year increase
**Microsoft licensing shown is standard pricing. Your Microsoft Enterprise Agreement may include discounted prices.

In no event shall SCPPA's payment obligations to Consultant for all Goods received or Services performed or for any other reason exceed $500,000 (the "Not to Exceed Amount"). Consultant shall provide notice to SCPPA prior to reaching the Not to Exceed Amount. Any Goods or Services provided by Consultant in excess of this authorization, and without prior execution of an amendment hereto by the Parties, shall be at Consultant's sole risk and without payment. For avoidance of doubt SCPPA and Participating Member shall not be liable for any unauthorized excess billings whatsoever.

All travel must be preapproved in writing by SCPPA or the applicable Participating Member. As a public agency, SCPPA shall not reimburse Consultant for travel, food, and related costs in excess of those permitted by the Internal Revenue Service.

EXHIBIT C

EXEMPLARY TASK ORDER FORM

TASK ORDER No.: […input number, sequential to prior Task Orders, if applicable…]

Date: [ ]

Project Description: [ ]

Participating Member (if applicable): [ ]

Consultant: [ ]

Consultant, SCPPA and the Participating Member(s) identified above agree that Consultant shall provide the Services specified herein pursuant to the terms and conditions of the [Agreement Type] ("Agreement") between SCPPA and Consultant dated [Agreement Effective Date], except as specifically modified herein. Capitalized terms used but not described herein shall have the meanings ascribed to them in the Agreement.

Term

This Task Order shall commence upon issuance of a purchase order by SCPPA and shall terminate on the earlier of [date] or the end of the Agreement's term (the "Task Order Termination Date"). Any Goods received or Services provided by Consultant (i) prior to issuance of a SCPPA purchase order, or (ii) on or after the Task Order Termination Date without prior execution of an amendment hereto by the Parties, shall be at Consultant's sole risk and without payment. SCPPA or Participating Member may terminate this Task Order, with or without cause, upon thirty (30) calendar days' written notice to Consultant.

Scope of Services

[General Description Of Services]

Compensation

[Specify Fees and Schedule – must include a Not to Exceed Amount for services under the Task Order (the "Not to Exceed Amount")]

Consultant shall provide notice to SCPPA and Participating Member prior to and upon reaching the Not to Exceed Amount. Any Goods received or Services provided by Consultant in excess of the Not to Exceed Amount, without prior execution of an amendment hereto by the Parties, shall be at Consultant's sole risk and without payment. For avoidance of doubt SCPPA and Participating Member shall not be liable for any unauthorized excess billings whatsoever.

Representative(s) of Participating Member(s)

[Identify Names and appropriate Contact information for all Member staff who are authorized representatives for the administration of the Agreement and who should be sent invoices from Consultant]

Execution in Counterparts; Electronic Signatures

This Task Order may be executed in counterparts, and, upon execution by each signatory, each executed counterpart shall have the same force and effect as an original instrument and as if all signatories had signed the same instrument. Any signature page of this Task Order may be detached from any counterpart of this Task Order without impairing the legal effect of any signature thereon, and may be attached to another counterpart of this Task Order identical in form hereto by having attached to it one or more signature pages.

The Parties may execute this Task Order by manual signature or by electronic signature, each of which shall have the same force and effect. A signed copy of this Task Order transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Task Order for all purposes, to the extent provided under applicable law, including California's Uniform Electronic Transactions Act.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have signed this Task Order as of the date first written above.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____
MICHAEL S. WEBSTER
Executive Director

Approved as to Legal Form:

_____
[NAME]
[Title]

[LEGAL ENTITY NAME]

By: _____
[PRINTED NAME IN CAPS]
[Printed Title]

Participating Member's Acknowledgement and Agreement

The undersigned hereby attests that the undersigned has the requisite authority to bind the Participating Member to the obligations set forth in this Task Order No. [###]. Participating Member agrees to be responsible for any and all fees, costs and expenses invoiced to SCPPA by Consultant for work performed on behalf of, or for the benefit of, Participating Member pursuant to the Agreement.

Participating Member agrees to indemnify, defend and hold harmless SCPPA, all other Members and their respective directors, officers, agents, representatives, employees, successors and assigns from and against any and all losses, injuries, costs and expenses, damages, liens, claims, or liabilities, including reasonable attorney's fees, incurred by SCPPA in connection with the Work performed for the benefit of, or on behalf of, Participating Member pursuant to this Task Order, except for the gross negligence or willful misconduct of SCPPA or such other SCPPA members, and their officers, agents, representatives or employees.

NAME OF PARTICIPATING MEMBER (required)

By: _____
[PRINTED NAME IN CAPS]
[Title of Authorized Signatory]

Docusign Envelope ID: 9FC7CF93-8011-846D-8308-32915B79D829

AGENDA ITEM STAFF REPORT

MEETING DATE: April 16, 2026 **RESOLUTION NUMBER:** 2026-026

SUBJECT: Award of a Master Professional Services Agreement to Rock Rabbit, Inc. for an Online Rebate Processing and Energy Efficiency Platform

DISCUSSION: ☒ **OR** **CONSENT:** ☐

Select the appropriate box(es):

FROM:		METHOD OF SELECTION:	
Finance	☐	Competitive	☒
Project Development	☐	Cooperative Purchase	☐
Program Development	☒	Sole Source	☐
Regulatory/Legislative	☐	Other	☐
Project Administration	☐	*Other (Please describe):*	
Legal	☐		
Executive Director	☐		

MEMBER PARTICIPATION:

Sponsoring Member: Azusa, Banning, Colton

Other Members Potentially Participating: Other Members may participate as desired

Approved by Executive Director: Signed by: DAE0F3A6ECDE496... _____

RECOMMENDATION:

Award and approve the execution of a Master Professional Services Agreement ("Agreement" or "MPSA") with Rock Rabbit, Inc. for an Online Rebate Processing and Energy Efficiency Platform.

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BACKGROUND:

Rock Rabbit is a California-based software and analytics company headquartered in San Francisco. The company provides utilities with data management and analytical tools to support energy efficiency and demand-side programs. Its services focus on integrating utility data, performing usage analysis, and generating reporting insights to assist with program evaluation, planning, and performance tracking.

DISCUSSION:

Through coordination with the Customer Programs Working Group, SCPPA staff identified the need for an online rebate processing and energy efficiency platform that would provide electric customers with access to a comprehensive digital energy efficiency portal, streamlined rebate processing for eligible products and services, and digital home energy reports. SCPPA conducted extensive outreach to market the solicitation to national trade associations and California hi tech hubs, including California Association of Environmental Professionals, Los Angeles Cleantech Incubator (LACI) and University of California Los Angeles Smart Grid Energy Research (SMERC). SCPPA issued a Request for Proposals (RFP) and received eight proposals in response to the RFP. Based on the evaluation of proposals, SCPPA staff is recommending award of a Master Professional Services Agreement to Rock Rabbit to support implementation of an online rebate processing and energy efficiency platform.

- **Scope of Contract Services:**
  Rock Rabbit will provide a comprehensive rebate processing and program management platform to support Member energy efficiency programs. The platform includes a white-labeled customer application, a program administrator portal, and a contractor application to support participating contractor networks. The system is designed to facilitate digital customer enrollment, automate incentive calculations, support incentive stacking and financing integration, and streamline application processing and reporting. The platform also includes data security protections, secure document uploads, and program tracking tools to support compliance, transparency, and performance evaluation.

  Rock Rabbit's scope includes, but is not limited to, the following core services:

  1. Residential Rebate Processing Platform
  2. Commercial & Industrial (C&I) Rebate Processing Platform
  3. Contractor Network Application and Program Administration Portal
  4. Automated Incentive Calculation and Workflow Management
  5. Reporting, Data Management, and System Security Services

- **Selection Method:**
  On November 21, 2025, SCPPA issued an RFP for an Online Rebate Processing and Energy Efficiency Platform that would provide electric customers with access to a comprehensive digital energy efficiency portal, streamlined rebate processing for eligible products and services, and digital home energy reports. The submittal deadline for the RFP was January 9, 2026.

  A total of eight responses were received and independently evaluated by staff of Azusa, Banning and Colton, based on each proposer's qualifications, experience, skills required to provide the required services, demonstration of project management abilities, references, and cost-

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competitiveness. Rock Rabbit is recommended for award as one of the most qualified and cost-effective firms for online rebate processing and energy efficiency platform out of the eight respondents to SCPPA's competitive solicitation.

- **SCPPA's Authority:**
  SCPPA has the authority to execute this Agreement in accordance with the California Joint Exercise of Powers Act, the SCPPA Joint Powers Agreement and the provisions of Section 9615 of the California Public Utilities Code ("Section 9615"). The SCPPA Joint Powers Agreement provides SCPPA with the authority to develop, finance, construct, operate and maintain electric energy generation and transmission projects. SCPPA's ability to exercise this right is supplemented by the requirements of Section 9615 which requires that each local publicly owned electric utility, in procuring energy, "shall first acquire all available energy efficiency and demand reduction resources that are cost effective, reliable and feasible." As a local publicly owned utility, as that term is defined by the California Public Utilities Code, SCPPA and its Members are subject to the requirements of Section 9615. This Agreement for an online rebate processing and energy efficiency platform is designed to allow Members implement streamlined, technology-enabled energy efficiency programs that increase customer participation and improve program performance. By offering online rebate processing, an integrated marketplace for qualifying energy-efficient products, and digital home energy reports, the platform reduces administrative barriers and encourages adoption of energy-efficient technologies, supporting measurable energy savings and peak demand reductions.

FISCAL IMPACT:

There is de minimis impact on SCPPA's Administrative and General budget relating to staff time to administer the MPSA.

The amount to be spent under this MPSA by participating Members shall not exceed $500,000 over the 3-year term of the Agreement.

Participating Members will commit in writing to paying for any, and all, services procured from Rock Rabbit under the MPSA pursuant to separate Task Orders to be signed by each SCPPA Member who elects to receive such services from Rock Rabbit.

ATTACHMENTS:

1. Resolution No. 2026-026
2. MPSA between SCPPA and Rock Rabbit

RESOLUTION NO. 2026-026

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AWARDING A MASTER PROFESSIONAL SERVICES AGREEMENT TO ROCK RABBIT, INC., AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE SUCH AGREEMENT, PROVIDING FOR ADDITIONAL CONTRIBUTIONS TO THE AUTHORITY'S REVOLVING GENERAL FUND, AND AUTHORIZING CERTAIN RELATED ACTION

WHEREAS, the Southern California Public Power Authority (the "Authority") owns interests in various generation and transmission projects, the output or services of which has been sold to Members of the Authority (Members); and

WHEREAS, certain Authority member utilities ("Members") are engaged in the generation, transmission, and distribution of electrical energy to retail customers, including assisting such customers with the efficient use of said energy; and

WHEREAS, the Authority's ability to exercise this right is supplemented by the requirements of Section 9615 of the California Public Utilities Code ("Section 9615") which requires that each local publicly owned electric utility, in procuring energy, "shall first acquire all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible"; and

WHEREAS, as a local publicly owned utility, as that term is defined by the California Public Utilities Code, the Authority and its members are subject to the requirements of Section 9615; and

WHEREAS, certain Authority Members have a need from time to time for energy efficiency services and demand reduction services, including the need for an online rebate processing and energy efficiency platform that would provide electric customers with access to a comprehensive digital energy efficiency portal, streamlined rebate processing for eligible products and services, and digital home energy reports, leading to lower overall electricity demand and helping reduce the need for new generation capacity ("Services"); and

WHEREAS, Rock Rabbit, Inc. ("Rock Rabbit") can provide such Services to the Authority; and

WHEREAS, after a competitive solicitation conducted by the Authority, Rock Rabbit was recommended by the Authority's evaluation team for the award of a contract; and

WHEREAS, the Authority is willing and able to enter into a Master Professional Services Agreement with Rock Rabbit to provide the Services; and

WHEREAS, the Board of Directors of the Authority, in its Resolution No. 1990-15, established a revolving general fund (the General Fund) for the payment of costs and expenses incurred by the Authority from time to time in carrying out its purposes; and

WHEREAS, the Board of Directors of the Authority, in its Resolution No. 1992-1, provided for the continuation of the General Fund and established a procedure to be followed with respect to additional contributions to the General Fund; and

WHEREAS, the Board of Directors of the Authority, in its Resolution No. 1995-2, provided for a separate bank account (the Joint Planning Account) to hold and disburse the additional contributions to the General Fund with respect to joint planning matters; and

WHEREAS, the Board of Directors of the Authority, in its Resolution No. 1995-13, changed the name of the Joint Planning Account to the Restructuring Account and charges to the Restructuring Account are referred to as "Resolution Billing"; and

WHEREAS, the Board of Directors of the Authority wishes to provide for additional contributions to the General Fund, and certain Members of the Authority are willing to make such additional contributions.

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

1. The Board of Directors hereby awards a contract to Rock Rabbit for the Services.

2. The Executive Director is authorized and directed to execute a Master Professional Services Agreement with Rock Rabbit for the Services, which agreement been presented to the Board of Directors in substantially final form, with such changes, insertions, and omissions as shall be approved by the Authority's President, Vice President, or Executive Director (such approval to be conclusively evidenced by her or his execution and delivery thereof).

3. The Board of Directors hereby provides for additional contributions to the General Fund. Notwithstanding anything to the contrary in Resolution No. 1992-1, such additional contributions:

    a) shall be solely for the purpose of paying costs and expenses incurred by the Authority with respect to Services provided by Rock Rabbit, and pending application for such purpose the contributions shall not be expended to pay costs or expenses for any other purpose;

    b) with respect to each invoice the Authority receives from Rock Rabbit, each such invoice shall be billed to the Members that have received services from Rock Rabbit with respect to such invoice, with the amount of each such Member's bill to be based upon the services performed by Rock Rabbit for the benefit of such Member; and

c) shall be billed and collected from each Member under the Alternative Billing Method authorized by Resolution 2015-025, with such amount designated as a charge under this Resolution.

4. Although the amounts to be contributed under this Resolution and related income shall constitute part of the General Fund, they shall be held and accounted for within the existing Restructuring Account. The Executive Director of the Authority is hereby directed to utilize the Restructuring Account for the purpose of holding contributions and related income, and making disbursements, under this Resolution. The President, Vice President, Secretary, any Assistant Secretary and the Executive Director of the Authority are each authorized to execute checks drawn on the Restructuring Account from time to time.

5. Amounts contributed to and held in the General Fund pursuant to this Resolution will not be contributed or held for the purposes of any project for which the Authority has obtained any form of external financing. Such amounts shall not constitute (a) Revenues, or (b) revenues, income, rents or receipts derived by the Authority from or attributable to Authority Capacity (or to the payment of the costs thereof) or the ownership or operation of any Project. As used herein, "Revenues", "Authority Capacity" and "Project" shall have the respective meanings set forth in the indentures of trust and other instruments governing the external financing arrangements entered into from time to time by the Authority.

6. The President, Vice President, Secretary, any Assistant Secretary, Executive Director and any other officer of the Authority are each hereby authorized to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.

7. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 16th day of April 2026.

_____

TIKAN SINGH
VICE PRESIDENT
Southern California
Public Power Authority

ATTEST:

_____

DANIEL E GARCIA
ASSISTANT SECRETARY
Southern California Public
Power Authority

MASTER PROFESSIONAL SERVICES AGREEMENT
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND ROCK RABBIT, INC

This MASTER PROFESSIONAL SERVICES AGREEMENT ("Agreement") is dated and effective April 16, 2026, by and between Rock Rabbit, Inc., ("Consultant"), a Delaware corporation, located at 2021 Fillmore Street, San Francisco, California 94115, and Southern California Public Power Authority ("SCPPA"), a joint powers agency created pursuant to the laws of the State of California, with offices at 1160 Nicole Court, Glendora, California 91740. SCPPA and Consultant are also referred to herein individually as "Party" and together as "Parties." Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference.

WHEREAS, SCPPA member utilities ("Members") are engaged in the generation, transmission, and distribution of electrical energy to retail customers; and

WHEREAS, SCPPA has been formed for the purpose of undertaking the planning, financing, development, acquisition, construction, reconstruction, improvement, enlargement, betterment, operation, or maintenance of projects involving the generation, transmission, and distribution of electrical energy for the benefit of its Members ("Purpose"); and

WHEREAS, SCPPA has a need for goods and/or professional and technical services including studies and reports to facilitate SCPPA's Purpose and that support its Members' procurement of generation and transmission resources and their obligation to first acquire energy efficiency and demand reduction resources that are cost effective, reliable, and feasible as mandated by Section 9615 of the California Public Utilities Code; and

WHEREAS, Consultant is qualified and capable of providing the goods and/or services specified herein which are consistent with SCPPA's Purpose.

NOW, THEREFORE, in consideration of the premises herein and for other good and valuable consideration, the Parties agree as follows:

1. **Work to be Provided:**
SCPPA engages Consultant to provide goods and/or services and related tasks ("Goods" or "Services," respectively, or collectively "Work") outlined in Exhibit A for itself and its Members to utilize pursuant to one or more separate task orders ("Task Order") substantially in the form attached hereto as Exhibit C. The Work performed and provided by Consultant under all Task Orders shall be based upon the price terms listed in Exhibit B, provided that in no event shall the payments to Consultant exceed the designated maximum amount listed in Exhibit B for all Task

Orders under this Agreement. Each Task Order shall specify the tasks and assignments from among the Work identified in Exhibit A, to be performed and provided by Consultant. Each Task Order may include a cap for all payments for Work performed and provided under each individual Task Order and a time schedule for completion of the Work. Any Member that elects to participate in any individual Task Order is referred to herein as the "Participating Member."

2. **Consultant's Services and Personnel:**

(a) Independent Contractor. Consultant is an independent contractor. Neither the Consultant nor the Consultant's employees or agents are employees of SCPPA or any Member and shall not be entitled to any employment benefits or rights afforded by SCPPA or Members to their employees, including, but not limited to, sick leave, vacation leave, paid leave, holiday pay, retirement benefits, worker's compensation, or other insurance benefits. Consultant hereby warrants that: (1) The Consultant and its employees and agents are free from the control and direction of SCPPA and its Members in connection with the performance of the work to be provided hereunder, both under this contract and in fact, (2) The Consultant and its employees and agents perform work that is outside the usual course of SCPPA's business, and (3) the Consultant and its employees and agents performing Work under this Agreement are customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the Work to be performed under this Agreement. Consultant shall furnish the Work according to its own manner and methods except as required by applicable laws and this Agreement. Consultant shall have no authority, express or implied, to act on behalf of or bind SCPPA or Members to any obligation in any capacity whatsoever as agent or otherwise.

(b) Subcontractors. Consultant may use the services of subcontractors to perform a portion of its obligations under this Agreement with the prior written approval of SCPPA. All subcontractors retained by Consultant shall be duly licensed as required by law. Subcontractors shall be provided with a copy of this Agreement and Consultant shall cause all subcontractors to comply with the same and agree in a separate writing to be bound by its terms. Consultant shall be the responsible party with respect to all actions of its subcontractors. Consultant's visit to and time spent at SCPPA, Member, or project site locations shall be subject to normal business hours, appropriate safety standards, and security requirements.

(c) Prevailing Wages. Work by persons deemed to be employees of Consultant may be subject to prevailing wages under California Labor Code 1770 et seq. Consultant is solely responsible for compliance with prevailing wage requirements, where applicable.

(d) Indemnity. Consultant shall indemnify, defend, and hold harmless SCPPA and Members, and their respective officers, employees, assigns, and successors in interest from and against any and all liability, claims, suits, demands, damages, fines, penalties, wages, costs or expenses pertaining to (i) prevailing wage laws and (ii) the payment of any employee and/or employer

contributions for the California Public Employees Retirement System ("PERS") benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions which would otherwise be the responsibility of SCPPA or Members. This indemnification is intended to supplement and is not intended to limit or exclude the application of the indemnification requirements provided in Section 8 hereof.

3. **Standard of Care:**
The Consultant will perform Work under this Agreement with the degree of skill and diligence normally practiced in the same industry by consultants performing the same or similar services. Consultant shall be in full compliance with all applicable rules, regulations, guidelines, and procedures adopted by any Card Association or Payment Network relating to the privacy and security of Cardholder and Card transaction data, including without limitation the most up to date version of the Payment Card Industry Data Security Standard (PCI-DSS), as amended from time to time by the Payment Card Industry Security Standards Council. Consultant shall comply with all Federal, State, County, local and other governing laws, rules, and regulations applicable to the performance of the Work including Participating Member(s) business practices or other requirements set forth in a Task Order, including , but not limited to, equal opportunity practices, living wage ordinances, applicable business licenses, taxpayer protection acts (limiting gifts or campaign contributions), and assignment of antitrust causes of action. Consultant represents and warrants that it is appropriately licensed, qualified and experienced to provide the Services. Consultant acknowledges that it may be subject to the requirements of the California Consumer Privacy Act ("CCPA") and represents that all Services performed hereunder shall comply with such requirements. If requested, Consultant agrees to execute a Non-Disclosure Agreement or other ancillary agreement to document Member specific requirements for purposes of addressing CCPA, California Public Records Act ("CPRA"), Confidentiality and/or Cybersecurity concerns

4. **Amendments:**
Amendments to this Agreement must be in writing and signed by both Parties. No Task Order issued under this Agreement may be amended except by written agreement executed by Consultant, SCPPA and the Participating Member, provided further that if a Participating Member has elected to confirm its Task Order participation through a letter to SCPPA, the Participating Member shall have submitted a new letter to SCPPA requesting the amendment to the Task Order prior to SCPPA's execution of the amended Task Order.

5. **Payment:**
SCPPA shall pay Consultant for Work in accordance with the terms of this Agreement and the applicable Task Order. Consultant is not authorized to perform any Work or incur any costs whatsoever until: (1) a Task Order has been signed by both Parties (and the Participating Member has signed either the Task Order or a letter to SCPPA confirming the Participating

Member's participation in the Task Order); and (2) a written purchase order providing authorization for the start of Work for such Task Order has been issued to the Consultant by the SCPPA designated representative. In addition to any specific requirements in a Task Order, each invoice from Consultant shall include the following:

a. A reference to the purchase order number issued by SCPPA for such Work to be performed under the Agreement and Task Order and any other number assigned by SCPPA for invoices under this Agreement;
b. Name of each Participating Member that has received Goods and/or Services for which the invoice is being issued by Consultant; and
c. The basis for the amount invoiced, including a description of Goods and/or Services provided.

Consultant shall submit all invoices to SCPPA. Consultant shall submit invoices at no more than monthly intervals and no later than thirty (30) days after completion of the Work covered by the invoice. Invoices delivered to SCPPA shall be sent to billinginvoices@scppa.org. Invoices received by SCPPA on or before the 15th day of a given month and subsequently approved by the Participating Member(s) on or before the 25th day of the same month, shall be paid by SCPPA before the end of the following month. All other properly invoiced amounts shall be paid not more than sixty (60) calendar days after delivery of an invoice, provided that the funds for the payment of such invoices have been transmitted to SCPPA by the Participating Member(s). SCPPA shall inform Consultant of any disputed invoice amounts within thirty (30) calendar days of receipt of the invoice by SCPPA. SCPPA may withhold payment of such disputed amounts until both Parties have reached agreement on the proper amount of the invoice.

6. **Taxes:**
All taxes imposed on Consultant's income, imposed, or assessed by reason of this Agreement or its performance, including but not limited to sales or use taxes, shall be paid by Consultant. Consultant shall be responsible for any taxes or penalties assessed by reason of any claims that Consultant is an employee of SCPPA.

7. **Audit:**
During the Agreement's term and for a period of four years after the termination or expiration of the Agreement, Consultant shall (a) maintain all records, books, papers, or documents related to Consultant's performance of the Agreement ("Records"); and (b) provide SCPPA or its representatives, at all reasonable times, the right to examine, excerpt, photocopy, photograph, or transcribe such Records, including but not limited to direct and indirect charges and detailed documentation for Work that Consultant has performed or will perform under the Agreement.

8. **Indemnity**:
To the maximum extent permitted by law, Consultant shall defend, indemnify, and hold harmless SCPPA and Members and their respective officers, employees, assigns and successors in interest (collectively, "Indemnified Parties") from and against any and all suits and causes of action, claims, charges, damages, demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever, whether actual or alleged, arising out of, or incident to, the performance of Services or the supply of Goods under this Agreement, or both ("Claims"), excluding only those Claims arising from the gross negligence or willful misconduct of Indemnified Parties. Consultant shall promptly notify SCPPA of any Claim(s) against the Consultant or any of Consultant's directors, employees, subcontractors of any tier, or agents, arising out of or related to Services being performed or Goods to be provided under this Agreement.

9. **Intellectual Property Infringement:**
Consultant shall defend, indemnify, and hold harmless SCPPA and each Participating Member from and against any loss, cost, and expense that SCPPA or each Participating Member incurs because of a claim that any deliverables, materials, software, or hardware or equipment (hereinafter "Product") provided pursuant to this Agreement infringes on the intellectual property rights of others. Consultant's indemnification obligation under this Section 9 is conditioned on the following: (i) SCPPA must notify Consultant of any such claim and (ii) the claim must not arise from modifications to or misuse of the Product by SCPPA or the Participating Member. In the event of an infringement claim, Consultant, at its sole option and expense, may (A) retake title and possession of the Product and refund all compensation paid by SCPPA, or (B) obtain for SCPPA and any Participating Member the right to continue using the Product under the terms of this Agreement as was being used prior to the infringement claim; or (C) replace for SCPPA and any Participating Member the Product with another that is substantially equivalent in function, or modify the Product so that it becomes non-infringing and substantially equivalent in function. Consultant's election in response to an infringement claim as described in this Section 9 shall not result in any additional costs or liability to SCPPA and any Participating Member.

10. **Insurance:**
Consultant shall at its sole cost and expense procure, provide, and maintain, and shall require each subcontractor (regardless of tier), to the extent such subcontractor is not covered by Consultant's insurance policies, to provide and maintain, in effect during the performance of any Work under this Agreement, and with respect to subparagraphs (d) and (e) below, the period of time specified therein, insurance coverage with carriers reasonably satisfactory to SCPPA, as follows:

(a) Workers' Compensation insurance in accordance with statutory limits, as required by the state in which the services are to be performed, including a waiver of subrogation favoring

SCPPA, and Employer's Liability insurance with limits of not less than one million dollars ($1,000,000) each employee for accident, $1,000,000 each employee for disease, and $1,000,000 policy limit for disease.

(b) Commercial General Liability insurance providing coverage for bodily injury, property damage, personal injury, advertising liability, blanket contractual liability, Consultant's obligations under this Agreement, products and completed operations, and coverage for independent contractors with limits of not less than one million dollars ($1,000,000) for each occurrence. Such policy shall cover SCPPA and each Participating Member as an additional insured, include a severability of interest provision, and be primary and not contributory with respect to any insurance carried by SCPPA or Participating Members.

(c) Commercial Automobile Liability insurance providing coverage for all owned, non-owned, and hired automobiles used by Consultant in the performance of the Work with a combined single limit of not less than one million dollars ($1,000,000) for each occurrence of bodily injury and property damage.

(d) Errors & Omissions/Professional Liability insurance, including coverage for liability arising from intellectual property infringement, information technology and software development services, with limits of one million dollars ($1,000,000) per claim and in the aggregate. The policy must be kept in force during the life of the contract and for three years (either as a policy in force with "prior acts" coverage covering the Agreement's term, or under an extended reporting provision) after contract termination.

(e) Cyber Security Coverage including technology / professional liability insurance, intellectual property infringement, and data protection liability insurance. Consultant shall procure and maintain coverage for cyber liabilities and financial loss resulting or arising from acts, errors, or omissions, in connection with data maintenance, hosting, software development and other information technology services provided under this agreement. Coverage shall include protection for liability arising from:

1. intellectual property infringement arising out of software and/or content (excluding patent infringement and misappropriation of trade secrets);
2. breaches of security;
3. violation or infringement of any right, privacy, breach of federal, state, or foreign security and/or privacy laws or regulations; and,
4. data theft, damage, destruction, or corruption, including without limitation, unauthorized access, unauthorized use, identity theft, theft of personally identifiable information or confidential corporate information, transmission of a computer virus or other type of malicious code; and participation in a denial of service attack on a third party.

The minimum limits shall be three million dollars ($3,000,000) for each claim and in the aggregate.

Such insurance must address all of the foregoing without limitation if caused by an employee of the Consultant or an independent contractor working on behalf of the Consultant in performing Work under this contract. Policy must provide coverage for wrongful acts, claims, and lawsuits anywhere in the world. The policy must be kept in force during the life of the contract and for three years (either as a policy in force with "prior acts" coverage covering the Agreement's term, or under an extended reporting provision) after contract termination.

(f) All required policies shall provide not less than thirty (30) calendar day notice of cancellation to SCPPA.

The insurance to be provided by Consultant under this Agreement shall not include any of the following: except for Professional Liability Insurance, any claims-made insurance policies; any self-insured retention or deductible amount greater than two hundred fifty thousand dollars ($250,000) unless approved in writing by SCPPA; any endorsement limiting coverage available to SCPPA or Participating Members that is otherwise required by this Section 10; and any policy or endorsement language that (i) negates coverage to SCPPA or Participating Members for SCPPA's or Participating Members' own negligence; (ii) limits the duty to defend SCPPA or Participating Members under the policy; (iii) provides coverage to SCPPA or Participating Members only if Consultant is negligent, or (iv) permits the recovery of defense costs from any additional insured. The insurance provided under this Agreement shall not contain any restrictions or limitations which are inconsistent with SCPPA's or the Participating Members' rights under this Agreement.

Consultant shall furnish SCPPA proof of all specified insurance evidencing the required coverages prior to commencement of Work under this Agreement or any Task Order issued pursuant to this Agreement. Consultant shall provide SCPPA a new or renewed certificate of insurance upon any changes or modifications to coverage including any extension or renewal of required insurance coverage; provided that any changes or modifications to coverage shall be consistent with the requirements of this Agreement.

The insurance requirements set forth in this Section 10 are separate and independent from the indemnification and defense provisions of this Agreement. The insurance provisions do not limit the applicability, scope, or obligations of indemnification and defense obligations of this Agreement, and this Agreement's indemnification and defense obligations do not limit the insurance coverage requirements of this Agreement.

11. **Term and Termination; Survival:**

(a) The term of this Agreement shall be three (3) years from the date hereof at which time it shall either expire or be extended by written agreement of the Parties for one (1) or more additional terms totaling no more than three (3) years, unless sooner terminated in accordance with this Section 11.

(b) Either Party may terminate this Agreement, or any Task Order hereunder, with or without cause, upon thirty (30) calendar days' written notice to the other Party. Upon such termination, (i) Consultant shall reimburse SCPPA for all payments made by SCPPA for Work not yet completed and supplied, or (ii) if outstanding payments are owed to Consultant, SCPPA shall pay Consultant for all Work satisfactorily performed and supplied in accordance with this Agreement up to the date of termination.

(c) No Task Order shall be executed pursuant to this Agreement if the time or deadline for performance thereof extends beyond the then-applicable expiration date of the Agreement. Notwithstanding the foregoing, at SCPPA's sole discretion and for good cause shown, this Agreement shall not expire while Work to be performed under an existing Task Order remains incomplete.

(d) Termination for Conflicts of Interest. Consultant confirms that it understands the conflicts of interest codes and requirements applicable to its profession, as well as the requirements of California Government Code Section 1090, et seq. and Section 87100, et seq. Consultant represents and certifies that it is unaware of any conflict of interest relating to this Agreement and that SCPPA, its Members, and their respective officers, agents, employees, representatives, and elected and appointed officials do not, and will not, have any indirect or indirect financial interest in this Agreement. Consultant will immediately inform SCPPA about any conflict of interest that may arise as a result of any change in circumstances. Notwithstanding any other provision of this Agreement, it is further understood and agreed that if such conflict of interest does exist or develop, SCPPA may immediately terminate this Agreement by giving Consultant written notice thereof.

(e) Survival. Any rights or obligations pursuant to Sections 2(d), 3, 5-12, 14, 15, 17-18, 20-22 shall survive the termination or expiration of this Agreement.

12. **Intellectual Property Rights:**

(a) Use and Ownership of Work Product. To the extent any Work Product is created by Consultant for SCPPA or a Participating Member under this Agreement, SCPPA and such Participating Member shall retain all rights, title, and interest in and to the Work Product, including all intellectual property rights therein and any and all enhancements, improvements, and derivative works thereof, and Consultant obtains no rights therein. As used in this agreement, the term "Work Product" means any and all deliverables or

materials fixed in a tangible medium of expression, including software code, written procedures, written documents, abstracts, and summaries thereof, or any portions or components of the foregoing created, written, developed, conceived, or designed for SCPPA or a Participating Member by Consultant in the course of performing the Services under this Agreement. For avoidance of doubt, Work Product does not include any Consultant IP (as defined below).

(b) Ownership of Consultant IP. Subject to the limited rights expressly granted hereunder, Consultant reserves and, as between the Parties will solely own, the Consultant IP. No rights are granted to SCPPA or any Participating Member hereunder (whether by implication, estoppel, exhaustion or otherwise) other than as expressly set forth herein. As used in this Agreement, the term "Consultant IP" means the App, the underlying software, algorithms, interfaces, technology, databases, tools, know-how, processes and methods used to provide or deliver the App and the Services, all improvements, modifications or enhancements to, or derivative works of, the foregoing, and all intellectual property rights therein.

13. **Information Provided by Others:**
To the extent reasonably available to SCPPA and/or the Participating Members, and not otherwise subject to any confidentiality requirement, SCPPA and/or the Participating Members, upon Consultant's request, shall provide to the Consultant in a timely manner any information reasonably needed to perform the Work hereunder. Consultant may rely on the accuracy of information provided by SCPPA and Participating Members. Any Customer Data (as defined in Section 14 herein) furnished to Consultant by SCPPA or Participating Members shall be deemed Confidential Information subject to Section 14 of this Agreement.

14. **Confidential Information:**
As used herein, "Customer Data" shall mean any and all data that describes anything whatsoever about an individual customer of a Participating Member, such as address, employment, contact information, usage history, financial transactions and/or credit history, or that affords a clear basis for inferring things done by or to an individual or entity such as a record of a person's presence in a place, or requests for temporary changes in service. "Customer Responses" shall be all information or opinion collected or gathered from an individual customer of a Participating Member, either verbally, in writing, or electronically.

Either Party (as to information disclosed, the "Disclosing Party") may provide the other (as to information received, the "Receiving Party") with information in connection with this Agreement that it may deem to be "Confidential Information" as defined herein. Confidential Information shall mean any and all: (1) Customer Data provided by SCPPA or any Participating Member to Consultant or any of Consultant's subcontractors; (2) Customer Responses collected by Consultant or any of Consultant's subcontractors from customers of

any Members; and (3) any information provided to one Party from another that is labeled and/or marked confidential. Receiving Party agrees: (a) to use or reproduce the Confidential Information only as necessary to realize the benefits of or perform its obligations under this Agreement and for no other purpose, (b) to take reasonable measures to prevent disclosure of the Confidential Information to third parties, and (c) not to disclose the Confidential Information to a competitor of Disclosing Party. Notwithstanding the foregoing, Confidential Information does not include information which (i) at the time of disclosure is within the public domain through no breach of this Agreement by either Party; (ii) has been known or independently developed by and is currently in the possession of recipient prior to disclosure or receipt thereof; (iii) was or is acquired by recipient from a third party (other than a Participating Member customer contacted by Consultant in the course of performance of this Agreement) or (iv) disclosed pursuant to a legal requirement or order. The recipient may disclose the Confidential Information on a need-to-know basis to its contractors, agents and affiliates who agree to confidentiality and non-use terms that are substantially similar to these terms.

In the case of a *bona fide* request received by SCPPA under the California Public Records Act ("CPRA,") Cal. Gov't Code § 7920.000 et seq.) from a third party for access to Consultant's Confidential Information subject to this Agreement, or as may otherwise be required by the California Ralph M. Brown Act ("Brown Act") (California Government Code §§ 54950 et. seq.), SCPPA shall notify Consultant of such request and shall seek to follow Consultant's reasonable instructions in responding thereto subject to the understanding that SCPPA cannot delegate the responsibilities imposed on it by the CPRA or Brown Act to Consultant. SCPPA's responsibilities under both the CPRA and Brown Act shall be determined in the sole discretion of SCPPA. In the event access to such Confidential Information is denied and the third party requesting the same initiates litigation to compel access under the CPRA, SCPPA shall promptly advise Consultant of such litigation, and SCPPA shall have no other duty or obligation to Consultant under this Agreement with respect to the denial of access to such Confidential Information or to oppose or defend any such litigation. Consultant, at its own cost and expense, shall indemnify, defend, and hold SCPPA free and harmless from such litigation or any claim, suit, cost, expense, attorneys' fees, judgment, or order related thereto or otherwise arising from the denial of access to Consultant's Confidential Information to said third party.

If Consultant is requested or required, pursuant to any order, rule, ruling, discovery request, subpoena, civil investigation or similar process to disclose any of SCPPA's or Participating Members' Confidential Information, Consultant shall provide prompt written notice to each of SCPPA and the affected Participating Members of such request or requirement so that SCPPA and the affected Participating Members may, at their own expense, seek a protective order or other appropriate remedy concerning such disclosure.

Confidential Information must be kept in a secure location. Confidential Information received from or pertaining to customers of a Member shall only be provided by Consultant to the Participating Member providing service to that customer, and to no other party, and Consultant shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information to protect the personal information from unauthorized access, destruction, use, modification, or disclosure. Consultant shall, when directed by SCPPA, create aggregated data derived from Confidential Information in such a way that individual customer responses or data cannot be determined. Consultant shall retain the Confidential Information only so long as it is necessary to perform Consultant's tasks under the Agreement, and after such time, the Confidential Information shall be returned to SCPPA or at SCPPA's written request, destroyed, and Consultant shall retain no copies of the Confidential Information. Under no circumstance may Consultant, or its officers, employees, subcontractors, or agents use Confidential Information of SCPPA or its Members for any commercial purpose not related to the primary purpose of this Agreement.

Consultant shall be responsible for ensuring that any subcontractors used to provide Goods and Services that have access to Confidential Information or who shall collect Customer Responses comply with the provisions of this Section 14.

Notwithstanding these restrictions, only where permitted by law, including as limited by Section 1798.98 of the California Civil Code and Section 8381 of the California Public Utilities Code, (a) Consultant may disclose Confidential Information to its affiliates and subcontractors to the limited extent necessary for the performance of the Agreement, (b) a Receiving Party may disclose Confidential Information to its auditors, (c) SCPPA may disclose Confidential Information to Members, and (d) a Receiving Party may disclose Confidential Information to any other third party with the prior written permission of Disclosing Party, and in each case, only so long as the Receiving Party obtains a non-disclosure commitment from any such subcontractors, auditors, lenders or other permitted third party that prohibits disclosure of the Confidential Information and provided further that the Receiving Party remains responsible for any unauthorized use or disclosure of the Confidential Information. Each Disclosing Party warrants that it has the right to disclose the information that it discloses.

15. **SCPPA'S Right to Inspect Property:**
Upon reasonable notice to Consultant, SCPPA and/or Members shall have the right during the performance of the Work to inspect the site where the Work is to be performed, subject in all cases to all applicable rules, policies and regulations related to safety, as well as state and local building code and ordinance compliance, including Consultant and its subcontractors' reasonable safety precautions, provided that such inspection and presence does not unreasonably interfere with or delay the completion of the Work and Consultant's performance of its other obligations under this Agreement.

16. **Materials:**
In accordance with California Public Contract Code section 22152 et seq., Consultant shall certify the minimum, if not the exact, percentage of postconsumer materials in the materials, Goods, or supplies offered or sold pursuant to this Agreement, including, where applicable, printer cartridges. Where applicable, the Consultant shall ensure that any printing paper used meets the recycled content requirements set forth in Section 12209 of the California Public Contract Code.

17. **Title to Goods; Warranties:**

(a) Title to Goods. The risk of loss and title to Goods supplied by Consultant to SCPPA pursuant to the Work scope shall pass upon delivery to SCPPA, unless otherwise specified in the Work scope.

(b) Warranties. Consultant warrants that Goods shall be delivered free from defects in material, workmanship, and title and that the Work shall be performed in a competent, diligent manner in accordance with any mutually agreed specifications, as identified in Exhibit A and/or the specific Task Order. Consultant warrants that the services performed by it hereunder will be performed in a workmanlike manner and in accordance with generally accepted professional standards. Any and all written warranties asserted by Consultant shall be incorporated herein as Exhibit D. In the event the Goods and Services do not conform, such nonconforming Goods and Services shall be corrected by Consultant. If Goods or Services do not meet the above warranties, SCPPA shall promptly notify Consultant in writing prior to expiration of the warranty period. Consultant shall (i) at its option, repair or replace defective Goods and (ii) re-perform defective services. If despite Consultant's reasonable efforts, non-conforming Goods cannot be repaired or replaced, or non-conforming services cannot be re-performed, then, without limitations to SCPPA's legal and equitable remedies and any remedies provided under this Agreement, Consultant shall refund, or credit monies paid by SCPPA for such non-conforming Goods and Services.

18. **Dispute Resolution:**
In the event of a dispute between the Parties either Party may deliver to the other Party a notice of dispute with a detailed description of the underlying circumstances for the dispute. The dispute notice shall include a schedule of availability of the notifying Party's officers having a title of senior vice president or equivalent or higher duly authorized to settle the dispute during the thirty (30) calendar day period following delivery of the dispute notice. The recipient Party shall, within five (5) business days of receipt of the dispute notice, provide to the notifying Party a parallel schedule of availability of its officers having a title of senior vice president or equivalent or higher duly authorized to settle the dispute. The senior officers of the Parties shall meet and confer as often as reasonably necessary during the thirty (30) day period in good faith negotiations to resolve the dispute. In the event the dispute is not resolved within the thirty (30) calendar day period then either Party may pursue any legal remedy available to it;

provided further, however, nothing herein shall prohibit either Party from pursuing temporary, injunctive, or equitable relief during this thirty (30) calendar day period.

19. **Representatives:**

SCPPA's representative for administration of this Agreement:
Brandon Czworniak, (626) 793-9364, and e-mail address is bczworniak@scppa.org. All questions to SCPPA pertaining to this Agreement shall be referred to the person named above.

Consultant's representative for this Agreement:
Aimee Bailey, 650-284-9062, and aimee@rockrabbit.ai.
All questions to Consultant pertaining to this Agreement shall be referred to the person named above.

The representatives set forth herein shall have authority to give all notices required herein.

20. **Notices:**

Notices, requests, demands and other communications made pursuant to this Agreement shall be deemed given only if in writing signed by an authorized representative of the sender and delivered by first class mail, electronic mail, or by a courier or service guaranteeing overnight delivery to the receiving party, addressed as follows:

To SCPPA:
Executive Director 1160
Nicole Court
Glendora, CA 91740
executivedirector@scppa.org

To Consultant:
Aimee Bailey
CEO
2021 Fillmore St PMB 2040
San Francisco, CA 94115
aimee@rockrabbit.ai

Either party may change its contact information for the purposes of this Agreement by giving written notice of such change to the other party in the manner provided in this Section.

Notice shall be deemed effective: 1) immediately, upon personal delivery or upon transmission by electronic mail accompanied by a telephone call to the intended recipient; 2) one (1) calendar day after transmission by electronic mail not accompanied by a telephone call; 3) five (5) calendar days after deposit in first class mail, if mailed within the United States; and 4) ten (10) calendar days after deposit in the mail, if mailed from outside the United States.

21. **Miscellaneous:**

(a) Assignment – This Agreement is binding upon and shall inure to the benefit of SCPPA and Consultant and their respective successors and assigns. Neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party; provided,

however, that either Party may assign this Agreement to a successor of the Party's entire business relating to this Agreement.

(b) Integration; Conflicts – This Agreement, including Exhibits hereto, contains the entire agreement between the Parties and supersedes all prior negotiations, representations, or agreements, whether written or oral. In the event of any conflict between the terms of this Agreement and the Exhibits hereto, or any Task Order or purchase order issued hereunder, the terms of this Agreement shall control. In the event of any conflicts between the Exhibits and any Task Order or purchase order, the Exhibits shall control. In the event of a conflict between any Task Order or purchase order, the Task Order shall control.

(c) Third Party Beneficiary – SCPPA Participating Members are not parties to this Professional Services Agreement but are third party beneficiaries to the Professional Services Agreement and are entitled to the rights and benefits hereunder and may enforce the provisions hereof as if they were parties hereto.

(d) Waiver – The failure to enforce any terms of this Agreement or the waiver of any breach of this Agreement shall not constitute a waiver of any other breach or a relinquishment of right to enforce the same or any other provision of this Agreement.

(e) Severability – If any provision of this Agreement is rendered invalid or unenforceable under any circumstance, the remainder of this Agreement shall continue to be in full force and effect and the provision declared invalid or unenforceable shall continue to be in full force and effect as to other circumstances in accordance with the laws of the State of California.

(f) Governing Law – This Agreement is entered into in Los Angeles County in the State of California and shall be governed by, and construed in accordance with, the laws of the State of California.

(g) Venue – All litigation arising out of, or relating to this Agreement, shall be brought in a state or federal court in the County of Los Angeles in the State of California, and both Parties waive any defense of forum non conveniens.

22. **Execution in Counterparts, Electronic Signatures and Document Transmission:**
This Agreement may be executed in counterparts, and, upon execution by each signatory, each executed counterpart shall have the same force and effect as an original instrument and as if all signatories had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signature thereon, and may be attached to another counsterpart of this Agreement identical in form hereto by having attached to it one or more signature pages.

The Parties may execute this Agreement by manual signature or by electronic signature, each of which shall have the same force and effect. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes, to the extent provided under applicable law, including California's Uniform Electronic Transactions Act.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first written above.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____

DANIEL E GARCIA
Executive Director

Approved as to Legal Form:

_____

CHRISTINE GODINEZ [ARMANDO ARBALLO] General Counsel
[Assistant General Counsel]

ROCK RABBIT, INC.

By: _____

AIMEE GOTWAY BAILEY
CEO

EXHIBIT A

STATEMENT OF SERVICE TERMS, SERVICES & SERVICE LEVELS

Goods and/or Services not expressly set forth in this Exhibit A are excluded. All Work described in this Exhibit A shall be limited exclusively to electric energy measures.

SERVICE TERMS

This Agreement sets forth the terms and conditions under which Consultant agrees to license to Participating Member certain hosted software and provide all other services necessary for productive use of such software including residential electrification rebate management, enterprise integration(s), external data and service integrations (e.g. equipment databases), customer marketing, local installer onboarding, technical customer support and troubleshooting, and usage data monitoring and reporting (collectively, the "Services") as further set forth in this exhibit.

1. Authorized Participating Member Users. Unless otherwise limited herein, Consultant grants Participating Member a renewable, irrevocable, nonexclusive, royalty-free, and worldwide right and license for any Participating Member employee, contractor, or agent, or any other individual or entity authorized by Participating Member, (each, an "Authorized Participating Member User") to access and use the business-focused Services, including, for instance, access to reporting on platform usage, confidential program data, etc.

2. Authorized Users. Unless otherwise limited herein, Consultant grants Participating Member a renewable, irrevocable, nonexclusive, royalty-free, and worldwide right and license for any Participating Member customer to access and use the customer-focused Services for their own personal use, including, for instance, access to the app to find and claim incentives for residential electrification projects. Other than any limitations otherwise described herein, Authorized Users will have no other limitations on their access to or use of the Services.

3. Acknowledgement of License Grant. For the purposes of 11 U.S.C. § 365(n), the parties acknowledge and agree that this Agreement constitutes a grant of license to use intellectual property in software form, to Participating Member by Consultant.

4. Control and Location of Services. The method and means of providing the Services shall be under the exclusive control, management, and supervision of Consultant, giving due consideration to the requests of Participating Member. Any and all permitted cloud storage shall be in compliance with ISO/IEC 27001 - 27017, as applicable, or successor standards thereto. Except as otherwise expressly set forth in this exhibit, the Services (including all data storage), shall be provided solely from within the continental United States and on computing and data storage devices residing therein, and all such locations shall be disclosed to Participating Member annually and within thirty (30) days of the effective date of this Agreement.

EXHIBIT A

5. Development and Test Environments. The Consultant shall not usually notify Participating Member of any new releases to the application or software but will notify Participating Member in advance of any new releases or updates that affect the core functionality of the Services. The Consultant will notify Participating Member how the new releases or updates differ in the functionality, performance, and compatibility of the software and Services before such new releases are deployed into live production. Participating Member is entitled to test the functionality using a test version of the software at no additional charge.

6. Documentation. The documentation for the Services ("Documentation") will accurately and completely describe the functions and features of the Services, including all subsequent revisions thereto. The Documentation shall be understandable by a typical end user and shall provide Authorized Users with sufficient instruction such that an Authorized User can become self-reliant with respect to access and use of the Services. Participating Member shall have the right to make any number of additional copies of the Documentation at no additional charge.

7. Changes in Functionality. During the term of this Agreement, Consultant shall not reduce or eliminate functionality in the Services. Where Consultant has reduced or eliminated functionality in the Services, Participating Member, at Participating Member's sole election and in Participating Member's sole determination, shall: (a) have, in addition to any other rights and remedies under this Agreement or at law, the right to immediately terminate this Agreement and be entitled to a return of any prepaid fees; or, (b) determine the value of the reduced or eliminated functionality and Consultant will immediately adjust the Services Fees accordingly on a prospective basis. Where Consultant increases functionality in the Services, such functionality shall be provided to Participating Member without any increase in the Services Fees unless the functionality or feature was requested and agreed to in writing by Participating Member and SCPPA, in which case Consultant shall invoice SCPPA for the mutually agreed associated costs.

8. No Effect of Click-Through Terms and Conditions. Where an Authorized Participating Member User is required to "click through" or otherwise accept or made subject to any online terms and conditions in accessing or using the Services, such terms and conditions are not binding and shall have no force or effect as to the Services or this Agreement. Where an Authorized User (i.e., Participating Member customer) is required to "click through" or otherwise accept or made subject to any online terms and conditions in accessing or using the Services, such terms and conditions may be binding on the Authorized User if reviewed and agreed upon by Participating Member.

9. Change Control Procedure. Participating Member may, upon written notice, request changes to the scope of the Services, which must be approved in writing by SCPPA and Consultant. If Participating Member requests an increase in the scope, Participating Member shall notify Consultant, and, not more than five (5) business days (or other mutually agreed upon period) after receiving the request, Consultant shall notify Participating Member whether or not the change has an associated cost impact. If Participating Member and SCPPA approve in writing, Participating Member shall issue a

change order, which will be executed by the Consultant. Participating Member shall have the right to decrease the scope, and the associated fees will be reduced accordingly.

10. Transition Services. Consultant will provide to Participating Member and/or to the service provider selected by Participating Member ("Successor Consultant"") assistance reasonably requested by Participating Member to effect the orderly transition of the Services, in whole or in part, to Participating Member or to Successor Consultant ("Transition Services") following the termination of this Agreement, in whole or in part. The Transition Services may include: (a) developing a plan for the orderly transition of the terminated Services from Consultant to Participating Member or Successor Consultant; (b) if required, transferring the Participating Member data to Successor Consultant; (c) using commercially reasonable efforts to assist Participating Member in acquiring any necessary rights to legally and physically access and use any third-party technologies and documentation then being used by Consultant in connection with the Services; (d) using commercially reasonable efforts to make available to Participating Member, pursuant to mutually agreeable terms and conditions, any third-party services then being used by Consultant in connection with the Services; and, (e) such other activities upon which the parties may agree. All applicable terms and conditions of this Agreement shall apply to the Transition Services. This Section shall survive the termination of this Agreement.

11. Participating Member Data.

    a. Ownership. Participating Member data ("Participating Member Data", which shall also be known and treated by Consultant as Confidential Information) shall include: (a) Participating Member's and/or Participating Member's employees' data collected, accessed, used, processed, stored, or generated as the result of the Participating Member's use of the Services; and, (b) personally identifiable information ("PII") collected, used, processed, stored, or generated as the result of the use of the Services, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements listed herein. Except where subject to a third party's intellectual property rights, all Participating Member Data is and shall remain the sole and exclusive property of Participating Member and all right, title, and interest in the same belongs to Participating Member. This Section shall survive the termination of this Agreement.

    b. Consultant Use of Participating Member Data. Consultant is provided a limited license to access Participating Member Data for the sole and exclusive purpose of providing the Services, including a license to collect, process, store, generate, and display Participating Member Data only to the extent necessary in the providing of the Services. Consultant shall: (a) keep and maintain Participating Member Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Agreement and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose Participating Member Data solely and exclusively for the purpose of providing the Services, such

use and disclosure being in accordance with this Agreement, and applicable law; (c) allow access to Participating Member Data only to those employees of Consultant who are directly involved with and responsible for providing the Services; and, (d) not use, sell, rent, transfer, distribute, or otherwise disclose or make available Participating Member Data for Consultant's own purposes or for the benefit of anyone other than Participating Member without Participating Member's prior written consent. This Section shall survive the termination of this Agreement.

c. Access to, and Extraction of Participating Member Data. Participating Member shall have full and complete access to, and ability to download, its Participating Member Data 24 hours per day, 7 days per week, except during authorized periods of maintenance by Consultant. Further, Consultant shall, within ten (10) business days of Participating Member's request, provide Participating Member, without charge and without any conditions or contingencies whatsoever (including, but not limited to, the payment of any fees due to Consultant), an extract of the Participating Member Data in the format specified by Participating Member. In the event Participating Member gives Consultant written notice of a "litigation hold" or request under the California Public Records Act (Gov. Code § 7920.000 *et seq*., "Public Records Act")., then as to all data identified in such notice or request, Consultant shall, at no additional cost to Participating Member, isolate and preserve all such data pending receipt of further direction from the Participating Member.

d. Backup and Recovery of Participating Member Data. As a part of the Services, Consultant is responsible for maintaining a backup of Participating Member Data and for an orderly and timely recovery of such data in the event that the Services may be interrupted. Unless otherwise described in this exhibit, Consultant shall maintain a contemporaneous backup of Participating Member Data that can be recovered within two (2) hours at any point in time. Any backups of Participating Member Data shall not be considered in calculating storage used by Participating Member.

e. Loss or Unauthorized Access to Data. In the event of any act, error or omission, negligence, misconduct, or breach that permits any unauthorized access to, or that compromises or is suspected to compromise the security, confidentiality, or integrity of Participating Member Data or the physical, technical, administrative, or organizational safeguards put in place by Consultant that relate to the protection of the security, confidentiality, or integrity of Participating Member Data, consultant shall, as applicable: (a) notify Participating Member as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with Participating Member in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by Participating Member; (c) in the case of PII, at Participating Member's sole election, (i) notify the affected individuals who comprise the PII as soon as practicable but no later than is required to comply with applicable law including, but not limited to, the provisions of California Civil Code Section 1798.82,

or, in the absence of any legally required notification period, within five (5) calendar days of the occurrence; or, (ii) reimburse Participating Member for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twelve (12) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting Consultant's obligations of indemnification as further described in this Agreement, indemnify, defend, and hold harmless Participating Member for any and all Claims (as defined herein), including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from Participating Member in connection with the occurrence; (g) be responsible for recreating lost Participating Member Data in the manner and on the schedule set by Participating Member without charge to Participating Member; (h) provide to Participating Member a detailed plan within ten (10) calendar days of the occurrence describing the measures Consultant will undertake to prevent a future occurrence and (i) upon conclusion of the occurrence, or at Participating Member's request, provide to Participating Member a comprehensive summary of the occurrence, including reason for occurrence, details of occurrence, how occurrence was addressed and any other information required by Participating Member, which shall be executed by Consultant and may be relied upon by Participating Member as a true and accurate account of the occurrence. Notification to affected individuals, as described above, shall comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of Consultant's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Consultant has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Consultant. This Section shall survive the termination of this Agreement.

SERVICES

Summary. Consultant will partner with Participating Member to deploy the Rock Rabbit Incentive Provider Suite, a "software as a service" provided and hosted by Consultant. The Rock Rabbit Incentive Provider Suite enables Participating Member customers and local installers to easily find, stack, and claim incentives from Participating Member and third party sources for efficiency upgrade projects, and for Participating Member to carry out program management functions, including reviewing and approving incentive claim applications from customers and local installers.

The Consultant Incentive Provider Suite software-as-a-service consists of three web applications:

EXHIBIT A

1. Branded Customer Portal: a Participating Member-branded web application for Participating Member customers ("Authorized Users") to find and claim incentives from Participating Member and third-party sources. Core features and functionality:

    a. Incentive & Program Educational Materials: Ability for user to easily find educational information and support resources, provided by Participating Member, regarding building energy upgrade projects and incentive programs.

    b. Incentive Discovery: Ability for user to easily find current information on relevant incentives for home upgrade projects. Relevant incentives include both Participating incentives and incentives from third party sources, such as federal, state, regional and local programs.

    c. Eligibility Navigation: Ability for user to view and navigate incentive eligibility requirements for projects, including incentive "stacking", eligible equipment, and equity-related requirements.

    d. Incentive Claim Application Preparation & Submissions: Ability for user to submit incentive claim applications for Participating Member incentives, as well as select third party incentives supported by Consultant, via a single application checklist of all information and documentation requirements.

    e. Incentive Claim Application Status Tracking: Ability for user to see status of incentive claim applications.

    f. Contractor Directory & Request a Contractor: Ability for user to connect with a local installer in two ways. Users can request a contractor directly in the portal after a project has been created. Alternatively, users can view a directory of local installers that includes contact information, to conduct self-service outreach.

2. Program Admin Portal: for Participating Member and Participating Member's program implementation partners ("Authorized Participating Member Users") to review and manage incentive claim applications from customers and local installers.

    a. Incentive Claim Applications Review and Management: Ability for user to review, approve, flag or reject inbound claim applications. Includes built-in email and in-app communications to correspond with claim applicants, either Participating Member's customers or local installers, regarding claim status and to resolve exceptions/flags raised on claim applications. Also includes a list-based view of claim applications, sortable by claim status and other relevant criteria.

3. Contractor Hub: a contractor web application for local installers to find and claim incentives, with Participating Member incentives denoted as preferred Rock Rabbit partner incentives. Core features and functionality:

    a. Quote Request: Ability for user to receive and follow up on requests for customer quotes generated from the white label customer portal.

b. Eligibility Navigation: Ability for user to view and navigate incentive eligibility requirements for projects, including incentive "stacking", eligible equipment, and equity-related requirements.

c. Incentive Claim Application Preparation & Submission: Ability for user to submit incentive claim applications for Participating Member incentives, as well as select third party incentives supported by Rock Rabbit, via a single application checklist of all information and documentation requirements.

d. Collaborator Invitation: Ability for user to invite collaborators to a project, such as a technician, subcontractor, property owner, or other project stakeholder.

e. Incentive Claim Application Status Tracking: Ability for user to see status of incentive claim applications, either individually or in a list view.

The default deployment scope includes:

- Customer segments:
  - Single-Family Residential (includes single family detached, townhomes, apartments, low-rise multi-family, etc.)
- Measures:
  - Water Heating
  - HVAC
  - Electrical Panel Upgrades / Pre-wiring
  - Induction Stoves
  - Weatherization
- Languages:
  - English
  - Spanish

Additional customer segments, measures, and/or languages may be added subject to additional fees.

Task Descriptions

Task 1: Set-up

Task 1.1 Planning

A. Finalize scope, including customer segments, measures, service territory and programs.

B. Finalize trade ally (e.g. contractors, distributors) engagement details, including list of Participating Member's affiliated/endorsed trade allies to onboard into the Incentive Provider Suite, and the criteria for determining which of Rock Rabbit's existing trade allies

are to be included in the Participating Member's contractor directory in the branded customer application.

C. Determine which Participating Member data or systems are to be integrated with the Rock Rabbit Incentive Provider Suite, as well as the integration method (e.g. data exports, APIs, etc.).

D. Develop and confirm detailed project implementation plan for configuring the Incentive Provider Suite including KPIs, timelines, milestones and dependencies in collaboration with Participating Member.

E. Develop and confirm detailed training plan in collaboration with Participating Member.

F. Develop and confirm marketing support plan in collaboration with Participating Member.

G. Support the formulation of an evaluation, measurement & verification plan (EM&V Plan) for the Rock Rabbit Incentive Provider Suite implementation, including specifying Consultant's role and contributions (if applicable).

Task 1.2: Configuration, Integration and Deployment

Consultant will deliver the following services by the end of the initial set-up period.

A. Ingestion of Participating Member's incentives into the Rock Rabbit Platform incentive database, including service area; detailed eligibility and claim application requirements; incentive and add-on amount calculations; and claim application phases (a step which requires documentation or an application to be submitted to Participating Member such as for pre-eligibility check, funding reservation or claim application submission)

B. Integration with Participating Member data or systems to verify whether white label customer portal users are customers of Participating Member. *[OPTIONAL. Alternative is Participating Member checks whether users are customers of Participating Member during the claim application review process, rather than in the Rock Rabbit Platform.]*

C. Configuration of Rock Rabbit Incentive Provider Suite for Participating Member.

D. Configuration of white label customer portal

    a. Configuration of Rock Rabbit white label application with Participating Member logo in banner and Participating Member-specific URL. Incorporation of Participating Member's brand color palette into application. Relevant Participating Member contact information posted on the portal.

    b. Incorporating Participating Member -specific terms and conditions for Authorized Users

    c. Posting overview information on incentive programs, provided by Participating Member, on the home page.

d. Posting educational articles, provided by Participating Member, regarding building energy upgrade projects and incentive programs.

e. Inclusion of Participating Member-specific contractor certification programs as an option in contractor profiles

f. Inclusion of Participating Member's preferred local installers in contractor directory

g. Implementation of Participating Member's preferred methodology for screening additional contractors in Rock Rabbit's national network of contractors for inclusion in contractor directory

h. Implementation of Participating Member's preferred assignment methodology for matching "request a contractor" requests to contractors within contractor directory, e.g. round robin; random assignment; based on contractor historical project volume; based on contractor Google review scores.

E. Language translation of white label portal into select languages beyond English and Spanish (if applicable).

F. Configuration of contractor web application

a. Inclusion of Participating Member's incentives in contractor web application

b. Marking of Participating Member's incentives with a "Preferred Rock Rabbit partner" badge

G. Configuration of program admin portal for Participating Member's incentive applications

H. Provisioning of Demo environment to enable training and testing separately from the Production environment

I. Program admin user and contractor onboarding and Participating Member personnel training

a. Onboarding of Participating Member's preferred local installers (if not already Rock Rabbit users) onto contractor web application

i. Providing all new users with self-service on-boarding instructions, web-based FAQs, and/or on-demand on-boarding guides and tutorials available via web access.

b. Onboarding program administrators as defined by Participating Member as authorized users of the Program Admin Portal.

i. Setup of program admin user accounts in program admin portal

ii. Training of program admin users in program admin portal. Consultant shall conduct up to three online training sessions of 3-4 hour duration for users, covering the program admin portal's full functionality as well as an overview of the white label application and the contractor web application, with a focus on how they relate to the program admin portal. In addition, Consultant shall provide all new Authorized Users with on-boarding instructions, web-based FAQs, and/or pre-recorded on-boarding tutorials available via web access. Training for Authorized Users will cover the core functionality of the app. Any additional training required by Participating Member shall be provided at the Consultant's standard rates then in force.

c. Training Participating Member program and support personnel on Rock Rabbit white label application, such that they are empowered to support customers in their usage of the application. Consultant shall conduct up to three online training sessions of 3-4 hour duration for Participating Member program and support personnel, covering the full functionality of the white label application, as well as an overview of the contractor web application. In addition, Consultant shall provide web-based FAQs, in-app tours, and/or pre-recorded on-boarding guides/tutorials available via web access. Any additional training required by Participating Member shall be provided at the Consultant's standard rates then in force.

J. Configure Rock Rabbit Platform to track and report KPIs, in accordance with EM&V Plan.

K. Integration with Participating Member's customer management systems.

L. Finalize plan for integration with Participating Member's existing programs.

M. Unit, system and user acceptance testing of the core functionalities of the Rock Rabbit Incentive Provider Suite as outlined above. User acceptance testing will be conducted in conjunction with representative Participating Member Authorized Users in the DEMO environment, and priority bugs and issues will be addressed before go-live.

Within ten business days of the Consultant's delivery, Participating Member shall review the customization and feature itemized in the description of the services to confirm that it meets and confirms to the mutually agreed up on set of requirements. Should the Consultant fail in any material respect to conform with the requirements, Participating Member shall give the Consultant a detailed description of any such non-conformance, in writing, within the ten-day review period. If Participating Member does not provide any written comments in the ten-day period described above, then the Consultant shall consider its work to be deemed accepted and the set-up period concluded, and will deploy the work into a production environment ready for use by the Authorized Users.

Task 1.3: Marketing & Launch

A. Support Participating Member with content and messaging describing the user experience, functionality and value of the Rock Rabbit Incentive Provider Suite, to be incorporated into marketing materials developed by Participating Member for customers

and local installers, such as brochures, emails, website content, demo videos, etc. Any marketing materials that are co-branded or use Participating Member's name must be approved by Participating Member.

B. Where practical, the Consultant will support Participating Member by advising on best practices regarding designing and executing customer outreach campaigns.

C. Support Participating Member's marketing launch of the Incentive Provider Suite by

   a. Aligning go-live date of Incentive Provider Suite with marketing launch timelines to the extent possible

   b. Providing additional support to pilot users to garner positive testimonials

   c. Amplifying Participating Member launch announcements via Consultant's marketing channels such as social media posts and press releases

Task 2: Delivery

Task 2.1: Incentive Provider Suite Software-as-a-Service Operations and Maintenance. Consultant shall provide Incentive Provider Suite software-as-a-service. The Consultant will manage ongoing new releases and updates to the Incentive Provider Suite as it deems necessary to maintain functionality, performance and compatibility. Consultant will maintain separate staging, demo and production environments to enable development, demonstration and testing of new features and bug fixes before they are deployed to the production environment. Consultant will maintain the Participating Member and third party incentive programs in the Consultant's database and available through the client applications.

Task 2.3: Technical Support Services. Consultant will provide to authorized users email support ("Technical Support") with responses to any queries raised to it within 3 business days. Technical Support will include any research and resolution activity performed by Consultant.

A. Scope of Technical Support. Technical Support shall be provided in English and Spanish and shall include assisting Participating Member and/or its authorized users with general inquiries in connection with the Services, remote diagnosis (and where possible) correction of any errors/bugs/failures to ensure that authorized users are provided with the functionalities described above, and responding to Participating Member with all reasonable requests for information or assistance as soon as reasonably practicable. Any support required by users that relates to detailed questions about program rules, application status or any topic not related to delivery of the core applications shall be directed to the Participating Member and/or the Participating Member's program implementation partners.

B. Consultant's Obligations. Consultant shall have no obligation to provide Technical Support where questions or faults rise from i) contractor vetting and selection, ii) appliance selection and performance, and iii) home upgrade project execution and performance. The

Consultant will not provide or be under any obligation to provide on-site Technical Support.

C. Participating Member's Obligations. Participating Member shall cooperate with the Consultant in any manner reasonably required in order to carry out Technical Support Services, including provision of information and data, making available authorized program admin portal users, and providing any information in relation to the diagnosis of any errors, bugs or failures.

Task3: Wrap-Up

Task 3.1: Consultant shall coordinate SCPPA, Participating Member, and relevant third parties on any wrap-up items, such as final data transfer, supporting evaluation and assessment, and final reporting.

SERVICE LEVELS

1. Service Level Reporting. Upon request and up to a quarterly basis, Consultant shall provide reports to Participating Member describing the performance of the Services and of Consultant as compared to the Service Level Standards. The reports shall be in a form agreed-to by Participating Member, and, in no case, shall contain less than the following information: (a) actual performance compared to the Service Level Standard; (b) the cause or basis for not meeting the Service Level Standard; (c) the specific remedial actions Consultant has undertaken or will undertake to ensure that the Service Level Standard will be subsequently achieved; and, (d) any Performance Credit due to Participating member. Consultant and Participating will meet as frequently as quarterly to review the performance of Consultant as it relates to the Service Levels.

2. Failure to Meet Service Level Standards. In the event Consultant does not meet a Service Level Standard, Consultant shall: (a) owe to Participating Member any applicable Performance Credit, as liquidated damages and not as a penalty; and, (b) use its best efforts to ensure that any unmet Service Level Standard is subsequently met. Notwithstanding the foregoing, Consultant will use its best efforts to minimize the impact or duration of any outage, interruption, or degradation of Service. In no case shall Participating Member be required to notify Consultant that a Performance Credit is due as a condition of payment of the same.

3. Audit of Service Levels. No more than quarterly, Participating Member or Participating Member's agent shall have the right to audit Consultant's books, records, and measurement and auditing tools to verify Service Level Standard achievement and to determine correct payment of any Performance Credit. Where it is determined that any Performance Credit was due to Participating Member but not paid, Consultant shall immediately owe to Participating Member the applicable Performance Credit.

Availability Service Level.

EXHIBIT A

1) Definitions.

   (a) "Actual Uptime" shall mean the total minutes in the reporting month that the Services were actually available to Authorized Users for normal use.

   (b) "Maintenance Window" shall mean the total minutes in the reporting month represented by the following day(s) and time(s) during which Consultant shall maintain the Services, to be mutually agreed upon by Participating Member and Consultant.

   (c) "Scheduled Downtime" shall mean the total minutes in the reporting month represented by the Maintenance Window.

   (d) "Scheduled Uptime" shall mean the total minutes in the reporting month less the total minutes represented by the Scheduled Downtime.

2) Service Level Standard. Services will be available to Authorized Users for normal use 99% of the Scheduled Uptime.

3) Calculation. (Actual Uptime / Scheduled Uptime) * 100 = Percentage Uptime (as calculated by rounding to the second decimal point)

4) Performance Credit.

   (a) Where Percentage Uptime is greater than or equal to 99%, no Performance Credit will be due to Participating Member.

   (b) Where Percentage Uptime is less than 99%, Participating Member shall be due a Performance Credit proportional to the % reduction in Percentage Uptime for the reporting quarter.

5) Example Calculation.

   (a) Assuming reporting month is February 2012 (41,760 minutes).

   (b) Assuming a Maintenance Window of Sundays from Midnight to 4:00 a.m. Eastern Standard Time (equals Scheduled Downtime of 960 minutes).

   (c) Scheduled Uptime equals 40,800 minutes (total minutes of 41,760 in February 2012 less 960 minutes of Scheduled Downtime).

   (d) Assuming Actual Uptime of 40,000 minutes. A Percentage Uptime is calculated as follows: (40,000 / 40,800) *100 = 98.04%.

   (e) The threshold of 99% less the Percentage Uptime of 98.04% = 0.96%.

   (f) Participating Member is due 0.96% of $10,000 as a Performance Credit.

b) Technical Support Problem Response Service Level.

EXHIBIT A

1) Definition. "Total Problems" shall mean the total of problems occurring in the reporting month.

2) Service Level Standard. The Consultant will respond to two categories of problems associated with delivery of the Services:

i) Problems that shall be investigated and resolved within 5 working days if the problem prevents >25% of Authorized Users from accessing the Services.

ii) Problems that shall be investigated and resolved within 15 working days if >25% of Authorized Users are able to access the Services, but are unable to access a specific non-core functionality delivered by the Consultant.

3) Calculation. Performance Credit = (Number of problems occurred in any one calendar month) x 25% x $10,000.

4) Performance Credit. Performance Credit will be issued up to a maximum of $5,000 in any calendar month.

5) Example Calculation (Using Problem Severity Level 1 – 2).

(a) Number of problems occurred in any one calendar month = 2.

(b) Performance credit = 2 x 0.25 x $10,000 = $5,000

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Item	Description	Pricing
TASK 1: SET-UP **Set-Up Fee** Core software configuration & deployment	• Program setup, including ingesting up to 10 incentives for currently supported measures (e.g. heat pumps HVAC, heat pump water heaters, high efficiency boilers, induction stoves) • Platform configuration, white labeling and deployment, including up to 200 hours of policy analyst and engineering support • File-based integration with utility's customer account system to enable account lookup and verification • English and Spanish language support for Branded Customer Portal & Contractor Hub *Timeline: Estimated 2-6 months, depending on client needs & requirements*	**$75,000 flat fee** for standard setup Additional set-up beyond the standard configuration to be billed on T&M basis, including: • Supporting new measure types not currently supported • Extensive platform configuration that exceeds 200 hours of policy analyst & engineering time • Additional integrations with utility's CRM and legacy systems • Translations into additional languages Fifty percent of estimated Set-Up Fees to be billed at the start of the agreed upon set-up period. All remaining Set-Up Fees to be billed once set-up is complete.
TASK 2: DELIVERY* **Platform Fees** Core SaaS operations & enhancements	Annual SaaS subscription for: • Branded Customer Portal for utility customers (configured for utility) • Program Admin Portal (configured for utility) • Contractor Hub (general Rock Rabbit app - not customized for utility except for co-branding of utility incentives) enabling contractor-led submissions for utility customers • Monthly reporting of KPIs *Timeline: Ongoing*	**$60,000/year**, billed annually Unlimited user seats Platform Fees go into effect immediately after set-up period concludes.

EXHIBIT B

TASK 2: DELIVERY* **Application Fees** Ongoing program application and claim operations	• Ongoing maintenance and updates of rebate measures including rules changes, funding updates, etc. • Rebate claims operations support Assumes programs are of modest complexity meeting the following criteria: • Up to 30 data fields • Up to 2 phases (e.g. including reservation & submission) • Excludes atypical installation and customer requirements • Program rule changes 1x/year or less frequently NOTE: Support for third party incentive claims may be available to contractors for select programs, and charged at list price to contractors. *Timeline: Ongoing*	**Volume-based pricing tiers**: • Up to 50 applications/month: $3,750/month • 51-100 applications/month: $6,500/month • 101-200 applications/month: $11,000/month • 201-300 application/month: $16,000/month • 301-500 applications/month: $22,500/month • Beyond 501 applications/month: $12,000 for block of 300 incremental submissions Programs of higher complexity will be charged an uplift in proportion to the additional complexity. Application Fees go into effect immediately after set-up period concludes.
TASK 3: WRAP-UP **Wrap-Up Fees** Final reporting, data transfer and EM&V support	Program wind-down, including EM&V support, final data wrap-up and transfer, and final reporting. *Timeline: Estimated 1 month*	Time & Materials Based on the rate sheet below

As described in "Task 2: Delivery" above, monthly application fees will be governed by a usage-based pricing model, where usage is defined in terms of the number of "Applications". An Application has occurred when an incentive claim is submitted using Rock Rabbit's Incentive Provider Suite for a single end use (e.g., heat pump water heating installation, heat pump HVAC installation, induction stove purchase). For the avoidance of doubt, any add-on incentive for a program is not counted as a separately application. Note that an Application may be initiated by an installer from the Contractor Hub or a Participating Member's customer from the Branded Customer Portal.

EXHIBIT B

Title	2025 Hourly Rate**
Program Manager	$196
Program Analyst	$196
Jr. Front-End Engineer	$196
Jr. Back-End Engineer	$196
Data Analyst	$196
Product Manager	$246
UX/UI Designer	$246
Sr. Front-End Engineer	$246
Sr. Back-End Engineer	$246
Lead Full-Stack Engineer	$246
Data Scientist	$246

** Hourly rate set to increase 4% annually.

In no event shall SCPPA's payment obligations to Consultant for all Goods received or Services performed or for any other reason exceed $500,000 (the "Not to Exceed Amount"). Consultant shall provide notice to SCPPA prior to reaching the Not to Exceed Amount. Any Goods or Services provided by Consultant in excess of this authorization, and without prior execution of an amendment hereto by the Parties, shall be at Consultant's sole risk and without payment. For avoidance of doubt SCPPA and Participating Member shall not be liable for any unauthorized excess billings whatsoever.

All travel must be preapproved in writing by SCPPA or the applicable Participating Member. As a public agency, SCPPA shall not reimburse Consultant for travel, food, and related costs in excess of those permitted by the Internal Revenue Service.

EXHIBIT C

EXEMPLARY TASK ORDER FORM

TASK ORDER No.: […input number, sequential to prior Task Orders, if applicable…]

Date: [ ]

Project Description: [ ]

Participating Member (if applicable): [ ]

Consultant: [ ]

Consultant, SCPPA and the Participating Member(s) identified above agree that Consultant shall provide the Services specified herein pursuant to the terms and conditions of the [Agreement Type] ("Agreement") between SCPPA and Consultant dated [Agreement Effective Date], except as specifically modified herein. Capitalized terms used but not described herein shall have the meanings ascribed to them in the Agreement.

Term

This Task Order shall commence upon issuance of a purchase order by SCPPA and shall terminate on the earlier of [date] or the end of the Agreement's term (the "Task Order Termination Date"). Any Goods received or Services provided by Consultant (i) prior to issuance of a SCPPA purchase order, or (ii) on or after the Task Order Termination Date without prior execution of an amendment hereto by the Parties, shall be at Consultant's sole risk and without payment. SCPPA or Participating Member may terminate this Task Order, with or without cause, upon thirty (30) calendar days' written notice to Consultant.

Scope of Services

[General Description Of Services]

Compensation

[Specify Fees and Schedule – must include a Not to Exceed Amount for services under the Task Order (the "Not to Exceed Amount")]

Consultant shall provide notice to SCPPA and Participating Member prior to and upon reaching the Not to Exceed Amount. Any Goods received or Services provided by Consultant in excess of the Not to Exceed Amount, without prior execution of an amendment hereto by the Parties, shall be at Consultant's sole risk and without payment. For avoidance of doubt SCPPA and Participating Member shall not be liable for any unauthorized excess billings whatsoever.

Representative(s) of Participating Member(s)

[Identify Names and appropriate Contact information for all Member staff who are authorized representatives for the administration of the Agreement and who should be sent invoices from Consultant]

Execution in Counterparts; Electronic Signatures

This Task Order may be executed in counterparts, and, upon execution by each signatory, each executed counterpart shall have the same force and effect as an original instrument and as if all signatories had signed the same instrument. Any signature page of this Task Order may be detached from any counterpart of this Task Order without impairing the legal effect of any signature thereon, and may be attached to another counterpart of this Task Order identical in form hereto by having attached to it one or more signature pages.

The Parties may execute this Task Order by manual signature or by electronic signature, each of which shall have the same force and effect. A signed copy of this Task Order transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Task Order for all purposes, to the extent provided under applicable law, including California's Uniform Electronic Transactions Act.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have signed this Task Order as of the date first written above.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____
DANIEL E GARCIA
Executive Director

Approved as to Legal Form:

_____
[NAME]
[Title]

[LEGAL ENTITY NAME]

By: _____
[PRINTED NAME IN CAPS]
[Printed Title]

Participating Member's Acknowledgement and Agreement

The undersigned hereby attests that the undersigned has the requisite authority to bind the Participating Member to the obligations set forth in this Task Order No. [###]. Participating Member agrees to be responsible for any and all fees, costs and expenses invoiced to SCPPA by Consultant for work performed on behalf of, or for the benefit of, Participating Member pursuant to the Agreement.

Participating Member agrees to indemnify, defend and hold harmless SCPPA, all other Members and their respective directors, officers, agents, representatives, employees, successors and assigns from and against any and all losses, injuries, costs and expenses, damages, liens, claims, or liabilities, including reasonable attorney's fees, incurred by SCPPA in connection with the Work performed for the benefit of, or on behalf of, Participating Member pursuant to this Task Order, except for the gross negligence or willful misconduct of SCPPA or such other SCPPA members, and their officers, agents, representatives or employees.

NAME OF PARTICIPATING MEMBER (required)

By: _____
[PRINTED NAME IN CAPS]
[Title of Authorized Signatory]

☐ Check here if Participating Member has indicated acknowledgement and agreement to pay for Work procured under this Task Order by letter from Participating Member's General Manager addressed to SCPPA.