

Participate.Energy

Distributed Microgrids

Solar + Battery Systems Located at the Homes of CEA Residential Customers



PROFITABILITY

SOCIAL EQUITY

RESILIENCE

GREEN ENERGY

GRID SERVICES

February 23, 2023

Behind the meter residential Solar Plus Storage

What is the Distributed Microgrid Program

Microgrid = Residential Solar Plus Storage

Distributed Microgrid = A new programmatic approach that allows all stakeholders to benefit from operating a fleet of microgrids located at customer's homes



Customer Benefits

- \$0 upfront cost, on-site green energy sized up to 100%+ of load
- Emergency backup power
- Cost competitive on generation kWh rates, while offsetting transmission and delivery charges
- Fixed long-term rates – creating greater certainty and savings over time
- No credit underwriting and universal pricing for all customers
- Optional universal EV charger and minor site remediation
- Full Tesla customer experience and service throughout term

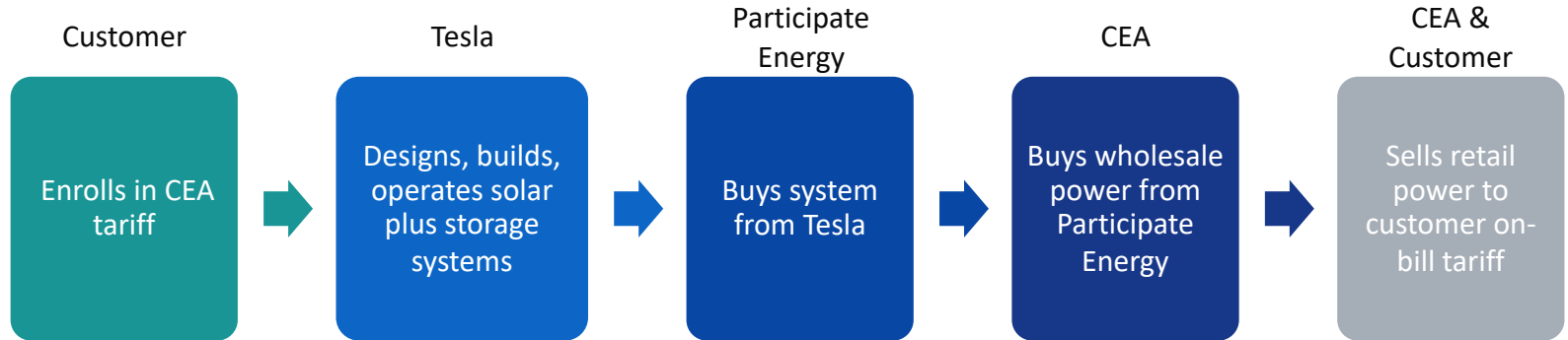
CEA Benefits

- Deploy green power with equal access to all customers
- Retain customer loads otherwise lost to residential solar
- Upfront and ongoing revenue earned by CEA
- Coincident benefit to CEA to avoid wholesale power market volatility
- Retains rights to all environmental attributes
- Opportunities to develop and manage grid services

Innovative Deal Structure

How the Program Works

30,000 ft view



By structuring the program this way, the end customer benefits, CEA benefits, and Tesla/Participate Energy benefit

Why the Program Works

Participate.Energy sells the power to CEA vs. selling power to individual residential customers
a fundamental shift which enables the following:



- An efficient transaction – Lower contract risk allows lower capital costs that creates value that can be passed through to CEA and your customers
- Microgrids to be deployed without customer credit check or economic qualification
- Significant reduction in delivery charges (creating overall bill savings even with batteries)
- Benefits realized by the people who need it the most
- Acceleration of green energy adoption by enabling democratized access

Parties Involved in the Program



Tesla, Inc

- Leading electric vehicle, charging infrastructure, solar and battery manufacturer.
- Q2'2022 -- Revenues of \$16B. Gross profit of \$4.2B. Cash of \$18B. 106MW PV & 6GWh BESS deployed.
- Turnkey residential, new homes, commercial and utility scale solar and battery operations throughout CA.



Participate.Energy LLC

- Focused on developing, capitalizing and managing the CCA Fund – including on-going operations.
- Team comes from Corporate Credit, Inc. founded in 1994.
- Over 250MW of rooftop solar developed since 2008.
- Lent over \$5 billion of corporate loans in connection with tax based transactions.
- Co-developed with Tesla, ~310MWh of SGIP ER battery projects. ~75% through construction.

What's next?

Expansion Areas

- Municipal – School Districts
- Commercial
- Low Income - CARE targeted
- Storage retrofit for existing solar
- Multifamily