

**Board of Directors Regular Meeting Agenda
November 21, 2024, 2:00 p.m.
City of Oceanside, Council Chamber
300 North Coast Hwy, Oceanside CA 92054**

Members of the public can observe the livestream of the meeting via Zoom by clicking:

<https://us06web.zoom.us/j/81376410530>

or telephonically by dialing:

(253) 215-8782

Meeting ID: 813 7641 0530

Members of the public can provide public comment in writing or orally in person as follows:

Written Comments: If you are unable to participate in person and you wish to make a comment, you may submit written comments prior to and during the meeting via email to: clerk@thecleanenergyalliance.org. All written comments will be posted online and become part of the meeting record. To ensure announcement of receipt of your written comments during the meeting, please submit all written comments by 12:00 p.m. prior to the commencement of the meeting. Public comments received in writing will not be read aloud at the meeting.

Oral Comments: Members of the public can address the Board on items on the agenda at the time the item is being addressed or during Public Comments for topics that are not listed on the agenda. Speakers are limited to three (3) minutes each. In conformance with the Brown Act, no Board action can occur on items presented during Public Comment.

If you desire to speak during Public Comment, please fill out a speaker card and submit it to the Board Secretary. When you are called to speak, please come forward to the podium and state your name. To address the Board regarding an item on the agenda, please fill out a speaker card and submit it to the Board Secretary before the Board Chair announces the item.

CALL TO ORDER

ROLL CALL

FLAG SALUTE

BOARD COMMENTS & ANNOUNCEMENTS

PUBLIC COMMENT

APPROVAL OF MINUTES

Minutes of the Special Meeting held October 31, 2024

Minutes of the Regular Meeting held October 31, 2024

Presentations

Proclamation in Recognition of Board Member and Chair Dave Druker

Public Hearing

Item 1: Solar Plus Program New Rate Setting

RECOMMENDATION:

- 1) Conduct the Public Hearing: Open the Public Hearing, Receive Public Testimony, and Close the Public Hearing.
- 2) Adopt Resolution No. 2024-021, approving the updated rates for the Solar Plus Program.

Consent Calendar

Item 2: Clean Energy Alliance Treasurer's Report for September 2024

RECOMMENDATION:

Receive and file the Clean Energy Alliance Treasurer's Report for September 2024.

Item 3: Consideration of Resolution No. 2024-022 approving Amendment No. 3 to the Professional Services Agreement (PSA) with Andy Stern

RECOMMENDATION:

Adopt Resolution No. 2024-022 approving Amendment No. 3 to the PSA with Andy Stern for Chief Financial Officer (CFO) Consultant Services, for an amount not to exceed \$156,000 per fiscal year, effective January 1, 2025 through June 30, 2026.

Reports

Item 4: Clean Energy Alliance Chief Executive Officer Operational Report

New Business

Item 5: Regulatory Update

RECOMMENDATION:

Receive the Regulatory update from Keyes and Fox.

Item 6: Consideration of Resolution 2024-023 approving the Second Amendment to CEO Employee Agreement



RECOMMENDATION:

Adopt Resolution No. 2024-023 approving the Second Amendment to the CEO Employee Agreement.

The agenda has been amended to include this item.

Item 7: 2023 Power Source Disclosure Reports and Power Content Label Addressing the Clean Impact, Clean Impact Plus and Green Impact Power Retail Electric Service Offerings

RECOMMENDATION:

Adopt Resolution No. 2024-024 attesting to the veracity of the 2023 Power Source Disclosure Reports and Power Content Label Addressing the Clean Impact, Clean Impact Plus and Green Impact Retail Electric Service Offerings.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

NEXT MEETING: Regular Board Meeting January 30, 2024, City of Oceanside, 300 North Coast Highway, Oceanside, CA 92054

If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act (“ADA”), please contact clerk@thecleanenergyalliance.org prior to the meeting for assistance.

Clean Energy Alliance Board of Directors Special Meeting Minutes

October 31, 2024, 1:30 p.m.

City of Oceanside, Council Chamber

300 North Coast Hwy, Oceanside CA 92054

CALL TO ORDER: Chair Druker called to order the Special Meeting of the Clean Energy Alliance at 1:30 p.m.

ROLL CALL: Board Members: Becker, Musgrove, Vice Chair Melendez, Chair Druker.

Alternate Board Member: Joyce.

Board Member Bhat-Patel participated remotely under just cause provisions due to an illness.

Board Member Garcia arrived at 1:31 p.m.

PUBLIC COMMENT: None.

Closed Session

**Item 1: Public Employee Performance Evaluation Pursuant to Government Code Section 54957
Title: Chief Executive Officer**

RECESS TO CLOSED SESSION: 1:33 p.m.

RECONVENE TO OPEN SESSION: 2:04 p.m.

GENERAL COUNSEL ANNOUNCEMENT: No reportable action.

ADJOURNMENT: 2:06 p.m.

Kaylin McCauley
Board Secretary/Administrative Assistant

Clean Energy Alliance Board of Directors Regular Meeting Minutes

October 31, 2024, 2 p.m.

City of Oceanside, Council Chamber

300 North Coast Hwy, Oceanside CA 92054

CALL TO ORDER: Chair Druker called to order the Regular Meeting of the Clean Energy Alliance at 2:06 p.m.

ROLL CALL: Board Members: Becker, Bhat-Patel, Garcia, Musgrove, Vice Chair Melendez, Chair Druker.
Board Member Bhat-Patel participated remotely under just cause provisions due to an illness.
Alternate Board Member: Joyce.

FLAG SALUTE: Alternate Board Member Joyce led the flag salute.

BOARD COMMENTS & ANNOUNCEMENTS: None.

PUBLIC COMMENT: *Lane Stewart expressed concerns with pricing under the Wholesale Market Tariff.*

APPROVAL OF MINUTES:

Minutes of the Regular Meeting held September 26, 2024

Motion by Board Member Musgrove seconded by Board Member Becker, to approve the minutes as presented. Motion carried, 7/0.

Presentations

Proclamation in Recognition of Board Member and Chair Dave Druker

ACTION: This proclamation will be presented at the November Regular Board Meeting.

Consent Calendar

Item 1: Clean Energy Alliance Treasurer's Report for August 2024

RECOMMENDATION:

Receive and file the Clean Energy Alliance Treasurer's Report for August 2024.

Motion by Board Member Musgrove, seconded by Board Member Becker to approve the Consent Calendar. Motion carried, 7/0.

Reports

Item 2: Clean Energy Alliance Chief Executive Officer Operational Report

CEO Greg Wade presented the report, providing an update on recent community outreach events, enrollment statistics, and the Solar Plus program.

CEA Board received report.

Public Hearing

Item 3: Amending Clean Energy Alliance Rate Schedule to Add Wholesale Market Access Tariff Rate

RECOMMENDATION:

- 1) Conduct the Public Hearing: Open the Public Hearing, Receive Public Testimony, and Close the Public Hearing.
- 2) Approve Resolution No. 2024-018 amending Clean Energy Alliance Rate Schedule to add Wholesale Market Access Tariff Rate Effective January 1, 2025

CEO Greg Wade presented the report.

Chair Druker opened the Public Hearing at 2:20 p.m.

Chair Druker closed the Public Hearing at 2:21 p.m.

Motion by Board Member Musgrove, seconded by Board Member Becker to adopt Resolution No. 2024-018. Motion carried, 7/0.

New Business

Item 4: Regulatory Update

RECOMMENDATION:

Receive the Regulatory update from Keyes and Fox.

Regulatory Attorney Tim Lindl provided the update.

CEA Board received report.

Item 5: Amendments to the Community Advisory Committee Policy and the CEA Chair and Vice Chair Term Limits Policy

RECOMMENDATION:

Adopt Resolution No. 2024-019 approving amendments to the Community Advisory Committee Policy and the Chair and Vice Chair Term Limits Policy.

CEO Greg Wade presented the report.

Board Member Bhat-Patel left the meeting at 2:59 p.m.

Discussion ensued amongst the Board.

Consultant and Previous Interim CEO Barbara Boswell provided background information on the appointment process to the CAC.

Motion by Vice Chair Melendez, seconded by Board Member Musgrove to adopt Resolution 2024-019, noting that the CAC will select their own Chair from within the CAC, and staff may amend necessary policies to remain consistent with the action – 6/0/1 (Bhat-Patel – Absent).

Item 6: Amendment No. 1 to the Renewable Power Purchase Agreement with Cape Generating Station 1 LLC

RECOMMENDATION:

Adopt Resolution No. 2024-020 approving Amendment No. 1 to the Renewable Power Purchase Agreement with Cape Generating Station 1 LLC.

CEO Greg Wade presented the report.

Motion by Vice Chair Melendez, seconded by Board Member Becker to adopt Resolution 2024-020 – 6/0/1 (Bhat-Patel – Absent).

Item 7: Receive Annual Audited Financial Report for the Fiscal Year Ended June 30, 2024

RECOMMENDATION

Receive and file Clean Energy Alliance Annual Audited Financial Report for the Fiscal Year Ended June 30, 2024.

CEO Greg Wade, CFO Andy Stern and Aliandra Schaffer from Pisenti & Brinker, LLC presented the report.

Motion by Board Member Musgrove, seconded by Board Member Becker to accept and approve the audit – 6/0/1 (Bhat-Patel – Absent).

NEXT MEETING: Regular Board Meeting November 21, 2024, City of Oceanside, 300 North Coast Highway, Oceanside, CA 92054

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS: None.

ADJOURN: Chair Druker adjourned the meeting at 3:35 p.m.

Kaylin McCauley
Board Secretary/Administrative Assistant

Staff Report

DATE: November 21, 2024

TO: Clean Energy Alliance Board of Directors

FROM: Gregory Wade, Chief Executive Officer

ITEM 1: Consider Adoption of Clean Energy Alliance (CEA) Resolution No. 2024-021 Setting Rates and Approval of Agreements with Participate.Energy, LLC for Clean Energy Alliance Solar Plus Programs

RECOMMENDATION:

- 1) Conduct the Public Hearing: Open the Public Hearing, Receive Public Testimony, and Close the Public Hearing.
- 2) Adopt Resolution No. 2024-021 Setting Rates for Solar Plus and Solar Plus Connect
- 3) Approve Channel Partner Agreements with Participate.Energy, LLC and authorize the Chief Executive Officer to execute all documents subject to General and Special Counsel approval.

BACKGROUND:

On October 26, 2023, the Board approved Resolution No. 2023-009 setting rates and approval of agreements for the CEA Solar Plus Residential Distributed Microgrid Program making Solar and Battery Storage Systems available to CEA customers. The Solar Plus Program (Program) is offered through an agreement with Participate.Energy, LLC (Participate or PE) and their partnership with Tesla, Inc. The Program offers customers access to solar and battery storage systems with no out-of-pocket up-front costs, down payment, or credit check. Customers do not buy the system, rather, they enter into an agreement to allow the system to be installed at their residence and enroll in a rate program with CEA for the purchase of the solar power and a monthly fee for the battery.

Customers enrolled in the Program pay the Solar Plus Rate for energy that is generated by the system, including the solar energy that is put into the battery. Customers can also include pre-construction costs, such as roof repairs or electric panel upgrades, related to the installation of the solar and battery storage system in the Solar Plus Rate.

Customers currently enrolled in the program pay a \$0.145 - \$0.155 per kWh fee depending on Pre-Construction costs and a flat fee of \$115 per month for the 1st Battery and \$75 for each additional Battery. This pricing structure is unique to systems installed by Tesla.

DISCUSSION:

Solar Plus Connect

Under the terms of the current Agreements, Tesla, Inc. installs, operates, and maintains the installed systems under an agreement with Participate. The proposed Solar Plus Connect program would expand the Solar Plus Program to allow local installers (Channel Partners) to participate. Channel Partners are entities that are approved to install solar and battery systems that will be able to drive demand in a way that Tesla, Inc. cannot, through their own experienced marketing and sales teams. These partners will be able to provide more of a white glove service to customers, work on roofing types that Tesla has previously rejected, and in languages other than English. CEA will have approval rights for Channel Partners brought onto the program.

There are three Agreements that CEA executes to establish the Solar Plus Connect Program:

- **Distributed Microgrid Framework Program Agreement (Attachment A)** – an updated version of the previous Framework which included CEA, Tesla and PE. The new version has removed Tesla as the Installer and shifted Installers to the standalone Installer Framework Program Agreement.
- **Installer Framework Program Agreement (Attachment B)** – includes the requirements in the Distributed Microgrid Framework that flow down to Installers.
- **Customer Installation Order (Attachment C)** – covers the installation of the system itself, site control, and other topics. This agreement also includes the most current Consumer Protection Guides and Solar Energy Systems Disclosures.

Proposed New Solar Plus and Solar Plus Connect Rates

As Channel partners are introduced, CEA has flexibility to offer alternative rate structures to customers beyond the current Solar Plus Program rates. Through Solar Plus Connect, CEA is able to offer a blended per kWh rate that includes not only the solar energy but also the cost of the battery. This structure is more aligned with industry standards, making it easier for customers to shop around and compare pricing when considering a solar and battery storage system.

By launching the Solar Plus Connect rate structure, customers will be able to choose which pricing structure works best for them and will encourage competition amongst installers. Customers will be able to shop for various proposals among Channel Partners, other installers, or CEA’s current Solar Plus program.

The proposed Solar Plus Connect rates which, again blend cost of the solar system and the battery into one rate, range from \$0.16 per kWh to \$0.32 per kWh depending on the solar system size and number of batteries being installed.

SAMPLE RATES AND SYSTEM SIZES

Customer Offer					
Powerwall(s)	1	2	2	1	3
Solar System Size (kW)	7	12	17	13.5	12
Blended Rate (\$/kWh)	\$0.220	\$0.215	\$0.195	\$0.160	\$0.320

Proposed Self Generation Incentive Program (SGIP)

The Solar Plus Connect program will also allow CEA to take advantage of California's Self Generation Incentive Program (SGIP). The SGIP program aims to promote the use of clean, distributed energy generation technologies by providing financial incentives to income qualified residential customers who install solar and energy storage systems. Assembly Bill (AB) 209 expanded access to SGIP funds for income qualified customers who participate in California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA). The SGIP incentive for the Residential Solar and Storage Equity budget has increased from \$0.85/Wh to \$1.10/Wh. This incentive covers approximately 85% of the average energy storage system. CEA's proposed Solar Plus SGIP program rate is \$0.07 per kWh for solar systems under 10kW and \$0.096 per kWh for solar systems greater than 10kW, with a 1.9% annual escalator, which includes both the solar system and battery. Through this program, qualified CEA customers will have access to reliable, clean energy with substantial bill savings.

Customers participating in the Solar Plus SGIP program will have access to the same benefits as all other customers, including:

- Clean, reliable energy
- Systems replacement and warranty for 25 years
- Predictable energy generation rates
- Significant energy cost savings due to avoided transmission and delivery charges when using solar energy and energy from the battery storage system

Bill comparison for CARE customers

The average CARE customer electricity cost is approximately \$0.30/kWh.

The Solar Plus SGIP rate is \$0.07/kWh for systems less than 10KW and \$0.096/kWh for systems equal to and greater than 10KW.

In summary, approval of the Solar Plus Connect Agreements and Solar Plus Connect and Solar Plus SGIP rate schedules will:

- Expand the reach of the Solar Plus program by allowing installers other than Tesla, and the ability to install on roof types previously rejected by Tesla;
- Establishes a rate for low-income customers by taking advantage of SGIP program incentives;
- Established a blended rate structure to provide customers with choice and options to compare various installer offers.

FISCAL IMPACT:

There is no impact by this action. Funding for the energy purchased through the Power Purchase Agreement is included in the Energy Supply line item of the adopted Fiscal Year 2024/2025 budget.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Distributed Microgrid Framework Program Agreement
- B. Installer Framework Program Agreement
- C. Customer Installation Order
- D. Rate Public Hearing Notice
- E. Resolution No. 2024 - 021

Distributed Microgrids Framework Program Agreement

This **Distributed Microgrids Framework Program Agreement** (this “**Agreement**”) is entered into as of [Month Day, Year] (the “**Effective Date**”), among the parties listed below (each, a “**Party**” and together the “**Parties**”). This Agreement comprises (i) the Key Terms set out below (the “**Key Terms**”), and (ii) all schedules referenced in the “**Attachments**” section of the Key Terms, which are fully incorporated herein.

<u>Key Terms</u>	
This Agreement sets out the terms and conditions on which the Clean Energy Alliance (“ Member ”) shall market and offer a program for the deployment of solar PV systems and or/battery energy storage products (“ System ”) to customers (“ Customers ”) located in the Member territory, with sales and educational support provided by Member, product and product installation support provided by installers approved by Participate.Energy LLC (“ The Program Fund Manager ”) and Member (the foregoing, “ Installer ”), purchase and operation of System by The Program Fund Manager for the sale of energy from the Systems to Member for resale to Customers (the “ Program ”).	
<u>Parties:</u>	
Member:	Clean Energy Alliance, a California joint power authority
The Program Fund Manager:	Participate.Energy, LLC, a Delaware limited liability company
<u>Framework Agreement Term:</u>	
Term:	The period commencing on the Effective Date and ending on the second (2 nd) anniversary of the Effective Date (the “ Term ”), which shall automatically be extended for additional, one-year periods upon the expiration of the then-current Term unless (i) one Party gives to the other Party, at least six (6) months prior to the end of the initial two (2) year term or any subsequent renewal term, a written notice of non-renewal, or (ii) this Agreement is otherwise terminated early in accordance with this Agreement.
<u>Notices:</u>	
Member Notice Address:	Clean Energy Alliance Attn: Chief Executive Officer 5857 Owens Ave, 3rd Floor Carlsbad, CA 92008 ceo@thecleanenergyalliance.org
The Program Fund Manager Notice Address:	Participate.Energy, LLC Attn: Ethan Friedman c/o Virtual Post Solutions, Inc. 2093 Philadelphia Pike #3125 Claymont, DE 19703 notices@participate.energy
<u>NDA:</u>	
NDA:	The non-disclosure agreement dated [MM/DD/YY] between The Program Fund Manager and Member.
<u>Attachments:</u>	
The attachments below are incorporated by reference into this Agreement. In the event of any conflict, the order of precedence shall be (i) these Key Terms and (ii) the Schedules, in order of appearance.	
Schedule 1:	Program Terms and Conditions

Attachment A:	Form of Solar Power Purchase & Energy Services Agreement
Attachment B:	Form of Installation Order and Program Terms
Attachment C:	Work Standards
Attachment D:	Installer Insurance Requirements

EXECUTED by the Parties on the Effective Date.

<p>CLEAN ENERGY ALLIANCE</p> <p><u>By:</u> _____ (SIGNATURE)</p> <p><u>Gregory Wade</u> _____ (PRINT NAME)</p> <p><u>Chief Executive Officer</u> _____ (PRINT TITLE)</p>	<p>PARTICIPATE.ENERGY, LLC</p> <p><u>By:</u> _____ (SIGNATURE)</p> <p>_____ (PRINT NAME)</p> <p>_____ (PRINT TITLE)</p>
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Schedule 1
Program Terms and Conditions

1. The Program. The objective of the Program is to deploy eligible Systems with a target of 500 MW of direct current capacity on properties throughout the territorial boundaries of Member (the "Territory"), as further set forth in this Agreement (the "Objective").
2. Program Development.
 - (a) Geographic Focus. Only Customers located or operating within the Territory are potentially eligible.
 - (b) Site Eligibility. Eligible sites include all properties ("Properties") located in the Territory.
 - (c) Marketing Outreach. Parties shall collaborate in good faith to promote and enlist the participation of Customers and potential Customers located in the Member Territory.
 - (d) Customer Support. Member shall:
 - (i) Respond to Customer billing inquiries;
 - (ii) At minimum, provide basic information regarding Systems and components thereof on Member website; and
 - (iii) Direct inbound interest and leads to The Program Fund Manager or Installers.
 - (e) Order Funding. The Program Fund Manager shall be obligated to pay for Installer Products, equipment, installation and related services and materials identified in each order placed in accordance with the Program criteria set forth herein. The Program Fund Manager shall own and operate the Systems in accordance with the terms and conditions of each Solar Power Purchase & Energy Services Agreement ("SPP/ESA"), which shall be in the form attached hereto as Attachment A.
3. Customer Eligibility.
 - (a) Eligibility. To be eligible for participation in the Program, a Customer must: (i) either own a Property or have the written consent of the owner of Property to enter into the SPP/ESA, (ii) be an existing participant, or agree to become a participant, in the Member's Community Choice Aggregation program ("CCA") with utility service provided by San Diego Gas & Electric ("Utility") and remain a customer of CCA in CCA's "Solar Plus" program throughout the term of the SPP/ESA, (iii) agree to host a System installed on the Customer's property ("Site") and to provide The Program Fund Manager, as System owner, and its agents with a non-exclusive license (the "Site License") for access to the Site for the entire term of the SPP/ESA for the purposes operating and maintaining the System; and (iv) enter into a SPP/ESA.
4. Orders.
 - (a) The Program Fund Manager shall require Installer to design, build, deliver, and install each System in accordance with the Terms set forth in the Installation Order and Program Terms (each an "Order"), which shall be in the form attached hereto as Attachment B. The Program Fund Manager shall purchase and pay for each System as specified in each applicable Order. The Program Fund Manager shall require Installer and Orders comply with all Program criteria.
 - (b) For each Order, The Program Fund Manager shall require Installer to design, procure, deliver, install and commission the System at the Site identified in accordance with each Order and the Work Standards described in Section 7(a) (the "Work").
 - (c) For purposes of this Agreement and each Order, "Installer Products" means a traditional solar system and/or a battery energy storage product as described in detail in each Order. A solar system means a solar photovoltaic generating system comprising of solar modules, an inverter and various balance of system components ("PV System"). A battery energy storage product means

an energy storage system approved by The Program Fund Manager to be installed as part of the System ("BESS Product"). Installer Products shall be procured from vendors approved in writing by Member, which approval shall not be unreasonably withheld or delayed.

- (d) The Program Fund Manager shall require Installer to install Systems subject to this Agreement using equipment approved by The Program Fund Manager and provide Member and The Program Fund Manager with complete access, (at no cost) to allow The Program Fund Manager to integrate the System to The Program Fund Manager's software platform which controls, monitors, and/or aggregates such Systems as distributed energy resources.

5. Pricing; Order Payment.

- (a) Pricing. The current applicable pricing policy and tool shall be approved in writing by Member, which approval shall not be unreasonably withheld, conditioned, or delayed. System pricing is set forth in each Order and shall comply with the current pricing policy and tool available on the Portal. The System size or design may be adjusted by Installer in its reasonable discretion and with Customer's written approval based on a variety of factors, including installation complexity or product availability, provided that the Pricing remains at or below the Pricing set in each Order.
- (b) Order Payment. For Orders, the price for the Work performed by Installer under each Accepted Order shall be identified in that Order. The Program Fund Manager shall pay Installer the Contract Price for each Order plus applicable taxes.

6. Installer Selection and Approval. The Program Fund Manager shall select a qualified and reputable Installer to perform the Work and obtain prior written consent from Member as to the selected Installer, which consent shall not be unreasonably withheld, conditioned, or delayed.

7. Installation.

- (a) Work Standards. The Program Fund Manager shall require Installer, or its approved subcontractors, to perform the Work according to the stricter of prevailing industry standards and the "Work Standards" set forth in Attachment C, exercising the reasonable skill and care of an installation contractor and in accordance with all applicable laws, regulations and permits applicable to the Work.
- (b) Subcontractors. The Program Fund Manager shall require Installer to be responsible for all work performed by, and acts or omissions of, each subcontractor and to ensure that all subcontractors are licensed as required by applicable law.
- (c) Safety. The Program Fund Manager shall require Installer to ensure that all Installer employees and subcontractors comply with Installer and Customer's safety procedures and requirements while on Sites during performance of the Work.
- (d) Liens. To the extent legally permissible, The Program Fund Manager shall itself and shall require Installer to save and protect each Site from and against the imposition of any mechanics', materialmen's or other lien arising out of or pertaining to the subject of this Agreement against such Site and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due.

8. Failure to Perform.

- (a)
 - (i) If any Party believes that any other Party is not satisfying its obligations under this Agreement, such Party shall promptly notify the other Party in a writing which specifies the deficiency ("Notice of Default"). The Party receiving the Notice of Default shall have 30 days from the date of the Notice of Default to correct the deficienc(ies) identified therein. If the Party receiving the Notice of Default fails to timely cure the deficienc(ies), the notifying Party may, at its sole discretion, terminate this Agreement in accordance with Section 11.

If any Party believes that any other Party is not satisfying its obligations with respect to an Order, such Party shall promptly notify the other Party in a writing which specifies the deficiency (“Notice of Default”). The Party receiving the Notice of Default shall have 30 days from the date of the Notice of Default to correct the deficiency(ies) identified therein. If the Party receiving the Notice of Default fails to timely cure the deficiency(ies), the notifying Party may, at its sole discretion, terminate the affected Order in accordance with Section 11.

- (b) If a Customer terminates an Order for Installer’s failure to perform before installation of the System for that Order has commenced, The Program Fund Manager shall require Installer to return any payment(s) made toward the Order price.
- (c) If any Party terminates an Order for the other Party’s failure to perform, each Party may pursue all rights and remedies available at law or in equity with respect to the failure to perform, except as otherwise provided in Section 11, below. Breaches of one or more Orders will not constitute breaches under any other Orders or under this Agreement, and breaches of this Agreement independent of any Orders shall not constitute breaches of any Orders.

9. Warranties.

- (a) Starting on the date of installation, The Program Fund Manager shall require Installer to warrant to The Program Fund Manager and Customer that all materials, equipment and work furnished by Installer as part of an Order will be:
 - (i) of good quality, free from fault and defects, and
 - (ii) performed in a good and workmanlike manner, in accordance with all applicable laws, building codes and ordinances, and in strict conformity with the Order.

The Program Fund Manager shall require Installer, at its sole expense, to immediately correct or replace any Work that is defective or determined to be not in accordance with the requirements of the above warranties within 1 year after the Installer provides a list of deliverables defined in each Order and The Program Fund Manager confirms receipt and acceptance of this list of deliverables (“Final Completion”).

- (b) System equipment warranties are covered by manufacturer’s warranty, assigned to The Program Fund Manager upon title transfer. The Program Fund Manager shall require Installer to perform operations, repair and maintenance work on the System and manage the entire warranty claims process required by each respective manufacturer. All work covered by Installer warranties shall be at no cost. All work covered by equipment manufacturer warranties shall be the responsibility of The Program Fund Manager at a price preapproved by The Program Fund Manager. If Installer fails to perform operations, repair and maintenance work in a timely manner according to industry standard practices, The Program Fund Manager shall perform the required operations, repair and maintenance work.
- (c) The Program Fund Manager shall provide to Customer any “Workmanship” and “Installation” warranties of no fewer than ten (10) years from the Final Completion Date. The Program Fund Manager shall require Installer to warrant that it will repair or replace any work on the System that it does not perform in a good workmanlike manner according to the standards of care and diligence generally practiced by solar engineering, construction, installation, and roofing companies when installing commercial photovoltaic solar power with optional incorporated energy storage systems. This provision includes roof penetrations and other roof work related to the installation of the System.
- (d) With respect to any warranty claim by The Program Fund Manager under Section 9 for the correction, replacement and warranty work, the remedies set forth in Section 9 and in Section 8, as applicable, are The Program Fund Manager’s sole and exclusive remedies. For clarity, the foregoing shall not limit The Program Fund Manager’s ability to bring claims for other purposes not related to the correction, replacement and warranty work as set forth in this Section 9,

including, without limitation, The Program Fund Manager's rights to indemnification under Section 12.

10. Proprietary Rights.

- (a) Ownership. As between the Parties, The Program Fund Manager shall remain the sole and exclusive owner of any and all Proprietary Rights associated with the development, financing, engineering, procurement and construction of the System or any parts or derivations thereof. "Proprietary Rights" means patents, trademarks, copyrights, mask work rights, trade secrets and any other intellectual or proprietary rights.
- (b) License. The Program Fund Manager shall require Installer to grant to Member and The Program Fund Manager a limited, non-exclusive, non-sublicensable, non-transferable license to use the materials that Installer provides for general marketing purposes in accordance with this Agreement.

11. Termination.

- (a) Termination for Cause. Each Party may terminate its participation in this Agreement or any Accepted Order for cause in the event (i) an insolvency event involving one of the other Parties; or (ii) any Party has materially breached any provision of this Agreement (other than non-payment) and, within 30 days after receipt of written notice of such breach from a non-breaching party, the breaching party has failed to cure such breach or, in the event the breach cannot reasonably be cured within such 30 day period, submit a plan for cure acceptable to each non-breaching party in its reasonable discretion. The termination of this Agreement by any single Party shall result in the termination of this Agreement as to all Parties.
- (b) Insolvency Event. An "Insolvency Event" occurs with respect to a Party (i) if it is adjudged bankrupt; (ii) if it makes a composition or arrangement with its creditors; (iii) if it has a winding up petition or a petition for an administration order presented against it; or (iv) if it has a receiver or manager or administrative receiver or provisional liquidator appointed.
- (c) Effects of Termination. Except as otherwise set forth in this Agreement, the expiration or termination of this Agreement will not affect any rights or obligations of the Parties that were incurred or that accrued prior to such expiration or termination. Termination shall not be deemed an election of remedies, and the non-defaulting party shall have all rights and remedies available under applicable law in connection with and following such termination.

12. Indemnification.

- (a) For purposes of this Agreement and each Order, "Indemnified Parties" means for each identified entity, (i) the Party and any person providing financing to the Party with respect to the System, (ii) any affiliate of the persons set forth in clause (i), and (iii) any director, elected or appointed official, officer, partner, member, manager, agent or employee of a person described in clause (i) or (ii); and, "Indemnifying Party" means each other Party, as the context requires.
- (b) Installer's Indemnities. The Program Fund Manager shall require Installer to indemnify, defend (with counsel reasonably acceptable to Member) and hold harmless Member and Customer, as well as their respective Indemnified Parties, from any claim, action, suit, proceeding, investigation, losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs or expenses, including reasonable legal fees ("Losses") arising out of any claim, action, suit, proceeding, or investigation made or brought by any third party ("Claims"):
 - i. that Installer Products (or any component or software thereof) or Installer's Work pursuant to any Accepted Order infringes the intellectual property rights of a third party, other than a Claim for which Customer is responsible due to such Customer's unauthorized alteration of the Installer Products. In addition, if such Party is enjoined from the use, operation or enjoyment of Installer Products or any part thereof as a

result of any Claim alleging that Installer Products or Installer's Work infringes the intellectual property rights of a third party, Installer will at no cost to such Party, at Installer's option: (1) have such injunction removed, (2) substitute non-infringing goods or processes, or (3) modify the infringing goods or processes so they become non-infringing and provide the same or better functionality and performance relative to the affected item's then-current functionality and performance; and

- ii. in connection with the design, construction, installation, warranty service, workmanship, materials or functionality of any materials, equipment and/or element of the Work furnished by Installer, or any other act or omission of the Installer, except with respect to any modification by any Party other than Installer (directly or indirectly) or use or reuse of Installer Products that are the subject of an Accepted Order other than as permitted under this Agreement or their warranties.
 - (c) The Program Fund Manager. The Program Fund Manager shall indemnify, defend (with counsel reasonably acceptable to Member) and hold harmless Member, as well as their respective Indemnified Parties, from any Losses arising out of any Claims of The Program Fund Manager's negligence, willful misconduct, or material breach of The Program Fund Manager's obligations under this Agreement or any Order, except to the extent caused by Member or Member's Indemnified Parties.
 - (d) The Member. The Member shall indemnify, defend (with counsel reasonably acceptable to The Program Fund Manager) and hold harmless The Program Fund Manager, as well as their respective indemnified Parties, from any Losses arising out of any Claims of the Member's negligence, willful misconduct, or material breach of the Member's obligations under this Agreement or any Order, except to the extent caused by The Program Fund Manager or The Program Fund Manager's Indemnified Parties.
 - (e) Survival. The provisions of this Section 12 shall survive any expiration or termination of this Agreement or any Order, but only for the duration of any applicable statute of limitations.
13. Limitation of Liability. Except for indemnification obligations (Section 12), breach of confidentiality (Section 15), fraud, or any gross negligence or willful misconduct, (i) The Program Fund Manager's total liability for all damages of any kind arising out this Agreement will not exceed \$1,000,000.00, and (ii) Member shall not bear any liability whatsoever for any damages of any kind arising out this Agreement. No Party will have to pay any other Party for any indirect, special or consequential damages.
14. Force Majeure. Each Party shall be excused from performance and shall not be considered to be in breach with respect to any obligation hereunder other than any obligation to pay money due and owing, if and to the extent that such Party's failure of, or delay in, performance is caused by or results from acts or circumstances beyond the reasonable control of such Party (a "Force Majeure Event"); provided:
- (a) such Party gives the other Parties notice describing the particulars of the Force Majeure Event as soon as is reasonably practicable and in any event within ten (10) Business Days after the discovery of the Force Majeure Event and its impact on such Party's performance;
 - (b) the suspension of performance is of no greater scope and of no longer duration than is reasonably required by the Force Majeure Event;
 - (c) the Party uses reasonable endeavors to:
 - (i) overcome or mitigate the effects of such occurrence, and
 - (ii) minimize costs and expenses attendant to or arising from such occurrence; and
 - (d) when the Party is able to resume performance of the affected obligations, such Party shall so notify the other Party and promptly resume performance.

15. Confidentiality; Publicity.

- (a) Each Party will keep any disclosures, as well as the terms of this Agreement, confidential in accordance with the non-disclosure agreements between them (the “NDAs”) and agree that this Agreement is confidential information of each of them for purposes of the NDAs. (Even though the NDAs are separate documents, they are considered part of this Agreement).
- (b) Neither Party will advertise or issue any public announcement about this Agreement, or use the other Party’s mark, name or logo in any marketing literature, web sites, articles, press releases (including interviews with representatives of media organizations of any form), or any other document or electronic communication, without the other Party’s written consent.
- (c) Nothing in this Agreement, the NDAs, or any other agreement between the Parties limits or prohibits any announcement, disclosure, or other act that is required by law, including, but not limited to, the California Public Records Act and the Ralph M. Brown Act. The Parties expressly acknowledge and agree that this Agreement will be appended to one or more publicly posted agendas of Member.
- (d) Installer and The Program Fund Manager must comply with the privacy policy available in the footer of The Program Fund Manager’s website located at www.participate.energy as of the date hereof.

16. Governing Law; Disputes.

- (a) The Parties agree to comply with all applicable laws and regulations in connection with this Agreement. This Agreement is governed by the laws of the State of California. Any dispute arising out of or relating to this Agreement shall be brought in the Superior Court of California, County of San Diego, or the United States District Court for the Southern District of California. The Parties waive, to the extent allowed by law, any rights that they may have under Code of Civil Procedure Section 394.
- (b) The Parties are not bound by any terms relating to Installer Products or other matters covered by this Agreement or any Order that are not contained in this Agreement or the affected Order.
- (c) Each of the Parties also agree to promptly notify the other’s senior level management if there is any dispute relating to this Agreement or any Orders and to try to resolve the dispute in good faith. If the Parties are unable to resolve a dispute within 20 days after that notice is given, then either Party may bring an action in accordance with this Section 16.

17. Miscellaneous.

- (a) Representations. Each Party represents and warrants to the other Parties that (i) it is a legal entity, duly organized, validly existing and in good standing under the laws of jurisdiction of incorporation; (ii) this Agreement constitutes a legal, valid and binding obligation of such Party enforceable in accordance with its terms; and (iii) the execution, delivery and performance of this Agreement (A) is within its powers, (B) has been duly authorized by all requisite action and (C) will not violate any agreement, commitment, certificate or other document to which it is a party or by which any of its assets may be bound or affected.
- (b) Compliance with Law. Each Party will comply with all applicable laws and regulations in connection with its performance under Agreement.
- (c) Notices. All notices under this Agreement must be in writing and must be sent via regular U.S. mail with a copy via email, or express and/or certified mail, to the contacts identified in the Key Terms.
- (d) Assignment. With Member’s prior written consent, which consent shall not be unreasonably withheld or delayed, Installer or The Program Fund Manager may assign this Agreement and each Accepted Order (i) to an affiliate of Installer or The Program Fund Manager, respectively, and (ii)

as collateral in connection with its financing activities, in either case without the need for consent from any other Party.

- (e) Insurance. Each Party shall carry and maintain in force, with reputable insurance companies authorized to do business in the jurisdictions where the portion of the Member Territory is located. Each of the Parties shall each maintain all insurance that such Party is required by law to maintain. In connection with the Work pursuant to each Order.
- (f) Cumulative and Certain Exclusive Remedies. Except as otherwise specifically set forth in this Agreement, all rights and remedies provided under this Agreement are cumulative and not exclusive, and the exercise by either Party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at law, in equity, by statute, in any other agreement between the Parties or otherwise.
- (g) Entire Agreement; Severability. This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof and supersedes all prior agreements, representations and understandings, oral or written, between the Parties regarding the subject matter hereof. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, such term shall be severable from the remainder of this Agreement and the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by the law.
- (h) Amendment and Modification. No amendment or modification of this Agreement is effective unless it is in writing and signed by each Party.
- (i) Waiver. No waiver by either Party of any provision of this Agreement is effective unless explicitly set forth in writing and signed by such Party. No failure to exercise, or delay in exercising, any right or remedy arising from this Agreement operates or may be construed as a waiver thereof. No single or partial exercise of any right or remedy hereunder precludes any other or further exercise thereof or the exercise of any other right or remedy.
- (j) Relationship of the Parties. The relationship between the Parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the Parties, and neither Party shall have authority to contract for or bind the other Party in any manner whatsoever.
- (k) No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.
- (l) Survival. Provisions of this Agreement which by their nature contemplate or govern performance or observance subsequent to the termination or expiration of this Agreement shall survive such termination or expiration.

18. Levine Act Compliance

- (a) California Government Code section 84308 ("Levine Act") requires certain disclosures of any contribution of more than \$250 that a party (or their agent) to a contract has made to an elected official or any other officer of Member as defined in the Levine Act within the prior 12 months and recusals. The Levine Act also prohibits for 12 months following a final decision, a party (or their agent) from making a contribution of more than \$250 to any elected official or any other officer of Member or any other officer as defined in the Levine Act who may participate in the making of this Agreement.

(b) By its signature on this Agreement, The Program Fund Manager represents and warrants [select one]:

Neither The Program Fund Manager nor any agent acting on behalf of The Program Fund Manager has, within the 12 months preceding the commencement of negotiations of this Agreement, made any political contribution of more than \$250 to any elected official or any other officer of Member or any other officer as defined in the Levine Act who may have participated in the making of this Agreement.

OR

The Program Fund Manager (or an agent acting on behalf of The Program Fund Manager) has made a political contribution of more than \$250 within the preceding 12 months to:
Identify the person(s) or agent(s) who made the contribution:

Identify Member officer(s) who received the contribution:

(c) By its signature on this Agreement, The Program Fund Manager further represents and warrants [select one]:

Neither The Program Fund Manager nor any agent acting on behalf of The Program Fund Manager intends, within the 12 months following the execution of this Agreement, to make or will make any political contribution of more than \$250 to any elected official or any other officer of Member or any other officer as defined in the Levine Act who may have participated in the making of this Agreement.

OR

The Program Fund Manager (or an agent acting on behalf of The Program Fund Manager) intends to make a political contribution of more than \$250 within the next 12 months to:
Identify the person(s) or agent(s) who will make the contribution:

Identify the Member officer(s) who will receive the contribution:

Attachment A

Form of Solar Power Purchase & Energy Services Agreement

[Insert]

Attachment B
Form of Installation Order and Program Terms

[Insert]

Attachment C
Work Standards

All materials, equipment, supplies, and any other items incorporated into the Work shall be new, and all Work shall (a) be of good and workmanlike quality generally, and specifically according to the standards of care and diligence generally practiced by solar engineering, construction, installation, and roofing companies when designing, building, and/or installing photovoltaic solar power with optional incorporated energy storage systems; (b) be in strict conformance with the Order and plans and specifications applicable thereto, all applicable local and state building codes and standards, and other local, state, and federal governmental and agency laws, rules, regulations, requirements, and agreements as may be applicable thereto; and (c) pass all applicable state, local, or federal governmental or agency inspections. Designation of any manufactured articles, implement, equipment, or series thereof in the plans or specifications by name, trade name, or manufacturer's name establishes a standard of merit and quality, and Subcontractor shall not be entitled to use a substitute of any such item unless it meets or exceeds such standards and is approved in writing by The Program Fund Manager. If Subcontractor initiates a substitution, deviation, or change without the written consent of The Program Fund Manager and such substitution, deviation, or change affects the scope of the Work or the expense of other trades, Installer shall be liable for the expense thereof.

Attachment D
Installer Insurance Requirements

General Obligations. The Program Fund Manager shall require Installer to maintain in effect the insurance coverages referenced herein either: (a) with responsible insurance carriers with a Best Insurance Reports rating of "A-" or better; or (b) through a formal self-insurance mechanism that has either (i) a Best Insurance Reports rating of "A-" or better, or (ii) a financial size category of "VI" or higher, provided, that if such self-insurance program does not meet either (i) or (ii), then the party's use of self-insurance for the coverages herein shall be subject to the other party's approval, not to be unreasonably withheld, conditioned, or delayed. The below limits may be adjusted upon mutual agreement of the Parties.

1. Commercial General Liability Insurance.

1.1. Limits.

- 1.1.1. \$1,000,000 each occurrence or per claim, combined single limit for third party bodily injury or property damage.
- 1.1.2. \$2,000,000 general aggregate.
- 1.1.3. \$2,000,000 products/completed operations aggregate.

1.2. Coverages.

- 1.2.1. The total required limits for liability coverage required herein may be met by combination of Primary and Umbrella or Excess Liability policies.
- 1.2.2. Include the other Party as additional insured.

2. Business Automobile Liability or Similar Insurance.

2.1. Limits.

- 2.1.1. \$1,000,000 combined single limit for third party bodily injury or property damage.

2.2. Coverages.

- 2.2.1. Coverage with respect to any and all vehicles of installer whether owned, hired, leased, borrowed, or non-owned, assigned to or used in connection with the Work performed under this Agreement.
- 2.2.2. Include the other party as additional insured.

3. Workers Compensation and Employers Liability Insurance.

3.1. Limits.

- 3.1.1. Workers Compensation – as required by state or federal laws. Each Party may waive Workers' Compensation Insurance requirements if the insured is a qualified self-insured in the state in which the Work is performed.
- 3.1.2. Employers Liability.
 - \$1,000,000 bodily injury for each accident.
 - \$1,000,000 bodily injury by disease for each employee.
 - \$1,000,000 bodily injury by disease policy limit.

4. Other Requirements

- 4.1. All policies shall include a waiver of subrogation, where permitted by law. This release and waiver shall be null and void if such loss or damage may have been caused by the sole or gross negligence of the other party. If one party's insurance carrier prohibits waiver of subrogation, then each party's release and waiver shall become null and void as each waiver is given in consideration for the other.
- 4.2. Each party shall give the other party prior written notice in the event of cancellation, termination or for non-payment of premium of any policy required to be obtained under Attachment.
- 4.3. Prior to commencing any work, and upon each renewal of insurance during the term of the Agreement, Installer shall provide certificates of insurance with endorsements evidencing the required insurance as required by this Agreement. All certificates shall be executed by a duly authorized representative.

5. **Subcontractor Requirements.** The Program Fund Manager shall require Installer and each of its subcontractors performing Work at the Site to maintain insurance coverage in accordance with the insurance requirements of Installer's standard subcontract, supplier or designer agreements, as applicable.

Installer Framework Program Agreement

This **Installer Framework Program Agreement** (this “**Agreement**”) is entered into as of [_____, 202X] (the “**Effective Date**”), among the parties listed below (each, a “**Party**” and together the “**Parties**”). This Agreement comprises, and the term “**Agreement**” shall include (i) the Key Terms set out below (the “**Key Terms**”), (ii) the **Program Terms and Conditions** set out in Schedule 1, and (iii) any and all agreements, guidelines, or policies currently in the private, secure, web-accessible portal that can be accessed at <https://participate.energy> (collectively, the “**Portal**” or “**Portal Documents**”).

NOTE: The Key Terms, Program Terms and Conditions, and Portal Documents are incorporated by reference into one another and intended to be considered together. In the event of any conflict in terms, the order of precedence shall be (1) Key Terms, (2) Program Terms and Conditions, and (3) the Policies in the Portal Documents.

<u>Key Terms</u>	
This Agreement sets out the terms and conditions on which the Installer listed below shall (i) sell to potential, qualified customers (“ Customers ”) solar PV systems or battery energy storage products (“ System ”), (ii) provide product and product installation support for the System, and (iii) sell finished Systems to Participate.Energy, LLC (“ The Program Fund Manager ”) for The Program Fund Manager’s sale of energy from the Systems.	
Parties:	
Installer:	[VARIABLE]
The Program Fund Manager:	Participate.Energy, LLC, a Delaware limited liability company [or such special purpose entity as may be formed]
Approved Members:	
Member:	Clean Energy Alliance
Framework Agreement Term:	
Term:	The period commencing on the Effective Date and ending on the second (2 nd) anniversary of the Effective Date (the “ Term ”), which shall automatically be extended for additional, one-year periods upon the expiration of the then-current Term unless terminated early in accordance with this Agreement.
Notices:	
Installer Notice Address:	[Insert Installer address]
Installer Address for submission of Purchase Orders:	orders@participate.energy
The Program Fund Manager Notice Address:	Participate.Energy, LLC Attn: Ethan Friedman c/o Virtual Post Solutions, Inc. 2093 Philadelphia Pike #3125 Claymont, DE 19703 notices@participate.energy

<u>NDA:</u>	
NDA:	The non-disclosure agreement dated [MMM DD, YYYY] between Installer and The Program Fund Manager.
<u>Attachments:</u>	
Schedule 1:	Program Terms and Conditions

[signatures on following page]

*****IMPORTANT NOTICES*****

Each Party to this Agreement affirms and acknowledges by its signature hereto that (i) it has reviewed the Portal Documents as of the Effective Date, and (ii) the Party expressly acknowledges and agrees to each and every term in the Portal Documents.

Each Party to this Agreement further affirms and acknowledges its agreement to receive, during the Term and after the Effective Date, any and all amendments, notifications, notices, and the like (collectively, the "Portal Updates") by and through the Portal, and that the Party's acceptance of same shall be established through its electronic assent (including by email if needed) and acknowledgment of the Portal Updates.

EXECUTED by the Parties on the Effective Date.

[INSTALLER]	PARTICIPATE.ENERGY, LLC
_____ (SIGNATURE)	_____ (SIGNATURE)
_____ (PRINT NAME)	_____ (PRINT NAME)
_____ (PRINT TITLE)	_____ (PRINT TITLE)

Schedule 1
Program Terms and Conditions for Installer

1. **Definitions.** In addition to those terms already defined in the Key Terms, the following definitions apply:
 - (a) **“Final Completion Turnover Package”** shall mean and refer to that certain “Final Completion Turnover Package” located on the Portal.
 - (b) **“Installer Insurance Requirements”** shall mean and refer to those certain “Installer Insurance Requirements” as updated, modified, and/or amended from time to time, either as a form template or for each Customer, all as located on the Portal.
 - (c) **“Installer Products”** means a traditional solar system and/or a battery energy storage product as described in detail in each Order. A traditional solar system means and refers to a solar photovoltaic generating system comprising of solar modules, an inverter and various balance of system components. A battery energy storage product means and refers to an energy storage system approved by The Program Fund Manager to be installed as part of the System. The current list of approved Installer Products is available in the Portal.
 - (d) **“Order(s)”** shall mean and refer to that certain fully and accurately executed “Installation Order and Program Terms” and that certain “Solar Power Purchase & Energy Storage Services Agreement,” all as updated, modified, and/or amended from time to time, either as a form template or for each Customer, all as located on the Portal.
 - (e) **“Work Standards”** shall mean and refer to those certain “Work Standards” as updated, modified, and/or amended from time to time, as located on the Portal.
2. **The Program.** The objective of the **“Program”** is to deploy eligible Systems with a target of 500 MW of direct current capacity on commercial and industrial properties throughout the territorial boundaries of Member and the Community Choice Aggregation (**“CCA”**) service territories managed by Member or its CCA partners (the **“Territory”**). Installer’s obligations with regard to the Program and System are set forth in this Agreement.
3. **Orders.**
 - (a) For each Order, Installer shall design, procure, deliver, install and commission the System at the **“Site”** identified in each Order in accordance therewith and the Work Standards. The Program Fund Manager will not purchase and has no obligation to purchase Systems that do not comply with all requirements outlined in this Agreement and within the Portal.
 - (b) Installer shall review each submitted Order to ensure that it tracks the Program criteria. Each Order must also meet the **“Site Eligibility”** criteria set forth and made available in the Portal. If Installer reasonably believes that the Order does not track the Program criteria, it will immediately notify The Program Fund Manager. Installer may, in its discretion, subcontract with engineering, procurement, construction, and installation or **“EPC”** contractors, but Installer acknowledges that doing so shall not limit its obligations under this Agreement.
 - (c) Installer shall assess and determine Customer eligibility for the Program. To be eligible for participation in the Program, a Customer must: (i) own an existing property or have written consent from the property owner to enter the Program per a “Lease Rider” on the Portal, (ii) be an existing participant, or agree to become a participant, in the Program with the Member utility, (iii) agree to host a System installed on the property and to provide The Program Fund Manager, as System owner, and its agents with a non-exclusive license for access to the Site for the entire term of the Customer’s participation in the Program for the purposes operating and maintaining the System; (iv) Installer, System and Customer are in compliance with all applicable Policies in the Portal; and (v) fully and accurately execute the most current and approved form of “Solar Power Purchase & Energy Storage Services Agreement” and “Installation Order and Program Terms”.

- (d) Customers may, depending upon initial and ongoing eligibility, qualify for incentives and/or discounts by and through the Customer's or System's eligibility and qualification for participation in those incentives (each, an "Incentive" and collectively, the "Incentives" or "Incentive Programs"). Additional obligations of the Customer or Installer for these Incentive Programs are set forth in the applicable Solar Power Purchase & Energy Storage Services Agreement and Incentive Pricing Addendum on the Portal, provided that the Installer shall be responsible for ensuring Customer eligibility under the Incentive Programs in Installer's installation of the qualifying Customer's System. Installer is also responsible for securing, managing, processing and executing on all tasks and requirements for the Incentive to be fully-earned and received by either The Program Fund Manager or Customer, as directed by The Program Fund Manager. For the avoidance of doubt, the Installer is responsible for all elements of the Incentive until the Incentive is realized and received by its intended recipient unless otherwise approved by The Program Fund Manager. **Orders for which Customers fail to qualify for Incentives required to receive special rates shall automatically be terminated at no cost to Customer or The Program Fund Manager.**
- (e) Installer shall install Systems subject to this Agreement using equipment approved by The Program Fund Manager in the approved vendor list policy available on the Portal. Installer shall provide or cause the original equipment manufacturer to provide, Member and The Program Fund Manager with a complete software integration, permissions and access (at no cost) to allow all Systems to be monitored and controlled remotely and in an aggregated fashion or as independent distributed energy resources ("DER Assets"). For clarity, Installer shall not charge any fees or require any other form of compensation to provide The Program Fund Manager complete control and benefit from monetizing DER Assets covered under this Agreement.

4. Pricing; Order Payment.

- (a) Pricing. System pricing is set forth in each Order. System size or design may be adjusted by Installer, with The Program Fund Manager's written approval, based on a variety of factors, including installation complexity or product availability, provided that the pricing remains at or below the pricing set in each Order. To the extent that Installer is affected by any force majeure circumstances set forth in Section 12 herein, Installer shall provide to The Program Fund Manager a change order detailing the adjustment it believes is warranted. If such change order is rejected, Installer has the right to terminate the Order with no penalty to the Installer.
- (b) Order Payment. The price for the work performed by Installer under each Order shall be identified in that Order. Installer shall invoice The Program Fund Manager according to any terms and conditions, including without limitation any milestone schedule(s), set forth in each Order. The Program Fund Manager shall pay 85% of the contract price for each Order (plus applicable taxes) upon (i) completed inspection of the work performed, with such inspection determined and carried out to the sole satisfaction of The Program Fund Manager, and (ii) the receipt of The Program Fund Manager of any and all supporting documentation requested of the Installer. Installer shall pay any balance due and owing on the Order within thirty (30) days of The Program Fund Manager's acceptance of "Final Completion" (which as used herein means the Installer's completion of all work, issuance of all final permits for the System, and the System's receipt of Permission to Operate or "PTO") and the existence of a Final Completion Turnover Package approved by The Program Fund Manager.

5. Title; Risk of Loss; System Purchase by Fund. Title to and risk of loss for any final, built System shall pass from Installer to The Program Fund Manager upon (i) The Program Fund Manager's acceptance of Final Completion (as defined above) and the existence of a Final Completion Turnover Package approved by The Program Fund Manager, and (ii) receipt of payment by The Program Fund Manager in accordance with the Order. To facilitate title transfer, Installer agrees to execute any documents required by The Program Fund Manager, including without limitation any bill of sale.

6. Permits. Installer shall bear the obligation and cost to obtain and maintain all permits required for Installer to install each System (the "Permits").

7. Installation.

- (a) Work Standards. Installer, or its subcontractors, shall perform the work according to the stricter of prevailing industry standards and the Work Standards, exercising the reasonable skill and care of an installation contractor and in accordance with all applicable laws, regulations and permits applicable to the work.
- (b) Subcontractors. Installer shall be responsible for all work performed by, and acts or omissions of, each subcontractor and shall ensure that all subcontractors are licensed as required by applicable law.
- (c) Safety. Installer shall ensure that all Installer employees and subcontractors comply with Installer and Customer's safety procedures and requirements while on Sites during performance of the work.
- (d) Liens. To the extent permissible by law, Installer shall save and protect each Site from and against the imposition of any mechanics', materialmen's or other lien(s) against such Site, arising out of or pertaining to the subject of this Agreement, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due.

8. Failure to Perform; Termination.

- (a) If any Party believes that any other Party is not satisfying its obligations under this Agreement or with respect to an Order, such Party shall promptly notify the other Party in a writing which specifies the deficiency ("**Notice of Default**"). The Party receiving the Notice of Default shall have thirty (30) days from the date of the Notice of Default to correct the deficiency(ies) identified therein. If the Party receiving the Notice of Default fails to timely cure the deficiency(ies), the notifying Party may, in its sole discretion, terminate this Agreement in accordance with this Section 8.
- (b) If a Customer terminates an Order for Installer's failure to perform before installation of the System for that Order has commenced, Installer shall return any payment(s) made toward the Order price.
- (c) The Program Fund Manager may, in its sole discretion, terminate this Agreement for convenience at any time and without needing to first send a Notice of Default to Installer.
- (d) If any Party terminates an Order for the other Party's uncured failure to perform or if The Program Fund Manager terminates this Agreement for convenience pursuant to Section 8(c), then except as specified in the next sentence, Installer may take back all components Installer delivered but that have not yet been installed for that Order and shall not have any further obligation to perform pursuant to this Agreement or that Order. If, however, The Program Fund Manager is the terminating party (whether for convenience or an uncured default), then if requested by The Program Fund Manager, Installer shall either (i) complete the installation of System where installation is partially complete, or (ii) deinstall and remove the products from the Site and return the jobsite to its original condition, at no cost.
- (e) Each Party may pursue all rights and remedies available at law or in equity with respect to the failure to perform, except as otherwise provided herein. Breaches of one or more Orders will not constitute breaches under any other Orders or under this Agreement, and breaches of this Agreement independent of any Orders shall not constitute breaches of any Orders.
- (f) Except as otherwise set forth in this Agreement, the expiration or termination of this Agreement will not affect any rights or obligations of the Parties that were incurred or that accrued prior to such expiration or termination. Termination shall not be deemed an election of remedies, and the non-defaulting Party shall have all rights and remedies available under applicable law in connection with and following such termination.

9. Warranties.

- (a) Starting on the date of installation, Installer warrants to The Program Fund Manager and Customer that all materials, equipment and work furnished by Installer as part of an Order will be:
- (i) of good quality, free from fault and defects, and
 - (ii) performed in a good and workmanlike manner, in accordance with all applicable laws, building codes and ordinances, and in strict conformity with the Order.

Installer shall, at its sole expense, immediately correct or replace any Work that is defective or determined to be not in accordance with the requirements of the above warranties within ten (10) year after the date of Final Completion.

- (b) System equipment warranties are covered by manufacturer's warranty and are assigned to The Program Fund Manager upon title transfer consistent with Section 5. Installer shall perform operations, repair and maintenance work on the System and manage the entire warranty claims process required by each respective manufacturer. All work covered by Installer warranties shall be at no cost. If Installer fails to perform operations, repair and maintenance work in a timely manner (as reasonably determined by The Program Fund Manager) and according to industry standard practices, The Program Fund Manager shall perform the required operations, repair and maintenance work at its sole discretion with no impact to or waiver of the Installer's obligations under this Agreement.
- (c) Installer warrants that it will repair or replace any work on the System that it does not perform in a good workmanlike manner according to the standards of care and diligence generally practiced by solar engineering, construction, installation, and roofing companies when installing commercial photovoltaic solar power with optional incorporated energy storage systems. This provision includes roof penetrations and other roof work related to the installation of the System.
- (d) Installer's warranties under this Agreement shall in all cases survive termination of this Agreement and the transfer of title of the System to The Program Fund Manager.
- (e) The warranties provided herein do not limit Installer's indemnification obligations to The Program Fund Manager and other Parties as set forth in Section 10.

10. Indemnification.

- (a) For purposes of this Agreement and each Order, "**Indemnified Parties**" means for each identified entity, (i) the Party and any person providing financing to the Party with respect to the System, (ii) any affiliate of the persons set forth in clause (i), and (iii) any director, officer, partner, member, manager, agent or employee of a person described in clause (i) or (ii); and, "**Indemnifying Party**" means each other Party, as the context requires.
- (b) Installer's Indemnities. Installer shall indemnify, defend (with counsel reasonably acceptable to The Program Fund Manager) and hold harmless The Program Fund Manager, Member and Customer, as well as their respective Indemnified Parties, from any claim, action, suit, proceeding, investigation, losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs or expenses, including reasonable legal fees ("Losses") arising out of any allegations, claim, action, suit, proceeding, or investigation made or brought by any third party ("Claim"):
- i. that Installer Products (or any component or software thereof) or Installer's work pursuant to any accepted Order infringes the intellectual property rights of a third party, other than a Claim for which Customer is responsible due to such Customer's unauthorized alteration of the Installer Products. In addition, if such Indemnified Party is enjoined from the use, operation or enjoyment of Installer Products or any part thereof as a result of any Claim alleging that Installer Products or Installer's Work infringes the intellectual property rights of a third party, Installer will at no cost to such Indemnified Party, at Installer's option: (1) have such injunction removed, (2) substitute non-infringing goods or processes, or (3) modify the infringing goods or processes so they become non-

infringing and provide the same or better functionality and performance relative to the affected item's then-current functionality and performance; and

- ii. in connection with the design, construction, installation, warranty service, workmanship, materials or functionality of any materials, equipment and/or element of the work furnished by Installer, or any other act or omission of the Installer, except with respect to any modification by any party other than Installer (directly or indirectly) or use or reuse of Installer Products that are the subject of an accepted Order other than as permitted under this Agreement or their warranties.

- (c) Survival. The provisions of this Section 10 shall survive any expiration of termination of this Agreement or any Order.

11. Limitation of Liability. Except for indemnification obligations (Section 10), breach of confidentiality (Section 13), or any gross negligence or willful misconduct, each Party's total liability for all damages of any kind arising out of this Agreement will not exceed the amount of the System pricing set forth in each Order. No Party will have to pay any other Party for any indirect, special or consequential damages.

12. Force Majeure. Each Party shall be excused from performance and shall not be considered to be in breach with respect to any obligation hereunder other than any obligation to pay money due and owing, if and to the extent that such Party's failure of, or delay in, performance is caused by or results from acts or circumstances beyond the reasonable control of such Party (a "**Force Majeure Event**"); provided:

- (a) such Party gives the other Parties notice describing the particulars of the Force Majeure Event as soon as is reasonably practicable and in any event within ten (10) business days after the discovery of the Force Majeure Event and its impact on such Party's performance;
- (b) the suspension of performance is of no greater scope and of no longer duration than is reasonably required by the Force Majeure Event;
- (c) the Party uses reasonable endeavors to:
 - (i) overcome or mitigate the effects of such occurrence, and
 - (ii) minimize costs and expenses attendant to or arising from such occurrence; and
- (d) when the Party is able to resume performance of the affected obligations, such Party shall so notify the other Party and promptly resume performance.

13. Confidentiality; Publicity.

- (a) Each Party will keep any disclosures, as well as the terms of this Agreement, confidential in accordance with the non-disclosure agreements between them (the "**NDAs**") and agree that this Agreement is confidential information of each of them for purposes of the NDAs. (Even though the NDAs are separate documents, they are considered part of this Agreement.)
- (b) Neither Party will advertise or issue any public announcement about this Agreement, or use the other Party's mark, name or logo in any marketing literature, web sites, articles, press releases (including interviews with representatives of media organizations of any form), or any other document or electronic communication, without the other Party's written consent.
- (c) Nothing in this Agreement, the NDAs, or any other agreement between the Parties limits or prohibits any announcement, disclosure, or other act that is required by law, including, but not limited to, the California Public Records Act and the Ralph M. Brown Act. The Parties expressly acknowledge and agree that this Agreement will be appended to one or more publicly posted agendas of Member.

- (d) Installer must comply with the privacy policy available in the footer of The Program Fund Manager's website located at www.participate.energy as of the date hereof.

14. Governing Law; Disputes.

- (a) The Parties agree to comply with all applicable laws and regulations in connection with this Agreement. This Agreement is governed by the laws of the State of California.
- (b) The Parties are not bound by any terms relating to Installer Products or other matters covered by this Agreement or any Order that are not contained in this Agreement or the affected Order.
- (c) Each of the Parties also agree to promptly notify the other's senior level management if there is any dispute relating to this Agreement or any Orders and to try to resolve the dispute in good faith. If the Parties are unable to resolve a dispute within twenty (20) days after that notice is given, then either Party can take the dispute to arbitration through Judicial Arbitration and Mediation Services ("JAMS") according to JAMS Streamlined Arbitration Rules. The existence, content and result of the arbitration will be confidential. The arbitration will be conducted by a single arbitrator in English and in the County of San Diego, California, unless otherwise agreed by the Parties. Each Party will bear its own expenses in the arbitration and will share equally the costs of the arbitration unless the arbitrator assigns costs to one of us. Judgment upon the award rendered in the arbitration may be entered in any court of competent jurisdiction.

15. Miscellaneous.

- (a) Representations. Each Party represents and warrants to the other Parties that (i) it is a legal entity, duly organized, validly existing and in good standing under the laws of jurisdiction of incorporation; (ii) this Agreement constitutes a legal, valid and binding obligation of such Party enforceable in accordance with its terms; and (iii) the execution, delivery and performance of this Agreement (A) is within its powers, (B) has been duly authorized by all requisite action and (C) will not violate any agreement, commitment, certificate or other document to which it is a party or by which any of its assets may be bound or affected.
- (b) Compliance with Law. Each Party will comply with all applicable laws and regulations in connection with its performance under Agreement.
- (c) Notices. All notices under this Agreement must be in writing and must be sent via email, or express and/or certified mail, to the contacts identified in the Key Terms.
- (d) Assignment. Installer or The Program Fund Manager may assign this Agreement and each accepted Order (i) to an affiliate of Installer or The Program Fund Manager, respectively, and (ii) as collateral in connection with its financing activities, in either case without the need for consent from any other Party.
- (e) Insurance. Installer shall carry and maintain in force, with reputable insurance companies authorized to do business in the jurisdictions where the portion of the Member Territory is located, the insurance in the Installer Insurance Requirements. In addition, Installer shall maintain all insurance that Installer is required by law to maintain in connection with the Work pursuant to each Order.
- (f) Cumulative and Certain Exclusive Remedies. Except as otherwise specifically set forth in this agreement, all rights and remedies provided under this Agreement are cumulative and not exclusive, and the exercise by either Party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at law, in equity, by statute, in any other agreement between the Parties or otherwise.
- (g) Entire Agreement; Severability. This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof and supersedes all prior agreements, representations and understandings, oral or written, between the Parties regarding the subject matter hereof. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or

unenforceable, such term shall be severable from the remainder of this Agreement and the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by the law.

- (h) Amendment and Modification. No amendment or modification of this Agreement is effective unless it is in writing and signed by each Party.
- (i) Waiver. No waiver by either Party of any provision of this Agreement is effective unless explicitly set forth in writing and signed by such Party. No failure to exercise, or delay in exercising, any right or remedy arising from this Agreement operates or may be construed as a waiver thereof. No single or partial exercise of any right or remedy hereunder precludes any other or further exercise thereof or the exercise of any other right or remedy.
- (j) Relationship of the Parties. The relationship between the Parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the Parties, and neither Party shall have authority to contract for or bind the other Party in any manner whatsoever.
- (k) No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.
- (l) Survival. Provisions of this Agreement which by their nature contemplate or govern performance or observance subsequent to the termination or expiration of this Agreement shall survive such termination or expiration.

SOLAR ENERGY SYSTEM DISCLOSURE DOCUMENT

This disclosure shall be printed on the front page or cover page of every solar energy contract for the installation of a solar energy system on a residential or commercial building.

The UPFRONT COST for the solar energy system is: \$0.00. The ongoing monthly fee is \$xx and/or energy rate per KWh (year one) is \$0.xx, with x% annual escalator.

To make a complaint against a contractor who installs this system and/or the home improvement salesperson who sold this system, contact the Contractors State License Board (CSLB) through their website at www.cslb.ca.gov (search: "complaint form"), by telephone at 800-321-CSLB (2752), or by writing to P.O. Box 26000, Sacramento, CA 95826.

If the attached contract was not negotiated at the contractor's place of business, you have a Five-Day Right to Cancel the contract, pursuant to *Business and Professions Code* (BPC) section 7159, as noted below. For further details on canceling the contract, see the Notice of Cancellation, which must be included in your contract.

Five-Day Right to Cancel

You, the buyer, have the right to cancel this contract within five business days. You may cancel by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business by midnight of the fifth business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

This document was developed through coordination of the California Contractors State License Board and the California Public Utilities Commission pursuant to Business and Professions Code section 7169.

Installation Order and Solar Plus Program Terms

*****PLEASE READ*****

Thank you for your participation in the Solar Plus Program (the “Program”)! Please carefully review this Installation Order and Solar Plus Program Terms (“Order”).

Now that we have completed your order for your solar and or battery energy storage system (all of which we call your “System” below), the next step is to prepare for and schedule installation of your System.

In the meantime, this Order contains some basic terms we need you to agree to in order to make sure we are on the same page (and along with this document are some required disclosures for you to review as well). We look forward to working with you!

The Installer and System Owner names and contact information can be found on the SOLAR POWER PURCHASE & ENERGY STORAGE SERVICES AGREEMENT (“PPA/ESA”) you executed related to this System.

***Please note that any references in this document to “you” or “your” shall mean and include, jointly and severally, the Customer and Customer’s spouse (if applicable) who signed this document.**

- 1. Your Program Participation.** You agree to participate in the Program on the terms set forth herein in this Order and the PPA/ESA with Clean Energy Alliance and to enroll in the applicable Solar Plus Program (“Participation”). Participation means you agree to allow Installer to install the System on your home (“Site”), to provide Site access for regular operation and maintenance of the System, and to purchase an equivalent amount of power generated by the System during the term of your Agreement. You have five (5) days after you agree to these terms to revoke your Participation. If you don’t do so, or if you move forward with scheduling your installation, that means you are agreeing to these Program Terms.
- 2. Updates to Participation Sheet.** Even though we have completed an initial design of the System, we might need to make changes to that design, which also means we might need to update the System size, the estimated System production, or the Agreement rate based on a variety of factors, such as installation complexity or product availability. We can make minor adjustments to the size of the System provided that it does not impact projected system production by more than 20%. Your Agreement rate may increase in accordance with the Program terms depending upon the scope of any required pre-installation work required to accommodate your System. If a change is expected to impact either A) System production by more than 20% or B) your PPA/ESA rate, we will update the terms of your Participation. You have 7 days after you receive the updated terms to reject them. If you don’t reject them, or if you move forward with scheduling your installation, that means you are agreeing to the updated Participation terms and authorize us to develop and submit permit packets and otherwise prepare for your upcoming installation. The updated Participation terms replaces any prior terms we have agreed upon.
- 3. Cancellation.** At any point prior to the time when we 1) scheduled your installation for residential Systems, or 2) received your approval to begin engineering, procurement, and construction activities (“Notice to Proceed”) in writing, either of us can cancel your order and participation for any reason or no reason at all, provided that we let the other know in writing prior to the effective date of cancellation (so there is no misunderstanding). In addition, either of us may cancel your order and participation if you do not qualify for the Incentive Programs, as that term is defined below in Section 10.
- 4. Permission to Operate.** Installer’s work includes ensuring that the System obtains permission to operate (“PTO”) from your utility, provided that PTO is required for the System. There can sometimes

be delays in obtaining PTO. Installer will work with you and your utility to try to minimize such delays. Subject to regulation, policy and code, Installer and System Owner may begin operating your System in “non-export mode” prior to PTO, whereby your property will benefit from the operation of the System and you consent in such a case that you will therefore begin to be invoiced.

5. **Homeowner’s Association and any other Approvals.** You are responsible for getting any required approvals and authorizations for installing the System from entities *other than* from the Utility, Building and Safety Departments, or local government agencies. If your home is governed by a homeowner’s association or similar community organization, you are responsible for obtaining any required approvals and authorizations for the System.
6. **Installation.** We will contact you to schedule installation of the System. During installation, we might choose to make minor repairs commonly needed to install the System (like simple electric upgrades and roof preparation). We promise to repair or pay for damage we negligently cause to your home or your property during installation of the System (and that will be your only remedy). You need to let us know in writing of any damage within 1 year of installation.
7. **Equipment Limited Warranties.** During the term of your participation, any manufacturers’ limited warranties accrue to Participate.Energy, LLC (the “System Owner”) as the owner of the System. If you (or a subsequent owner of your home) exercise an option to purchase the System, any then-valid and assignable manufacturers’ limited warranties will be assignable to you (or the subsequent owner). Solar panels, inverters, and battery energy storage systems come with a warranty from their manufacturers. We reserve the right make warranty claims on any or all System components. In all cases, System Owner shall maintain the System during the term of your PPA/ESA, initially 25 years, and replace System components as and when needed, but not when the need for such replacement is caused by you, your guests, or your invitees.
8. **Site Access, Remote Monitoring and Firmware Upgrades.** You agree that the Installer and the System Owner can access the System, including remotely, to monitor its performance, perform diagnostics and upgrade firmware. You also hereby grant to the Installer, the System Owner, and their respective agents, employees, contractors and the utility a non-exclusive license running with the Site for access to, on, over, under and across the Site the date of the Order until the date that is ninety (90) days following the date of expiration or earlier termination of this Order (the “License Term”), for the purposes of performing all of the Program-related obligations and enforcing all of the Program-related rights set forth in this Order and otherwise as required in order to effectuate the purposes of the Program. During the License Term, you shall preserve and protect the parties’ rights under the Licenses and access to the Site and shall not interfere, or permit any of your guests, invitees, or third parties under your control to interfere, with such rights or access. You agree that either Installer or the System Owner may record a customary memorandum of license in the land records respecting the Licenses.
9. **Grid Services.** You agree System Owner may automatically and without additional consent, enroll your System in any grid service, virtual power plant or other use, if applicable, which does not benefit the property where your System is installed (“Grid Service(s)”), under the condition that System Owner, at minimum, makes you whole for any reduction of utility bill savings you would have otherwise received on your utility bill if your System wasn’t otherwise used for such Grid Services. You may not enroll the System into any other Grid Services without System Owner’s prior written consent.
Customer Initial: _____
10. **Incentive Programs.** Special subsidized or incentive pricing may be available to you depending upon your ability to qualify for certain State of California programs (“Incentive Program(s)”). **In such a case, you will be required to review and execute the “Incentive Pricing Addendum” attached to the PPA/ESA (the “Addendum”).** You acknowledge that the Incentive Programs are “first come, first served.” Thus, you further acknowledge that signing the Addendum and applying for the Incentive Programs does not guarantee 1) your qualification for the Incentive Programs, or 2) the availability to you of any Incentive Program funds even if you qualify.

NOTE: If you do not qualify for the Incentive Programs, partially or in whole for any reason,

or there are no Incentive Program funds available to you, you further acknowledge that either of us may cancel your order and participation without penalty, *unless we otherwise agree to apply a normal, non-Incentive Program rate (i.e. the standard, then-applicable solar system and battery storage tariff), in which case the PPA/ESA and this Order and Participation will continue.*

11. **Intellectual Property.** System Owner owns all patents, trademarks, copyrights, trade secrets and any other intellectual property rights associated with developing, financing, engineering, procuring or constructing the System. System Owner gives you a limited, non-exclusive, revocable license to use any software embedded in the System solely to the extent necessary in connection with the use and operation of the System.
12. **Privacy and Confidentiality.** Information developed by, or shared with, Installer or System Owner in accordance with this Program will be governed by System Owner's Privacy Policy located in the footer of System Owner's website at www.participate.energy. You agree that we may share your information with Clean Energy Alliance, the System Owner, your utility provider and our respective service providers, business partners and affiliates.
13. **Limitation of Liability.** If there is a dispute, the maximum amount that either of us will have to pay the other is the replacement cost of the System for anything arising out of these Program terms. Also, neither of us will have to pay the other for any indirect, special, consequential, or punitive damages.
14. **Governing Law.** These Program terms are governed by the laws of the State where your System is installed.
15. **Notices.** You can find applicable lien notices, certain warnings required by law, and details of our insurance attached to these purchase terms.

16. Agreement to Arbitrate. *Please read this part carefully because it means you are agreeing that any unresolved dispute between you and the System Owner, or the Installer will not be decided by a judge or jury in a public courtroom, but instead by a single arbitrator in a private arbitration.*

If you have a dispute with Participate.Energy, LLC, PE Operations, LLC, or Installer or Installer's affiliates or any party participating in the Program **arising out of or relating to any aspect of this Order, the PPA/ESA, or your Participation in this Program**, please send us an email to notices@participate.energy, describing your dispute and how you would like it resolved. If it is not resolved within 60 days from the date of your email, you agree that your dispute can only be resolved by a single arbitrator in an arbitration administered by the American Arbitration Association (AAA) under its Consumer Arbitration Rules. This includes claims arising before you ordered your System (such as claims related to statements Installer made about products and your System). We will pay all AAA fees for any arbitration, which will be held in the city or county of your legal residence. To learn more about the Rules and how to begin an arbitration, you can call any AAA office or go to www.adr.org. The arbitrator can only resolve disputes between you and the System Owner and the Installer, and cannot consolidate claims from others without consent from you, the System Owner, the Installer, and any others. You can only bring claims in arbitration against the System Owner or the Installer in your individual capacity and not as a plaintiff or class member in any class or representative action (and the same is true for the System Owner and the Installer). If a court or arbitrator decides that any part of this agreement to arbitrate cannot be enforced as to a specific claim for relief or remedy (such as what lawyers call "injunctive" or "declaratory" relief), then that claim or remedy (and only that claim or remedy) will be carved out of the arbitration and can be filed in court; all other claims must be arbitrated. If you prefer, you can take your individual dispute to a small claims court instead provided your claim(s) meet the jurisdictional requirements for small claims court. If you don't want to agree to arbitration, you can "opt out" of arbitration by sending us a letter within 30 days after placing your initial order for your System. Please send the letter to notices@participate.energy, or Participate.Energy, 440 N Barranca Ave #8854, Covina, CA 91723 and include your name, your order number, the name of the product you ordered, and a statement explaining your desire to opt out of arbitration. If you do not opt out, your agreement to arbitrate overrides any different arbitration agreement between us, including any arbitration agreement in a

contract involving another Installer or Clean Energy Alliance product or service.

Solar Plus Program Participation Sheet

Customer & Notice information and installation location

Customer Name
2nd Customer Name (if applicable)
Street Address
City, State, Zip
Phone
Email

Property / Installation Location

Street Address
City, State, Zip

System Owner Information

Participate.Energy, LLC. 440 N Barranca Ave #8854, Covina, CA 91723
Email: notices@participate.energy

Installer Information

Installer Name
Street Address
City, State, Zip
Phone
Email
CA CSLB Number

Notice Address
Street Address
City, State, Zip
Email

System

Solar:

Nameplate Capacity: [X kW]
Solar Modules: Quantity x [brand name] [product name] [wattage]

Battery Energy Storage System:

Nameplate Capacity: [X kW / X kWh]
Battery: Quantity x [brand name] [product name]

Inverter:

Quantity x [brand name] [product name] [rating] [model]

Mounting/Racking:

Quantity x [brand name] [product name] [model]

Approximate Installation Start Date

For residential systems, 30-180 days from contract signing.

Approximate Substantial Completion Date

7- 180 days from the day installation begins

Signature

Customer

Contractor

Name:
Date:

Name:
Title:

2nd Name (if applicable):
Date:

**Exhibit 1
Cancellation Rights**

(Participate.Energy LLC. COPY)

**NOTICE OF CANCELLATION
STATUTORILY-REQUIRED LANGUAGE**

Notice of Cancellation

Date of Transaction:

You may CANCEL this transaction, without any penalty or obligation, within FIVE BUSINESS DAYS (CA CUSTOMERS ONLY) from the above date.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice to Participate.Energy LLC (notices@participate.energy) or mail a copy to Participate.Energy, LLC. 440 N Barranca Ave #8854, Covina, CA 91723 NO LATER THAN MIDNIGHT of the date that is FIVE BUSINESS DAYS from the date you signed the Order.

I, _____, hereby cancel this transaction on _____ [Date].

Customer's Signature:

Customer's Signature:

(CUSTOMER COPY)

NOTICE OF CANCELLATION

STATUTORILY-REQUIRED LANGUAGE

Notice of Cancellation

Date of Transaction:

You may CANCEL this transaction, without any penalty or obligation, within FIVE BUSINESS DAYS (CA CUSTOMERS ONLY) from the above date.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice to Participate.Energy LLC (notices@participate.energy) or mail a copy to Participate.Energy, LLC. 440 N Barranca Ave #8854, Covina, CA 91723 NO LATER THAN MIDNIGHT of the date that is FIVE BUSINESS DAYS from the date you signed the Order.

I, _____, hereby cancel this transaction on _____ [Date].

Customer's Signature:

Customer's Signature:

Exhibit 2

Change Order and Insurance Requirements

Extra Work and Change Orders. Extra Work and Change Orders become part of the contract once the order is prepared in writing and signed by the parties prior to commencement of any work covered by the new change order. You may not require the Installer to perform extra or change-order work without providing written authorization prior to the commencement of work covered by the new change order. Extra work or a change order is not enforceable against you unless the change order also identifies all of the following in writing prior to the commencement of work covered by the new change order: (i) the scope of the extra work or change, (ii) the cost to be added or subtracted from the contract; and (iii) the effect the order will have on the schedule of progress payments or the completion date. Notwithstanding this provision, the Installer shall have the right to substitute System equipment without Customer's agreement, so long as that substitution adds no extra cost to the project and does not materially affect the System's performance. The Installer failure to comply with the requirements of this paragraph does not preclude the recovery of compensation for work performed based on legal or equitable remedies designed to prevent unjust enrichment.

Insurance. Installer carries the following insurance applicable to the work being performed under this Order:

- Commercial General Liability Insurance (CGL). Installer carries commercial general liability insurance with coverage amounts that meet or exceed those required by law.
- Workers' Compensation Insurance. Installer carries workers' compensation insurance for all employees in compliance with law.
- Automobile Insurance. Installer carries automobile insurance for all employees in compliance with law.

Additional Notices

California

CALIFORNIA CONTRACTOR LICENSING INFORMATION: CSLB is the state consumer protection agency that licenses and regulates construction contractors. Contact CSLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions and civil judgments that are reported to CSLB. Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees. For more information:

- Visit CSLB's Internet website at www.cslb.ca.gov
- Call CSLB at 800-321-CSLB (2752)
- Write CSLB at P.O. Box 26000, Sacramento, CA 95826

MECHANICS' LIEN RELEASES (if applicable)

Upon satisfactory payment for any portion of the work performed, Installer shall, prior to any further payment, furnish to Customer a full and unconditional release from any potential lien Claimant claim or mechanics' lien pursuant to Sections 8400 and 8404 of the California Civil Code for that portion of the work for which payment has been made.

CALIFORNIA MECHANICS LIEN WARNING:

NOTICE TO PROPERTY OWNER: If bills are not paid in full for the labor, services, equipment, or materials furnished or to be furnished, a mechanic's lien leading to the loss, through court foreclosure proceedings, of all or part of your property being so improved may be placed against the property even though you have paid your contractor in full. You may wish to protect yourself against this consequence by (1) requiring your contractor to furnish a signed release by the person or firm giving you this notice before making payment to your contractor or (2) any other method or device that is appropriate under the circumstances.

Anyone who helps improve your property, but who is not paid, may record what is called a mechanics lien on your property. A mechanics lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the county recorder.

Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit.

To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a 'Preliminary Notice.' This notice is not a lien. The purpose of the notice is to let you know that the person who sends you the notice has the right to record a lien on your property if he or she is not paid.

BE CAREFUL. The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices.

You will not get Preliminary Notices from your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

PROTECT YOURSELF FROM LIENS. You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive.

PAY WITH JOINT CHECKS. One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with

a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier.

For other ways to prevent liens, visit CSLB's Internet Web site at www.cslb.ca.gov or call CSLB at 800-321-CSLB (2752).

REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING A LIEN PLACED ON YOUR HOME. This can mean that you may have to pay twice, or face the forced sale of your home to pay what you owe.

**Exhibit 3
Preliminary Site Plan**

[Insert]

Exhibit 4
Renewable Energy Credit Agreement

1. **Introduction.** This Renewable Energy Credit Agreement (this "REC Agreement") is between Participate.Energy, LLC ("System Owner" or "we") and you ("Customer") concerning the Environmental Attributes associated with the electricity generated by the photovoltaic system ("Solar System"), which System Owner owns and operates which is installed on your property pursuant to your agreement to participate in the Solar Plus Program. "Environmental Attributes" are commonly referred to as renewable energy credits ("RECs") and include all solar renewable energy credits, carbon offset credits, green tags, and other similar credits and benefits, however named, generated by or associated with the Solar System. Environmental Attributes do not include electricity or tax credits.

2. **Ownership.** You recognize that you will not own the Environmental Attributes to sell, use or claim, and a third party may have the right to claim clean, green or renewable energy based on its purchase of Environmental Attributes from your Solar System.

3. **Your Obligations.** You agree to cooperate with the System Owner of the System to allow the System Owner (and any party to which the Environmental Attributes have been sold or transferred) to claim the Environmental Attributes, including, but not limited to taking the following actions:

- a. To the extent allowable by law, enter into net metering agreements and interconnection agreements for the Solar System;
- b. Promptly, but in no case more than 7 days after an initial request, sign and/or file documentation in connection with the registration and/or transfer of the Environmental Attributes to any party to which the Environmental Attributes have been sold or transferred;
- c. Maintain and make available, at your cost, a functioning indoor internet connection with the understanding that an intermittent internet connection (which includes but is not limited to temporary wireless hotspots) will not satisfy this obligation;
- d. Allow the System Owner of the System, its agent or subcontractor to monitor and report the Solar System's production;
- e. Upon reasonable prior written notice, provide System Owner and/or its designees, with access to the System for inspections and maintenance;
- f. Maintain the Solar System in good working condition; and
- g. Maintain the Solar System's interconnection to the local electric utility.

Additionally, you understand that by you will have no right to sell the Environmental Attributes, or any component thereof, to any other party.

4. **Remedies.** If you fail to comply with the obligations set forth in Section 3 within 30 days after written notice to you, and that failure results in any disruption in the production of Environmental Attributes or the System Owner's ability to claim, transfer, or otherwise make use of the Environmental Attributes, System Owner will have the right to invoice and collect from you an amount equal to System Owner's direct, actual damages resulting from such disruption. In no case, however, will you be liable to System Owner under this REC Agreement for amounts in excess of the REC Credit.

5. **Third-Party Beneficiaries.** We each agree that the owner(s) of the Solar System and the Environmental Attributes is/are intended third-party beneficiary(ies) of this REC Agreement.

I have read this REC Agreement in its entirety and I acknowledge that I have received a complete copy of this REC Agreement.

Customer:

Signature

Name/Title:

Participate.Energy, LLC:

Signature

Name/Title: Ethan Friedman, Managing Director



PUBLIC HEARING NOTICE
CLEAN ENERGY ALLIANCE

The Board of Directors of Clean Energy Alliance will conduct a public hearing to consider adopting a resolution adding new Clean Energy Alliance rates for its Solar Plus Program, effective November 22, 2024. As proposed, the new rates will allow customers to blend the cost of the battery system with the generation rates and new rates for customers utilizing the Self-Generation Incentive Program. The exact proposed rates are available on Clean Energy Alliance's website at TheCleanEnergyAlliance.org/billing-rates/.

DATE OF HEARING: Thursday, November 21, 2024
 TIME OF HEARING: 2:00 p.m. or as soon thereafter as the matter may be heard
 PLACE OF HEARING: City of Oceanside City Hall
 300 N Coast Highway
 Oceanside, CA 92054

All interested persons are invited to attend the meeting and comment on adopting a Resolution Amending Rates for Clean Energy Alliance. Members of the public unable to attend the public hearing may submit their comments and recommendations in writing to Clean Energy Alliance, via email to clerk@thecleanenergyalliance.org, which must be received no later than 12 p.m. on Thursday, November 21, 2024 to ensure consideration by the Board.

Kaylin McCauley
 Kaylin McCauley
 Board Clerk

Dated: November 4, 2024

 Published: Friday, November 8, 2024
 Friday, November 15, 2024

San Diego Union Tribune

Posted: Friday, November 8, 2024

City of Oceanside, City Hall

**CLEAN ENERGY ALLIANCE
RESOLUTION NO. 2024-021**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CLEAN ENERGY
ALLIANCE SETTING RATES FOR CLEAN ENERGY ALLIANCE SOLAR PLUS
PROGRAM**

WHEREAS, the Clean Energy Alliance (CEA) is a joint powers agency, formed in November 2019, under the Joint Exercise of Power Act, California Government Code section 6500 et seq.; and

WHEREAS, Section 4.6 of the Joint Powers Authority (JPA) Agreement establishes the specific responsibility of the CEA Board of Directors to adopt retail rates for power; and

WHEREAS, the CEA Board desires to add rates for the Solar Plus Program.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Clean Energy Alliance, as follows:

Section 1. The Board of Directors of the Clean Energy Alliance hereby approves the addition of CEA Rates detailed in Exhibit A.

The foregoing Resolution was passed and adopted this 21st day of November, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

David Druker, Chair

ATTEST:

Kaylin McCauley, Board Secretary

**Clean Energy Alliance
Solar Plus Rate Schedule**

CURRENT RATES

RATE	DESCRIPTION
SEPARATE SOLAR PER KWH AND BATTERY FIXED MONTHLY RATES	
SOLAR RATE per kWh + 1.9% annual escalator	
\$0.145	With Pre-Construction Costs up to \$750.00
\$0.150	With Pre-Construction Costs \$751.00 - \$2,500.00
\$0.155	With Pre-Construction Costs \$2,501.00 - \$5,000.00
BATTERY RATE per Month + 0% annual escalator	
\$115.00	First Battery (Baseline Rate)
\$75.00	Each Additional Battery

PROPOSED ADDITIONAL RATES

RATE	DESCRIPTION
SEPARATE SOLAR PER KWH AND BATTERY FIXED MONTHLY RATES	
BATTERY RATE per Month + 1.9% annual escalator	
\$93.55	First Battery (Baseline Rate)
\$61.01	Each Additional Battery
BLENDED SOLAR PLUS & BATTERY RATE per kWh +1.9% annual escalator	
\$0.160	Baseline Rate minus up to \$27,500.00 in reduced system cost
\$0.165	Baseline Rate minus up to \$25,000.00 in reduced system cost
\$0.170	Baseline Rate minus up to \$22,500.00 in reduced system cost
\$0.175	Baseline Rate minus up to \$20,000.00 in reduced system cost
\$0.180	Baseline Rate minus up to \$17,500.00 in reduced system cost
\$0.185	Baseline Rate minus up to \$15,000.00 in reduced system cost
\$0.190	Baseline Rate minus up to \$12,500.00 in reduced system cost
\$0.195	Baseline Rate minus up to \$10,000.00 in reduced system cost
\$0.200	Baseline Rate minus up to \$7,500.00 in reduced system cost
\$0.205	Baseline Rate minus up to \$5,000.00 in reduced system cost
\$0.210	Baseline Rate minus up to \$2,500.00 in reduced system cost
\$0.215***	Base system - 10kW solar plus one 13.5kWh battery
\$0.220	Baseline Rate plus up to \$2,500.00 in incremental system cost
\$0.225	Baseline Rate plus up to \$5,000.00 in incremental system cost
\$0.230	Baseline Rate plus up to \$7,500.00 in incremental system cost
\$0.235	Baseline Rate plus up to \$10,000.00 in incremental system cost
\$0.240	Baseline Rate plus up to \$12,500.00 in incremental system cost
\$0.245	Baseline Rate plus up to \$15,000.00 in incremental system cost
\$0.250	Baseline Rate plus up to \$17,500.00 in incremental system cost
\$0.255	Baseline Rate plus up to \$20,000.00 in incremental system cost

\$0.260	Baseline Rate plus up to \$22,500.00 in incremental system cost
\$0.265	Baseline Rate plus up to \$25,000.00 in incremental system cost
\$0.270	Baseline Rate plus up to \$27,500.00 in incremental system cost
\$0.275	Baseline Rate plus up to \$30,000.00 in incremental system cost
\$0.280	Baseline Rate plus up to \$32,500.00 in incremental system cost
\$0.290	Baseline Rate plus up to \$37,500.00 in incremental system cost
\$0.295	Baseline Rate plus up to \$40,000.00 in incremental system cost
\$0.300	Baseline Rate plus up to \$42,500.00 in incremental system cost
\$0.305	Baseline Rate plus up to \$45,000.00 in incremental system cost
\$0.310	Baseline Rate plus up to \$47,500.00 in incremental system cost
\$0.315	Baseline Rate plus up to \$50,000.00 in incremental system cost
\$0.320	Baseline Rate plus up to \$52,500.00 in incremental system cost
BLENDED CARE/FERA SOLAR & BATTERY RATE per kWh +1.9% annual escalator*	
\$0.070*	For solar sizes <10kW**, the rate is \$0.070 / kWh
\$0.096	For solar sizes ≥10kW**, the rate is \$0.096 / kWh
<p>* rate availability contingent on securing project specific funding provided by Assembly Bill 209 ** solar must be sized at >80% offset to annual loads and ≥4kW to qualify *** *Systems may be adjusted to meet customer needs which will change the rate with a minimum rate of \$0.16 per kWh and maximum rate of \$0.32 depending on system configuration.</p>	

Staff Report

DATE: November 21, 2024

TO: Clean Energy Alliance Board of Directors

FROM: Andy Stern, Interim Chief Financial Officer/Treasurer

ITEM 2: Clean Energy Alliance Treasurer's Report

RECOMMENDATION:

Receive and File Clean Energy Alliance (CEA) Interim Treasurer's Report for September 2024.

BACKGROUND AND DISCUSSION:

This report provides the Board with the following financial information through September 30, 2024:


- Statement of Financial Position (Unaudited and preliminary) – Reports assets, liabilities, and financial position of the CEA as of September 30, 2024.
- Statement of Revenues, Expenses and Changes in Net Position (Unaudited and preliminary) for the twelve months ended September 30, 2024.
- Budget to Actuals Comparison Schedule (Unaudited and preliminary) – Reports actual revenues and expenditures compared to the annual amended budget as of September 30, 2024.
- List of Payments Issued – Reports payments issued for September 2024.

As of September 30, 2024, liabilities represent invoices and estimated accruals for energy and services received but not yet paid. The noncurrent liabilities relate to debt with JPMorgan as well as amounts due to the member cities of Carlsbad, Del Mar and Solana Beach. CEA is currently making interest only payments on the debt from JPMorgan. The amounts due to the member agency were for start-up costs and services provided to CEA for the period December 2019 to June 2020.

FISCAL IMPACT:

There is no fiscal impact with this action.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

None.

CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
As of September 30, 2024

ASSETS

Current assets

Cash and cash equivalents, unrestricted	\$ 20,281,348
Accounts receivable, net of allowance	43,253,351
Accrued revenue	25,162,854
Other receivables	4,068,225
Prepaid expenses	4,175,831
Deposits	<u>770,000</u>
Total current assets	97,711,609

Noncurrent assets

Restricted cash	187,000
Deposits	<u>55,376</u>
Total noncurrent assets	<u>242,376</u>
Total assets	<u>97,953,985</u>

LIABILITIES

Current liabilities

Accrued cost of electricity	51,586,603
Accounts payable	826,593
Other accrued liabilities	435,234
Interest and financing cost payable	<u>200,533</u>
Total current liabilities	53,048,963

Noncurrent liabilities

Security deposits - energy suppliers	496,150
Revolving line of credit	<u>21,250,000</u>
Total noncurrent liabilities	<u>21,746,150</u>
Total liabilities	<u>74,795,113</u>

NET POSITION

Unrestricted (deficit)	<u><u>\$ 23,158,872</u></u>
------------------------	-----------------------------

These financial statements do not contain note disclosures, have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

CLEAN ENERGY ALLIANCE
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Three Months Ended September 30, 2024

OPERATING REVENUES	
Electricity sales, net	\$ 128,449,242
OPERATING EXPENSES	
Cost of electricity	85,482,930
Contract services	1,557,217
Staff compensation	391,466
Other operating expenses	197,451
Total operating expenses	<u>87,629,064</u>
Operating income (loss)	<u>40,820,178</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	44,185
Interest and financing expense	<u>(740,657)</u>
Nonoperating revenues (expenses), net	<u>(696,472)</u>
CHANGE IN NET POSITION	40,123,706
Net position at beginning of year	<u>(16,964,834)</u>
Net position at end of period	<u>\$ 23,158,872</u>

These financial statements do not contain note disclosures, have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

BUDGET TO ACTUALS COMPARISON SCHEDULE

At its June 2024, board meeting, the CEA Board approved the Fiscal Year (FY) 2024/25 budget approving \$326,469,000 in total operating expenses. For the year-to-date, \$88,370,000 of operating expenses have been expended. Revenues from electricity sales for the year-to-date reached \$128,449,000. Nonoperating activity was a net expense of \$696,000. The overall change in net position for the year-to-date was an increase of \$40,124,000.

The Budget to Actuals Comparison Schedules as of September 30, 2024, is shown below.

**CLEAN ENERGY ALLIANCE
BUDGETARY COMPARISON SCHEDULE
Three Months Ended September 30, 2024**

	<u>Year-To-Date</u>				<u>Annual</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance fav. (unfav.)</u>		<u>Annual Budget</u>	<u>Budget Less Actual YTD</u>	<u>Budget Remaining / Budget %</u>
			<u>Amount</u>	<u>%</u>			
Operating Revenues	\$128,449,242	\$119,747,675	\$ 8,701,567	7%	360,839,549	232,390,307	64%
Operating Expenses							
Cost of Energy	85,482,930	84,392,313	(1,090,617)	-1%	317,090,165	231,607,235	73%
Other Operating Expenses	2,146,134	2,132,578	(13,556)	-1%	9,378,650	7,232,516	77%
Total Operating Expenses	87,629,064	86,524,891	(1,104,173)	-1%	326,468,815	238,839,751	73%
Operating Income (Loss)	40,820,178	33,222,783	7,597,395	23%	34,370,733	(6,449,445)	
Nonoperating Income/(Expense)							
Interest Income	44,185	32,442	11,743	36%	148,585	104,400	
Interest Expense	(740,657)	(595,021)	(145,636)	-24%	(1,211,969)	(471,312)	
Total Nonoperating Income/(Expense)	(696,472)	(562,578)	(133,894)	-24%	(1,063,383)	(366,911)	35%
Change in Net Position	\$ 40,123,706	\$ 32,660,205	\$ 7,463,501		\$ 33,307,350	\$ (6,816,356)	

These financial statements do not contain note disclosures, have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

LIST OF PAYMENTS ISSUED

The report on the following page provides the details of payments issued by CEA for the month. All payments were within approved budget.

<u>Date</u>	<u>Type</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
08/30/2024	ACH/CHECK	BRAUNBLAISINGSMITHWYNNE	June 2024 - Professional Services	1,156.42
08/22/2024	ACH/CHECK	BRENTECH INCORPORATED	Annual Support Agreement Retainer	3,500.00
08/21/2024	ACH/CHECK	BURKE, WILLIAMS & SORENSEN, LLP	June 2024 - Legal services	8,723.20
08/05/2024	ACH/CHECK	CalCCA	FY24-25 Q1 Operational Membership Dues	113,825.00
08/20/2024	Wire	CALIFORNIA CHOICE ENERGY AUTHORITY	July 2024 RA	175,000.00
08/23/2024	ACH/CHECK	CHAPMAN AND CUTLER, LLP	Professional Services - Revolving Line of Credit	5,027.00
08/28/2024	ACH/CHECK	CLIMATE ACTION CAMPAIGN	Nexus Partner Sponsorship	5,000.00
08/26/2024	Wire	DYNASTYPOWER	Period of July 2024 - Environmental Attribute	20,909.00
08/20/2024	Wire	EDF TRADING NORTH AMERICA	July 2024 - Capacity Purchase	706,500.00
08/07/2024	ACH/CHECK	EMPOWER(401a)	Employee Retirement - 08/05/2024	6,386.92
08/22/2024	ACH/CHECK	EMPOWER(401a)	Employee Retirement - 08/20/2024	6,386.92
08/07/2024	ACH/CHECK	EMPOWER(457b)	Employee Retirement - 08/05/2024	4,117.32
08/23/2024	ACH/CHECK	EMPOWER(457b)	Employee Retirement - 08/20/2024	4,117.32
08/20/2024	Wire	ES1A Group 2 Opco, LLC	Resource Adequacy July 2024	108,360.00
08/23/2024	ACH/CHECK	Evolution Affairs, LLC	June - July 2024 - Professional Service	1,470.00
08/02/2024	Wire	JPMorgan	17-Jul-2024 31-Jul-2024 - Used	105,577.71
08/05/2024	Wire	JPMorgan	03-Jul-2024 04-Aug-2024 - Unused	40,312.06
08/21/2024	Wire	JPMorgan	Principal Repayment	5,000,000.00
08/26/2024	Wire	JPMorgan	Issuance Fee - Pattern Energy Letter of Credit	1,000.00
08/23/2024	ACH/CHECK	KARBONE INC.	Executed in July 2024 - Brokerage	115,200.00
08/23/2024	ACH/CHECK	KARBONE INC.	Executed in July 2024 - Brokerage	2,407.00
08/05/2024	ACH/CHECK	Keyes & Fox LLP	June 2024 - Professional Services	29,028.50
08/20/2024	Wire	LEAPFROG POWER, INC.	CEA - August 2024 RA (Quantity in kW)	12,517.20
08/16/2024	ACH/CHECK	MCCAULEY, KAYLIN	Expense Reimbursement - Jul 3, 2024 to Aug 7, 2024	43.95
08/21/2024	ACH/CHECK	MCCAULEY, KAYLIN	Expense Reimbursement - Jul 3, 2024 to Aug 7, 2024	31.39
08/20/2024	Wire	MCE (MARIN CLEAN ENERGY)	July 2024 North System RA	350,000.00
08/07/2024	ACH/CHECK	MC GEE, KAITLIN	Expense Reimbursement - July 2024	803.37
08/21/2024	ACH/CHECK	NewGen Strategies & Solutions	July 2024 - CEA SDG&E ERRRA REGULATORY SUPPORT	13,451.25
08/07/2024	ACH/CHECK	Neyenesch Printers	Mailing Services	1,421.45
08/21/2024	ACH/CHECK	Neyenesch Printers	Mailing Services	2,829.51
08/28/2024	ACH/CHECK	Neyenesch Printers	Mailing Services	2,446.35
08/21/2024	ACH/CHECK	Nixon Peabody LLP (vendor)	SERVICES RENDERED through July 31, 2024	312.50
08/29/2024	ACH/CHECK	Pacific Energy Advisors, Inc	June 2024 - Technical Consulting Advisors	39,000.00
08/23/2024	ACH/CHECK	PEAK ENERGY SOLUTIONS	Tracking Period: July 2023 - March 2024	38,803.15
08/26/2024	Wire	Powerex	Transactions for the Period of August 2024	98,562.50
08/26/2024	Wire	Resi Station LLC	Proxy Demand Response CEA Jul 2024	19,404.00
08/05/2024	ACH/CHECK	River City Bank CC	June 2024 Expenses	9,333.92
08/05/2024	Wire	SAAMI ENERGY SOLUTIONS, LLC.	November 2024 - Firm Resource Adequacy	105,000.00
08/20/2024	Wire	SDG&E (Procurement)	Jul-24 Resource Adequacy Sales (MCAM)	117,135.10
08/20/2024	Wire	SDG&E (Procurement)	Jul-24 VA Unbundled LT Contracts	1,970,655.11
08/23/2024	ACH/CHECK	SDG&E (Service Fees)	June 2024 fees for services rendered	55,091.79
08/20/2024	Wire	SEMPRA	Jul 2024 - Capacity Purchases	1,139,000.00
08/20/2024	ACH/CHECK	SDRMA	Coverage Month: September 2024	10,734.50
08/15/2024	ACH/CHECK	State Compensation Insurance Fund	Monthly - Worker's Comp AUTOPAY	452.75

08/05/2024 Wire	THE ENERGY AUTHORITY	July 2024 - CAISO Weekly Settlement	564,122.08
08/12/2024 Wire	THE ENERGY AUTHORITY	July 2024 - CAISO Weekly Settlement	1,646,283.28
08/20/2024 Wire	THE ENERGY AUTHORITY	July 2024 - CAISO Weekly Settlement	516,979.72
08/20/2024 wire	THE ENERGY AUTHORITY	July 2024 - CRR Settlement	9,247.43
08/26/2024 Wire	THE ENERGY AUTHORITY	August 2024 - CAISO Weekly Statement of Activity	852,914.29
08/01/2024 ACH/CHECK	THE ENERGY AUTHORITY	June 2024 - Resource Management Monthly Fees	13,653.58
08/29/2024 ACH/CHECK	THE ENERGY AUTHORITY	July 2024 - Resource Management Monthly Fees	13,653.58
08/21/2024 ACH/CHECK	Tripepi, Smith & Associates, Inc.	July 2024 - Communications and Marketing Service	14,271.41
08/21/2024 ACH/CHECK	Tullett Prebon Americas Corp	July 2024 - Communications and Marketing Service	63,750.00
08/01/2024 ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	1,094.03
08/06/2024 ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	636.10
08/07/2024 ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	700.27
08/16/2024 ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	962.57
08/20/2024 ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	1,542.90
08/30/2024 ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	1,112.63
08/02/2024 ACH/CHECK	WREGIS	Retired	2,029.27
08/27/2024 ACH/CHECK	WREGIS	Retired	61.32
08/21/2024 ACH/CHECK	ZI NEMS	NEM Cash Out	441,776.77

Total for Operating Account 14,595,825.39

08/20/2024 Lockbox	Constellation Generation Company, LLC	June 2024 - Power Purchase	217,029.60
08/20/2024 Lockbox	NRG	Power transactions for JUN-2024	2,247,910.00
08/20/2024 Lockbox	Shell Oil North America	JUN 2024 - Energy Purchases	3,992,212.20
08/20/2024 Lockbox	Tecolote Wind LLC	July 2024 - Resource Adequacy Benefits	39,397.50
08/20/2024 Lockbox	MORGAN STANLEY CAPITAL GROUP, INC.	July 2024 - RA - Carbon Free- Hedge	7,100,464.74

Total for Lockbox Account 13,597,014.04

Staff Report

DATE: November 21, 2024

TO: Clean Energy Alliance Board of Directors

FROM: Gregory Wade, Chief Executive Officer

ITEM 3: Consideration of Resolution No. 2024-022 Approving Amendment No. 3 to the Agreement with Andy Stern for Chief Financial Officer (CFO) Consultant Services for an amount not to exceed \$156,000 per fiscal year, effective January 1, 2025, through June 30, 2026.

RECOMMENDATION:

That the Clean Energy Alliance (CEA) Board of Directors (Board) approve Amendment No. 3 to the Agreement for Professional Services (Agreement) with Andy Stern for CFO Consultant Services for an amount not to exceed \$156,000 per fiscal year (\$13,000 per month), effective January 1, 2025, through June 30, 2026, and authorize the Chief Executive Officer to sign all documents, subject to General Counsel approval.

BACKGROUND AND DISCUSSION:

Andy Stern has served as CEA's Chief Financial Officer (CFO) since August 2022 when the Board approved the Agreement for Interim CFO Consulting Services for CEA and extended the Agreement through June of 2023. The Agreement was again extended by Amendment No. 1 through June of 2024 and again by Amendment No. 2 through December 31, 2024.

Ms. Stern's services, institutional knowledge and experience have been invaluable to CEA. The current Agreement expires on December 31, 2024. This Amendment No. 3 would allow these essential CFO Services to continue at a rate of \$13,000 per month through June 30, 2026.

FISCAL IMPACT:

Funds for CFO Services for the Fiscal Year (FY) 24/25 have been assumed in the CEA financial pro forma and are included in the proposed FY 24/25 Budget. The CFO Consultant Services are to be billed at \$13,000 per month and will not exceed \$156,000 per fiscal year.

Submitted for consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Resolution 2024-022 approving Amendment No. 3 for CFO Consultant Services
- B. Amendment No. 3 for CFO Consultant Services

**CLEAN ENERGY ALLIANCE
RESOLUTION NO. 2024-022**

A RESOLUTION OF THE BOARD OF DIRECTORS OF CLEAN ENERGY ALLIANCE APPROVING AMENDMENT #3 TO AGREEMENT BETWEEN THE CLEAN ENERGY ALLIANCE AND ANDY STERN FOR INTERIM CHIEF FINANCIAL OFFICER SERVICES EFFECTIVE JANUARY 1, 2025 AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE AGREEMENT IN AN AMOUNT NOT TO EXCEED \$156,000 PER FISCAL YEAR

WHEREAS, Clean Energy Alliance (CEA) is a joint powers authority established on November 4, 2019, and organized under the Joint Exercise of Powers Act (Government Code Section 6500 *et seq.*); and

WHEREAS, Andy Stern has served as CEA's interim Chief Financial Officer (CFO) pursuant to a written agreement dated August 22, 2022, which was amended by Amendment #1 thereto dated July 1, 2023 and Amendment #2 thereto dated June 1, 2024, which now expires on December 31, 2024; and

WHEREAS, Mr. Stern's services and institutional knowledge are needed while CEA continues its search for a permanent CFO, he is uniquely qualified to perform the services and his fee is fair and reasonable.

NOW, THEREFORE, BE IT RESOLVED the Board of Directors of Clean Energy Alliance hereby finds, determines and resolves as follows:

Section 1. The foregoing recitals are true and correct and incorporated fully herein.

Section 2. Amendment #3 to agreement with Andy Stern for interim CFO services effective January 1, 2025 through June 30, 2026 is hereby approved.

Section 3. The Chief Executive Officer is hereby authorized and directed to execute Amendment #3 with Andy Stern for an amount not to exceed \$156,000 per fiscal year in a form substantially similar to that presented to the Board of Directors on November 21, 2024, with any changes subject to General Counsel approval.

Section 4. The Chief Executive Officer is hereby authorized and directed to execute such other documents and take such other and further actions as may be necessary and proper to accomplish the purposes of this resolution.

The foregoing Resolution was passed and adopted this 21st day of November, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

David Druker, Chair

ATTEST:

Kaylin McCauley, Board Secretary

**AMENDMENT #3 TO
AGREEMENT BETWEEN THE CLEAN ENERGY ALLIANCE AND
ANDY STERN FOR INTERIM CHIEF FINANCIAL OFFICER SERVICES
EFFECTIVE JANUARY 1, 2025**

The Agreement between Clean Energy Alliance (CEA) and Andy Stern dated August 22, 2022, as amended by Amendment #1 thereto dated July 1, 2023 and Amendment #2 thereto dated June 1, 2024, is further amended as follows:

Section 1. TERM is amended to reflect termination on June 30, 2026.

Section 3. Compensation to Consultant is amended to reflect a total not to exceed amount of \$156,000 per fiscal year for fiscal years 2024-2025 and 2025-2026.

Exhibit B. Compensation is amended to reflect a total not to exceed amount of \$156,000 per fiscal year for fiscal years 2024-2025 and 2025-2026.

All other provisions of the original Agreement dated August 22, 2022, as amended by Amendment #1 thereto dated July 1, 2023 and Amendment #2 thereto dated June 1, 2024, shall remain in full force and effect.

CLEAN ENERGY ALLIANCE

ANDY STERN

Gregory Wade
Chief Executive Officer

Andy Stern

Date

Date

APPROVED AS TO FORM

Johanna Canlas
General Counsel



Staff Report

DATE: November 21, 2024
TO: Clean Energy Alliance Board of Directors
FROM: Gregory Wade, Chief Executive Officer
ITEM 4: Clean Energy Alliance Chief Executive Officer Operational and Administrative Report

RECOMMENDATION:

Receive and File the Chief Executive Officer Operational and Administrative Report.

BACKGROUND AND DISCUSSION:

This report provides an update to the Clean Energy Alliance (CEA) Board regarding operational and administrative activity

OPERATIONAL UPDATE

Oceanside & Vista May 2024 Enrollment

CEA continues to enroll remaining Net Energy Metering (NEM) customers in Oceanside and Vista on a monthly basis as each of these customers approach their annual true-ups. On average, CEA is enrolling approximately 1,800 NEM customers each month.

Following each monthly enrollment, CEA continues to receive calls, opt-out, and opt-up requests from Oceanside and Vista residents and businesses.

The statistics as of October 31, 2024, are as follows:

City	Eligible Customers	Opt-Downs to 50% Renewable	Opt-Ups to 100% Renewable	Opt-Outs	Participation Rate
Oceanside	70,540	198	70	3,951	94.4%
Vista	37,910	82	266	1,596	95.8%
TOTAL	108,450	280	336	5,547	94.9%

Residential Battery Retrofit Program RFP

In addition to the expansion of our Solar Plus Program to allow additional certified contractors to provide installation services as well as providing funding to income eligible customers with a significantly reduced rate for Program participation, both of which the Board will take action on during this meeting, staff has drafted a Request for Proposals (RFP) to provide a residential customer battery only program. Our schedule calls for issuing this RFP on November 25, 2024, with a submittal deadline of January 17, 2025.

CEA in the Community

To provide opportunities for the communities we serve to meet with CEA staff and have their questions answered, staff continue to attend several in-person community events and give presentations.

CEA has been busy with many of these scheduled outreach efforts. Recent events and presentations that CEA participated in:

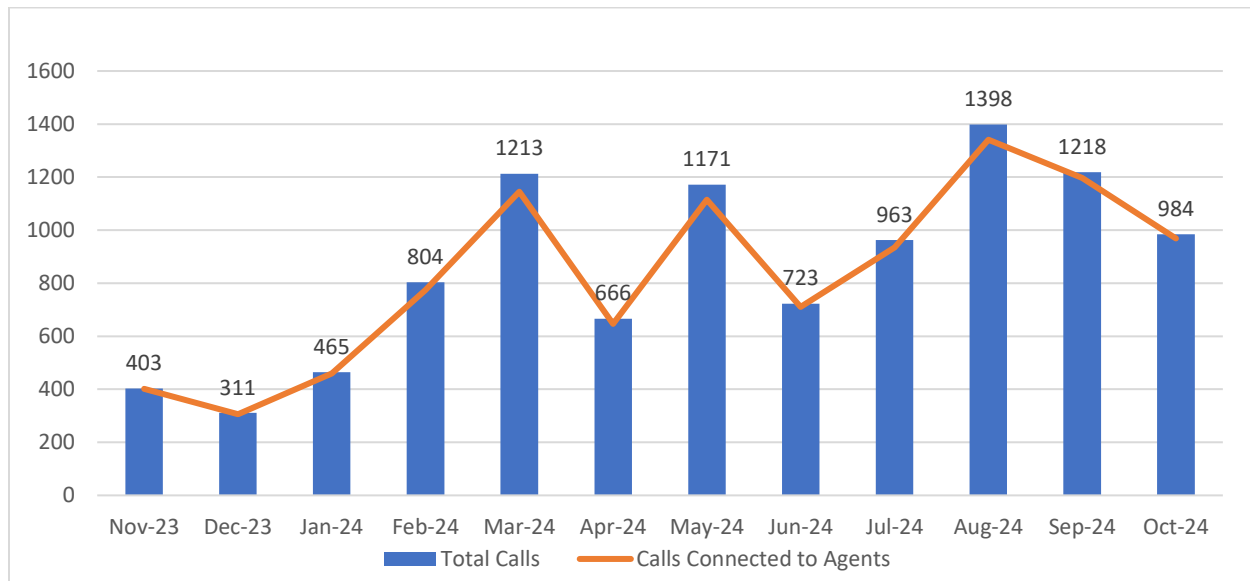
DATE	DESCRIPTION
November 13, 2024	Dr. Bronner’s Green Team Presentation
November 19, 2024	Vista Unified School District Climate Action Committee Presentation
November 19, 2024	Community Climate Conversations at CSUSM
November 20, 2024	Power Association of California (PANC) “Fireside Chat” – <i>Evolving Landscape of Energy Storage in the San Diego Region</i>

It appears that the holiday season is upon us as the number of events are decreasing. Upcoming events in which CEA will be participating include:

DATE	DESCRIPTION
December 2024	Various Tree Lighting Ceremonies for Member Agencies

Call Center Activity and Participation Statistics

The following chart reflects customer activity through October 31, 2024.



Call volumes to CEA’s Call Center decreased 19% from September to October 2024. The most common call topics for all customers (commercial and residential) were related to Billing inquiries, Net Energy Metering, and Opt Out Submitted.

The total number of calls received, response times and call duration through September 30, 2024, were as follows:

Monthly Summary – October 31, 2024					
Stats by Month	Oct	Sept	Aug	July	Total
Total Calls	984	1218	1398	963	24,933
Total Calls Connected to Agents	969	1197	1341	935	24,359
Average Seconds to Answer	0:00:23	0:00:27	0:00:56	0:00:42	
Average Call Duration	0:08:52	0:08:35	0:09:46	0:11:31	

The following chart reflects enrollments in CEA’s power supply products by City as of November 14, 2024:

Member City	Clean Impact – 50% Renewable	Clean Impact Plus - 75% Carbon Free	Green Impact – 100% Renewable
Carlsbad	160	49,498	214
Del Mar	4	2,784	67
Escondido	138	53,149	61
Oceanside	177	64,022	65
San Marcos	119	34,612	63
Solana Beach	15	6,911	157
Vista	75	34,697	263
TOTAL ACCOUNTS	688	243,673	890

Risk Oversight Committee

The next regular meeting of the Committee is scheduled for December 5, 2024.

Contracts \$50,000 - \$100,000 entered into by Chief Executive Officer

VENDOR	DESCRIPTION	AMOUNT
None		

FISCAL IMPACT:

There is no fiscal impact with this action.

Submitted for Board consideration:



Gregory Wade
 Chief Executive Officer

ATTACHMENTS:

None.

Staff Report

DATE: November 21, 2024
TO: Clean Energy Alliance Board of Directors
FROM: Gregory Wade, Chief Executive Officer
ITEM 5: Receive Regulatory Update from Keyes & Fox

RECOMMENDATION:

Receive the Regulatory Update from Keyes & Fox.

BACKGROUND AND DISCUSSION:

Clean Energy Alliance contracts with Keyes and Fox for Regulatory Advocacy related activities. Each month Keyes and Fox provides an update to the CEA Board on key items of interest.

FISCAL IMPACT:

There is no fiscal impact from this action.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Keyes & Fox Regulatory Report

Clean Energy Alliance

Regulatory Monitoring Report

To: Clean Energy Alliance (CEA) Board of Directors

From: Tim Lindl, Partner, Keyes & Fox LLP
Jacob Schlesinger, Partner, Keyes & Fox LLP
Jason Hoyle, Principal Analyst, EQ Research, LLC

Subject: Monthly Regulatory Memo

Date: November 12, 2024

Keyes & Fox LLP and EQ Research LLC are pleased to provide CEA's Board of Directors with this informational memo describing recent developments in key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC). Additional information is available in CEA's [Digest of Regulatory Updates](#).

Resource Adequacy ([R.23-10-011](#))

- On October 29, the CPUC issued a [Proposed Decision](#) (PD) in Track 2 of the Resource Adequacy proceeding that would adopt modifications to the central procurement entity (CPE) framework and provide guidance on further refinements of both the 2026 planning reserve margin (PRM) and methods for quantifying resource capacity. The PD may be heard as early as the **December 5** Commission meeting. Comments on the PD are due **November 18** and reply comments are due **November 25**.
- The Energy Division's most recent recommendations for the 2026 PRM recommend a 26.5% PRM from January through May and a 23.5% PRM from June through December, which are substantially higher than the earlier recommended 18.5% PRM for 2026 and the PRM of 17% adopted in recent years. The PD authorizes Energy Division to conduct additional analysis and present the results in December 2024 for consideration in Track 3.
- On November 4, the Assigned Commissioner issued a [Scoping Memo and Ruling](#) for Track 3 which is expected to conclude by the end of June 2025. The Track 3 scope includes consideration of the 2026 PRM, local and flexible RA requirements, time-sensitive modifications to the slice-of-day RA framework, and ongoing revisions to resource counting methodologies related to energy storage and demand response. Following a revised 2026 PRM analysis in December, party proposals on Track 3 issues not related to local or flexible capacity requirements are due January 17.

Wildfire NBC ([R.23-03-007](#))

- On October 25, the CPUC issued a [Proposed Decision](#) (PD) adopting a \$0.00595/kWh Wildfire Non-bypassable Charge (NBC) for 2025, a slight increase over the current level of \$0.00561/kWh. This matter may be heard as soon as the **December 5** Commission meeting. Comments on the PD are due **November 14** and reply comments are due **November 19**.
- The 2025 Wildfire NBC charge is expected to collect \$922.8 million in revenue and includes recovery of an estimated \$20.4 million under-collection in 2024. The Wildfire fund has a statutory annual revenue requirement of \$902.4 million, and each year's charge is set to meet that revenue requirement after adjusting for any under- or over-collection(s) in previous years.

Provider of Last Resort ([R.21-03-011](#))

- Phase 2 of the Provider of Last Resort (POLR) proceeding expands on the Phase 1 efforts to establish a comprehensive framework for existing IOU POLRs by setting rules that allow a non-IOU load-serving entity (LSE) to be designated as POLR. A Phase 2 [Scoping Memo and Ruling](#) was issued on October 24.

- The Ruling identifies a set of threshold questions and two primary topic areas for Phase 2. The two primary topic areas are: 1) the regulatory framework for non-IOU POLRs; and 2) the development of the joint application for a non-IOU Load Serving Entity (LSE) to serve as a POLR. The threshold questions, which will be addressed first in advance of the primary topics, focus on questions such as whether any non-IOU LSE is interested in and able to accept POLR responsibilities, and foundational jurisdictional questions such as the Commission's authority over non-IOU POLR service providers, application of existing public utility requirements to non-IOU POLRs, approaches to ensuring consistent application of POLR rules and requirements for POLR service among IOU and non-IOU POLRs, cost recovery, and other procurement and financial requirements for non-IOU POLRs.
- Comments on the threshold questions are due January 10; legal briefs, if necessary, will be due in Q1 2025; and the threshold questions are expected to be resolved in Q2 2025. After resolving the threshold questions, a series of workshops and proposals on primary topic areas will be held and a proposed decision on the primary topic areas is expected by late 2025 or early 2026.



Staff Report

DATE: November 21, 2024

TO: Clean Energy Alliance Board of Directors

FROM: Johanna N. Canlas, General Counsel

ITEM 6: Consideration and Adoption of Resolution 2024-023 Approving the Second Amendment to the Chief Executive Officer's Employment Agreement and Adoption of the Health Reimbursement Arrangement Plan

RECOMMENDATION:

Consider and Adopt Resolution 2024-023 approving the Second Amendment to the Chief Executive Officer's Employment Agreement in substantial form as Attachment B or as presented at the meeting, with non-substantive revisions approved by the Chair and reviewed and approved as to form by General Counsel and authorizing the Chair to execute the Second Amendment to the Employment Agreement and Health Reimbursement Arrangement Plan.

BACKGROUND AND DISCUSSION:

On September 28, 2023, CEA Board appointed Gregory Wade as its Chief Executive Officer (CEO) and approved the corresponding Employment Agreement (Agreement). Section 4(d) of the Agreement provides CEA will contribute the annual IRS limits on behalf of the CEO to a qualified Health Savings Account (HSA) Plan. CEA's current health plans, however, do not qualify for an HSA.

In order to meet the obligation under Section 4(d) of the Agreement, an alternative mechanism, Health Reimbursement Arrangement (HRA) was identified.

For 2024, 2025, and 2026, CEA will make contributions to an HRA on behalf of the CEO. Each year's contribution will equal the IRS limit for annual contributions to a Health Savings Account (HSA) for an age 55-or-older employee with self-only coverage under a high deductible health plan. (This reference to HSA limits is used only to determine CEA's contributions to the HRA; the HRA itself is distinct from an HSA.)


The attached resolution and proposed Second Amendment to the Employment Agreement provides for the amended language to Paragraph 4(d) replacing the HSA contribution with an HRA contribution. CEA is also required to approve the corresponding HRA Plan.

FISCAL IMPACT:

The replacement benefit under the proposed Second Amendment to the Employment Agreement is within the budgeted amounts in Fiscal Year 2024-25.

The contributions to the CEO's HRA is \$5,150 for 2024 and \$5,300 for 2025 (with the IRS potentially increasing the limit for 2026.) These HRA contributions will be credited on the following dates: for 2024, on February 1, 2024; for 2025 and 2026, on January 1 of each such year, but only if CEO remains employed with CEA on the contribution date. The HRA balance will accrue notional earnings at a rate of 4%, compounded monthly.

Submitted for consideration:



Johanna Canlas
General Counsel

ATTACHMENTS:

- A. Resolution No. 2024-023
- B. Second Amendment to CEO Employment Agreement

**CLEAN ENERGY ALLIANCE
RESOLUTION NO. 2024-023**

**A RESOLUTION OF THE CLEAN ENERGY ALLIANCE BOARD OF DIRECTORS
APPROVING THE SECOND AMENDMENT TO THE CHIEF EXECUTIVE OFFICER'S
EMPLOYMENT AGREEMENT AND APPROVING THE HEALTH REIMBURSEMENT PLAN
DOCUMENT**

WHEREAS, the Board of Directors of the Clean Energy Alliance (“CEA”) (“Board”) appointed the Chief Executive Officer (“CEO”) and approved the corresponding employment agreement on September 28, 2023; and

WHEREAS, the Section 4(d) of the Agreement provides CEA will contribute the annual IRS limits on behalf of Executive to a qualified Health Savings Account (HSA) Plan; and

WHEREAS, CEA’s current health plans do not qualify for an HSA; and

WHEREAS, CEA and its CEO desire to amend Section 4(d) of the Agreement to replace the HSA with an Health Reimbursement Arrangement (HRA).

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Clean Energy Alliance, as follows:

Section 1. The Second Amendment to the Chief Executive Officer’s Employment Agreement (attached as Exhibit A) is approved.

Section 2. The Health Reimbursement Arrangement benefit is approved.

Section 3. The Board Chair is authorized to execute the Second Amendment to the Employment Agreement and the Health Reimbursement Arrangement Plan document in substantially the form attached hereto or presented at the meeting, with non-substantive revisions approved by the Chair and reviewed and approved as to form by the General Counsel.

The foregoing Resolution was passed and adopted this 21st day of November, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

David Druker, Chair

ATTEST:

Kaylin McCauley, Board Secretary

SECOND AMENDMENT TO CHIEF EXECUTIVE OFFICER EMPLOYMENT AGREEMENT

This SECOND AMENDMENT TO CHIEF EXECUTIVE OFFICER EMPLOYMENT AGREEMENT (“Second Amendment”) is entered on November 21, 2024, and is an amendment to the CHIEF EXECUTIVE OFFICER EMPLOYMENT AGREEMENT (“Agreement”) that was made by and between CLEAN ENERGY ALLIANCE, a California joint powers authority (“CEA”), and Gregory Wade, an individual (“Executive”) that was dated and effective as of December 1, 2023 and subsequently amended on November 9, 2023 (“First Amendment”).

RECITALS

- A. Whereas, the Section 4(d) of the Agreement provides CEA will contribute the annual IRS limits on behalf of Executive to a qualified Health Savings Account (HSA) Plan; and
- B. Whereas, CEA’s current health plans do not qualify for an HSA; and
- C. Whereas, CEA and Executive desire to amend Section 4(d) of the Agreement to replace the HSA with an Health Reimbursement Arrangement (HRA).

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Parties agree as follows:

SECTION 1. Section 4(d) is hereby amended to read as follows:

Health Reimbursement Arrangement (HRA). For 2024, 2025, and 2026, CEA will make contributions to an HRA for Executive. Each year’s contribution will equal the IRS limit for annual contributions to a Health Savings Account (HSA) for an age 55-or-older employee with self-only coverage under a high deductible health plan. (This reference to HSA limits is used only to determine CEA’s contributions to the HRA; the HRA itself is distinct from an HSA.)

For reference, this results in contributions to Executive’s HRA of \$5,150 for 2024 and \$5,300 for 2025 (with the IRS potentially increasing the limit for 2026.) These HRA contributions will be credited on the following dates: for 2024, on February 1, 2024; for 2025 and 2026, on January 1 of each such year, but only if Executive remains employed with CEA on the contribution date.

During the Effective Period, the HRA balance will accrue notional earnings at a rate of 4%, compounded monthly. After the last day of the Effective Period, if any HRA balance remains, CEA will have sole discretion to decide whether earnings will continue to accrue and, if so, the methodology for calculating these earnings.

The HRA balance will, until fully depleted, be available to Executive for his lifetime for reimbursement of eligible medical expenses in accordance with IRS guidance.

With Executive's review and consent, CEA will adopt an HRA plan document further specifying these terms and other details of the HRA's operation.

SECTION 2. Except as herein amended, the Agreement and First Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, CEA and Executive have executed this Agreement on the date written below:

CLEAN ENERGY ALLIANCE:

EXECUTIVE:

By: _____
David Druker, Chair
CEA Board of Directors

By: _____
Gregory Wade, CEO

APPROVED AS TO FORM:

By: _____
Johanna N. Canlas, General Counsel



Staff Report

DATE: November 21, 2024

TO: Clean Energy Alliance Board of Directors

FROM: Gregory Wade, Chief Executive Officer

ITEM 7: Consideration of Resolution No. 2024-024 Attesting to the Veracity of the 2023 Power Source Disclosure Reports and Power Content Label Addressing the Clean Impact, Clean Impact Plus and Green Impact Power Retail Electric Service Offerings

RECOMMENDATION:

Adopt Resolution No. 2024-024 attesting to the veracity of the 2023 Power Source Disclosure Reports and Power Content Label Addressing the Clean Impact, Clean Impact Plus and Green Impact Retail Electric Service Offerings.

BACKGROUND AND DISCUSSION:

As a public agency providing electric services in the state of California, Clean Energy Alliance (CEA) must comply with California's Power Source Disclosure Program, as administered by the California Energy Commission (CEC), pursuant to California Code of Regulations Sections 1391 to 1394 (Regulations) which set forth the requirements for annual power source reporting and Power Content Label preparation.

The 2023 Annual Power Source Disclosure Reports (PSD) (Attachment A, Exhibits A - C) are backward-looking and report the sources of power procured by Clean Energy Alliance (CEA) on behalf of its customers during calendar year 2023. Separate reports are prepared for each of CEA's three retail electric service offerings: Clean Impact, Clean Impact Plus and Green Impact.

The Regulations also require that CEA prepare an annual Power Content Label (PCL), which will be mailed to CEA's customers by January 31, 2025. The 2023 PCL (Attachment A, Exhibit D) is similar to a typical nutritional label, providing customers with information related to the power sources that were procured by CEA to meet their energy requirements as well as the greenhouse gas emissions intensity associated with each retail service offering. Each of CEA's three retail service offerings are addressed in the PCL as well as California's overall power mix, which is presented for the sake of comparison.

Section 1394.2, Subdivision (a)(1) of the Regulations addresses an independent audit requirement which is only applicable to Investor-Owned Utilities and Energy Service Providers, but not public agencies, which include Community Choice Aggregation programs such as CEA.

An exception to the audit requirement is specified in Section 1394.2, Subdivision (a)(2) which states:

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

The 2023 PSD reports and related 2023 PCL have been prepared in compliance with the Regulation and accurately reflect electric supply procured by CEA during 2023.

FISCAL IMPACT:

The costs related to mailing the 2023 PCL have been included in the adopted Fiscal Year 2024/25 Budget.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Resolution No. 2024-024 Attesting to the Veracity of the 2023 Power Source Disclosure Reports and Power Content Label Addressing the Clean Impact, Clean Impact Plus and Green Impact Retail Electric Service Offerings
- B. 2023 Power Contact Label Mailer

**CLEAN ENERGY ALLIANCE
RESOLUTION NO. 2024-024**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CLEAN ENERGY ALLIANCE ATTESTING TO THE VERACITY OF THE 2023 POWER SOURCE DISCLOSURE REPORTS AND 2023 POWER CONTENT LABEL ADDRESSING THE CLEAN IMPACT, CLEAN IMPACT PLUS AND GREEN IMPACT RETAIL ELECTRIC SERVICE OFFERINGS

WHEREAS, the Clean Energy Alliance (CEA) is a joint powers agency, formed in November 2019; and

WHEREAS, as a Load Serving Entity, CEA must comply with the annual Power Source Disclosure Reporting and Power Content Label requirements as established by the California Energy Commission Power Source Disclosure Program, pursuant to California Code of Regulations, title 20, Sections 1391 to 1394 (Regulations); and

WHEREAS, the CEA 2023 Power Source Disclosure Reports of CEA's three power supply products, Clean Impact, Clean Impact Plus and Green Impact (Exhibits A – C) have been prepared in compliance with the CEC Power Source Disclosure Regulations; and

WHEREAS, the CEA 2023 Power Content Label (Exhibit D) of CEA's three power supply products, Clean Impact, Clean Impact Plus and Green Impact have been prepared in compliance with CEA's Power Content Label Regulations; and

WHEREAS, the CEA Board of Directors desires to attest to the veracity of the Clean Impact, Clean Impact Plus and Green Impact 2023 Power Source Disclosure Annual Reports and 2023 Power Content Label.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Clean Energy Alliance, as follows:

Section 1. The above recitals are true and correct.

Section 2. The Board of Directors of the Clean Energy Alliance hereby attests to the veracity of the 2023 Power Source Disclosure Reports of the Clean Impact, Clean Impact Plus and Green Impact power supply products.

Section 3. The Board of Directors of the Clean Energy Alliance hereby attests to the veracity of the 2023 Power Content Label of the Clean Impact, Clean Impact Plus and Green Impact power supply products.

The foregoing Resolution was passed and adopted this 21st day of November, 2024, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

David Druker, Chair

ATTEST:

Kaylin McCauley, Board Secretary

2023 POWER SOURCE DISCLOSURE ANNUAL REPORT
SCHEDULE 3: POWER CONTENT LABEL DATA
For the Year Ending December 31, 2023
Clean Energy Alliance
Clean Impact

Instructions: No data input is needed on this schedule. Retail suppliers should use these auto-populated calculations to fill out their Power Content Labels.

	Adjusted Net Procured (MWh)	Percent of Total Retail Sales
Renewable Procurements	6,074	45.9%
Biomass & Biowaste	-	0.0%
Geothermal	-	0.0%
Eligible Hydroelectric	-	0.0%
Solar	-	0.0%
Wind	6,074	45.9%
Coal	-	0.0%
Large Hydroelectric	-	0.0%
Natural gas	-	0.0%
Nuclear	-	0.0%
Other	-	0.0%
Unspecified Power	7,168	54.1%
Total	13,242	100.0%

Total Retail Sales (MWh)	13,242
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GHG Emissions Intensity (converted to lbs CO₂e/MWh)	511
---	------------

Percentage of Retail Sales Covered by Retired Unbundled RECs	4.1%
---	-------------

2023 POWER SOURCE DISCLOSURE ANNUAL REPORT
SCHEDULE 3: POWER CONTENT LABEL DATA
For the Year Ending December 31, 2023
Clean Energy Alliance
Clean Impact Plus

Instructions: No data input is needed on this schedule. Retail suppliers should use these auto-populated calculations to fill out their Power Content Labels.

	Adjusted Net Procured (MWh)	Percent of Total Retail Sales
Renewable Procurements	500,491	47.6%
Biomass & Biowaste	-	0.0%
Geothermal	-	0.0%
Eligible Hydroelectric	-	0.0%
Solar	277,215	26.4%
Wind	223,276	21.3%
Coal	-	0.0%
Large Hydroelectric	305,457	29.1%
Natural gas	-	0.0%
Nuclear	-	0.0%
Other	4,543	0.4%
Unspecified Power	240,041	22.8%
Total	1,050,532	100.0%

Total Retail Sales (MWh)	1,050,532
---------------------------------	------------------

GHG Emissions Intensity (converted to lbs CO₂e/MWh)	216
---	------------

Percentage of Retail Sales Covered by Retired Unbundled RECs	3.6%
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2023 POWER SOURCE DISCLOSURE ANNUAL REPORT
SCHEDULE 3: POWER CONTENT LABEL DATA
For the Year Ending December 31, 2023
Clean Energy Alliance
Green Impact

Instructions: No data input is needed on this schedule. Retail suppliers should use these auto-populated calculations to fill out their Power Content Labels.

	Adjusted Net Procured (MWh)	Percent of Total Retail Sales
Renewable Procurements	12,450	100.0%
Biomass & Biowaste	-	0.0%
Geothermal	-	0.0%
Eligible Hydroelectric	-	0.0%
Solar	6,225	50.0%
Wind	6,225	50.0%
Coal	-	0.0%
Large Hydroelectric	-	0.0%
Natural gas	-	0.0%
Nuclear	-	0.0%
Other	-	0.0%
Unspecified Power	-	0.0%
Total	12,450	100.0%

Total Retail Sales (MWh)	12,450
---------------------------------	---------------

GHG Emissions Intensity (converted to lbs CO₂e/MWh)	-
---	----------

Percentage of Retail Sales Covered by Retired Unbundled RECs	0.0%
---	-------------

2023 POWER CONTENT LABEL								
Clean Energy Alliance								
https://thecleanenergyalliance.org/key-documents/								
Greenhouse Gas Emissions Intensity (lbs CO ₂ e/MWh)				Energy Resources	2023 CEA Clean Impact Plus Power Mix	2023 CEA Clean Impact Power Mix	2023 CEA Green Impact Power Mix	2023 CA Power Mix
2023 CEA Clean Impact Plus Power Mix	2023 CEA Clean Impact Power Mix	2023 CEA Green Impact Power Mix	2023 CA Utility Average	Eligible Renewable¹	47.6%	45.9%	100.0%	36.9%
215	511	0	373	Biomass & Biowaste	0.0%	0.0%	0.0%	2.1%
<p>1000 800 600 400 200 0</p> <p>■ 2023 CEA Clean Impact Plus Power Mix ■ 2023 CEA Clean Impact Power Mix ■ 2023 CEA Green Impact Power Mix ■ 2023 CA Utility Average</p>				Geothermal	0.0%	0.0%	0.0%	4.8%
				Eligible Hydroelectric	0.0%	0.0%	0.0%	1.8%
				Solar	26.4%	0.0%	50.0%	17.0%
				Wind	21.3%	45.9%	50.0%	11.2%
				Coal	0.0%	0.0%	0.0%	1.8%
				Large Hydroelectric	29.1%	0.0%	0.0%	11.7%
				Natural Gas	0.0%	0.0%	0.0%	36.6%
				Nuclear	0.0%	0.0%	0.0%	9.3%
				Other	0.5%	0.0%	0.0%	0.1%
				Unspecified Power²	22.8%	54.1%	0.0%	3.7%
				TOTAL	100.0%	100.0%	100.0%	100.0%
Percentage of Retail Sales Covered by Retired Unbundled RECs³:					4%	4%	0%	
<p>¹The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology.</p> <p>²Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source.</p> <p>³Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credits (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above.</p>								
For specific information about this electricity portfolio, contact:				Clean Energy Alliance (833) 232-3110				
For general information about the Power Content Label, visit:				https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program				



Clean Energy Alliance
5857 Owens Ave, 3rd Floor
Carlsbad, CA 92008



Become a Green Impact Champion
Opt-Up to 100% Renewable Energy



TheCleanEnergyAlliance.org/Green-Impact

Attachment B

PRSR STD
U. S. POSTAGE
PAID
San Diego, CA
Permit No. 3272

2023 POWER CONTENT LABEL

Clean Energy Alliance

<https://thecleanenergyalliance.org/key-documents/>

Greenhouse Gas Emissions Intensity (lbs CO ₂ e/MWh)				Energy Resources	2023 CEA Clean Impact Plus Power Mix	2023 CEA Clean Impact Power Mix	2023 CEA Green Impact Power Mix	2023 CA Power Mix
2023 CEA Clean Impact Plus Power Mix	2023 CEA Clean Impact Power Mix	2023 CEA Green Impact Power Mix	2023 CA Utility Average	Eligible Renewable¹ Biomass & Biowaste Geothermal Eligible Hydroelectric Solar Wind Coal Large Hydroelectric Natural Gas Nuclear Other Unspecified Power² TOTAL	47.6%	45.9%	100.0%	36.9%
215	511	0	373		0.0%	0.0%	0.0%	2.1%
					0.0%	0.0%	0.0%	4.8%
					0.0%	0.0%	0.0%	1.8%
					26.4%	0.0%	50.0%	17.0%
					21.3%	45.9%	50.0%	11.2%
					0.0%	0.0%	0.0%	1.8%
					29.1%	0.0%	0.0%	11.7%
					0.0%	0.0%	0.0%	36.6%
					0.0%	0.0%	0.0%	9.3%
					0.5%	0.0%	0.0%	0.1%
					22.8%	54.1%	0.0%	3.7%
					100.0%	100.0%	100.0%	100.0%
Percentage of Retail Sales Covered by Retired Unbundled RECs³:					4%	4%	0%	
<p>¹The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology.</p> <p>²Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source.</p> <p>³Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credits (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above.</p>								
For specific information about this electricity portfolio, contact:					Clean Energy Alliance (833) 232-3110			
For general information about the Power Content Label, visit:					https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program			