

# Outline of Notice and Approval Process CC Power LDS Project

# CC Power Notice Requirements

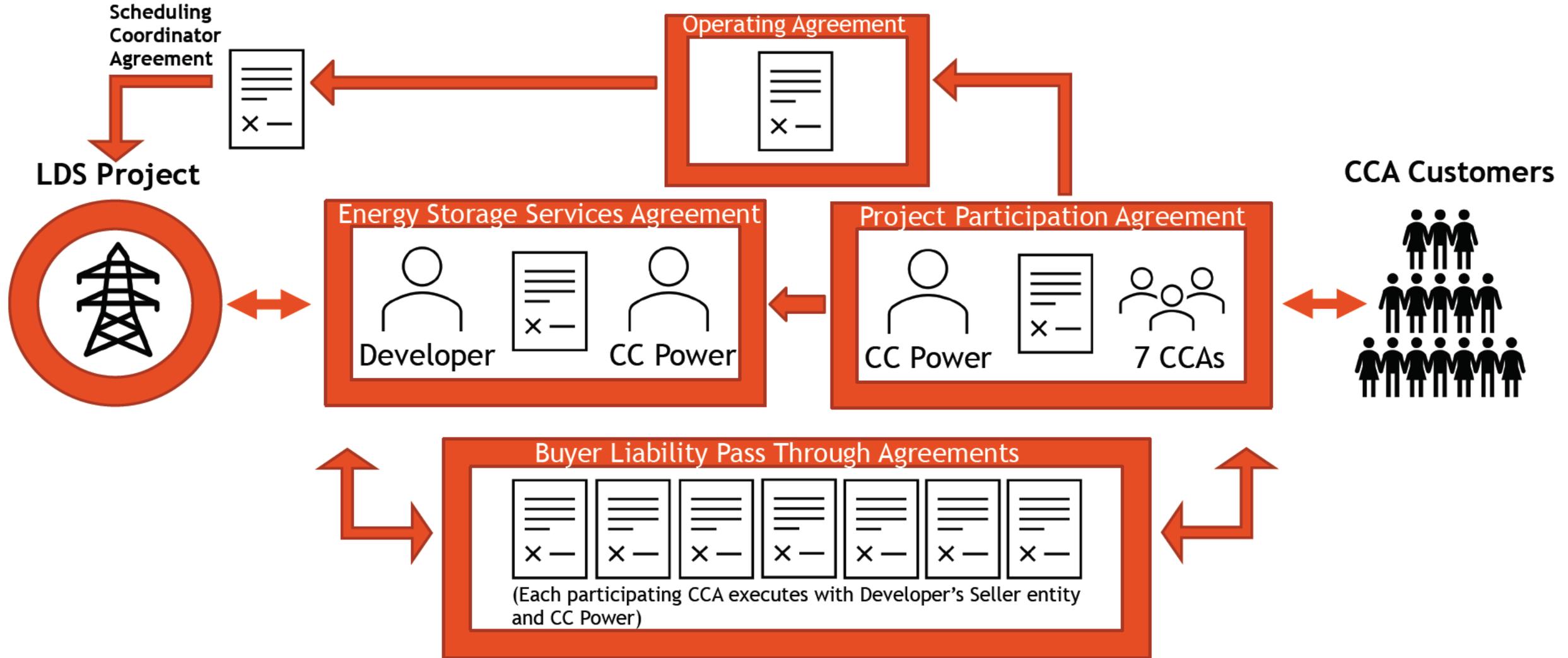
- ▶ Notice requirement flows from the Joint Powers Agreement
- ▶ Section 6.02 provides, in part:

“The Board shall provide at least sixty (60) days prior written notice to all Members, unless such notice is otherwise waived, before any Project may be considered for adoption by a vote of the Board. Such notice shall be provided to the Director of each Member.”
- ▶ This language does not specify how Notice is structured and what documentation is provided to support the Notice
- ▶ LDS Projects may be brought to the Board individually
  - ▶ While negotiations continue with short-listed projects current thinking is that the Notice will cover one Project.

# Basic Contractual Structure

- ▶ Energy Storage Services Agreement (ESSA)
  - ▶ Between CC Power and Seller
  - ▶ Contains key performance terms, price, milestones, other basic terms of performance of buyer and seller
  - ▶ ESSA contains a separate guarantee between Project Participant and Seller (Buyer Liability Pass Through Agreement, or BLPTA) which provides typical guaranteed of buyer in case of termination by CC Power, since CC Power has no assets or cash on hand.
- ▶ Project Agreement
  - ▶ Among CC Power and Project Participant Members
  - ▶ Contains terms of the rights and obligations of CC Power and each of the participating members as to how the project will be managed and key decisions made on an ongoing basis
- ▶ Operating Agreement

# Overall Structure



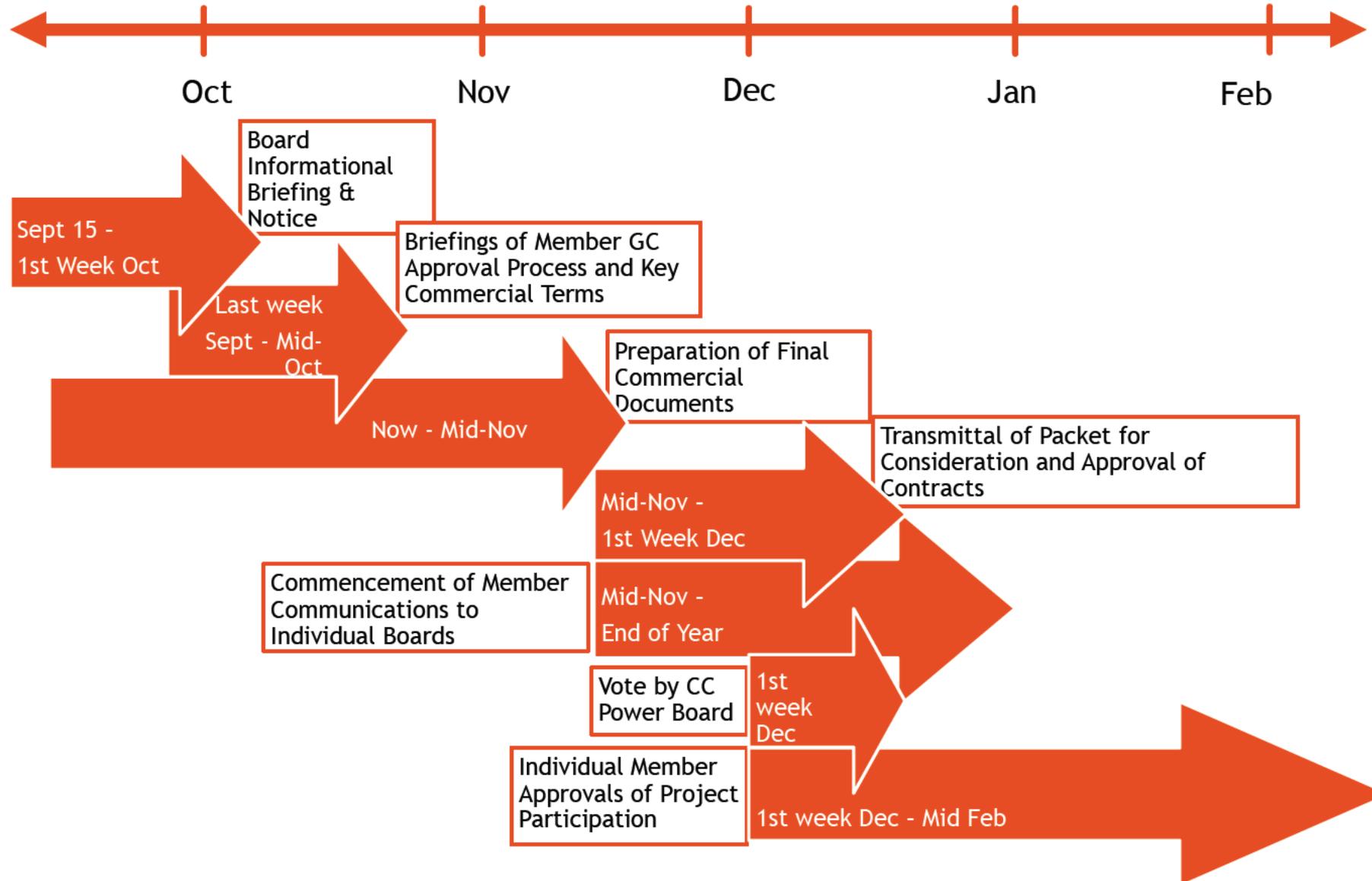
# Notice Action and Supporting Processes

- ▶ Board provides notice of intent to consider LDS project at a special meeting the first week of October
  - ▶ Public documents may include:
    - ▶ A presentation describing the process leading up to the recommendations and requested Notice. (identify POC meetings, Ascend, etc.)
    - ▶ A physical description of the Project, including Party, location, technology, PLA, siting, COD
    - ▶ Identity of Project Participants, shares, and relation to regulatory allocations
- ▶ Action item would be to provide Notice to possibly approve contracts no earlier than 60 days subsequent to action by CC Power Board on the Notice

# Information Flow to Members

- ▶ Series of Calls with Member Counsel
  - ▶ Process Debrief and Input Mid-Late September
  - ▶ Overview of Basic Commercial Terms Early-Mid October
- ▶ Informational Distribution of Final Contracts through POC
- ▶ Other direct informational communication as needed with Members to inform Board decisions

# Project Schedules for LDS Approvals



# Member Approvals

- ▶ We anticipate CC Power Board approval preceding member approvals
  - ▶ Key to understanding this is that the agreements presented for approval by the Board and members are final and not subject to modification of any substantive issue as this would trigger restarting the approval process
    - ▶ We are building in some margin for CC Power modifications that are non-substantive
    - ▶ We are building in head-room in the approval process in case a large project participant fails to get approval
- ▶ Since important informational materials will be publicly available after the CC Power Board Notice, it is encouraged that Members start the informational process with their Boards soon after

# Member Process Continued

- ▶ CC Power Board Action contemplated first week of December
- ▶ Agreements won't be binding and effective until Members have approved project agreement
- ▶ Total approval process length dependent upon member processes
  - ▶ To be completed in February 2022
  - ▶ This can be streamlined if member briefing of Boards on informational items precedes formal CC Power Board approval



# California Community Power Firm Clean Resources *September 16, 2021*

# Agenda

- Purpose
- Participation and Roles
- Process and Timeline
- Lessons learned

# Purpose

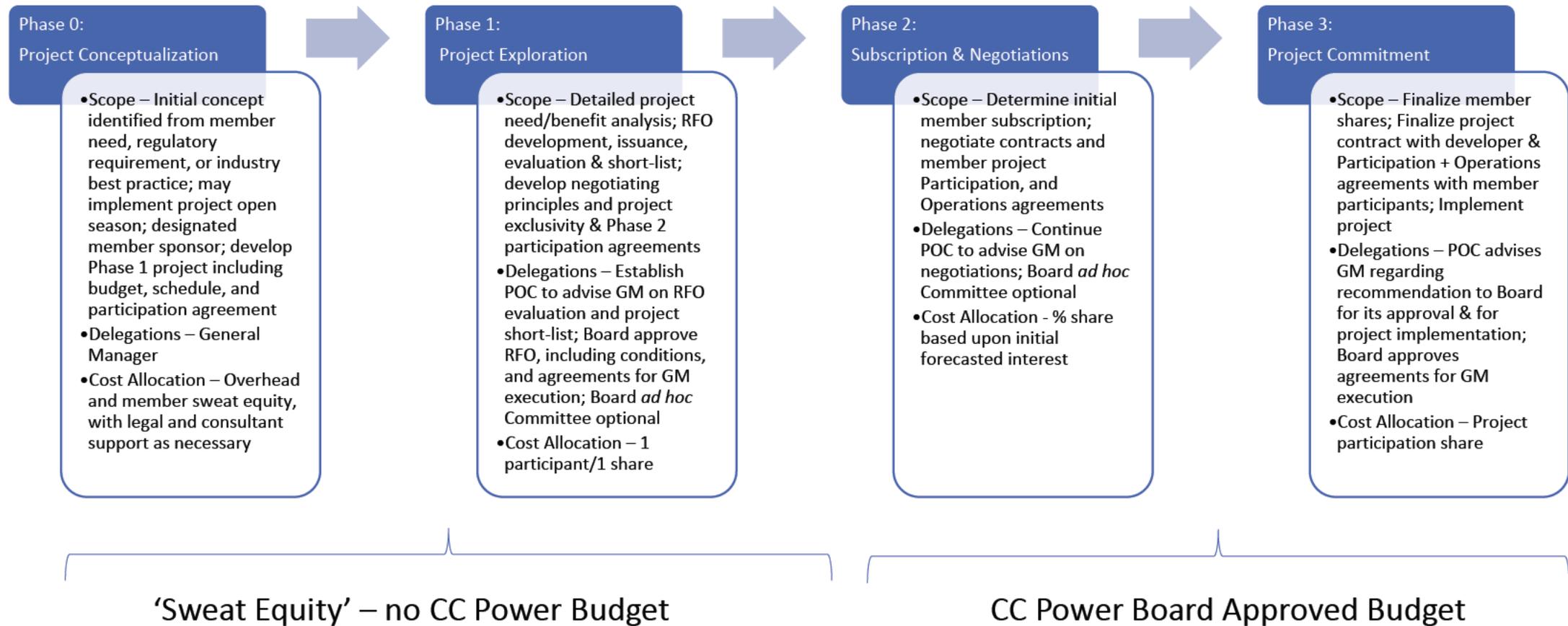
- Allow CC Power to release a Request for Offer for Firm Clean Resources (FCR)
- CPUC D. 21-06-035 requires all Load Serving Entities to procure FCR by 2026
  - May justify delay through 2028
- FCR = new resources with 80% capacity factor and either:
  - zero-emissions, or
  - Qualifies as California RPS
- Targeted capacity: ~200MW

# Participation and Roles

## Phase 1: All CC Power Members

- SJCE:** Coordinate effort  
Prepare RFO document and term sheet  
Issue RFO  
Provide contract negotiator to review Term sheet
- SCP:** Quality Control of RFO document, draft term sheet and RFP bid spreadsheet  
Assess and undertake economic analysis of RFO Responses
- EBCE:** Prepare RFO bid spreadsheet  
Assess and undertake economic analysis of RFO Responses
- SVCE:** Provide contract negotiator for review of RFO Spreadsheet and advise group on interconnections/Transmission

# Project Approval Process



# Process

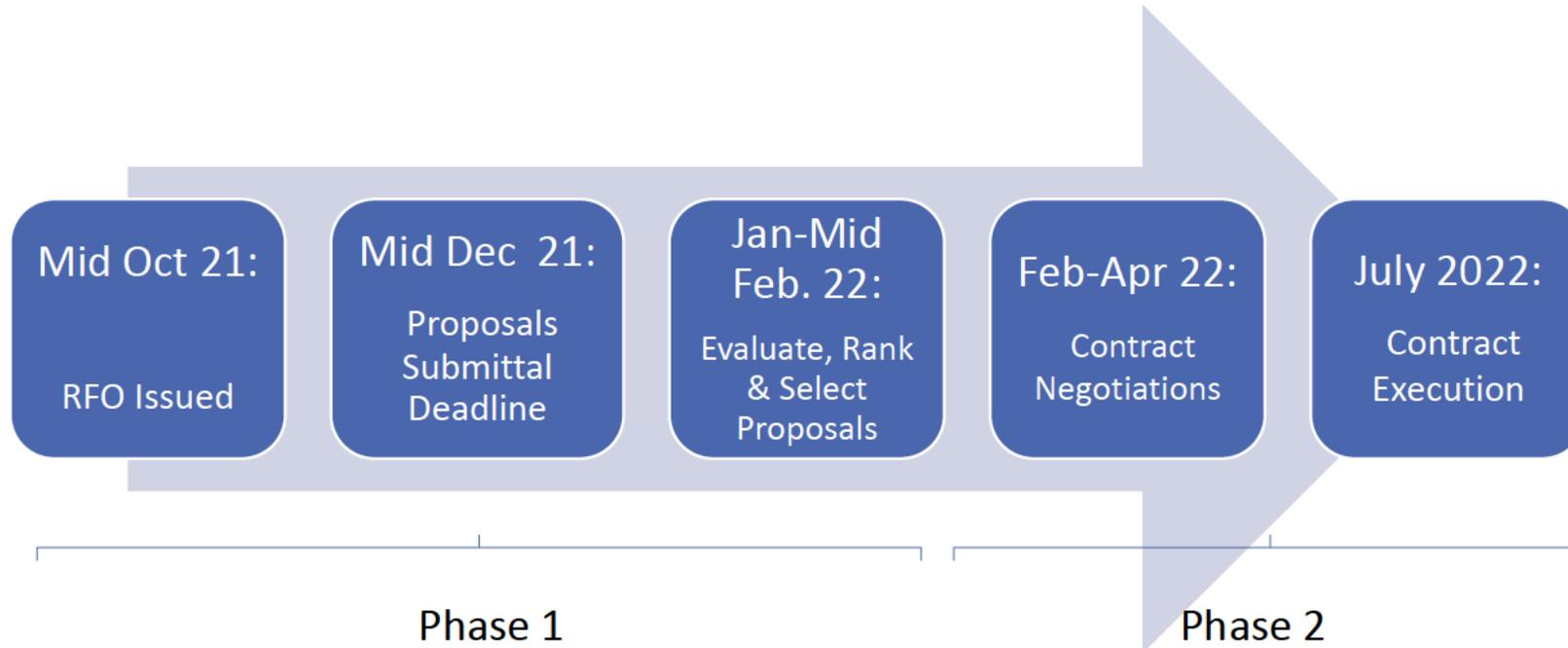
## Phase 1: Sweat Equity

- Create Project Oversight Committee
- Issue RFP, Incl Board Procurement Policies
- Evaluate and shortlist winning bidders
- Develop budget and cost-sharing agreement for Phase 2
- Hire consultants for Phase 2

## Phase 2: Cost Sharing by CCAs wishing to participate

- Negotiate relevant agreements
  - Power purchase agreement (Buyer Liability Pass Through Agreement)
  - Participation agreement
  - Operating agreement
- Agreement approval
- Agreement execution

# Timeline



# Lessons Learned

- Quality Control (SCP to undertake quality control)
- Have technical evaluators review RFO bid form in advance (EBCCE to provide bid form and SCP to review)
- Credit and collateral key (Credit and collateral approach developed for LDS should work for FCR)