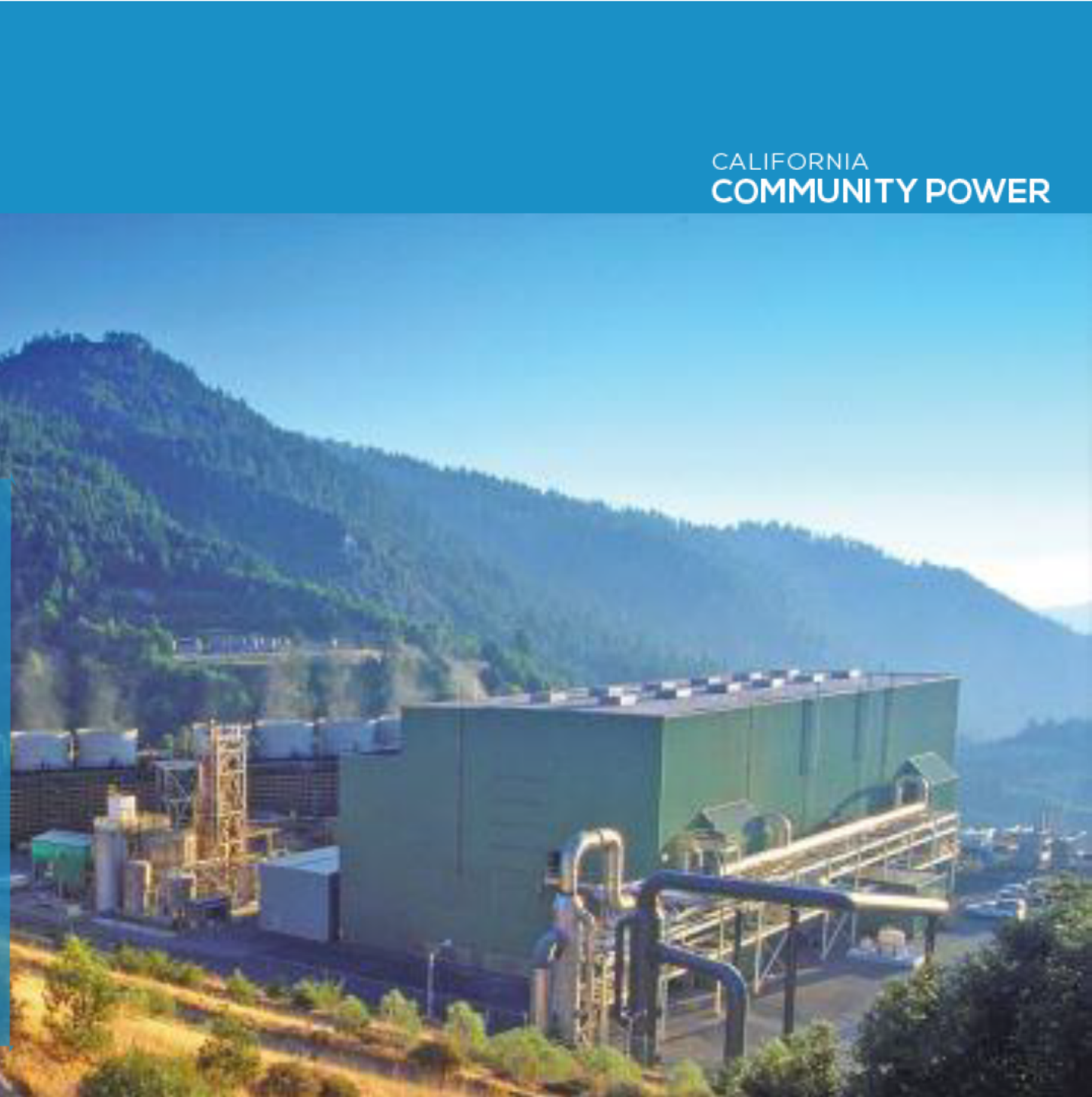


Approval of Firm Clean Resources Projects

Deb Emerson, Sonoma Clean Power
Jeanne Solé, San José Clean Energy
May 31, 2022



Approval of Two Firm Clean Resources Agreements and Waiver of Notice Period

- A. Resolution 22-05-02 Waiver of 60-day Notice of Intent for the Fish Lake Geothermal and Ormat Geothermal Portfolio Projects.
- B. Resolution 22-05-03 Approval of Fish Lake Geothermal Project and Authorization to Execute Associated Agreements.
- C. Resolution 22-05-04 Approval of Ormat Geothermal Portfolio Project and Authorization to Execute Associated Agreements.

Background

- On September 15, 2021, CC Power Board approved issuance of an RFP for Firm Clean Resources (FCR) with an 80% capacity factor.
- Offers were due December 13, 2021.
- CC Power received bids from 6 bidders and 16 projects. Only 5 of the projects were located in California.
- CC Power ran an analytics model and conducted interviews
- On January 19, 2022, CC Power Board delegated authority to the General Manager to finalize shortlisting of FCR projects and to proceed with negotiations with the shortlisted developers.
- CC Power shortlisted projects from two bidders: 1 project from Open Mountain Energy LLC (OME) and a portfolio of projects from Ormat Nevada, Inc. (Ormat)
 - Offers from the remaining CA projects were priced substantially above the OME and Ormat offers.
 - Ormat PPA is for a portfolio of projects, 5 of which are in NV and 3 of which are in CA



Open Mountain Energy Fish Lake Project

- Seller – Fish Lake Geothermal, LLC
- Developer – Open Mountain Energy, LLC
- Technology – Incremental Geothermal
- Project size – 13 MW
- Product – Energy, PCC1, full capacity rights
- Location – Esmeralda County, Nevada
- **COD** – June 1, 2024
- Price – Fixed \$/MWh, no escalation
- Term – 20 years



Import Capability Issues

- Projects not in the CAISO need import capability (MIC) into California to count as Resource Adequacy, a requirement for the FCR procurement mandate
- All projects, with the exception of one, will require MIC
- CC Power is not an LSE so each CCA must obtain MIC on its own
- CAISO MIC process evolving to allow MIC for multiple years and study MIC expansion
- Participating CCAs will file jointly a MIC expansion request due on 6/1/22 in order to take part in current expansion process (requires signed PPA)
- For Open Mountain, we have multiple delivery point options, one of which has ample MIC
- For Ormat, we have the option, but not the obligation to reject projects, should we not be able to secure MIC at the delivery point

The background of the slide is a photograph of a large-scale solar thermal power plant, also known as a concentrated solar power (CSP) plant. The image shows a vast desert landscape under a clear sky. In the foreground and middle ground, there are numerous rows of solar collectors, which are large mirrors (heliostats) mounted on tracking systems, reflecting sunlight. The plant's infrastructure, including pipes and support structures, is visible. In the far distance, a range of mountains is visible on the horizon. The overall scene conveys a sense of large-scale renewable energy production in an arid environment.

Ormat Portfolio of Projects

- Seller – Ormat
- Developer – Ormat
- Technology – Incremental Geothermal
- Project – portfolio of facilities in NV and CA with a min of 64 MW and a max of 125 MW
- Product – Energy, PCC1, full capacity rights
- Location – Various locations in Nevada and California
- Expected COD – Varies with project, as early as 2024
- Price – Fixed \$/MWh, no escalation
- Term – 20 years



Ormat Portfolio of Projects

- Portfolio approach:
 - Ormat to offer Facilities as they become available up to 125 MW
 - CC Power may accept or reject within 3 months if CC Power members have been unable to obtain MIC, or we have the option of extending the COD day for day until we are able to obtain MIC, until September 30, 2027
 - Facilities that are accepted become part of the portfolio
 - If a Facility is rejected the min required offer amount is reduced by a commensurate volume

Mid-term Reliability Procurement Order

CALIFORNIA
COMMUNITY POWER

- [D.21-06-035](#) adopted by CPUC on June 24, 2021 to address mid-term reliability needs
- 1,000 MW of FCR by June 2026
- Minimum 10-year term
- Adjusted for Effective Load Carrying Capacity (ELCC)
- Each Participating Member should seek authority to cover:
 - Contingency should not all CCA's gain board authority for OME; and
 - 25% step-up for both

If all Ormat capacity is provided, Ormat and OME contracts meet 100% of Participating Members LDS Obligation adjusted for ELCC

CCA	NQC MW Obligation
Central Coast Community Energy	25.5
CleanPowerSF	15.5
Peninsula Clean Energy	19.0
Redwood Coast Energy	3.5
San José Clean Energy	21.5
Silicon Valley Clean Energy	20.5
Sonoma Clean Power	12.5
Valley Clean Energy	4.0
Total	122

FCR Participating Members

CALIFORNIA
COMMUNITY POWER

CleanPowerSF

**PENINSULA
CLEAN ENERGY**

**SAN JOSE
CLEAN ENERGY**
A Program of the City of San José

**SILICON VALLEY
CLEAN ENERGY**

**Central Coast
Community
Energy**

**REDWOOD COAST
Energy Authority**

**Sonoma
Clean Power**

**VALLEY
CLEAN ENERGY**

CCA	OME Nameplate	OME Step-up	Ormat Nameplate	Ormat Step-up	Total Nameplate	Total Step-up
3CE	2.42	0.60	22.38	5.59	24.79	6.20
CPSF	1.89	0.47	17.38	4.34	19.26	4.82
PCE	2.31	0.58	21.38	5.34	23.69	5.92
RCEA	0.36	0.09	4.00	1.00	4.36	1.09
SJCE	2.26	0.57	24.50	6.13	26.76	6.69
SVCE	1.82	0.46	16.75	4.19	18.57	4.64
SCPA	1.52	0.38	14.00	3.50	15.52	3.88
VCE	0.42	0.10	4.63	1.16	5.04	1.26
TOTAL	13.00	3.25	125.00	31.25	138.00	34.50

Power Purchase Agreements

- Development and Performance Deposits
- Buyer's Liability Pass Through Agreement (BLPTA) – guaranty performance by each Participating Member to CC Power & counterparties (Exhibit L)
- Step-up provision capped at 125% of Entitlement Share per Participating Member
- Provided in substantively final form
- Already approved by counterparties' managements and boards
- Participating Members must formally approve agreements within 120 days of execution (May 31, 2022)

Labor & Environmental Quality Requirements

CALIFORNIA
COMMUNITY POWER

- On September 15, 2022, the CC Power directed use of LDS solicitation conditions
 - Workforce: PLA, or comply with CA prevailing wage with audit if no PLA, and; encourage use of local labor
 - Environmental: meet permitting requirement; state preference that projects avoid sensitive habitats
 - Environmental Justice: Attest to not using forced labor, identify benefits to local communities
- NV workforce alternatives:
 - NV prevailing wage requirement with audit, or PLA, or apply for and receive Nevada Renewable Energy Tax Abatement (RETA) benefits: must pay construction workforce no less than 175% of the statewide average annual wage and provide adequate health insurance
- Ormat:
 - Reasonable efforts to ensure employees for new construction work paid no less than prevailing NV or CA wages (as applicable) with certification and data to demonstrate compliance, or PLA, or in NV may use RETA
- OME:
 - NV prevailing wage with audit, or PLA, or may use RETA

Project Participation Share Agreement

CALIFORNIA
COMMUNITY POWER

- CC Power and Participating Members
- Agreement to fund Project obligations – deposits & payments
- Sharing of Project revenue and benefits
- Step-up provision – capped at 125% of Entitlement Share per Participating Member
- Liability and insurance
- Governance & Voting structure for operating PPSA:
 - Key requirements require CC Power board vote
 - Each Participating Member gets one vote
 - Non-participating members abstain
 - Other requirements require Project Operating Committee vote, or are delegated to GM

Approval Process

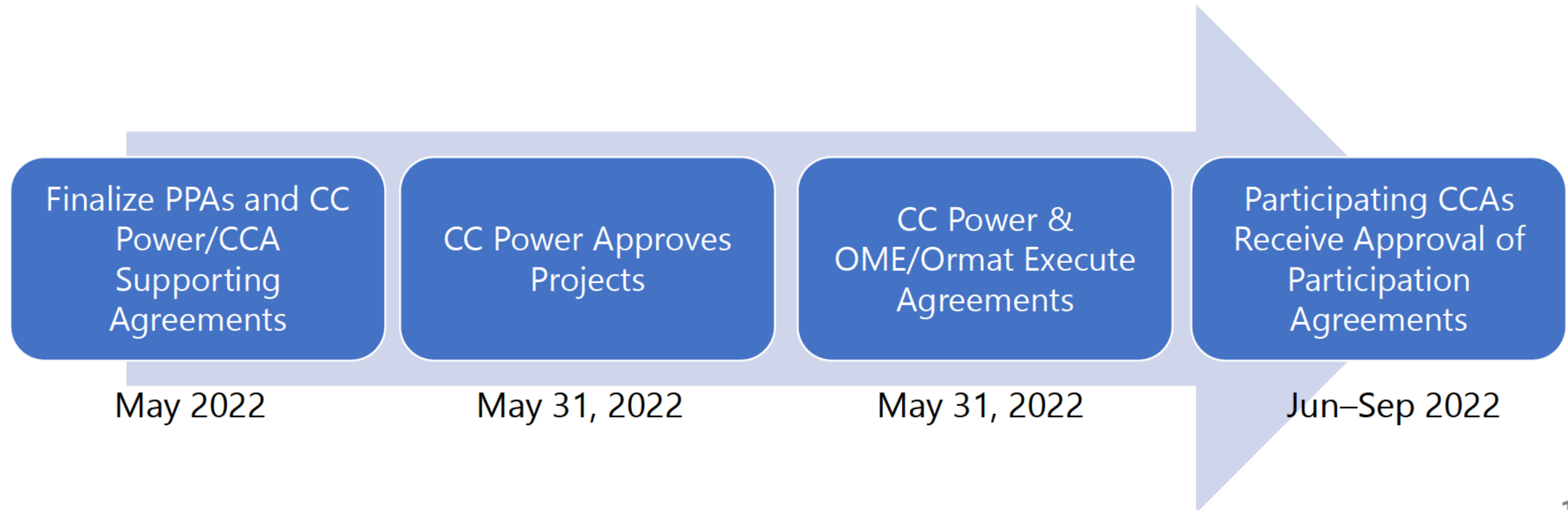
CALIFORNIA
COMMUNITY POWER

Step 1: CC Power Board today waives 60-day notice to consider PPA for approval

Step 2: CC Power Board today approves Agreements

Step 3: CC Power General Manager and counterparties today execute agreements – “effective date”

Step 4: Participating Members seek respective Board Approvals of PPSA and BLPTA within 120 Days



Project Oversight Committee

CALIFORNIA
COMMUNITY POWER

Role of POC: solicit, evaluate, direct negotiations, and recommend projects.

CCA	POC Member	Other Staff
Central Coast Community Energy	Dennis Dyc-O'Neal	Jeremy Clark
CleanPowerSF	Michael Hyams	Erin Mulberg
Peninsula Clean Energy	Siobhan Doherty	Chelsea Keys
Redwood Coast Energy	Richard Engel	Jocelyn Gwynn
San José Clean Energy	Jeanne Solé	Kelly Morris
Silicon Valley Clean Energy	Monica Padilla	Oren Weiner & Charles Grinstead
Sonoma Clean Power	Deb Emerson	Ryan Tracey
Valley Clean Energy	Gordon Samuel	

PPA Negotiation & Analytics Team:

Deb Emerson, SCP
Ryan Tracey, SCP
Kevin Fox, Keyes & Fox

Budget, RFP Process and POC Coordination:

Jeanne Solé, SJCE
Kelly Morris, SJCE

PPSA & Other Legal Support:

BBSW – Tony Braun, Justin Wynne, Brittany Iles,
Kris Kirkegaard

CleanPowerSF

PENINSULA
CLEAN ENERGY

SAN JOSE
CLEAN ENERGY
A Program of the City of San José

SILICON VALLEY
CLEAN ENERGY

Central Coast
Community
Energy

REDWOOD COAST
Energy Authority

Sonoma
Clean Power

VALLEY
CLEAN ENERGY

APPROVE RESOLUTION NO. 22-05-02:

Waiver of 60-day Notice of Intent for the Fish Lake Geothermal and Ormat Geothermal Portfolio Projects.

APPROVE RESOLUTION NO. 22-05-03:

Resolution 22-05-03 Approval of Fish Lake Geothermal Project and Authorization to Execute Associated Agreements.

APPROVE RESOLUTION NO. 22-05-04:

APPROVAL OF ORMAT Geothermal Portfolio Project and Authorization to Execute Associated Agreements.