

**RATE AGREEMENT
– RE SLATE ENERGY STORAGE PROJECT –**

This **Rate Agreement – Slate Energy Storage Project** (“ES Rate Agreement”), effective as of date described in Section 2.1, is made and entered into by and among the **Power and Water Resources Pooling Authority** (“PWRPA”) and those public agencies that have executed this ES Rate Agreement (“Participating Customers”) and thereby have affirmatively elected to pay rates reflecting costs, energy, and environmental attributes associated with PWRPA’s storage entitlement share in the Slate Energy Storage Project.

RECITALS

1. PWRPA operates as a publicly owned electric utility and provides retail electric service to certain public agencies (“Project Participants”) pursuant to the Aggregation Services Agreement (“ASA”) and rates, terms and conditions adopted by PWRPA’s Board of Directors, which administers the ASA and serves as the Local Regulatory Authority (“LRA”) for PWRPA.
2. As generally described in the PWRPA First Amended Joint Powers Agreement (“JPA”), PWRPA Cost Sharing Agreement (“CSA”) and ASA, Project Participants may develop, install, own, operate or purchase electricity products from specific electric resource projects for the benefit of certain or all Project Participants.
3. PWRPA is participating in the development of the Slate Energy Storage Facility (“Facility”) located onsite with the Slate Solar Project (“SLT”). The Facility will be owned and operated by Recurrent Energy (“Seller”). PWRPA will execute an amended power purchase agreement, (“First Amended SLT PPA”) with Seller relating to the sale and purchase of electrical output and associated Environmental Attributes from SLT and the Facility.
4. Under the First Amended SLT PPA, PWRPA, will, among other things, receive: (a) the Storage Contract Capacity, which shall be expressed in megawatts; (b) and all Discharging Energy which means all electrical output delivered to the Delivery Point from the Facility ((a) and (b) collectively called “PWRPA’s Storage Entitlement Share”); and (c) all right, title, and interest in and to all Environmental Attributes associated with PWRPA’s Storage Entitlement Share.
5. PWRPA and the Participating Customers desire to enter into this ES Rate Agreement in order to specify: (1) the Project Participants that have elected to become Participating Customers; (2) each Participating Customer’s share associated with PWRPA’s Storage Entitlement Share; and (3) the rates, terms and conditions for costs and energy and Environmental Attributes Value associated with PWRPA’s Storage Entitlement Share.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, PWRPA and the Participating Customers agree as follows:

ARTICLE 1 CONTRACT DOCUMENTS

- 1.1 Definitions:** Capitalized terms used in this ES Rate Agreement without other definition herein shall have the meanings given to such terms in the JPA, CSA, ASA and the First Amended SLT PPA.
- 1.2 Relation to other PWRPA Agreements:** This ES Rate Agreement consists of this document, as it may be amended from time to time pursuant to Section 1.4. Consistent with JPA Section 7.1, CSA Section 3.5 and ASA Sections 4.5, 4.6 and 7.7, this ES Rate Agreement is a separate agreement that sets forth the terms and conditions associated with the purchase and integration of electricity products from Facility. These relevant sections of PWRPA's formation documents are shown in Exhibit A. In the event of any conflict between this document and the JPA, CSA or ASA, this document shall control.
- 1.3 First Amended SLT PPA:** As described further in Section 3.3, the First Amended SLT PPA shall not be incorporated into and made a part of this ES Rate Agreement. However, in light of the importance of the First Amended SLT PPA in regard to the administration of this ES Rate Agreement, the First Amended SLT PPA is attached hereto as Attachment 1 for reference purposes. PWRPA has provided the Participating Customers a copy of the final, effective First Amended SLT PPA.
- 1.4 Amendments:** This ES Rate Agreement may be amended only by written instrument executed by PWRPA and a Supermajority of Participating Customers. "Supermajority" shall mean the number of Participating Customers that both: (1) comprise at least 65% of all Participating Customers; and (2) represent at least 75% of ES Rate Percentages (as defined in Section 2.2). PWRPA shall provide notice to the Participating Customers of the amendment of this ES Rate Agreement.

ARTICLE 2 EFFECTIVE DATE AND PARTICIPATION

- 2.1 Effective Date.** This ES Rate Agreement shall be effective on the first day when all of the following shall have occurred: (a) this ES Rate Agreement shall have been executed and delivered by Participating Customers agreeing to ES allocations equaling, in the aggregate, at least 10 megawatts for the full First Amended SLT PPA term; (b) PWRPA shall have executed the First Amended SLT PPA and delivered the First Amended SLT PPA to Seller; and (c) Seller shall have executed the First Amended SLT PPA and provided notice to PWRPA of the establishment of the effective date under the First Amended SLT PPA ("Effective Date"). PWRPA shall provide written notice to the Participating Customers of the establishment of the

Effective Date; provided, however, the failure to provide such notice shall not affect the establishment of the Effective Date.

2.2 ES Rate Percentages:

- 2.2.1 General:** The Participating Customers' respective allocation of Storage Contract Capacity, Discharging Energy, Environmental Attributes Value and costs under this ES Rate Agreement shall be determined with reference to the ES Rate Percentages (as defined and further described in Section 2.2.3).
- 2.2.2 PWRPA's Storage Entitlement Share:** PWRPA's current Storage Entitlement Share in the ES is 10.0 megawatts ("MW").
- 2.2.3 Specified ES Rate Percentages:** In accordance with the procedures previously adopted by PWRPA's Board, each Participating Customer has expressed its intent to participate in this ES Rate Agreement and specified its participation level in MW. The respective MW level divided by PWRPA's Storage Entitlement Share, expressed as a percentage, represents each Participating Customer's allocation of energy, Environmental Attributes Value, and costs from the ES ("ES Rate Percentages").
- 2.2.4 Notification and Applicability:** PWRPA's Storage Entitlement Share shall be specified in the final, effective First Amended SLT PPA (as described in recital paragraph 4, above). The final ES Rate Percentages are set forth in Exhibit B.

2.3 Notices:

- 2.3.1 Notice Procedures:** The notice provisions described in JPA Sections 8.8 and 8.9 are incorporated by reference into this ES Rate Agreement. These relevant sections are included in Exhibit A.
- 2.3.2 Notice of ES Status and Major Activity:** PWRPA shall provide notice of the occurrence of major activity relating to permitting, financing, construction and operation of the ES, including notification of PWRPA's Storage Entitlement Share under the final, effective First Amended SLT PPA.

ARTICLE 3 SCOPE AND RELATIONSHIP

- 3.1 General:** PWRPA operates as a publicly owned electric utility and provides full requirements retail electric service to the Project Participants. In accordance with JPA Section 7.1, CSA Section 3.5 and ASA Sections 4.5 and 7.7, this ES Rate Agreement shall govern the funding, participation and withdrawal of participation in ES.
- 3.2 Local Regulatory Authority:** As described in Section 5.1 of the ASA, the Board is the LRA for PWRPA and, among other things, establishes rates and adopts policies for retail electric service provided by PWRPA to the Project Participants consistent with the ASA and subject to the following:
- 3.2.1 Rates:** The Board shall establish rates to ensure recovery of the ES Costs (as defined below) from the Participating Customers pursuant to or not otherwise

in conflict with the terms of this ES Rate Agreement. As described in Section 4.1, the intent of ES Participating Customers is to ensure that all costs incurred by PWRPA directly related to ES will be paid only by ES Participating Customers.

- 3.2.2 Policy Changes:** The Board may adopt policies relating to or affecting PWRPA's Storage Entitlement Share of the ES as may be reasonably necessary in the exercise of the Board's role as LRA for PWRPA; provided, however, such policies shall not conflict with the terms of this ES Rate Agreement unless a Supermajority of Participating Customers consent to such change in writing.
- 3.3 ES Agreements:** Consistent with its administration of other power resources, only PWRPA, and not the Participating Customers, shall have privity of contract with respect to the First Amended SLT PPA and other agreements relating to PWRPA's Storage Entitlement Share.
- 3.4 Reimbursement of Development Costs:** PWRPA does not anticipate that any development costs consisting mostly of attorney costs to review and implement the First Amended SLT PPA will be reimbursed to PWRPA from the Seller. However, pursuant to JPA Section 4.4 and CSA Section 3.4, all development costs that PWRPA determines are not General and Administrative Costs shall be reimbursed by PWRPA to all Project Participants that are not Participating Customers.

ARTICLE 4 RATE PROVISIONS

- 4.1 Participating Customer Liability for ES Costs:** By executing this ES Rate Agreement, the Participating Customers agree to pay rates established by the Board that reflect, among other things, all costs reasonably associated with PWRPA's Storage Entitlement Share, as further described below.
- 4.1.1 General:** Each Participating Customer shall pay through rates its share (as determined by its respective ES Rate Percentage) of PWRPA's costs associated with PWRPA's Storage Entitlement Share, which shall include (a) all costs paid by PWRPA under the First Amended SLT PPA and (b) such other costs determined by the Board from time to time to be reasonably related to PWRPA's administration and operation of the First Amended SLT PPA and this ES Rate Agreement ("ES Costs").
- 4.1.2 Take-or-Pay Obligation for the Term of the First Amended SLT PPA:** The Participating Customers acknowledge and agree as follows:
- (a.) the term of the First Amended SLT PPA is expected to continue for the duration of the PPA, which is 20 years;
 - (b.) under the First Amended SLT PPA, PWRPA's Storage Entitlement Share of the Slate Energy Storage Project may not be increased without the written consent of PWRPA;

- (c.) The Contract Price, in dollars per kW/month, applicable to PWRPA under the First Amended SLT PPA is a Fixed Rate without escalation;
- (d.) CAISO market settlement revenues and charges for PWRPA's share of Discharging Energy delivered to the CAISO markets accrue to PWRPA;
- (e.) PWRPA is not obligated under the First Amended SLT PPA to provide ongoing contribution to various Slate Energy Storage Project costs, those costs are the sole responsibility of the Seller;
- (f.) the First Amended SLT PPA requires PWRPA to pay for a Storage Rate based on the Availability Adjusted Storage Contract Capacity of the Slate Energy Storage Project as those terms are defined by the First Amended SLT PPA;
- (g.) the Participating Customers' respective payment obligation under this ES Rate Agreement shall not be affected by the temporary or extended failure of the Slate Energy Storage Project to store and/or deliver energy;
- (h.) subject to the implementation of the ES Allocation Policy (as described in Section 4.2), the Participating Customers' respective rate obligation under this ES Rate Agreement shall not be affected by the fact that during certain conditions and seasons a Participating Customer may not have any load to be served by the Participating Customer's respective allocation of PWRPA's Storage Entitlement Share; and
- (i.) the Participating Customers' respective rate obligation under this ES Rate Agreement shall continue for the term of the First Amended SLT PPA and such additional time, if any, as determined by the Board to be necessary for the recovery of all Slate Energy Storage Project Costs.

4.1.3 Cost Allocation: The Slate Energy Storage Project Costs shall be allocated among Participating Customers in direct proportion to their respective ES Rate Percentages, subject to adjustments under the PWRPA Allocation Policy described in Section 4.2.

4.1.4 Billing Statement: PWRPA shall bill each Participating Customer for charges owed under this ES Rate Agreement for a particular calendar month. Such billing statement shall describe the various cost elements.

4.1.5 Payment: The Participating Customer shall pay the amount set forth in any billing statement on or before 30 days after its receipt of such billing statement.

4.1.6 Disputed Monthly Billing Statement: If a Participating Customer disputes any portion of a billing statement, the Participating Customer shall nevertheless pay PWRPA the full amount of such billing statement and, provide, under separate cover, a letter to PWRPA specifying the amount in dispute and a detailed explanation of the basis for disputing the amount. PWRPA shall consider such dispute and shall advise the Participating Customer of PWRPA's position relative thereto within 30 days following receipt of the letter. Upon determination of the correct amount, the difference

between the correct amount and the full amount paid by the Participating Customer, if any, will be credited to the Participating Customer after such determination. If PWRPA's determination is not satisfactory to the Participating Customer, the Participating Customer may initiate the dispute resolution procedure described in Section 6.1, below.

4.1.7 Should a Participating Customer fail to pay PWRPA the full amount as required under Section 4.1.6, above, PWRPA shall have the right, after notice to the Participating Customer, to pay the unpaid amount in the following manner and order of sequence ("Financial Remedial Actions"):

- (a.) Withdraw any and all funds available in the Participating Customer's P3-RCA account that was established by the PWRPA RPS Cost of Compliance Rule.
- (b.) Withdraw any and all funds available in the Participating Customer's P3 Account, regardless of their categorization.
- (c.) Withdraw any and all funds available in the Participating Customer's ARB Allowance Value account established by the PWRPA Cap-and-Trade Cost of Compliance Rule.
- (d.) Withdraw any and all funds available in the Participating Customer's Environmental Attribute Value account.
- (e.) Increase the rate for all retail electricity sales to the Participating Customer using an Energy Storage Compliance Adder of \$26.81/MWh.

4.1.8 Necessary Rate Adjustments to Affect All Participating Customers: This Section shall only apply in the event a Participating Customer's full amount remains unpaid after the application of all Financial Remedial Actions ("Payment Default"). In consideration for certain Slate Energy Storage Project-related benefits that accrue to all Participating Customers, PWRPA and the Participating Customers agree that, in instances involving a Payment Default by a Participating Customer under this ES Rate Agreement, the Board may temporarily adjust rates for all Participating Customers until the shortfall is addressed. PWRPA shall provide as much advance notice of adjusted rates as reasonably practicable, but in no event less than fifteen (15) days advance notice.

4.2 PWRPA Allocation Policy: The PWRPA Allocation Policy shall be implemented with respect to this ES Rate Agreement as follows:

- (a) PWRPA's Storage Entitlement Share shall be defined as a "Specific Project – Renewable."
- (b) The access rule and transfer price formula shall be null for PWRPA's Storage Entitlement Share, which shall not enter pooling.

4.3 Withdrawal or Termination; ES Cost Responsibility Charge: As generally described in Sections 10.2 and 10.3 of the ASA, a Project Participant that withdraws from the ASA or has its participation under the ASA terminated shall, among other things, continue to be responsible for its relative share of the net unavoidable costs of

PWRPA's generation resources. In addition to other terms and conditions in the ASA, the Participating Customers agree that a Participating Customer that withdraws from the ASA or has its participation under the ASA terminated ("Departing ES Customer") shall continue to be responsible for its relative share of the net unavoidable costs associated with its allocation of costs from PWRPA's Storage Entitlement Share ("ES Cost Responsibility Charge"). The Board, in its role as LRA, shall determine the amount of the ES Cost Responsibility Charge, it being understood as follows:

- (a) The ES Cost Responsibility Charge is intended to reflect a reasonable approximation of the difference between (i) the Departing ES Customer's allocation of costs from PWRPA's Storage Entitlement Share and (ii) the market valuation of the Departing ES Customer's allocation of energy from PWRPA's Storage Entitlement Share, over the expected remaining term of this ES Rate Agreement.
- (b) The Departing ES Customer's allocation of energy from PWRPA's Storage Entitlement Share shall be valued, for purposes of the ES Cost Responsibility Charge, at a reasonable approximation of the prevailing market price (as described in Section 4.3(d)).
- (c) The Departing ES Customer's allocation of Environmental Attribute Value from PWRPA's Storage Entitlement Share shall be valued, for purposes of the ES Cost Responsibility Charge, as set forth in the First Amended SLT PPA.
- (d) In determining the above-market cost, the Board shall establish a market price proxy (or proxies) for the purpose of reasonably reflecting the expected price at which PWRPA is reasonably likely to resell or reallocate the Departing ES Customer's allocation of Storage Contract Capacity, Delivered Energy and costs from PWRPA's Storage Entitlement Share.
- (e) If the determination of the above-market cost, described in Section 4.3(d), reveals that there is no above-market cost over the applicable period (*i.e.*, the net cost associated with the Departing ES Customer's allocation of energy from PWRPA's Storage Entitlement Share is expected to be equal to or less than the market price proxy or proxies over the applicable period(s) ("ES Below-Market Credit"), and the Departing ES Customer otherwise owes PWRPA for costs incurred under the ASA, PWRPA shall offset such cost obligations by an amount up to the ES Below-Market Credit.
- (f) The ES Cost Responsibility Charge shall normally be a one-time, lump sum payment that reflects an acceleration of all the Departing ES Customer's future payment obligations under this ES Rate Agreement; provided, however, at the Board's discretion, and for the benefit of PWRPA in order to mitigate market price uncertainty, the Board may determine the ES Cost Responsibility Charge on an annual basis for up to ten years, the last year of which shall reflect a final lump sum payment that reflects an acceleration of all remaining future payment obligations under this ES Rate Agreement.

ARTICLE 5

TERM, DEFAULT, TERMINATION AND ASSIGNMENT

5.1 Term: The term of this ES Rate Agreement shall begin on the Effective Date and, unless earlier terminated, shall continue concurrent with the term of the First Amended SLT PPA as it relates to PWRPA, and such additional time as determined by the Board to be necessary for the recovery of all Slate Energy Storage Project Costs.

5.2 Event of Default: A Party is in default ("Default") hereunder if that Party (the "Defaulting Party") does any of the following (each an "Event of Default"):

5.2.1 fails to make, when due, any payment required under this Agreement, such that a Payment Default occurs, if such failure is not remedied within fifteen (15) business days after written notice of such failure is given to the Defaulting Party;

5.2.2 fails to cure any representation or warranty made by the Defaulting Party in this Agreement that has been shown to have been false or misleading in any material respect when made, if such failure is not cured within fifteen (15) business days of written notice of such failure from the other Party;

5.2.3 fails to perform any material covenant or agreement set forth in this Agreement (other than its obligations to make any payment or obligations which are otherwise specifically covered as a separate Event of Default), if such failure is not cured within fifteen (15) business days after written notice of such failure is given to the Defaulting Party;

5.2.4 the Defaulting Party: (i) makes an assignment or any general arrangement for the benefit of creditors; (ii) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors; (iii) has a petition in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors filed against it involuntarily and such proceeding remains undismissed for thirty (30) days; or otherwise becomes bankrupt or insolvent (however evidenced).

5.3 Termination:

5.3.1 Board Action and Consent by the Participating Customers: This ES Rate Agreement may be terminated by PWRPA at any time upon reasonable advance notice to the Participating Customers upon adoption of a resolution by the Board directing PWRPA to terminate this ES Rate Agreement; provided, however, (a) such resolution shall not be effective unless a Supermajority of Participating Customers consent to the termination in writing and (b) prior to such termination, and if requested by the Participating Customers, PWRPA shall cooperate with the Participating Customers as may be reasonably necessary to modify or assign the First Amended SLT PPA or otherwise provide a means by which the Participating Customers may receive economic benefits from the operation of the Slate Energy Storage Project comparable to the economic benefits the Participating Customers receive under this ES Rate Agreement.

5.3.2 Default: In addition to all other remedies provided in this ES Rate Agreement and under law, PWRPA may terminate this ES Rate Agreement for any

Defaulting Party that fails to timely cure such Default following notice and reasonable opportunity to cure.

5.3.3 Termination for Failure of Condition: Notwithstanding the establishment of the Effective Date pursuant to Section 2.1, any Party shall have the right to terminate this ES Rate Agreement without liability to either Party arising out of such termination upon notice to the other if the condition set forth in First Amended SLT PPA Section 2.2 shall not have been satisfied. Such termination right shall remain available until such condition is satisfied or waived. Upon the effectiveness of any termination of this ES Rate Agreement in accordance with this Section 5.2.3, the Parties shall have no further liabilities or obligations to each other hereunder.

5.4 Recovery of All Fees and Costs: PWRPA shall be entitled to recover from a Defaulting Party, in addition to the cost responsibility charge described in Section 4.3, attorneys' fees, expenses and costs reasonably necessary to obtain such determination and to recover amounts due as a result of the Participating Customer's Default.

5.5 Project Participant Assignment: A Participating Customer may assign its rights under this ES Rate Agreement to another Project Participant with the written consent of PWRPA, which consent shall not be unreasonably withheld or conditioned.

ARTICLE 6 MISCELLANEOUS

6.1 Dispute Resolution: The Parties shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. Should such efforts to settle a dispute, after reasonable efforts, fail, said dispute shall be settled by Commercial Arbitration Rules of the American Arbitration Association in effect at the time of the arbitration in accordance with the provisions of this paragraph. Within 30 days after any failure to settle a dispute, as described above, the complaining entity (or entities) shall give written notice to PWRPA (even if the Authority is not a party to the dispute) and to the other entities that it desires arbitration, stating the controversy to be arbitrated. Within 14 days, thereafter, the parties to the dispute shall each select one arbitrator, and within 7 additional days after their selection, the two arbitrators shall select a third arbitrator. If the arbitration will involve multiple entities on either side of the dispute, each respective side of the dispute shall select one arbitrator and the two arbitrators shall select a third arbitrator in the same manner as outlined above. No dispute shall involve more than three arbitrators. The hearing shall be conducted within 21 days after the selection of the third arbitrator and shall be restricted to matters relative to those stated in the notice requesting arbitration. Each respective side to the dispute shall be given an opportunity to be heard and to present evidence. Within 14 days after the conclusion of the hearing, or hearings, the arbitrators shall state their findings of fact, conclusions of law and decision in writing, and shall sign the same and deliver a signed copy thereof to each party to the dispute and to the Authority. The decision shall be final and binding upon the parties to the arbitration. A majority finding shall govern if the arbitrators' determination is not unanimous. The prevailing party, or respective side if there are multiple parties on the prevailing side

of the dispute, is entitled to the expenses and costs of arbitration, including an award of reasonable attorneys' fees and costs and arbitrators' fees, which shall be paid by the non-prevailing party, or shared equally by the respective side if there are multiple parties on the non-prevailing side of the dispute.

- 6.2 Severability:** If one or more clauses, sentences, paragraphs or provisions of this ES Rate Agreement shall be held to be unlawful, invalid or unenforceable, the remainder of this ES Rate Agreement shall not be affected thereby and shall be treated as lawful and valid, and shall be enforced to the maximum extent possible.
- 6.3 Further Assurances:** The Participating Customers agree to execute and deliver all further instruments and documents and take all further actions that may be reasonably necessary to effectuate the purposes and intent of this ES Rate Agreement.
- 6.4 Counterparts:** This ES Rate Agreement may be executed in any number of counterparts, including through facsimile signatures, and upon execution by PWRPA and the Participating Customers, each executed counterpart shall have the same force and effect as an original document and as if PWRPA and the Participating Customers had signed the same document. Any signature page of this ES Rate Agreement may be detached from any counterpart of this ES Rate Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this ES Rate Agreement identical in form but having attached to it one or more signature pages.

ARTICLE 7 SIGNATURE

IN WITNESS WHEREOF, PWRPA and the Participating Customers have executed this ES Rate Agreement as of date written below.

POWER AND WATER RESOURCES POOLING AUTHORITY

By: _____

Title: _____

Date: _____

PARTICIPATING CUSTOMER

By: _____

Name:

Title:

Customer:

Date:

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Exhibit A

- Relevant Provisions in Formation Documents -

Joint Powers Agreement

- 7.1 General: Funding, participation, and withdrawal of participation in any Project undertaken by the Authority shall be governed by a Project Agreement.
- 8.8 Parties to be Served Notice: Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by facsimile, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (i) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt; (ii) by mail shall be conclusively deemed given 48 hours after the deposit thereof if the sender receives the return receipt; and (iii) by facsimile, upon receipt by sender of an acknowledgment or transmission report generated by the machine from which the facsimile was sent indicating that the facsimile was sent in its entirety and received at the recipient's facsimile number. All Notices shall be addressed as set forth in Exhibit E. Any Party may change its Notice address or may designate additional parties to receive Notices by written notice given in the manner provided herein.
- 8.9 Stakeholders to be Served Notice: Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by facsimile, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (i) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt; (ii) by mail shall be conclusively deemed given 48 hours after the deposit thereof if the sender receives the return receipt; and (iii) by facsimile, upon receipt by sender of an acknowledgment or transmission report generated by the machine from which the facsimile was sent indicating that the facsimile was sent in its entirety and received at the recipient's facsimile number. All Notices shall be addressed as set forth in Exhibit E. Any Stakeholder may change its Notice address or may designate additional parties to receive Notices by written notice given in the manner provided herein.

Cost Sharing Agreement

- 3.5 No Sharing of Direct Project Costs:
- 3.5.1 In accordance with Section 7.1 of the Joint Powers Agreement, the respective Project Agreement shall govern the funding, participation, and withdrawal of participation in any Project undertaken by the Authority shall be governed by a Project Agreement.
- 3.5.2 The shared costs payable by Stakeholders under this Agreement do not include Direct Project Costs. As such, shared costs do not include those incurred by

the Authority directly as a result of any specific Project, any specific Project Agreement, or by the Authority acting as a Project Participant.

- 3.5.3 The intent of the parties hereto is to ensure that all costs incurred by the Authority that are directly related to any specific Project will be paid only by the Project Participants of that specific Project.

Aggregated Services Agreement

- 4.5 Supplemental Power: . . . It is anticipated, however, that from time to time the Authority and/or certain or all Project Participants may participate in power contracts with a delivery term longer than one year. The terms and conditions associated with these longer-term power contracts, including the obligations of the Authority and participating Project Participants, shall be set forth in a separate Agreement or amendment to this Agreement.
- 4.6 Electric Resources: It is anticipated that from time to time the Authority and/or Project Participants may develop, install, own and operate certain electric generating facilities for the benefit of certain or all Project Participants. The terms and conditions associated with the purchase and integration of electricity from these electric generating facilities, including any credit to be given to the host Project Participant or participating Project Participants, shall be set forth in a separate agreement or amendment to this Agreement.
- 7.7 Scheduling of Long-Term Contracts and Shared Resources: It is anticipated that certain or all of the Project Participants may participate, through a separate agreement, in (a) power contracts with a delivery term longer than one year and/or (b) the development, ownership and operation of an electric generating facility, as described in Sections 4.5 and 4.6, respectively. The Authority shall schedule and dispatch these resources to the account of the participating Project Participants.

Exhibit B

- ES Percentages -

| Participant | Participation % | Participation MW |
|--------------------------|----------------------------|-----------------------------|
| Arvin Edison WSD | 10.000 | 1.00 |
| Banta-Carbona ID | 20.000 | 2.00 |
| Cawelo WD | 19.000 | 1.90 |
| Glenn-Colusa ID | 0.000 | 0.00 |
| James ID | 0.000 | 0.00 |
| Provident/Princeton | 0.000 | 0.00 |
| Reclamation District 108 | 2.500 | 0.25 |
| Santa Clara Valley WD | 5.000 | 0.50 |
| Sonoma County WA | 0.000 | 0.00 |
| The West Side ID | 1.500 | 0.15 |
| West Stanislaus ID | 10.000 | 1.00 |
| Westlands WD | 32.000 | 3.20 |
| Zone 7 WA | 0.000 | 0.00 |
| Totals | 100.000 | 10.00 |

Attachment 1

**- DRAFT Copy of the SLT Power Purchase Agreement -
(For Reference Purposes)**

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