



George Tyson, Chair  
Town of Los Altos Hills

Larry Klein, Vice Chair  
City of Sunnyvale

Elliot Scozzola  
City of Campbell

J.R. Fruen  
City of Cupertino

Zach Hilton  
City of Gilroy

Sally Meadows  
City of Los Altos

Rob Rennie  
Town of Los Gatos

Garry Barbadillo  
City of Milpitas

Bryan Mekechuk  
City of Monte Sereno

Yvonne Martinez Beltran  
City of Morgan Hill

Pat Showalter  
City of Mountain View

Tina Walia  
City of Saratoga

Otto Lee  
County of Santa Clara

**svcleanenergy.org**

333 W El Camino Real  
Suite 330  
Sunnyvale, CA 94087

**Silicon Valley Clean Energy Authority  
Board of Directors Meeting**

Wednesday, September 10, 2025  
7:00 pm

Sunnyvale Civic Center  
456 W. Olive Avenue  
Sunnyvale, CA

Teleconference Meeting  
Webinar:

<https://svcleanenergy.org.zoom.us/j/81050925400>

Telephone (Audio Only):  
US: +1 669-219-2599  
Webinar ID: 810 5092 5400

Members of the public may also attend this meeting in person, or observe this meeting electronically by accessing the meeting via instructions above. Public Comments can be sent in advance of the meeting via email up to three hours before the meeting begins to Board Clerk Andrea Pizano at [Andrea.Pizano@svcleanenergy.org](mailto:Andrea.Pizano@svcleanenergy.org) and will be distributed to the Board of Directors. The public will also have an opportunity to provide comments during the meeting. Members of the public participating remotely and using Zoom may comment during public comment or the applicable agenda item by using the Raise Hand feature and you will be recognized by the Chair. Those using the telephone (audio only) feature should press star 9 on your phones to initiate the "Raise Hand" function in Zoom. You will then be announced, unmuted, and your time to speak will begin.

The public may provide comments on any matter listed on the Agenda. Speakers are customarily limited to 3 minutes each, however, the Board Chair may increase or decrease the time allotted to each speaker based on the number of speakers, the length of the agenda and the complexity of the subject matter. Speaking time will not be decreased to less than one minute.

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 Board Clerk Andrea Pizano at [Andrea.Pizano@svcleanenergy.org](mailto:Andrea.Pizano@svcleanenergy.org) prior to the meeting for assistance.

**AMENDED AGENDA**

**Call to Order**

George Tyson, Chair  
Town of Los Altos Hills

Larry Klein, Vice Chair  
City of Sunnyvale

Elliot Scozzola  
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## Roll Call

## Public Comment on Matters Not Listed on the Agenda

*The public may provide comments on any matter not listed on the Agenda provided that it is within the subject matter jurisdiction of SVCE. Speakers are customarily limited to 3 minutes each, however, the Board Chair may increase or decrease the time allotted to each speaker based on the number of speakers, the length of the agenda and the complexity of the subject matter. Speaking time will not be decreased to less than one minute.*

## Adopt Resolution Commending Hung Wei for her Dedicated Public Service to SVCE and to the Community

## Adopt Resolution Commending Don Bray for his Dedication in the Formation of Silicon Valley Clean Energy in 2016 and Tenure of Dedicated Service Concluding in 2025

## Consent Calendar (Action)

- 1a) Approve Minutes of the August 13, 2025, Board of Directors Meeting
- 1b) Receive ~~August~~July 2025 Treasurer Report
- 1c) Approve Distribution of 2022 Member Agency Grant Cycle Remaining Funds of \$500,000
- 1d) Authorize the Chief Executive Officer to Enter into a Contract with Hueston Hennigan, LLP for Legal Services for a Success Fee or for a Total Amount Not-to-Exceed \$2,500,000
- 1e) Authorize the Chief Executive Officer to Execute an Amendment with Sunnyvale Village Associates to Extend Lease of Current Office Space for Up to 12 Months
- 1f) Adopt Resolution Electing to Become Subject to the Uniform Public Construction Cost Accounting Act and Adopting Informal Bid Procedures
- 1g) Authorize the Chief Executive Officer to Execute a Fifth Agreement Amendment with Camus Energy to Transition Data Analytics Platform Services Adding \$25,000 for a New Total Not-to-Exceed Amount of \$733,000
- 1h) Authorize the Chief Executive Officer to Execute an Agreement with Citizen Group for Two Years with a Not-to-Exceed Amount of \$626,205 for Communications, Marketing and Research Services
- 1i) Adopt the Fiscal Years 2025-2027 Strategic Focus Areas and Strategic Plan

George Tyson, Chair  
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Pat Showalter  
City of Mountain View

Tina Walia  
City of Saratoga

Otto Lee  
County of Santa Clara

1j) Receive 2025 Legislative Responses to Industry Transition Ad Hoc Committee Report

1k) Receive Executive Committee Report

1l) Receive Additional Committees Report

1m) Receive California Community Power Report

#### Regular Calendar

2) CEO Report (Informational)

3) Approve the Ad Hoc Committee's Proposed Operating Rules and Regulations (ORR) Amendments and Recommend Changes to the ORR via a Future Resolution (Action)

4) Adopt the Fiscal Year 2025-26 Recommended Operating Budget, and the Recommendation to Maintain the Current Financial Reserves Targets and Policy (Action)

5) Introduction to the Integrated Decarbonization Roadmap (Informational)

#### Board Member Announcements and Direction on Future Agenda Items

#### Public Comment on Closed Session

#### Closed Session

PUBLIC EMPLOYEE PERFORMANCE EVALUATION:  
Title: Chief Executive Officer

CONFERENCE WITH LABOR NEGOTIATORS  
Agency designated representatives: Director Tyson, Board Chair, and Director Klein, Board Vice Chair  
Unrepresented employee: Chief Executive Officer

#### Report from Closed Session

#### Adjourn

[svcleanenergy.org](https://svcleanenergy.org)

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## **SVCE GLOSSARY OF TERMS**

**BTM – Behind the Meter** – Customer-sited resources which connect to the distribution system on the customer’s side of the utility’s meter. See also “DER”.

**C&I – Commercial and Industrial** – Business customers

**CAISO – California Independent System Operator** – a non-profit independent system operator that oversees the operation of the California bulk electric power system, transmission lines and electricity market generated and transmitted by its members (~80% of California’s electric flow). Its stated mission is to “operate the grid reliably and efficiently, provide fair and open transmission access, promote environmental stewardship and facilitate effective markets and promote infrastructure development. CAISO is regulated by FERC and governed by a five-member governing board appointed by the governor.

**CALCCA – California Community Choice Association** – Association made up of Community Choice Aggregation (CCA) groups which represents the interests of California’s community choice electricity providers.

**CARB – California Air Resources Board** – The CARB is charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change in California.

**CARE – California Alternate Rates for Energy Program** – A monthly discount of 20% or more on gas and electricity. Participants qualify through income guidelines or if enrolled in certain public assistance programs.

**CEC** – California Energy Commission

**CCCFA – California Community Choice Financing Authority** – The California Community Choice Financing Authority (CCCFA) was established in 2021 with the goal to reduce the cost of power purchases for member community choice aggregators (CCAs) through pre-payment structures. The founding members of CCCFA include Central Coast Community Energy, East Bay Community Energy, Marin Clean Energy, and Silicon Valley Clean Energy. CCCFA is a Joint Powers Authority which can help member CCAs save up to 10% or more on power purchase agreements, helping reduce costs for ratepayers and increase available funding for local programs.

**CC Power – California Community Power** – California Community Power is a Joint Powers Agency comprised of nine CCAs. CC Power allows its member CCAs to combine their buying power to procure new, cost-effective clean energy and reliability resources to continue advancing local and state climate goals.

**CP – Compliance Period** – Time period to become RPS compliant, set by the **CPUC** (California Public Utilities Commission)

**DA – Direct Access** – An option that allows eligible customers to purchase their electricity directly from third party providers known as Electric Service Providers (ESP).

**Demand** – The rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts (kW), megawatts (MW), or gigawatts (GW), at a given instant or averaged over any designated interval of time. Demand should not be confused with Load or Energy.

**DR – Demand Response** – An opportunity for consumers to play a significant role in the operation of the electric grid by reducing or shifting their electricity usage during peak periods in response to time-based rates or other forms of financial incentives.



**DER – Distributed Energy Resource** – A small-scale unit of power generation that operates locally and is connected to a larger power grid at the distribution level.

**Distribution** – The delivery of electricity to the retail customer’s home or business through low voltage distribution lines.

**eHub** – SVCE’s online customer resource center with the latest information on electric vehicles, home electrification, and solar and battery storage.

**ERRA – Energy Resource Recovery Account** – ERRA proceedings are used to determine fuel and purchased power costs which can be recovered in rates. The utilities do not earn a rate of return on these costs, and only recover actual costs. The costs are forecast for the year ahead. If the actual costs are lower than forecast, then the utility gives money back, and vice versa.

**ESP – Energy Service Provider** – An energy entity that provides service to a retail or end-use customer.

**FERC – Federal Energy Regulatory Commission** – Independent federal agency that regulates the interstate transmission of electricity, natural gas and oil. The CAISO is subject to FERC jurisdiction.

**GHG – Greenhouse gas** – water vapor, carbon dioxide, tropospheric ozone, nitrous oxide, methane, and chlorofluorocarbons (CFCs). A gas that causes the atmosphere to trap heat radiating from the earth. The most common GHG is Carbon Dioxide, though Methane and others have this effect as well.

**GWh – Gigawatt-hour** – The unit of energy equal to that expended in one hour at a rate of one billion watts. One GWh equals 1,000 megawatt-hours.

**IOU – Investor-Owned Utility** – A private electricity and natural gas provider.

**IRA** – Inflation Reduction Act

**IRP – Integrated Resource Plan** – A plan which outlines an electric utility’s resource needs in order to meet expected electricity demand long-term.

**kW – Kilowatt** – Measure of power where power (watts) = voltage (volts) x amperage (amps) and 1 kW = 1000 watts

**kWh – Kilowatt-hour** – This is a measure of consumption. It is the amount of electricity that is used over some period of time, typically a one-month period for billing purposes. Customers are charged a rate per kWh of electricity used.

**LCR – Local (RA) Capacity Requirements** – The amount of Resource Adequacy capacity required to be demonstrated in a specific location or zone.

**LCFS – Low Carbon Fuel Standard** – A CARB program designed to encourage the use of cleaner low-carbon fuels in California, encourage the production of those fuels, and therefore, reduce greenhouse gas emissions.

**Load** – An end use device or customer that receives power from an energy delivery system. Load should not be confused with Demand, which is the measure of power that a load receives or requires. See Demand.

**LSE – Load-serving Entity** – Entities that have been granted authority by state, local law or regulation to serve their own load directly through wholesale energy purchases and have chosen to exercise that authority.

**MMT – Million Metric Tonnes** – Common unit of measurement in regulatory and policy space for California’s GHG emissions.

**MAWG** – Member Agency Working Group, a group of PIOs from SVCE’s member communities that gather monthly

**MW – Megawatt** – measure of power. A megawatt equals 1,000 kilowatts or 1 million watts.

**MWh – Megawatt-hour** – measure of energy

**NEM – Net Energy Metering** – A program in which solar customers receive credit for excess electricity generated by solar panels. The main differences between NEM and FIT programs are the type of rate (flat vs. dependent on time-of-day generation), number of meters required (two vs. one), and flexibility (long-term contract vs. non-binding program enrollment).

**PCC1 – RPS Portfolio Content Category 1** – Bundled renewables where the energy and REC are dynamically scheduled into a California Balancing Authority (CBA) such as the CAISO. Also known as “in-state” renewables

**PCC2 – RPS Portfolio Content Category 2** – Bundled renewables where the energy and REC are from out-of-state and not dynamically scheduled to a CBA.

**PCC3 – RPS Portfolio Content Category 3** – Unbundled REC  
**PSPS – Public Safety Power Shutoff** – An event in which the IOUs purposely turn off segments of the grid due to high risk of ignition and wildfires.

**PCIA or “exit fee”** – Power Charge Indifference Adjustment (PCIA) is an “exit fee” based on stranded costs of utility generation set by the California Public Utilities Commission. It is calculated annually and assessed to customers of CCAs and paid to the IOU that lost those customers as a result of the formation of a CCA.

**Power Content Label (PCL)** – A user-friendly way of displaying information to California consumers about the energy resources used to generate the electricity they sell, as required by AB 162 (Statute of 2009) and Senate Bill 1305 (Statutes of 1997).

**PPA – Power Purchase Agreement** – A contract used to purchase the energy, capacity and attributes from a renewable resource project.

**Prepay** – payment in advance by a municipal utility for a number of years of contracted energy, and this prepayment with tax-exempt debt

**RA – Resource Adequacy** – Under its Resource Adequacy (RA) program, the California Public Utilities Commission (CPUC) requires load-serving entities—both independently owned utilities and electric service providers—to demonstrate in both monthly and annual filings that they have purchased capacity commitments to contribute their share of system reliability. Today LSEs must procure no less than 115% of the peak hour load. In 2023 and 2024, this will increase to 116% and 117% respectively. Beginning in 2025 a new RA program will be implemented requiring LSEs show capacity to meet their hourly reliability needs, the “PRM” adder is still undetermined.

**RE – Renewable Energy** – Energy from a source that is not depleted when used, such as wind or solar power.

**REC – Renewable Energy Certificate** – A REC is the property right to the environmental benefits associated with generating renewable electricity. For instance, homeowners who generate solar electricity are credited with 1 solar REC for every MWh of electricity they produce. Utilities obligated to fulfill an RPS requirement can purchase these RECs on the open market.

**RPS – Renewable Portfolio Standard** – Law that requires CA utilities and other load serving entities (including CCAs) to provide an escalating percentage of CA qualified renewable power (culminating at 33% by 2020) in their annual energy portfolio.

**SB 100** – California Senate Bill 100 established a landmark policy requiring renewable energy and zero-carbon resources supply 100 percent of electric retail sales to end-use customers by 2045.

**SMUD** – Sacramento Municipality Utility District

**SCE** – Southern California Edison

**SDG&E** – San Diego Gas & Electric

**TOB – Tariff On-bill** – Tariff On-Bill Financing is a model in which utilities use a tariff to enable customers to pay back the cost of a solar panel without credit or income level conditions.

**TOU – Time-of-Use Rates** – The pricing of delivered electricity based on the estimated cost of electricity during a particular time-block. Time-of-use rates are usually divided into three or four time-blocks per 24 hour period (on-peak, midpeak, off-peak and sometimes super off-peak) and by seasons of the year (summer and winter). Real time pricing differs from TOU rates in that it is based on actual (as opposed to forecasted) prices that may fluctuate many times a day and are weather sensitive, rather than varying with a fixed schedule.

**Unbundled RECs** – Renewable energy certificates that verify a purchase of a MWH unit of renewable power where the actual power and the certificate are “unbundled” and sold to different buyers.

**VPP – Virtual Power Plant** – A cloud-based energy supply made up of a collection of an aggregation of distributed energy resources (DERs), such as smart EV chargers, smart thermostats, building energy management systems, battery storage systems, solar PV and smart inverters.

**24/7** – Goal of supplying consumer energy demand with 100% carbon-free energy at all hours of the day

# SILICON VALLEY CLEAN ENERGY AUTHORITY

## RESOLUTION NO. 2025-17

### RESOLUTION OF THE BOARD OF DIRECTORS OF SILICON VALLEY CLEAN ENERGY AUTHORITY COMMENDING HUNG WEI FOR HER PROMOTION OF COMMUNITY CLEAN ENERGY IN SANTA CLARA COUNTY AND HER DEDICATED SERVICE ON THE BOARD OF DIRECTORS OF THE AUTHORITY ON BEHALF OF THE CITY OF CUPERTINO

**THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY HEREBY RESOLVES AS FOLLOWS:**

**WHEREAS**, the Silicon Valley Clean Energy Authority (“SVCEA”) was formed on March 31, 2016, with eleven Cities and Towns and the County of Santa Clara deciding to become the initial members;

**WHEREAS**, Hung Wei played an important role as Councilmember in the City of Cupertino in promoting community clean energy in Santa Clara County;

**WHEREAS**, the Cupertino City Council appointed Hung Wei as its alternate representative on the Board of Directors of SVCEA, which she served for four years;

**WHEREAS**, Hung Wei served on SVCEA’s Audit Committee her first year of service in 2021;

**WHEREAS**, Hung Wei also served on SVCEA’s Finance and Administration Committee for three years, leading the committee as Chair for two of those years;

**WHEREAS**, she supported climate action in the City of Cupertino, including promoting reach codes, climate action planning, and innovative approaches to reducing the community’s carbon footprint; and

**WHEREAS**, she was a tireless advocate for the Cupertino community and worked to model community leadership and service with passion and caring.

**NOW, THEREFORE**, the Board of Directors of SVCEA hereby acknowledges Hung Wei’s contributions and expresses its sincere appreciation for her dedicated public service to SVCEA and to the community.

**ADOPTED AND APPROVED this 10th day of September 2025, by the following vote:**

JURISDICTION	NAME	AYE	NO	ABSTAIN	ABSENT
City of Campbell	Director Scozzola				
City of Cupertino	Director Fruen				

<b>JURISDICTION</b>	<b>NAME</b>	<b>AYE</b>	<b>NO</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
City of Gilroy	Director Hilton				
City of Los Altos	Director Meadows				
Town of Los Altos Hills	Director Tyson				
Town of Los Gatos	Director Rennie				
City of Milpitas	Director Barbadillo				
City of Monte Sereno	Director Mekechuk				
City of Morgan Hill	Director Martinez Beltran				
City of Mountain View	Director Showalter				
County of Santa Clara	Director Lee				
City of Saratoga	Director Walia				
City of Sunnyvale	Director Klein				

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 Chair
**ATTEST:**


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 Secretary

**SILICON VALLEY CLEAN ENERGY AUTHORITY  
RESOLUTION NO. 2025-18**

**RESOLUTION OF THE BOARD OF DIRECTORS OF SILICON VALLEY CLEAN ENERGY AUTHORITY  
COMMENDING DON BRAY FOR HIS DEDICATED SERVICE IN THE FORMATION OF SILICON  
VALLEY CLEAN ENERGY IN 2016 AND TENURE OF DEDICATED SERVICE CONCLUDING IN 2025**

**THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY  
HEREBY RESOLVES AS FOLLOWS:**

**WHEREAS**, the Silicon Valley Clean Energy Authority (“SVCEA”) was formed on March 31, 2016, with eleven Cities and Towns and the County of Santa Clara joining as the inaugural members; and

**WHEREAS**, Don Bray, initially serving in a consulting role supporting the Silicon Valley Community Choice Energy Partnership, began outreach to future commercial customers about the potential formation of a Community Choice Aggregator in Santa Clara County;

**WHEREAS**, Mr. Bray served as an alternate director representing the City of Los Altos as a member of the city’s environmental commission, a role he held briefly and stepped away from once he was hired as a full-time SVCEA staff member;

**WHEREAS**, Mr. Bray first served as the Accounts Manager, engaging commercial customers while supporting all operational startup functions of SVCE, including onboarding its meter data management consultant to enable the agency to go live with accurate billing capabilities and reliable customer service;

**WHEREAS**, Mr. Bray was promoted to Director of Energy Services and Community Relations, overseeing a team dedicated to ensuring vital operational functions were performed for the agency, inclusive of building customer awareness of SVCE offers and services;

**WHEREAS**, Mr. Bray had a vision for mass customer engagement through electrification education and helped develop the first version of the SVCE eHub, an online customer resource center, which has won national awards and recognition;

**WHEREAS**, Mr. Bray worked for many years to create innovative products for large commercial customers, including a novel approach to 24/7 carbon-free energy with Google, an innovative, first of its kind time-matched energy service that includes demand-side management and investment in ongoing community-wide decarbonization;

**WHEREAS**, Mr. Bray transitioned into the role of Director of Strategic Initiatives at SVCE, positioning the agency to empower customers to take control of their load with new Virtual Power Plant and demand response programs;

**WHEREAS**, Mr. Bray led, inspired, and mentored a growing group of young professionals to become their best, most efficacious selves by reinforcing the values of due diligence, professional rigor, and thoughtful communication throughout his tenure at SVCE;

**WHEREAS**, Mr. Bray co-created a culture of excellence among his peers and subordinates rooted in the firm belief that SVCE’s work in decarbonization is essential to the continued prosperity of the region, the planet, and future generations; and

**WHEREAS**, SVCE would not be the award-winning, nationally-recognized leader it is today without the leadership and foundational work led by Mr. Bray who was a pivotal member of the agency’s formation and ongoing success;

**NOW, THEREFORE**, the Board of Directors of SVCEA hereby commends Don Bray for his dedicated service in the formation of SVCE in 2016 and tenure of dedicated service concluding in 2025.

**ADOPTED AND APPROVED on this 10th day of September 2025, by the following vote:**

JURISDICTION	NAME	AYE	NO	ABSTAIN	ABSENT
City of Campbell	Director Scozzola				
City of Cupertino	Director Fruen				
City of Gilroy	Director Hilton				
City of Los Altos	Director Meadows				
Town of Los Altos Hills	Director Tyson				
Town of Los Gatos	Director Rennie				
City of Milpitas	Director Barbadillo				
City of Monte Sereno	Director Mekechuk				
City of Morgan Hill	Director Martinez-Beltran				
City of Mountain View	Director Showalter				
County of Santa Clara	Director Lee				
City of Saratoga	Director Walia				
City of Sunnyvale	Director Klein				

\_\_\_\_\_  
Chair

**ATTEST:**

\_\_\_\_\_  
Secretary





**Silicon Valley Clean Energy Authority**

**Board of Directors Meeting**

Wednesday, August 13, 2025

6:00 pm

Sunnyvale Civic Center  
456 W. Olive Ave  
Sunnyvale, CA

Gilroy City Hall  
Administration Conference Room  
7351 Rosanna Street  
Gilroy, CA

Villanueva 547  
M5507 Lujan de Cuyo  
Mendoza, Argentina

**DRAFT MEETING MINUTES**

**Call to Order:**

Chair Tyson called the meeting to order at 6:01 p.m.

**Roll Call**

**Present:**

George Tyson (Chair), Los Altos Hills  
Larry Klein (Vice Chair), Sunnyvale  
Elliot Scozzola, Campbell  
J.R. Fruen, Cupertino  
Tom Cline, Gilroy (participated remotely; joined the meeting at 6:05 p.m.)  
Sally Meadows, Los Altos  
Rob Rennie, Los Gatos  
Bryan Mekechuk, Monte Sereno (participated remotely)  
Yvonne Martinez Beltran, Morgan Hill  
Pat Showalter, Mountain View  
Otto Lee, Santa Clara County (arrived at 7:05 p.m.)  
Tina Walia, Saratoga

**Absent:**

Garry Barbadillo, Milpitas

A quorum was present.

**Public Comment on Matters Not Listed on the Agenda**

No speakers.

**Public Comment on Matters Not Listed on the Agenda**

No Speakers.

**Closed Session**

The Board of Directors convened to Closed Session at 6:05 p.m. Alternate Director Cline joined Closed Session remotely at 6:05 p.m.; Director Scozzola arrived and joined the Closed Session at 6:10 p.m.

Conference with Legal Counsel

Anticipated Litigation Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Gov. Code Section 54956.9: (one potential case)

The Board of Directors reconvened from Closed Session at 7:00 p.m.

**Report from Closed Session**

Andrea Pizano, Board Clerk, reported the Board directed staff to initiate litigation with a unanimous vote in Closed Session from the following members:

Director Elliot Scozzola  
Director J.R. Fruen  
Alternate Director Tom Cline  
Director Sally Meadows  
Chair George Tyson  
Director Rob Rennie  
Director Bryan Mekechuk  
Director Yvonne Martinez Beltran  
Director Pat Showalter  
Director Tina Walia  
Vice Chair Larry Klein

**Consent Calendar**

There were no questions or comments from the Board; there were no requests from the public to speak on any matter on the Consent Calendar.

- 1a) Approve Minutes of the June 11, 2025, Board of Directors Meeting
- 1b) Receive July 2025 Treasurer Report
- 1c) Authorize the Chief Executive Officer to Execute Agreement with EcoMetricx for Three Years with a Not to Exceed Amount of \$800,000 for Cloud Infrastructure Implementation
- 1d) Approve SVCE 2024 Annual Power Source Disclosure Report Attestation
- 1e) Approve an Allocation of Program Fund Dollars of \$4.4 million to Expand the Home Rebates Program
- 1f) Adopt SVCE's Revised Load Management Standards Compliance Plan
- 1g) Receive June 2025 Decarbonization Strategy and Programs Quarterly Report
- 1h) Adopt Resolution Amending the Location for Regular Silicon Valley Clean Energy Board of Directors Regular Meetings
- 1i) Authorize the Chief Executive Officer to Execute a Three-Year Agreement with Maher Accountancy for a Not to Exceed Amount of \$1,125,100.00 for Accounting and Audit Support Services
- 1j) Adopt Resolution Authorizing the Chief Executive Officer to Finalize Negotiations and Execute Master Agreement with J. Aron & Company LLC to Enable the Execution of Energy Transactions

- 1k) Authorize the Chief Executive Officer to Execute an Amended and Restated Scheduling Coordinator Agreement and an Amended and Restated Agreement to Provide Scheduling Agent and Energy Management Services to Incorporate Resource Optimization Functions into the Service with a Combined Not to Exceed Limit of \$1,700,000 through December 31, 2026, and an Annual Renewal Not to Exceed of \$1,400,000 for Tenaska Power Services
- 1l) Authorize the Chief Executive Officer to Execute Agreement for Elevator Modernization and Maintenance Services for Silicon Valley Clean Energy Headquarters in an Amount Not to Exceed \$400,000
- 1m) Receive Finance and Administration Committee Report
- 1n) Receive Additional Committees Report
- 1o) Receive California Community Power Report

**MOTION: Director Mekechuk moved and Director Fruen seconded the motion to approve the Consent Calendar, Items 1a through 1o.**

**The motion carried by verbal roll call vote with Directors Barbadillo and Lee absent.**

### **Special Hearing**

#### **2) Public Hearing in Compliance with Government Code § 3502.3 Regarding Vacancy Rates, Recruitment, and Retention Efforts (Discussion)**

Director Lee arrived during Item 2.

Gia Ilole, Director of Human Resources, reviewed new requirements from the addition of Government Code Section 3502.3, effective January 1, 2025, for public agencies to hold a public hearing to present information on staff vacancy status, recruitment and retention efforts, and any changes to policies, procedures or recruitment activities.

Director of Human Resources Ilole reviewed SVCE's vacancies and recruitment information, provided an update on staff retention, and noted there were no changes in Board-approved policies and/or internal practices that would lead to obstacles in the hiring process.

Chair Tyson opened Public Comment.  
No speakers.  
Chair Tyson closed Public Comment.

### **Regular Calendar**

#### **3) CEO Report (Discussion)**

Chief Executive Officer (CEO) Monica Padilla addressed the following in her report:

- 1) Staff promotion announcement for Nikolas Zanotto, who was promoted from Senior Manager of Technology and Administrative Services to Director of Operations;
- 2) Introduction of two summer interns, Alon Robbins, Customer Success, and Elizabeth Floyd, Power Resources and Operations, who both provided brief welcome comments; and
- 3) A legislative update from Bena Chang, Director of Government and Legislative Affairs.

Chair Tyson opened Public Comment.  
No speakers.  
Chair Tyson closed Public Comment.

**4) Adopt Resolution Authorizing the Chief Executive Officer to Execute the Power Supply Contract with the California Community Choice Financing Authority and Related Supporting Agreements (Action)**

Amrit Singh, Chief Financial Officer (CFO), presented a request for the Board of Directors to adopt a resolution authorizing the CEO to execute the Power Supply Contract with the California Community Choice Financing Authority and execute or approve the related supporting agreements to enable SVCE to enter an approximately 30-year energy prepayment transaction with authority to make any minor clarifying modifications to the contracts and agreements as necessary that do not change the intent or economics of the transaction. Staff also requested the Board authorize the CEO to enter into agreements with credit rating agencies, generally, to provide a credit rating for the bonds.

CFO Singh noted the Board's authorization would be subject to the following parameters.

1. The Bonds, issued by CCCFA, will not be guaranteed obligations of SVCE but will be limited obligations of CCCFA payable solely from the revenues and other amounts pledged under the Indenture as the Trust Estate, including amounts owed by SVCE under the Power Supply Contract.
2. The aggregate principal amount of the Bonds shall not exceed \$1,250,000,000.
3. The energy savings to SVCE under the Power Supply Contract for the initial Bond Reset Period, including the Annual Refund (as defined in the Power Supply Contract), shall be at least 8 percent.
4. The energy Service Revenue fee in the transaction shall not exceed \$1.10 per MWh.
5. The commodity swap counterparty fee in the transaction shall not exceed \$0.50 per MWh.
6. If any floating rate bonds are issued, Morgan Stanley shall charge no more than six basis points on the interest rate swap spread to mid-market; and
7. The 8 percent saving is relative to a fixed price for energy deliveries under the power supply contract that will be established at the time of the pricing of the bonds using available energy market prices and other information that will be reviewed and approved by SVCE's financial advisor, PFM Financial Advisors LLC.

CFO Singh responded to a question regarding tax-exempt and taxable bonds, and the impact of the recently passed tax bill by the new administration.

Chair Tyson opened Public Comment.

No speakers.

Chair Tyson closed Public Comment.

**MOTION: Director Walia moved and Director Scozzola seconded the motion to adopt Resolution-2025-16 authorizing the Chief Executive Officer to execute the Power Supply Contract with the California Community Choice Financing Authority, and to execute or approve the related supporting agreements, and to authorize the CEO to enter into agreements with credit rating agencies.**

**The motion carried by verbal roll call vote with Director Barbadillo absent.**

**5) Authorize the Chief Executive Officer to Execute a 10-Year Power Purchase Agreement with IP Darden III, LLC for Up to 93.01 MW of Solar Photovoltaic Energy and a 91.48 MW Co-located, Four-Hour Battery Energy Storage System (Action)**

Britta Bradshaw, Power Resources Manager, presented a request for the Board of Directors to authorize the CEO to execute a Power Purchase Agreement (PPA) with IP Darden, LLC for the procurement of co-located solar energy and battery energy storage (BESS) in substantial form and any non-substantive sequential amendments and ancillary agreements.

Power Resources Manager Bradshaw provided an update on executed SVCE long-term PPAs, various procurement efforts towards meeting SVCE's procurement goals, information on the IP Darden III project, update on SVCE's annual Renewable Portfolio Standard (RPS) and compliance with the long-term RPS procurement mandate, reviewed potential risks of project engagement, and reviewed the benefits of the project.

Chair Tyson acknowledged a public comment letter was received for the item.

Chair Tyson opened Public Comment.

No speakers.

Chair Tyson closed Public Comment.

Staff responded to questions and comments regarding SVCE's portfolio diversification, project development security, SVCE's investments in power procurement, and project site land size and prior usage.

**MOTION: Director Martinez Beltran moved and Vice Chair Klein seconded the motion authorizing the Chief Executive Officer to execute an agreement with IP Darden III, LLC for the procurement of co-located solar energy and battery energy storage (BESS) in substantial form and any non-substantive sequential amendments and ancillary agreements as follows:**

- a) Up to 93.01 MW, or approximately 250,000 – 270,000 MWh per year;
- b) 91.48 MW or 365.92 MWh 4-hour battery energy storage;
- c) 10-Year term PPA with expected commercial operation dates (COD) and term from June 1, 2028, through May 31, 2038; and
- d) Total amount not-to-exceed \$330,000,000.

**The motion carried by verbal roll call vote with Director Barbadillo absent.**

Following the vote, Director Mekechuk departed from the meeting before Item 6.

#### **6) Provide Feedback on the Fiscal Year 2025-26 Proposed Operating Budget, and the Proposal to Maintain the Current Financial Reserves Targets and Policy (Discussion)**

CFO Singh presented a request for the Board of Directors to provide feedback on the proposed Fiscal Year 2025-26 operating budget with a recommendation to maintain the current financial reserves targets and policy. CFO Singh's presentation included information on the following:

1. Overview of budget timeline and key highlights, consisting of a negative contribution to reserves for FY 26, no major recommended changes to the budget, a recommendation to revisit the customer discount in December, and a relatively minor increase in operating expenses;
2. Proposed budget forecast and comparison to FY 25 mid-year adjusted budget;
3. Reserves projection;
4. Reserve management;
5. Review of reserve targets and policy; and
6. Review of other operating expenses and transfers.

Staff responded to comments and questions regarding notifications for the customer bill credit that was approved from the FY 2024-25 budget; SVCE reserves comparison with other CCAs; customer California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) program discount rates; Pacific Gas and Electric (PG&E) rate-setting and timing for the upcoming year; SVCE's reserves and if there was consideration to reduce the discount for customers to one percent less than PG&E's rates earlier than January 2026; sharing longer-term concerns to customers on reduced rates for the organization; anticipated transmission and distribution (T&D) rates; possibility of when the power charge

indifference adjustment (PCIA) charge may end; if oil prices may be affecting the cost of energy; timing on certainty of PG&E's rates; and driving customers to electrify.

Chair Tyson opened Public Comment.

No speakers.

Chair Tyson closed Public Comment.

## **7) Introduction to Fiscal Year 2025-26 Strategic Focus Areas and Strategic Plan (Discussion)**

CEO Padilla presented an overview of SVCE's proposed fiscal year (FY) 2025-26 Strategic Focus Areas and Strategic Plan which included:

- A review of the FY 2025-26 Strategic Plan and Budget process and timeline
- An overview of the Strategic Plan and Strategic Focus Areas
- Existing Strategic Focus Areas
- Initial Feedback on Strategic Focus Areas and Recommendation for next steps

CEO Padilla provided initial thoughts on progress for each of the Strategic Focus Areas, and proposed minor changes to the Strategic Focus Areas and Strategic Plan. Based on feedback received from the Executive Committee, staff proposed to move review of the Strategic Planning process to biennial starting in fiscal year 2025-26.

CEO Padilla responded to questions and comments regarding the progress ratings identified for the Strategic Focus Areas and how success is measured and tracked; customer accounts; stability of SVCE; support for biennial review; projection versus current assessment of the Strategic Focus Areas; and refining the definition of success, progress, and failure for future assessment.

Chair Tyson opened Public Comment.

No speakers.

Chair Tyson closed Public Comment.

## **8) Local Agency Action Planning Update (Informational)**

Zoe Elizabeth, Director of Decarbonization Policy and Community Strategies, provided a status update on agency electrification readiness planning which included information on the passage of AB130, and a status snapshot of where member agencies are in the reach code adoption process.

Staff responded to comments and questions regarding the City of Sunnyvale's first reach code reading and suggestion to put together a Frequently Asked Questions reference document for member agency staff/council members, and AB130 requirements for ground floor elevations to be included in future codes.

Chair Tyson opened Public Comment.

No speakers.

Chair Tyson closed Public Comment.

## **Board Member Announcements and Future Agenda Items**

Director Lee announced he toured the Diablo Canyon Power Plant and suggested the SVCE Board schedule a tour; CEO Padilla noted staff would explore coordinating a tour.

## **Adjourn**

Chair Tyson adjourned the meeting at 9:09 p.m.

## **ATTEST:**

\_\_\_\_\_  
Andrea Pizano, Board Secretary



## **TREASURER REPORT**

**Fiscal Year to Date  
As of July 31, 2025**

*(Preliminary & Unaudited)*

**Issue Date: September 10, 2025**

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# SILICON VALLEY CLEAN ENERGY AUTHORITY

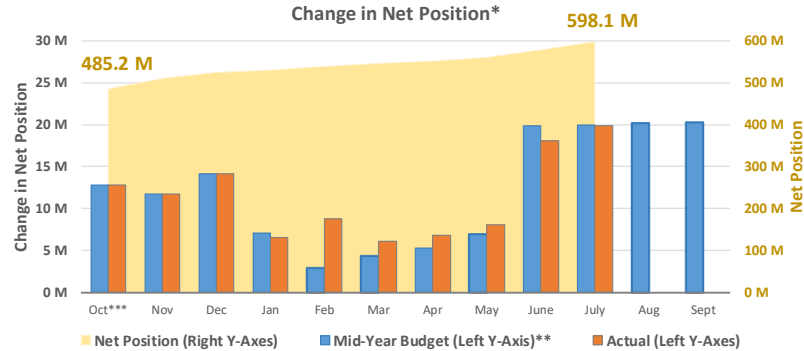
## Financial Statement Highlights (\$ in millions)

### July 31, 2025

Page 2

#### Balance Sheet Highlights:

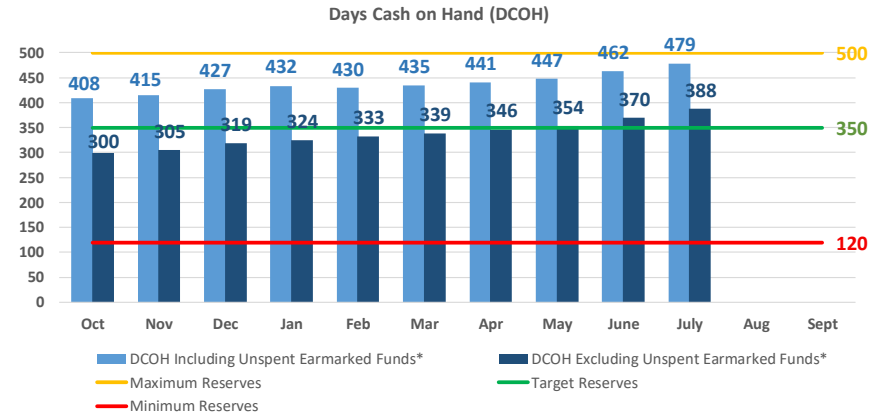
- > SVCE operations resulted in a change in net position of \$19.9 million for the month of July and \$112.9 million for fiscal-year-to-date (FYTD).
- > Total Net Position increased further to \$598.1 million.
- > SVCE is investing ~98.6% of available funds, recognizing interest/dividend income of \$18.1M FYTD.



\*Does not yet recognize unspent program dollars

\*\*For reconciliation purposes, budget numbers include actual program expenses and depreciation, excludes GASP 87 expenses.

\*\*\* Displays the starting fiscal year net position on Oct. 1, 2025, of \$485M.



\* Earmarked funds are unspent SVCE program and the building funds.

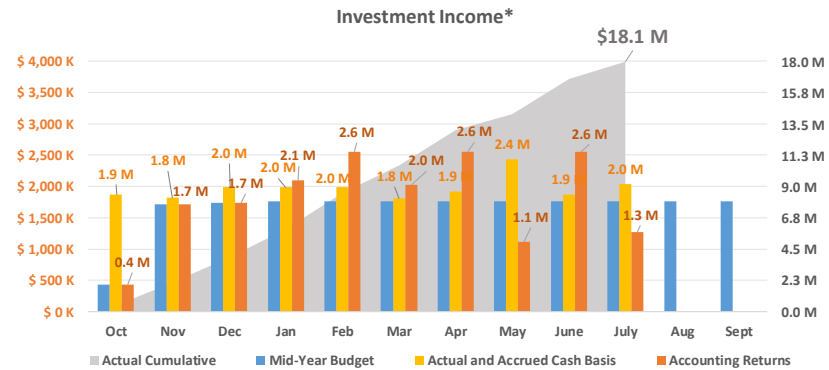
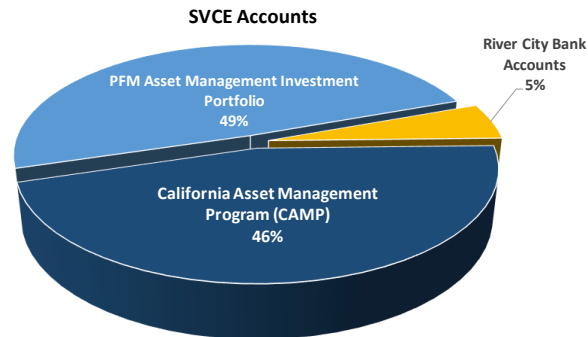
October, 2024-January, 2025 results are updated per the Mid-Year budget revisions adopted in March 2025.

#### SVCE Yield-bearing Accounts:

Combined Ending Balance*	548.4 M
Total Interest/Div. Earned FYTD	18.1 M
Average Yield to Maturity**	4.32%

\* Includes River Bank accounts - Money Market, Collateral and ICS; CAMP; PFM Portfolio

\*\* Average annualized yield for the current month. Investment yields are measured to maturity at market.



\* Accounting returns investment of income includes unrealized mark-to-market gain or loss of the total investment portfolio as per US GAAP. Actual and Accrued Cash Basis excludes mark-to-market gains (losses).

**SILICON VALLEY CLEAN ENERGY AUTHORITY**  
**Financial Statement Highlights\*\* (\$ in millions)**  
**July 31, 2025**

Page 3

**Summary of Actual Results vs. Adopted Budget** (includes allocated but unspent program dollars):

- > Operating margin of \$127.4 million (or 32.4%) fell slightly below the Mid-Year Budget expectations of \$130M (31.3%) operating margin for the fiscal year to date.
- > FYTD Power Supply costs are -6.9% below Mid-Year Budget.
- > Retail GWh sales FYTD landed -9.9% below Mid-Year Budget for the month of July and -3.1% YTD.

**Variance Explanation:**

**October-December** - revenue and all operating cost were actualized during the Mid-Year budgeting

**January -February** - Weaker customer demand was offset by lower power supply cost, liquidated damage payments and reduced operating expenses.

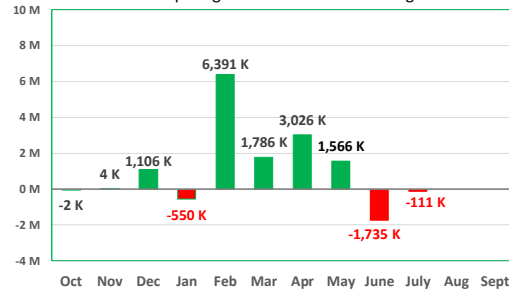
**March** - Customer demand was in-line with expectations while all components of operating expenses remained below MY budget.

**April** - Lower demand was offset by reduced power supply cost and other operating expenses, combined with higher investment income.

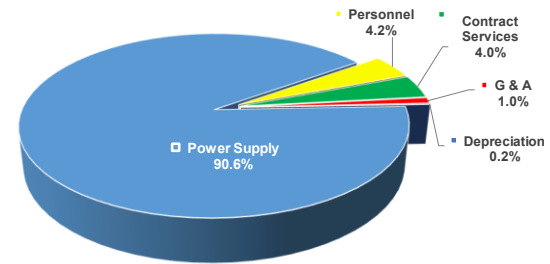
**May** - Revenues increased more than power supply cost due to stronger demand, elevating SVCs operating margin. Investment income came in below expectations reflecting MTM fluctuations.

**June-July** - Weaker summer demand due to colder average temperature and slower than anticipated load growth decreased SVCE operating margin below MY budget level. Investment income for July was impacted by negative MTM adjustments.

**Net Increase in Available Fund Balance**  
Comparing Actuals to Amended Budget

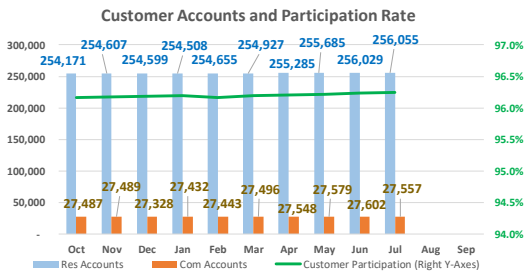
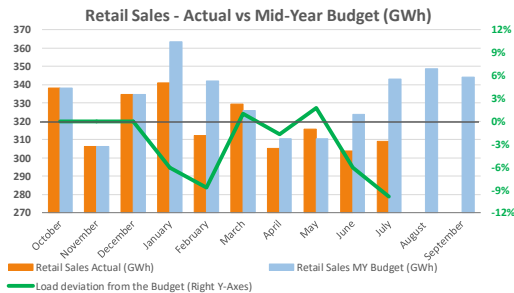


**YTD Operating Expenses**



\$ in millions	July			Fiscal YTD			Main Drivers:
	Actual	MY Budget	% Dif	Actual	MY Budget	% Dif	
Revenue	47.8 M	52.9 M	-9.6%	393.1 M	415.4 M	-5.4%	<ul style="list-style-type: none"> <li>Lower customer demand and a negative true-up settlement, partly offset by liquidated damage payments.</li> <li>Lower YTD costs is mostly due to lower energy consumption and a decline in energy/attribute prices.</li> </ul>
Power Supply Cost	25.2 M	29.6 M	-15.1%	265.7 M	285.4 M	-6.9%	
Operating Margin	22.7 M	23.3 M	-2.5%	127.4 M	130.0 M	-2.0%	<ul style="list-style-type: none"> <li>Staffing vacancies, underrunning professional services, and lower marketing expenses</li> <li>Reflects budgetary transfers to program and other funds offset by investment income and bill credit trueups.</li> </ul>
Operating Expenses (ex Power)	2.6 M	3.6 M	-26.9%	23.5 M	32.1 M	-26.8%	
Other Non-Op. Expen. (Income)	-1.3 M	-1.8 M	-28.1%	-0.8 M	5.2 M	-114.6%	<ul style="list-style-type: none"> <li>Reflects budgetary transfers to program and other funds offset by investment income and bill credit trueups.</li> </ul>
Net Increase in Available Fund Balance	21.3 M	21.4 M	-0.5%	104.7 M	92.6 M	13.0%	

**Customer Load Statistics:**



Total Accounts	283,612
Opt-Out Accounts (Month)	31
Opt-Out Accounts (FYTD)	371
Opt-Up Accounts (Month)	(18)
Opt-Up Accounts (FYTD)	(68)

**Program Funds:**

	Beginning Balance	End Balance	YTD Contributions	YTD Expenditures
General Program Fund	\$ 77,436,658	\$ 79,747,332	\$ 10,530,000	\$ 8,219,326
CRCR Fund*	\$ 5,437,984	\$ 6,516,104	\$ 5,370,000	\$ 4,291,880
Electrification Discount Fund	\$ 9,159,383	\$ 8,740,312	\$ -	\$ 419,071
Nuclear & Hanford Prog. Funds	\$ 2,188,000	\$ 7,696,000	\$ 5,508,000	\$ -
Building Fund	\$ 20,000,000	\$ 8,349,824	\$ -	\$ 11,545,994

\* Customer Relief and Community Resilience Fund

\*\* The financial results in this report are preliminary and subject to change pending closing of the books for the fiscal year. Any potential changes are not expected to be significant.

# SILICON VALLEY CLEAN ENERGY AUTHORITY

## STATEMENT OF NET POSITION

As of July 31, 2025

### ASSETS

#### Current Assets

Cash & Cash Equivalents*	\$	288,419,430
Accounts Receivable, net of allowance		41,661,442
Investments		57,551,440
Accrued Revenue		28,872,504
Other Receivables		6,036,766
Prepaid Expenses		1,232,090
Deposits		741,883

<b>Total Current Assets</b>		<b>424,515,555</b>
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#### Noncurrent assets

Capital assets, net of depreciation		12,158,881
Investments**		219,434,108

<b>Total Noncurrent Assets</b>		<b>231,592,989</b>
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<b>Total Assets</b>		<b>656,108,544</b>
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### LIABILITIES

#### Current Liabilities

Accounts Payable		1,991,237
Accrued Cost of Electricity		38,331,928
Other accrued liabilities		2,736,777
User Taxes and Energy Surcharges due to other gov'ts		1,287,545
Supplier security deposits		225,000

<b>Total Current Liabilities</b>		<b>44,572,487</b>
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#### Noncurrent Liabilities

Supplier security deposits		13,478,125
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<b>Total noncurrent liabilities</b>		<b>13,478,125</b>
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<b>Total Liabilities</b>		<b>58,050,612</b>
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### NET POSITION

Net investment in capital assets		12,158,881
Unrestricted (deficit)		585,899,051
<b>Total Net Position</b>	<b>\$</b>	<b>598,057,932</b>

\* May not account for securities acquired towards the end of the month but not yet paid.

\*\* May include securities acquired towards the end of the month but not yet paid.

# SILICON VALLEY CLEAN ENERGY AUTHORITY

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

October 1, 2024 through July 31, 2025

### OPERATING REVENUES

Electricity Sales, Net	\$ 383,532,210
GreenPrime electricity premium	1,971,646
Liquidated damages	7,586,815

<b>TOTAL OPERATING REVENUES</b>	<b><u>393,090,671</u></b>
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### OPERATING EXPENSES

Cost of Electricity	265,669,514
Contract services	11,785,191
Staff compensation and benefits	12,209,784
Program incentives	5,180,548
Other operating expenses	2,845,718
Depreciation	588,258

<b>TOTAL OPERATING EXPENSES</b>	<b><u>298,279,013</u></b>
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<b>OPERATING INCOME(LOSS)</b>	<b><u>94,811,658</u></b>
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### NONOPERATING REVENUES (EXPENSES)

Investment Income	18,054,673
Financing costs	(5,273)

<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b><u>18,049,400</u></b>
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### CHANGE IN NET POSITION

	112,861,058
Net Position at beginning of period	485,196,874
<b>Net Position at end of period</b>	<b><u>\$ 598,057,932</u></b>

# SILICON VALLEY CLEAN ENERGY AUTHORITY

## STATEMENT OF CASH FLOWS October 1, 2024 through July 31, 2025

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 394,284,284
Receipts of liquidated damages	7,586,815
Receipts of security deposits	29,203,633
Payments to suppliers for electricity	(299,465,385)
Payments of security deposits	(12,450,000)
Payments for other goods and services	(20,276,494)
Payments for staff compensation and benefits	(12,090,062)
Tax and surcharge payments to other governments	(7,068,973)
<b>Net cash provided (used) by operating activities</b>	<b><u>79,723,818</u></b>

### CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Finance costs paid	<u>(1,719)</u>
<b>Net cash provided (used) by financing activities</b>	<b><u>(1,719)</u></b>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments of lease liability	(406,293)
Acquisition of capital assets	<u>(11,758,632)</u>
<b>Net cash provided (used) by capital and related financing activities</b>	<b><u>(12,164,925)</u></b>

### CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	16,891,084
Proceeds from investment sales	122,190,439
Purchase of investments	<u>(179,693,139)</u>
<b>Net cash provided (used) by investing activities</b>	<b><u>(40,611,616)</u></b>

Net change in cash and cash equivalents	26,945,558
Cash and cash equivalents at beginning of year	<u>261,473,872</u>
<b>Cash and cash equivalents at end of period</b>	<b><u>\$ 288,419,430</u></b>

### NONCASH INVESTING ACTIVITIES

Unrealized appreciation (depreciation) and timing differences in investment income	\$ 1,163,589
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**SILICON VALLEY CLEAN ENERGY AUTHORITY**

**STATEMENT OF CASH FLOWS (Continued)**

**October 1, 2024 through July 31, 2025**

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET  
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating Income (loss)	\$ 94,811,658
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities</b>	
Depreciation expense	588,258
(Increase) decrease in accounts receivable	1,400,004
(Increase) decrease in accrued revenue	706,981
(Increase) decrease in other receivables	10,829,709
(Increase) decrease in prepaid expenses	(605,761)
(Increase) decrease in current deposits	35,419
Increase (decrease) in accrued cost of electricity	(26,102,024)
Increase (decrease) in accounts payable	210,642
Increase (decrease) in accrued liabilities	215,712
Increase (decrease) in taxes and surcharges due to other governments	(391,780)
Increase (decrease) in supplier security deposits	(1,975,000)
<b>Net cash provided (used) by operating activities</b>	<b><u>\$ 79,723,818</u></b>

**SILICON VALLEY CLEAN ENERGY AUTHORITY**  
**BUDGETARY COMPARISON SCHEDULE**  
October 1, 2024 through July 31, 2025

	<u>FYTD</u> <u>Actual</u>	<u>FYTD</u> <u>Mid-Year Budget</u>	<u>Variance</u> <u>\$</u>	<u>%</u>	<u>FY 2024-25</u> <u>Mid-Year Budget</u>	<u>FY 2024-25</u> <u>Remaining Budget</u>
<b>OPERATING REVENUES</b>						
Energy Sales	\$383,532,210	\$413,905,404 *	-\$30,373,194	-7%	\$521,650,000 *	\$138,117,790
Green Prime Premium	1,971,646	1,449,301 *	\$522,345	36%	\$1,884,000 *	(87,646)
Other Income	7,586,815	*	7,586,815	n/a	*	(7,586,815)
<b>TOTAL OPERATING REVENUES</b>	<b>393,090,671</b>	<b>415,354,705</b>	<b>(22,264,034)</b>	<b>-5%</b>	<b>523,534,000</b>	<b>130,443,329</b>
<b>ENERGY EXPENSES</b>						
Power Supply	265,669,514	285,374,130	(19,704,616)	-7%	349,478,000	83,808,486
<b>Operating Margin</b>	<b>127,421,157</b>	<b>129,980,575</b>	<b>(2,559,418)</b>	<b>-2%</b>	<b>174,056,000</b>	<b>46,634,843</b>
<b>OPERATING EXPENSES</b>						
Data Management	2,848,147	2,940,659	(92,512)	-3%	3,549,000	700,853
PG&E Fees	1,003,586	1,246,137	(242,551)	-19%	1,516,000	512,414
Salaries & Benefits	12,209,784	15,468,564	(3,258,780)	-21%	18,805,000	6,595,216
Professional Services	3,595,101	6,301,880	(2,706,779)	-43%	7,797,000	4,201,899
Marketing & Promotions	723,007	1,501,256	(778,249)	-52%	1,885,000	1,161,993
General & Administrative	3,134,931	4,662,014	(1,527,083)	-33%	5,733,000	2,598,069
<b>TOTAL OPERATING EXPENSES</b>	<b>23,514,556</b>	<b>32,120,510</b>	<b>(8,605,954)</b>	<b>-27%</b>	<b>39,285,000</b>	<b>15,770,444</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>103,906,601</b>	<b>97,860,065</b>	<b>6,046,536</b>	<b>6%</b>	<b>134,771,000</b>	<b>30,864,399</b>
<b>NON-OPERATING REVENUES</b>						
Investment Income	18,054,673	16,228,510	1,826,163	11%	19,756,000	1,701,327
<b>TOTAL NON-OPERATING REVENUES</b>	<b>18,054,673</b>	<b>16,228,510</b>	<b>1,826,163</b>	<b>11%</b>	<b>19,756,000</b>	<b>1,701,327</b>
<b>NON-OPERATING EXPENSES</b>						
Financing	1,720	10,079	(8,359)	-83%	12,000	10,280
<b>CAPITAL EXPENDITURES, TRANSFERS, &amp; OTHER</b>						
Capital Outlay	6,361	41,667	(35,306)	-85%	50,000	43,639
One-Time Customer Bill Credit	-	-	-	n/a	35,000,000	35,000,000
Transfer to Programs Fund	10,530,000	10,530,000	-	0%	10,530,000	-
Nuclear Allocation	3,708,000	3,708,000	-	0%	3,708,000	-
Transfer to Hanford Emissions Mitigation Fund	1,800,000	1,800,000	-	-	1,800,000	-
Transfer to CRCR Fund	5,370,000	5,370,000	-	0%	5,370,000	-
Transfer from Electrification Discount Fund	(419,071)	-	(419,071)	n/a	-	419,071
Transfer from CRCR Fund - customer bill relief	(3,707,933)	-	(3,707,933)	n/a	-	3,707,933
<b>TOTAL OTHER USES</b>	<b>17,287,357</b>	<b>21,449,667</b>	<b>(4,162,310)</b>	<b>-19%</b>	<b>56,458,000</b>	<b>39,170,643</b>
<b>NET INCREASE(DECREASE) IN AVAILABLE FUND BALANCE</b>	<b>\$ 104,672,197</b>	<b>\$ 92,628,829</b>	<b>\$ 12,043,368</b>	<b>13%</b>	<b>\$98,057,000</b>	<b>-\$6,615,197</b>

\* While the Total Operating Revenues were correctly modeled, the Mid-Year budget incorrectly included actual revenues from Oct-Dec 2024 of \$0.6 million from Green Prime Premium and \$2.8 million from Other Income in the Energy Sales category. The breakdown of the budgeted Total Operating Revenues among Energy Sales, Green Prime Premium, and Other Income is shown according to the approved Mid-Year budget.



**SILICON VALLEY CLEAN ENERGY AUTHORITY  
GENERAL PROGRAM FUND  
BUDGETARY COMPARISON SCHEDULE  
October 1, 2024 through July 31, 2025**

<b>REVENUE &amp; OTHER SOURCES:</b>	<b><u>BUDGET</u></b>	<b><u>ACTUAL</u></b>	<b><u>BUDGET REMAINING</u></b>	<b><u>ACTUAL/ BUDGET</u></b>
Transfers in - General Programs	\$ 10,530,000	\$ 10,530,000	\$ -	100.0%
Total	\$ 10,530,000	\$ 10,530,000	\$ -	
<b>EXPENDITURES &amp; OTHER USES:</b>				
Program expenditures	17,552,064	8,219,326	9,332,738	46.8%
<b>Net increase (decrease) in fund balance</b>	<b><u>\$ (7,022,064)</u></b>	<b><u>\$2,310,674</u></b>		
Fund balance at beginning of period		<u>77,436,658</u>		
Fund balance at end of period		<u>\$79,747,332</u>		

**CUSTOMER RELIEF & COMMUNITY RESILIENCY FUND  
BUDGETARY COMPARISON SCHEDULE  
October 1, 2024 through July 31, 2025**

<b>REVENUE &amp; OTHER SOURCES:</b>	<b><u>BUDGET</u></b>	<b><u>ACTUAL</u></b>	<b><u>BUDGET REMAINING</u></b>	<b><u>ACTUAL/ BUDGET</u></b>
Transfer from Operating Fund	\$ 5,370,000	\$ 5,370,000	\$ -	100.0%
<b>EXPENDITURES &amp; OTHER USES:</b>				
Customer bill relief credit	4,411,000	3,707,933	703,067	84.1%
Other program expenditures	825,000	583,947	241,053	70.8%
Total Program expenditures	<u>5,236,000</u>	<u>4,291,880</u>	<u>944,120</u>	
<b>Net increase (decrease) in fund balance</b>	<b><u>\$ 134,000</u></b>	<b><u>1,078,120</u></b>		
Fund balance at beginning of period		<u>5,437,984</u>		
Fund balance at end of period		<u>\$6,516,104</u>		

**ELECTRIFICATION DISCOUNT FUND  
BUDGETARY COMPARISON SCHEDULE  
October 1, 2024 through July 31, 2025**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET REMAINING</u>	<u>ACTUAL/ BUDGET</u>
<b>REVENUE &amp; OTHER SOURCES:</b>				
Transfer from Operating Fund	\$ -	\$ -	\$ -	n/a
<b>EXPENDITURES &amp; OTHER USES:</b>				
Program expenditures	850,000	419,071	430,929	49.3%
<b>Net increase (decrease) in fund balance</b>	<u>\$ (850,000)</u>	<u>(419,071)</u>		
Fund balance at beginning of period		9,159,383		
Fund balance at end of period		<u>\$8,740,312</u>		

**BUILDING FUND  
BUDGETARY COMPARISON SCHEDULE  
October 1, 2024 through July 31, 2025**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET REMAINING</u>	<u>ACTUAL/ BUDGET</u>
<b>REVENUE &amp; OTHER SOURCES:</b>				
Transfer from Operating Fund *			\$ -	n/a
<b>EXPENDITURES &amp; OTHER USES:</b>				
Capital outlay	-	11,545,994		
Other program expenditures		<u>104,182</u>	(104,182)	
		11,650,176		
<b>Net increase (decrease) in fund balance</b>	<u>\$ -</u>	<u>(11,650,176)</u>		
Fund balance at beginning of period		20,000,000		
Fund balance at end of period		<u>\$8,349,824</u>		

**NUCLEAR AND HANFORD PROGRAM FUNDS  
BUDGETARY COMPARISON SCHEDULE  
October 1, 2024 through July 31, 2025**

<b>REVENUE &amp; OTHER SOURCES:</b>	<b><u>BUDGET</u></b>	<b><u>ACTUAL</u></b>	<b><u>BUDGET REMAINING</u></b>	<b><u>ACTUAL/ BUDGET</u></b>
Transfers in - Nuclear Allocation	\$ 3,708,000	\$ 3,708,000		
Transfer in - Hanford Emissions Mitigation Fund	\$ 1,800,000	\$ 1,800,000	\$ -	100.0%
Total	\$ 5,508,000	\$ 5,508,000	\$ -	
<b>EXPENDITURES &amp; OTHER USES:</b>				
Program expenditures	-	-	-	
<b>Net increase (decrease) in fund balance</b>	<b><u>\$ 5,508,000</u></b>	<b><u>\$5,508,000</u></b>		
Fund balance at beginning of period		2,188,000		
Fund balance at end of period		<u>\$7,696,000</u>		

**SILICON VALLEY CLEAN ENERGY AUTHORITY  
  
OPERATING FUND  
BUDGET RECONCILIATION TO STATEMENT OF  
REVENUES, EXPENSES AND CHANGES IN NET POSITION  
October 1, 2024 through July 31, 2025**

Net Increase (decrease) in available fund balance per budgetary comparison schedule	\$ 104,672,197
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position	
Subtract depreciation expense	(588,258)
Subtract program expense not in operating budget	(8,803,273)
Add back portion of lease payment applied to reduce lease liability	397,217
Add back transfer to Program funds	17,176,814
Add back capital asset acquisition	6,361
<b>Change in Net Position</b>	<b><u>112,861,058</u></b>

**SILICON VALLEY CLEAN ENERGY AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**October 1, 2024 through July 31, 2025**

	October	November	December	January	February	March	April	May	June	July	August	September	YTD
<b>OPERATING REVENUES</b>													
Electricity sales, net	\$ 42,272,261	\$ 36,066,964	\$ 40,444,049	\$ 37,228,673	\$ 35,529,828	\$ 34,904,798	\$ 31,391,510	\$ 34,317,024	\$ 43,774,198	\$ 47,602,905			\$ 383,532,210
Green electricity premium	\$ 216,009	\$ 177,897	\$ 192,481	\$ 188,052	\$ 178,307	\$ 193,727	\$ 206,394	\$ 187,690	\$ 201,357	\$ 229,732			1,971,646
Liquidated damages	\$ 2,400,000	\$ 404,610			\$ 4,769,259			\$ 7,335	\$ 5,523	\$ 88			7,586,815
Total operating revenues	44,888,270	36,649,471	40,636,530	37,416,725	40,477,394	35,098,525	31,597,904	34,512,049	43,981,078	47,832,725	-	-	393,090,671
<b>OPERATING EXPENSES</b>													
Cost of electricity	29,690,455	\$ 23,435,665	\$ 24,597,864	\$ 30,250,162	\$ 31,366,058	\$ 27,919,533	\$ 23,596,328	\$ 24,645,113	\$ 25,010,833	\$ 25,157,503			265,669,514
Staff compensation and benefits	1,153,708	\$ 1,135,297	\$ 1,503,015	\$ 1,268,232	\$ 1,111,324	\$ 1,224,232	\$ 1,176,748	\$ 1,236,271	\$ 1,148,872	\$ 1,252,085			12,209,784
Data manager	270,465	\$ 270,551	\$ 270,449	\$ 271,060	\$ 271,407	\$ 297,492	\$ 298,166	\$ 299,318	\$ 299,619	\$ 299,620			2,848,147
Service fees - PG&E	100,000	\$ 96,085	\$ 104,098	\$ 99,430	\$ 99,450	\$ 99,963	\$ 100,000	\$ 103,680	\$ 100,000	\$ 100,880			1,003,586
Consultants and other professional fees	806,956	\$ 771,641	\$ 713,688	\$ 488,719	\$ 758,117	\$ 686,305	\$ 1,228,117	\$ 593,977	\$ 732,144	\$ 1,153,794			7,933,458
Other operating expenses	462,895	\$ 852,622	\$ 1,008,087	\$ 522,513	\$ 628,025	\$ 686,023	\$ 840,532	\$ 695,796	\$ 1,071,290	\$ 1,258,483			8,026,266
Depreciation	53,537	\$ 53,341	\$ 65,816	\$ 65,817	\$ 65,679	\$ 79,983	\$ 79,788	\$ 35,349	\$ 64,577	\$ 24,371			588,258
Total operating expenses	32,538,016	26,615,202	28,263,017	32,965,933	34,300,060	30,993,531	27,319,679	27,609,504	28,427,335	29,246,736	-	-	298,279,013
Operating income (loss)	12,350,254	10,034,269	12,373,513	4,450,792	6,177,334	4,104,994	4,278,225	6,902,545	15,553,743	18,585,989	-	-	94,811,658
<b>NONOPERATING REVENUES (EXPENSES)</b>													
Grant income	-	\$ -											-
Interest income	428,694	\$ 1,712,666	\$ 1,742,311	\$ 2,102,525	\$ 2,556,286	\$ 2,024,762	\$ 2,554,759	\$ 1,112,698	\$ 2,555,003	\$ 1,264,969			18,054,673
Financing costs	(701)	\$ (625)	\$ (549)	\$ (472)	\$ (2,125)	\$ (308)	\$ (241)	\$ (164)	\$ (88)				(5,273)
Total nonoperating revenues (expenses)	427,993	1,712,041	1,741,762	2,102,053	2,554,161	2,024,454	2,554,518	1,112,534	2,554,915	1,264,969	-	-	18,049,400
<b>CHANGE IN NET POSITION</b>	<b>\$ 12,778,247</b>	<b>\$ 11,746,310</b>	<b>\$ 14,115,275</b>	<b>\$ 6,552,845</b>	<b>\$ 8,731,495</b>	<b>\$ 6,129,448</b>	<b>\$ 6,832,743</b>	<b>\$ 8,015,079</b>	<b>\$ 18,108,658</b>	<b>\$ 19,850,958</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 112,861,058</b>

**SILICON VALLEY CLEAN ENERGY AUTHORITY**  
**INVESTMENTS SUMMARY**  
October 1, 2024 through July 31, 2025

Ending Balance of SVCE Accounts:	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	\$ 33,363,756	\$ 28,561,690	\$ 48,885,983	\$ 23,794,276	\$ 27,049,188	\$ 42,937,816	\$ 45,927,353	\$ 32,564,164	\$ 21,348,354	\$ 29,484,354		
California Asset Management Program (CAMP)	\$ 206,767,899	\$ 229,607,825	\$ 216,507,939	\$ 249,409,396	\$ 240,227,528	\$ 233,113,584	\$ 233,966,069	\$ 255,875,229	\$ 260,768,773	\$ 259,694,922		
PFM Asset Management Investment Portfolio	\$ 281,807,003	\$ 270,469,593	\$ 271,357,416	\$ 273,147,693	\$ 276,597,488	\$ 275,221,074	\$ 277,682,923	\$ 277,661,144	\$ 278,632,183	\$ 279,442,298		
<b>Total Ending Balance</b>	<b>\$ 521,938,658</b>	<b>\$ 528,639,108</b>	<b>\$ 536,751,338</b>	<b>\$ 546,351,364</b>	<b>\$ 543,874,204</b>	<b>\$ 551,272,475</b>	<b>\$ 557,576,345</b>	<b>\$ 566,100,537</b>	<b>\$ 560,749,310</b>	<b>\$ 568,621,573</b>		

**Return On Investments:**

Annual % Yield	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	4.58%	4.58%	4.55%	4.53%	4.42%	4.39%	4.36%	4.35%	4.33%	4.31%		
California Asset Management Program (CAMP)	5.03%	4.87%	4.73%	4.55%	4.51%	4.47%	4.45%	4.42%	4.40%	4.41%		
PFM Asset Management Investment Portfolio *	4.45%	4.45%	4.45%	4.40%	4.33%	4.25%	4.14%	4.30%	4.16%	4.24%		
<b>Average Return On Investments:</b>	<b>4.69%</b>	<b>4.64%</b>	<b>4.57%</b>	<b>4.47%</b>	<b>4.41%</b>	<b>4.35%</b>	<b>4.29%</b>	<b>4.36%</b>	<b>4.28%</b>	<b>4.32%</b>		

\* Yield to Maturity at Market.

Accounting Returns	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	\$ 14,385	\$ 26,036	\$ 36,682	\$ 38,759	\$ 20,782	\$ 21,676	\$ 25,765	\$ 47,976	\$ 28,267	\$ 26,096		
California Asset Management Program (CAMP)	\$ 908,552	\$ 839,926	\$ 900,114	\$ 901,457	\$ 818,132	\$ 886,056	\$ 852,485	\$ 909,160	\$ 893,544	\$ 926,148		
Other Interest Income	\$ 4,447	\$ 2,470	\$ 2,313	\$ 2,322	\$ 2,242	\$ 2,020	\$ 2,181	\$ 2,089	\$ 2,151	\$ 2,083		
PFM Asset Management Investment Portfolio *	\$ (498,690)	\$ 844,234	\$ 803,202	\$ 1,159,987	\$ 1,715,130	\$ 1,115,010	\$ 1,674,328	\$ 153,474	\$ 1,631,039	\$ 310,642		
<b>Total Interest and Investment Gains</b>	<b>\$ 428,694</b>	<b>\$ 1,712,666</b>	<b>\$ 1,742,311</b>	<b>\$ 2,102,525</b>	<b>\$ 2,556,286</b>	<b>\$ 2,024,762</b>	<b>\$ 2,554,758</b>	<b>\$ 1,112,699</b>	<b>\$ 2,555,002</b>	<b>\$ 1,264,969</b>		

\* Includes change in current market value (month over month), accrued interest and money market dividends (as per US GAAP).

Actual and Accrued Cash Basis Returns	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	\$ 14,385	\$ 26,036	\$ 36,682	\$ 38,759	\$ 20,782	\$ 21,676	\$ 25,765	\$ 47,976	\$ 28,267	\$ 26,096		
Camp Pool Composition (based on market value):	\$ 908,552	\$ 839,926	\$ 900,114	\$ 901,457	\$ 818,132	\$ 886,056	\$ 852,485	\$ 909,160	\$ 893,544	\$ 926,148		
Other Interest Income	\$ 4,447	\$ 2,470	\$ 2,313	\$ 2,322	\$ 2,242	\$ 2,020	\$ 2,181	\$ 2,089	\$ 2,151	\$ 2,083		
PFM Asset Management Investment Portfolio *	\$ 945,927	\$ 954,874	\$ 1,046,439	\$ 1,048,124	\$ 1,144,192	\$ 895,923	\$ 1,043,886	\$ 1,476,104	\$ 952,095	\$ 1,080,253		
<b>Total Interest and Investment Gains</b>	<b>\$ 1,873,311</b>	<b>\$ 1,823,305</b>	<b>\$ 1,985,548</b>	<b>\$ 1,990,662</b>	<b>\$ 1,985,349</b>	<b>\$ 1,805,676</b>	<b>\$ 1,924,316</b>	<b>\$ 2,435,329</b>	<b>\$ 1,876,058</b>	<b>\$ 2,034,580</b>		

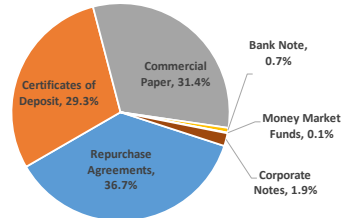
\* Includes interest/dividends/coupons received, net realized gains/losses and monthly change in accrued interest.

**CAMP Portfolio Statistics**

As of July 31, 2025

Beginning of the Month Market Value	\$ 260,768,773
Ending of The Month Market Value	\$ 259,694,922
Monthly Distribution Yield	4.41%
Weighted Average Maturity (days)	48

Camp Pool Composition (based on market value)



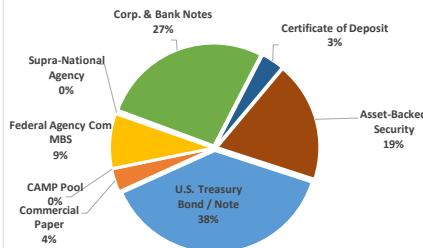
**PFM Portfolio Statistics**

As of July 31, 2025

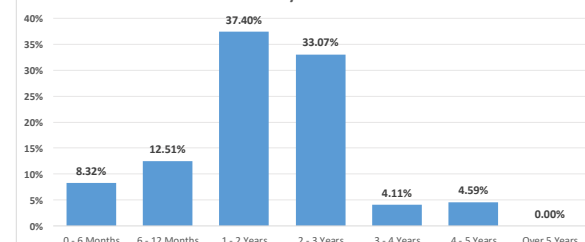
Portfolio Par Value	\$ 277,670,913
Portfolio Market Value (incl. Accrued Interest)	\$ 279,442,298
Yield to Maturity at Cost	4.46%
Yield to Maturity at Market	4.24%
Benchmark Yield*	4.03%
Portfolio Effective Duration (years)	1.34
Weighted Average Maturity (days)	670

\*ICE BofA 0-3 Year U.S. Treasury Index

SVCE PFM Portfolio Investments



Maturity Distribution



**SVCE Investment Policy:**

[https://svcleanenergy.org/wp-content/uploads/FP-08\\_investments.pdf](https://svcleanenergy.org/wp-content/uploads/FP-08_investments.pdf)

**SILICON VALLEY CLEAN ENERGY AUTHORITY  
RETAIL SALES, CUSTOMER ACCOUNTS AND AGING REPORT**

	October	November	December	January	February	March	April	May	June	July	August	September	YTD
Retail Sales Actual (GWh)	338.0	306.3	334.6	341.1	312.1	329.2	305.1	315.8	303.8	309.1			3,195
Retail Sales MY Budget (GWh)	338.0	306.3	334.6	363.3	341.8	326.0	310.5	310.3	323.6	342.9	348.8	344.1	3,297
Load deviation from the Budget	0.0%	0.0%	0.0%	-6.1%	-8.7%	1.0%	-1.7%	1.8%	-6.1%	-9.9%			-3.1%
Customer Participation Rate Res	96.1%	96.1%	96.2%	96.1%	96.2%	96.2%	96.2%	96.2%	96.2%	96.2%			
Customer Participation Rate Com	96.5%	96.5%	96.4%	96.5%	96.2%	96.4%	96.5%	96.5%	96.5%	96.5%			
Total Accounts	281,658	282,096	281,927	281,940	282,098	282,423	282,833	283,264	283,631	283,612			283,612
Opt-Out Accounts	41	25	31	66	42	40	50	24	21	31			371
Opt-Up Accounts	-7	17	-23	-9	8	-11	-8	-11	-6	-18			-68

**Age Summary (as of 8/1/2025)**

<30 days	\$36,488,705
<60 days	\$2,379,304
<90 days	\$918,722
<120 days	\$523,188
Older	\$3,403,514

**Accounts Receivable Days**

**30 Days**

**\$43,713,434**

**TOTAL DUE**

**Bad Debt % (Budget)**

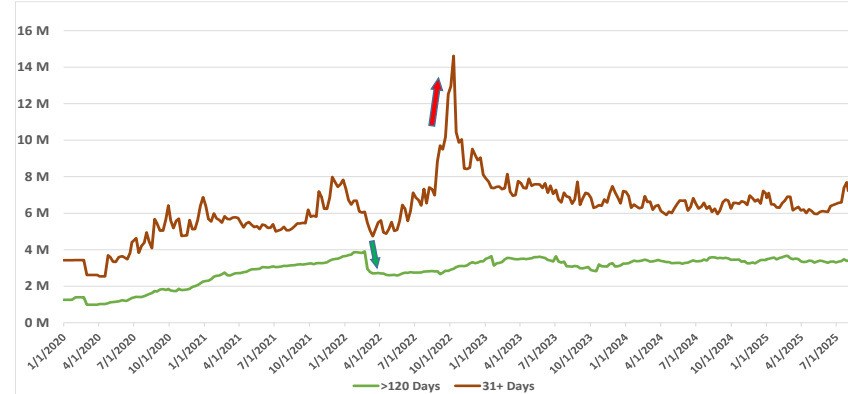
**0.75%**

**Bad Debt % (Actual)**

July 2025 FYTD

**0.33%**

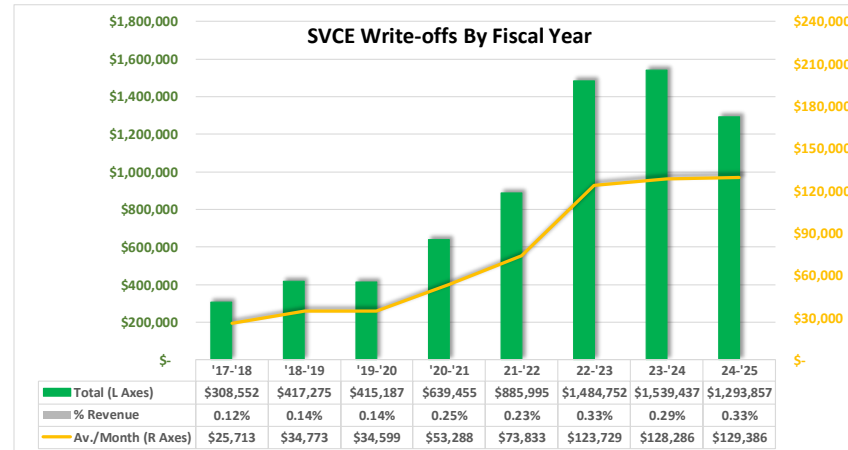
**SVCE Arrearager Total for customers 31+ days late and 120+ days late**



	Date	Amount
High	11/29/2021	\$7.99M
Low	4/17/2020	\$2.54M
Current	8/1/2025	\$7.2 M

- Green arrow indicates receipt of \$1.3M in Federal CAPP funds.
- An additional \$717K in CAPP funding provided in Winter 2023.
- Growth at red arrow indicates short-term PG&E billing-hold issue in Fall 2022 that was quickly resolved.

**SVCE Write-offs By Fiscal Year**



Silicon Valley Clean Energy

July 31, 2025

### Certificate of Compliance

During the reporting period for the month ended July 31, 2025, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc.

*Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Financial LP Asset and Investment Management ("AIM").*





## Managed Account Security Transactions & Interest

For the Month Ending **July 31, 2025**

### Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
<b>BUY</b>											
	07/01/25	07/07/25	US TREASURY N/B DTD 06/16/2025 3.875% 06/15/2028	91282CNH0	3,000,000.00	(3,010,781.25)	(6,987.70)	(3,017,768.95)			
	07/03/25	07/09/25	US TREASURY N/B DTD 06/30/2025 3.750% 06/30/2027	91282CNL1	1,250,000.00	(1,247,314.45)	(1,146.40)	(1,248,460.85)			
	07/03/25	07/09/25	US TREASURY N/B DTD 06/16/2025 3.875% 06/15/2028	91282CNH0	1,000,000.00	(1,001,328.13)	(2,540.98)	(1,003,869.11)			
	07/15/25	07/22/25	AMXCA 2025-4 A DTD 07/22/2025 4.300% 07/15/2030	02582JKV1	820,000.00	(819,881.84)	0.00	(819,881.84)			
	07/17/25	07/21/25	PNC BANK NA (CALLABLE) DTD 07/21/2025 4.429% 07/21/2028	69353RFZ6	250,000.00	(250,000.00)	0.00	(250,000.00)			
	07/21/25	07/24/25	TRUIST BANK (CALLABLE) DTD 07/24/2025 4.420% 07/24/2028	89788JAF6	625,000.00	(625,000.00)	0.00	(625,000.00)			
	07/23/25	07/30/25	CHAOT 2025-1A A3 DTD 07/30/2025 4.290% 06/25/2030	16145NAC5	760,000.00	(759,925.75)	0.00	(759,925.75)			
	07/28/25	07/30/25	US TREASURY N/B DTD 07/15/2025 3.875% 07/15/2028	91282CNM9	1,250,000.00	(1,249,804.69)	(1,974.35)	(1,251,779.04)			
	07/29/25	08/06/25	TMUST 2025-2A A DTD 08/06/2025 4.340% 04/22/2030	87268MAA3	515,000.00	(514,990.88)	0.00	(514,990.88)			
<b>Transaction Type Sub-Total</b>					<b>9,470,000.00</b>	<b>(9,479,026.99)</b>	<b>(12,649.43)</b>	<b>(9,491,676.42)</b>			
<b>INTEREST</b>											
	07/01/25	07/25/25	FHMS K066 A2 DTD 08/01/2017 3.117% 06/01/2027	3137F2LJ3		0.00	2,727.38	2,727.38			
	07/01/25	07/25/25	FHMS K069 A2 DTD 11/01/2017 3.187% 09/01/2027	3137FBU79		0.00	1,954.76	1,954.76			
	07/01/25	07/25/25	FHMS KJ28 A2 DTD 02/01/2020 2.308% 10/01/2027	3137FREE7		0.00	3,081.75	3,081.75			
	07/01/25	07/25/25	FHMS K074 A2 DTD 03/01/2018 3.600% 01/01/2028	3137F4D41		0.00	3,000.00	3,000.00			
	07/01/25	07/25/25	FHMS K733 A2 DTD 11/01/2018 3.750% 08/01/2025	3137FJX07		0.00	1,041.51	1,041.51			
	07/01/25	07/25/25	FHMS K058 A1 DTD 11/01/2016 2.340% 07/01/2026	3137BSP64		0.00	480.55	480.55			


**Managed Account Security Transactions & Interest**

 For the Month Ending **July 31, 2025**

Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
<b>INTEREST</b>											
	07/01/25	07/25/25	FHMS K739 A2 DTD 11/01/2020 1.336% 09/01/2027	3137F64P9		0.00	2,642.39	2,642.39			
	07/01/25	07/25/25	FHMS K076 A2 DTD 05/01/2018 3.900% 04/01/2028	3137FEZU7		0.00	3,900.00	3,900.00			
	07/01/25	07/25/25	FHMS K059 A2 DTD 11/01/2016 3.120% 09/01/2026	3137BSRE5		0.00	1,820.00	1,820.00			
	07/01/25	07/25/25	FHMS K068 A2 DTD 10/01/2017 3.244% 08/01/2027	3137FBBX3		0.00	2,297.83	2,297.83			
	07/01/25	07/25/25	FHMS K736 A2 DTD 09/01/2019 2.282% 07/01/2026	3137FNWX4		0.00	1,272.90	1,272.90			
	07/01/25	07/25/25	FHMS K079 A2 DTD 08/01/2018 3.926% 06/01/2028	3137FGZT5		0.00	4,907.50	4,907.50			
	07/01/25	07/25/25	FHMS K057 A2 DTD 09/01/2016 2.570% 07/01/2026	3137BRQJ7		0.00	2,391.62	2,391.62			
	07/01/25	07/25/25	FHMS K065 A1 DTD 07/01/2017 2.864% 10/01/2026	3137F1G36		0.00	908.19	908.19			
	07/01/25	07/25/25	FNA 2024-M6 A2 DTD 11/01/2024 2.908% 07/01/2027	3136BTGM9		0.00	4,845.88	4,845.88			
	07/01/25	07/25/25	FHMS K054 A2 DTD 04/01/2016 2.745% 01/01/2026	3137BNGT5		0.00	2,259.05	2,259.05			
	07/01/25	07/25/25	FHMS K067 A2 DTD 09/01/2017 3.194% 07/01/2027	3137FAWS3		0.00	4,591.38	4,591.38			
	07/01/25	07/25/25	FHMS K063 A2 DTD 03/01/2017 3.430% 01/01/2027	3137BVZ82		0.00	6,359.79	6,359.79			
	07/01/25	07/25/25	FHMS K737 A2 DTD 01/01/2020 2.525% 10/01/2026	3137FQXJ7		0.00	2,209.37	2,209.37			
	07/01/25	07/25/25	FNA 2018-M2 A2 DTD 02/01/2018 2.905% 01/01/2028	3136B0YM2		0.00	3,160.21	3,160.21			
	07/01/25	07/25/25	FHMS K075 A2 DTD 04/01/2018 3.650% 02/01/2028	3137F4X72		0.00	4,486.46	4,486.46			
	07/07/25	07/07/25	CATERPILLAR FINL SERVICE (CALLABLE) DTD 01/08/2025 4.500% 01/07/2027	14913UAV2		0.00	22,375.00	22,375.00			



# Managed Account Security Transactions & Interest

For the Month Ending July 31, 2025

Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale
Trade	Settle							Cost	Amort Cost	Method
INTEREST										
07/08/25	07/08/25	CATERPILLAR FINL SERVICE DTD 01/08/2024 4.500% 01/08/2027	14913UAE0		0.00	7,087.50	7,087.50			
07/08/25	07/08/25	JOHN DEERE CAPITAL CORP DTD 01/09/2025 4.500% 01/08/2027	24422EXY0		0.00	13,425.00	13,425.00			
07/08/25	07/08/25	JOHN DEERE CAPITAL CORP DTD 01/08/2024 4.500% 01/08/2027	24422EXF1		0.00	9,000.00	9,000.00			
07/09/25	07/09/25	COOPERAT RABOBANK UA/NY DTD 01/09/2024 4.850% 01/09/2026	21688ABA9		0.00	14,550.00	14,550.00			
07/09/25	07/09/25	AMERICAN HONDA FINANCE DTD 07/10/2024 4.900% 07/09/2027	02665WFK2		0.00	19,600.00	19,600.00			
07/09/25	07/09/25	MERCEDES-BENZ FIN NA DTD 01/11/2024 4.900% 01/09/2026	58769JAP2		0.00	19,600.00	19,600.00			
07/10/25	07/10/25	UBS AG STAMFORD CT (CALLABLE) DTD 01/10/2025 4.864% 01/10/2028	90261AAD4		0.00	14,105.60	14,105.60			
07/12/25	07/12/25	MORGAN STANLEY BANK NA (CALLABLE) DTD 01/21/2025 5.016% 01/12/2029	61690DK72		0.00	16,201.68	16,201.68			
07/15/25	07/15/25	MBART 2023-2 A2 DTD 10/25/2023 5.920% 11/16/2026	58769FAB1		0.00	5.57	5.57			
07/15/25	07/15/25	TAOT 2024-D A2A DTD 10/17/2024 4.550% 08/16/2027	89239TAB8		0.00	1,737.98	1,737.98			
07/15/25	07/15/25	KCOT 2025-1A A2 DTD 02/19/2025 4.610% 12/15/2027	50117FAB7		0.00	2,439.46	2,439.46			
07/15/25	07/15/25	TAOT 2024-A A3 DTD 01/30/2024 4.830% 10/16/2028	89238DAD0		0.00	1,348.38	1,348.38			
07/15/25	07/15/25	US TREASURY N/B DTD 01/16/2024 4.000% 01/15/2027	91282CJT9		0.00	70,000.00	70,000.00			
07/15/25	07/15/25	AMXCA 2024-1 A DTD 04/23/2024 5.230% 04/16/2029	02582JKH2		0.00	3,116.21	3,116.21			
07/15/25	07/15/25	FORDO 2023-C A3 DTD 11/21/2023 5.530% 09/15/2028	344940AD3		0.00	1,566.83	1,566.83			
07/15/25	07/15/25	DCENT 2023-A1 A DTD 04/11/2023 4.310% 03/15/2028	254683CY9		0.00	4,669.17	4,669.17			


**Managed Account Security Transactions & Interest**
For the Month Ending **July 31, 2025**

Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
<b>INTEREST</b>											
	07/15/25	07/15/25	NAROT 2024-B A2A DTD 10/23/2024 4.510% 06/15/2027	65479WAB0		0.00	3,540.88	3,540.88			
	07/15/25	07/15/25	KCOT 2024-2A A2 DTD 06/25/2024 5.450% 04/15/2027	50117DAB2		0.00	1,074.34	1,074.34			
	07/15/25	07/15/25	JOHN DEERE CAPITAL CORP DTD 09/06/2024 4.200% 07/15/2027	24422EXV6		0.00	12,285.00	12,285.00			
	07/15/25	07/15/25	FORDO 2024-D A2A DTD 11/22/2024 4.590% 10/15/2027	34535VAB0		0.00	1,969.88	1,969.88			
	07/15/25	07/15/25	KCOT 2025-2A A2 DTD 06/25/2025 4.480% 04/17/2028	50117LAB4		0.00	746.67	746.67			
	07/15/25	07/15/25	MBART 2025-1 A2A DTD 01/23/2025 4.500% 02/15/2028	58773DAB0		0.00	7,079.84	7,079.84			
	07/15/25	07/15/25	TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4		0.00	1,108.00	1,108.00			
	07/15/25	07/15/25	CARMX 2022-2 A3 DTD 04/28/2022 3.490% 02/16/2027	14317HAC5		0.00	372.49	372.49			
	07/15/25	07/15/25	WOART 2024-B A2A DTD 05/22/2024 5.480% 09/15/2027	98164HAB4		0.00	674.11	674.11			
	07/15/25	07/15/25	AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028	02582JKD1		0.00	3,595.62	3,595.62			
	07/15/25	07/15/25	WOART 2025-A A2A DTD 01/29/2025 4.490% 04/17/2028	98164YAB7		0.00	4,302.92	4,302.92			
	07/15/25	07/15/25	FORDO 2025-A A2A DTD 03/25/2025 4.470% 12/15/2027	34535KAB4		0.00	7,748.00	7,748.00			
	07/15/25	07/15/25	WOART 2023-D A2A DTD 11/08/2023 5.910% 02/16/2027	98164DAB3		0.00	191.52	191.52			
	07/15/25	07/15/25	FORDO 2024-C A2A DTD 09/20/2024 4.320% 08/15/2027	34532UAB5		0.00	1,958.10	1,958.10			
	07/15/25	07/15/25	COMET 2024-A1 A DTD 09/24/2024 3.920% 09/15/2029	14041NGE5		0.00	4,736.67	4,736.67			
	07/15/25	07/15/25	ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2		0.00	1,940.72	1,940.72			
	07/15/25	07/15/25	AMXCA 2025-1 A DTD 02/11/2025 4.560% 12/17/2029	02582JKM1		0.00	6,137.00	6,137.00			


**Managed Account Security Transactions & Interest**
For the Month Ending **July 31, 2025**

Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
<b>INTEREST</b>											
	07/15/25	07/15/25	BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8		0.00	1,473.25	1,473.25			
	07/15/25	07/15/25	MASTERCARD INC (CALLABLE) DTD 09/05/2024 4.100% 01/15/2028	57636QBA1		0.00	7,585.00	7,585.00			
	07/15/25	07/15/25	FORDO 2024-A A2A DTD 03/19/2024 5.320% 01/15/2027	34535EAB8		0.00	611.16	611.16			
	07/15/25	07/15/25	HART 2025-A A3 DTD 03/12/2025 4.320% 10/15/2029	44935CAD3		0.00	6,102.00	6,102.00			
	07/15/25	07/15/25	BACCT 2024-A1 A DTD 06/13/2024 4.930% 05/15/2029	05522RDJ4		0.00	4,231.58	4,231.58			
	07/15/25	07/15/25	US TREASURY N/B DTD 01/15/2025 4.250% 01/15/2028	91282CMF5		0.00	56,312.50	56,312.50			
	07/15/25	07/15/25	TAOT 2024-C A2A DTD 07/30/2024 5.160% 05/17/2027	89237QAB6		0.00	835.81	835.81			
	07/15/25	07/15/25	WFCIT 2024-A1 A DTD 03/01/2024 4.940% 02/15/2029	92970QAA3		0.00	3,807.92	3,807.92			
	07/15/25	07/15/25	US TREASURY N/B DTD 07/17/2023 4.500% 07/15/2026	91282CHM6		0.00	78,750.00	78,750.00			
	07/15/25	07/15/25	WOART 2024-C A2A DTD 08/20/2024 4.780% 01/18/2028	98164NAB1		0.00	2,502.72	2,502.72			
	07/15/25	07/15/25	ALLYA 2024-2 A3 DTD 09/27/2024 4.140% 07/16/2029	02007NAC2		0.00	2,277.00	2,277.00			
	07/15/25	07/15/25	WFCIT 2024-A2 A DTD 10/24/2024 4.290% 10/15/2029	92970QAE5		0.00	2,341.63	2,341.63			
	07/15/25	07/15/25	COPAR 2024-1 A2A DTD 11/26/2024 4.610% 10/15/2027	14043NAB5		0.00	1,215.19	1,215.19			
	07/15/25	07/15/25	HART 2023-C A2A DTD 11/13/2023 5.800% 01/15/2027	44918CAB8		0.00	430.61	430.61			
	07/15/25	07/15/25	TAOT 2025-A A2A DTD 01/29/2025 4.480% 11/15/2027	89240JAB7		0.00	6,608.00	6,608.00			
	07/15/25	07/15/25	WOART 2024-A A2A DTD 02/14/2024 5.050% 04/15/2027	98164RAB2		0.00	322.76	322.76			
	07/15/25	07/15/25	COPAR 2023-2 A2A DTD 10/11/2023 5.910% 10/15/2026	14044EAB4		0.00	242.73	242.73			




**Managed Account Security Transactions & Interest**
For the Month Ending **July 31, 2025**

Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
<b>INTEREST</b>											
	07/15/25	07/15/25	CHAIT 2024-A1 A DTD 01/31/2024 4.600% 01/16/2029	161571HV9		0.00	2,664.17	2,664.17			
	07/15/25	07/15/25	HAROT 2024-1 A2 DTD 02/21/2024 5.360% 09/15/2026	437918AB1		0.00	1,068.50	1,068.50			
	07/15/25	07/15/25	FORDO 2024-B A2A DTD 06/24/2024 5.400% 04/15/2027	345310AB5		0.00	4,139.22	4,139.22			
	07/15/25	07/15/25	UNITEDHEALTH GROUP INC DTD 07/25/2024 4.750% 07/15/2026	91324PFF4		0.00	6,531.25	6,531.25			
	07/15/25	07/15/25	US TREASURY N/B DTD 07/15/2024 4.375% 07/15/2027	91282CKZ3		0.00	21,875.00	21,875.00			
	07/15/25	07/15/25	HAROT 2024-4 A2 DTD 10/24/2024 4.560% 03/15/2027	43816DAB1		0.00	4,970.90	4,970.90			
	07/15/25	07/15/25	NAROT 2025-A A3 DTD 05/27/2025 4.490% 12/17/2029	65481GAD7		0.00	4,621.30	4,621.30			
	07/15/25	07/15/25	HDMOT 2023-B A3 DTD 09/27/2023 5.690% 08/15/2028	41285YAC9		0.00	4,295.56	4,295.56			
	07/15/25	07/15/25	TAOT 2024-B A2A DTD 04/30/2024 5.410% 03/15/2027	89237NAB3		0.00	1,052.64	1,052.64			
	07/15/25	07/15/25	NAROT 2024-A A2A DTD 05/22/2024 5.470% 12/15/2026	65479UAB4		0.00	1,341.29	1,341.29			
	07/15/25	07/15/25	HART 2022-C A3 DTD 11/09/2022 5.390% 06/15/2027	44933DAD3		0.00	1,085.70	1,085.70			
	07/15/25	07/15/25	WFCIT 2025-A1 A DTD 06/10/2025 4.340% 05/15/2030	92970QAJ4		0.00	4,746.87	4,746.87			
	07/15/25	07/15/25	KCOT 2024-1A A2 DTD 02/21/2024 5.390% 01/15/2027	50117BAB6		0.00	1,819.41	1,819.41			
	07/15/25	07/15/25	AMXCA 2025-2 A DTD 05/13/2025 4.280% 04/15/2030	02582JKP4		0.00	3,727.17	3,727.17			
	07/15/25	07/15/25	NAROT 2023-B A2A DTD 10/25/2023 5.950% 05/15/2026	65480MAB9		0.00	102.69	102.69			
	07/15/25	07/15/25	HART 2024-B A2A DTD 07/24/2024 5.150% 06/15/2027	44934QAB7		0.00	1,476.86	1,476.86			
	07/15/25	07/15/25	ALLYA 2024-1 A3 DTD 03/13/2024 5.080% 12/15/2028	02008FAC8		0.00	1,629.83	1,629.83			


**Managed Account Security Transactions & Interest**
For the Month Ending **July 31, 2025**

Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
<b>INTEREST</b>											
	07/15/25	07/15/25	CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028	161571HT4		0.00	3,461.50	3,461.50			
	07/15/25	07/15/25	BAAT 2023-2A A3 DTD 11/21/2023 5.740% 06/15/2028	06054YAC1		0.00	4,018.00	4,018.00			
	07/15/25	07/15/25	HART 2024-C A2A DTD 10/16/2024 4.530% 09/15/2027	448976AB6		0.00	2,829.87	2,829.87			
	07/15/25	07/15/25	BAAT 2024-1A A3 DTD 05/22/2024 5.350% 11/15/2028	09709AAC6		0.00	557.29	557.29			
	07/15/25	07/15/25	WELLS FARGO BANK NA (CALLABLE) DTD 01/23/2024 4.811% 01/15/2026	94988J6H5		0.00	24,055.00	24,055.00			
	07/15/25	07/15/25	USAOT 2024-A A2 DTD 07/30/2024 5.250% 03/15/2027	90327VAB4		0.00	2,421.82	2,421.82			
	07/16/25	07/16/25	GMCAR 2024-3 A2A DTD 07/10/2024 5.350% 06/16/2027	38013KAB6		0.00	1,633.47	1,633.47			
	07/16/25	07/16/25	GMCAR 2023-4 A3 DTD 10/11/2023 5.780% 08/16/2028	379930AD2		0.00	2,263.83	2,263.83			
	07/16/25	07/16/25	GMCAR 2025-1 A2A DTD 01/15/2025 4.440% 01/18/2028	362955AB2		0.00	5,254.72	5,254.72			
	07/16/25	07/16/25	GMCAR 2024-2 A2A DTD 04/10/2024 5.330% 03/16/2027	379931AB4		0.00	357.78	357.78			
	07/16/25	07/16/25	GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7		0.00	444.58	444.58			
	07/16/25	07/16/25	GMCAR 2024-4 A2A DTD 10/16/2024 4.530% 10/18/2027	38014AAB7		0.00	1,897.47	1,897.47			
	07/17/25	07/17/25	ADOBE INC (CALLABLE) DTD 01/17/2025 4.750% 01/17/2028	00724PAH2		0.00	31,825.00	31,825.00			
	07/20/25	07/20/25	VALET 2024-1 A2A DTD 11/26/2024 4.650% 11/22/2027	92868RAB4		0.00	4,733.37	4,733.37			
	07/20/25	07/20/25	VALET 2025-1 A2A DTD 03/25/2025 4.510% 01/20/2028	92868MAB5		0.00	6,765.00	6,765.00			
	07/20/25	07/20/25	VALET 2023-2 A2A DTD 11/21/2023 5.720% 03/22/2027	92867YAB0		0.00	584.09	584.09			
	07/20/25	07/20/25	BAAT 2025-1A A3 DTD 05/12/2025 4.350% 11/20/2029	05594BAD8		0.00	1,015.00	1,015.00			



### Managed Account Security Transactions & Interest

For the Month Ending **July 31, 2025**

Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
<b>INTEREST</b>											
	07/20/25	07/20/25	PILOT 2025-1A A3 DTD 05/21/2025 4.610% 10/20/2028	73329KAD8		0.00	1,383.00	1,383.00			
	07/20/25	07/20/25	VZMT 2025-3 A1A DTD 03/31/2025 4.510% 03/20/2030	92348KDY6		0.00	5,675.08	5,675.08			
	07/21/25	07/21/25	HAROT 2024-3 A2 DTD 08/21/2024 4.890% 02/22/2027	43813YAB8		0.00	2,279.94	2,279.94			
	07/21/25	07/21/25	COOPERAT RABOBANK UA/NY DTD 01/21/2025 4.883% 01/21/2028	21688ABK7		0.00	32,960.25	32,960.25			
	07/21/25	07/21/25	HAROT 2025-1 A2 DTD 02/11/2025 4.530% 08/23/2027	43814VAB3		0.00	10,192.50	10,192.50			
	07/21/25	07/21/25	HAROT 2023-4 A3 DTD 11/08/2023 5.670% 06/21/2028	438123AC5		0.00	921.38	921.38			
	07/22/25	07/22/25	PFAST 2024-1A A2A DTD 12/13/2024 4.450% 01/24/2028	73328EAB7		0.00	1,542.09	1,542.09			
	07/23/25	07/23/25	PNC FINANCIAL SERVICES (CALLABLE) DTD 07/23/2024 5.102% 07/23/2027	693475BY0		0.00	21,045.75	21,045.75			
	07/25/25	07/25/25	CHAOT 2024-4A A2 DTD 07/30/2024 5.250% 09/27/2027	16144YAB4		0.00	1,125.79	1,125.79			
	07/25/25	07/25/25	CHAOT 2024-2A A2 DTD 04/25/2024 5.660% 05/26/2027	16144CAB2		0.00	866.85	866.85			
	07/25/25	07/25/25	CHAOT 2024-5A A2 DTD 09/24/2024 4.400% 11/26/2027	16144OAB1		0.00	696.13	696.13			
	07/25/25	07/25/25	CHAOT 2024-3A A2 DTD 06/27/2024 5.530% 09/27/2027	16144LAB2		0.00	1,633.22	1,633.22			
	07/25/25	07/25/25	CHAOT 2024-1A A2 DTD 03/27/2024 5.480% 04/26/2027	16144BAB4		0.00	167.65	167.65			
	07/25/25	07/25/25	BMWLT 2025-1 A3 DTD 06/10/2025 4.430% 06/26/2028	096912AD2		0.00	2,741.06	2,741.06			
	07/25/25	07/25/25	BMWOT 2025-A A2A DTD 02/12/2025 4.430% 10/25/2027	096924AB1		0.00	3,414.79	3,414.79			
	07/25/25	07/25/25	BMWOT 2024-A A3 DTD 06/11/2024 5.180% 02/26/2029	096919AD7		0.00	3,086.42	3,086.42			




**Managed Account Security Transactions & Interest**

 For the Month Ending **July 31, 2025**

Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
<b>INTEREST</b>											
	07/26/25	07/26/25	BANK OF NY MELLON CORP (CALLABLE) DTD 01/26/2022 2.050% 01/26/2027	06406RBA4		0.00	12,812.50	12,812.50			
	07/26/25	07/26/25	BLACKROCK FUNDING INC (CALLABLE) DTD 07/26/2024 4.600% 07/26/2027	09290DAH4		0.00	11,385.00	11,385.00			
	07/26/25	07/26/25	GOLDMAN SACHS GROUP INC (CALLABLE) DTD 01/26/2017 3.850% 01/26/2027	38141GWB6		0.00	16,362.50	16,362.50			
	07/27/25	07/27/25	MORGAN STANLEY DTD 07/25/2016 3.125% 07/27/2026	61761J3R8		0.00	14,062.50	14,062.50			
	07/30/25	07/30/25	HONEYWELL INTERNATIONAL (CALLABLE) DTD 08/01/2024 4.650% 07/30/2027	438516CX2		0.00	11,276.25	11,276.25			
	07/31/25	07/31/25	US TREASURY N/B DTD 07/31/2024 4.375% 07/31/2026	91282CLB5		0.00	164,062.50	164,062.50			
<b>Transaction Type Sub-Total</b>						<b>0.00</b>	<b>997,237.82</b>	<b>997,237.82</b>			
<b>MATURITY</b>											
	07/03/25	07/03/25	BOFA SECURITIES INC DTD 10/07/2024 0.000% 07/03/2025	06054NU33	4,000,000.00	4,000,000.00	0.00	4,000,000.00	130,931.10	0.00	
<b>Transaction Type Sub-Total</b>					<b>4,000,000.00</b>	<b>4,000,000.00</b>	<b>0.00</b>	<b>4,000,000.00</b>	<b>130,931.10</b>	<b>0.00</b>	
<b>PAYDOWNS</b>											
	07/01/25	07/25/25	FHMS K736 A2 DTD 09/01/2019 2.282% 07/01/2026	3137FNWX4	1,111.17	1,111.17	0.00	1,111.17	80.17	30.67	
	07/01/25	07/25/25	FHMS K739 A2 DTD 11/01/2020 1.336% 09/01/2027	3137F64P9	7,754.21	7,754.21	0.00	7,754.21	595.20	466.66	
	07/01/25	07/25/25	FHMS K069 A2 DTD 11/01/2017 3.187% 09/01/2027	3137FBU79	1,308.34	1,308.34	0.00	1,308.34	63.27	44.49	
	07/01/25	07/25/25	FHMS K058 A1 DTD 11/01/2016 2.340% 07/01/2026	3137BSP64	14,695.10	14,695.10	0.00	14,695.10	753.12	277.01	
	07/01/25	07/25/25	FHMS K054 A2 DTD 04/01/2016 2.745% 01/01/2026	3137BNGT5	22,175.88	22,175.88	0.00	22,175.88	1,121.79	288.95	



## Managed Account Security Transactions & Interest

For the Month Ending **July 31, 2025**

Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
PAYDOWNS										
07/01/25	07/25/25	FNA 2018-M2 A2 DTD 02/01/2018 2.905% 01/01/2028	3136B0YM2	1,834.47	1,834.47	0.00	1,834.47	52.02	47.98	
07/01/25	07/25/25	FHMS K733 A2 DTD 11/01/2018 3.750% 08/01/2025	3137FJX07	196,792.57	196,792.57	0.00	196,792.57	6,472.63	525.60	
07/01/25	07/25/25	FHMS K057 A2 DTD 09/01/2016 2.570% 07/01/2026	3137BROJ7	32,181.04	32,181.04	0.00	32,181.04	2,095.54	829.57	
07/01/25	07/25/25	FHMS KJ28 A2 DTD 02/01/2020 2.308% 10/01/2027	3137FREE7	32,509.59	32,509.59	0.00	32,509.59	1,197.51	1,027.75	
07/01/25	07/25/25	FHMS K065 A1 DTD 07/01/2017 2.864% 10/01/2026	3137F1G36	24,037.41	24,037.41	0.00	24,037.41	1,037.55	476.78	
07/15/25	07/15/25	HART 2022-C A3 DTD 11/09/2022 5.390% 06/15/2027	44933DAD3	27,425.48	27,425.48	0.00	27,425.48	211.05	111.25	
07/15/25	07/15/25	TAOT 2025-A A2A DTD 01/29/2025 4.480% 11/15/2027	89240JAB7	69,095.04	69,095.04	0.00	69,095.04	3.20	2.60	
07/15/25	07/15/25	WOART 2024-A A2A DTD 02/14/2024 5.050% 04/15/2027	98164RAB2	23,886.06	23,886.06	0.00	23,886.06	1.87	1.03	
07/15/25	07/15/25	NAROT 2023-B A2A DTD 10/25/2023 5.950% 05/15/2026	65480MAB9	20,709.74	20,709.74	0.00	20,709.74	0.30	0.10	
07/15/25	07/15/25	FORDO 2024-A A2A DTD 03/19/2024 5.320% 01/15/2027	34535EAB8	29,501.20	29,501.20	0.00	29,501.20	1.04	0.56	
07/15/25	07/15/25	WOART 2025-A A2A DTD 01/29/2025 4.490% 04/17/2028	98164YAB7	9,436.41	9,436.41	0.00	9,436.41	0.26	0.22	
07/15/25	07/15/25	HDMOT 2023-B A3 DTD 09/27/2023 5.690% 08/15/2028	41285YAC9	57,245.42	57,245.42	0.00	57,245.42	12.94	80.55	
07/15/25	07/15/25	COPAR 2023-2 A2A DTD 10/11/2023 5.910% 10/15/2026	14044EAB4	49,285.92	49,285.93	0.00	49,285.93	4.37	1.91	
07/15/25	07/15/25	NAROT 2024-B A2A DTD 10/23/2024 4.510% 06/15/2027	65479WAB0	91,686.16	91,686.16	0.00	91,686.16	7.32	5.38	
07/15/25	07/15/25	CARMX 2022-2 A3 DTD 04/28/2022 3.490% 02/16/2027	14317HAC5	26,662.57	26,662.57	0.00	26,662.57	692.60	317.14	
07/15/25	07/15/25	COPAR 2024-1 A2A DTD 11/26/2024 4.610% 10/15/2027	14043NAB5	31,441.66	31,441.66	0.00	31,441.66	1.32	1.00	
07/15/25	07/15/25	KCOT 2024-1A A2 DTD 02/21/2024 5.390% 01/15/2027	50117BAB6	50,716.17	50,716.17	0.00	50,716.17	0.66	0.29	


**Managed Account Security Transactions & Interest**

For the Month Ending July 31, 2025

Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
<b>PAYDOWNS</b>											
	07/15/25	07/15/25	KCOT 2024-2A A2 DTD 06/25/2024 5.450% 04/15/2027	50117DAB2	20,854.55	20,854.55	0.00	20,854.55	2.37	1.49	
	07/15/25	07/15/25	FORDO 2024-B A2A DTD 06/24/2024 5.400% 04/15/2027	34531OAB5	118,220.04	118,220.04	0.00	118,220.04	8.85	5.52	
	07/15/25	07/15/25	ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2	26,852.99	26,852.99	0.00	26,852.99	193.01	120.12	
	07/15/25	07/15/25	WOART 2023-D A2A DTD 11/08/2023 5.910% 02/16/2027	98164DAB3	19,326.37	19,326.37	0.00	19,326.37	1.63	0.82	
	07/15/25	07/15/25	HAROT 2024-1 A2 DTD 02/21/2024 5.360% 09/15/2026	437918AB1	83,169.14	83,169.14	0.00	83,169.14	7.68	3.57	
	07/15/25	07/15/25	HART 2024-C A2A DTD 10/16/2024 4.530% 09/15/2027	448976AB6	65,004.04	65,004.04	0.00	65,004.04	3.95	2.95	
	07/15/25	07/15/25	WOART 2024-B A2A DTD 05/22/2024 5.480% 09/15/2027	98164HAB4	30,705.71	30,705.71	0.00	30,705.71	3.08	2.06	
	07/15/25	07/15/25	FORDO 2024-D A2A DTD 11/22/2024 4.590% 10/15/2027	34535VAB0	38,504.61	38,504.61	0.00	38,504.61	1.88	1.48	
	07/15/25	07/15/25	NAROT 2024-A A2A DTD 05/22/2024 5.470% 12/15/2026	65479UAB4	50,187.63	50,187.63	0.00	50,187.63	0.52	0.27	
	07/15/25	07/15/25	TAOT 2024-C A2A DTD 07/30/2024 5.160% 05/17/2027	89237QAB6	24,773.68	24,773.68	0.00	24,773.68	0.23	0.13	
	07/15/25	07/15/25	TAOT 2024-D A2A DTD 10/17/2024 4.550% 08/16/2027	89239TAB8	45,762.82	45,762.82	0.00	45,762.82	2.98	2.18	
	07/15/25	07/15/25	FORDO 2024-C A2A DTD 09/20/2024 4.320% 08/15/2027	34532UAB5	53,066.07	53,066.07	0.00	53,066.07	2.13	1.48	
	07/15/25	07/15/25	MBART 2025-1 A2A DTD 01/23/2025 4.500% 02/15/2028	58773DAB0	163,851.80	163,851.80	0.00	163,851.80	3.95	3.19	
	07/15/25	07/15/25	BAAT 2023-2A A3 DTD 11/21/2023 5.740% 06/15/2028	06054YAC1	44,899.49	44,899.49	0.00	44,899.49	0.82	0.48	
	07/15/25	07/15/25	HART 2023-C A2A DTD 11/13/2023 5.800% 01/15/2027	44918CAB8	37,337.30	37,337.30	0.00	37,337.30	1.74	0.85	
	07/15/25	07/15/25	USAOT 2024-A A2 DTD 07/30/2024 5.250% 03/15/2027	90327VAB4	104,043.58	104,043.58	0.00	104,043.58	6.73	4.30	
	07/15/25	07/15/25	HAROT 2024-4 A2 DTD 10/24/2024 4.560% 03/15/2027	43816DAB1	148,772.82	148,772.82	0.00	148,772.82	10.15	7.15	


**Managed Account Security Transactions & Interest**

 For the Month Ending **July 31, 2025**

Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
<b>PAYDOWNS</b>											
	07/15/25	07/15/25	HART 2024-B A2A DTD 07/24/2024 5.150% 06/15/2027	44934QAB7	39,589.28	39,589.28	0.00	39,589.28	1.60	1.08	
	07/15/25	07/15/25	MBART 2023-2 A2 DTD 10/25/2023 5.920% 11/16/2026	58769FAB1	1,129.90	1,129.90	0.00	1,129.90	0.05	0.02	
	07/15/25	07/15/25	WOART 2024-C A2A DTD 08/20/2024 4.780% 01/18/2028	98164NAB1	71,729.57	71,729.57	0.00	71,729.57	1.53	1.02	
	07/15/25	07/15/25	TAOT 2024-B A2A DTD 04/30/2024 5.410% 03/15/2027	89237NAB3	42,632.21	42,632.21	0.00	42,632.21	3.06	1.83	
	07/16/25	07/16/25	GMCAR 2024-3 A2A DTD 07/10/2024 5.350% 06/16/2027	38013KAB6	57,422.60	57,422.60	0.00	57,422.60	0.14	0.00	
	07/16/25	07/16/25	GMCAR 2023-4 A3 DTD 10/11/2023 5.780% 08/16/2028	379930AD2	3,740.33	3,740.33	0.00	3,740.33	0.76	0.50	
	07/16/25	07/16/25	GMCAR 2024-2 A2A DTD 04/10/2024 5.330% 03/16/2027	379931AB4	18,993.32	18,993.32	0.00	18,993.32	1.26	0.73	
	07/16/25	07/16/25	GMCAR 2024-4 A2A DTD 10/16/2024 4.530% 10/18/2027	38014AAB7	51,215.01	51,215.01	0.00	51,215.01	2.14	1.54	
	07/16/25	07/16/25	GMCAR 2025-1 A2A DTD 01/15/2025 4.440% 01/18/2028	362955AB2	127,596.15	127,596.15	0.00	127,596.15	12.16	9.97	
	07/20/25	07/20/25	VALET 2024-1 A2A DTD 11/26/2024 4.650% 11/22/2027	92868RAB4	95,063.89	95,063.89	0.00	95,063.89	1.53	1.06	
	07/20/25	07/20/25	VALET 2023-2 A2A DTD 11/21/2023 5.720% 03/22/2027	92867YAB0	26,594.24	26,594.24	0.00	26,594.24	1.55	0.80	
	07/21/25	07/21/25	HAROT 2024-3 A2 DTD 08/21/2024 4.890% 02/22/2027	43813YAB8	70,897.09	70,897.09	0.00	70,897.09	5.55	3.56	
	07/22/25	07/22/25	PFAST 2024-1A A2A DTD 12/13/2024 4.450% 01/24/2028	73328EAB7	60,551.61	60,551.61	0.00	60,551.61	5.17	4.16	
	07/25/25	07/25/25	CHAOT 2024-3A A2 DTD 06/27/2024 5.530% 09/27/2027	16144LAB2	56,745.13	56,745.13	0.00	56,745.13	0.49	0.23	
	07/25/25	07/25/25	BMWOT 2025-A A2A DTD 02/12/2025 4.430% 10/25/2027	096924AB1	23,490.78	23,490.78	0.00	23,490.78	1.80	1.51	
	07/25/25	07/25/25	CHAOT 2024-5A A2 DTD 09/24/2024 4.400% 11/26/2027	16144QAB1	21,994.07	21,994.07	0.00	21,994.07	1.95	1.46	
	07/25/25	07/25/25	CHAOT 2024-1A A2 DTD 03/27/2024 5.480% 04/26/2027	16144BAB4	12,931.85	12,931.85	0.00	12,931.85	1.08	0.62	


**Managed Account Security Transactions & Interest**

 For the Month Ending **July 31, 2025**

Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale
Trade	Settle				Proceeds	Interest		Cost	Amort Cost	
PAYDOWNS										
07/25/25	07/25/25	CHAOT 2024-4A A2	16144YAB4	37,345.16	37,345.16	0.00	37,345.16	3.49	2.44	
		DTD 07/30/2024 5.250% 09/27/2027								
07/25/25	07/25/25	CHAOT 2024-2A A2	16144CAB2	47,868.17	47,868.17	0.00	47,868.17	1.73	1.73	
		DTD 04/25/2024 5.660% 05/26/2027								
Transaction Type Sub-Total				2,764,354.61	2,764,354.62	0.00	2,764,354.62	14,704.47	4,729.79	
Managed Account Sub-Total					(2,714,672.37)	984,588.39	(1,730,083.98)	145,635.57	4,729.79	
Total Security Transactions					(2,714,672.37)	\$984,588.39	(\$1,730,083.98)	\$145,635.57	\$4,729.79	

Bolded items are forward settling trades.



## Staff Report – Item 1c

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### **Item 1c: Approve Distribution of 2022 Member Agency Grant Cycle Remaining Funds of \$500,000**

From: Monica Padilla, CEO

Prepared by: Zoe Elizabeth, Director of Director of Decarbonization Policy and Community Strategies  
Jessica Cornejo, Senior Community Strategies Specialist

Date: 9/10/2025

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#### **RECOMMENDATION**

Staff recommends the Silicon Valley Clean Energy (SVCE) Board of Directors (“Board”) approve the reallocation of \$500,000 of unspent funds from the 2022 Member Agency Grant cycle to the current Noncompetitive Member Agency Grant.

#### **EXECUTIVE COMMITTEE RECOMMENDATION**

During the August 29, 2025, Executive Committee meeting, SVCE staff presented two options for consideration, including:

- Option 1: Distribute the \$500,000 to the 2024 Noncompetitive Member Agency Grant, adding \$38,461 to each of the 13-member agencies' allocation and expanding the budget from \$3 million to \$3.5 million.
- Option 2: Distribute to the developing Competitive Community Grants, increasing the current \$3.5 million budget to \$4 million.

Staff recommended Option 2 as the preferred option, as it would enable a more impactful project.

During the discussion, Directors voiced their preference for Option 1. Executive Committee members noted that project costs are often higher than anticipated and that new federal import tariffs are likely to increase costs further. In addition, if the original grant funds were directed towards member agencies and redirecting funds into the noncompetitive grants aligns with that goal. During the discussion, the Executive Committee members also asked questions about the Competitive Community Grants and how it was decided to include religious institutions in the definition of community organizations. Staff explained that the intention of the grants is to demonstrate electrification at places where communities regularly gather and that all non-profit organizations that are located within SVCE’s service territory and customers of SVCE are eligible to apply for the grant. The Executive Committee also considered an allocation of the unspent funds based on member agency size as opposed to an equal allocation. Ultimately, the Executive Committee unanimously supported Option 1 with an equal allocation as presented by staff.

#### **BACKGROUND**

In 2022, SVCE launched the Decarbonization Demonstration & Engagement Grant program to support the development of capital projects demonstrating the feasibility of all-electric appliances and engagement projects to educate the public on electrification in innovative ways. \$3.2 million was allocated to the Decarbonization Demonstration Grant and \$400,000 to the Decarbonization Engagement Grant. One member agency from the Decarbonization Demonstration & Engagement Grant program decided not to proceed with their grant project, resulting in \$500,000 of unallocated funds.



**Agenda Item: 1c****Agenda Date: 9/10/2025**

The member agency competitive funding will allow agencies to pursue additional funding with the option to stack with their noncompetitive allocation. Both the Noncompetitive and Competitive Member Agency Grants launched on October 30, 2024. The deadline to submit an application for the noncompetitive grant is December 5, 2025, and only one member agency has confirmed its funds to date. Six member agencies were selected for the Competitive Member Agency Grant, reserving the \$3.5M for the selected projects. The Competitive Community Grants will launch in 2026.

In 2024, the Board approved \$10 million in community grants ([SVCE Board of Directors Meeting, March 13, 2024, Item 5](#)) to support building and transportation electrification, energy resilience, and community engagement projects. The program is divided into three areas: 1) Noncompetitive Member Agency Grants (\$3M), 2) Competitive Member Agency Grants (\$3.5M), and 3) Competitive Community Grants (\$3.5M) for schools, religious institutions, and non-profits. Each member agency was awarded a noncompetitive allocation that can be used for a variety of projects that support building or transportation electrification, energy resilience, or community engagement on these topics.

In March 2025, the Board delegated authority to the CEO to approve and issue grants based on the goals and objectives of the Board-approved grant program ([SVCE Board of Directors Meeting, March 12, 2025, Item 1e](#)). For the six awarded Competitive Member Agency Grants, eight agreements have been issued for a total of \$3,395,000.

**ANALYSIS & DISCUSSION**

Distributing the unspent funds to the Noncompetitive Member Agency Grant, which would equally distribute \$38,461 to all 13 agencies' noncompetitive allocation. This would allow agencies to expand or "top off" on their projects.

Following is a breakdown of the reallocated funds:

Agency	% of SVCE Load	Total Allocation	\$500K Divided	If \$500K Were Reallocated w/ Existing Allocation
Campbell	5%	\$177,644	\$38,461	\$216,105
Cupertino	5%	\$186,769	\$38,461	\$225,230
Gilroy	6%	\$196,717	\$38,461	\$235,178
Los Altos	3%	\$149,093	\$38,461	\$187,554
Los Altos Hills	1%	\$117,275	\$38,461	\$155,736
Los Gatos	4%	\$173,184	\$38,461	\$211,645
Milpitas	16%	\$372,233	\$38,461	\$410,694
Monte Sereno	0%	\$106,521	\$38,461	\$144,982
Morgan Hill	5%	\$186,529	\$38,461	\$224,990
Mountain View	14%	\$341,460	\$38,461	\$379,921
Saratoga	3%	\$146,076	\$38,461	\$184,537
Sunnyvale	29%	\$594,923	\$38,461	\$633,384
Unincorporated County	9%	\$251,577	\$38,461	\$290,038
<b>Total</b>	<b>100%</b>	<b>\$3,000,000</b>	<b>\$500,000</b>	<b>\$3,500,000</b>

If the Board authorizes the allocation of the unspent funds to the Noncompetitive Member Agency Grants, as described above, staff will reach out as soon as practical to all member agencies informing them of the additional funding.

Staff intends to launch the Competitive Community Grants (\$3.5M) in 2026 and will provide an informational update to the Board before December 2025.

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**Agenda Item: 1c****Agenda Date: 9/10/2025**

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**STRATEGIC PLAN** The grant programs are in direct support of SVCE's overall mission and directly support SVCE's Strategic Plan Goal 7, "Support all SVCE communities to decarbonize through local investments that reduce barriers and demonstrate sensible, scalable, and equitable solutions."

**ALTERNATIVE**

Alternatives include redirecting the funding into the Competitive Community Grants or redirecting the funding into the general programs fund to support other decarbonization initiatives.

**FISCAL IMPACT**

Board approval of reallocating unspent funds to the existing 2024 Noncompetitive Member Agency Grant will not result in a fiscal impact as the unspent funds have already been approved as part of the general programs fund.





## Staff Report – Item 1d

**Item 1d: Authorize the Chief Executive Officer to Enter into a Contract with Hueston Hennigan, LLP for Legal Services for a Success Fee or for a Total Amount Not-to-Exceed \$2,500,000**

From: Monica Padilla, Chief Executive Officer

Prepared by: Michael Callahan, General Counsel

Date: 9/10/2025

### **RECOMMENDATION**

Staff recommends that the Silicon Valley Clean Energy (SVCE) Authority Board ("Board") authorize the Chief Executive Officer ("CEO") to negotiate and enter into a contract with Hueston Hennigan, LLP for legal services for a success fee or a total amount not to exceed of ("NTE") \$2,500,000.

### **BACKGROUND**

SVCE entered into a contract with Hueston Hennigan, LLP on May 16, 2025 under the CEO's delegated signing authority for legal support on a dispute related to a power purchase agreement ("PPA"). The PPA is for a project that SVCE shares with another community choice aggregator ("CCA") Central Coast Community Energy (CCCE) on an equal basis and the two CCAs have equally shared in the legal costs for the dispute. The CCAs are currently scheduled to enter mediation with the PPA seller in mid-September. As the CCAs sought to resolve the issue, it became clear that litigation may be required. On August 13, 2025, the Board authorized staff to pursue litigation. Since that time, staff has negotiated a fee structure to allow Hueston Hennigan to provide legal litigation services.

### **ANALYSIS & DISCUSSION**

It is estimated that legal costs and fees to get through trial would be approximately \$8,000,000 (\$4,000,000 for each CCA). Staff is recommending a fee structure with (1) a discounted hourly rate; and (2) a success fee of 10% for monetary awards in excess of the limitation of liability in the PPA, or the full (not discounted) hourly rate for hours worked if the project achieves commercial operation. This structure is intended to reduce costs for SVCE in the event litigation is unsuccessful. At this time, staff recommends establishing an NTE amount of \$2,500,000 (\$1,250,000 for each CCA) for legal costs and fees that is estimated to get the CCAs through the motion for summary judgement stage of litigation. The success fee is carved out and may exceed the NTE amount if success, as defined in an amended agreement, is reached. Staff will keep the Board apprised of the status of the litigation and may request an adjustment to this NTE as needed.

### **STRATEGIC PLAN**

Authorizing the CEO to negotiate and enter into an engagement will directly support Goal 4 of the Strategic Plan which is to "Acquire power supply resources in a cost-effective manner to meet legislative and regulatory obligations, Board directives and customer specific products."

### **ALTERNATIVE**

If the Board does not delegate authority to the CEO, SVCE would need to seek an alternative fee structure or alternative litigation counsel. SVCE believes this would lead to additional staff time to renegotiate the agreement

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or additional costs to bring a new counsel up to speed. Transitioning attorneys may also impair SVCE's near-term representation as we plan to enter into mediation in mid-September.

**FISCAL IMPACT**

The recommendation will not result in a change to the Fiscal Year 2024-25 Adjusted Budget or the Fiscal Year 2025-26 Proposed Budget as legal expenses are included in both budgets.



## Staff Report – Item 1e

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**Item 1e: Authorize the Chief Executive Officer to Execute an Amendment with Sunnyvale Village Associates to Extend Lease of Current Office Space for Up to 12 Months**

From: Monica Padilla, CEO

Prepared by: Nik Zanotto, Director of Operations

Date: 9/10/2025

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### **RECOMMENDATION**

Staff recommends that the Silicon Valley Clean Energy (SVCE) Board of Directors ("Board") authorize the Chief Executive Officer (CEO) to execute one or more amendments with Sunnyvale Village Associates to extend the lease of the current office space for an amount not-to-exceed (NTE) \$400,000.

### **BACKGROUND**

SVCE took possession of its current office space in September 2020 and had a 5-year lease which expires October 31, 2025. SVCE purchased a building in 2025 to accommodate the growth of the organization and to provide a space that SVCE can use to engage customers and community stakeholders. Construction on the new building will not be completed until June 2026, therefore staff intends to extend the lease of the current office by nine months, which would end July 2026, with the possible option to extend month-to-month as necessary. This will ensure staff is able to be accessible to its customers, allows for business continuity and eliminates the need to secure temporary office space.

### **ANALYSIS & DISCUSSION**

The new office space is not expected to be ready until late spring of 2026. As such, staff has negotiated with the current landlord an extension to stay in the existing space at a leasing rate closer to current market, resulting in a significantly lower monthly rate.

The first proposed amendment extends the lease by nine months for a total of \$284,868. If the new office space experiences construction delays, staff may exercise the month-to-month extension as necessary with the intent of not exceeding three months.

SVCE evaluated other options including:

- a) Rent temporary office space on a month-to-month basis
- b) Let lease expire and fully work remotely

The alternative options explored would require a significant number of staff hours to make a temporary transition until the new office space is complete. Extending the lease would allow SVCE to continue operations as-is until moving into SVCE's new headquarters.

### **STRATEGIC PLAN**

Extending the office lease falls under the Strategic Plan Goal 8 - "Engage customers and community stakeholders to build trust of SVCE and advance decarbonization" and Strategic Plan Goal 10 - "Hire, retain and develop high-performing talent via competitive benefits and rewarding work culture."

**Agenda Item: 1e****Agenda Date: 9/10/2025**

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**ALTERNATIVE**

SVCE evaluated other options including:

- c) Rent temporary office space on a month-to-month basis
- d) Let lease expire and fully work remotely

The alternative options explored would require a significant number of staff hours to make a temporary transition until the new office space is complete. Extending the lease would allow SVCE to continue operations as-is until moving into SVCE's new headquarters.

The Board may direct the CEO not to execute an amendment with Sunnyvale Village Associates to extend the lease thus requiring staff to initiate one of the two alternatives listed above. Staff does not recommend either alternative as they will cause a disruption to SVCE's business continuity and ability to best serve our customers.

**FISCAL IMPACT**

The lease extension includes \$284,868 in charges based on \$31,652.00 (base rent)/per month over the nine month extension, which has been accounted for in the upcoming proposed FY25-26 Operating Budget.

**ATTACHMENT**

1. Draft Third Amendment with Sunnyvale Village Associates
2. Second Amendment, First Amendment, and Agreement with Sunnyvale Village Associates

**DRAFT**

**THIRD AMENDMENT**

Third Amendment to that certain Standard Multi-Tenant Office Lease – Gross and Addendum dated December 12, 2019 by and between Sunnyvale Village Associates, a California general partnership, (“Lessor”) and Silicon Valley Energy Authority, a Santa Clara County Public Agency, (“Lessee”) for the premises commonly known as 333 W. El Camino Real, Suites 330 & 340, Sunnyvale, CA 94087.

**RECITALS**

A. WHEREAS, Lessor and Lessee executed an Amendment dated June 5, 2020 the purpose of which was to document Lessee’s request that Lessor’s interior alterations work be ceased for a thirty (30) day period starting May 18, 2020 in order for Lessee to re-consider the interior alterations and improvement plans it had previously approved; and

B. WHEREAS, Lessor and Lessee executed a Second Amendment dated February 1, 2021 the purpose of which was to compensate Lessor for the increased cost of Lessor’s interior alterations and improvements work, to amend the Original Term to commence September 25, 2020 and the Expiration Date to expire October 31, 2025 and to amend the payment dates of monthly Base Rent; and

C. WHEREAS, the Standard Multi-Tenant Lease – Gross, Addendum, Amendment and Second Amendment are hereinafter collectively referred to as the “Lease”; and

D. WHEREAS, Lessee now desires to holdover within the Premises from and after November 1, 2025; and

E. WHEREAS, Lessor is willing to grant its consent and approval for a holding over subsequent to October 31, 2025 in exchange for an extended leased term;

NOW, THEREFORE, Lessor and Lessee do hereby agree to amend, modify and supplement the Lease as set forth herein below.

**AGREEMENT**

1. Lessor and Lessor do hereby state that the hereinabove Recitals are true and correct and do re-affirm, to each other the validity of the Lease, as amended, and agree to keep, honor and observe each and every provision contained therein.

2. Lessor and Lessee do hereby agree to extend the Expiration Date of the leased term to July 31, 2026.

3. Paragraph 1.3, Page 2, TERM of the Lease is hereby deleted in its entirety in favor of the following substitution in lieu thereof:

1.3 Term: Five (5) years and ten (10) months and a partial month (“Original Term”) commencing on September 25, 2020 and ending on July 31, 2026 (“Expiration Date”). (See also Paragraph 3).

4. Paragraph 50, Page 1 of the Addendum, Base Rent Increases is hereby supplemented as set forth below in consideration of the leased term extension to July 31, 2026:

(v) Thirty one thousand six hundred fifty two and 00/100---Dollars (\$31,652.00) per month during the period November 1, 2025 through July 31, 2026.

5. The Renewal Option in Lessee’s favor described in Paragraph 55.1 of the Addendum has expired null and void unenforceable against Lessor because Lessee did not duly exercise its renewal option right.

6. There are no additional renewal options in Lessee’s favor from and after July 31, 2026 nor shall there be any unless expressly agreed to in writing by Lessor.

7. Lessee acknowledges it has been solely represented by Tracey C. Solari of Newmark dba Cornish & Carey Commercial Real Estate in the negotiation of this Third Amendment and shall be solely responsible for compensating its agent.

In all other respects the Lease shall remain in full force and effect without further amendment, modification or supplement.

Dated this 1<sup>st</sup> day of August, 2025.

**LESSOR:**

Sunnyvale Village Associates,  
a California general partnership

By: Riparbelli 2009 Irrevocable Trust  
dated December 8, 2009,  
General Partner

By: DRAFT  
David J. Riparbelli

Title: Trustee

By: Iacopo & Giuseppina Group, LLC,  
a California limited liability company,  
General Partner

By: DRAFT  
Thomas J. Biagini

Title: Manager

By: DRAFT  
Mark B. Biagini

Title: Manager

**LESSEE:**

Silicon Valley Energy Authority,  
a Santa Clara County Public Agency

By: DRAFT  
Monica Padilla

Title: Chief Executive Officer

## SECOND AMENDMENT

Second Amendment to that certain Standard Multi-Tenant Office Lease – Gross and Addendum dated December 12, 2019 by and between Sunnyvale Village Associates, a California general partnership, (“Lessor”) and Silicon Valley Energy Authority, a Santa Clara County Public Agency, (“Lessee”) for the premises commonly known as 333 W. El Camino Real, Suites 330 & 340, Sunnyvale, CA 94087.

### RECITALS

A. WHEREAS, Lessor and Lessee executed an Amendment dated June 5, 2020 the purpose of which was to document Lessee’s request that Lessor’s interior alterations work be ceased for a thirty (30) day period starting May 18, 2020 in order for Lessee to re-consider the interior alterations and improvement plans it had previously approved; and

B. WHEREAS, the Standard Multi-Tenant Lease – Gross, Addendum and Amendment are hereinafter collectively referred to as the “Lease”; and

C. WHEREAS, Lessor resumed interior alterations and improvements work on or about June 18, 2020 in accordance with revised plans and specifications approved by Lessee and completed all construction activities on or about September 25, 2020 delivering possession of the Premises to Lessee on said date; and

D. WHEREAS, Lessee agreed to compensate Lessor of the increased cost of revised interior alterations and improvements caused by Lessee’s requested changes to previously approved interior alterations and improvements; and

E. WHEREAS, the Lease provided for a five (5) year and one (1) month leased term to commence on June 1, 2020 and expire on June 30, 2025 with Lessee obligated to commence making Base Rent payments to Lessor on July 1, 2020; and

F. WHEREAS, Lessor’s ability to timely complete its interior alterations and improvements work was frustrated due to building material shortages and labor inefficiencies caused by the effects of governmental edicts arising out of a Covid-19 public health pandemic;

NOW, THEREFORE, Lessor and Lessee do hereby agree to amend, modify and supplement the Lease as set forth herein below.

### AGREEMENT

1. Lessor and Lessor do hereby state that the hereinabove Recitals are true and correct and do re-affirm, to each other the validity of the Lease, as amended, and agree to keep, honor and observe each and every provision contained therein.

2. Lessee shall concurrently with execution hereof remit to Lessor the sum of forty six thousand fifteen and 20/100---Dollars (\$46,015.20) as payment in full for the increased cost of Lessor’s interior alterations and improvements work arising out of Lessee’s changes to its previously approved plans and specifications.

3. Paragraph 1.3, Page 2, TERM of the Lease is hereby deleted in its entirety in favor of the following substitution in lieu thereof:

1.3 Term: Five (5) years and one (1) and a partial month (“Original Term”) commencing on September 25, 2020 and ending on October 31, 2025 (“Expiration Date”). (See also Paragraph 3).

4. Paragraph 1.5, Page 2, Base Rent of the Lease is hereby deleted in its entirety in favor of the following substitution in lieu thereof:

1.5 Base Rent: \$39,565.00 per month (“Base Rent”) payable on October 24, 2020 and on the first (1<sup>st</sup>) day of each month thereafter commencing on November 1, 2020. (See also Paragraph 4).

5. Paragraph 1.7(a), Page 1, Base Rent And Other Monies Payable Upon Execution of the Addendum is hereby deleted in its entirety in favor of the following substitution in lieu thereof:

1.7(a) Base Rent: \$39,565.00 to be applied to the October 24, 2020 through November 23, 2020 time period.

6. Paragraphs 50 (i) through (iv) of the Addendum are hereby amended to replace “July 1” in each case to “December 1” and “June 30” in each case to “November 30”.

7. Paragraph 55.1, Renewal Option of the Addendum is hereby amended to replace “July 1” with “November 1” and “June 30” with “October 31” such that the five (5) year renewal option period, if duly exercised, would commence on November 1, 2025 and expire on October 31, 2030. In addition, the phrase “June 1, 2024 nor later than August 31, 2024” is hereby replaced with “September 1, 2024 nor later than November 30, 2024” during which revised time period Lessee may exercise its Renewal Option by giving irrevocable written notice to Lessor.

In all other respects the Lease shall remain in full force and effect without further amendment, modification or supplement.

Dated this 1<sup>st</sup> day of February 1, 2021.

**LESSOR:**

Sunnyvale Village Associates,  
a California general partnership

By: Riparbelli 2009 Irrevocable Trust  
dated December 8, 2009,  
General Partner

By: David Riparbelli  
David J. Riparbelli

Title: Trustee

By: Iacopo & Giuseppina Group, LLC,  
a California limited liability company,  
General Partner

By: Thomas J. Biagini  
Thomas J. Biagini

Title: Manager

By: Mark Biagini  
Mark B. Biagini

Title: Manager

**LESSEE:**

Silicon Valley Energy Authority,  
a Santa Clara County Public Agency

By: Girish Balachandran  
Girish Balachandran

Name Printed: Girish Balachandran

Title: Chief Executive Officer



# AMENDMENT

Item 1e  
Attachment 2

Amendment to that certain Standard Multi-Tenant Office Lease – Gross dated December 12, 2019 by and between Sunnyvale Village Associates, a California general partnership, (“Lessor”) and Silicon Valley Energy Authority, a Santa Clara County Public Agency, (“Lessee”) for the premises commonly known as 333 W. El Camino Real, Suites 330 & 340, Sunnyvale, Ca 94087 (the “Lease”).

## RECITALS

- A. WHEREAS, the Lease by its terms requires the Lessor to perform and pay for certain interior alterations and improvements to prepare the premises for Lessee’s occupancy as more particularly described in Exhibits E-1 through E-3 attached to the Lease; and
- B. WHEREAS, the Lessor prepared plans and specifications for interior alterations and improvements work which Lessee reviewed and approved of in writing on or about February 13, 2020; and
- C. WHEREAS, Lessor commenced the approved construction activities work on or about March 1, 2020; and
- D. WHEREAS, Lessor formally ceased construction activities work on or about May 18, 2020 at Lessee’s request in order for Lessee to re-consider the interior alterations and improvement work plan it had approved;

NOW, THEREFORE, Lessor and Lessee do hereby agree to amend, modify and supplement the Lease as set forth herein below.

## AGREEMENT

1. Lessor and Lessor do hereby state that the hereinabove Recitals are true and correct and do re-affirm, to each other the validity of the Lease and agree to keep, honor and observe each and every provision contained therein.
2. Lessee acknowledges that Lessor has ceased construction activities as of May 18, 2020 at Lessee’s sole request pending further instructions from Lessee relative to the approved interior alterations and improvements plans which Lessee may elect to change to better suit its intended use of the premises.
3. Lessee represents that it will advise Lessor of any changes to the approved interior alterations and improvements plan desired by Lessee not later than June 17, 2020 in order that Lessor may resume its construction activities as of that date for completion of interior alterations and improvements work and delivery of the premises to Lessee as soon as reasonably possible thereafter.
4. Lessee acknowledges that any changes it requests of Lessor may result in additional architectural, engineering and construction costs which Lessee agrees to pay for within ten (10) days receipt of Lessor’s demand for payment.
5. In exchange for Lessor’s construction activities work stoppage and to compensate Lessor for lost Base Rent caused by Lessee’s requested construction work delay, Lessee does concurrently with execution hereof remit thirty nine thousand five hundred sixty five and 00/100---Dollars (\$39,565.00) to Lessor as consideration therefore. Such consideration is in addition to (and not replacement for) any and all other monetary sums as they become due and payable to the Lessor under the Lease.
6. In the event of any conflicting provisions between the Lease and this Amendment, the provisions of this Amendment shall take precedence, control and prevail.
7. Lessor and Lessee do hereby agree there are no other agreements, oral or written, other than the Lease itself and this Amendment.

In all other respects the Lease shall remain in full force and effect without further amendment, modification or supplement.

Dated this 5<sup>th</sup> day of June, 2020.

### LESSOR:

Sunnyvale Village Associates,  
a California general partnership

By: Riparbelli 2009 Irrevocable Trust  
dated December 8, 2009,  
General Partner

By: David Riparbelli  
David J. Riparbelli

Title: Trustee

By: Iacopo & Giuseppina Group, LLC,  
a California limited liability company,  
General Partner

By: Thomas J. Biagini  
Thomas J. Biagini

Title: Manager

By: Mark Biagini  
Mark B. Biagini

Title: Manager

### LESSEE:

Silicon Valley Energy Authority,  
a Santa Clara County Public Agency

By: Girish Balachandran  
Girish Balachandran

Name Printed: Girish Balachandran

Title: Chief Executive Officer



## STANDARD MULTI-TENANT OFFICE LEASE - GROSS

### 1. Basic Provisions ("Basic Provisions").

1.1 **Parties.** This Lease ("Lease"), dated for reference purposes only December 12, 2019, is made by and between Sunnyvale Village Associates, a California general partnership, ("Lessor") and Silicon Valley Energy Authority, a Santa Clara County Public Agency ("Lessee"), (collectively the "Parties", or individually a "Party").

1.2(a) **Premises:** That certain Portion of the Project (as defined below), commonly known as (street address, suite, city, state): 333 W. El Camino Real, Suites 330 and 340 Sunnyvale, CA 94087-1969 ("Premises"). The Premises are located in the County of Santa Clara, and consist of approximately 7,913 rentable square feet and approximately 7,049 useable square feet. In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to the Common Areas (as defined in Paragraph 2.7 below) as hereinafter specified, but shall not have any rights to the roof, the exterior walls, the area above the dropped ceilings, or the utility raceways of the building containing the Premises ("Building") or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "Project." The Project consists of approximately 52,414 useable ~~rentable~~ square feet. (See also Paragraph 2)

1.2(b) **Parking:** Twenty four (24) unreserved and eight (8) reserved vehicle parking spaces at a monthly cost of \$-0- per unreserved space and \$-0- per reserved space. (See Paragraph 2.6)

1.3 **Term:** Five (5) years and one (1) months ("Original Term") commencing June 1, 2020 ("Commencement Date") and ending June 30, 2025 ("Expiration Date"). (See also Paragraph 3)

1.4 **Early Possession:** If the Premises are available Lessee may have non-exclusive possession of the Premises commencing May 15, 2020 ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 **Base Rent:** \$39,565.00 per month ("Base Rent"), payable on the first (1st) day of each month commencing June 1, 2020. (See also Paragraph 4)

☒ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph 50.

1.6 **Lessee's Share of Operating Expense Increase:** Thirteen and 449/1,00ths--- percent ( 13.449 %) ("Lessee's Share"). In the event that that size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.

#### 1.7 Base Rent and Other Monies Paid Upon Execution:

(a) **Base Rent:** \$39,565.00 for the period July 1-31, 2020.

(b) **Security Deposit:** \$44,530.00 consisting of \$28,560.00 to be transferred by Lessor to this Lease from a Prior Lease and an additional \$15,970.00 to be remitted by Lessee to Lessor upon execution of this Lease ("Security Deposit"). (See also Paragraph 5)

(c) **Parking:** \$-0- for the period N/A.

(d) **Other:** \$-0- for N/A.

(e) **Total Due Upon Execution of this Lease:** \$55,535.00.

1.8 **Agreed Use:** General and administrative offices for a public agency providing community choice energy services, energy research and development activities, marketing activities, storage and other legal related uses. (See also Paragraph 6)

1.9 **Base Year; Insuring Party.** The Base Year is 2020. Lessor is the "Insuring Party". (See also Paragraphs 4.2 and 8)

1.10 **Real Estate Brokers.** (See also Paragraph 15 and 25)

(a) **Representation:** The following real estate brokers (the "Brokers") and brokerage relationships exist in this transaction (check applicable boxes):

☒ Biagini Properties, Inc., a California corporation represents Lessor exclusively ("Lessor's Broker");

☒ Newmark Knight Frank represents Lessee exclusively ("Lessee's Broker"); or

☐ None represents both Lessor and Lessee ("Dual Agency").

(b) **Payment to Brokers.** Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement. ~~(or if there is no such agreement, the sum of \_\_\_\_\_ or \_\_\_\_\_ % of the total Base Rent) for the brokerage services rendered by the Brokers.~~

~~1.11 **Guarantor.** The obligations of the Lessee under this Lease are to be guaranteed by \_\_\_\_\_ ("Guarantor"). (See also Paragraph 37)~~

1.12 **Business Hours for the Building:** 8:00 a.m. to 6:00 p.m., Mondays through Fridays (except Building Holidays). ~~and \_\_\_\_\_ a.m. to \_\_\_\_\_ p.m. on Saturdays (except Building Holidays).~~ "Building Holidays" shall mean the dates of observation of New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and Martin Luther King, Jr. Day.

1.13 **Lessor Supplied Services.** Notwithstanding the provisions of Paragraph 11.1, Lessor is NOT obligated to provide the following within the Premises:

☐ Janitorial services

☐ Electricity

☐ Other (specify): \_\_\_\_\_

1.14 **Attachments.** Attached hereto are the following, all of which constitute a part of this Lease:

☒ an Addendum consisting of Paragraphs 50 through 55;

☒ a plot plan depicting the Premises; attached hereto as Exhibits A-1, A-2, A-3 and A-4

☒ a current set of the Rules and Regulations; attached hereto as Exhibit B

☒ a Work Letter; attached hereto as Exhibits E-1 and E-2

☐ a janitorial schedule;

☒ other (specify): Exhibit C-Legal Description; Exhibit-D Standards For Utilities Services and Exhibit F-Master Sign Program.

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2. Premises.

2.1 **Letting.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **NOTE: Lessee is advised to verify the actual size prior to executing this Lease.**

2.2 **Condition.** Lessor shall deliver the Premises to Lessee in a clean condition on the Commencement Date or the Early Possession Date, whichever first occurs ("**Start Date**"), and warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("**HVAC**"), and all other items which the Lessor is obligated to construct pursuant to the Work Letter attached hereto, if any, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects, and that the Premises do not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

2.3 **Compliance.** Lessor warrants that to the best of its knowledge the improvements on the Premises and the Common Areas comply with the building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances ("**Applicable Requirements**") that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the zoning and other Applicable Requirements are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Premises, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Premises ("**Capital Expenditure**"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however, that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay Interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with Interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not have any right to terminate this Lease.

2.4 **Acknowledgements.** Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) Lessee has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 **Lessee as Prior Owner/Occupant.** The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date, Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

2.6 **Vehicle Parking.** So long as Lessee is not in default, and subject to the Rules and Regulations attached hereto, and as established by Lessor from time to time, Lessee shall be entitled to rent and use the number of parking spaces specified in Paragraph 1.2(b) at the rental rate applicable from time to time for monthly parking as set by Lessor and/or its licensee.

(a) If Lessee commits, permits or allows any of the prohibited activities described in the Lease or the rules then in effect, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow

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away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

(b) The monthly rent per parking space specified in Paragraph 1.2(b) is subject to change upon 30 days prior written notice to Lessee. The rent for the parking is payable one month in advance prior to the first day of each calendar month.

**2.7 Common Areas - Definition.** The term "**Common Areas**" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Premises that are provided and designated by the Lessor from time to time for the general nonexclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including, but not limited to, common entrances, lobbies, corridors, stairwells, public restrooms, elevators, parking areas, loading and unloading areas, trash areas, roadways, walkways, driveways and landscaped areas.

**2.8 Common Areas - Lessee's Rights.** Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

**2.9 Common Areas - Rules and Regulations.** Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to adopt, modify, amend and enforce reasonable rules and regulations ("**Rules and Regulations**") for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. The Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the noncompliance with said Rules and Regulations by other tenants of the Project.

**2.10 Common Areas - Changes.** Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of the lobbies, windows, stairways, air shafts, elevators, escalators, restrooms, driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;

(d) To add additional buildings and improvements to the Common Areas;

(e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and

(f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

**3. Term.**

**3.1 Term.** The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

**3.2 Early Possession.** Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of the Operating Expense Increase) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

**3.3 Delay In Possession.** Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

**3.4 Lessee Compliance.** Lessor shall not be required to deliver possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

**4. Rent.**

**4.1 Rent Defined.** All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("**Rent**").

**4.2 Operating Expense Increase.** Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share of the amount by which all Operating Expenses for each Comparison Year exceeds the amount of all Operating Expenses for the Base Year, such excess being hereinafter referred to as the "**Operating Expense Increase**", in accordance with the following provisions:

(a) "**Base Year**" is as specified in Paragraph 1.9.

(b) "**Comparison Year**" is defined as each calendar year during the term of this Lease subsequent to the Base Year;

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provided, however, Lessee shall have no obligation to pay a share of the Operating Expense Increase applicable to the first 12 months of the Lease Term (other than such as are mandated by a governmental authority, as to which government mandated expenses Lessee shall pay Lessee's Share, notwithstanding they occur during the first twelve (12) months). Lessee's Share of the Operating Expense Increase for the first and last Comparison Years of the Lease Term shall be prorated according to that portion of such Comparison Year as to which Lessee is responsible for a share of such increase.

(c) The following costs relating to the ownership and operation of the Project, calculated as if the Project was at least 95% occupied, are defined as "Operating Expenses":

(i) Costs relating to the operation, repair, and maintenance in neat, clean, safe, good order and condition, but not the replacement (see subparagraph (g)), of the following:

(aa) The Common Areas, including their surfaces, coverings, decorative items, carpets, drapes and window coverings, and including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, stairways, parkways, driveways, landscaped areas, striping, bumpers, irrigation systems, Common Area lighting facilities, building exteriors and roofs, fences and gates;

(bb) All heating, air conditioning, plumbing, electrical systems, life safety equipment, communication systems and other equipment used in common by, or for the benefit of, tenants or occupants of the Project, including elevators and escalators, tenant directories, fire detection systems including sprinkler system maintenance and repair.

(cc) All other areas and improvements that are within the exterior boundaries of the Project but outside of the Premises and/or any other space occupied by a tenant.

(ii) The cost of trash disposal, janitorial and security services, pest control services, and the costs of any environmental inspections;

(iii) The cost of any other service to be provided by Lessor that is elsewhere in this Lease stated to be an "Operating Expense";

(iv) The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 and any deductible portion of an insured loss concerning the Building or the Common Areas;

(v) The amount of the Real Property Taxes payable by Lessor pursuant to paragraph 10;

(vi) The cost of water, sewer, gas, electricity, and other publicly mandated services not separately metered;

(vii) Labor, salaries, and applicable fringe benefits and costs, materials, supplies and tools, used in maintaining and/or cleaning the Project and accounting and management fees attributable to the operation of the Project;

(viii) The cost of any capital improvement to the Building or the Project not covered under the provisions of Paragraph 2.3 provided; however, that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such Capital Expenditure in any given month;

(ix) The cost to replace equipment or improvements that have a useful life for accounting purposes of 5 years or less.

(x) Reserves set aside for maintenance, repair and/or replacement of Common Area improvements and equipment.

(xi) The cost of third party property management fees.

(d) Any item of Operating Expense that is specifically attributable to the Premises, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Premises, Building, or other building. However, any such item that is not specifically attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

(e) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(c) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(f) Lessee's Share of Operating Expense Increase is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the Operating Expense Expenses. Within 60 days after written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses for the preceding year. If Lessee's payments during such Year exceed Lessee's Share, Lessee shall credit the amount of such over-payment against Lessee's future payments. If Lessee's payments during such Year were less than Lessee's Share, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of said statement. Lessor and Lessee shall forthwith adjust between them by cash payment any balance determined to exist with respect to that portion of the last Comparison Year for which Lessee is responsible as to Operating Expense Increases, notwithstanding that the Lease term may have terminated before the end of such Comparison Year.

(g) Operating Expenses shall not include the costs of replacement for equipment or capital components such as the roof, foundations, exterior walls or a Common Area capital improvement, such as the parking lot paving, elevators, fences that have a useful life for accounting purposes of 5 years or more.

(h) Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or by insurance proceeds.

**4.3 Payment.** Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States on or before the day on which it is due, without offset or deduction (except as specifically permitted in this Lease). All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of \$25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent and Common Area Operating Expenses, and any remaining amount to any other outstanding charges or costs.

**5. Security Deposit.** Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be

due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. Lessor shall upon written request provide Lessee with an accounting showing how that portion of the Security Deposit that was not returned was applied. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease. THE SECURITY DEPOSIT SHALL NOT BE USED BY LESSEE IN LIEU OF PAYMENT OF THE LAST MONTH'S RENT.

## 6. Use.

**6.1 Use.** Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements of the Building, will not adversely affect the mechanical, electrical, HVAC, and other systems of the Building, and/or will not affect the exterior appearance of the Building. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

### 6.2 Hazardous Substances.

**(a) Reportable Uses Require Consent.** The term "Hazardous Substance" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, byproducts or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use such as ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

**(b) Duty to Inform Lessor.** If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

**(c) Lessee Remediation.** Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

**(d) Lessee Indemnification.** Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Project not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

**(e) Lessor Indemnification.** Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Substances which existed on the Premises prior to Lessee's occupancy or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations,

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as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) **Investigations and Remediations.** Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee's occupancy, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) **Lessor Termination Option.** If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 **Lessee's Compliance with Applicable Requirements.** Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said Applicable Requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises.

6.4 **Inspection; Compliance.** Lessor and Lessor's "Lender" (as defined in Paragraph 30) and consultants authorized by Lessor shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times, after reasonable notice, of not less than forty eight (48) hours prior, for the purpose of inspecting and/or testing the condition of the Premises and/or for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see Paragraph 9.1e) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination by Lessee or Lessee's contractors, agents, employees, assignees and/or sublessees. In addition, Lessee shall provide copies of all relevant material safety data sheets (MSDS) to Lessor within 10 days of the receipt of written request therefor not more than once during any calendar year. Lessee acknowledges that any failure on its part to allow such inspections or testing will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to allow such inspections and/or testing in a timely fashion the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for the remainder to the Lease or when inspection allowance is granted, whichever is sooner. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to allow such inspection and/or testing. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to such failure nor prevent the exercise of any of the other rights and remedies granted hereunder.

## 7. Maintenance; Repairs; Utility Installations; Trade Fixtures and Alterations.

7.1 **Lessee's Obligations.** Notwithstanding Lessor's obligation to keep the Premises in good condition and repair, Lessee shall be responsible for payment of the cost thereof to Lessor as additional rent for that portion of the cost of any maintenance and repair of the Premises, or any equipment (wherever located) that serves only Lessee or the Premises, to the extent such cost is attributable to abuse or misuse. In addition, Lessee rather than the Lessor shall be responsible for the cost of painting, repairing or replacing wall coverings, and to repair or replace any similar improvements within the Premises. Lessor may, at its option, upon reasonable notice, elect to have Lessee perform any particular such maintenance or repairs the cost of which is otherwise Lessee's responsibility hereunder."

7.2 **Lessor's Obligations.** Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, fire alarm and/or smoke detection systems, fire hydrants, and the Common Areas.

### 7.3 Utility Installations; Trade Fixtures; Alterations.

(a) **Definitions.** The term "Utility Installations" refers to all floor and window coverings, air lines, vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, and plumbing in or on the Premises. The term "Trade Fixtures" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "Alterations" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "Lessee Owned Alterations and/or Utility Installations" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

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(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof, ceilings, floors or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, do not trigger the requirement for additional modifications and/or improvements to the Premises resulting from Applicable Requirements, such as compliance with Title 24, and the cumulative cost thereof during this Lease as extended does not exceed \$2000. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

#### 7.4 Ownership; Removal; Surrender; and Restoration.

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing, if the Lessee occupies the Premises for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

### 8. Insurance; Indemnity.

8.1 **Insurance Premiums.** The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 are included as Operating Expenses (see paragraph 4.2 (c)(iv)). Said costs shall include increases in the premiums resulting from additional coverage related to requirements of the holder of a mortgage or deed of trust covering the Premises, Building and/or Project, increased valuation of the Premises, Building and/or Project, and/or a general premium rate increase. Said costs shall not, however, include any premium increases resulting from the nature of the occupancy of any other tenant of the Building. If the Project was not insured for the entirety of the Base Year, then the base premium shall be the lowest annual premium reasonably obtainable for the required insurance as of the Start Date, assuming the most nominal use possible of the Building and/or Project. In no event, however, shall Lessee be responsible for any portion of the premium cost attributable to liability insurance coverage in excess of \$2,000,000 procured under Paragraph 8.2(b).

#### 8.2 Liability Insurance.

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement and coverage shall also be extended to include damage caused by heat, smoke or fumes from a hostile fire. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement

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on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

### 8.3 Property Insurance - Building Improvements and Rental Value.

(a) **Building and Improvements.** Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Building and/or Project. The amount of such insurance shall be equal to the full insurable replacement cost of the Building and/or Project, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$5,000 per occurrence.

(b) **Rental Value.** Lessor shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period.

(c) **Adjacent Premises.** Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other buildings in the Project if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

(d) **Lessee's Improvements.** Since Lessor is the Insuring Party, Lessor shall not be required to insure Lessee Owned Alterations and Utility Installations unless the item in question has become the property of Lessor under the terms of this Lease.

### 8.4 Lessee's Property ; Business Interruption Insurance; Workers Compensation Insurance.

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) **Workers Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a 'Waiver of Subrogation' endorsement. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.

(c) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(d) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 **Insurance Policies.** Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 10 days prior written notice to Lessor. Lessee shall, at least 30 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may increase his liability insurance coverage and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 **Waiver of Subrogation.** Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 **Indemnity.** Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 **Exemption of Lessor and its Agents from Liability.** Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing,

HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

**8.9 Failure to Provide Insurance.** Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

## 9. Damage or Destruction.

### 9.1 Definitions.

(a) "**Premises Partial Damage**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 3 months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) "**Premises Total Destruction**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 3 months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) "**Insured Loss**" shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) "**Replacement Cost**" shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) "**Hazardous Substance Condition**" shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires restoration.

**9.2 Partial Damage - Insured Loss.** If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is \$5,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

**9.3 Partial Damage - Uninsured Loss.** If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense (subject to reimbursement pursuant to Paragraph 4.2), in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

**9.4 Total Destruction.** Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

**9.5 Damage Near End of Term.** If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the

Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

#### 9.6 Abatement of Rent; Lessee's Remedies .

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 **Termination; Advance Payments.** Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

#### 10. Real Property Taxes.

10.1 **Definitions.** As used herein, the term "Real Property Taxes" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address. "Real Property Taxes" shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project, (ii) a change in the improvements thereon, and/or (iii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

10.2 **Payment of Taxes.** Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the Project, and said payments shall be included in the calculation of Operating Expenses in accordance with the provisions of Paragraph 4.2.

10.3 **Additional Improvements.** Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Project by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

10.4 **Joint Assessment.** If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 **Personal Property Taxes.** Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

#### 11. Utilities and Services.

11.1 **Services Provided by Lessor.** Lessor shall provide heating, ventilation, air conditioning, reasonable amounts of electricity for normal lighting and office machines, water for reasonable and normal drinking and lavatory use in connection with an office, and replacement light bulbs and/or fluorescent tubes and ballasts for standard overhead fixtures. Lessor shall also provide janitorial services to the Premises and Common Areas 5 times per week, excluding Building Holidays, or pursuant to the attached janitorial schedule, if any. Lessor shall not, however, be required to provide janitorial services to kitchens or storage areas included within the Premises.

11.2 **Services Exclusive to Lessee.** Notwithstanding the provisions of paragraph 11.1, Lessee shall pay for all water, gas, light, power, telephone and other utilities and services specially or exclusively supplied and/or metered exclusively to the Premises or to Lessee, together with any taxes thereon. Notwithstanding the provisions of Paragraph 4.2(vi), if a service is deleted by Paragraph 1.13 and such service is not separately metered to the Premises, Lessee shall pay at Lessor's option, either Lessee's Share or a reasonable proportion to be determined by Lessor of all charges for such jointly metered service.

11.3 **Hours of Service.** Said services and utilities shall be provided during times set forth in Paragraph 1.12. Utilities and services required at other times shall be subject to advance request and reimbursement by Lessee to Lessor of the cost thereof.

11.4 **Excess Usage by Lessee.** Lessee shall not make connection to the utilities except by or through existing outlets and shall not install or use machinery or equipment in or about the Premises that uses excess water, lighting or power, or suffer or permit any

act that causes extra burden upon the utilities or services, including but not limited to security and trash services, over standard office usage for the Project. Lessor shall require Lessee to reimburse Lessor for any excess expenses or costs that may arise out of a breach of this subparagraph by Lessee. Lessor may, in its sole discretion, install at Lessee's expense supplemental equipment and/or separate metering applicable to Lessee's excess usage or loading.

**11.5 Interruptions.** There shall be no abatement of rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

## **12. Assignment and Subletting.**

### **12.1 Lessors Consent Required.**

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assignment or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "Net Worth of Lessee" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(d), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, ie. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

### **12.2 Terms and Conditions Applicable to Assignment and Subletting.**

(a) Regardless of Lessor's consent, no assignment or subletting shall : (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

**12.3 Additional Terms and Conditions Applicable to Subletting.** The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from

Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

**12.4 Sublease Rent.** Notwithstanding the other provisions of Section 12 to the contrary, Lessor and Lessee do hereby agree that it is the intent of the parties hereto that this Lease shall confer upon Lessee only the right to use and occupy the Premises and to exercise such other rights as are conferred upon Lessee by this Lease. The parties agree that this Lease is not intended to serve as a vehicle whereby Lessee may profit by a future transfer of its leasehold interest or right to use or occupy the Premises as a result of any favorable terms contained herein, or future changes in the market for lease space. In the event of any assignment or sublease, Lessor shall receive as additional rent hereunder one hundred percent (100%) of Lessee's "Excess Consideration" derived from any such assignment or sublease. In the event of an assignment or sublease, "Excess Consideration" shall mean all Base Rent, Additional Rent or other consideration actually received by Lessee from such assignee or subtenant in connection with the assignment or sublease in excess of the Base Rent, Additional Rent and other sums payable by Lessee under this Lease during the Original Term, less the sum of Lessee's out-of-pocket costs incurred in connection with such assignment or sublease including brokerage commissions, reasonable attorneys' fees, the cost of any alterations or improvements made for the benefit of such assignee or subtenant, and/or any free rent period granted to such subtenant amortized on a straight line basis over the remainder of the Original Term or sublease period, as the case may be.

### 13. Default; Breach; Remedies.

**13.1 Default; Breach.** A "Default" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee. In the event that Lessee commits waste, a nuisance or an illegal activity a second time then, the Lessor may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 41, (viii) material safety data sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.1(a), (b) or (c), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

**13.2 Remedies.** If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an

invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

**13.3 Inducement Recapture.** Any agreement for free or abated rent or other charges, the cost of tenant improvements for Lessee paid for or performed by Lessor, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "**Inducement Provisions**," shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

**13.4 Late Charges.** Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or \$100, whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

**13.5 Interest.** Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest ("**Interest**") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

**13.6 Breach by Lessor.**

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. ~~For purposes of this Paragraph, Except with respect to Lessor's obligations under Paragraph 7.2 of this Lease, a reasonable time shall in no event be less than 30 days after receipt by Lessor,~~ and any Lender whose name and address shall have been furnished to Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided, however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to seek reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

**14. Condemnation.** If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "**Condemnation**"), this Lease shall terminate as to the part taken as of the date the

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condemning authority takes title or possession, whichever first occurs. If more than 10% of the rentable floor area of the Premises, or more than 25% of Lessee's Reserved Parking Spaces, if any, are taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

**15. Brokerage Fees.**

~~15.1 **Additional Commission.** In addition to the payments owed pursuant to Paragraph 1.10 above, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises or other premises owned by Lessor and located within the Project, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the time the Lease was executed.~~

**15.2 Assumption of Obligations.** Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.10, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue Interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.

**15.3 Representations and Indemnities of Broker Relationships.** Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder (other than the Brokers, if any) in connection with this Lease, and that no one other than said named Brokers is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

**16. Estoppel Certificates.**

(a) Each Party (as "**Responding Party**") shall within 10 days after written notice from the other Party (the "**Requesting Party**") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "**Estoppel Certificate**" form published BY AIR CRE, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

**17. Definition of Lessor.** The term "**Lessor**" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

**18. Severability.** The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

**19. Days.** Unless otherwise specifically indicated to the contrary, the word "days" as used in this Lease shall mean and refer to calendar days.

**20. Limitation on Liability.** The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, or its partners, members, directors, officers or shareholders, and Lessee shall look to the Project, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

**21. Time of Essence.** Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

**22. No Prior or Other Agreements; Broker Disclaimer.** This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

**23. Notices.**

**23.1 Notice Requirements.** All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by email, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

**23.2 Date of Notice.** Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices delivered by hand, or transmitted by facsimile transmission or by email shall be deemed delivered upon actual receipt. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

**24. Waivers.**

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of monies or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

**25. Disclosures Regarding The Nature of a Real Estate Agency Relationship.**

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) Lessor's Agent. A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: To the Lessor: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. To the Lessee and the Lessor: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) Lessee's Agent. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. To the Lessee: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. To the Lessee and the Lessor: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) Agent Representing Both Lessor and Lessee. A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. (b) Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not without the express permission of the respective Party, disclose to the other Party that the Lessor will accept rent in an amount less than that indicated in the listing or that the Lessee is willing to pay a higher rent than that offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own

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interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

**26. No Right To Holdover.** Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 150% of the Base Rent applicable immediately preceding the expiration or termination. Holdover Base Rent shall be calculated on a monthly basis. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

**27. Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

**28. Covenants and Conditions; Construction of Agreement.** All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

**29. Binding Effect; Choice of Law.** This Lease shall be binding upon the parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

**30. Subordination; Attornment; Non-Disturbance.**

30.1 **Subordination.** This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "**Security Device**"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "**Lender**") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment.** In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

30.3 **Non-Disturbance.** With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "**Non-Disturbance Agreement**") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 **Self-Executing.** The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

**31. Attorneys Fees.** If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "**Prevailing Party**" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach (\$200 is a reasonable minimum per occurrence for such services and consultation).

**32. Lessors Access ; Showing Premises; Repairs.** Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to

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prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect on Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

**33. Auctions.** Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

**34. Signs.** Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Lessor may not place any sign on the exterior of the Building that covers any of the windows of the Premises. Except for ordinary "For Sublease" signs which may be placed only on the Premises, Lessee shall not place any sign upon the Project without Lessor's prior written consent. All signs must comply with all Applicable Requirements. Lessee shall pay for the cost of a door placard and directory board placards to be installed by Lessor. All signs shall comply to the Lessor's uniform Building Standard.

**35. Termination; Merger.** Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

**36. Consents.** All requests for consent shall be in writing. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

**37. Guarantor.**

37.1 **Execution.** The Guarantors, if any, shall each execute a guaranty in the form most recently published BY AIR CRE.

37.2 **Default.** It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

**38. Quiet Possession.** Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

**39. Options.** If Lessee is granted any option, as defined below, then the following provisions shall apply.

39.1 **Definition.** "Option" shall mean: ~~(a) the right to extend or reduce the term of or renew this Lease as further described in Addendum, Paragraph 55 attached to this Lease. or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.~~

39.2 **Options Personal To Original Lessee.** Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 **Multiple Options.** In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 **Effect of Default on Options.**

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

**40. Security Measures.** Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties. In the event, however, that Lessor should elect to provide security services, then the cost thereof shall be an Operating Expense.

**41. Reservations.**

(a) Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessor may also: change the name, address or title of the Building or Project upon at least 90 days prior written notice; provide and install, at Lessee's expense, Building standard graphics on the door of the Premises and such portions of the Common Areas as Lessor shall reasonably deem appropriate; grant to any lessee the exclusive right to conduct any business as long as such exclusive right does not conflict with any rights expressly given herein; and to place such signs, notices or displays as Lessor reasonably deems necessary or advisable upon the roof, exterior of the Building or the Project or on signs in the Common Areas. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights. The obstruction of Lessee's view, air, or light by any structure erected in the vicinity of the Building, whether by Lessor or third parties, shall in no way affect this Lease or impose any liability upon Lessor.

~~(b) Lessor also reserves the right to move Lessee to other space of comparable size in the Building or Project. Lessor must provide at least 45 days prior written notice of such move, and the new space must contain improvements of comparable quality to those contained within the Premises. Lessor shall pay the reasonable out of pocket costs that Lessee incurs with regard to such relocation, including the expenses of moving and necessary stationary revision costs. In no event, however, shall Lessor be required to pay an amount in excess of two months Base Rent. Lessee may not be relocated more than once during the term of this Lease.~~

(c) Lessee shall not: (i) use a representation (photographic or otherwise) of the Building or Project or their name(s) in connection with Lessee's business; or (ii) suffer or permit anyone, except in emergency, to go upon the roof of the Building.

**42. Performance Under Protest.** If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

**43. Authority; Multiple Parties; Execution.**

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

**44. Conflict.** Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

**45. Offer.** Preparation of this Lease by either party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

**46. Amendments.** This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

**47. Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.**

**48. Arbitration of Disputes.** An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease ☐ is ☒ is not attached to this Lease.

**49. Accessibility; Americans with Disabilities Act.**

(a) The Premises:

☒ have not undergone an inspection by a Certified Access Specialist (CASp). Note: A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential.

☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential except as necessary to complete repairs and corrections of violations of construction related accessibility standards.

In the event that the Premises have been issued an inspection report by a CASp the Lessor shall provide a copy of the disability access inspection certificate to Lessee within 7 days of the execution of this Lease.

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(b) Since compliance with the Americans with Disabilities Act (ADA) and other state and local accessibility statutes are dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in compliance with ADA or other accessibility statutes, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT AT THE TIME THIS LEASE IS EXECUTED THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY AIR CRE OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY LEGAL EFFECT OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

- 1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.
- 2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES THE ZONING AND SIZE OF THE PREMISES THE STRUCTURAL INTEGRITY THE CONDITION OF THE ROOF AND OPERATING SYSTEMS COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR LESSEE S INTENDED USE.

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: SUNNYVALE, CA  
On: 12-18-2019

By LESSOR:

Sunnyvale Village Associates, a California  
general partnership

By: Riparbelli 2009 Irrevocable Trust  
dated December 8, 2009,  
General Partner

David Riparbelli  
By: \_\_\_\_\_  
David J. Riparbelli

Title: Trustee

By: Iacopo & Giuseppina Group, LLC,  
a California limited liability company,  
General Partner

Thomas J. Biagini  
By: \_\_\_\_\_  
Name Printed: Thomas J. Biagini  
Title: Manager  
Phone: (408) 331-2300  
Fax: (408) 331-2301  
Email: Tom@BiaginiProperties.com

Mark Biagini  
By: \_\_\_\_\_  
Name Printed: Mark B. Biagini  
Title: Manager  
Phone: (408) 331-2300  
Fax: (408) 331-2301  
Email: Mark@BiaginiProperties.com

Address: c/o Biagini Properties, Inc.  
333 W. El Camino Real, Suite 240  
Sunnyvale, CA 94087-1969  
Federal ID No.: 94-2728636

BROKER

Biagini Properties, Inc.  
Attn: Thomas J. Biagini  
Title: Manager

DR MBB  
TJB  
INITIALS

Executed at: Sunnyvale, CA  
On: 12-12-2019

By LESSEE:

Silicon Valley Energy Authority, a Santa Clara  
County Public Agency,

By: \_\_\_\_\_  
Name Printed: Girish Balachandran  
Title: Chief Executive Officer  
Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: girish.balachandran@svcleanenergy.org

By: \_\_\_\_\_  
Name Printed: \_\_\_\_\_  
Title: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

Address: \_\_\_\_\_  
Federal ID No.: \_\_\_\_\_

BROKER

Newmark Knight Frank  
Attn: Tracey Solari & Shawn Kellenberger  
Title: Executive Managing Director

Gb  
INITIALS

|  
|  
Address: 333 W. El Camino Real, Suite 240  
Sunnyvale, CA 94087-1969  
Phone: (408) 331-2300  
Fax: (408) 331-2301  
Email: Tom@BiaginiProperties.com  
Federal ID No.: 94-2440735  
Broker/Agent BRE License #: 00616940

Address: 3055 Olin Avenue, Suite 2200  
San Jose, CA 95128  
Phone: 408-987-4148  
Fax: 408-892-7305  
Email: tsolari@ngkf.com; skellenberger@ngkf.com  
Federal ID No.:   
Broker/Agent BRE License #: 01269780; 01706215

AIR CRE. 500 North Brand Blvd Suite 900 Glendale CA 91203 Te 213-687-8777 Email contracts@aircre.com  
NOTICE: No part of these works may be reproduced in any form without permission in writing.

Item 1e  
Attachment 2

DR TJB MBB

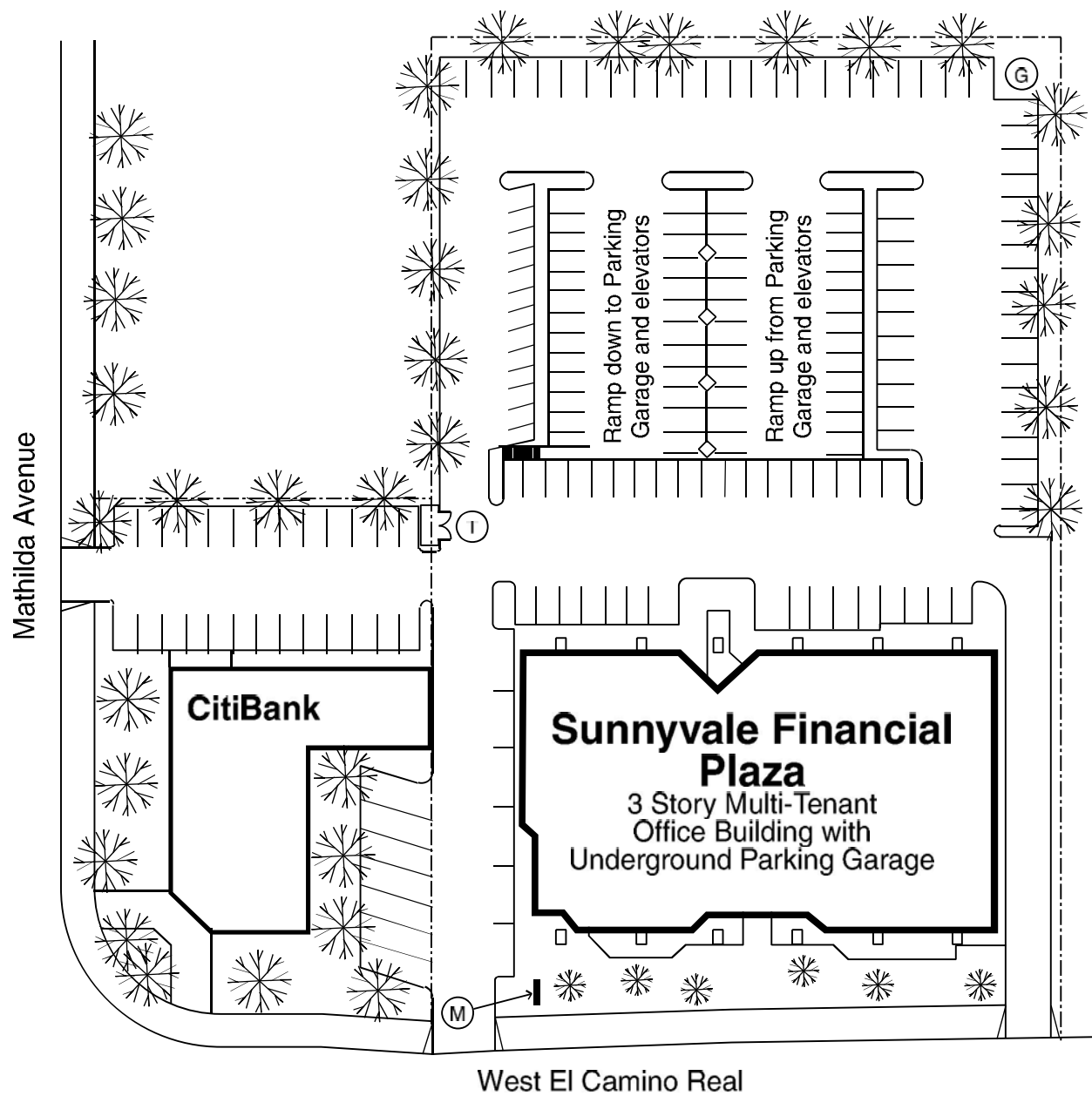
PLEASE INITIAL

# Sunnyvale Financial Plaza

## 333 West El Camino Real

### Sunnyvale, California 94087

EXHIBIT A-1



- (G) Garden Park
- (M) Monument Sign
- (T) Trash Enclosure
- Property Line

rev: 03/16/2018

Site plan not to scale and subject to change without notice



333 W. El Camino Real, Suite 240  
Sunnyvale, CA 94087-1969  
Phone (408) 331-2300  
Fax (408) 331-2301



Sunnyvale Financial Plaza  
333 West El Camino Real  
Sunnyvale, CA 94087-1969

Third Floor Plan

Suite 310	1,371 Useable Square Feet
Suite 315	631 Useable Square Feet
Suite 320	1,361 Useable Square Feet
Suite 330	4,927 Useable Square Feet
Suite 340	2,122 Useable Square Feet
Suite 350	2,760 Useable Square Feet
Suite 370	1,093 Useable Square Feet
Suite 380	980 Useable Square Feet
Suite 390	2,774 Useable Square Feet

DEMISED PREMISES		
333 W. El Camino Real, Suite 330 and 340		
Sunnyvale, CA 94087		
± 7,049 Useable Square Feet		
± 7,913 Rentable Square Feet		
ReCAP:	Useable Square Feet	Rentable Square Feet
Suite #330	±4,927	±5,531
Suite #340	±2,122	±2,382
Total	±7,049	±7,913



333 W. El Camino Real, Suite 240  
Sunnyvale, CA 94087-1969  
Phone (408) 331-2300  
Fax (408) 331-2301

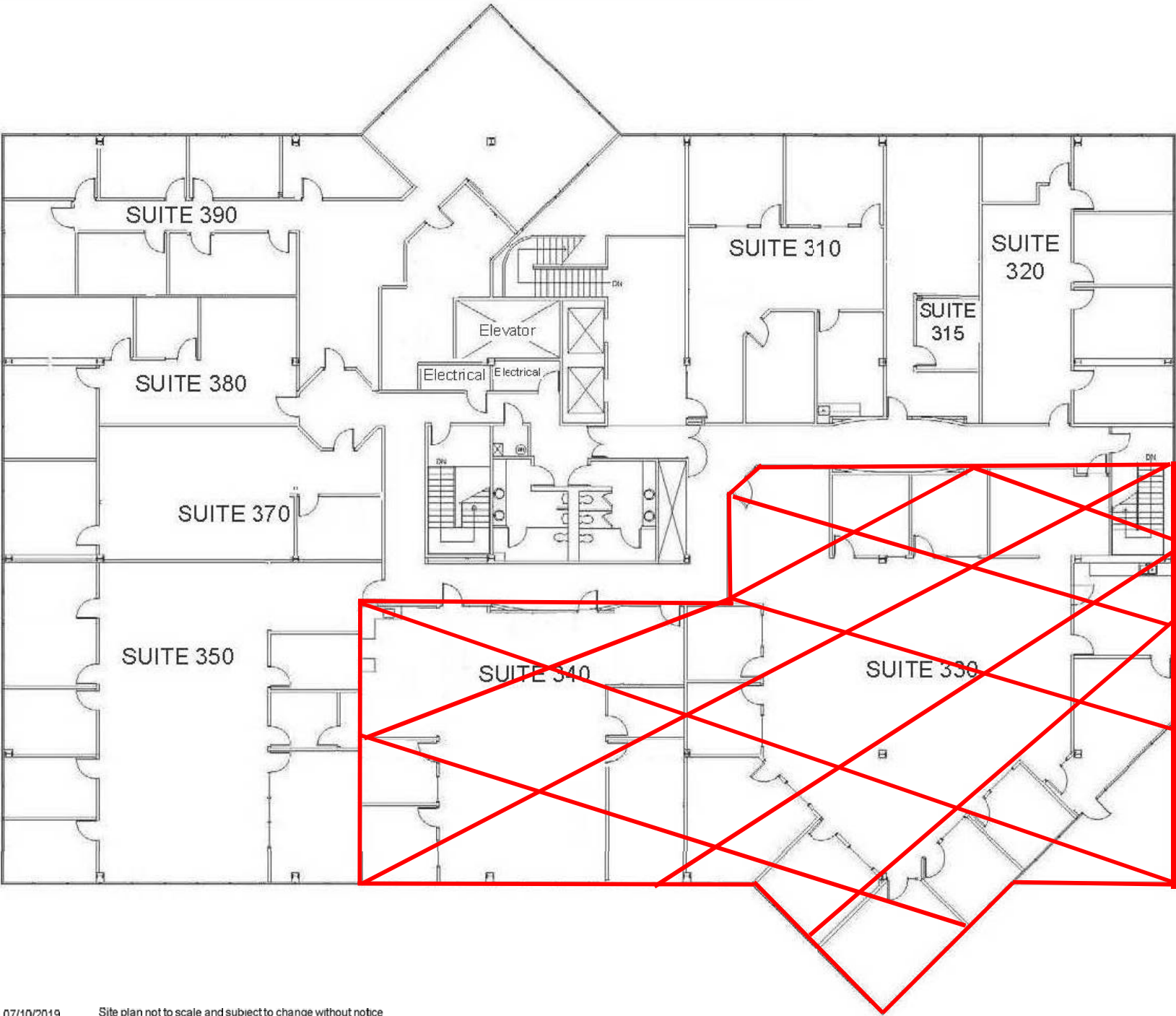


EXHIBIT A-2

**Sunnyvale Financial Plaza**  
**333 West El Camino Real, Suite 330**  
**Sunnyvale, CA 94087**  
**± 5,531 Square Feet Rentable**  
**± 4,927 Square Feet Useable**



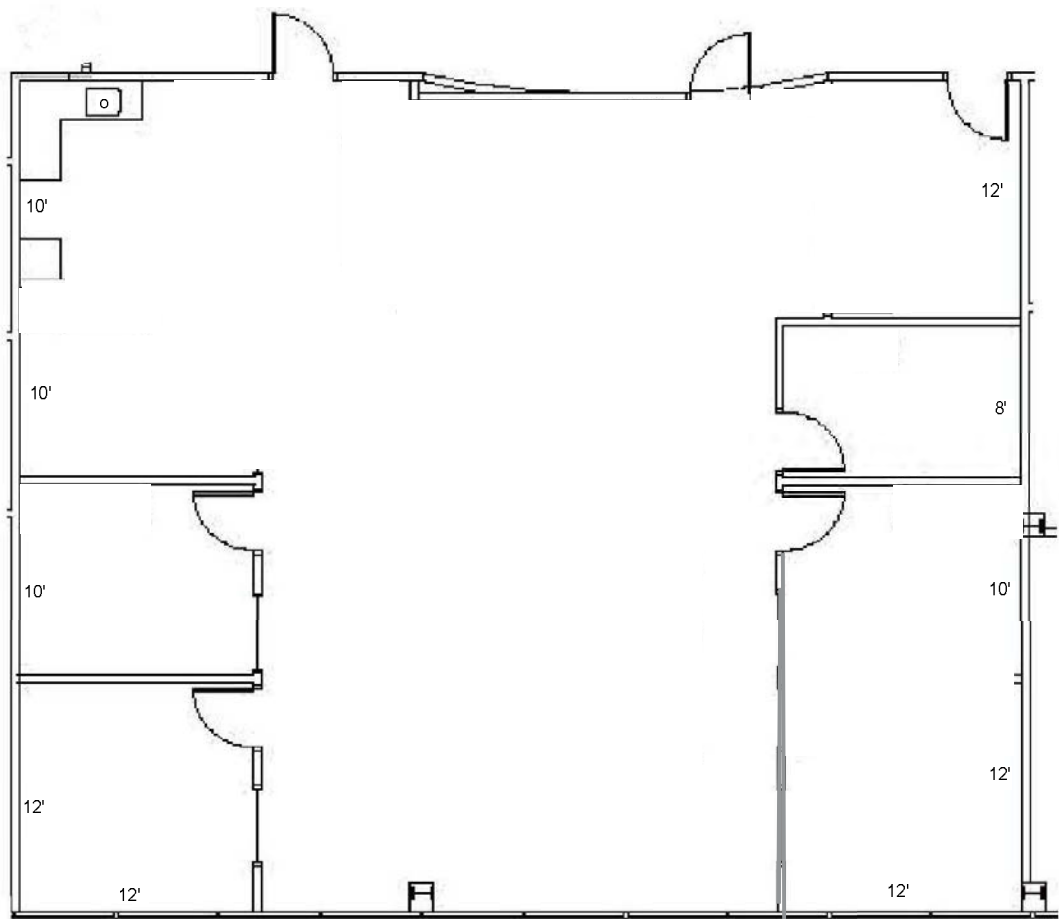
333 W. El Camino Real, Suite 240  
Sunnyvale, CA 94087-1969  
(408) 331-2300 Telephone  
(408) 331-2301 Facsimile  
[www.biagininiproperties.com](http://www.biagininiproperties.com)





EXISTING FLOOR PLAN

Sunnyvale Financial Plaza  
333 W. El Camino Real, Suite 340  
Sunnyvale, CA 94087  
± 2,382 Square Feet Rentable  
± 2,122 Square Feet Useable



**All dimensions are approximate only.** The information contained herein has been given to us by the owner of the property or other sources we deem reliable. We have no reason to doubt its accuracy, but we do not guarantee it. All information should be verified prior to purchase or lease.



333 W. El Camino Real, Suite 240  
Sunnyvale, CA 94087-1969  
(408) 331-2300 Telephone  
(408) 331-2301 Facsimile  
[www.BiaginiProperties.com](http://www.BiaginiProperties.com)





EXHIBIT B

RULES AND REGULATIONS FOR  
STANDARD OFFICE LEASE

Date: December 12, 2019

By and Between

Lessor: Sunnyvale Village Associates, a California general partnership,

Lessee: Silicon Valley Energy Authority, a Santa Clara County Public Agency,

Property Address: 333 W. El Camino Real, Suites 330 and 340 Sunnyvale, CA 94087-1969  
(street address, city, state, zip)

GENERAL RULES

1. Lessee shall not suffer or permit the obstruction of any Common Areas, including driveways, walkways and stairways.
2. Lessor reserves the right to refuse access to any persons Lessor in good faith judges to be a threat to the safety and reputation of the Project and its occupants.
3. Lessee shall not make or permit any noise or odors that annoy or interfere with other lessees or persons having business within the Project.
4. Lessee shall not keep animals or birds within the Project, and shall not bring bicycles, motorcycles or other vehicles into areas not designated as authorized for same.
5. Lessee shall not make, suffer or permit litter except in appropriate receptacles for that purpose.
6. Lessee shall not alter any lock or install new or additional locks or bolts.
7. Lessee shall be responsible for the inappropriate use of any toilet rooms, plumbing or other utilities. No foreign substances of any kind are to be inserted therein.
8. Lessee shall not deface the walls, partitions or other surfaces of the Premises or Project.
9. Lessee shall not suffer or permit anything in or around the Premises or Building that causes excessive vibration or floor loading in any part of the Project.
10. Furniture, significant freight and equipment shall be moved into or out of the building only with the Lessor's knowledge and consent, and subject to such reasonable limitations, techniques and timing, as may be designated by Lessor. Lessee shall be responsible for any damage to the Office Building Project arising from any such activity.
11. Lessee shall not employ any service or contractor for services or work to be performed in the Building, except as approved by Lessor.
12. Lessor reserves the right to close and lock the Building on Saturdays, Sundays and Building Holidays, and on other days between the hours of 8:00 P.M. and 6:00 A.M. of the following day. If Lessee uses the Premises during such periods, Lessee shall be responsible for securely locking any doors it may have opened for entry.
13. Lessee shall return all keys at the termination of its tenancy and shall be responsible for the cost of replacing any keys that are lost.
14. No window coverings, shades or awnings shall be installed or used by Lessee.
15. No Lessee, employee or invitee shall go upon the roof of the Building.
16. Lessee shall not suffer or permit smoking or carrying of lighted cigars or cigarettes in areas reasonably designated by Lessor or by applicable governmental agencies as non-smoking areas.
17. Lessee shall not use any method of heating or air conditioning other than as provided by Lessor.
18. Lessee shall not install, maintain or operate any vending machines upon the Premises without Lessor's written consent.
19. The Premises shall not be used for lodging or manufacturing, cooking or food preparation.
20. Lessee shall comply with all safety, fire protection and evacuation regulations established by Lessor or any applicable governmental agency.
21. Lessor reserves the right to waive any one of these rules or regulations, and/or as to any particular Lessee, and any such waiver shall not constitute a waiver of any other rule or regulation or any subsequent application thereof to such Lessee.
22. Lessee assumes all risks from theft or vandalism and agrees to keep its Premises locked as may be required.
23. Lessor reserves the right to make such other reasonable rules and regulations as it may from time to time deem necessary for the appropriate operation and safety of the Project and its occupants. Lessee agrees to abide by these and such rules and regulations.

PARKING RULES

1. Parking areas shall be used only for parking by vehicles no longer than full size, passenger automobiles herein called "Permitted Size Vehicles." Vehicles other than Permitted Size Vehicles are herein referred to as "Oversized Vehicles."
2. Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.
3. Parking stickers or identification devices shall be the property of Lessor and be returned to Lessor by the holder thereof upon termination of the holder's parking privileges. Lessee will pay such replacement charge as is reasonably established by Lessor for the loss of such devices.
4. Lessor reserves the right to refuse the sale of monthly identification devices to any person or entity that willfully refuses to comply with the applicable rules, regulations, laws and/or agreements.
5. Lessor reserves the right to relocate all or a part of parking spaces from floor to floor, within one floor, and/or to reasonably adjacent offsite location(s), and to reasonably allocate them between compact and standard size spaces, as long as the same complies with applicable laws, ordinances and regulations.

DR MBB  
TJB  
INITIALS

Gb  
INITIALS

- 6. Users of the parking area will obey all posted signs and park only in the areas designated for vehicle parking.
- 7. Unless otherwise instructed, every person using the parking area is required to park and lock his own vehicle. Lessor will not be responsible for any damage to vehicles, injury to persons or loss of property, all of which risks are assumed by the party using the parking area.
- 8. Validation, if established, will be permissible only by such method or methods as Lessor and/or its licensee may establish at rates generally applicable to visitor parking.
- 9. The maintenance, washing, waxing or cleaning of vehicles in the parking structure or Common Areas is prohibited.
- 10. Lessee shall be responsible for seeing that all of its employees, agents and invitees comply with the applicable parking rules, regulations, laws and agreements.
- 11. Lessor reserves the right to modify these rules and/or adopt such other reasonable and non-discriminatory rules and regulations as it may deem necessary for the proper operation of the parking area.
- 12. Such parking use as is herein provided is intended merely as a license only and no bailment is intended or shall be created hereby.

AIR CRE North Hollywood Suite 100 Glendale CA 91201  
NOTICE: No part of these works may be reproduced in any form without permission in writing

## EXHIBIT C

### LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Santa Clara, city of Sunnyvale (and is described as follows)

#### PARCEL ONE:

PORTIONS OF LOTS 17 and 18, in Block 15 as shown on that certain Map entitled, "Map of the Town of Encinal", which Map was filed for record in the office of the Recorder of the County of Santa Clara, State of California on January 25, 1898 in book I of Maps, at page(s) 88 and 89 and more particularly described as follows:

BEGINNING at a stake marked WI standing in the Northerly line of Lot 20 in Block 15, as shown upon the map hereinabove referred to from which stake marked "20-21" standing at the Northeasterly corner of said Lot 20 bears S. 75 degrees 08' E. 130.00 feet; thence said stake "w.1" on a line parallel with the Easterly line of Lots 20 and 16, in Block 15, as shown upon said Map, S. 14 degrees 52' W. 530.00 feet to the True Point of Beginning of this description; thence from said true point of beginning along said parallel line S. 14 degrees 52' W. 377.23 feet to the Northeasterly line of the San Jose and San Francisco Road, as widened by deed to the State of California, recorded April 26, 1933 in Book 653, Official Records, page 36; thence along said line of said road, N. 77 degrees 01' W. 239.65 feet to the Southeasterly line of the parcel of land conveyed to Alma C. Lehmann by deed recorded April 16, 1924 in Book 83, Official Records, page 147; thence along said line and its prolongation N. 14 degrees 52' E. 385.09 feet to a point which bears N. 75 degrees 08' west from the said true point of beginning; thence S. 75 degrees 08' E. 239.52 feet to the said true point of beginning and being shown on a Parcel Map filed February 15, 1983 in Book 509 of Maps, pages 19 and 20.

EXCEPTING THEREFROM the parcel of land conveyed to the City of Sunnyvale, a municipal corporation, by deed recorded November 14, 1972, Book 0111, Official Records, page 641, described as follows:

BEGINNING at the Southwesterly corner of Parcel I as described in Deed to John Aleo, et al, recorded April 2, 1959, Book 4372, Official Records, page 39; thence S. 77 degrees 01' E. along the Northerly line of El Camino Real, a 50 foot half street, 239.65 feet to the Easterly line of said Parcel I; thence N. 14 degrees 52' E. along said Easterly line 9.00 feet to a line parallel with and distant Northerly, measured at right angles, 9.00 feet from said Northerly line; thence N. 77 degrees 01' W. along said parallel line 20.00 feet; thence N. 14 degrees 52' E. 1.00 foot line, parallel with and distant Northerly, measured at right angles, 10.00 feet from said Northerly line; thence N. 77 degrees 01' W. along last said parallel line, 219.65 feet to the Westerly line of said Parcel I; thence S. 14 degrees 52' W. along said Westerly line 10.01 feet to the Point of Beginning

#### PARCEL TWO:

A right of way for the repair and maintenance of the then (1946) existing sewer, as granted to Chas. E. Hoffman and Dorothy D. Hoffman, husband and wife, by deed recorded March 15, 1946, Book 1333, Official Records, page 243, over that certain strip of land described as follows:

PORTION OF LOTS 18 and 19, in Block 15, as shown on that certain Map entitled, "Map of the Town of Encinal", which Map was filed for record in the office of the Recorder of the County of Santa Clara, State of California on January 25, 1898 in Book I of Maps, at page(s) 88 and 89, Santa Clara County Records, more particularly described as follows:

BEGINNING at a point on the center line of Mathilda Avenue, from which the point of intersection of said center line of Mathilda Avenue with the original Northerly line of the San Jose and San Francisco Road, as said Avenue and road are shown on the Map hereinabove referred to, bears S. 14 degrees 52' W. 354.70 feet; thence at right angles to Mathilda Avenue S.



75 degrees 08' E. 192.90 feet to a point; thence on a line parallel with Mathilda Avenue N. 14 degrees 52' E. 3 feet to a point; thence N. 75 degrees 08' W. 192.90 feet to a point in the said center line of Mathilda Avenue; thence along said center line of Mathilda Avenue S. 14 degrees 52' W. 3 feet to the point of beginning

PARCEL THREE:

A non-exclusive easement appurtenant to Parcel One above for ingress and egress and for emergency vehicle ingress and egress, as contained in that certain Grant of Easement from Citizens Savings and Loan Association to Sunnyvale Village Associates, recorded January 19, 1981 in book 855 of Official Records, page 694, the location of which being established by that certain Agreement executed by and between First Nationwide and Sunnyvale Village Associates, recorded H261 of Official Records, page 83, described as follows:

A PORTION of that certain real property (herein called "the property") described in Exhibit "A" of that certain Grant of Easement recorded January 19, 1981 in Book F855, page 694 of Official Records, and more particularly describes as follows:

A strip of land 26 feet in width, running parallel to the Northerly boundary of the Property, said strip having its Westerly terminus on the Westerly boundary of the Property, its Easterly terminus on the Easterly boundary of the Property, its Southerly boundary of said 26 foot strip is 46 feet distant from the Northerly boundary of the Property and the Northerly boundary of said 26 foot strip is 20 feet distant from the Northerly boundary of said Property

Assessor's Parcel Number  
209-29-068

Sunnyvale Financial Plaza  
333 W. El Camino Real  
Sunnyvale, California 94087



**EXHIBIT D**

**Standards For Utilities and Services**

The following Standards for Utilities and Services are in effect. Lessor reserves the right to adopt nondiscriminatory modifications and additions hereto:

As long as Lessee is not in default under any of the terms, covenants, conditions, provisions or agreements of this Lease, Lessor shall:

- (a) Provide non-attended automatic elevator facilities Monday through Friday, except holidays, from 8 A.M. to 8 P.M., and have one elevator available at all other times.
- (b) On Monday through Friday, except holidays, from 8 A.M. to 6 P.M., (and other items for a reasonable additional charge to be fixed by Lessor), ventilate the Premises and furnish air conditioning or heating on such days and hours, when in the judgment of Lessor it may be required for the comfortable occupancy of the Premises. The air conditioning system achieves maximum cooling when the window coverings are closed. Lessor shall not be responsible for room temperatures if Lessee does not keep all window coverings in the Premises closed whenever the system is in operation. Lessee agrees to cooperate fully at all times with Lessor and to abide by all regulations and requirements which Lessor may prescribe for the proper functioning and protection of said air conditioning system. Lessee agrees not to connect any apparatus, device, conduit or pipe to the Building chilled and hot water air conditioning supply lines. Lessee further agrees that neither Lessee nor its servants, employees, agents, visitors, licensees or contractors shall at any time enter mechanical installations or facilities of the Building or adjust, tamper with, touch or otherwise in any manner affect said installations or facilities.
- (c) Lessor shall furnish to the Premises, during the usual business hours on business days, electric current as required by the Building standard office lighting and fractional horsepower office business machines in the amount of approximately two and one-half (2.5) watts per square foot. Lessee agrees, should its electrical installation or electrical consumption be in excess of the aforesaid quantity or extend beyond normal business hours, to reimburse Lessor monthly for the measured consumption at the terms, classifications and rate charges to similar consumers by the public utility serving the neighborhood in which the Building is located. If a separate meter is not installed at Lessee's cost, such excess cost will be established by an estimate agreed upon by Lessor and Lessee, and if the parties fail to agree, as established by an independent licensed engineer. Lessee agrees not to use any apparatus or device in, or upon, or about the Premises which may in any way increase the amount of such services usually furnished or supplied to said Premises, and Lessee further agrees not to connect any apparatus or device with wires, conduits or pipes, or other means by which such services are supplied, for the purpose of using additional or unusual amounts of such services without written consent of Lessor. Should Lessee use such services to excess, the refusal on the part of Lessee to pay upon demand of Lessor the amount established by Lessor for such excess charge shall constitute a breach of the obligation to pay rent under this Lease and shall entitle Lessor to the rights herein granted for such breach. Lessee shall be permitted to install and use computers, electronic data processing equipment and other office equipment in the Premises without the prior written consent of Lessor, provided that Lessee's use of such equipment shall not exceed the capacity of the existing electrical systems of the Building.
- (d) Water will be available in public areas for drinking and lavatory purposes only, but if Lessee requires, uses or consumes water for any purposes in addition to ordinary drinking and lavatory purposes, of which fact Lessee constitutes Lessor to be the sole judge, Lessor may install a water meter and thereby measure Lessee's water consumption for all purposes. Lessee shall pay Lessor for the cost of the meter and the cost of the installation thereof, and throughout the duration of Lessee's occupancy Lessee shall keep said meter and installation equipment in good working order and repair at Lessee's own cost and expense, in default of which Lessor may cause such meter and equipment to be replaced or repaired and collect the cost thereof from Lessee. Lessee agrees to pay for water consumed, as shown on said meter, as and when bills are rendered, and on default in making such payment, Lessor may pay such charges and collect the same from Lessee. Any such costs or expenses incurred, or payments made by Lessor for any of the reasons or purposes hereinabove stated shall be deemed to be additional rent payable by Lessee and collectible by Lessor as such.
- (e) Provide janitor service to the Premises Monday through Friday, provided the same are used exclusively for the permitted use in Paragraph 1.8 of the Lease, as offices, and are kept reasonably in order by Lessee, and if to be kept clean by Lessee, no one other than persons approved by Lessor shall be permitted to enter the Premises for such purposes. If the Premises are not used for the permitted use in Paragraph 1.8 of the Lease they shall be kept clean and in order by Lessee, at Lessee's expense, and to the satisfaction of Lessor, and by persons approved by Lessor. Lessee shall pay to Lessor the cost of removal of any of Lessee's refuse and rubbish, to the extent that the same exceeds the refuse and rubbish usually attendant upon the use of the Premises as offices.

Lessor reserves the right to stop service of the elevator, plumbing, ventilation, air conditioning and electric systems, when necessary, by reason of accident or emergency or for repairs, alterations or improvements, in the judgment of Lessor desirable or necessary to be made, until said repairs, alterations or improvements shall have been completed, and shall further have no responsibility or liability for failure to supply elevator facilities, plumbing, ventilating, air conditioning or electric service, when prevented from so doing by strike or accident or by and any cause beyond Lessor's reasonable control, or by laws, rules, orders, ordinances, directions, regulations or requirements of any federal, state, county or municipal authority or failure of gas, oil or other suitable fuel supply or inability by exercise of reasonable diligence to obtain gas, oil or other suitable fuel. It is expressly understood and agreed that any covenants on Lessor's part to furnish any service pursuant to any of the terms, covenants, conditions, provisions or agreements of this Lease, or to perform any act or thing for the benefit of Lessee, shall be deemed breached if Lessor is unable to furnish or perform the same by virtue of a strike or labor trouble or any other cause whatsoever beyond Lessor's control.





## EXHIBIT E-1

### INTERIOR ALTERATIONS AND IMPROVEMENTS

**LESSOR WORK.** The Lessor shall be responsible for performing and paying for interior alterations and improvements work specifically set forth below:

1. Demolish certain interior walls where directed by Lessee.
2. Construct certain interior rooms and walls where directed by Lessee to create eleven (11) private offices and one (1) executive private office.
3. Construct one (1) board room where directed by Lessee including electrical for a flat panel screen monitor and floor core for electrical, voice and data services.
4. Construct one (1) medium-sized conference room where directed by Lessee including electrical for a flat panel screen monitor and floor core for electrical, voice and data services.
5. Construct two (2) small conference rooms where directed by Lessee including electrical for a flat panel screen monitor and floor core for electrical, voice and data service.
6. Construct one (1) server room where directed by Lessee including (a) vinyl tile floor covering, (b) electrical service for one (1) server rack and a dedicated air conditioning unit of at least three (3) tons capacity.
7. Construct one (1) privacy/mother's room including electrical for a small refrigerator.
8. Construct one (1) break/all hands room including a polished concrete flooring, high open ceiling, pendant lighting fixtures, new upper/lower cabinetry millwork, wash sink, dishwasher, garbage disposal, quartz surface counter, center island and water line for Lessee's refrigerator.
9. Modify reception area to have a high open ceiling, polished concrete flooring and pendant lighting fixtures.
10. Install floor cores where directed by Lessee to serve Lessee's workstation modules.
11. Modify existing LED interior lighting fixtures to include dimmable switches.
12. Modify existing lighting fixtures and heating, ventilating and air conditioning systems and equipment to provide uniform coverage through the Premises.
13. Re-paint all interior wall surfaces using one (1) coat of latex paint using a mutually acceptable color (s).
14. Remove and dispose of existing carpet floor covering and replace new with a glue down-commercial grade carpet tiles in a mutually acceptable color/pattern.
15. Install where necessary a side light glass or picture window in offices or rooms where directed by Lessee.
16. Janitorialize the Premises of all trash and debris.

Attached hereto are Exhibits E-2 and E-3, Lessee's Preliminary Floor Plan, identifying Lessor Work described hereinabove.

Lessor shall prepare a Final Floor Plan for Lessee review and written consent and approval prior to commencing any interior alterations and improvements work.



All Lessor Work shall be performed in a first class workmanlike manner in accordance with municipal building codes and ordinances.

LESSEE WORK. Subject to the completion of Lessor Work, Lessee agrees to occupy the Premises as of the Commencement Date hereof and to perform and pay for any additional interior alterations and improvements desired or necessary for Lessee’s permitted use as well as exterior Building signage, if desired, pursuant to Exhibit F, Master Sign Program.

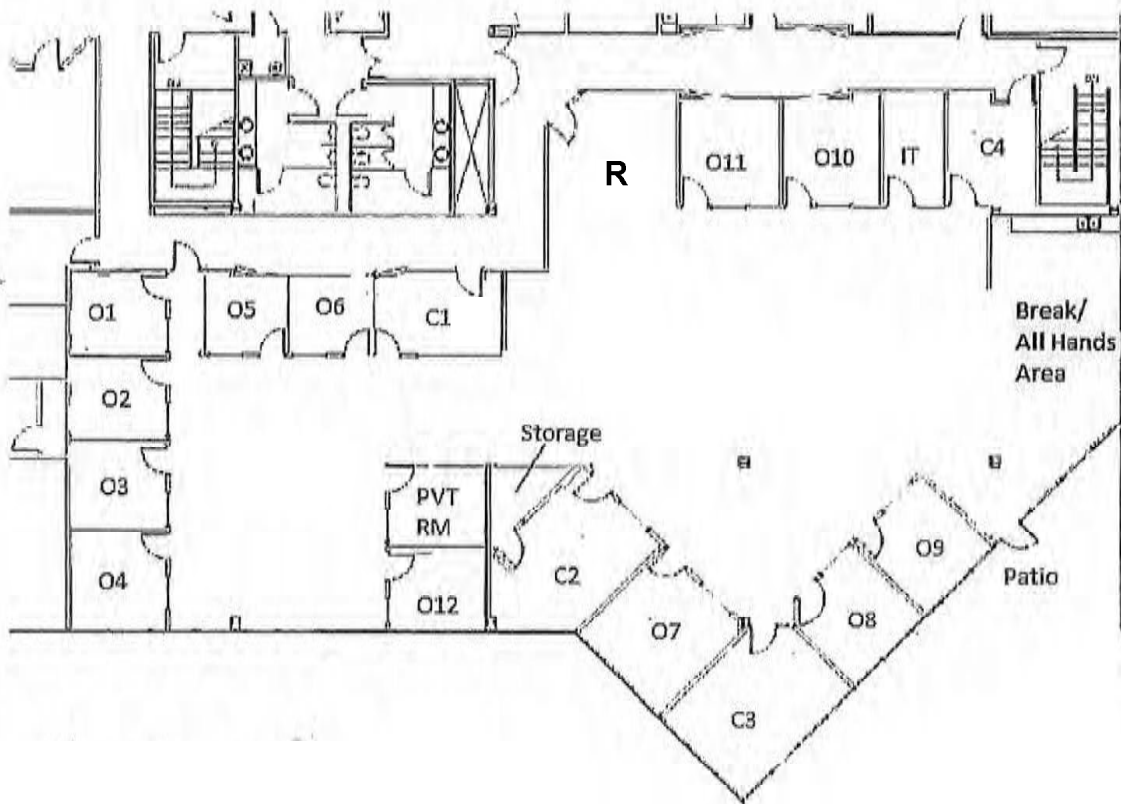
All Lessee Work shall be done in a first class workmanlike manner in accordance with municipal building codes and ordinances subject to the provisions of Section 7.3, Alterations and Additions of the Lease and to Lessor's prior written consent and approval.





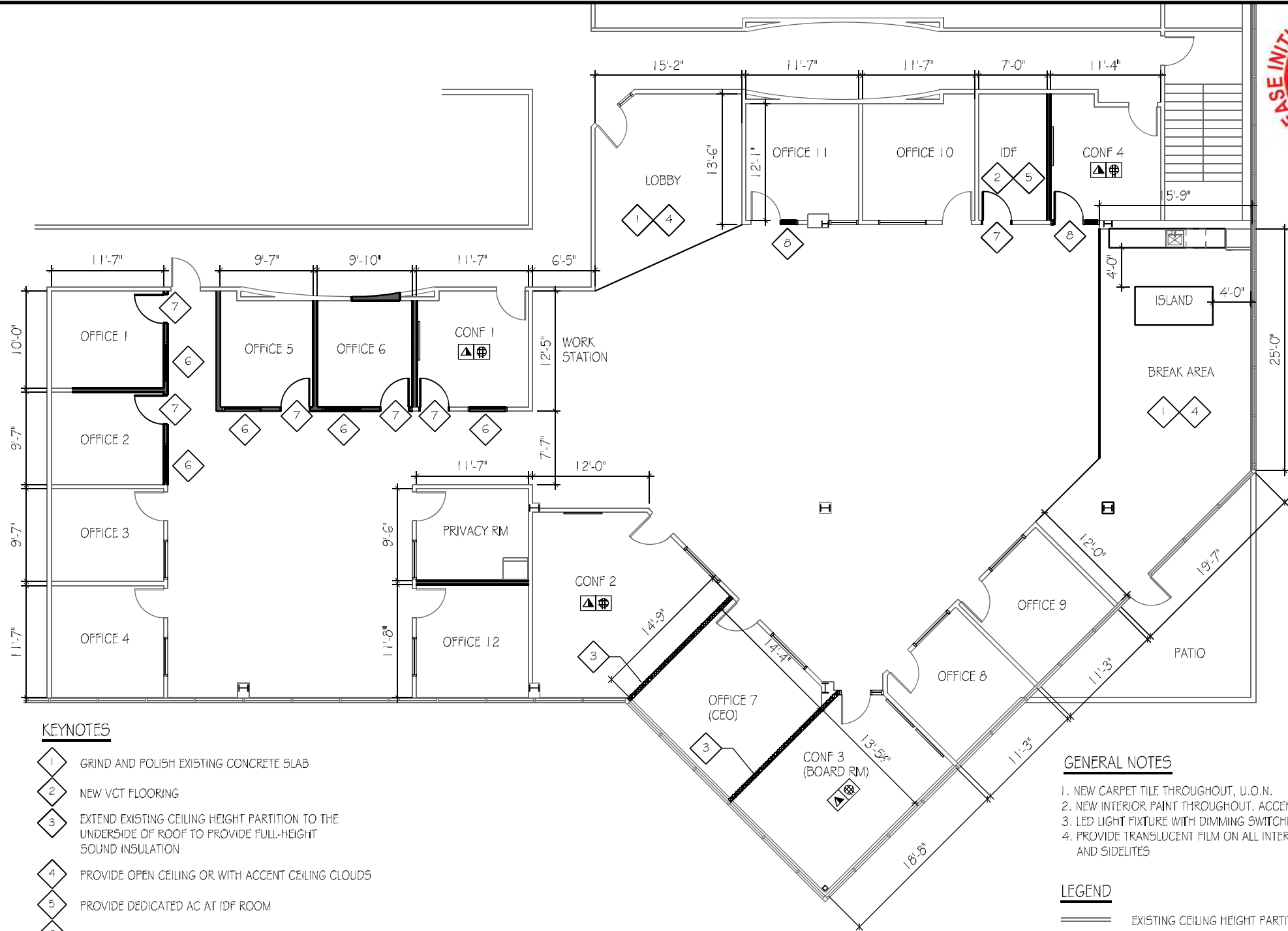
## LESSEE'S PRELIMINARY FLOOR PLAN

333 W. El Camino Real, Suite 330&340  
Sunnyvale, CA 94087



O: Office rooms  
C: Conference Rooms  
C1: Small Conference Room  
C2: Medium Conference Room  
C3: Board Room  
C4: Small Conference Room  
O7: Executive Private Office  
IT: Server Room  
R: Reception Area

EXHIBIT E-3  
LESSEE'S PRELIMINARY FLOOR PLAN



KEYNOTES

- 1 GRIND AND POLISH EXISTING CONCRETE SLAB
- 2 NEW VCT FLOORING
- 3 EXTEND EXISTING CEILING HEIGHT PARTITION TO THE UNDERSIDE OF ROOF TO PROVIDE FULL-HEIGHT SOUND INSULATION
- 4 PROVIDE OPEN CEILING OR WITH ACCENT CEILING CLOUDS
- 5 PROVIDE DEDICATED AC AT IDF ROOM
- 6 NEW WINDOW TO MATCH (E)
- 7 NEW WOOD DOOR TO MATCH (E)
- 8 NEW DOOR WITH SIDELITE

GENERAL NOTES

- 1. NEW CARPET TILE THROUGHOUT, U.O.N.
- 2. NEW INTERIOR PAINT THROUGHOUT. ACCENT WALLS TBD
- 3. LED LIGHT FIXTURE WITH DIMMING SWITCHES THROUGHOUT
- 4. PROVIDE TRANSLUCENT FILM ON ALL INTERIOR WINDOWS AND SIDELITES

LEGEND

- EXISTING CEILING HEIGHT PARTITION TO REMAIN
- NEW CEILING HEIGHT PARTITION
- NEW FULL-HEIGHT PARTITION WITH SOUND INSULATION



LEASING PLAN

SUNNYVALE FINANCIAL PLAZA

ADAPTIVE  
ARCHITECTURE

20111 STEVENS CREEK BLVD  
SUITE 270  
CUPERTINO, CA 95014  
(408) 865-1089

333 WEST EL CAMINO REAL  
SUITE 330 & 340  
SUNNYVALE, CA 94087

Item  
Attachment  
A2

DATE: 12/4/19

SCALE: 1" = 10'

## EXHIBIT F

### MASTER SIGN PROGRAM

SUNNYVALE FINANCIAL PLAZA  
333 WEST EL CAMINO REAL, SUNNYVALE, CA

#### GENERAL

1. Wall signs shall be placed flat against and centered on the fascia of the building (stucco inset).
2. The maximum number of signs per tenant shall not exceed two (2) for ground floor tenants and shall not be on the same building face.
3. Window signs are prohibited.
4. All proposed signs and changes of copy shall conform to the Master Sign Program (MSP) and The Sign Code.
5. Any proposed variations, modifications, or additions to the MSP shall be submitted to the Director of Community Development for approval by a separate application.
6. No reader boards shall be permitted.
7. Any tenant directory sign shall be located either in the building interior or near the rear entrance adjacent to the rear parking area.
8. No exposed neon lighting shall be used on the signs or any element of the building.
9. No conduit, tubing or raceway shall be visible to the exterior of the building.
10. All conductors, transformers and other equipment related to the signing shall be concealed.
11. Obtain a Sign Permit for each proposed sign or change of copy from Building Safety Division prior to installation of sign.

#### GROUND SIGNS

1. The ground sign shall be approved as to design, colors, and location by the Director of Community Development.
2. One ground sign shall be permitted.
3. The ground sign shall not exceed 10 feet in height, measured from the nearest top-of-curb.

#### WALL SIGNS

All proposed wall signs on the ground floor shall conform to the following standards:

1. Signs shall be individual channel cut letters or script with internal LED illumination (U.L. listed and labeled).
2. A minimum depth of 4 inches, a maximum of 6 inches, and a maximum height of 1'-10".
3. Words may be stacked, but the total height shall not exceed 1'-10".
4. Sign length cannot exceed 75% of the tenant frontage. The tenant frontage is measured between the two midpoints of the brick area on each side of the tenant space.
5. Letter and colors and style may vary between signs, but individual words shall be the same, except for logos. The only case that varying colors of letters are allowed within one word is if the varying colors are part of the fundamental business identity of the tenant.
6. Logos shall have a maximum height of 1'-10" and shall be calculated in the total square footage of sign.

#### ADDRESS SIGNS

1. Address sign "333" to be mounted 44 feet above ground near the rooftop on south and west elevations only.



2. Letters are to be black anodized aluminum and lit from behind to create halo effect.
3. Numerals are to be 2 feet in height and overall length not to exceed 7 feet.
4. Address sign not included in overall calculation of tenant wall sign area.

Revised: September 22, 2017



## ADDENDUM

Addendum to that certain Standard Multi-Tenant Office Lease-Gross dated December 12, 2019 by and between Sunnyvale Village Associates, a California general partnership, ("Lessor") and Silicon Valley Clean Energy Authority, a Santa Clara County Public Agency ("Lessee") for the Premises commonly known as 333 W. El Camino Real, Suite 330 and Suite 340, Sunnyvale, CA 94087.

### 50. Base Rent Increases.

The Base Rent shall be increased as set forth below:

(i) Forty thousand seven hundred fifty two and 00/100---Dollars (\$40,752.00) per month during the period July 1, 2021 through June 30, 2022; and then

(ii) Forty one thousand nine hundred seventy five and 00/100---Dollars (\$41,975.00) per month during the period June 30, 2022 through May 31, 2023; and then

(iii) Forty three thousand two hundred thirty five and 00/100---Dollars (\$43,235.00) per month during the period July 1, 2023 through June 30, 2024; and then

(iv) Forty four eight thousand five hundred thirty and 00/100---Dollars (\$44,530.00) per month during the period July 1, 2024 through June 30, 2025.

### 51. Building Signage.

Lessee will have its trade name installed on the first and third floor directory boards of the Building and at the Premises entry to be installed by the Lessor utilizing its Building standard. In addition, Lessee may elect to have either (a) a ground floor wall sign facing El Camino Real, or (b) a top of the Building wall sign subject to (i) the prior consent and approval of Lessor and (ii) compliance with Exhibit F, Master Sign Program attached to the Lease. Lessor hereby discloses to Lessee that Lessor's Master Sign Program does not presently provide for a top of the Building wall sign. All signage costs are to be borne solely by the Lessee.

### 52. Interior Alterations and Improvements.

Lessor and Lessee shall each perform and pay for interior alterations and improvements as generally described in Exhibits E-1 and E-2, Work Letter, attached to this Lease in order to prepare the Premises for occupancy by Lessee.

### 53. Electricity Provider.

Lessee has become the default electric generation provider to the majority of cities in Santa Clara County including the Building containing the Premises. To the extent that the Lessee is providing satisfactory and competitively priced service, the Lessor, in its sole and absolute discretion, may consider remaining a business customer of the Lessee.

### 54. Electric Vehicle Charging Stations.

The Lessor has provided two (2) electric vehicle charging stations located in the Building's underground parking lot available for usage by lessees of the Building and their employees. The user is responsible for the cost of electricity drawn.

### 55. Renewal Option.

#### 55.1 Renewal Option.

Provided that Lessee is not in default of the terms and conditions of this Lease at the time of exercise of the hereinafter described renewal option or at the time of expiration of the then existing term of this Lease, as the case may be, Lessee shall have one (1) option (the "Option") to extend the term of this Lease for a period of five (5) years commencing on July 1, 2025 and expiring on June, 2030 (the "Option Term"). The Option shall be exercised only by written notice delivered to Lessor not sooner than June 1, 2024 nor later than August 31, 2024. In all respects, the terms, covenants and conditions of this Lease shall remain unchanged during the Option Term, except that the Base Rent and Base Rent Adjustments shall be adjusted in accordance with Sections 55.2 and 55.3 below, and except that there shall be no further renewal options at the end of the Option Term. If Lessee fails to deliver to Lessor written notice of exercise on or before the time set out above, Lessee shall be deemed to have declined to exercise its option and the option shall expire and be of no further force or effect.

#### 55.2 Adjustment of Base Rent.

At the commencement of the Option Term, the Base Rent shall be adjusted to the greater of (a) the fair market rental value of the Premises as of the first (1<sup>st</sup>) day of the Option Term as determined pursuant to Section 55.3 below, or (b) an amount equal to the Base Rent payable for the last calendar month of the primary Lease Term. The Base Rent during the Option Term shall be subject to periodic Base Rent Adjustments as may be determined pursuant to Section 55.3 below.

Promptly following the exercise of the Option, the parties shall meet and endeavor to agree upon (a) the fair market rental value of the Premises as of the first (1st) day of the Option Term and (b) the Base Rent Adjustments which will be applicable during the Option Term. In determining the fair market rental value of the Premises, the Premises shall be compared only to buildings of a similar quality and size and with similar improvements and amenities in Santa Clara County and all legal uses of the Premises shall be considered. If within thirty (30) days after the exercise of the Option, the parties cannot agree upon both (a) the fair market rental value of the Premises as of the first (1st) day of the Option Term, and (b) the Base Rent Adjustments which would be applicable during the Option Term, then the parties shall submit the matter to binding appraisal in accordance with the following procedures. Within forty-five (45) days after the exercise of the Option, the parties shall either: (a) jointly appoint an appraiser for this purpose, or (b) failing this joint action, each separately designate a disinterested appraiser. No person shall be appointed or designated an appraiser unless he or she has been a licensed real estate salesperson or broker for at least five (5) years and has at least five (5) years' experience in leasing retail commercial properties in Santa Clara County. If, within thirty (30) days after their appointment, the two appraisers reach agreement on both (a) the fair market rental of the Premises as of the first (1st) day of the Option Term, and (b) the Base Rent Adjustments which will be applicable during the Option Term, then those values shall be binding and conclusive upon the parties. If the two appraisers thus appointed cannot reach agreement on the questions presented within thirty (30) days after their appointment, then the appraisers thus appointed shall appoint a third disinterested appraiser having like qualifications. If within thirty (30) days after the appointment of the third appraiser, a majority of the appraisers agree upon both (a) the fair market rental value of the Premises as of the first (1st) day of the Option Term, and (b) the Base Rent Adjustments which will be applicable during the Option Term, then those values shall be binding and conclusive upon the parties. If within thirty (30) days after the appointment of the third appraiser, a majority of the appraisers cannot reach agreement on the questions presented, then the three appraisers shall each submit their independent appraisals of the fair market rental value of the Premises as of the first (1st) day of the Option Term to the parties, and the appraisal farthest from the median of the three appraisals shall be disregarded and the mean average of the remaining two appraisals shall be deemed to be the fair market rental value of the Premises as of the first (1st) day of the Option Term. In such case, the third disinterested appraiser appointed shall solely determine the Base Rent Adjustments which will be applicable during the Option Term.

55.4 Costs.

Each party shall pay the fees and expenses of the appraiser appointed by it and share equally the fees and expenses of the third appraiser. If the two appraisers appointed by the parties cannot reach agreement on the appointment of the third appraiser, they or either of them shall give notice of such failure to agree to the parties and if the parties fail to agree upon the selection of such third appraiser within ten (10) days after the appraisers appointed by the parties give such notice, then either of the parties, upon notice to the party, may request such appointment by the American Arbitration Association, or on its failure, refusal or inability to act, may apply for such appointment to the presiding judge of the Superior Court of Santa Clara County, California.

Dated this 12<sup>th</sup> day of December, 2019.

LESSOR:

Sunnyvale Village Associates,  
a California general partnership

By: Riparbelli 2009 Irrevocable Trust  
dated December 8, 2009,  
General Partner

By: David Riparbelli  
David J. Riparbelli

Title: Trustee

By: Iacopo & Giuseppina Group, LLC,  
a California limited liability company,  
General Partner

By: Thomas J. Biagini  
Thomas J. Biagini

Title: Manager

By: Mark Biagini  
Mark B. Biagini

Title: Manager

LESSEE:

Silicon Valley Energy Authority,  
a Santa Clara County Public Agency

By:   
Girish Balachandran

Name Printed: Girish Balachandran

Title: Chief Executive Officer





## Staff Report – Item 1f

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### **Item 1f: Adopt Resolution Electing to Become Subject to the Uniform Public Construction Cost Accounting Act and Adopting Informal Bid Procedures**

From: Monica Padilla, CEO

Prepared by: Michael Callahan, General Counsel

Date: 9/10/2025

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#### **RECOMMENDATION**

Staff recommends that the Silicon Valley Clean Energy (SVCE) Board ("Board") adopt Resolution 2025-19 electing to become subject to the Uniform Public Construction Cost Accounting Act ("CUPCCAA") and adopting informal bid procedures for public projects.

#### **BACKGROUND**

SVCE recently purchased a new headquarters that will require public works projects to be completed. CUPCCAA (Public Contract Code §22000–22045) allows public agencies to streamline how they bid and manage public construction and maintenance projects. It is voluntary and widely used by public agencies and communities throughout California.

#### **ANALYSIS & DISCUSSION**

Staff is recommending the Board elect to become subject to CUPCCA and develop informal bidding rules to provide a clear and efficient process for bidding and managing public works projects. The rule would generally require an informal bidding process for projects in excess of \$75,000 and a formal request for proposals (RFP) solicitation for projects in excess of \$220,000. These figures exceed SVCE's purchasing limits for typical vendors and are appropriate given the scale of public projects generally.

The new headquarters will require numerous public projects in the near term and in the future. Staff is preparing to build out the interior of the office which will be a significant public project. Staff also has to repair damage to one of the building's walls. Additionally, significant maintenance work may qualify as a public project. SVCE's reference jurisdiction, Cupertino, also follows CUPCCAA. The resolution recommended here will clarify that SVCE can also utilize this common statutory approach to public projects.

#### **STRATEGIC PLAN**

Electing to become subject to CUPCCAA and establishing informal bidding procedures will directly support Goal 9 which is to "Implement industry best practices to enable data-driven decision making across the organization; enhance systems, standards and procedures to streamline business processes and improve operational effectiveness and reliability" through creating clearer and more efficient processes for completing public projects.

#### **ALTERNATIVE**

If the Board does not elect to become subject to CUPCCAA and adopt informal bidding procedures for public projects, SVCE will need to solicit vendors for public projects under lower dollar limits requiring more staff time to conduct informal bidding and RFPs for smaller public projects. The result would be additional costs for these processes that are beyond what is called for under the statute. This could also slow down and complicate the completion of smaller public projects.

**FISCAL IMPACT**

The recommendation would not result in a direct fiscal impact. However, as described above, it is likely to reduce the transaction cost for smaller public projects relative to SVCE's current procurement rules.

**ATTACHMENT**

1. Resolution 2025-19 Electing to Become Subject to the Uniform Public Construction Cost Accounting Act and Adopting Informal Bid Procedures for Public Projects



## **SILICON VALLEY CLEAN ENERGY AUTHORITY**

### **RESOLUTION NO. 2025-19**

#### **A RESOLUTION OF THE BOARD OF DIRECTORS OF SILICON VALLEY CLEAN ENERGY AUTHORITY ELECTING TO BECOME SUBJECT TO THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT AND ADOPTING INFORMAL BID PROCEDURES**

**WHEREAS**, the Silicon Valley Clean Energy Authority (“Authority”) was formed on March 31, 2016, pursuant to a Joint Powers Agreement to study, promote, develop, conduct, operate, and manage energy programs in Santa Clara County; and

**WHEREAS**, pursuant to the Act, the Uniform Construction Cost Accounting Commission, in conjunction with the State Controller, has established uniform public construction cost accounting procedures for implementation by local public agencies electing to be governed by the provisions of the Act in performing or contracting for construction of public projects; and

**WHEREAS**, the Board of Directors (“Board”) has determined that it is in the best interests of the Silicon Valley Clean Energy Authority (“SVCE”) to be subject to the provisions of the Act. The benefits to SVCE include, but are not limited to, availability of alternate bidding procedures allowing SVCE to perform work costing up to and including \$75,000, as may be revised, by force account, by negotiated contract, or by purchase order, and to let contracts by informal procedures for public projects costing up to and including \$220,000, as may be revised, or more under specified circumstances; and

**WHEREAS**, California Public Contract Code Section 22030 provides that any public agency that wishes to utilize the alternative procedures for bidding and contracting for public projects must elect, by resolution, to become subject to the uniform construction cost accounting procedures set forth in the Public Contract Code and must notify the State Controller of its election; and

**WHEREAS**, California Public Contract Code Section 22034 requires each public agency that elects to become subject to the uniform construction cost accounting procedures to enact an informal bidding ordinance that complies with the requirements set forth in Section 22034; and

**WHEREAS**, SVCE is governed by resolutions and policies, so by this resolution it adopts an informal bidding policy in lieu of ordinance, as set forth in Attachment A to meet the requirements of Public Contract Code section 22034.

**WHEREAS**, all legal prerequisites to the adoption of this Resolution have occurred.

**NOW THEREFORE**, the Board of Directors of the Silicon Valley Clean Energy Authority does hereby resolve that:

1. All of the facts set forth in the foregoing Recitals are true and correct.

2. Pursuant to the authority set forth in the Uniform Public Construction Cost Accounting Act, California Public Contract Code Section 22000 et seq., SVCE hereby elects to be subject to the uniform public construction cost accounting procedures set forth in the Act and to the policies and procedures manual and cost accounting review procedures established thereunder, as each may be amended from time to time.

3. Authority hereby adopts the informal bidding policy related to public projects, as set forth Attachment A, which shall be incorporated into Authority's Purchasing and Spending Policy.

4. The Board Secretary shall notify the State Controller of SVCE's election pursuant to Section 2, above. This Resolution shall take effect and be in full force immediately.

**PASSED AND ADOPTED** this 10<sup>th</sup> day of September 2025, by the following vote:

<b>JURISDICTION</b>	<b>NAME</b>	<b>AYE</b>	<b>NO</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
City of Campbell	Director Scozzola				
City of Cupertino	Director Fruen				
City of Gilroy	Director Hilton				
City of Los Altos	Director Meadows				
Town of Los Altos Hills	Director Tyson				
Town of Los Gatos	Director Rennie				
City of Milpitas	Director Barbadillo				
City of Monte Sereno	Director Mekechuk				
City of Morgan Hill	Director Martinez Beltran				
City of Mountain View	Director Showalter				
County of Santa Clara	Director Lee				
City of Saratoga	Director Walia				
City of Sunnyvale	Director Klein				

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Chair

**ATTEST:**

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Andrea Pizano, Board Secretary

## **ATTACHMENT A: INFORMAL BIDDING POLICY FOR PUBLIC PROJECTS**

(a) Notice to contractors shall be provided in accordance with either paragraph (1) or (2), or both.

(1) SVCE shall maintain a list of qualified contractors, identified according to categories of work. Minimum criteria for development and maintenance of the contractors list shall be determined by the Commission. All contractors on the list for the category of work being bid shall be mailed, faxed, or emailed a notice inviting informal bids unless the product or service is proprietary. All mailing of notices to contractors pursuant to this subdivision shall be completed not less than 10 calendar days before bids are due.

(2) SVCE may elect to mail, fax, or email a notice inviting informal bids to all construction trade journals specified in Public Contract Code Section 22036.

(b) The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time and place for the submission of bids.

(c) The Board delegates the authority to award informal contracts to the Chief Executive Officer or their designee.

(d) If all bids received are in excess of two hundred twenty thousand dollars (\$220,000), the governing body of SVCE may, by adoption of a resolution by a four-fifths vote, award the contract, at two hundred thirty-five thousand dollars (\$235,000) or less, to the lowest responsible bidder, if it determines the cost estimate of SVCE was reasonable.



### Staff Report – Item 1g

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**Item 1g: Authorize the Chief Executive Officer to Execute a Fifth Agreement Amendment with Camus Energy to Transition Data Analytics Platform Services Adding \$25,000 for a New Total Not-to-Exceed Amount of \$733,000**

From: Monica Padilla, CEO

Prepared by: Scott Wrigglesworth, Director of Risk Management and Analytics  
Sangeetha Kumar, Senior Decarbonization Data Engineer

Date: 9/10/2025

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#### **RECOMMENDATION**

Staff recommends that the Silicon Valley Clean Energy (SVCE) Board of Directors ("Board") authorize the Chief Executive Officer (CEO) to execute the attached three-month agreement amendment with non-substantive changes approved by the CEO and subject to final review and approval by the General Counsel, which adds a cost not to exceed \$25,000 (for a new not to exceed total of \$733,000 for the 5-year duration of the agreement) with Camus Energy.

This agreement will provide transitional services of Data Analytics in SVCE Territory (DAISY) 2.0, SVCE's internal demand-side data analytics platform, as it is integrated with Repository for Analytics, Data, and Reporting (RADaR), SVCE's new, integrated internal data analytics platform.

#### **BACKGROUND**

In September 2019, Camus Energy was selected through an informal bid process to carry out a current state assessment of distributed energy resource (DER) and electrification penetration in SVCE territory. The agreement was executed in November 2019 for a not-to-exceed (NTE) amount of \$50,000. As part of this work, Camus worked with staff to develop "DAISY 1.0", SVCE's cloud-based data warehouse hosted on the Google Cloud Platform (GCP). Staff utilized DAISY 1.0 to clean, store, integrate, export, analyze, and visualize SVCE's demand-side data. The agreement with Camus was amended in December 2020 to extend the agreement through September 2021 and increase the NTE to \$99,799, for the continued maintenance and enhancement of DAISY 1.0.

In December 2020, staff issued a Request for Information (RFI) seeking information on data analytics platform services to expand DAISY 1.0 into a more robust platform to support SVCE's data warehousing, data analytics, and reporting needs ("DAISY 2.0"). Staff leveraged the RFI responses to inform the scope of a Request for Proposals (RFP) to seek data analytics platform services to build and maintain DAISY 2.0. Staff issued the RFP on March 9, 2021, which closed on April 9, 2021. The RFP scope was structured into 3 tasks: 1) cloud data platform deployment, 2) tools deployment, and 3) ongoing services. The RFP garnered a strong response, with 21 proposals submitted. Staff carried out a rigorous evaluation process over multiple months, which included two rounds of interviews. The primary evaluation criteria were relevant experience, proposed approach, cost for value, contract exceptions, and cybersecurity. The proposal submitted by Camus Energy was selected as the finalist. SVCE negotiated an agreement with Camus Energy to build and maintain DAISY 2.0 over a period of 3 years, ending in September 2024, with a NTE of \$532,000. To continue building out DAISY 2.0 to the eventual form of an open-source software license agreement and an in-house cloud project, SVCE negotiated a third amendment agreement, ending in September 2025 with a NTE of \$708,000.

**Agenda Item: 1g****Agenda Date: 9/10/2025**

Camus Energy is a local organization, founded in 2019 and based in Campbell, CA. Camus Energy is building a software platform to provide grid operators and load serving entities with advanced situational awareness, insight, and control. Leveraging pioneering work at Google, SpaceX, NREL, and Uber, Camus Energy brings expertise in distributed software systems, cloud computing, real-time analytics, solar power systems, and high-reliability computing. Camus Energy's current customers include several co-ops, municipal utilities, IOUs, and SVCE.

**ANALYSIS & DISCUSSION***DAISY 1.0 (Prior State)*

DAISY 1.0, beginning in 2019, integrated key datasets such as historical energy consumption, distributed energy resource adoption, and other demand-side data. In addition, systems were developed to facilitate daily data transfers from SVCE's meter data manager, Calpine. Staff leveraged DAISY 1.0 for various ad hoc and strategic analyses, including: equity analyses, revenue modeling, and targeted marketing.

*DAISY 2.0 (Current State)*

In early 2021, Staff scoped DAISY 2.0, a more robust version of DAISY 1.0 to support SVCE's data warehousing, data analytics, and reporting needs, including the data workflows outlined above. Work began on DAISY 2.0 in late 2021 to serve as a central, secure repository of data with proper ETL (Extract, Transform, Load) systems in place, and better enable efficient, high-impact analyses and reporting. DAISY 2.0 thus far has updated and improved quality and increased refresh frequency of key datasets within its data warehouse (BigQuery). All Staff across SVCE have access to core dashboards that provide insights on topics including historical load and trends in vehicle adoption. DAISY 2.0 accommodates multiple user types that span a range of experience and functions. These features allow Staff to leverage DAISY 2.0 for various high-impact strategic analyses including assessing vehicle and building trends within SVCE territory, assessing customer bill impacts, complex program EM&V (Evaluation, Measurement, & Verification), and historical load analysis.

In this past contract year, the third amendment agreement, Camus standardized data types across all datasets using a co-created data model, developed key processes for geocoding and address standardization, built a SQL-based data pipeline infrastructure for all key datasets, and established best practices and protocols for managing DAISY. The focus on automation of data ingestion used frequently by staff has significantly improved data availability, transparency, and documentation. The documentation and data infrastructure will be available to SVCE as an open-source software license for future use and as a framework for future data pipelines.

*RADaR (Future State)*

Starting September 2025, SVCE will transition DAISY into an in-house cloud environment (RADaR) that will integrate SVCE's supply-side data. SVCE will utilize Camus Energy's open-source license to orchestrate its demand-side data pipelines to maintain existing key data streams. Short-term, DAISY will be used as a blueprint data platform for building out RADaR. Long-term, bringing DAISY in-house and integrating with supply-side data will improve RADaR's extensibility as a platform that serves all teams across SVCE. For example, it will enable staff to prioritize ingestion of additional datasets such as weather data and program data as well as expand analytics to include geospatial analyses, data workflows within BigQuery, more complex analytics, and advanced reporting with the supply-side data.

*Staff Proposal*

Staff recommends extending the original agreement with Camus Energy for data analytics platform services via the attached draft fifth amendment (Attachment 1) to accommodate a three-month transition period. An extension with Camus Energy will allow staff to be supported in this complex transition of managing a cloud-based warehouse in-house. In addition, Camus Energy will incur billing costs for the existing GCP project until the full transition is complete. They will also continue to host and provide support for one of SVCE's key data pipelines, settlement quality meter data (SQMD), while it is adapted into a new format within RADaR. Staff also recommends the ability to negotiate and execute an open-source software license agreement to continue using Camus's code base for DAISY.

**STRATEGIC PLAN**

The agreement supports SVCE's 2024 Strategic Plan Goal 9: "Implement industry best practices to enable data-driven decision making across the organization; enhance systems, standards and procedures to streamline business process and improve operational effectiveness and reliability (aka SVCE 3.0)" by maintaining and integrating DAISY into RADaR as a centralized data hub; developing and maintaining a core suite of interactive dashboard reports; implementing a company-wide training plan for data self-service; integrating data sources to enhance data-drive insights; and supporting complex data analytics support across SVCE.

**ALTERNATIVE**

Do not authorize CEO to execute the agreement amendment with Camus Energy. The agreement with Camus Energy would expire on September 30, 2025. Staff would need to issue a solicitation for a vendor to provide support on orchestrating key pipelines, hosting the existing GCP project, and maintaining the SQMD pipeline. These functions as well as additional cloud costs, would require significant time and money to issue a solicitation and onboard a new vendor not familiar with Camus's code base. In addition, the lack of a transition period, in accordance with the original contract, may cause interruptions to DAISY's current functionality.

**FISCAL IMPACT**

The proposed agreement amendment which adds a cost not to exceed \$25,000 (for a new not to exceed total of \$733,000) remains within the proposed FY25-26 operating budget to be considered by the Board in September 2025. Therefore, the approval of this contract amendment will have no incremental fiscal impact.

**ATTACHMENTS**

1. Draft agreement, fifth amendment to the original agreement, with Camus Energy for Data Analytics Platform Services
2. Previous amendments and original agreement with Camus Energy for Data Analytics Platform Services

**FIFTH AMENDMENT TO AGREEMENT WITH CAMUS ENERGY, INC.**

WHEREAS, the SILICON VALLEY CLEAN ENERGY AUTHORITY, an independent public agency (“Authority”), and CAMUS ENERGY, INC. (“Camus”) entered into that certain agreement entitled MASTER AGREEMENT-SOFTWARE AS A SERVICE dated September 9, 2021, hereinafter referred to as “Original Agreement”; and

WHEREAS, on December 17, 2021, Authority and Camus entered into a First Amendment to make certain amendments to the Original Agreement; and

WHEREAS, on April 18, 2022, Authority and Camus entered into a Second Amendment to make certain amendments to the Original Agreement;

WHEREAS, on August 19, 2024, Authority and Camus entered into a Third Amendment to make certain amendments to the Original Agreement;

WHEREAS, on \_\_\_\_\_, 2025, Authority and Camus entered into a Fourth Amendment to make certain amendments to the Original Agreement; and

WHEREAS, Authority and Camus have determined it is in their mutual interest to amend certain terms of the Original Agreement.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, THE PARTIES AGREE AS FOLLOWS:

1. The not-to-exceed amount set forth in Section 2 shall be increased by Twenty-Five Thousand Dollars (\$25,000.00).
2. Pursuant to Section 9 of Original Agreement, Transition Services, Exhibit A shall be amended to include the additional scope of work set forth in Exhibit A-1, attached hereto and incorporated herein.
3. This Amendment shall be effective on \_\_\_\_\_, 2025.
3. Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect. In the case of any inconsistencies between the Original Agreement and this Amendment, the terms of this Amendment shall control.
4. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the dates set forth besides their signatures below.

RECOMMENDED FOR APPROVAL

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Scott Wrigglesworth, Director of Risk Management and Analytics



APPROVED AS TO FORM:

\_\_\_\_\_  
Counsel for Authority

CAMUS ENERGY, INC.

By: \_\_\_\_\_  
Name: Raj Raheja  
Title: Chief Financial Officer \_\_\_\_\_  
Date: \_\_\_\_\_

SILICON VALLEY CLEAN ENERGY  
AUTHORITY  
A Joint Powers Authority

By: \_\_\_\_\_  
Name: Monica Padilla  
Title: Chief Executive Officer  
Date: \_\_\_\_\_

Exhibit A-1

TRANSITION SERVICES

For the lump sum amount of Twenty-Five Thousand Dollars (\$25,000.00), payable and due on the effective date of this Fifth Amendment, Camus shall perform the following transitional services through December 31, 2025 (the “End Date”):

1. Continue to keep the “svce-ritta” Google Cloud Project (GCP) running, as it currently operates, including, but not limited to: incur billing related costs for the “svce-ritta” GCP project and keep the svce-ritta infrastructure (i.e., BigQuery and GCS bucket instances) running until it is all migrated and orchestrated in SVCE’s in-house GCP project “svce-demand” (but no longer than the End Date).
2. Continue to support data pipelines for the SQMD table, which can be downloaded at any time and put into SVCE’s GCP instance, including, but not limited to: continue to keep the data pipeline running for the SQMD table (a high priority dataset that is used for settling SVCE’s load) until a specified date (but not past End Date) in which the pipeline will be depreciated and copy over the SQMD table into SVCE’s in-house GCP project “svce-demand” for easier access.
3. Provide 90 minutes per week of oral, documentation, or video based support for the 13 week period from one of Camus’ senior software engineers. If available, one of the CTOs or VPs of Engineering who helped build the “svce-ritta” project will provide support.

**FOURTH AMENDMENT TO AGREEMENT WITH CAMUS ENERGY INC**

WHEREAS, the SILICON VALLEY CLEAN ENERGY AUTHORITY, an independent public agency (“Authority”), and CAMUS ENERGY, INC, entered into that certain agreement entitled Software as a Service, effective on September 9, 2021, hereinafter referred to as “Original Agreement”; and

WHEREAS, on December 17, 2021, Authority and CAMUS ENERGY INC. entered into a First Amendment to make certain amendments to the Original Agreement; and

WHEREAS, on April 18, 2022, Authority and CAMUS ENERGY INC. entered into a Second Amendment to make certain amendments to the Original Agreement; and

WHEREAS, on September 9, 2024, Authority and CAMUS ENERGY INC. entered into a Third Amendment to make certain amendments to the Original Agreement; and

WHEREAS, Authority and CAMUS ENERGY, INC have determined it is in their mutual interest to amend certain terms of the Original Agreement by extending the term three weeks.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, THE PARTIES AGREE AS FOLLOWS:

1. TERM Section of the Agreement is hereby deleted and replaced with, “The term of the Agreement shall extend through September 30, 2025.”
2. This Amendment shall be effective on August 22, 2025.
3. Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect. In the case of any inconsistencies between the Original Agreement and this Amendment, the terms of this Amendment shall control.
4. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the dates set forth besides their signatures below.

RECOMMENDED FOR APPROVAL

Signed by:  
  
99220F6DF5B34C4...  
Rebecca Fang, Manager of Data and Analytics

APPROVED AS TO FORM:

DocuSigned by:

*Michael Callahan*

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Counsel for Authority

CONSULTANT NAME  
CAMUS ENERGY, INC

DocuSigned by:

By:

*Raj Raneja*

Name: *Raj Raneja*

Title: Chief Financial Officer

Date: 8/25/2025

SILICON VALLEY CLEAN ENERGY  
AUTHORITY

A Joint Powers Authority

Signed by:

By:

*Scott N. Wigglesworth*

Name: Scott Wigglesworth

Title: Director of Risk Management and  
Analytics

Date: 8/27/2025

### **THIRD AMENDMENT TO THE AGREEMENT WITH CAMUS ENERGY INC.**

WHEREAS, the SILICON VALLEY CLEAN ENERGY AUTHORITY, an independent public agency (“Authority”), and CAMUS ENERGY, INC. entered into that certain agreement entitled SOFTWARE AS A SERVICE, effective on September 9, 2021, hereinafter referred to as “Original Agreement”; and

WHEREAS, on December 17, 2021, Authority and CAMUS ENERGY INC. enter into a First Amendment to make certain amendments to the Original Agreement; and

WHEREAS, on April 18, 2022, Authority and CAMUS ENERGY INC. enter into a Second Amendment to make certain amendments to the Original Agreement; and

WHEREAS, Authority and CAMUS ENERGY, INC. have determined it is in their mutual interest to further amend certain terms of the Original Agreement.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, THE PARTIES AGREE AS FOLLOWS:

1. Section 2 - Not to Exceed Amount of Original Agreement shall be amended as follows:

SVCE shall be responsible for and shall pay to Service Provider the fees as further described in Exhibit A, subject to the terms and conditions contained in this Agreement, including, but not limited to, Section 10 Fees; Billing, below. The total amount payable to Service Provider under this Agreement shall not exceed six hundred sixty-four thousand (\$664,000). This represents a one hundred seventy-six thousand (\$176,000) increase over the original Not to Exceed Amount.

2. EXHIBIT B SCHEDULE OF PERFORMANCE of Original Agreement shall be amended to add work product for delivery of services from September 9, 2024 thru September 8, 2025. The new deliverables are outlined below:

- **At a high-level, push all existing tables for key datasets to their end state.** These datasets include customer attributes (PG&E 4013, GreenPrime enrollment), AMI data, interval electricity and gas readings, billing volumes for electricity and gas, vehicle registration, interconnection, settlement quality meter data, and tax assessor data. The following will be addressed:
  - Refreshes to the newest data and desired architecture of tables
  - Delivered SQL ingestion pipelines that are capable of automated refreshes of data along with raw data frequency
  - Training on manipulating fields
  - Additions of geocoding elements (census tract, APN, lat/long, city)
  - Robust QA methods especially on tables with automated refreshes as well as invalid values in raw data (mismatched data fields, invalid values)
- **Automate and standardize geocoding methodology.** This is specifically important for address-based datasets including customer attribute, vehicle, interconnection, and parcel data.
  - Supporting automated address/location based joins/geocoding
    - Provide QA checks to identify which addresses could not be geocoded versus which ones have yet to be geocoded
  - Fix geocoding for mis-matched addresses and parcels

- Improve processes for address standardization to allow for joins for multi-family addresses
- Push shapefiles into DAISY (supporting spatial joins with parcels table to identify which customer is in which city, which vehicles/parcels are within SVCE territory)
- Clean up any APNs with leading zeroes
- **Documentation:**
  - Diagram flows on ingestion pipelines for each of the core tables
  - All historical and current Product Requirements Documents for each of the tables that exist within DAISY
  - Address standardization flow diagram
  - Geocoding flow diagram
  - Access to GitHub repository that includes all SQL pipelines and procedures to build and maintain existing tables
  - Complete Release Guide with all up-to-date data provenance
- **Permissions / process**
  - Access to Calpine SFTP
  - Establish methodology to archive legacy data and future older data reviews (in progress as of 2024-08)
  - Assistance in addressing compliance and security, access controls, change management, backups, and process/procedure for maintenance and disasters
  - Intro to IAM role permissions
    - Shared Project Queries are currently viewable by all users. Needs to be restricted, if possible.
  - Assistance creating a new admin account with administrative permissions for access to edit the stable/fresh/functions datasets as well as all GCS buckets

The Fees for this renewal term covering September 9, 2024 until September 8, 2025 shall be one hundred seventy-six thousand dollars (\$176,000), paid quarterly in advance.

3. This Third Amendment shall be effective on September 9, 2024.

4. Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect. In the case of any inconsistencies between the Original Agreement and this Third Amendment, the terms of this Third Amendment shall control.

5. This Third Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Third Amendment to be executed as of the dates set forth besides their signatures below.

RECOMMENDED FOR APPROVAL

Signed by:

*Justin Zagunis*

CDFF6FC175BF8496...

Justin Zagunis, Manager of Decarbonization and Grid Innovation Programs

APPROVED AS TO FORM

DocuSigned by:

*Michael Callahan*

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Michael Callahan, General Counsel

CONSULTANT NAME  
CAMUS ENERGY, INC

DocuSigned by:

By:

*Raj Raheja*

AFBC11640551450...

Name: Raj Raheja

Title: Chief Financial officer

Date: 8/15/2024

SILICON VALLEY CLEAN ENERGY  
AUTHORITY

DocuSigned by:

A Joint Powers Authority

By:

*Monica Padilla*

573FC104110B4C0...

Name: Monica Padilla

Title: Chief Executive Officer

Date: 8/19/2024

**SECOND AMENDMENT TO AGREEMENT WITH CAMUS ENERGY, INC**

WHEREAS, the SILICON VALLEY CLEAN ENERGY AUTHORITY, an independent public agency (“Authority”), and CAMUS ENERGY, INC entered into that certain agreement entitled SOFTWARE AS A SERVICE, effective on September 9, 2021, hereinafter referred to as “Original Agreement”; and

WHEREAS, Authority and CAMUS ENERGY, INC have determined it is in their mutual interest to amend certain terms of the Original Agreement.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, THE PARTIES AGREE AS FOLLOWS:

1. EXHIBIT B SCHEDULE OF PERFORMANCE section of Original Agreement shall be amended to read as follows:

Task	Begin	Complete	Fees
<b>1. Project scoping</b> <ul style="list-style-type: none"> <li><b>a.</b> Kickoff: framing project goals, expand on use cases, identify any changes to key participants and stakeholders</li> <li><b>b.</b> Define any changes to administrative standards and processes</li> <li><b>c.</b> Conduct data model reviews with EBCE</li> </ul>	September 9, 2021	October 31, 2021 (Complete)	\$34,000 due at project start on September 9, 2021 (Paid)
<b>2. New dataset ingestion</b> <ul style="list-style-type: none"> <li><b>a.</b> Weather data (openweathermap.org, National Weather Service, or other)</li> <li><b>b.</b> CAISO market data (historical, real-time, and day-ahead prices, grid emissions)</li> <li><b>c.</b> Third-party program data</li> <li><b>d.</b> Existing forecasting, procurement, scheduling, and settlement data from third-party services</li> <li><b>e.</b> Resource and physical asset data</li> <li><b>f.</b> Air quality data</li> <li><b>g.</b> Write data processing pipeline components</li> <li><b>h.</b> Translate into historical time series</li> <li><b>i.</b> Cross check imported data set results</li> </ul>	September 27, 2021	Data will be made available to BigQuery iteratively over the course of the targeted development period (In progress)	
<b>3. Transform, standardize, and integrate data</b>	October 4, 2021	Data will be made available to	



<ul style="list-style-type: none"> <li>a. Normalize common dimensions – e.g. time, location/address, identifier</li> <li>b. Correlate third-party data sources with meter and billing info</li> <li>c. Deploy enabling tools for geocoding, spatial analysis, and address standardization</li> <li>d. Document data model and standardize processing pipeline to ensure data provenance</li> <li>e. Add geocoding and address standardization to the ETL data process <ul style="list-style-type: none"> <li>a. Confer with EBCE on geocoding and address standardization process</li> </ul> </li> </ul>		BigQuery iteratively over the course of the targeted development period (In progress)	
<ul style="list-style-type: none"> <li>4. Add to existing cloud-based data store <ul style="list-style-type: none"> <li>a. Generate snapshot data output</li> <li>b. Load data set into BigQuery</li> </ul> </li> </ul>	October 18, 2021	Data will be made available in BigQuery iteratively over the course of the development period. We expect to have this completed by February 28, 2022 (Complete)	
<ul style="list-style-type: none"> <li>5. BigQuery Validation <ul style="list-style-type: none"> <li>a. Testing, quality assurance, and SVCE acceptance of Tasks 2, 3, and 4</li> <li>b. Data provenance reporting</li> </ul> </li> </ul>	March 1, 2022	(In progress)	
<ul style="list-style-type: none"> <li>6. Designs for Data Studio reports <ul style="list-style-type: none"> <li>a. Coordination with EBCE, feedback and input</li> <li>b. Load aggregation</li> <li>c. Load shape visualization and analysis</li> <li>d. Enrollment reporting</li> <li>e. Exception reports</li> <li>f. 75% progress towards 2 reports by Dec 31, 2021</li> </ul> </li> </ul>	November 15, 2021	December 31, 2021 (Complete)	\$34,000 due on December 31, 2021 (Paid)
<ul style="list-style-type: none"> <li>7. Q1 2022 Deliverables: <ul style="list-style-type: none"> <li>a. CalTRACK analysis for Recurve</li> <li>b. Calpine data gap filling</li> <li>c. Processing new fields that were discovered to be required for Data Studio reports</li> </ul> </li> </ul>	November 15, 2021	March 31, 2022 (Complete)	\$34,000 (To be invoiced)

d. 90% progress toward 3 reports (Enrollment & Churn, Load Explorer, Load Profile Explorer)			
<b>8. Designs for Map UI</b> <b>a.</b> Data aggregations and map visualizations (heatmaps, choropleths, and municipality based views) <b>b.</b> Leveraging various data inputs as requested by SVCE (e.g., census tract, ICE/EV/PHEV penetration, PSPS events, etc.)	February 15, 2022	July 31, 2022 (In progress)	
<b>9. Designs for Dashboards and Reports</b> <b>a.</b> Municipality aggregation <b>b.</b> Decarbonization potential <b>c.</b> Supply & Demand Analysis <b>d.</b> Census tract analysis	July 1, 2022	TBD	
<b>10. Develop and deploy tool for weather normalization</b>	March 1, 2022	TBD	
<b>11. Map UI Implementation</b>	April 1, 2022	July 31, 2022	
<b>12. Dashboard and Report implementation</b>	April 1, 2022	TBD	
<b>13. Data provenance through UI infrastructure</b>	June 1, 2022	TBD	
<b>14. Map and Dashboard Validation</b> <b>a.</b> Testing, quality assurance, and SVCE acceptance of Tasks 9, 10, 11, and 12	July 1, 2022	TBD	
<b>15. Q2 2022 milestone*</b>	May 1, 2022	July 31, 2022	\$48,666.67 due upon SVCE acceptance of Q2 2022 milestone
<b>16. Q3 2022 milestone*</b>	July 1, 2022	September 30, 2022	\$29,333.33 due upon completion and SVCE acceptance of Q3 2022 milestone
<b>17. Q4 2022 milestone*</b>	October 1, 2022	December 31, 2022	For the avoidance of doubt, a quarterly payment schedule of \$44,000 per quarter (plus any additional fees for Authorized Users and storage) shall

			continue hereafter
18. Q1 2023 milestone*	January 1, 2023	March 31, 2023	
19. Q2 2023 milestone*	April 1, 2023	June 30, 2023	
20. Q3 2023 milestone*	July 1, 2023	September 30, 2023	
21. Q4 2023 milestone*	October 1, 2023	December 31, 2023	
22. Q1 2024 milestone*	January 1, 2024	March 31, 2024	
23. Q2 2024 milestone*	April 1, 2024	June 30, 2024	
24. Q3 2024 milestone*	July 1, 2024	September 9, 2024	

\*In addition to the maintenance of core functionalities as described in Exhibit A, each quarterly milestone will involve the delivery of DAISY 2.0 enhancements. The specific enhancements to be completed in each quarter are to be defined by SVCE and Service Provider prior to the beginning of the quarter, but may be altered during the course of the quarter in the event that reprioritization is needed. Timelines may be adjusted based on emerging requirements. Any timelines assume that the required data is accessible from either SVCE or specified partners at the start of the milestone, and that it contains enough fidelity for key analyses. If there are larger than expected gaps, or significant delays, it may impact the project delivery timeline.

DAISY 2.0 enhancements can be broadly categorized into tiers below. However, each deliverable is subject to a scoping exercise and timelines may be adjusted based on emerging requirements.

DAISY 2.0 Enhancement Tier	Estimated Time	Example Deliverables
Tier 1	3-12 months	<ul style="list-style-type: none"> <li>Open source work of data models, translation layers, or dashboards</li> </ul>
Tier 2	6-8 weeks	<ul style="list-style-type: none"> <li>New enabling tool</li> <li>New key application (e.g. load forecasting)</li> </ul>
Tier 3	4 weeks	<ul style="list-style-type: none"> <li>New core dashboard</li> <li>New core report</li> </ul>
Tier 4	2 weeks	<ul style="list-style-type: none"> <li>New dataset ingestion</li> </ul>

2. This Amendment shall be effective on April 18, 2022.

3. Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect. In the case of any inconsistencies between the Original Agreement and this Amendment, the terms of this Amendment shall control.

4. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the dates set forth besides their signatures below.

RECOMMENDED FOR APPROVAL

DocuSigned by:



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Justin Zagunis, Director of Decarbonization and Grid Innovation Programs

RECOMMENDED FOR APPROVAL

DocuSigned by:



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Amrit Singh, Chief Financial Officer/Director of Administrative Services

CONSULTANT NAME  
CAMUS ENERGY, INC

DocuSigned by:



By:

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Name: Astrid Atkinson

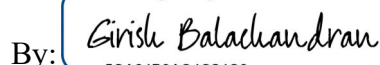
Title: CEO

Date: 4/18/2022

SILICON VALLEY CLEAN ENERGY  
AUTHORITY

A Joint Powers Authority

DocuSigned by:



By:

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Name: Girish Balachandran

Title: Chief Executive Officer

Date: 4/18/2022

**FIRST AMENDMENT TO AGREEMENT WITH CAMUS ENERGY, INC**

WHEREAS, the SILICON VALLEY CLEAN ENERGY AUTHORITY, an independent public agency (“Authority”), and CAMUS ENERGY, INC entered into that certain agreement entitled SOFTWARE AS A SERVICE, effective on September 9, 2021, hereinafter referred to as “Original Agreement”; and

WHEREAS, Authority and CAMUS ENERGY, INC have determined it is in their mutual interest to amend certain terms of the Original Agreement.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, THE PARTIES AGREE AS FOLLOWS:

1. EXHIBIT B SCHEDULE OF PERFORMANCE section of Original Agreement shall be amended to read as follows:

Task	Begin	Complete	Fees
<b>1. Project scoping</b> <ul style="list-style-type: none"> <li><b>a.</b> Kickoff: framing project goals, expand on use cases, identify any changes to key participants and stakeholders</li> <li><b>b.</b> Define any changes to administrative standards and processes</li> <li><b>c.</b> Conduct data model reviews with EBCE</li> </ul>	September 9, 2021	October 31, 2021	\$34,000 due at project start on September 9, 2021 (pending Board approval)
<b>2. New dataset ingestion</b> <ul style="list-style-type: none"> <li><b>a.</b> Weather data (openweathermap.org, National Weather Service, or other)</li> <li><b>b.</b> CAISO market data (historical, real-time, and day-ahead prices, grid emissions)</li> <li><b>c.</b> Third-party program data</li> <li><b>d.</b> Existing forecasting, procurement, scheduling, and settlement data from third-party services</li> <li><b>e.</b> Resource and physical asset data</li> <li><b>f.</b> Air quality data</li> <li><b>g.</b> Write data processing pipeline components</li> <li><b>h.</b> Translate into historical time series</li> <li><b>i.</b> Cross check imported data set results</li> </ul>	September 27, 2021	Data will be made available to BigQuery iteratively over the course of the targeted development period	
<b>3. Transform, standardize, and integrate data</b>	October 4, 2021	Data will be made available to	

<ul style="list-style-type: none"> <li>a. Normalize common dimensions – e.g. time, location/address, identifier</li> <li>b. Correlate third-party data sources with meter and billing info</li> <li>c. Deploy enabling tools for geocoding, spatial analysis, and address standardization</li> <li>d. Document data model and standardize processing pipeline to ensure data provenance</li> <li>e. Add geocoding and address standardization to the ETL data process               <ul style="list-style-type: none"> <li>a. Confer with EBCE on geocoding and address standardization process</li> </ul> </li> </ul>		BigQuery iteratively over the course of the targeted development period	
<ul style="list-style-type: none"> <li>4. Add to existing cloud-based data store               <ul style="list-style-type: none"> <li>a. Generate snapshot data output</li> <li>b. Load data set into BigQuery</li> </ul> </li> </ul>	October 18, 2021	Data will be made available in BigQuery iteratively over the course of the development period. We expect to have this completed by February 28, 2022	
<ul style="list-style-type: none"> <li>5. BigQuery Validation               <ul style="list-style-type: none"> <li>a. Testing, quality assurance, and SVCE acceptance of Tasks 2, 3, and 4</li> <li>b. Data provenance reporting</li> </ul> </li> </ul>	March 1, 2022	March 31, 2022	\$34,000 due upon SVCE acceptance of data in BigQuery on March 31, 2022
<ul style="list-style-type: none"> <li>6. Designs for Data Studio reports               <ul style="list-style-type: none"> <li>a. Coordination with EBCE, feedback and input</li> <li>b. Load aggregation</li> <li>c. Load shape visualization and analysis</li> <li>d. Enrollment reporting</li> <li>e. Exception reports</li> <li>f. 75% progress towards 2 reports by Dec 31, 2021</li> </ul> </li> </ul>	November 15, 2021	March 31, 2022	\$34,000 due on December 31, 2021
<ul style="list-style-type: none"> <li>7. Designs for Map UI               <ul style="list-style-type: none"> <li>a. Data aggregations and map visualizations (heatmaps, choropleths, and municipality based views)</li> <li>b. Leveraging various data inputs as requested by SVCE (e.g., census tract, ICE/EV/PHEV penetration, PSPS events, etc.)</li> </ul> </li> </ul>	February 15, 2022	March 31, 2022	

<b>8. Designs for Dashboards and Reports</b> <ul style="list-style-type: none"> <li><b>a. Municipality aggregation</b></li> <li><b>b. Decarbonization potential</b></li> <li><b>c. Supply &amp; Demand Analysis</b></li> <li><b>d. Census tract analysis</b></li> </ul>			
<b>9. Develop and deploy tool for weather normalization</b>	March 1, 2022	March 31, 2022	
<b>10. Map UI Implementation</b>	April 1, 2022	May 31, 2022	
<b>11. Dashboard and Report implementation</b>	April 1, 2022	May 31, 2022	
<b>12. Data provenance through UI infrastructure</b>	June 1, 2022	June 30, 2022	
<b>13. Map and Dashboard Validation</b> <ul style="list-style-type: none"> <li><b>a. Testing, quality assurance, and SVCE acceptance of Tasks 9, 10, 11, and 12</b></li> </ul>	July 1, 2022	July 31, 2022	\$48,666.67 due upon SVCE acceptance of Map and Dashboard UI on July 31, 2022
<b>14. Q3 2022 milestone*</b>	July 1, 2022	September 30, 2022	\$29,333.33 due upon completion and SVCE acceptance of Q3 2022 milestone
<b>15. Q4 2022 milestone*</b>	October 1, 2022	December 31, 2022	For the avoidance of doubt, a quarterly payment schedule of \$44,000 per quarter (plus any additional fees for Authorized Users and storage) shall continue hereafter
<b>16. Q1 2023 milestone*</b>	January 1, 2023	March 31, 2023	
<b>17. Q2 2023 milestone*</b>	April 1, 2023	June 30, 2023	
<b>18. Q3 2023 milestone*</b>	July 1, 2023	September 30, 2023	
<b>19. Q4 2023 milestone*</b>	October 1, 2023	December 31, 2023	
<b>20. Q1 2024 milestone*</b>	January 1, 2024	March 31, 2024	
<b>21. Q2 2024 milestone*</b>	April 1, 2024	June 30, 2024	
<b>22. Q3 2024 milestone*</b>	July 1, 2024	September 9, 2024	

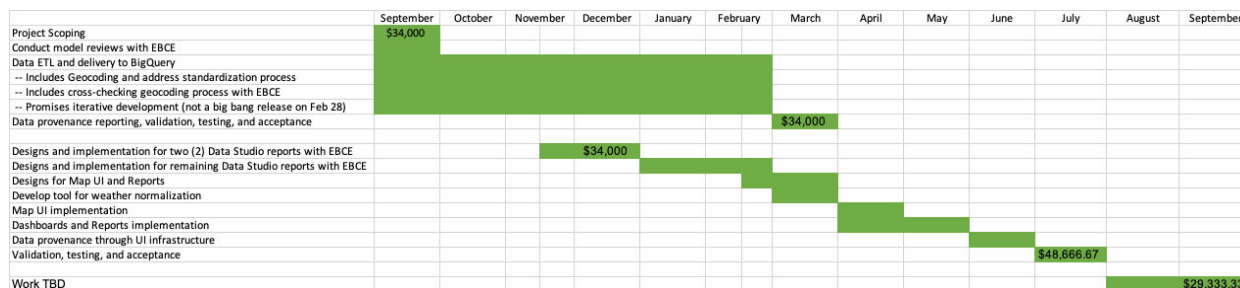
\*In addition to the maintenance of core functionalities as described in Exhibit A, each quarterly milestone will involve the delivery of DAISY 2.0 enhancements. The specific enhancements to be completed in each quarter are to be defined by SVCE and Service Provider prior to the beginning of the quarter, but may be altered during the course of the quarter in the event that reprioritization is needed. Timelines may be adjusted based on emerging requirements. Any timelines

assume that the required data is accessible from either SVCE or specified partners at the start of the milestone, and that it contains enough fidelity for key analyses. If there are larger than expected gaps, or significant delays, it may impact the project delivery timeline.

DAISY 2.0 enhancements can be broadly categorized into tiers below. However, each deliverable is subject to a scoping exercise and timelines may be adjusted based on emerging requirements.

DAISY 2.0 Enhancement Tier	Estimated Time	Example Deliverables
Tier 1	3-12 months	<ul style="list-style-type: none"> <li>Open source work of data models, translation layers, or dashboards</li> </ul>
Tier 2	6-8 weeks	<ul style="list-style-type: none"> <li>New enabling tool</li> <li>New key application (e.g. load forecasting)</li> </ul>
Tier 3	4 weeks	<ul style="list-style-type: none"> <li>New core dashboard</li> <li>New core report</li> </ul>
Tier 4	2 weeks	<ul style="list-style-type: none"> <li>New dataset ingestion</li> </ul>

The schedule of performance table is intended to match the below Gantt chart for both payment and expected milestones for the first year of the contract, with work covering the period August and September 2022 TBD.



- This Amendment shall be effective on December 17, 2021.
- Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect. In the case of any inconsistencies between the Original Agreement and this Amendment, the terms of this Amendment shall control.
- This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the dates set forth besides their signatures below.

RECOMMENDED FOR APPROVAL

DocuSigned by:

Justin Zagunis

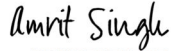
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Justin Zagunis, Manager of Decarbonization and Grid Innovation Programs



## RECOMMENDED FOR APPROVAL

DocuSigned by:



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Amrit Singh, Chief Financial Officer/Director of Administrative Services

CONSULTANT NAME  
CAMUS ENERGY, INC

DocuSigned by:



By:

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Name: Astrid Atkinson

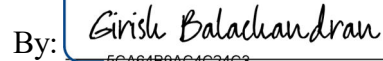
Title: CEO

Date: 12/29/2021

SILICON VALLEY CLEAN ENERGY  
AUTHORITY

A Joint Powers Authority

DocuSigned by:



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By:

Name: Girish Balachandran

Title: Chief Executive Officer

Date: 12/29/2021

**MASTER AGREEMENT**  
**SOFTWARE AS A SERVICE**

This agreement ("Agreement") is entered into and is effective as of September 9, 2021 ("Effective Date"), by and between Silicon Valley Clean Energy, an independent public agency located at 333 W. El Camino Real, Suite 330, Sunnyvale, CA, 94087, ("SVCE") and Camus Energy, Inc., a Delaware corporation located at 1333 Minna Street, San Francisco, CA 94103 ("Service Provider").

**RECITALS**

WHEREAS, SVCE requires third-party hosted "software as a service" services, as further described herein, with respect to certain of its information technology needs;

WHEREAS, SVCE requested a proposal from Service Provider for such Services;

WHEREAS, Service Provider has experience and expertise in the business of providing the Services;

WHEREAS, Service Provider submitted a proposal to SVCE to perform such Services on behalf of SVCE;

WHEREAS, based on Service Provider's superior knowledge and experience relating to such Services, SVCE has selected Service Provider to provide and manage the Services;

WHEREAS, Service Provider wishes to perform the Services and acknowledges that the successful performance of the Services and the security and availability of SVCE's data are critical to the operation of SVCE's business; and,

WHEREAS, Service Provider has agreed to provide the Services to SVCE, all on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and representations set forth in this Agreement, the parties hereby agree as follows:

1. Term. This Agreement is legally binding as of the Effective Date and shall continue until terminated as provided for herein. Unless this Agreement is terminated earlier in accordance with the terms set forth herein, the term (the "Initial Term") shall commence on the Effective Date and continue for three (3) years. Following the Initial Term and unless otherwise terminated as provided for in this Agreement, this Agreement may be renewed for up to three (3), successive one (1) year terms (each, a "Renewal Term") upon mutual written agreement of the parties.
2. Not to Exceed Amount. SVCE shall be responsible for and shall pay to Service Provider the fees as further described in Exhibit A, subject to the terms and conditions contained in this Agreement, including, but not limited to, Section 10 Fees; Billing, below. The total amount payable to Service Provider under this Agreement shall not exceed four hundred eighty-eight thousand (\$488,000).
3. The Services. This Agreement sets forth the terms and conditions under which Service Provider agrees to license to SVCE certain hosted software and provide all other services necessary for productive use of such software including customization / integration, user identification and password change management, data import / export, monitoring, technical support, maintenance, training, backup and recovery, and change management (collectively, the "Services") as further set forth in Exhibit "A" attached hereto.
  - 3.1 Authorized Users. Unless otherwise limited herein, Service Provider grants SVCE a renewable, irrevocable except as explicitly set forth in this Agreement, nonexclusive, royalty-free, and

worldwide right and license for any SVCE employee, contractor, or agent, or any other individual or entity authorized by SVCE, (each, an “Authorized User”) to access and use the Services for the purposes set out in this Agreement. Other than any limitations otherwise described herein, Authorized Users will have no other limitations on their access to or use of the Services.

- 3.2 Acknowledgement of License Grant. For the purposes of 11 U.S.C. § 365(n), the parties acknowledge and agree that this Agreement constitutes a grant of license to use intellectual property in software form, to SVCE by Service Provider.
- 3.3 Changes in Number of Authorized Users. SVCE is entitled to increase or decrease the initial number of Authorized Users (“Minimum Commitment”), on an as-requested basis; provided, however, that SVCE shall maintain the Minimum Commitment unless the parties otherwise agree to adjust the Minimum Commitment. Should SVCE elect to change the number of Authorized Users, Service Provider shall reduce or increase Authorized Users specified in Exhibit A and adjust the prospective Services Fees accordingly no later than five (5) business days from SVCE’s written request.
- 3.4 Control and Location of Services. The method and means of providing the Services shall be under the exclusive control, management, and supervision of Service Provider, giving due consideration to the requests of SVCE. Cloud based storage shall not be utilized without the SVCE’s prior, written consent. Any and all permitted cloud storage shall be in compliance with ISO/IEC 27001 - 27017, as applicable, or successor standards thereto. Except as otherwise expressly set forth in Exhibit A, the Services (including all data storage), shall be provided solely from within the continental United States and on computing and data storage devices residing therein, and all such locations shall be disclosed to SVCE annually and within thirty (30) days of the effective date of this Agreement.
- 3.4.1 Subcontractors. Service Provider shall not enter into any subcontracts for the performance of the Services, or assign or transfer any of its rights or obligations under this Agreement, without SVCE’s prior written consent and any attempt to do so shall be void and without further effect and shall be a material breach of this Agreement. Service Provider’s use of subcontractors shall not relieve Service Provider of any of its duties or obligations under this Agreement.
- 3.5 Storage. The Services shall include the applicable allocation of base data storage as described in Exhibit A, if any. Service Provider shall immediately notify SVCE when SVCE has reached eighty percent (80%) of SVCE’s then-current data storage maximum. Within five (5) calendar days of SVCE’s request, Service Provider shall make additional data storage available to SVCE at the rates described in Exhibit A.
- 3.6 Development and Test Environments. In addition to production use of the Services, SVCE is entitled to one development and one test environment for use by Authorized Users at no additional charge. Such non-production environments shall have the same data storage and processing capacities as the production environment. Service Provider shall cooperate with SVCE’s requests in managing the non-production environments such as refreshing SVCE Data upon request.
- 3.7 Documentation. The documentation for the Services (“Documentation”) will accurately and completely describe the functions and features of the Services, including all subsequent revisions thereto. The Documentation shall be understandable by a typical end user and shall provide Authorized Users with sufficient instruction such that an Authorized User can become self-reliant with respect to access and use of the Services. SVCE shall have the right to make any number of additional copies of the Documentation at no additional charge.
- 3.8 Changes in Functionality. During the term of this Agreement, Service Provider shall not reduce or eliminate functionality in the Services. Where Service Provider has reduced or eliminated functionality in the Services, SVCE, at SVCE’s sole election and in SVCE’s sole determination, shall: (a) have, in addition to any other rights and remedies under this Agreement or at law, the right to immediately terminate this Agreement and be entitled to a return of any prepaid fees; or, (b)

determine the value of the reduced or eliminated functionality and Service Provider will immediately adjust the Services Fees accordingly on a prospective basis. Where Service Provider has introduced like functionality in other services, SVCE shall have an additional license and subscription right to use and access the new services, at no additional charge, with the same rights, obligations, and limitations as for the Services. Where Service Provider increases functionality in the Services, such functionality shall be provided to SVCE without any increase in the Services Fees.

- 3.9 No Effect of Click-Through Terms and Conditions. Where an Authorized User is required to “click through” or otherwise accept or made subject to any online terms and conditions in accessing or using the Services, such terms and conditions are not binding and shall have no force or effect as to the Services or this Agreement.
- 3.10 Modification of the Services. SVCE’s Director of Information Technology shall be authorized to waive, in writing, any of the Service Provider’s obligations with respect to the Services, where deemed to be in SVCE’s best interests, provided that no such modification shall result in any increase in the amount of the Services Fees.
- 3.11 Compliance with All Laws. Service Provider shall keep itself informed of all applicable federal, state and local laws, ordinances, codes, regulations and requirements which may, in any manner, affect those employed by it or in any way affect the performance of its services pursuant to this Agreement. Service Provider shall, at all times, observe and comply with all such laws and regulations, including, but not limited to the Americans with Disabilities Act. SVCE, and its officers and employees, shall not be liable at law or in equity by reason of the failure of the Service Provider to comply with this paragraph.

4. Service Levels.

- 4.1 Service Levels; Time is of the Essence. For the term of this Agreement, Service Provider shall provide the Services, force majeure events excepted, during the applicable Service Periods and in accordance with the applicable Service Level Standards, each as described in Exhibit A hereto. Time is of the essence in the performance of the Services.
- 4.2 Service Level Reporting. On a monthly basis, in arrears and no later than the fifteenth (15<sup>th</sup>) calendar day of the subsequent month following the reporting month, Service Provider shall make available reports to SVCE describing the performance of the Services and of Service Provider as compared to the Service Level Standards; provided, however, that a SVCE Satisfaction Service Level Survey shall be conducted by Service Provider each year on the anniversary of the Effective Date and the results shall be reported to SVCE by Service Provider no later than the fifteenth (15<sup>th</sup>) calendar day of the subsequent month following such anniversary date. The reports shall be in a form agreed-to by SVCE, and, in no case, shall contain less than the following information: (a) actual performance compared to the Service Level Standard; (b) the cause or basis for not meeting the Service Level Standard; (c) the specific remedial actions Service Provider has undertaken or will undertake to ensure that the Service Level Standard will be subsequently achieved; and, (d) any Performance Credit due to SVCE. Service Provider and SVCE will meet as often as shall be reasonably requested by SVCE, but no less than monthly, to review the performance of Service Provider as it relates to the Service Levels. Where Service Provider fails to make available a report for a Service Level in the applicable timeframe, the Service Level shall be deemed to be completely failed for the purposes of calculating a Performance Credit. Service Provider shall, without charge, make SVCE’s historical Service Level reports available to SVCE upon request.
- 4.3 Failure to Meet Service Level Standards. In the event Service Provider does not meet a Service Level Standard, Service Provider shall: (a) owe to SVCE any applicable Performance Credit, as liquidated damages and not as a penalty; and, (b) use its best efforts to ensure that any unmet Service Level Standard is subsequently met. Notwithstanding the foregoing, Service Provider will use its best efforts to minimize the impact or duration of any outage, interruption, or degradation of Service.

In no case shall SVCE be required to notify Service Provider that a Performance Credit is due as a condition of payment of the same.

4.3.1 Termination for Material and Repeated Failures. SVCE shall have, in addition to any other rights and remedies under this Agreement or at law, the right to immediately terminate this Agreement, and be entitled to a return of any prepaid fees where Service Provider fails to meet any Service Level Standard: (a) to such an extent that the SVCE's ability, as solely determined by SVCE, to use the Services is materially disrupted, force majeure events excepted; or, (b) for four (4) months out of any twelve (12) month period.

4.4 Audit of Service Levels. No more than quarterly, SVCE or SVCE's agent shall have the right to audit Service Provider's books, records, and measurement and auditing tools to verify Service Level Standard achievement and to determine correct payment of any Performance Credit. Where it is determined that any Performance Credit was due to SVCE but not paid, Service Provider shall immediately owe to SVCE the applicable Performance Credit.

5. Support; Maintenance; Additional Services.

5.1 Technical Support. Service Provider shall provide the Technical Support as described in Exhibit A. The Services Fees shall be inclusive of the fees for the Technical Support.

5.2 Maintenance. Service Provider shall provide bug fixes, corrections, modifications, enhancements, upgrades, and new releases to the Services to ensure: (a) the functionality of the Services, as described in the Documentation, is available to Authorized Users; (b) the functionality of the Services in accordance with the representations and warranties set forth herein, including but not limited to, the Services conforming in all material respects to the specifications, functions, descriptions, standards, and criteria set forth in Exhibit A and the Documentation; (c) the Service Level Standards can be achieved; and, (d) the Services work with the then-current version and the three prior versions of Internet Explorer, Mozilla Firefox, and Google Chrome Internet browsers. The Services Fees shall be inclusive of the fees for maintenance.

5.2.1 Required Notice of Maintenance. Unless as otherwise agreed to by SVCE on a case-by-case basis, Service Provider shall provide no less than thirty (30) calendar day's prior written notice to SVCE of all non-emergency maintenance to be performed on the Services, such written notice including a detailed description of all maintenance to be performed. For emergency maintenance, Service Provider shall provide as much prior notice as commercially practicable to SVCE and shall provide a detailed description of all maintenance performed no greater than one (1) calendar day following the implementation of the emergency maintenance.

5.2.2 Acceptance of Non-Emergency Maintenance. Unless as otherwise agreed to by SVCE on a case-by-case basis, for non-emergency maintenance, SVCE shall have a ten (10) business day period to test any maintenance changes prior to Service Provider introducing such maintenance changes into production (the "Maintenance Acceptance Period"). In the event that SVCE rejects, for good cause, any maintenance changes during the Maintenance Acceptance Period, Service Provider shall not introduce such rejected maintenance changes into production. At the end of the Maintenance Acceptance Period, if SVCE has not rejected the maintenance changes, the maintenance changes shall be deemed to be accepted by SVCE and Service Provider shall be entitled to introduce the maintenance changes into production.

5.3 Customization / Integration Services. Service Provider shall provide the Customization / Integration Services, if any, described in Exhibit A. The Services Fees shall be inclusive of the fees for the Customization / Integration Services.

- 5.4 Training Services. Service Provider shall provide the Training Services, if any, described in Exhibit A. The Services Fees shall be inclusive of the fees for the Training Services.
6. Audit Rights of Service Provider. Service Provider shall have no right to conduct an on-premises audit of SVCE's compliance with the use of the Services. No more than once annually, Service Provider shall have the right to request from SVCE its certification of compliance with the permitted number of Authorized Users. Where the actual number of users exceeds the permitted number of Authorized Users, SVCE, at SVCE's sole election shall, within thirty (30) business days: (a) reduce the actual number of users so as to be in compliance with the permitted number of Authorized Users in which case no additional Services Fees shall be due to Service Provider; or, (b) acquire the appropriate number of Authorized Users' licenses at the rate specified in Exhibit A so as to be in compliance with the permitted number of Authorized Users.
7. Change Control Procedure. SVCE may, upon written notice, request changes to the scope of the Services under Exhibit A. If SVCE requests an increase in the scope, SVCE shall notify Service Provider, and, not more than five (5) business days (or other mutually agreed upon period) after receiving the request, Service Provider shall notify SVCE whether or not the change has an associated cost impact. If SVCE approves, SVCE shall issue a change order, which will be executed by the Service Provider. SVCE shall have the right to decrease the scope, and the associated fees will be reduced accordingly.
8. Termination; Renewals.
- 8.1 Termination for Convenience. Without limiting the right of a party to terminate this Agreement as provided for in this Agreement, SVCE may terminate this Agreement for convenience upon not less than thirty (30) days prior written notice to the Service Provider.
- 8.2 Termination for Cause. Without limiting the right of a party to immediately terminate this Agreement for cause as provided for in this Agreement, if either party materially breaches any of its duties or obligations hereunder and such breach is not cured, or the breaching party is not diligently pursuing a cure to the non-breaching party's sole satisfaction, within thirty (30) calendar days after written notice of the breach, the non-breaching party may terminate this Agreement for cause as of a date specified in such notice.
- 8.3 Payments upon Termination. Upon the termination of this Agreement, SVCE shall pay to Service Provider all undisputed amounts due and payable hereunder, if any, and Service Provider shall pay to SVCE all amounts due and payable hereunder, such as Performance Credits and prepaid fees, if any.
- 8.4 Return of SVCE Data. Upon the termination of this Agreement, Service Provider shall, within one (1) business day following the termination of this Agreement, provide SVCE, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Service Provider), with a final extract of the SVCE Data in the format specified by SVCE, and make such extract available to SVCE for electronic retrieval for a period of thirty (30) days). Further, Service Provider shall certify to SVCE the destruction of any SVCE Data within the possession or control of Service Provider, in accordance with Section 13.5, but such destruction shall occur only after the SVCE Data has been returned to SVCE. This Section shall survive the termination of this Agreement.
- 8.5 Renewals. Should the Services continue beyond the Initial Term, the Services Fees for the Renewal Term may be increased no more than three percent (3%) on an annualized per-user basis.
9. Transition Services. For a period of up to three (3) months (the "Transition Services Period"), Service Provider will provide to SVCE and/or to the service provider selected by SVCE ("Successor Service Provider") assistance reasonably requested by SVCE to effect the orderly transition of the Services, in whole or in part, to SVCE or to Successor Service Provider ("Transition Services") prior to or following the termination of this Agreement, in whole or in part. The Transition Services may include: (a) developing a

plan for the orderly transition of the terminated Services from Service Provider to SVCE or Successor Service Provider; (b) if required, transferring the SVCE Data to Successor Service Provider; (c) using commercially reasonable efforts to assist SVCE in acquiring any necessary rights to legally and physically access and use any third-party technologies and documentation then being used by Service Provider in connection with the Services; (d) using commercially reasonable efforts to make available to SVCE, pursuant to mutually agreeable terms and conditions, any third-party services then being used by Service Provider in connection with the Services; and, (e) such other activities upon which the parties may agree. All applicable terms and conditions of this Agreement shall apply to the Transition Services. This Section shall survive the termination of this Agreement. For the avoidance of doubt, Service Provider shall be compensated for such Transition Services for the duration of the Transition Services Period on a time and materials basis, as further described in Exhibit A, unless an alternative fee is mutually agreed upon by the Parties, or such Transition Services are provided without charge as set forth in this Agreement.

10. **Fees; Billing.** Any sum due Service Provider for the Services for which payment is not otherwise specified shall be due and payable thirty (30) business days after receipt by SVCE of an invoice from Service Provider.
- 10.1 **Billing Procedures.** Service Provider shall bill to SVCE the sums due pursuant to Exhibit A by Service Provider's invoice, which shall contain: (a) SVCE's purchase order number, if any, and Service Provider's invoice number; (b) description of Services for which an amount is due; (c) the fees or portion thereof that are due; (d); taxes, if any; (e); any Performance Credits or other credits; and, (f) total amount due. Service Provider shall forward invoices in electronic format to the email address of the designated SVCE program manager and [invoices@svcleanenergy.org](mailto:invoices@svcleanenergy.org).
- 10.2 **Taxes.** Service Provider represents and warrants that it is an independent contractor for purposes of federal, state, and local taxes. Service Provider agrees that SVCE is not responsible to collect or withhold any such taxes, including income tax withholding and social security contributions, for Service Provider. Any and all taxes, interest, or penalties, including any federal, state, or local withholding or employment taxes, imposed, assessed, or levied as a result of this Agreement shall be paid or withheld by Service Provider.
- 10.3 **Credits.** Any amounts due to SVCE, such as a Performance Credit, from Service Provider may be applied by SVCE, at the sole election of SVCE, against any current or future fees due to Service Provider. Any such amounts that are not so applied by SVCE shall be paid to SVCE by Service Provider within thirty (30) calendar days following SVCE's request. This Section shall survive the termination of this Agreement.
- 10.4 **Non-binding Terms.** Any terms and conditions included in a Service Provider invoice shall be deemed to be solely for the convenience of the Service Provider, and no such term or condition shall be binding upon the SVCE.
- 10.5 **Auditable Records.** Service Provider shall maintain accurate records of all fees billable to, and payments made by, SVCE in a format that will permit audit by SVCE for a period of no less than three (3) years from when a fee was incurred or a payment was made. The foregoing obligation of Service Provider shall survive the termination of this Agreement. For the term of this Agreement, upon SVCE's written request, Service Provider shall provide SVCE with a copy of its annual American Institute of Certified Public Accountants Service Organization Control (SOC) 1 type 2 report and SOC 2 type 2 report (for all Trust Services Principles) once such certification(s) has/have been obtained.
- 10.6 **Billing Reviews by Third-Parties.** For purposes of determining the competitiveness and appropriateness of fees charged to SVCE by Service Provider, SVCE is entitled to disclose to a third-party this Agreement, and any other data pertaining to fees paid or payable by SVCE to Service Provider.

- 10.7 No Suspension of Services. Service Provider shall not suspend any part of the Services where: (a) SVCE is reasonably disputing any amount due to Service Provider; or, (b) any unpaid but undisputed amount due to Service Provider is less than ninety (90) business days in arrears.

11. Representations and Warranties.

- 11.1 Mutual. SVCE and Service Provider represent and warrant that:

- 11.1.1 it is a public entity or business duly incorporated, validly existing, and in good standing under the laws of its state of incorporation;
- 11.1.2 it has all requisite corporate power, financial capacity, and authority to execute, deliver, and perform its obligations under this Agreement;
- 11.1.3 the execution, delivery, and performance of this Agreement has been duly authorized by it and this Agreement constitutes the legal, valid, and binding agreement of it and is enforceable against it in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganizations, moratoriums, and similar laws affecting creditors' rights generally and by general equitable principles;
- 11.1.4 it shall comply with all applicable federal, state, local, or other laws and regulations applicable to the performance by it of its obligations under this Agreement and shall obtain all applicable permits and licenses required of it in connection with its obligations under this Agreement; and,
- 11.1.5 there is no outstanding litigation, arbitrated matter or other dispute to which it is a party which, if decided unfavorably to it, would reasonably be expected to have a potential or actual material adverse effect on its ability to fulfill its obligations under this Agreement.

- 11.2 By Service Provider. Service Provider represents and warrants that:

- 11.2.1 it is in the business of providing the Services;
- 11.2.2 the Services are fit for the ordinary purposes for which they will be used;
- 11.2.3 it is possessed of superior knowledge with respect to the Services;
- 11.2.4 it acknowledges that SVCE is relying on its representation of its experience and expert knowledge, and that any substantial misrepresentation may result in damage to SVCE;
- 11.2.5 it knows the particular purpose for which the Services are required by SVCE;
- 11.2.6 it is the lawful licensee or owner of the Services (excluding any SVCE Data therein) and has all the necessary rights in the Services to grant the use of the Services to SVCE;
- 11.2.7 the Services and any other work performed by Service Provider hereunder shall not infringe upon any United States or foreign copyright, patent, trade secret, or other proprietary right, or misappropriate any trade secret, of any third-party, and that it has neither assigned nor otherwise entered into an agreement by which it purports to assign or transfer any right, title, or interest to any technology or intellectual property right that would conflict with its obligations under this Agreement;



- 11.2.8 it shall disclose any third-party (which shall, for purposes of this Agreement, be deemed a subcontractor) whose intellectual property is incorporated into the Services or who is necessary for the performance of the Services and it shall maintain in-force written agreements with such third-party, if any, for the term of this Agreement;
- 11.2.9 it has the expertise to perform the Services in a competent, workmanlike, and professional manner and in accordance with the highest professional standards;
- 11.2.10 it will use its best efforts to ensure that no computer viruses, worms, malware, or similar items (collectively, a "Virus") are introduced into SVCE's computing and network environment by the Services, and that, where it transfers a Virus to SVCE through the Services, it shall reimburse SVCE the actual cost incurred by SVCE to remove or recover from the Virus, including the costs of persons employed by SVCE to perform such services;
- 11.2.11 the Services are free of any mechanism which may disable the Services and Service Provider warrants that no loss of SVCE Data will result from such items if present in the Services;
- 11.2.12 in the case of SVCE's reasonable dispute of any Service Provider invoice, it shall not withhold the performance of Services, including, without limitation, access and use of the Services, Technical Support, Maintenance, and extract of SVCE Data; and,
- 11.2.13 the Services will conform in all material respects to the specifications, functions, descriptions, standards, and criteria set forth in Exhibit A and the Documentation.

## 12. SVCE Data.

- 12.1 Ownership. SVCE's data ("SVCE Data," which shall also be known and treated by Service Provider as Confidential Information) shall include: (a) SVCE's data collected, accessed, used, processed, stored, or generated as the result of the SVCE's use of the Services; and, (b) personally identifiable information ("PII") collected, used, processed, stored, or generated as the result of the use of the Services, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements listed herein. Except where subject to a third party's intellectual property rights, all SVCE Data is and shall remain the sole and exclusive property of SVCE and all right, title, and interest in the same belongs to SVCE. This Section shall survive the termination of this Agreement.
- 12.2 Service Provider Use of SVCE Data. Service Provider is provided a limited license to access SVCE Data for the sole and exclusive purpose of providing the Services, including a license to collect, process, store, generate, and display SVCE Data only to the extent necessary in the providing of the Services. Service Provider shall: (a) keep and maintain SVCE Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Agreement and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose SVCE Data solely and exclusively for the purpose of providing the Services, such use and disclosure being in accordance with this Agreement, and applicable law; (c) allow access to SVCE Data only to those employees of Service Provider who are directly involved with and responsible for providing the Services; and, (d) not use, sell, rent, transfer, distribute, or otherwise disclose or make available SVCE Data for Service Provider's own purposes or for the benefit of anyone other than SVCE without SVCE's prior written consent. This Section shall survive the termination of this Agreement.

- 12.3 Access to, and Extraction of SVCE Data. SVCE shall have full and complete access to, and ability to download, its SVCE Data 24 hours per day, 7 days per week, except during authorized periods of maintenance by Service Provider. Further, Service Provider shall, within one (1) business day of SVCE's request, provide SVCE, without charge and without any conditions or contingencies whatsoever (including, but not limited to, the payment of any fees due to Service Provider), an extract of the SVCE Data in the format specified by SVCE. In the event SVCE gives Service Provider written notice of a "litigation hold", then as to all data identified in such notice, Service Provider shall, at no additional cost to SVCE, isolate and preserve all such data pending receipt of further direction from the SVCE.
- 12.4 Backup and Recovery of SVCE Data. As a part of the Services, Service Provider is responsible for maintaining a backup of SVCE Data and for an orderly and timely recovery of such data in the event that the Services may be interrupted. Unless otherwise described in Exhibit A, Service Provider shall maintain a contemporaneous backup of SVCE Data that can be recovered within two (2) hours at any point in time. Additionally, Service Provider shall store a backup of SVCE Data in an off-site (but within the continental United States) "hardened" facility no less than daily, maintaining the security of SVCE Data, the security requirements of which are further described herein. Any backups of SVCE Data shall not be considered in calculating storage used by SVCE.
- 12.5 Loss or Unauthorized Access to Data. In the event of any act, error or omission, negligence, misconduct, or breach that permits any unauthorized access to, or that compromises or is suspected to compromise the security, confidentiality, or integrity of SVCE Data or the physical, technical, administrative, or organizational safeguards put in place by Service Provider that relate to the protection of the security, confidentiality, or integrity of SVCE Data, Service Provider shall, as applicable: (a) notify SVCE as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with SVCE in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by SVCE; (c) in the case of PII, at SVCE's sole election, (i) notify the affected individuals who comprise the PII as soon as practicable but no later than is required to comply with applicable law including, but not limited to, the provisions of California Civil Code Section 1798.82, or, in the absence of any legally required notification period, within five (5) calendar days of the occurrence; or, (ii) reimburse SVCE for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twelve (12) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting SVCE's obligations of indemnification as further described in this Agreement, indemnify, defend, and hold harmless SVCE for any and all Claims (as defined herein), including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from SVCE in connection with the occurrence; (g) be responsible for recreating lost SVCE Data in the manner and on the schedule set by SVCE without charge to SVCE; and, (h) provide to SVCE a detailed plan within ten (10) calendar days of the occurrence describing the measures Service Provider will undertake to prevent a future occurrence. Notification to affected individuals, as described above, shall comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of Service Provider's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Service Provider has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Service Provider. This Section shall survive the termination of this Agreement.
13. Non-Disclosure of Confidential Information. The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this Section shall survive the termination of this Agreement.

- 13.1 Meaning of Confidential Information. For the purposes of this Agreement, the term “Confidential Information” shall mean all information and documentation of a party that: (a) has been marked “confidential” or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked “confidential” or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked “confidential” or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. Except for electric and gas usage information provided to Service Provider pursuant to this Agreement, the term “Confidential Information” does not include any information or documentation that was: (a) already in the possession of the receiving party without an obligation of confidentiality; (b) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party’s proprietary rights; (c) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (d) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Agreement, in all cases and for all matters, SVCE Data shall be deemed to be Confidential Information.
- 13.2 Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Agreement or to use such Confidential Information for any purposes whatsoever other than the performance of this Agreement, or as required by law. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential.
- 13.3 Cooperation to Prevent Disclosure of Confidential Information. Each party shall use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party shall advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Agreement and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person. It is understood that SVCE is subject to the California Public Records Act (Gov. Code § 6250 *et seq.*). If a request under the California Public Records Act is made to view Service Provider’s Confidential Information, SVCE shall notify Service Provider of the request and the date that such records will be released to the requester unless Service Provider obtains a court order enjoining that disclosure. If Service Provider fails to obtain a court order enjoining that disclosure, SVCE will release the requested information on the date specified.
- 13.4 Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of SVCE, at the sole election of SVCE, the immediate termination, without liability to SVCE, of this Agreement.
- 13.5 Surrender of Confidential Information upon Termination. Upon termination of this Agreement or an Exhibit A, in whole or in part, each party shall, within five (5) calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which is in such party’s possession, custody, or control; provided, however, that Service Provider shall return SVCE Data to SVCE following the timeframe and procedure described further in this Agreement. Should Service Provider or SVCE determine that the return of any SVCE Data or non-SVCE Data Confidential Information is not feasible, Service Provider shall destroy the data comprising such Confidential Information in compliance with the most current version of NIST standard SP800-88, or other standard acceptable to the SVCE, and shall certify the same in writing within five (5) calendar days from the date of termination to the other party.

14. Data Privacy and Information Security.

- 14.1 Undertaking by Service Provider. Without limiting Service Provider's obligation of confidentiality as further described herein, Service Provider shall be responsible for establishing, maintaining, and providing a written description to SVCE of, a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the SVCE Data; (b) protect against any anticipated threats or hazards to the security or integrity of the SVCE Data; (c) protect against unauthorized disclosure, access to, or use of the SVCE Data; (d) ensure the proper disposal of SVCE Data; and, (e) ensure that all employees, agents, and subcontractors of Service Provider, if any, comply with all of the foregoing. In no case shall the safeguards of Service Provider's data privacy and information security program used to protect SVCE Data be less stringent than the safeguards used by Service Provider for its own data.

If the Services include handling credit card information, then the Service Provider shall comply at all times with all applicable Payment Card Industry Data Security Standards (PCI-DSS). Service Provider agrees and warrants that it is responsible for the security of "cardholder data" that Service Provider possesses, stores, processes or transmits on behalf of the SVCE, and for any impact on the security of SVCE's cardholder data environment adversely affected by any failure of Company to maintain compliance with provisions of the PCI-DSS applicable to the Services.

- 14.2 Audit by Service Provider. At SVCE's request, sole cost to bear, and vendor selection responsibility, Service Provider shall undergo a vendor risk management assessment focusing on IT general controls, data privacy, and information security to support SVCE's responsibility under CPUC decision 12-08-045.
- 14.3 Right of Audit by SVCE. Without limiting any other audit rights of SVCE, SVCE shall have the right to review Service Provider's data privacy and information security program prior to the commencement of Services and from time to time during the term of this Agreement. During the providing of the Services, on an ongoing basis from time to time and without notice, SVCE, at its own expense, shall be entitled to perform, or to have performed, an on-site audit of Service Provider's data privacy and information security program during Service Provider's normal business hours and with at least five (5) business days prior written notice. In lieu of an on-site audit, upon request by SVCE, Service Provider agrees to complete, within forty-five (45) days of receipt, an audit questionnaire provided by SVCE regarding Service Provider's data privacy and information security program.
- 14.4 Audit Findings. Service Provider shall use best efforts to implement any required safeguards as identified by SVCE or by any audit of Service Provider's data privacy and information security program and shall provide written explanation of why any required safeguard cannot be implemented and how that issue will otherwise be addressed.
- 14.5 Pattern of Violations. It shall be considered a material breach of this Agreement if Service Provider engages in a pattern or practice of accessing, storing, using, or disclosing the Confidential Information in violation of the contractual obligations described herein. Service Provider understands that if SVCE finds that Service Provider is engaged in a pattern or practice of accessing, storing, using, or disclosing Confidential Information in violation of this Agreement SVCE shall promptly cease all disclosures of Confidential Information to Service Provider. Service Provider further understands that if SVCE receives a customer complaint about Service Provider's misuse of data or other violation of the Disclosure Provisions, SVCE shall promptly cease disclosing that customer's information to Service Provider and shall notify the California Public Utilities Commission ("CPUC") of the complaint.
- 14.6 CPUC Compliance. Service Provider shall comply with the consumer protections concerning subsequent disclosure and use set forth in Attachment B to California Public Utilities Commission (CPUC) Decision No. 12-08-045.

- 14.7 Injunction, Specific Performance or Such Other Relief. Service Provider acknowledges that disclosure or misappropriation of any Confidential Information could cause irreparable harm to SVCE and/or SVCE Customers, the amount of which may be difficult to assess. Accordingly, Service Provider hereby confirms that the SVCE shall be entitled to apply to a court of competent jurisdiction or the CPUC for an injunction, specific performance or such other relief (without posting bond) as may be appropriate in the event of improper disclosure or misuse of its Confidential Information by Service Provider or its employees or representatives. Such right shall, however, be construed to be in addition to any other remedies available to the SVCE, in law or equity.
- 14.8 SVCE's Right to Termination for Deficiencies. SVCE reserves the right, at its sole election, to immediately terminate this Agreement without limitation and without liability if SVCE reasonably determines that Service Provider fails or has failed to meet its obligations under this Section; provided that in the event of a dispute between the parties, the parties will first attempt in good faith to resolve such dispute by written notice to the designated points of contact of each party, who will attempt in good faith to resolve such dispute by negotiation and consultation as soon as reasonably practicable following receipt of such written notice.
15. Proprietary Rights.
- 15.1 Pre-existing Materials. SVCE acknowledges that, in the course of performing the Services, Service Provider may use software and related processes, instructions, methods, and techniques that have been previously developed by Service Provider (collectively, the "Pre-existing Materials," which shall include the Services) and that the same shall remain the sole and exclusive property of Service Provider.
- 15.2 No License. Except as expressly set forth herein, no license is granted by either party to the other with respect to the Confidential Information or Pre-existing Materials. Nothing in this Agreement shall be construed to grant to either party any ownership or other interest, in the Confidential Information or Pre-existing Materials, except as may be provided under a license specifically applicable to such Confidential Information or Pre-existing Materials.
- 15.3 The provisions of this Section shall survive the termination of this Agreement.
16. Indemnification; Limitation of Liability; Insurance.
- 16.1 General Indemnification. Service Provider agrees to indemnify, defend, and hold harmless SVCE and its elected officials, officers, directors, agents, attorneys and employees (each, an "Indemnitee") from and against any and all liabilities, damages, losses, expenses, claims, demands, suits, fines, or judgments (each, a "Claim," and collectively, the "Claims"), including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, incurred by, accrued against, charged to, or recoverable from any Indemnitee, by reason of any Claim arising out of or relating to any act, error or omission, negligence, or misconduct of Service Provider, its officers, directors, agents, employees, and subcontractors, during the performance of this Agreement, including, without limitation, Claims arising out of or relating to: (a) bodily injury (including death) or damage to tangible personal or real property; (b) any payment required to be paid to subcontractors, if any, of Service Provider; (c) any material misrepresentation or breach of warranty of any representation or warranty set forth in this Agreement; (d) any destruction, or unauthorized access, use, or theft of SVCE Data (collectively, "cyber theft") or, (e) any material breach of any covenant set forth in this Agreement; provided, however, that the foregoing indemnity shall not apply to the extent that the applicable Claim resulted from the sole negligence or willful misconduct of an Indemnitee.
- 16.2 Proprietary Rights Indemnification. Service Provider agrees to indemnify, defend, and hold harmless Indemnitees from and against any and all Claims, including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, incurred by, accrued against, charged to, or recoverable from any Indemnitee, by reason of any Claim arising out of or relating to the Services allegedly or actually infringing or misappropriating any United States or foreign patent,

copyright, trade secret, trademark, or other proprietary right. Notwithstanding the foregoing, Service Provider will have no liability or obligation with respect to any Claim to the extent such Claim is caused by (A) compliance with designs, guidelines, plans or specifications provided by SVCE; (B) use of the Services by SVCE not in accordance with this Agreement; (C) modification of the Services by any party other than Service Provider without Service Provider's express consent; (D) SVCE Confidential Information or (E) the combination, operation, or use of the Services with other applications, portions of applications, product(s) or services where the Services would not by itself be infringing. In the event that Service Provider is enjoined from providing the Services and such injunction is not dissolved within thirty (30) calendar days, or in the event that SVCE is adjudged, in any final order of a court of competent jurisdiction from which no appeal is taken, to have infringed upon or misappropriated any patent, copyright, trade secret, trademark, or other proprietary right in the access or use of the Services, then Service Provider shall, at its expense: (a) obtain for SVCE the right to continue using such Services; (b) replace or modify such Services so that they do not infringe upon or misappropriate such proprietary right and is free to be used by SVCE; or, (c) in the event that Service Provider is unable or determines, in its reasonable judgment, that it is commercially unreasonable to do either of the aforementioned, Service Provider shall reimburse to SVCE any prepaid fees and the full cost associated with any Transition Services.

- 16.3 Indemnification Procedures. Promptly after receipt by SVCE of a threat, notice, or filing of any Claim against an Indemnitee, SVCE shall give notice thereof to Service Provider, provided that failure to give or delay in giving such notice shall not relieve Service Provider of any liability it may have to the Indemnitee except to the extent that Service Provider demonstrates that the defense of the Claim is prejudiced thereby. Service Provider shall have sole control of the defense and of all negotiations for settlement of a Claim and SVCE shall not independently defend or respond to a Claim; provided, however, that: (a) SVCE may defend or respond to a Claim, at Service Provider's expense, if SVCE's counsel determines, in its sole discretion, that such defense or response is necessary to preclude a default judgment from being entered against an Indemnitee; and, (b) SVCE shall have the right, at its own expense, to monitor Service Provider's defense of a Claim. At Service Provider's request, SVCE shall reasonably cooperate with Service Provider in defending against or settling a Claim; provided, however, that Service Provider shall reimburse SVCE for all reasonable out-of-pocket costs incurred by SVCE (including, without limitation, reasonable attorneys' fees and expenses) in providing such cooperation.
- 16.4 Third-Party Beneficiaries. Nothing, express or implied, in this Agreement is intended to benefit, or to create or be construed to create any rights of enforcement in any persons or entities who are neither signatories to this Agreement nor Indemnitees.
- 16.5 Insurance. Unless otherwise approved in writing by SVCE's risk manager, Service Provider shall, at its own expense, procure and maintain in full force and effect during the term of this Agreement, policies of insurance, of the types and in the minimum amounts as follows, with responsible insurance carriers duly admitted and qualified in California covering the operations of Service Provider, pursuant to this Agreement: commercial general liability (\$1,000,000 per occurrence, \$2,000,000 aggregate); excess liability (\$2,000,000 per occurrence, \$2,000,000 aggregate); workers' compensation (statutory limits) and employers' liability (\$500,000 per accident); cyber liability (\$5,000,000 per occurrence) providing protection against claims and liabilities arising from: (i) errors and omissions in connection with maintaining security of SVCE Data; (ii) data breach including theft, destruction, and/or unauthorized use of SVCE Data; (iii) identity theft; and (iv) violation of privacy rights due to a breach of SVCE Data; and professional liability (\$1,000,000 per occurrence, \$1,000,000 aggregate). Any of the foregoing policy limits shall be subject to modification by the SVCE's risk manager upon thirty (30) days prior, written notice to Service Provider, and at any time prior to commencement of the Services.

The Indemnitees shall be named as additional insureds in the commercial general, cyber, and excess liability policies which shall contain standard cross liability clauses. Service Provider shall cause the liability it assumed under this Agreement to be specifically insured under the contractual liability section of the liability insurance policies. The liability policies shall be primary without

right of contribution from any Indemnitee, and Service Provider waives all rights of subrogation with respect to said policies. Such policies shall require that SVCE be given no less than thirty (30) calendar days prior written notice of any cancellation thereof or material change therein. SVCE shall have the right to request an adjustment of the limits of liability for commercial general, cyber, and excess liability, and/or professional liability insurance as Service Provider's exposure to SVCE increases. Service Provider shall provide SVCE with certificates of insurance and original endorsements, evidencing all of the above coverage, including all special requirements specifically noted above, and shall provide SVCE with certificates of insurance evidencing renewal or substitution of such insurance thirty (30) calendar days prior to the effective date of such renewal or substitution.

- 16.6 Limitation of Liability. UNDER NO LEGAL THEORY, WHETHER IN TORT, CONTRACT, OR OTHERWISE, WILL EITHER PARTY BE LIABLE TO THE OTHER FOR (A) ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OF ANY CHARACTER, INCLUDING DAMAGES FOR LOSS OF GOODWILL, LOST PROFITS, LOST SALES OR BUSINESS, WORK STOPPAGE, COMPUTER FAILURE OR MALFUNCTION, LOST CONTENT OR DATA, OR FOR ANY AND ALL OTHER DAMAGES OR LOSSES, EVEN IF A REPRESENTATIVE OF SUCH PARTY HAS BEEN ADVISED, KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES, OR (B) ANY DIRECT DAMAGES, COSTS, OR LIABILITIES (EXCLUDING SVCE'S PAYMENT OBLIGATIONS) IN EXCESS OF THE AMOUNTS PAID OR PAYABLE BY SVCE UNDER THIS AGREEMENT DURING THE TWELVE (12) MONTHS PRECEDING THE INCIDENT OR CLAIM. THE FOREGOING LIMITATIONS SHALL NOT APPLY TO: (A) A PARTY'S OBLIGATIONS AS TO INDEMNIFICATION, AS FURTHER DESCRIBED IN THIS AGREEMENT; (B) DAMAGES CAUSED BY A PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT; OR (C) A PARTY'S BREACH OF ITS OBLIGATIONS OF CONFIDENTIALITY, AS FURTHER DESCRIBED IN SECTION 12 OF THIS AGREEMENT. This Section shall survive the termination of this Agreement.

17. General.

- 17.1 Relationship between SVCE and Service Provider. Service Provider represents and warrants that it is an independent contractor with no authority to contract for SVCE or in any way to bind or to commit SVCE to any agreement of any kind or to assume any liabilities of any nature in the name of or on behalf of SVCE. Under no circumstances shall Service Provider, or any of its staff, if any, hold itself out as or be considered an agent employee, joint venture, or partner of SVCE. In recognition of Service Provider's status as an independent contractor, SVCE shall carry no Workers' Compensation insurance or any health or accident insurance to cover Service Provider or Service Provider's agents or staff, if any. SVCE shall not pay any contributions to Social Security, unemployment insurance, federal or state withholding taxes, any other applicable taxes whether federal, state, or local, nor provide any other contributions or benefits which might be expected in an employer-employee relationship. Neither Service Provider nor its staff, if any, shall be eligible for, participate in, or accrue any direct or indirect benefit under any other compensation, benefit, or pension plan of SVCE.
- 17.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California and the federal laws of the United States of America. Service Provider hereby consents and submits to the jurisdiction and forum of the state and federal courts in the County of Santa Clara, State of California, in all questions and controversies arising out of this Agreement.
- 17.3 Attorneys' Fees and Costs. In any arbitration, litigation, or other proceeding, informal or formal, by which one party either seeks to enforce this Agreement or seeks a declaration of any rights or obligations under this Agreement, the non-prevailing party shall pay the prevailing party's costs and expenses, including but not limited to, reasonable attorneys' fees.
- 17.4 Compliance with Laws; SVCE Policies and Procedures. Service Provider agrees to comply with all applicable federal, state, and local laws, executive orders and regulations issued, where applicable.

Service Provider shall comply with SVCE policies and procedures where the same are posted, conveyed, or otherwise made available to Service Provider.

- 17.5 Cooperation. Where agreement, approval, acceptance, consent or similar action by either party hereto is required by any provision of this Agreement, such action shall not be unreasonably delayed or withheld. Each party will cooperate with the other by, among other things, making available, as reasonably requested by the other, management decisions, information, approvals, and acceptances in order that each party may properly accomplish its obligations and responsibilities hereunder. Service Provider will cooperate with any SVCE supplier performing services, and all parties supplying hardware, software, communication services, and other services and products to SVCE, including, without limitation, the Successor Service Provider. Service Provider agrees to cooperate with such suppliers, and shall not commit or permit any act which may interfere with the performance of services by any such supplier.
- 17.6 Force Majeure; Excused Performance. Neither party shall be liable for delays or any failure to perform the Services or this Agreement due to causes beyond its reasonable control. Such delays include, but are not limited to, fire, explosion, flood or other natural catastrophe, governmental legislation, acts, orders, or regulation, strikes or labor difficulties, to the extent not occasioned by the fault or negligence of the delayed party. Any such excuse for delay shall last only as long as the event remains beyond the reasonable control of the delayed party. However, the delayed party shall use its best efforts to minimize the delays caused by any such event beyond its reasonable control. Where Service Provider fails to use its best efforts to minimize such delays, the delays shall be included in the determination of Service Level achievement. The delayed party must notify the other party promptly upon the occurrence of any such event, or performance by the delayed party will not be considered excused pursuant to this Section, and inform the other party of its plans to resume performance. A force majeure event does not excuse Service Provider from providing Services and fulfilling its responsibilities relating to the requirements of backup and recovery of SVCE Data. In no event shall any of the following constitute a force majeure event: (a) failure, inadequate performance, or unavailability of Service Provider's subcontractors, if any; or, (b) configuration changes, other changes, Viruses, or other errors or omissions introduced, or permitted to be introduced, by Service Provider that result in an outage or inability for SVCE to access or use the Services. Within thirty (30) calendar days following the Effective Date and on an annual basis thereafter until the termination of this Agreement, Service Provider shall provide its then-current business continuity plan ("Business Continuity Plan") to SVCE upon SVCE's request. The Business Continuity Plan shall include: (a) Services and SVCE Data backup and recovery procedures, including procedures and resources for disaster recovery; (b) fail-over procedures; and, (c) how Service Provider will interact with its business continuity suppliers, if any. Service Provider shall test its Business Continuity Plan on an annual basis until the termination of this Agreement and shall provide the test results to SVCE upon SVCE's request.
- 17.7 Advertising and Publicity. Service Provider shall not refer to SVCE directly or indirectly in any advertisement, news release, or publication, or use any SVCE logo, seal or mark, without prior written approval from SVCE.
- 17.8 No Waiver. The failure of either party at any time to require performance by the other party of any provision of this Agreement shall in no way affect that party's right to enforce such provisions, nor shall the waiver by either party of any breach of any provision of this Agreement be taken or held to be a waiver of any further breach of the same provision.
- 17.9 Notices. Any notice given pursuant to this Agreement shall be in writing and shall be given by personal service or by United States certified mail, return receipt requested, postage prepaid to the addresses appearing at the end of this Agreement, or as changed through written notice to the other party. Notice given by personal service shall be deemed effective on the date it is delivered to the addressee, and notice mailed shall be deemed effective on the third day following its placement in the mail addressed to the addressee.



- 17.10 Assignment of Agreement. This Agreement and the obligations of Service Provider hereunder are personal to Service Provider. Neither Service Provider nor any successor, receiver, or assignee of Service Provider shall directly or indirectly assign this Agreement or the rights or duties created by this Agreement, whether such assignment is effected in connection with a sale of Service Provider's assets or stock or through merger, an insolvency proceeding or otherwise, without the prior written consent of SVCE. In the case of an assignment by Service Provider, Service Provider represents and warrants that it has all requisite rights and power to transfer any agreements or other rights with third-parties whose software is incorporated into the Services or who are necessary for the performance and use of the Services. SVCE, at SVCE's sole election, may assign any and all of its rights and obligations under this Agreement to any company that succeeds to substantially all of SVCE's business.
- 17.11 Time is of the Essence. Time is of the essence in every provision of this Agreement in which time for performance is a factor.
- 17.12 Counterparts; Facsimile/PDF/Electronic Signature. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. The parties agree that a facsimile, PDF or electronic signature may substitute for and have the same legal effect as the original signature.
- 17.13 Entire Agreement. This Agreement and any and all attached exhibits, each of which is incorporated by reference herein, constitute the entire agreement between the parties and supersede any and all previous representations, understandings, or agreements between SVCE and Service Provider as to the subject matter hereof. No representation or promise not expressly set forth herein shall be binding. The provisions of this Agreement shall govern over any inconsistent or conflicting provisions contained in any exhibit hereto. This Agreement may only be amended by an instrument in writing signed by the parties. This Agreement shall be construed without regard to the party that drafted it. Any ambiguity shall not be interpreted against either party and shall, instead, be resolved in accordance with other applicable rules concerning the interpretation of contracts.
- 17.14 Cumulative Remedies. All rights and remedies of SVCE herein shall be in addition to all other rights and remedies available at law or in equity, including, without limitation, specific performance against Service Provider for the enforcement of this Agreement, and temporary and permanent injunctive relief.
- 17.15 No Recourse against Constituent Members of Authority. SVCE is organized as a Joint Powers SVCE in accordance with the Joint Powers Act of the State of California (Government Code Section 6500 et seq.) pursuant to a Joint Powers Agreement dated March 31, 2016, and is a public entity separate from its constituent members. SVCE shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Service Provider shall have no rights and shall not make any claims, take any actions or assert any remedies against any of SVCE's constituent members in connection with this Agreement.
- 17.16 Non-Discrimination. In the performance of this Agreement, Service Provider, and any subcontractor of Service Provider shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation, military or veteran status, or other basis prohibited by law, except as provided in Government Code section 12940. Service Provider shall have responsibility for compliance with this Section.
- 17.17 Conflict Of Interest. Service Provider warrants that it, its officers, employees, associates and subcontractors, presently have no interest, and will not acquire any interest, direct or indirect, financial or otherwise, that would conflict in any way with the performance of this Agreement, and that it, its officers, employees, associates and subcontractors, will not employ any person having such an interest. Service Provider and its officers, employees, associates and subcontractors, if any,

shall comply with all conflict of interest statutes of the State of California applicable to Service Provider's services under this Agreement, including the Political Reform Act (Gov. Code § 81000, et seq.) and Government Code Section 1090. During the term of this Agreement, Service Provider may perform similar services for other clients, but Service Provider and its officers, employees, associates and subcontractors shall not, without the SVCE Representative's prior written approval, perform work for another person or entity for whom Service Provider is not currently performing work that would require Service Provider or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Service Provider shall incorporate a clause substantially similar to this Section into any subcontract that Service Provider executes in connection with the performance of this Agreement. Service Provider understands that it may be required to fill out a conflict of interest form if the services provided under this Agreement require Service Provider to make certain governmental decisions or serve in a staff SVCE, as defined in Title 2, Division 6, Section 18700 of the California Code of Regulations.

- 17.18 Severability. If any provision in this Agreement is held by a court of competent jurisdiction to be illegal, invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.
- 17.19 Final Payment Acceptance Constitutes Release. The acceptance by Service Provider of the final payment made under this Agreement shall operate as and be a release of SVCE from all claims and liabilities for compensation to Service Provider for anything done, furnished or relating to Service Provider's work or services. Acceptance of payment shall be any negotiation of SVCE's check or the failure to make a written extra compensation claim within ten calendar days of the receipt of that check. However, approval or payment by SVCE shall not constitute, nor be deemed, a release of the responsibility and liability of Service Provider, its employees, subcontractors and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by SVCE for any defect or error in the work prepared by Service Provider, its employees, subcontractors and agents.
- 17.20 SVCE's Rights to Employ Other Consultants. SVCE reserves the right to employ other consultants in connection with the subject matter of the Services.
- 17.21 Inserted Provisions. Each provision and clause required by law to be inserted into the Agreement shall be deemed to be enacted herein, and the Agreement shall be read and enforced as though each were included herein. If through mistake or otherwise, any such provision is not inserted or is not correctly inserted, the Agreement shall be amended to make such insertion on application by either party.
- 17.22 Captions and Terms. The captions in this Agreement are for convenience only, are not a part of the Agreement and in no way affect, limit or amplify the terms or provisions of this Agreement.
- 17.23 Exhibits. The Exhibits referenced in this Agreement are attached hereto and incorporated herein by this reference as though set forth in full in the Agreement. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, or between a provision of this Agreement and a provision of Service Provider's proposal, the provisions of this Agreement shall control.
- 17.24 Successors and Assigns. The terms and conditions of this Agreement shall be binding on the successors and assigns of the parties to this Agreement.

Executed on the dates set forth below by the undersigned authorized representative of SVCE and Service Provider to be effective as of the Effective Date.

**SILICON VALLEY CLEAN ENERGY (SVCE)**

DocuSigned by:  
By: *Girish Balachandran*  
Name: Girish Balachandran  
Title: Chief Executive Officer  
Date: 9/9/2021

Address for Notice:  
333 W. El Camino Real  
Suite 330  
Sunnyvale, CA, 94087

**CAMUS ENERGY, INC**

DocuSigned by:  
By: *Astrid Atkinson*  
Name: Astrid Atkinson  
Title: CEO  
Date: 9/9/2021

Address for Notice:  
1333 Minna Street  
San Francisco, CA 94103

**APPROVED AS TO FORM:**

DocuSigned by:  
*Gregory W. Stepanicich*  
9E728D9E914F493...  
Counsel for Authority

**ATTEST:**

DocuSigned by:  
*Melody Vega*  
E5117A2A52DE14DE...  
Authority Clerk

**EXHIBIT A****STATEMENT OF SERVICES, SUPPORT, AND SERVICE LEVEL AGREEMENT**

This Exhibit A - Statement of Services and Service Level Agreement shall be incorporated in and governed by the terms of that certain Master Software as a Service Agreement by and between **SILICON VALLEY CLEAN ENERGY** (“SVCE”) and **CAMUS ENERGY, INC.** (“Service Provider”) dated September 9, 2021, (“Agreement”). In the event of a conflict between the provisions contained in the Agreement and those contained in this Exhibit A, the provisions contained in the Agreement shall prevail.

Services Description. Service Provider shall provide the following Services to SVCE through this Agreement:

1. Cloud Data Platform delivery
2. Enabling Tools development and deployment
3. Ongoing Services

Cloud Data Platform delivery. Service Provider shall provide software development and cloud administration services to deliver the following DAISY 2.0 core functionalities:

- Data storage
- Extract, transform, load (ETL) of SVCE, PG&E, Calpine, and other datasets, including:
  - Weather data (historical, real-time, and forecast), e.g. temperature, insolation, HDD, CDD, upper air data
  - CAISO market data, e.g. historical, real-time, and day-ahead prices, grid emissions
  - Third-party program data
  - Existing forecasting, procurement, scheduling, and settlement data from third-party services
  - Resource and physical asset data, e.g. forecasted generation, actual generation, pricing at local nodes
  - Air quality data
- Data warehousing
- Data visualization, including mapping capability
- Dashboards: create, save, share, update, and versioning
- Reports: create, save, share, update, and versioning
- Customizable user access permissions
- Ability to create custom tables
- Ability to integrate with third-party applications and standard tools such as Excel, Tableau, etc.
- Query library and version control
- Data provenance: ability to track data lineage and data processing steps

Service Provider shall maintain and provide SVCE with access to the DAISY 2.0 cloud data platform hosted on Google Cloud Platform (GCP), including:

- Google Cloud Storage buckets
- BigQuery data warehouse
- ETL pipelines
- Google Data Studio

Service Provider shall maintain and provide SVCE with up-to-date documentation on the tables in the BigQuery data warehouse. The documentation will include sample queries for each table and data provenance descriptions for all ingested data fields in the BigQuery data warehouse.

Service Provider shall configure DAISY 2.0 with the appropriate permissions to support, at minimum, the following SVCE user tiers:

Role	Functions	Minimum Background
Tier 1	<ul style="list-style-type: none"> <li>• View and explore shared dashboards and reports</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
Tier 2	<ul style="list-style-type: none"> <li>• Use and extract insights from specific applications (e.g. load forecasting application)</li> <li>• All functions in Tier 1</li> </ul>	<ul style="list-style-type: none"> <li>• Familiarity with platform UI</li> <li>• Familiarity with relevant applications</li> </ul>
Tier 3	<ul style="list-style-type: none"> <li>• Perform ad hoc queries and export data</li> <li>• Create data visualizations</li> <li>• Conduct strategic analyses</li> <li>• All functions in Tiers 1 and 2</li> </ul>	<ul style="list-style-type: none"> <li>• SQL knowledge</li> <li>• Familiarity with platform UI</li> <li>• Familiarity with relevant applications</li> </ul>
Tier 4	<ul style="list-style-type: none"> <li>• Oversee data cleaning and ingestion</li> <li>• Create custom tables</li> <li>• Create, manage, and share dashboards and reports</li> <li>• All functions in Tiers 1, 2, and 3</li> </ul>	<ul style="list-style-type: none"> <li>• SQL knowledge</li> <li>• Familiarity with platform UI</li> <li>• Familiarity with all applications</li> <li>• Familiarity with all data sources</li> <li>• GIS experience</li> </ul>

DAISY 2.0 should have customizable user access permissions to enable the creation of the above user roles, as well as other user roles that may be established in the future. The estimated number of tier 4 users is up to five. Each lower tier is expected to have a higher number of users, where tier 1 users could potentially be SVCE customers or member agencies. For the avoidance of doubt, a tier 1 user who is not an SVCE employee, contractor, or agent is not considered an Authorized User for the purposes of this Agreement.

All data models and translation layers developed as part of this Agreement shall be shared under an open-source license such as Apache 2.0., to be prioritized in the appropriate milestone.

All data models, translation layers, dashboards, tools, and applications developed as a part of this Agreement shall be shared with SVCE in a code repository under a commercially reasonable license such as Apache 2.0 license.

Enabling Tools development and deployment. Service Provider shall work with SVCE to deploy the following enabling tools:

Enabling Tool	Description
Geocoding	Convert an address into latitude/longitude coordinates for the centroid of the parcel.
Spatial analysis	Enable spatial joins between features to link latitude/longitude coordinates to assessor's parcel number (APN), census tract, etc.
Address standardization	Standardize addresses across datasets to improve address matching.
Weather normalization	Leverage weather data, historical energy consumption data and/or other key data sets to measure the impact of weather on electricity and natural gas consumption. Produce weather-normalized electricity and gas consumption profiles on a customer-level and in aggregate.

If the enabling tool is an existing, state-of-the-art tool (either their own or from a third party), then Service Provider will take the following steps to integrate the tool into DAISY 2.0:

1. Initialize tool
  - a. Perform the initial configuration, including connection with DAISY 2.0, and provide trainings for the tool
  - b. Provide documentation for SVCE's use case for the tool
2. Set up user account capabilities as specified in the user tiers table above
  - a. Set up account access for tier 4 users
  - b. Provide user management documentation for tier 4 users so they can create other users at any point

If the enabling tool will be built or significantly customized as part of this Agreement, then Service Provider will take the following steps to integrate the tool into DAISY 2.0:

1. Work with SVCE to define the tool requirements
2. Provide the project timeline with intermediate deliverables and weekly progress reviews
3. Develop tool
4. Work with SVCE for alpha and beta testing
5. Deploy production version of the tool

As a part of building enabling tools, dashboards, applications, integrating new data sources, or enhancing the DAISY 2.0 data model, the Service Provider may seek to leverage expertise from East Bay Community Energy (EBCE). Service Provider may reach out to EBCE (by email with SVCE approval and with SVCE copied) for support, insight, and experience with similar or identical datasets. Any fees incurred by EBCE providing this support to Service Provider will be governed by a Consulting Service Agreement between SVCE and EBCE. Any and all work incurred by Service Provider will be governed by this Agreement.

Ongoing Services. Beginning on the effective date of this Agreement, and for the duration of the Agreement, Service Provider shall provide software development and cloud administration services to deliver the following ongoing services for DAISY 2.0:

- Provide collaborative system administration services to SVCE's cloud data platform on GCP
- Given that SVCE's data sets include personally identifiable information, follow state-of-the-art encryption standards for data transfer, data at rest, and data disposal
- Maintain and enhance enabling tools as needed
- Develop and maintain ETL pipelines
  - Ingest datasets into data warehouse on a regular basis, ranging from daily to monthly
  - Enhance and/or create pipelines for new/updated sources of data from SVCE, PG&E, Calpine, and other sources on an ongoing basis. Data formats can change for existing data sources.
- Develop and manage core tables, dashboards, reports
- Provide ongoing support to tier 2, 3, and 4 users, e.g. query troubleshooting, answering questions related to data, tools, and documentation
- Mitigate and resolve any issues associated with the data services, as reported by SVCE. Service Provider will provide such support consistent with contractual service levels, including responsiveness and timeliness.
- Develop and maintain key applications to address use cases including, but not limited to:
  - Load forecasting
  - Precision program design & targeting
  - Load shape analysis and load disaggregation
  - Customer segmentation
  - Public-facing dashboard
  - Evaluation, Measurement, and Verification (EM&V)
  - Distributed energy resource (DER) forecasting
  - DER/electrification adoption models

The prioritization of DAISY 2.0 enhancements (e.g. new ETL pipelines, dashboards, reports, tools, and applications) are to be determined by SVCE. Service Provider and SVCE will schedule biweekly meetings to check in on the status of deliverables and revisit prioritization for each 2-week release cycle.

Start Date and End Date. Services shall begin on the Effective Date and be delivered over the course of 3 years according to the timelines laid out in Exhibit B. These dates represent the Initial Term of this Agreement.

Authorized Users and Services Fees. This Agreement will be governed by a Software-as-a-Service pricing model. Camus Energy Software-as-a-Service platform subscription fee is \$100,000/year for the first year and \$140,000 in the second and successive years. The platform includes 50 TB of storage and up to 10 Authorized Users of any tier. Storage may be added in increments of 10 TB for \$2,400/year. Users may be added in increments of 10 users for \$10,000/year. Google Cloud Storage and Compute Fees are \$36,000/year. Service Provider shall invoice SVCE a fee of \$136,000 for year 1 as outlined in the milestones in Exhibit B plus additional fees for additional Authorized Users and storage. In second and successive years, Service Provider shall invoice SVCE a fee of \$44,000 per quarter for years 2 and 3 plus any additional fees for additional Authorized Users and storage.

Storage Threshold(s). Service Provider shall provide 50 TB of storage and include backups and additional environments as required by this Agreement. Storage may be added in increments of 10 TB.

Storage Fees. The \$36,000/year Google Cloud Storage Fees include 50 TB of storage, as well as backups and additional environments as required by this Agreement. Storage may be added in increments of 10 TB for \$2,400/year.

#### Technical Support Description.

Service Provider will provide to SVCE telephone and email support ("Technical Support") twenty-four (24) hours per day, seven (7) days per week, three-hundred-sixty-five (365) days per year. Technical Support will include any research and resolution activity performed by Service Provider.

- a) Request for Technical Support. Authorized Users will make Technical Support requests by calling or emailing Service Provider's Technical Support staff or by submitting a request via Service Provider's customer service web portal. The Technical Support staff shall assign to the request the Problem Severity Level (as defined herein) indicated by the requestor.
- b) Problem Severity Levels 1 and 2 Response and Resolution. For Technical Support requests not made by telephone, within the Request Response Time of such a request, Service Provider shall confirm to the requestor receipt of the request by Service Provider. If a Problem Severity Level 1 or 2 request cannot be corrected to the reasonable satisfaction of the requestor within the Request Resolution Time after the requestor makes the initial request for Technical Support, Service Provider will: (a) immediately escalate the request to Service Provider's management; (b) take and continue to take the actions which will most expeditiously resolve the request; (c) provide a hourly report to the requestor of the steps taken and to be taken to resolve the request, the progress to correct, and the estimated time of correction until the request is resolved; and, (d) every [Time Duration], provide increasing levels of technical expertise and Service Provider management involvement in finding a solution to the request until it has been resolved.
- c) Problem Severity Levels 3 and 4 Response and Resolution. For Technical Support requests not made by telephone, within the Request Response Time of such a request, Service Provider shall confirm to the requestor receipt of the request by Service Provider. If a Problem Severity Level 3 or 4 request cannot be corrected to the reasonable satisfaction of the requestor within the Request Resolution Time after the requestor makes the initial request for Technical Support, at the sole election of requestor: (a) Service Provider will work continuously to resolve the request; or, (b) requestor and Service Provider will mutually agree upon a schedule within which to resolve the request.

#### Technical Support Problem Severity Levels

- a) Problem Severity Level 1.

- 1) Description. This Problem Severity Level is associated with: (a) Services, as a whole, are non-functional or are not accessible; (b) unauthorized exposure of all or part of SVCE Data; or, (c) loss or corruption of all or part of SVCE Data.
  - 2) Request Response Time. 30 minutes.
  - 3) Request Resolution Time. 2 hours.
- b) Problem Severity Level 2.
- 1) Description. This Problem Severity Level is associated with significant and / or ongoing interruption of an Authorized User's use of a critical function (as determined by the Authorized User) of the Services and for which no acceptable (as determined by the Authorized User) work-around is available.
  - 2) Request Response Time. 1 hour.
  - 3) Request Resolution Time. 4 hours.
- c) Problem Severity Level 3.
- 1) Description. This Problem Severity Level is associated with: (a) minor and / or limited interruption of an Authorized User's use of a non-critical function (as determined by the Authorized User) of the Services; or, (b) problems which are not included in Problem Severity Levels 1 or 2.
  - 2) Request Response Time. 8 hours.
  - 3) Request Resolution Time. 24 hours.
- d) Problem Severity Level 4.
- 1) Description. This Problem Severity Level is associated with: (a) general questions pertaining to the Services; or, (b) problems which are not included in Problem Severity Levels 1, 2, or 3.
  - 2) Request Response Time. 8 hours.
  - 3) Request Resolution Time. 48 hours.

Customization / Integration Services. See Services Description in Exhibit A.

Training Services. Service Provider shall provide each Authorized SVCE User with on-boarding instructions and DAISY 2.0 documentation. In addition, Service Provider shall provide all training described in the Enabling Tools section of Exhibit A.

Transition Services. Service Provider shall be compensated for Transition Services for the duration of the Transition Services Period on a time and materials basis, unless an alternative fee is mutually agreed upon by the Parties, or such Transition Services are provided without charge as set forth in this Agreement. Camus hourly rates are as follows:

<u>Role</u>	<u>Hourly Rate</u>
Senior Software Engineer	\$250
Junior Software Engineer	\$175
Relationship Manager	\$250



Service Levels.a) Availability Service Level.1) Definitions.

- (a) "Actual Uptime" shall mean the total minutes in the reporting month that the Services were actually available to Authorized Users for normal use.
- (b) "Maintenance Window" shall mean the total minutes in the reporting month represented by the following day(s) and time(s) during which Service Provider shall maintain the Services: [Day(s) and Time(s)].
- (c) "Scheduled Downtime" shall mean the total minutes in the reporting month represented by the Maintenance Window.
- (d) "Scheduled Uptime" shall mean the total minutes in the reporting month less the total minutes represented by the Scheduled Downtime.

2) Service Level Standard. Services will be available to Authorized Users for normal use 100% of the Scheduled Uptime.3) Calculation.  $(\text{Actual Uptime} / \text{Scheduled Uptime}) * 100 = \text{Percentage Uptime}$  (as calculated by rounding to the second decimal point)4) Performance Credit.

- (a) Where Percentage Uptime is greater than 99.98%, no Performance Credit will be due to SVCE.
- (b) Where Percentage Uptime is equal to or less than 99.98%, SVCE shall be due a Performance Credit in the amount of 10% of the Services Fees (as calculated on a monthly basis for the reporting month) for each full 1% reduction in Percentage Uptime.

5) Example Calculation.

- (a) Assuming reporting month is February 2012 (41,760 minutes).
- (b) Assuming a Maintenance Window of Sundays from Midnight to 4:00 a.m. Eastern Standard Time (equals Scheduled Downtime of 960 minutes).
- (c) Scheduled Uptime equals 40,800 minutes (total minutes of 41,760 in February 2012 less 960 minutes of Scheduled Downtime).
- (d) Assuming Actual Uptime of 40,000 minutes. A Percentage Uptime is calculated as follows:  $(40,000 / 40,800) * 100 = 98.04\%$ .
- (e) The threshold of 99.99% less the Percentage Uptime of 98.04% = 1.95%.
- (f) The difference is greater than a 1% reduction but is less than a 2% reduction; therefore, SVCE is due 10% of the Services Fees as a Performance Credit.

b) Services Response Time Service Level.

1) Definition(s).

- (a) “Response Time” shall mean the interval of time from when an Authorized User requests, via the Services, a Transaction to when visual confirmation of Transaction completion is received by the Authorized User. For example, Response Time includes the period of time representing the point at which an Authorized User enters and submits data to the Services and the Services display a message to the Authorized User that the data has been saved.
- (b) “Total Transactions” shall mean the total of Transactions occurring in the reporting month.
- (c) “Transaction” or “Transactions” shall mean Services web page loads, Services web page displays, and Authorized User Services requests.

2) Service Level Standard. Transactions will have a Response Time of 1 second or less 100% of the time each reporting month during the periods for which the Services are available.3) Calculation.  $((\text{Total Transactions} - \text{Total Transactions failing Standard}) / \text{Total Transactions}) * 100 = \text{Percentage Response Time (as calculated by rounding to the second decimal point)}.$ 4) Performance Credit.

- (a) Where Percentage Response Time is greater than 95.00%, no Performance Credit will be due to SVCE.
- (b) Where Percentage Response Time is equal to or less than 95.00%, SVCE shall be due a Performance Credit in the amount of 1% of the Services Fees (as calculated on a monthly basis for the reporting month) for each full 1% reduction in Percentage Response Time.

5) Example Calculation.

- (a) Total Transactions during the reporting month equal 42,078.
- (b) Total Transactions failing the Standard of 100% equal 2,163.
- (c) Percentage Response Time is calculated as follows:  $((42,078 - 2,163) / 42,078) * 100 = 94.86\%$
- (d) The threshold of 95.01% less the Percentage Response Time of 94.86% = .15%. The difference is less than a 1% reduction; therefore, SVCE is not due a Performance Credit.

c) Technical Support Problem Response Service Level.1) Definition. “Total Problems” shall mean the total of problems occurring in the reporting month.2) Service Level Standard. Problems shall be confirmed as received by Service Provider 100% of the time each reporting month, in accordance with the Request Response Time associated with the Problem Severity Level.3) Calculation.  $((\text{Total Problems} - \text{Total Problems failing Standard}) / \text{Total Problems}) * 100 = \text{Percentage Problem Response (as calculated by rounding to the second decimal point)}.$  Note: This Calculation must be completed for each Problem Severity Level.4) Performance Credit.

- (a) Problem Severity Level 1 – 2.

- (1) Where Percentage Problem Response is greater than 99.00%, no Performance Credit will be due to SVCE.
- (2) Where Percentage Problem Response is equal to or less than 99.00%, SVCE shall be due a Performance Credit in the amount of 1% of the Services Fees (as calculated on a monthly basis for the reporting month) for each full 1% reduction in Percentage Problem Response.

(b) Problem Severity Level 3 – 4.

- (1) Where Percentage Problem Response is greater than 90.00%, no Performance Credit will be due to SVCE.
- (2) Where Percentage Problem Response is equal to or less than 90.00%, SVCE shall be due a Performance Credit in the amount of .5% of the Services Fees (as calculated on a monthly basis for the reporting month) for each full 1% reduction in Percentage Problem Response.

5) Example Calculation (Using Problem Severity Level 1 – 2).

- (a) Total Problems during the reporting month equal 68.
- (b) Total Problems failing the Standard of 100% equal 3.
- (c) Percentage Problem Response is calculated as follows:  $((68 - 3) / 68) * 100 = 95.59\%$
- (d) The threshold of 99.01% less the Percentage Problem Response of 95.59% = 3.42%. The difference is greater than a 3% reduction but is less than a 4% reduction; therefore, SVCE is due 3% of the Services Fees as a Performance Credit.

d) Technical Support Problem Resolution Service Level.

- 1) Definition. “Total Problems” shall mean the total of problems occurring in the reporting month.
- 2) Service Level Standard. Problems shall be resolved by Service Provider 100% of the time each reporting month, in accordance with the Request Resolution Time associated with the Problem Severity Level.
- 3) Calculation.  $((\text{Total Problems} - \text{Total Problems failing Standard}) / \text{Total Problems}) * 100 = \text{Percentage Problem Resolution}$  (as calculated by rounding to the second decimal point). Note: This Calculation must be completed for each Problem Severity Level.

4) Performance Credit.

(a) Problem Severity Level 1 – 2.

- (1) Where Percentage Problem Resolution is greater than 99.00%, no Performance Credit will be due to SVCE.
- (2) Where Percentage Problem Resolution is equal to or less than 99.00%, SVCE shall be due a Performance Credit in the amount of 5% of the Services Fees (as calculated on a monthly basis for the reporting month) for each full 1% reduction in Percentage Problem Resolution.

(b) Problem Severity Level 3 – 4.

- (1) Where Percentage Problem Resolution is greater than 90.00%, no Performance Credit will be due to SVCE.

- (2) Where Percentage Problem Resolution is equal to or less than 90.00%, SVCE shall be due a Performance Credit in the amount of 1% of the Services Fees (as calculated on a monthly basis for the reporting month) for each full 1% reduction in Percentage Problem Resolution.

5) Example Calculation (Using Problem Severity Level 3 – 4).

- (a) Total Problems during the reporting month equal 17.
- (b) Total Problems failing the Standard of 100% equal 2.
- (c) Percentage Problem Resolution is calculated as follows:  $((17 - 2) / 17) * 100 = 88.24\%$
- (d) The threshold of 90.01% less the Percentage Problem Resolution of 88.24% = 1.77%. The difference is greater than a 1% reduction but is less than a 2% reduction; therefore, SVCE is due 1% of the Services Fees as a Performance Credit.

**EXHIBIT B****SCHEDULE OF PERFORMANCE**

Service Provider shall perform the services so as to complete each Project Deliverable according to the schedule set forth below. This schedule may be modified with the written approval of SVCE.

Following the completion of the key DAISY 2.0 transition tasks outlined in the DAISY 2.0 RFP scope, ongoing DAISY 2.0 maintenance and enhancement work will be tracked in the form of quarterly milestones. Service Provider and SVCE will schedule biweekly meetings to define quarterly milestones, check in on the status of deliverables, and revisit prioritization for each 2-week release cycle/quarterly milestone.

<b>Task</b>	<b>Begin</b>	<b>Complete</b>	<b>Fees</b>
1. Project scoping <ul style="list-style-type: none"> <li>a. Kickoff: framing project goals, expand on use cases, identify any changes to key participants and stakeholders</li> <li>b. Define any changes to administrative standards and processes</li> <li>c. Conduct data model reviews with EBCE</li> </ul>	September 9, 2021	October 31, 2021	\$34,000 due at project start on September 9, 2021 (pending Board approval)
2. New dataset ingestion <ul style="list-style-type: none"> <li>a. Weather data (openweathermap.org, National Weather Service, or other)</li> <li>b. CAISO market data (historical, real-time, and day-ahead prices, grid emissions)</li> <li>c. Third-party program data</li> <li>d. Existing forecasting, procurement, scheduling, and settlement data from third-party services</li> <li>e. Resource and physical asset data</li> <li>f. Air quality data</li> <li>g. Write data processing pipeline components</li> <li>h. Translate into historical time series</li> <li>i. Cross check imported data set results</li> </ul>	September 27, 2021	Data will be made available to BigQuery iteratively over the course of the targeted development period	
3. Transform, standardize, and integrate data <ul style="list-style-type: none"> <li>a. Normalize common dimensions – e.g. time, location/address, identifier</li> </ul>	October 4, 2021	Data will be made available to BigQuery iteratively over the course of the targeted development period	

<ul style="list-style-type: none"> <li>b. Correlate third-party data sources with meter and billing info</li> <li>c. Deploy enabling tools for geocoding, spatial analysis, and address standardization</li> <li>d. Document data model and standardize processing pipeline to ensure data provenance</li> <li>e. Add geocoding and address standardization to the ETL data process               <ul style="list-style-type: none"> <li>a. Confer with EBCE on geocoding and address standardization process</li> </ul> </li> </ul>			
<ul style="list-style-type: none"> <li>4. Add to existing cloud-based data store               <ul style="list-style-type: none"> <li>a. Generate snapshot data output</li> <li>b. Load data set into BigQuery</li> </ul> </li> </ul>	October 18, 2021	Data will be made available in BigQuery iteratively over the course of the development period. We expect to have this completed by February 28, 2022	
<ul style="list-style-type: none"> <li>5. BigQuery Validation               <ul style="list-style-type: none"> <li>a. Testing, quality assurance, and SVCE acceptance of Tasks 2, 3, and 4</li> <li>b. Data provenance reporting</li> </ul> </li> </ul>	March 1, 2022	March 31, 2022	\$34,000 due upon SVCE acceptance of data in BigQuery on March 31, 2022
<ul style="list-style-type: none"> <li>6. Designs for Data Studio reports               <ul style="list-style-type: none"> <li>a. Coordination with EBCE, feedback and input</li> <li>b. Load aggregation</li> <li>c. Load shape visualization and analysis</li> <li>d. Enrollment reporting</li> <li>e. Exception reports</li> </ul> </li> </ul>	October 1, 2021	November 15, 2021	
<ul style="list-style-type: none"> <li>7. Designs for Map UI               <ul style="list-style-type: none"> <li>a. Data aggregations and map visualizations (heatmaps, choropleths, and municipality based views)</li> <li>b. Leveraging various data inputs as requested by SVCE (e.g., census tract, ICE/EV/PHEV penetration, PSPS events, etc.)</li> </ul> </li> <li>8. Designs for Dashboards and Reports               <ul style="list-style-type: none"> <li>a. Municipality aggregation</li> </ul> </li> </ul>	November 15, 2021	December 31, 2021	\$34,000 due upon SVCE acceptance of Data Studio and Map UI designs on December 31, 2021

b. Decarbonization potential c. Supply & Demand Analysis d. Census tract analysis			
9. Develop and deploy tool for weather normalization	March 1, 2022	March 31, 2022	
10. Map UI Implementation	March 1, 2022	March 31, 2022	
11. Dashboard and Report implementation	April 1, 2022	May 31, 2022	
12. Data provenance through UI infrastructure	June 1, 2022	June 30, 2022	
13. Map and Dashboard Validation a. Testing, quality assurance, and SVCE acceptance of Tasks 9, 10, 11, and 12	July 1, 2022	July 31, 2022	\$45,333.33 due upon SVCE acceptance of Map and Dashboard UI on July 31, 2022
14. Q3 2022 milestone*	July 1, 2022	September 30, 2022	\$20,666.67 due upon completion and SVCE acceptance of Q3 2022 milestone
15. Q4 2022 milestone*	October 1, 2022	December 31, 2022	For the avoidance of doubt, a quarterly payment schedule of \$44,000 per quarter (plus any additional fees for Authorized Users and storage) shall continue hereafter
16. Q1 2023 milestone*	January 1, 2023	March 31, 2023	
17. Q2 2023 milestone*	April 1, 2023	June 30, 2023	
18. Q3 2023 milestone*	July 1, 2023	September 30, 2023	
19. Q4 2023 milestone*	October 1, 2023	December 31, 2023	
20. Q1 2024 milestone*	January 1, 2024	March 31, 2024	
21. Q2 2024 milestone*	April 1, 2024	June 30, 2024	

22. Q3 2024 milestone*	July 1, 2024	September 9, 2024	
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\*In addition to the maintenance of core functionalities as described in Exhibit A, each quarterly milestone will involve the delivery of DAISY 2.0 enhancements. The specific enhancements to be completed in each quarter are to be defined by SVCE and Service Provider prior to the beginning of the quarter, but may be altered during the course of the quarter in the event that reprioritization is needed. Timelines may be adjusted based on emerging requirements. Any timelines assume that the required data is accessible from either SVCE or specified partners at the start of the milestone, and that it contains enough fidelity for key analyses. If there are larger than expected gaps, or significant delays, it may impact the project delivery timeline.

DAISY 2.0 enhancements can be broadly categorized into tiers below. However, each deliverable is subject to a scoping exercise and timelines may be adjusted based on emerging requirements.

DAISY 2.0 Enhancement Tier	Estimated Time	Example Deliverables
Tier 1	3-12 months	<ul style="list-style-type: none"> <li>Open source work of data models, translation layers, or dashboards</li> </ul>
Tier 2	6-8 weeks	<ul style="list-style-type: none"> <li>New enabling tool</li> <li>New key application (e.g. load forecasting)</li> </ul>
Tier 3	4 weeks	<ul style="list-style-type: none"> <li>New core dashboard</li> <li>New core report</li> </ul>
Tier 4	2 weeks	<ul style="list-style-type: none"> <li>New dataset ingestion</li> </ul>



The schedule of performance table is intended to match the below Gantt chart for both payment and expected milestones for the first year of the contract, with work covering the period August and September 2022 TBD.

	September	October	November	December	January	February	March	April	May	June	July	August	September
Project Scoping	\$34,000												
Conduct model reviews with EBCE													
Data ETL and delivery to BigQuery													
-- Includes Geocoding and address standardization process													
-- Includes cross-checking geocoding process with EBCE													
-- Promises iterative development (not a big bang release on Feb 28)													
Data provenance reporting, validation, testing, and acceptance							\$34,000						
Designs and implementation for Data Studio reports with EBCE													
Designs for Map UI and Reports				\$34,000									
Develop tool for weather normalization													
Map UI implementation													
Dashboards and Reports implementation													
Data provenance through UI infrastructure													
Validation, testing, and acceptance											\$45,333.33		
Work TBD													\$20,666.67



## Staff Report – Item 1h

**Item 1h: Authorize the Chief Executive Officer to Execute an Agreement with Citizen Group for Two Years with a Not-to-Exceed Amount of \$626,205 for Communications, Marketing and Research Services**

From: Monica Padilla, CEO

Prepared by: Pamela Leonard, Deputy Director of Marketing & Communications

Date: 9/10/2025

### **RECOMMENDATION**

Staff recommends the Silicon Valley Clean Energy (SVCE) Board of Directors (“Board”) authorize the CEO to execute an agreement with Citizen Group for communications, marketing and research services in an amount not-to-exceed \$626,205 over two years.

### **BACKGROUND**

SVCE executes a robust communications and marketing strategy to inform, educate and engage customers in its offers and services. Basic communications activities that are performed on an ongoing basis include compliance and customer service-oriented public information to ensure customers are aware of their energy choices, SVCE electric rates, power supply and available offers and services (programs). Many of these activities are also done in service of the agency’s obligations as a public agency, such as ensuring information is made accessible to all customers regardless of language and ability.

The SVCE Board of Directors has supported various outreach initiatives over the years through the approval of the annual operating budget and program marketing fund, which provide staff with resources to execute the agency’s communications and marketing functions. Previously, the SVCE Board of Directors approved contracts with School of Thought, a marketing and advertising agency that has supported robust marketing campaigns, which have successfully driven customers to SVCE home rebates, eHub and other programs. Working with a creative marketing agency in the past has helped amplify SVCE offers to customers in unexpected ways, to reach beyond those who may already be interested in clean energy technologies. These campaigns successfully helped drive customers to SVCE resources and increase electrification awareness. The contract with School of Thought is concluding, and work is wrapping up on a final campaign launching in fall 2025 focused on rate education in support of the SVCE affordability strategic focus area.

In summer 2025, SVCE ran a competitive solicitation to find external support for communications, marketing and research. SVCE received 26 responses to the Request for Proposals (RFP), and through evaluations and interviews, selected Citizen Group (Citizen) to help meet the desired goal of helping the communications and marketing team scale up its efforts and support new initiatives.

### **ANALYSIS & DISCUSSION**

SVCE continues to expand its customer offerings, especially over the last few years – 18 programs are now open to residential and commercial customers, which have needed increased support to drive uptake. SVCE also continues to increase its rate education programs to help customers find ways to reduce bills and align incentives with energy use behaviors. The landscape of clean energy has also increased in complexity, particularly as energy bills have risen, necessitating additional outreach. Overall, SVCE is attempting to reach

and influence vastly more customers in a deeper way than even at its launch – especially as the region considers upcoming air district rules that will drive further electric technology adoption. The need for effective, consistent and creative messages and marketing is essential as SVCE continues to embark on meeting its lofty goals to decarbonize the region.

Over the last few years of ramping up marketing and outreach, SVCE staff have identified areas where additional support would provide high-leverage assistance to the existing skills and capabilities of the team. SVCE staff remains the best suited to creating materials and approaches that speak to local customer and community needs, but external vendors have been useful by filling in gaps or bringing perspectives and knowledge from other areas.

Citizen is a Bay Area-based, award-winning, full-service, independent marketing, communications and design agency dedicated to building ‘citizen brands’ – brands that are ready to live their purpose and align with the values of their audiences to drive positive change. Since 2007, the Citizen team has worked with companies, organizations, municipalities, and associations to develop innovative pro-social campaigns and initiatives designed to make a meaningful and measurable impact. Relevant past client experience includes the Bay Area Air District, California Public Utilities Commission, NRDC, Center for Sustainable Energy, Energy Upgrade California, Turlock Irrigation District, SF Environment and EVGo.

Staff selected Citizen from a highly competitive solicitation process due to their deep understanding of where SVCE is in its maturity as a Community Choice Aggregator, and the opportunities ahead with the growth of electrification as a movement in California. Citizen provided a compelling proposal with their process clearly conveyed as to how they can support the SVCE team by reviewing existing approaches and advising on how the team can optimize its marketing and communications efforts as the agency prepares for its 10<sup>th</sup> anniversary. Citizen also showed a clearly distinct vision for how to make improvements to key communications tools, such as the SVCE website, to continue telling the story of SVCE’s impacts for customers and communities. During interviews, the top firms were asked to provide a creative pitch to show how they would approach the technical task of increasing adoption of heat pump water heaters via SVCE rebates. The Citizen team outperformed the competitors by providing not one, but three different campaign options, all of which showed a clear, creative approach for different customer segments. It stood out as the winning team for the cross-departmental SVCE review panel.

Citizen will assist the SVCE communications and marketing team with the following tasks over the course of two years:

- **Communications Support**

- Several tasks in this category support a review of the existing SVCE strategic communications efforts to help guide the organization's planning as the energy industry continues to evolve. In a future when SVCE and its competitors achieve a 100% clean grid, as mandated by the state, and as complex new dynamic rates and Virtual Power Plants are offered, it’s important for SVCE to make clear what the benefits and impacts are for customers and the community.
- The Citizen team includes seasoned experts who will be able to extend public affairs and media relations support to ongoing staff efforts to communicate the overall benefits of electrification, which is especially important, given growing opposition ahead of regional regulations mandating zero-NOx appliances.

- **Marketing Support**

- SVCE staff continues to lead campaign strategy, specifically how it connects to the overall program landscape, but Citizen will offer added bandwidth to assist the marketing team with ongoing campaigns that must remain consistently in the market to effectively reach customers (i.e., EV and home rebates).
- Staff will leverage Citizen’s ability to run larger-scale, creative ad campaigns to help amplify customer offers and services, particularly for those with large enrollment targets, or those that will promote the benefits of electrification more generally. The specific added capabilities

**Agenda Item: 1h****Agenda Date: 9/10/2025**

- include negotiating ad buys for the campaigns, a service for which SVCE does not have in-house expertise.
- This task also includes support with updating the SVCE website to ensure the agency is utilizing the latest web technologies and user experience best practices, while following government accessibility laws.
- **Research**
  - SVCE has worked with third-party research vendors over the years to assist with various customer research and feedback efforts. The largest of these efforts is the annual SVCE and electrification awareness customer survey. SVCE has been utilizing its Evaluation, Measurement & Verification (EM&V) vendors to perform this annual survey; however, there is a desire to work with a market research-focused firm that specializes in these kinds of customer insights.
  - This task allows for more frequent and nimble polling, focus groups and surveys, allowing SVCE to receive quicker feedback for initiatives with more of a marketing/customer focus.
  - EMC Research, a national full-service opinion research firm serving a diverse range of public and private sector clients since 1989, was included as part of the Citizen team for the annual SVCE customer survey.

In addition to the tasks highlighted above, the Citizen team will scale up or down based on workload and SVCE priorities as they change. This flexibility and the ability to engage communications professionals with deep energy and marketing industry expertise to augment SVCE's internal team when needed will greatly support the work SVCE is doing to support its customers and communities.

**STRATEGIC PLAN**

The activities in the scope of this contract support SVCE Strategic Plan Goal 8, "Engage customers and community stakeholders to build trust of SVCE and advance decarbonization."

**ALTERNATIVES**

Alternatives include selecting a different vendor who responded to the RFP; however, services and pricing are comparable. Staff could evaluate staffing needs on the communications and marketing team to add capacity. Staff could also re-evaluate workload, which would likely lead to slower program deployment, limiting the pace at which SVCE will be able to support customers and the community in their shared decarbonization mission.

**FISCAL IMPACT**

\$400,000.00 is included in the operating budget for Fiscal Year 25-26 for anticipated communications and marketing consultant support, which includes the budget needed for the general communications tasks, website update and research work under this contract. Program marketing performed by this vendor, such as ad campaigns to support enrollment in a specific program, is included in the programs marketing fund, which has already been allocated by the board through the decarbonization programs budget. All work performed in FY 25-26 would be spent within the available, budgeted funds, should the SVCE board approve the next fiscal year budget. The year two budget for this agreement would be similarly captured as part of the Fiscal Year 26-27 operating budget.

**ATTACHMENTS**

1. Agreement with Citizen Group

**AGREEMENT BETWEEN THE SILICON VALLEY CLEAN ENERGY AUTHORITY  
AND  
CITIZEN GROUP  
FOR  
COMMUNICATIONS, MARKETING & RESEARCH SERVICES**

THIS AGREEMENT ("Agreement"), is entered into this 15th day of September, 2025, by and between the SILICON VALLEY CLEAN ENERGY AUTHORITY, an independent public agency, ("Authority"), and Citizen Group, a California Small Business (hereinafter referred to as "Consultant") (collectively referred to as the "Parties" and individually as a "Party").

**RECITALS:**

A. Authority is an independent public agency duly organized under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 *et seq.*) ("Act") with the power to conduct its business and enter into agreements.

B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement pursuant to the terms and conditions described herein.

C. Authority and Consultant desire to enter into an agreement for communications, marketing and research services upon the terms and conditions herein.

NOW, THEREFORE, the Parties mutually agree as follows:

1. **TERM**

The term of this Agreement shall commence on September 15 2025, and shall terminate on September 30, 2027, unless terminated earlier as set forth herein.

2. **SERVICES TO BE PERFORMED**

Consultant shall perform each and every service set forth in Exhibit "A" pursuant to the schedule of performance set forth in Exhibit "B," both of which are attached hereto and incorporated herein by this reference.

3. **COMPENSATION TO CONSULTANT**

Consultant shall be compensated for services performed pursuant to this Agreement in a total amount not to exceed six-hundred twenty-six thousand two-hundred and five dollars (\$626,205.00) based on the rates and terms set forth in Exhibit "C," which is attached hereto and incorporated herein by this reference.

4. **TIME IS OF THE ESSENCE**

Consultant and Authority agree that time is of the essence regarding the performance of this Agreement.

5. **STANDARD OF CARE**

Consultant agrees to perform all services required by this Agreement in a manner commensurate with the prevailing standards of specially trained professionals in the San Francisco Bay Area under similar circumstances and in a manner reasonably satisfactory to Authority and agrees that all services shall be performed by qualified and experienced personnel. Consultant shall be responsible to Authority for any errors or omissions in the performance of work pursuant to this Agreement. Should any errors caused by Consultant be found in such services or products, Consultant shall correct the errors at no additional charge to Authority by redoing the professional work and/or revising the work product(s) called for in the Scope of Services to eliminate the errors. Should Consultant fail to make such correction in a reasonably timely manner, such correction may be made by Authority, and the cost thereof shall be charged to Consultant. In addition to all other available remedies, Authority may deduct the cost of such correction from any retention amount held by Authority or may withhold payment otherwise owed Consultant under this Agreement up to the amount of the cost of correction.

6. **INDEPENDENT PARTIES**

Authority and Consultant intend that the relationship between them created by this Agreement is that of an independent contractor. The manner and means of conducting the work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. No civil service status or other right of employment will be acquired by virtue of Consultant's services. None of the benefits provided by Authority to its employees, including but not limited to, unemployment insurance, workers' compensation plans, vacation and sick leave are available from Authority to Consultant, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, PERS payments, or other purposes normally associated with an employer-employee relationship from any fees due Consultant. Payments of the above items, if required, are the responsibility of Consultant. Consultant shall indemnify and hold harmless Authority and its elected officials, officers, employees, servants, designated volunteers, and agents serving as independent contractors in the role of Authority officials, from any and all liability, damages, claims, costs and expenses of any nature to the extent arising from Consultant's personnel practices. Authority shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to Authority from Consultant as a result of Consultant's failure to promptly pay to Authority any reimbursement or indemnification arising under this section.

7. **NO RECOURSE AGAINST CONSTITUENT MEMBERS OF AUTHORITY**

Authority is organized as a Joint Powers Authority in accordance with the Joint Powers Act of the State of California (Government Code Section 6500 et seq.) pursuant to a Joint Powers Agreement dated March 31, 2016, and is a public entity separate from its constituent members. Authority shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Consultant shall have no rights and shall not make any claims, take any actions or assert any remedies against any of Authority's constituent members in connection with this Agreement.

8. **NON-DISCRIMINATION**

In the performance of this Agreement, Consultant, and any subconsultant under the Consultant, shall not discriminate against any employee, subcontractor or applicant for

employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation, military or veteran status, or other basis prohibited by law, except as provided in Government Code section 12940. Consultant shall have responsibility for compliance with this Section.

9. **HOLD HARMLESS AND INDEMNIFICATION**

A. **General Indemnification.** To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify Authority and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those Authority agents serving as independent contractors in the role of Authority officials (collectively “Indemnitees”), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively “Liabilities”), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees’ active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees’ choice, and shall pay all costs and expenses, including all attorneys’ fees and experts’ costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

B. **Intellectual Property Indemnification.** Consultant hereby certifies that it owns, controls, or licenses and retains all right, title, and interest in and to any intellectual property it uses in relation to this Agreement, including the design, look, feel, features, source code, content, and other technology relating to any part of the services and including all related patents, inventions, trademarks, and copyrights, all applications therefor, and all trade names, service marks, know how, and trade secrets (collectively referred to as “IP Rights”), except as otherwise expressly provided by this Agreement. Consultant warrants that the services to be provided pursuant to this Agreement do not infringe, violate, trespass, or constitute the unauthorized use or misappropriation of any IP Rights of any third party. Consultant shall indemnify, defend, and hold Indemnitees, harmless from and against any Liabilities by a third party that the services to be provided pursuant to this Agreement infringe or violate any third-party’s IP Rights, provided any such right is enforceable in the United States. Such costs and expenses shall include reasonable attorneys’ fees of counsel of Authority’s choice, expert fees and all other costs and fees of litigation.

C. The acceptance of the services by Authority shall not operate as a waiver of these rights of indemnification. The hold harmless and indemnification provisions of this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability.

D. Consultant’s indemnifications and obligations under this section shall survive the expiration or termination of this Agreement.

10. **INSURANCE**

A. **General Requirements.** On or before the commencement of the term of this Agreement, Consultant shall furnish Authority with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with the requirements listed in Exhibit "D," which is attached hereto and incorporated herein by this reference. Such insurance and certificates, which do not limit Consultant's indemnification obligations under this Agreement, shall also contain substantially the following statement: "Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to the Authority by certified mail, Attention: Chief Executive Officer." Consultant shall maintain in force at all times during the performance of this Agreement all appropriate coverage of insurance required by this Agreement with an insurance company that is acceptable to Authority and licensed to do insurance business in the State of California. Endorsements naming the Authority as additional insured shall be submitted with the insurance certificates.

B. **Subrogation Waiver.** Consultant agrees that in the event of loss due to any of the perils for which he/she has agreed to provide comprehensive general and automotive liability insurance, Consultant shall look solely to his/her/its insurance for recovery. Consultant hereby grants to Authority, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or Authority with respect to the services of Consultant herein, a waiver of any right to subrogation which any such insurer of Consultant may acquire against Authority by virtue of the payment of any loss under such insurance.

C. **Failure to Secure or Maintain Insurance.** If Consultant at any time during the term hereof should fail to secure or maintain the foregoing insurance, Authority shall be permitted to obtain such insurance in the Consultant's name or as an agent of the Consultant and shall be compensated by the Consultant for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

D. **Additional Insured.** Authority, its members, officers, employees and volunteers shall be named as additional insureds under all insurance coverages, except any professional liability insurance, required by this Agreement. The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof. Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.

E. **Sufficiency of Insurance.** The insurance limits required by Authority are not represented as being sufficient to protect Consultant. Consultant is advised to confer with Consultant's insurance broker to determine adequate coverage for Consultant.

F. **Maximum Coverage and Limits.** It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum Insurance coverage requirements and/or limits shall be available to the additional insureds. Furthermore, the requirements for coverage and limits shall be the minimum coverage and limits specified in this Agreement, or the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured, whichever is greater.



11. **CONFLICT OF INTEREST**

Consultant warrants that it, its officers, employees, associates and subcontractors, presently have no interest, and will not acquire any interest, direct or indirect, financial or otherwise, that would conflict in any way with the performance of this Agreement, and that it, its officers, employees, associates and subcontractors, will not employ any person having such an interest. Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this Agreement, including the Political Reform Act (Gov. Code § 81000, et seq.) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the Authority Representative's prior written approval, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this section into any subcontract that Consultant executes in connection with the performance of this Agreement. Consultant understands that it may be required to fill out a conflict of interest form if the services provided under this Agreement require Consultant to make certain governmental decisions or serve in a staff Authority, as defined in Title 2, Division 6, Section 18700 of the California Code of Regulations.

12. **PROHIBITION AGAINST TRANSFERS**

Consultant shall not assign, sublease, hypothecate, or transfer this Agreement, or any interest therein, directly or indirectly, by operation of law or otherwise, without prior written consent of Authority. Any attempt to do so without such consent shall be null and void, and any assignee, sublessee, pledgee, or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. However, claims for money by Consultant from Authority under this Agreement may be assigned to a bank, trust company or other financial institution without prior written consent. Written notice of such assignment shall be promptly furnished to Authority by Consultant.

The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or joint venturer or syndicate member or cotenant, if Consultant is a partnership or joint venture or syndicate or cotenancy, which shall result in changing the control of Consultant, shall be construed as an assignment of this Agreement. Control means fifty percent (50%) or more of the voting power of the corporation.

13. **SUBCONTRACTOR APPROVAL**

Unless prior written consent from Authority is obtained, only those persons and subcontractors whose names are attached to this Agreement shall be used in the performance of this Agreement.

In the event that Consultant employs subcontractors, such subcontractors shall be required to furnish proof of workers' compensation insurance and shall also be required to carry general, automobile and professional liability insurance in substantial conformity to the insurance carried by Consultant. In addition, any work or services subcontracted hereunder shall be subject to each provision of this Agreement.

Consultant agrees to include within their subcontract(s) with any and all subcontractors the same requirements and provisions of this Agreement, including the indemnity and insurance

requirements, to the extent they apply to the scope of the subcontractor's work. Subcontractors hired by Consultant shall agree to be bound to Consultant and Authority in the same manner and to the same extent as Consultant is bound to Authority under this Agreement. Subcontractors shall agree to include these same provisions within any sub-subcontract. Consultant shall provide a copy of the Indemnity and Insurance provisions of this Agreement to any subcontractor. Consultant shall require all subcontractors to provide valid certificates of insurance and the required endorsements prior to commencement of any work and will provide proof of compliance to Authority.

14. **REPORTS**

A. Each and every report, draft, work product, map, record and other document, hereinafter collectively referred to as "Report", reproduced, prepared or caused to be prepared by Consultant pursuant to or in connection with this Agreement, shall be the exclusive property of Authority. Consultant shall not copyright any Report required by this Agreement and shall execute appropriate documents to assign to Authority the copyright to Reports created pursuant to this Agreement. Any Report, information and data acquired or required by this Agreement shall become the property of Authority, and all publication rights are reserved to Authority. Consultant may retain a copy of any Report furnished to the Authority pursuant to this Agreement.

B. All Reports prepared by Consultant may be used by Authority in execution or implementation of: (1) The original project for which Consultant was hired; (2) Completion of the original project by others; (3) Subsequent additions to the original project; and/or (4) Other Authority projects as Authority deems appropriate in its sole discretion.

C. Consultant shall, at such time and in such form as Authority may require, furnish reports concerning the status of services required under this Agreement.

D. All Reports shall also be provided in electronic format, both in the original file format (e.g., Microsoft Word) and in PDF format.

E. No Report, information or other data given to or prepared or assembled by Consultant pursuant to this Agreement that has not been publicly released shall be made available to any individual or organization by Consultant without prior approval by Authority.

F. Authority shall be the owner of and shall be entitled upon request to immediate possession of accurate reproducible copies of Reports or other pertinent data and information gathered or computed by Consultant prior to termination of this Agreement or upon completion of the work pursuant to this Agreement.

15. **RECORDS**

Consultant shall maintain complete and accurate records with respect to costs, expenses, receipts and other such information required by Authority that relate to the performance of services under this Agreement, in sufficient detail to permit an evaluation of the services and costs. All such records shall be clearly identified and readily accessible. Consultant shall provide free access to such books and records to the representatives of Authority or its designees at all proper times, and gives Authority the right to examine and audit same, and to make transcripts therefrom as necessary, and to allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a minimum period of five (5) years after Consultant receives final payment from Authority for all services required under this agreement

16. **PARTY REPRESENTATIVES**

The Chief Executive Officer (“Authority Representative”) shall represent the Authority in all matters pertaining to the services to be performed under this Agreement. David Cumpton (Consultant Representative”) shall represent Consultant in all matters pertaining to the services to be performed under this Agreement.

17. **CONFIDENTIAL INFORMATION AND DOCUMENTS**

A. Consultant covenants that all data, reports, documents, discussion, or other information (collectively “Data”) developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Consultant without prior written authorization by Authority. Authority shall grant such authorization if applicable law requires disclosure. Consultant, its officers, employees, agents, or subcontractors shall not without written authorization from the Authority Representative or unless requested in writing by the Authority’s General Counsel, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within the Authority. Response to a subpoena or court order shall not be considered “voluntary,” provided Consultant gives Authority notice of such court order or subpoena.

B. Consultant shall promptly notify Authority should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the Authority. Authority may, but has no obligation to, represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with Authority and to provide Authority with the opportunity to review any response to discovery requests provided by Consultant. However, Authority’s right to review any such response does not imply or mean the right by Authority to control, direct or rewrite the response.

C. It is understood that Authority is subject to the California Public Records Act (Gov. Code § 7920.000 *et seq.*). If a request under the California Public Records Act is made to view any documents Consultant provided to Authority, Authority shall notify Consultant of the request and the date that such records will be released to the requester unless Consultant obtains a court order enjoining that disclosure. If Consultant fails to obtain a court order enjoining that disclosure, Authority will release the requested information on the date specified.

D. In the event Authority gives Consultant written notice of a “litigation hold” or request under the Public Records Act, then as to all data identified in such notice or request, Consultant shall, at no additional cost to Authority, isolate and preserve all such data pending receipt of further direction from the Authority.

E. Consultant agrees to comply with the confidentiality and data protection provisions set forth in Exhibit “E,” attached hereto and incorporated herein by this reference.

F. Consultant’s covenants under this section shall survive the expiration or termination of this Agreement.

18. **NOTICES**

Any notice, consent, request, demand, bill, invoice, report or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on

personal delivery, (b) on confirmed delivery by courier service during Consultant's and Authority's regular business hours, or (c) three Business Days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

NOTICES TO AUTHORITY:  
333 W. El Camino Real  
Suite 330  
Sunnyvale CA 94087  
Attention: Chief Executive Officer

INVOICES TO AUTHORITY:  
invoices@svcleanenergy.org

TO CONSULTANT:  
David Cumpton  
Citizen Group  
2222 Harold Way  
Berkeley, CA 94704

19. **TERMINATION**

In the event Consultant fails or refuses to perform any of the provisions hereof at the time and in the manner required hereunder, Consultant shall be deemed in default in the performance of this Agreement. If Consultant fails to cure the default within the time specified (which shall be determined by the Authority but shall be not less than 10 days) and according to the requirements set forth in Authority's written notice of default, and in addition to any other remedy available to the Authority by law, the Authority Representative may terminate the Agreement by giving Consultant written notice thereof, which shall be effective immediately. The Authority Representative shall also have the option, at its sole discretion and without cause, of terminating this Agreement by giving seven (7) calendar days' prior written notice to Consultant as provided herein. Upon receipt of any notice of termination, Consultant shall immediately discontinue performance.

In the event of Authority's termination of this Agreement due to no fault or failure of performance by Consultant, Authority shall pay Consultant for services satisfactorily performed up to the effective date of termination. Upon termination, Consultant shall immediately deliver to the Authority any and all copies of studies, sketches, drawings, computations, and other material or products, whether or not completed, prepared by Consultant or given to Consultant, in connection with this Agreement. Such materials shall become the property of Authority. Consultant shall have no other claim against Authority by reason of such termination, including any claim for compensation.

20. **COMPLIANCE WITH LAWS**

Consultant shall keep itself informed of all applicable federal, state and local laws, ordinances, codes, regulations and requirements which may, in any manner, affect those employed by it or in any way affect the performance of its services pursuant to this Agreement. Consultant shall, at all times, observe and comply with all such laws and regulations, including, but not limited

to the Americans with Disabilities Act, the Stored Communications Act, 18 U.S.C. Section 2701, et seq., California Civil Code Sections 1798.80 through 1798.84, and the California Consumer Privacy Act, Civil Code Section 1798.100 *et seq.* Authority, and its officers and employees, shall not be liable at law or in equity by reason of the failure of the Consultant to comply with this paragraph.

Consultant represents and agrees that all personnel engaged by Consultant in performing services are and shall be fully qualified and are authorized or permitted under state and local law to perform such services. Consultant represents and warrants to Authority that it has all licenses, permits, certificates, qualifications, and approvals required by law to provide the services and work required to perform services under this Agreement, including a business license. Consultant further represents and warrants that it shall keep in effect all such licenses, permits, and other approvals during the term of this Agreement.

21. **CONFLICT OF LAW**

This Agreement shall be interpreted under, and enforced by the laws of the State of California. The Agreement and obligations of the Parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successors of those authorities). Any suits brought pursuant to this Agreement shall be filed with the Superior Court of the County of Santa Clara, State of California.

22. **ADVERTISEMENT**

Consultant shall not post, exhibit, display or allow to be posted, exhibited, displayed any signs, advertising, show bills, lithographs, posters or cards of any kind pertaining to the services performed under this Agreement unless prior written approval has been secured from Authority to do otherwise.

23. **WAIVER**

A waiver by Authority of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein, whether of the same or a different character.

24. **INTEGRATED CONTRACT**

This Agreement represents the full and complete understanding of every kind or nature whatsoever between the Parties, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modification of this Agreement will be effective only by a written document signed by both Authority and Consultant.

25. **AUTHORITY**

The individual(s) executing this Agreement represent and warrant that they have the legal Authority and authority to do so on behalf of their respective legal entities.

26. **INSERTED PROVISIONS**

Each provision and clause required by law to be inserted into the Agreement shall be deemed to be enacted herein, and the Agreement shall be read and enforced as though each were included herein. If through mistake or otherwise, any such provision is not inserted or is not

correctly inserted, the Agreement shall be amended to make such insertion on application by either Party.

27. **CAPTIONS AND TERMS**

The captions in this Agreement are for convenience only, are not a part of the Agreement and in no way affect, limit or amplify the terms or provisions of this Agreement.

28. **AUTHORITY'S RIGHTS TO EMPLOY OTHER CONSULTANTS**

Authority reserves the right to employ other consultants in connection with the subject matter of the Scope of Services.

29. **EXHIBITS**

The Exhibits referenced in this Agreement are attached hereto and incorporated herein by this reference as though set forth in full in the Agreement. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, or between a provision of this Agreement and a provision of Consultant's proposal, the provisions of this Agreement shall control.

30. **FORCE MAJEURE**

Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in Authority's sole judgment, that such failure was due to acts of God, embargoes, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

31. **FINAL PAYMENT ACCEPTANCE CONSTITUTES RELEASE**

The acceptance by Consultant of the final payment made under this Agreement shall operate as and be a release of Authority from all claims and liabilities for compensation to Consultant for anything done, furnished or relating to Consultant's work or services. Acceptance of payment shall be any negotiation of Authority's check or the failure to make a written extra compensation claim within ten calendar days of the receipt of that check. However, approval or payment by Authority shall not constitute, nor be deemed, a release of the responsibility and liability of Consultant, its employees, subcontractors and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by Authority for any defect or error in the work prepared by Consultant, its employees, subcontractors and agents.

32. **ATTORNEY FEES**

In any litigation or other proceeding by which a Party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing Party shall be entitled to recover all attorneys' fees, experts' fees, and other costs actually incurred in connection with such litigation or other proceeding, in addition to all other relief to which that Party may be entitled.

33. **SEVERABILITY**

If any provision in this Agreement is held by a court of competent jurisdiction to be illegal, invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

34. **SUCCESSORS AND ASSIGNS**

The terms and conditions of this Agreement shall be binding on the successors and assigns of the Parties to this Agreement.

35. **NO THIRD PARTY BENEFICIARIES INTENDED**

This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

36. **COUNTERPARTS; FACSIMILE/PDF/ELECTRONIC SIGNATURE**

This Agreement may be executed in multiple counterparts, all of which shall be deemed an original, and all of which will constitute one and the same instrument. The Parties agree that a facsimile, PDF or electronic signature may substitute for and have the same legal effect as the original signature.

37. **DRAFTING PARTY**

This Agreement shall be construed without regard to the Party that drafted it. Any ambiguity shall not be interpreted against either Party and shall, instead, be resolved in accordance with other applicable rules concerning the interpretation of contracts.

IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed as of the date set forth above.

RECOMMENDED FOR APPROVAL

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Pamela Leonard, Deputy Director of Marketing & Communications

CONSULTANT NAME  
Citizen Group

By: \_\_\_\_\_  
Name: Robin Raj  
Title: Founder/executive creative director &  
copywriter  
Date: \_\_\_\_\_

SILICON VALLEY CLEAN ENERGY  
AUTHORITY  
A Joint Powers Authority

By: \_\_\_\_\_  
Name: Monica Padilla  
Title: Chief Executive Officer  
Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Counsel for Authority

ATTEST:

\_\_\_\_\_  
Authority Clerk



## **Exhibit A** **Scope of Services**

The communications, marketing and research services identified in this agreement are to support the SVCE team's ongoing responsibility and need to provide customers with information about available offers and services.

### **Discovery**

- 1. Kick Off Meeting***
- 2. Brand Materials and Best Practices Audit***

### **Define Overarching Communications Strategy**

- 1. Strategic Communications Brief***
- 2. Brand Platform Refinement***

### **Task A – Communications Services**

- 1. Overall storytelling and content development***
  - a. Support the SVCE communications team with copywriting, research and insights to help promote the agency as a resource for customers, and public affairs strategy for specific SVCE initiatives.
  - b. This includes the following types of assets, which will be determined per campaign; list of options (not exhaustive or relevant to all campaigns):
    - i. Blog posts
    - ii. Press releases
    - iii. Customer testimonials
    - iv. Fact sheets
    - v. Talking points
    - vi. Messaging frameworks
  - c. Task includes facilitating materials translation as needed.
- 2. Media relations***
  - a. Develop strategy and garner earned media on an as-needed basis.
  - b. Help craft and execute pitches to local, regional, state and industry media to help promote SVCE impacts and learnings.
- 3. Support update to the SVCE Strategic Communications Plan***
  - a. Provide support and guidance for SVCE to update its strategic communications plan, including stakeholder interviews and research/brand audit.

#### **4. SVCE 10<sup>th</sup> anniversary communications campaign**

- a. Develop a custom logo, co-develop a strategy for an awareness campaign to celebrate community impacts/achievements with SVCE.

### **Task B – Marketing Services**

#### **1. Marketing strategy and campaign planning**

- a. Services include overall strategy, persona identification, customer journey mapping, and messaging development and refinement per campaign.
- b. Work with SVCE staff to identify goals and develop campaigns for general SVCE awareness and specific SVCE customer incentives and services/programs, as needed.
- c. Create robust marketing plans to market specific programs, or bundles of programs, to target audiences/personas, specifically for customers with different socioeconomic circumstances and needs, e.g., income level, type of residence (renter vs. owner), education level, primary language spoken, etc.

#### **2. Creative development and production**

- a. Consultant will be responsible for creating ad artwork, reels, scripts, and filming/animating videos, including sizing and length modifications for different platforms, and writing copy for responsive ads.
- b. This includes the following types of assets, which will be determined per campaign; list of options (not exhaustive or relevant to all campaigns):
  - i. Digital display/responsive ads
  - ii. Social media ads
  - iii. Out-of-home ads like billboards, bus ads, bus shelters
  - iv. Video and photography
  - v. Editing of videos of varying lengths for different platforms, e.g., 1 min., 30 sec., and 15 sec. versions
  - vi. Audio and radio ads
  - vii. TV/streaming service ads (possible but not certain)
  - viii. Landing page design for ads
  - ix. Accompanying email/drip email campaigns
  - x. Grassroots channels, influencers, events
- c. Consultant must plan and deploy ads that effectively target Spanish, Chinese, and Vietnamese speaking audiences, with cultural competency. The consultant may utilize SVCE's translation vendor, subject to pricing and availability.
- d. Consultant shall configure or work with analytics consultant to configure all needed tagging and tracking to ensure performance is fully tracked.

#### **3. Advertising**

- a. Deploy ads according to planned campaign timelines (TBD) and on an as-needed basis. Work with media companies to negotiate better rates on behalf of SVCE.

- b. Ad buys will be done through SVCE directly, thus campaign ad dollars will not be run through this contract, unless necessary or mutually agreed upon.

#### **4. *Website design and development***

- a. Website refresh
  - i. Assist with stakeholder interviews, review existing site and support updated messaging and framing to best achieve set goals.
- b. Ensure top security and accessibility requirements, particularly those relevant to government agencies.
- c. Development – Implement new theme, or inform development, including UI/UX strategy and recommendations.
- d. Provide robust reporting with data sources such as Salesforce, GA4, HotJar/SmartLook, Meta, Google Ads, audio ads platforms, and email marketing platform. Assist with configuration of Looker tables, reporting automation, conversion tracking analysis and ongoing support to improve tracking.

### **Task C – Customer and Market Research**

#### **1. *Annual SVCE customer survey***

- a. Perform annual customer survey to measure SVCE and electrification awareness and glean customer insights into levels of interest for electrification adoption.

#### **2. *Refine SVCE customer personas***

- a. Review and update SVCE residential customer personas through surveys or other mechanisms.

#### **3. *Develop SVCE Net Promote Score or other customer satisfaction metric as determined by SVCE.***

- a. Support development and how to define a new customer satisfaction measurement for SVCE customer success department.

#### **4. *Ad hoc research***

- a. Research such as customer surveys, polling and focus groups (in-person and digital) to inform program and awareness marketing.
- b. All other program/campaign-specific research needs will be determined on an as-needed basis.

**Exhibit B**  
**Schedule of Performance**

This schedule may be modified with the written approval of the Authority.

<b>Discovery</b>	<b>Begin</b>	<b>Complete</b>
1. Kick Off Meeting	September 2025	September 2025
2. Brand Materials and Best Practices Audit	September 2025	October 2025
<b>Define Overarching Communications Strategy</b>		
1. Strategic Communications Brief	November 2025	November 2025
2. Brand Platform Refinement	December 2025	December 2025
<b>Task A – Communications Services</b>	<b>Begin</b>	<b>Complete</b>
1.) Overall storytelling and content development	January 2026	Ongoing
2.) Media relations	January 2026	Ongoing
3.) Support update to the SVCE Strategic Communications Plan	January 2026	March 2026
4.) Support SVCE 10th anniversary communications campaign	February 2026	September 2027
<b>Task B – Marketing Services</b>	<b>Begin</b>	<b>Complete</b>
1.) Marketing strategy and campaign planning	January 2026	Ongoing
2.) Creative development and production	January 2026	Ongoing
3.) Advertising, paid media strategy planning	January 2026	Ongoing
4.) Website design and development	January 2026	December 2026
<b>Task C – Research</b>	<b>Begin</b>	<b>Complete</b>
1.) Annual customer survey 2025	October 2025	March 2026
Annual customer survey 2026	October 2026	March 2027
2.) Refine SVCE customer personas	April 2026	June 2026
3.) Develop SVCE Net Promoter Score or other customer satisfaction metric as determined by SVCE	January 2026	December 2026
4.) Polling, focus groups, ad hoc research to inform marketing and customer engagement	As needed	Ongoing

### **Exhibit C** **Compensation**

Authority shall compensate Consultant for professional services in accordance with the terms and conditions of this Agreement based on the rates and compensation schedule set forth below. Compensation shall be calculated based on the hourly rates set forth below up to the not to exceed budget amount set forth below.

The compensation to be paid to Consultant under this Agreement for all services described in Exhibit “A” and reimbursable expenses shall not exceed a total of six-hundred twenty-six thousand two-hundred and five dollars (\$626,205.00) as set forth below. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to Authority unless previously approved in writing by Authority.

All tasks should be billed on a time and materials basis, with pre-approved exceptions for Task B 4 (website) and Task C 1 (annual customer survey).

	<b>Estimated Budget</b>
<b>Discovery</b>	\$12,210.00
<b>Define Overarching Communications Strategy</b>	\$17,515.00
<b>Task A</b>	
1.) Overall storytelling and content development	\$30,000.00
2.) Media relations	\$50,000.00
3.) Support update to the SVCE Strategic Communications Plan	\$13,400.00
4.) Support SVCE 10th anniversary communications campaign	\$19,970.00
<b>Task B</b>	
1.) Marketing strategy and campaign planning	\$48,430.00
2.) Creative development and production	\$128,775.00
3.) Advertising, paid media strategy planning & stewardship	\$64,410.00
4.) Website design and development	\$97,125.00
<b>Task C</b>	
1.) Annual customer survey 2025 & 2026	\$90,110.00
2.) Refine SVCE customer personas	\$13,610.00
3.) Develop SVCE Net Promoter Score or other customer satisfaction metric as determined by SVCE	\$10,650.00
4.) Polling, focus groups, ad hoc research to inform marketing and customer engagement	\$30,000.00
<b>Total</b>	<b>\$626,205.00</b>

## **Rates**

<b>Personnel</b>	<b>Title</b>	<b>Hourly</b>
Robin Raj	Executive Creative Director, Senior Copywriter	\$265.00
David Cumpton	Partner, Director of Strategy and Account Mgmt.	\$240.00
Shoshana Kressler	Senior Project Manager	\$150.00
Megan Leigh Willy	Project Manager & Social Media Lead	\$95.00
Chris Freire	Senior Art Director, Associate Creative Director	\$195.00
Kirsten Kjeldsen	Lead Graphic Designer	\$150.00
Suzanne Finnamore	Copywriter	\$150.00
Erik Shute	Producer, Videographer, Animator	\$170.00
Sheba Tamakloe	Motion Graphics, Animator	\$135.00
Pamela Wellner	Director of Public Relations & Community Partnerships	\$180.00
Kelly Konis	Director of Account & Media Planning & Analytics	\$180.00
Clint Wilder	Senior Content Writer, Blogger	\$195.00

## **Invoices**

**Monthly Invoicing:** In order to request payment, Consultant shall submit monthly invoices to the Authority describing the services performed and the applicable charges (including a summary of the work performed during that period, personnel who performed the services, hours worked, task(s) for which work was performed). Authority shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt up to the maximum compensation set forth herein. Authority does not pay interest on past due amounts.

## **Reimbursable Expenses**

Administrative, overhead, secretarial time or overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. Travel expenses must be authorized in advance in writing by Authority

## **Additional Services**

Consultant shall provide additional services outside of the services identified in Exhibit A only by advance written authorization from Authority Representative prior to commencement of any additional services. Consultant shall submit, at the Authority Representative's request, a detailed written proposal including a description of the scope of additional services, schedule, and proposed maximum compensation. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

**Exhibit D**  
**Insurance Requirements and Proof of Insurance**

Consultant shall maintain the following minimum insurance coverage:

A. **COVERAGE:**

- (1) **Workers' Compensation:**  
Statutory coverage as required by the State of California.
- (2) **Liability:**  
Commercial general liability coverage with minimum limits of \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury and property damage. ISO occurrence Form CG 0001 or equivalent is required.
- (3) **Automotive:**  
Comprehensive automotive liability coverage with minimum limits of \$1,000,000 per accident for bodily injury and property damage. ISO Form CA 0001 or equivalent is required.
- (4) **Professional Liability**  
Professional liability insurance which includes coverage for the professional acts, errors and omissions of Consultant in the amount of at least \$1,000,000.
- (5) **Privacy and Cybersecurity Liability**  
Privacy and cybersecurity liability (including costs arising from data destruction, hacking or intentional breaches, crisis management activity related to data breaches, and legal claims for security breach, privacy violations, and notification costs of at least \$1,000,000 US per occurrence.

**Exhibit E**  
**Confidentiality and Data Security Requirements**

Subject to the terms and conditions of the Agreement, current proprietary and confidential information of Authority regarding customers of Authority (“Authority Customers”) and/or other confidential information (collectively “Confidential Information”) may be disclosed to Consultant from time to time in connection herewith solely for the purposes set forth in the Agreement. Such disclosure is subject to the following legal continuing representations and warranties by Consultant:

1. The Confidential Information disclosed to Consultant in connection herewith may include, without limitation, the following information about Authority Customers: (a) names; (b) addresses; (c) telephone numbers and email addresses; (d) service agreement numbers and account numbers; (e) meter and other identification numbers; (f) Authority-designated account numbers; (g) electricity and gas usage (including monthly usage, monthly maximum demand, electrical or gas consumption, HP load, and other data detailing electricity or gas needs and patterns of usage); (h) billing information (including rate schedule, baseline zone, CARE participation, end use code (heat source) service voltage, medical baseline, meter cycle, bill cycle, balanced payment plan and other plans); (i) payment / deposit status; (j) number of units; and (k) other similar information specific to Authority Customers individually or in the aggregate. Confidential Information shall also include specifically any copies, drafts, revisions, analyses, summaries, extracts, memoranda, reports and other materials prepared by Consultant or its representatives that are derived from or based on Confidential Information disclosed by Authority, regardless of the form of media in which it is prepared, recorded or retained.
2. Except for electric and gas usage information provided to Consultant pursuant to this Agreement, Confidential Information does not include information that Consultant proves (a) was properly in the possession of Consultant at the time of disclosure; (b) is or becomes publicly known through no fault of Consultant, its employees or representatives; or (c) was independently developed by Consultant, its employees or representatives without access to any Confidential Information.
3. From the Effective Date, no portion of the Confidential Information may be disclosed, disseminated or appropriated by Consultant, or used for any purpose other than the purposes set forth in the Agreement.
4. Consultant shall, at all times and in perpetuity, keep the Confidential Information in the strictest confidence and shall take all reasonable measures to prevent unauthorized or improper disclosure or use of Confidential Information. Consultant shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, destruction, use, modification, or disclosure and prohibits the use of the data for purposes not set forth in the Agreement. Specifically, Consultant shall restrict access to Confidential Information, and to materials prepared in connection therewith, to those employees or representatives of Consultant who have a “need to know” such Confidential Information in the course of



their duties with respect to the Consultant program and who agree to be bound by the nondisclosure and confidentiality obligations of this Agreement. Prior to disclosing any Confidential Information to its employees or representatives, Consultant shall require such employees or representatives to whom Confidential Information is to be disclosed to review this Agreement and to agree to be bound by the terms of this Agreement. Consultant shall not disclose Confidential Information or otherwise make it available, in any form or manner, to any other person or entity that is not Consultant's employee or representative (a "Third Party"), except where that Third Party has separately entered into a nondisclosure agreement with Authority. Without limiting Consultant's obligation of confidentiality as further described herein, Consultant shall be responsible for establishing, maintaining, and providing a written description to Authority of, a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that comply with or are substantial similar to the security controls identified in the current version of NIST SP800-53, and that is designed to: (a) ensure the security and confidentiality of the Authority's Data; (b) protect against any anticipated threats or hazards to the security or integrity of the Data; (c) protect against unauthorized disclosure, access to, or use of the Data; (d) ensure the proper disposal of Data; and, (e) ensure that all employees, agents, and subcontractors of Consultant, if any, comply with all of the foregoing. In no case shall the safeguards of Consultant's data privacy and information security program used to protect Data be less stringent than the safeguards used by Consultant for its own data. If the services include handling credit card information, then the Consultant shall comply at all times with all applicable Payment Card Industry Data Security Standards (PCI-DSS). Consultant agrees and warrants that it is responsible for the security of "cardholder data" that Consultant possesses, stores, processes or transmits on behalf of the Authority, and for any impact on the security of Authority's cardholder data environment adversely affected by any failure of Company to maintain compliance with provisions of the PCI-DSS applicable to the services. No less than annually, Consultant shall conduct a comprehensive independent third-party audit of its data privacy and information security program and provide such audit findings to Authority. The required audit shall be a SOC Type II (or successor standard) compliant audit, and Consultant shall provide the audit findings in the form of a SOC Type II (or successor standard) report.

5. Notwithstanding the above, Consultant may disclose Confidential Information to the extent required by an order, subpoena, or lawful process requiring the disclosure of such Confidential Information issued by a court or other governmental authority of competent jurisdiction, provided that Consultant notifies Authority immediately upon receipt thereof to allow Authority to seek protective treatment for such Confidential Information.
6. In the event of any act, error or omission, negligence, misconduct, or breach that permits any unauthorized access to, or that compromises or is suspected to compromise the security, confidentiality, or integrity of the Authority's Data or the physical, technical, administrative, or organizational safeguards put in place by Consultant that relate to the protection of the security, confidentiality, or integrity of the Data, Consultant shall, as applicable: (a) notify Authority as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with Authority in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise

required by Authority; (c) in the case of Confidential Information, at Authority's sole election, (i) notify the affected individuals who comprise the Confidential Information as soon as practicable but no later than is required to comply with applicable law including, but not limited to, the provisions of California Civil Code Section 1798.82, or, in the absence of any legally required notification period, within five (5) calendar days of becoming aware of the occurrence; or, (ii) reimburse Authority for any costs in notifying the affected individuals; (d) in the case of Confidential Information, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the Confidential Information for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twelve (12) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting Consultant's obligations of indemnification as further described in this Agreement, indemnify, defend, and hold harmless Authority for any and all Claims (as defined herein), including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from Authority in connection with the occurrence; (g) be responsible for recreating lost Data in the manner and on the schedule set by Authority without charge to Authority; (h) provide to Authority a detailed plan within ten (10) calendar days of the occurrence describing the measures Consultant will undertake to prevent a future occurrence and (i) upon conclusion of the occurrence, or at Authority's request, provide to Authority a comprehensive summary of the occurrence, including reason for occurrence, details of occurrence, how occurrence was addressed and any other information required by Authority, which shall be executed by Consultant and may be relied upon by Authority as a true and accurate account of the occurrence. Notification to affected individuals, as described above, shall comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of Consultant's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Consultant has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Consultant. This Section shall survive the termination of this Agreement.

7. It shall be considered a material breach of this Agreement if Consultant engages in a pattern or practice of accessing, storing, using, or disclosing the Confidential Information in violation of the contractual obligations described herein. Consultant understands that if Authority finds that Consultant is engaged in a pattern or practice of accessing, storing, using, or disclosing Confidential Information in violation of this Agreement Authority shall promptly cease all disclosures of Confidential Information to Consultant. Consultant further understands that if Authority receives a customer complaint about Consultant's misuse of data or other violation of the Disclosure Provisions, Authority shall promptly cease disclosing that customer's information to Consultant and shall notify the California Public Utilities Commission of the complaint.

8. Consultant shall be liable for the actions of, or any disclosure or use by, its employees or representatives contrary to this Agreement; however, such liability shall not limit or prevent any actions by Authority directly against such employees or representatives for improper disclosure and/or use. In no event shall Consultant or its employees or representatives take any actions related to Confidential Information that are inconsistent with holding Confidential Information in strict confidence. Consultant shall immediately notify Authority in writing if it becomes aware of the possibility of any misuse or misappropriation of the Confidential Information by Consultant or any of its employees or representatives. However, nothing in this Agreement shall obligate the Authority to monitor or enforce the Consultant's compliance with the terms of this Agreement.
9. Consultant shall comply with the consumer protections concerning subsequent disclosure and use set forth in Attachment B to California Public Utilities Commission (CPUC) Decision No. 12-08-045.
10. In addition to any other requirements set forth in the Agreement, within ten (10) business days of receipt of Authority's written request, and at Authority's option, Consultant will either return to Authority all tangible Confidential Information, including but not limited to all electronic files, documentation, notes, plans, drawings, and copies thereof, or will provide Authority with written certification that all such tangible Confidential Information of Authority has been destroyed.
11. Consultant acknowledges that disclosure or misappropriation of any Confidential Information could cause irreparable harm to Authority and/or Authority Customers, the amount of which may be difficult to assess. Accordingly, Consultant hereby confirms that the Authority shall be entitled to apply to a court of competent jurisdiction or the California Public Utilities Commission for an injunction, specific performance or such other relief (without posting bond) as may be appropriate in the event of improper disclosure or misuse of its Confidential Information by Consultant or its employees or representatives. Such right shall, however, be construed to be in addition to any other remedies available to the Authority, in law or equity.
12. In addition to all other remedies, Consultant shall indemnify and hold harmless Authority, its officers, employees, or agents from and against claims, actions, suits, liabilities, damages, losses, expenses and costs (including reasonable attorneys' fees, costs and disbursements) attributable to actions or non-actions of Consultant and/or its employees and/or its representatives in connection with the use or disclosure of Confidential Information.
13. When Consultant fully performs the purposes set forth in the Agreement, or if at any time Consultant ceases performance or Authority requires Consultant cease performance of the purposes set forth in the Agreement, Consultant shall promptly return or destroy (with written notice to Authority itemizing the materials destroyed) all Confidential Information then in its possession at the direction of Authority. Notwithstanding the foregoing, the nondisclosure obligations of this Agreement shall survive any termination of this Agreement.



## Staff Report – Item 1i

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### **Item 1i: Adopt the Fiscal Years 2025-2027 Strategic Focus Areas and Strategic Plan**

From: Monica Padilla, CEO

Prepared by: Andrea Pizano, Sr. Executive Assistant and Board Clerk

Date: 9/10/2025

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#### **RECOMMENDATION**

Staff recommends the Silicon Valley Clean Energy (SVCE) Board of Directors ("Board") adopt the proposed Strategic Focus Areas (SFAs) Strategic Plan Goals ("Strategic Plan") for fiscal years 2025-2026 and 2026-2027.

#### **EXECUTIVE COMMITTEE and BOARD REVIEW**

During initial review of the SFAs with the Executive Committee in May 2025, staff reviewed preliminary thoughts on the progress made to date, challenges, and opportunities of each of the current five focus areas:

Though many SFAs are in good position, there was consensus that the existing SFAs are still relevant and there is additional work to be done.

Given these focus areas and goals remain relevant, it was suggested to staff during the Executive Committee meeting that the Strategic Planning process move to every two years as opposed to annually. The SFAs and Strategic Plan goals would remain the same, but the associated measures and workplans could change internally to adapt to the needs of the fiscal year.

Staff presented the proposed Strategic Focus Areas and Strategic Plan to the Board at the August 13, 2025 Board of Directors meeting (presentation can be found here: [SVCE August 13, 2025 Board of Directors meeting presentations, Item 7](#)). The Board was in support of staff's proposed SFAs and the Strategic Plan, with feedback to identify more measurable outcomes in tracking what success looks like for the SFAs. Staff has since met to discuss the development of internal metrics and will incorporate as part of ongoing monitoring and reporting on progress towards achieving the SFAs.

#### **BACKGROUND**

Annually, coinciding with the development of the operating budget, staff goes through a process of reviewing external changes in the landscape, threats, opportunities, new directives and priorities. Through this effort a review of the current Board-approved Strategic Plan (including the agency's mission), is conducted to ensure that priorities, goals and resources are properly aligned. At its September 2024 meeting, the Board adopted the Fiscal Year 2024-25 Strategic Plan ([September 11, 2024 Board of Directors Meeting – Item 4](#)).

In April 2025 staff kicked-off the process for reviewing the current Strategic Plan and concluded that while much progress has been made in implementing the Strategic Plan, much work is still needed in many areas and therefore the current Strategic Plan remains valid.

**ANALYSIS & DISCUSSION**

Given the feedback received from the Executive Committee in May 2025, support from the Board in August 2025, and staff's own assessment of the existing Strategic Plan, only minor changes are being proposed to the Strategic Plan. Further, staff believes the Strategic Plan is durable for two years, through fiscal year 2026-27 and therefore concurs with the Executive Committee's recommendation and the Board's support to move to a biennial cycle. Staff will continue to provide quarterly updates to the Board on accomplishments and progress for both the SFAs and Strategic Plan.

Following are the proposed 2025-2027 SFAs:

<b>SFA1: Expand Affordability Efforts</b>	Expand rate-related education, legislative and regulatory advocacy, and rate-setting principles to support all-electric as the most affordable and competitive option for customers.
<b>SFA2: Expand Clean &amp; Reliable Grid Actions</b>	Design and assess scenarios which align with SVCE's long-term clean targets to determine most affordable, viable and low risk pathways; evaluate SVCE product offerings to ensure the agency provides customers a sustainable balance of clean, reliable and affordable energy.
<b>SFA3: Expand Offerings to C/I Customers</b>	Engage commercial and industrial customers in new/expanded SVCE offerings, including electrification and demand-side management programs, and customized generation services; <u>track and serve new large loads.</u>
<b>SFA4: Prepare Region for Electrification at Scale</b>	Inform and prepare for upcoming requirements such as Bay Area Air District and California Air Resources Board rules to ensure they are implemented sensibly, successfully, and equitably; continue scaling SVCE efforts.
<b>SFA5: Attract &amp; Retain Employees</b>	Be the Employer of Choice and maintain culture of innovation, collaboration, high performance, and passion for our mission.

Following is the proposed 2025-27 Strategic Plan:

1. **Advance policies** which support SVCE's mission to **reduce dependence on fossil fuels**.
2. **Long-term**, target for **100% clean energy** annually by building a balanced portfolio with consideration for both affordability and reliability while exploring long-term **pathways to clean power supply**.
3. **Create a long-term decarbonization plan** that integrates supply and demand changes, opportunities, and challenges.
4. **Acquire power supply resources** in a cost-effective manner to meet legislative and regulatory obligations, Board directives and customer specific products.
5. **Manage and optimize load and power resources** to meet affordability, GHG reduction and reliability objectives.
6. **Maintain healthy financial position**; avoid failures in management of market risk, credit risk, liquidity risk, operational risks, and enterprise risks.

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**Agenda Item: 1i****Agenda Date: 9/10/2025**

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7. **Support all SVCE communities to decarbonize through local investments** that reduce barriers and demonstrate sensible, scalable, and equitable solutions.
8. **Engage customers and community stakeholders** to build trust of SVCE and advance decarbonization.
9. **Implement industry best practices** to enable data-driven decision making across the organization; enhance systems, standards and procedures to streamline business processes and improve operational effectiveness and reliability (aka SVCE 3.0).
10. **Hire, retain and develop high-performing talent** via competitive benefits and rewarding work culture.

**STRATEGIC PLAN**

The strategic planning process is relevant to the overall Strategic Plan, specifically Goal 9 to “Implement industry best practices to enable data-driven decision making across the organization; enhance systems, standards and procedures to streamline business processes and improve operational effectiveness and reliability (aka SVCE 3.0)”.

**ALTERNATIVE**

Staff is open to suggestions from the Board regarding the proposed SFAs and Strategic Plan.

**FISCAL IMPACT**

N/A

**ATTACHMENT**

1. Proposed FY 2025-2027 Strategic Plan



## Proposed FY 25 - 27 Strategic Plan

### **External Policy, Regulatory and Legislative Advocacy and Support**

**Goal 1: Advance policies which support SVCE's mission to reduce dependence on fossil fuels.**

### **SVCE Strategy and Planning**

**Goal 2: Long-term, target for 100% clean energy annually by building a balanced portfolio with consideration for both affordability and reliability while exploring long-term pathways to clean power supply.**

### **Power Procurement, Management and Operations**

**Goal 4: Acquire power supply resources in a cost-effective manner to meet legislative and regulatory obligations, Board directives and customer specific products.**

**Goal 5: Manage and optimize load and power resources to meet affordability, GHG reduction and reliability objectives.**

### **Financial Planning**

**Goal 6: Maintain healthy financial position; avoid failures in management of market risk, credit risk, liquidity risk, operational risks, and enterprise risks.**

### **Program Development and Implementation**

**Goal 7: Support all SVCE communities to decarbonize through local investments that reduce barriers and demonstrate sensible, scalable, and equitable solutions.**

### **Customer Service and Community Relations**

**Goal 8: Engage customers and community stakeholders to build trust of SVCE and advance decarbonization.**

### **Human Resources, Business Processes, Information Technology, Systems and Data Governance**

**Goal 9: Implement industry best practices to enable data-driven decision making across the organization; enhance systems, standards and procedures to streamline business processes and improve operational effectiveness and reliability (aka SVCE 3.0).**

**Goal 10: Hire, retain and develop high-performing talent via competitive benefits and rewarding work culture.**



### Staff Report – Item 1j

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**Item 1j:        Receive 2025 Legislative Response to Industry Transition Ad Hoc Committee Report**

To:                Silicon Valley Clean Energy Board of Directors

Prepared by:    Elliot Scozzola, Committee Chair

Date:             9/10/2025

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The Legislative Response to Industry Transition 2025 Ad Hoc Committee (“Committee”) met August 25, 2025.

The Committee received information from staff on the state and federal legislative landscape and discussed priority legislation aligned with SVCE’s 2025 Legislative Policy Platform and focus areas.

The next meeting of the Committee is expected to be held in November and will be scheduled based on member availability.





## Staff Report – Item 1k

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### Item 1k: Receive Executive Committee Report

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Yvonne Martinez Beltran, Executive Committee Chair

Date: 9/10/2025

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The Executive Committee met August 29, 2025 and heard the following: a request to recommend that the SVCE Board approve the distribution of 2022 member agency grant cycle remaining funds, overview and request for the Executive Committee to support the Ad Hoc Committee's proposed Operating Rules and Regulations amendments, a request for feedback on the Board Chamber design at SVCE's new headquarters, and received a preview from staff on the integrated decarbonization roadmap.

Zoe Elizabeth, Director of Decarbonization Policy and Community Strategies, presented a request to the Executive Committee to support the distribution of remaining funds from the 2022 member agency grant cycle. Staff provided two options to the Committee, with Option 1 distributing the 2022 remaining funds to the 2024 Non-Competitive Member Agency Grant, or Option 2 distributing those funds to the Developing Community Grants Program. Staff recommended Option 2, however after much discussion the Committee voted unanimously to support Option 1, to increase the existing 2024 Noncompetitive Member Agency Grant, due in part to the potential of planned grant projects costing more than anticipated. Additionally, some members of the Executive Committee raised concerns about the appropriateness of allocating grant funds to religious based non-profit organizations.

George Tyson, Chair of the SVCE Board, presented a request to the Executive Committee to support a recommendation to the SVCE Board of Directors to approve proposed amendments to SVCE's Operating Rules and Regulations (ORR) from the Ad Hoc Committee ("ORR Committee"), which was formed to review and suggest changes. Chair Tyson reviewed the ORR Committee's proposed recommendations, comparison of local CCA's Operating Rules and Regulations, and identification of organizational best practices for ORR Committee's consideration. The ORR Committee discussed the proposed changes, specifically the addition of a Nominating Ad Hoc Committee to receive proposals for Chair, Vice Chair and Executive Committee membership and to recommend candidates for each. The language in the Removal of Officers was also discussed, due to the lack of specificity of the reasoning to being subject to removal. There was also concern that the meeting schedule and time had been removed from the Operating Rules and Regulations, which staff assured would remain the same due to the adoption of a Resolution setting the meeting schedule prior to the start of each year. Following a robust discussion, the Committee was unanimous in supporting the changes, as proposed, be brought to the Board of Directors for additional discussion and future adoption.

Director of Decarbonization Policy and Community Strategies Elizabeth presented an item requesting feedback on SVCE's Board Chamber at SVCE's future headquarters and introduced SERA Design as the selected design and architecture firm. The Committee provided feedback on various Board Chamber designs, ultimately expressing the preference for a dais consisting of raised stage with movable furniture to allow for flexibility in the space.

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**Agenda Item: 1k****Agenda Date: 9/10/2025**

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Director of Decarbonization Policy and Community Strategies Elizabeth shared a preview of the Integrated Decarbonization Roadmap and identified key strategic areas and program initiatives. Staff provided a historical comparison of the program since implementation and discussed measures to mitigate future adverse changes.

The last item on the agenda, a Program Snapshot of residential rebates, was not heard and will be agendaized for the next Executive Committee meeting.

Materials from this meeting can be found on SVCE's website: [SVCE Executive Committee Meeting, August 29, 2025](#)

The next meeting of the Executive Committee will be September 26, 2025 at 10:00 a.m.; materials will be posted no later than 72 hours in advance of the meeting.



### Staff Report – Item 11

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**Item 11:      Receive Additional Committees Report**

To:              Silicon Valley Clean Energy Board of Directors

Prepared by:   Andrea Pizano, Sr. Executive Assistant and Board Clerk

Date:            9/10/2025

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There are no reports for the Finance and Administration Committee and Audit Committee, as they have not met since the last report.

The Finance and Administration Committee will meet in November, and the Audit Committee will meet Tuesday, September 23, 2025 at 1:30pm at the SVCE Office. Materials for both committees will be posted 72 hours in advance of the meeting dates.

**Staff Report – Item 1m**

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**Item 1m:      Receive California Community Power Report**

To:                Silicon Valley Clean Energy Board of Directors

From:            Monica Padilla, CEO

Date:             9/10/2025

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Per direction from the SVCE Board on December 9, 2020 for the Chief Executive Officer to provide a report of the ongoing activities of California Community Power (CC Power) after each of its meetings, this is to report CC Power held a regular board meeting on Wednesday, August 20, 2025.

Attached is a summary report from General Manager Alex Morris; materials from the August board meeting can be found here on the CC Power website: [CC Power Meeting, 8/20/25](#)

The next meeting of the board will be September 17, 2025 at 1:00 p.m.; meeting materials can be found on the CC Power website: <https://cacomunitypower.org/meetings/>

**ATTACHMENT**

1. CA Community Power Board Meeting Summary from General Manager Alex Morris, August 20, 2025



## Staff Report – Item 2

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### Item 2: CEO Report

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Monica Padilla, CEO

Date: 9/10/2025

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### **REPORT**

#### **Staff Updates**

SVCE has several new staff to introduce:

Marvin Jiang joined SVCE on September 3rd as an Associate Finance, Risk, and Data Analyst. He has a Bachelor's degree in Materials Science and Engineering from the University of Pennsylvania and has two years of experience in the energy industry. Marvin was born and raised in Troy, Michigan and currently resides in San Francisco, and enjoys art and painting.

Three fellows from SVCE's partnership with Strategic Energy Innovations joined in the first week of September, as well.

Alison Maas joined SVCE on September 3rd as the Climate Corps Community Grants Fellow. She recently earned her PhD in English from the University of California, Davis, where she studied how communities narrate and experience environmental change. Originally from Boston, Alison has called California home for the past eight years. Her love of exploring the Bay Area's coastline and its hiking trails has deepened her commitment to preserving these landscapes and advancing meaningful climate action.

Danika Miller also joined on September 3rd as a Community Outreach Fellow. She recently graduated from the University of New Hampshire with a Bachelor's degree in Sociology and Sustainability, as well as two years of experience in the education nonprofit space. She looks forward to continuing her work in the public sector while exploring the intersection between sustainability, climate action, and education. Danika grew up in Southern California, and currently lives in the South Bay. In her free time, Danika enjoys creating fiber arts and ceramics.

Rio Neves joined SVCE on September 4th as the Program's Marketing Fellow. They have a bachelor's degree in Women and Gender Studies from Smith College and brings 4 years of social media experience with them. Rio was born in New York City and has worked diligently to combat the climate change crisis in light of how Hurricane Sandy impacted their family.

#### **Personnel Officer Update**

Silicon Valley Clean Energy is currently recruiting for a Forecast Load Planner. Job descriptions and applications for the above positions can be found on SVCE's website: [Current Job Openings](#)

#### **Power Resources & Clean Energy Update**

On August 18, 2025 SVCE sent notice of an Early Termination Date to Atlas Solar III, LLC for its Renewable Power Purchase Agreement (RPPA) signed with SVCE on January 13, 2021. The Notice of Early Termination was sent due to Atlas Solar III, LLC failing to meet its contractual obligations, under the RPPA SVCE is entitled to the development security deposit that was posted near the time of signing if the RPPA is terminated. The effective date of the termination is August 20, 2025.

**Agenda Item: 2****Agenda Date: 9/10/2025**

On August 20, 2025 the Hanford Battery Energy Storage System (BESS) achieved its contractual and market Commercial Operating Date (COD). The Hanford BESS is a 32 MW 4-hour BESS. The BESS can be fully discharged to cover the output of the Peaker portion of the plant (131 MW). Effectively this means that the resource has enough inverters to discharge all the energy content stored onsite in one hour. Since the existing Hanford units are two Peaker's (99 MW) currently integrated into CAISO, the only incremental generation is the 32 MWs of BESS. Of the 32 MWs half the BESS 16 MWs is being counted for Resource Adequacy and Mid Term Reliability.

On August 21, 2025, SVCE executed a master agreement with J. Aron & Company LLC ("J. Aron") to enable the execution of energy transactions. This master agreement is based on the industry standard Edison Electric Institute (EEI) master power purchase and sale agreement. Executing the master agreement with J. Aron adds a new counterparty to SVCE's list of approved master agreements which supports risk diversification consistent with the Energy Risk Management Policy. The EEI was approved by the board at the August 13<sup>th</sup> board meeting (item 1j).

SVCE continues to actively procure short-term clean and renewable resources to meet the Board's targets of 106% clean power on an annual basis for 2026. Based on procurement to-date, SVCE expects to meet the 106% target for 2025 and continues to assess the need for Carbon Free energy for 2026 and will act accordingly if the need arises.

Please see Attachment 1 for a summary of SVCE's clean energy efforts.

**Customer Success Department Updates**

Ahead of federal tax credits ending for electric vehicles (EVs), heat pump equipment and solar and batteries, the SVCE marketing team has been helping to promote or host webinars for residential customers. In August, SVCE helped promote two EV webinars hosted by Ride & Drive Clean, a Bay Area-wide non-profit that works to advance EV adoption. Two more webinars are planned for Sept. 11 at 12 p.m. and Sept. 17 at 6:30 p.m. [Registration details](#). Staff also observed a significant spike in EV rebates claimed in August (more than double the average of the previous three months). This may be spurred by the news of EV tax credits sunseting at the end of the year. To date, SVCE has paid out 180 rebates totaling \$360,000 since the program launched in October 2024.

On Sept. 4 and 9, SVCE is hosting its own webinars to help guide customers on how to stack SVCE rebates with the federal tax credits before they expire. SVCE also published a [blog post](#) about the expiring tax credits. Webinar registrations: [Thurs, 9/4 at 12 p.m.](#) or [Tues, 9/9 at 6 p.m.](#)

As approved by the Board earlier this year, SVCE is distributing \$33M back to customers directly with bill credits this fall. Residential customers will receive \$50 bill credits and non-residential customer credits are based on their historic usage. The following communications have been or will be issued throughout September.

- A [press release](#) was issued on Sept. 2 to announce the community reinvestment bill credits.
- SVCE will post to its social media channels once a week for the month of Sept.
- All customers receiving a credit are to receive a postcard with information about the credit and SVCE's local reinvestment.
- The information is also being sent via email to customers with an email on file.
- The SVCE website homepage has a banner at the top for the month of Sept. with information about the bill credit.

**Press and Media****Press Releases**

- [SV Clean Energy Plugs into Innovation Ecosystem for Latest Round of Pilot Programs](#), Press Release, 7-29-25

**Agenda Item: 2****Agenda Date: 9/10/2025****Media Mentions**

- Federal energy savings tax credits expiring early under 'beautiful bill', The Los Altos Town Crier, 8-25-25
- Sunnyvale Imposes Environmental Regulations Likely To Cost Homeowners, The Silicon Valley Voice, 8-26-25

**Recent & Upcoming Events**

<b><u>September 7-8 - Mountain View Arts &amp; Wine Festival</u></b> <ul style="list-style-type: none"> <li>- Sponsorship and tabling</li> <li>- Downtown Mountain View</li> </ul>	<b><u>September 20 - Assemblymember Berman Health Fair (tentative)</u></b> <ul style="list-style-type: none"> <li>- Tabling</li> <li>- 1:30 p.m. – 3:30 p.m.</li> <li>- Castlemont Elementary School, 3040 Payne Ave, Campbell, CA 95008</li> </ul>
<b><u>September 20 – 21 - Los Gatos Fiesta de Artes</u></b> <ul style="list-style-type: none"> <li>- Sponsorship and tabling</li> <li>- Los Gatos Civic Center, Los Gatos, CA 95030</li> </ul>	<b><u>October 7 - CPUC Small &amp; Diverse Business Expo</u></b> <ul style="list-style-type: none"> <li>- Tabling</li> <li>- 9 a.m. - 1 p.m.</li> <li>- Carson Event Center, 801 Carson St., Carson, CA 90745</li> </ul>
<b><u>October 12 - Day on the Bay (tentative)</u></b> <ul style="list-style-type: none"> <li>- Tabling</li> <li>- 10 a.m. - 3 p.m.</li> <li>- Alviso Marina County Park, 1195 Hope Street, San Jose, CA 95002</li> </ul>	<b><u>October 18 -19 - Campbell Oktoberfest (tentative)</u></b> <ul style="list-style-type: none"> <li>- Sponsorship and tabling</li> <li>- Downtown Campbell</li> </ul>
<b><u>October 18 -19 - Campbell Oktoberfest (tentative)</u></b> <ul style="list-style-type: none"> <li>- Sponsorship and tabling</li> <li>- Downtown Campbell</li> </ul>	<b><u>October 15 – Watts for Lunch</u></b> <ul style="list-style-type: none"> <li>- SVCE-hosted event for C&amp;I customers</li> <li>- Topic is Load flexibility and Demand Management</li> <li>- Sunnyvale City Hall</li> </ul>
<b><u>October 25 - Sunnyvale Frunk-or-Treat</u></b> <ul style="list-style-type: none"> <li>- Tabling</li> <li>- 11 a.m. - 3 p.m.</li> <li>- 433 Charles St, Sunnyvale, CA 94086</li> </ul>	

**Regulatory & Legislative Update****Regulatory:**

On August 8, 2025, Administrative Law Judge Goldberg issued a draft Resolution denying SVCE's appeal of its citation for non-compliance of its 2023 year-ahead resource adequacy filing. In its appeal, SVCE argued impossibility in defense – that compliance was impossible due to lack of products available in the market, regardless of the price. SVCE submitted comments to the draft Resolution on September 9, and a final Resolution is expected to be approved at the CPUC's meeting on September 18.

**Legislative<sup>1</sup>:**

State: The legislative session ends on September 12, 2025, and the Governor has until October 12, 2025, to sign or veto bills. As of early September, several major legislative priorities including SB 540 (Becker) on regional energy markets, Cap and Invest reauthorization, and energy affordability are still under negotiation in the

<sup>1</sup> Updated as of September 3, 2025.

**Agenda Item: 2****Agenda Date: 9/10/2025**

legislature. SVCE continues to work with CalCCA and other stakeholder partners to advocate for legislative priorities.

Federal: Congress is working on the Fiscal Year '26 budget, and committees are releasing their proposals. Of note, the House Labor, Health and Human Services, and Education subcommittee proposed a \$10 million increase for the Low-Income Home Energy Assistance Program (LIHEAP). The Senate's Labor, Health and Human Services and Education subcommittee proposed a \$20 million increase for the program. The LIHEAP program provides utility bill assistance, weatherization, and energy efficiency education for low-income people. The current Continuing Resolution that is funding the federal government expires at the end of September.

**New SVCE Headquarters**

Staff continues to make progress on the design of the new SVCE Headquarters. SVCE submitted an application for a Special Development Permit to the City of Sunnyvale. This permit is required by the City of Sunnyvale to change the use of the building from strictly an office building to a space that can also be used for Board meetings and stakeholder events. The architectural team completed the schematic design for the layout of the office space and Board Chambers and is now moving in the design development phase that will include more detailed design elements.

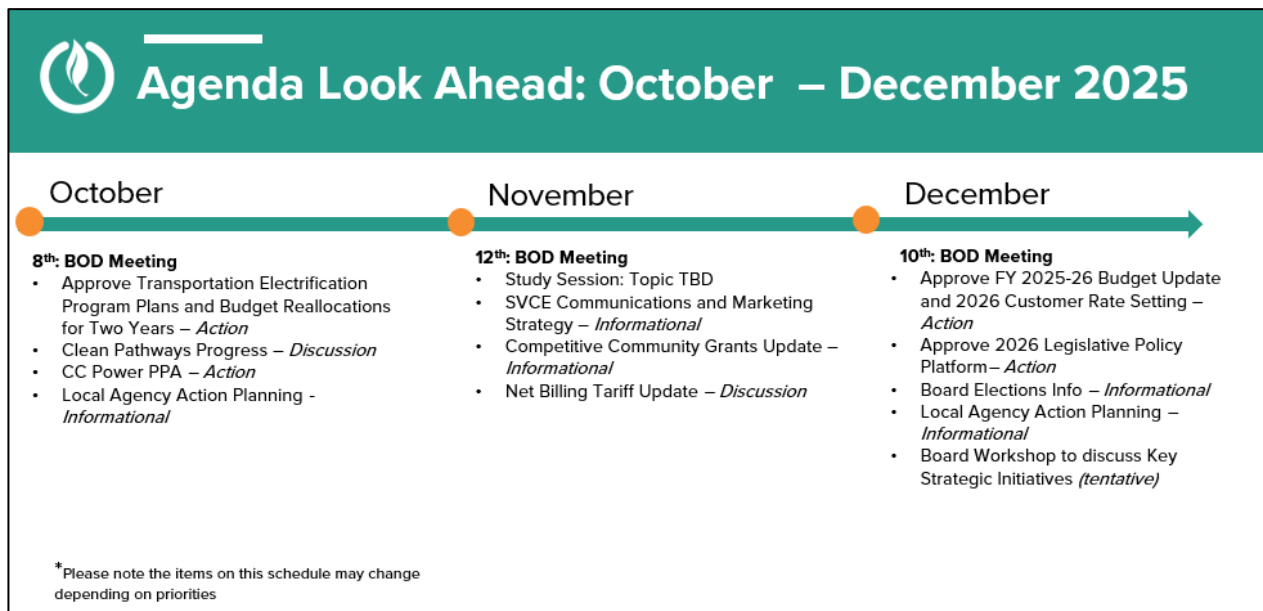
To inform this next stage of development, staff facilitated a discussion with the Executive Committee at its August 29, 2025 meeting on options for the Board Chamber layout. Options included a fixed stage and a fixed dais, a fixed stage with movable furniture, and a room with no stage or fixed furniture. The benefits of the stage include more visibility for Board members and audience members. The benefits of the more flexible setup include greater ability to use the space for multiple types of events. The Executive Committee expressed a preference for a fixed stage with movable furniture. Staff will move forward with assessing the feasibility and cost of this option.

Simultaneously, staff is working to contract for repairs to the building caused from an accident that occurred on August 7, 2025.

The project is currently on schedule. Staff intends to bring a new contract for construction services to the Board in January 2026 and to move into the building in July 2026.

**Look Ahead Update**

Staff continues to plan for Board and committee meetings through the end of the year. Below is a preview of what's ahead for the Board from October through December 2025:





**ATTACHMENTS**

1. Clean Power Update, September 2025
2. Regulatory and Legislative Update, September 2025

**Agenda Item: 2****Agenda Date: 9/10/2025****Exhibit 1 - CEO Agreements Executed Under Delegated Authority**

The following agreements have been executed by the CEO or their delegate, consistent with the authority delegated by the Board:

<b>Type</b>	<b>Consultant</b>	<b>Description</b>	<b>Compensation</b>	<b>Term</b>	<b>Authority</b>
Agreement	Acterra	Education Nonprofit Grant Agreement	NTE - \$20,000	7/9/2025-6/30/2026	CEO Spending Authority
Amendment	Shute, Mihaly & Weinberger LLP	Special Counsel Legal Consultation Services	NTE - \$199,999	No change to term	CEO Spending Authority
Agreement	Nativa	Marketing Campaign Services to Reach Spanish-Speaking Customers	NTE - \$27,300	7/15/2025 - 12/31/2025	CEO Spending Authority
Amendment	PFM Financial Advisors, LLC	Financial Advisors Services	No Changes to NTE	Extends term to 9/30/2026	CEO Spending Authority
Agreement	Breathe California of the Bay Area	Outreach and Marketing Partnership	NTE- \$248,954	7/17/2025 - 6/30/2027	CEO Spending Authority
Agreement	Kestrel	Energy Prepay external review	NTE- \$22,600	7/22/25 - completion of work	CEO Spending Authority
Agreement	City of Mountain View	Decarbonization Grant Program Agreement	NTE - \$100,000	7/24/2025 - 12/31/2027	BOD Delegated Authority (3/12/2025)
MOU	City of Sunnyvale	Meeting Space Rental	NTE - ~ \$35,000	8/1/2025-12/31/2026	CEO Spending Authority
Agreement	CCCFA and Ballard Spahr LLP	Bond and Special Tax Counsel Services	NTE - \$275,000	7/18/25 - 9/30/25	BOD Approved (6/11/2025)
Agreement	Chapman and Cutler LLP	Legal Services	NTE - \$175,000	8/12/2025 - 12/31/2025	BOD Approved (6/11/2025)
Amendment	CompassPoint Mentorship	Education Nonprofit Grant Agreement	No Changes to NTE	Extends term to 12/31/2026	Board Approved Grant Funding (10/9/2024)
Agreement	City of Sunnyvale	Member Agency Grant Program	NTE- \$100,000	8/12/2025-12/31/2027	Board Approved (3/2025 - Member Agency Competitive Grant Program)



Type	Consultant	Description	Compensation	Term	Authority
Agreement	KMVT15 Mountain View Community Television	Professional video production services	NTE - \$30,000	8/12/2025 - 7/31/2026	CEO Spending Authority
Agreement	Paytech	HRIS Implementation	NTE - \$18,000	8/11/2025 - 8/10/2026	CEO Spending Authority
Agreement	City of Morgan Hill	Standard Grant Agreement with Resources (Engagement)	NTE - \$100,000	8/14/2025 - 12/31/2027	BOD Delegated Authority (3/12/2025)
Agreement	Yett	Video Animation Services	NTE - \$200,000	8/1/2025- 7/31/2026	CEO Spending Authority
Agreement	Cool The Earth	Electric Vehicle Discount and Education Campaign	NTE - \$8,800	8/1/2025- 10/31/2025	CEO Spending Authority
Agreement	Richards, Watson & Gershon	Legal Services	NTE - \$215,000	10/1/2025- 9/30/2025	BOD Approved (8/13/2025)
Amendment	Maher Accountancy	Accounting and Audit Support Services	NTE - \$1,125,100	10/1/2025 - 9/30/2028	BOD Approved (8/13/2025)
Agreement	Pick My Solar Corp. dba Electrum	Concierge home electrification marketplace	NTE - \$67,465.75	8/26/2025- 9/30/2027	CEO Spending Authority
Agreement	City of Morgan Hill	Member Agency Grant Program Agreement	NTE - \$1,000,000	8/18/2025 - 12/31/2028	Board Approved (3/2025 - Member Agency Competitive Grant Program)
Agreement	Tenaska	Scheduling Coordinator Agreement	NTE - combined \$1,700,000	8/20/2025 - 12/31/2026	Board Approved (8/13/2025)
Agreement	Tenaska	Scheduling Agent and Energy Management Services	NTE - combined \$1,700,000	8/20/2025 - 12/31/2026	Board Approved (8/13/2025)
Agreement	EcoMetricx	Cloud Infrastructure Implementation Service	NTE - \$800,000	8/18/2025 - 8/17/2028	Board Approved (8/13/2025)
Agreement	Renew Home VPP, LLC	Renew Home Pilot Agreement	NTE - \$25,000	8/20/2025 - 12/31/2025	CEO Spending Authority
Amendment	Camus	Software as a Service	No change	Extends term to 9/30/2025	CEO Spending Authority

**Agenda Item: 2****Agenda Date: 9/10/2025**

Agreement	City of Sunnyvale	Member Agency Grant Program Agreement	NTE - \$1,000,000	9/2/2025 - 12/31/2028	BOD Approved (3/2025 - Member Agency Competitive Grant Program)
Amendment	City of Cupertino	Video Production Services	No change to NTE	No change to term	CEO Spending Authority
Amendment	San Jose Conservation Corps	Demonstration Home Trailer Transportation and Storage	\$10,000 added to NTE	Extends term to 10/31/2025	CEO Spending Authority


**Exhibit 2 - CEO Power Supply Agreements Executed Under Delegated Authority**

Counterparty Name	Execution/Effective Date	Transaction Type	Product	Start Date	End Date	Notional Value
Powerex	8/6/2025	Purchase	Resource Adequacy and Carbon-Free Energy	5/1/2026	10/31/2026	\$1,890,210
Shell Energy North America	8/11/2025	Purchase	Carbon-Free Energy	1/1/2028	12/31/2028	\$425,000
Morgan Stanley Capital Group	8/21/2025	Purchase	Hedge Energy	1/1/2026	12/31/2026	\$1,178,000
Clean Power SF	8/25/2025	Purchase	Resource Adequacy	7/1/2026	7/31/2026	\$400,000
Pacific Gas & Electric Company	8/26/2025	Purchase	Carbon-Free Energy	1/1/2026	12/31/2026	\$512,500
Constellation Energy Generation	8/29/2025	Purchase	Import Allocation Rights	6/1/2026	9/30/2026	\$57,600

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# CEO Report Clean Power Update

SVCE Board Meeting  
September 10, 2025





# California's Clean Energy Goals

SVCE's procurement targets are primarily driven by regulatory requirements and Board goals

## SB100

- 60% Renewable Energy by 2030
- 100% Carbon Free by 2045

## SB350

- 65% of Renewable Energy must be from Long-Term (10yr or more) contracts

## MTR

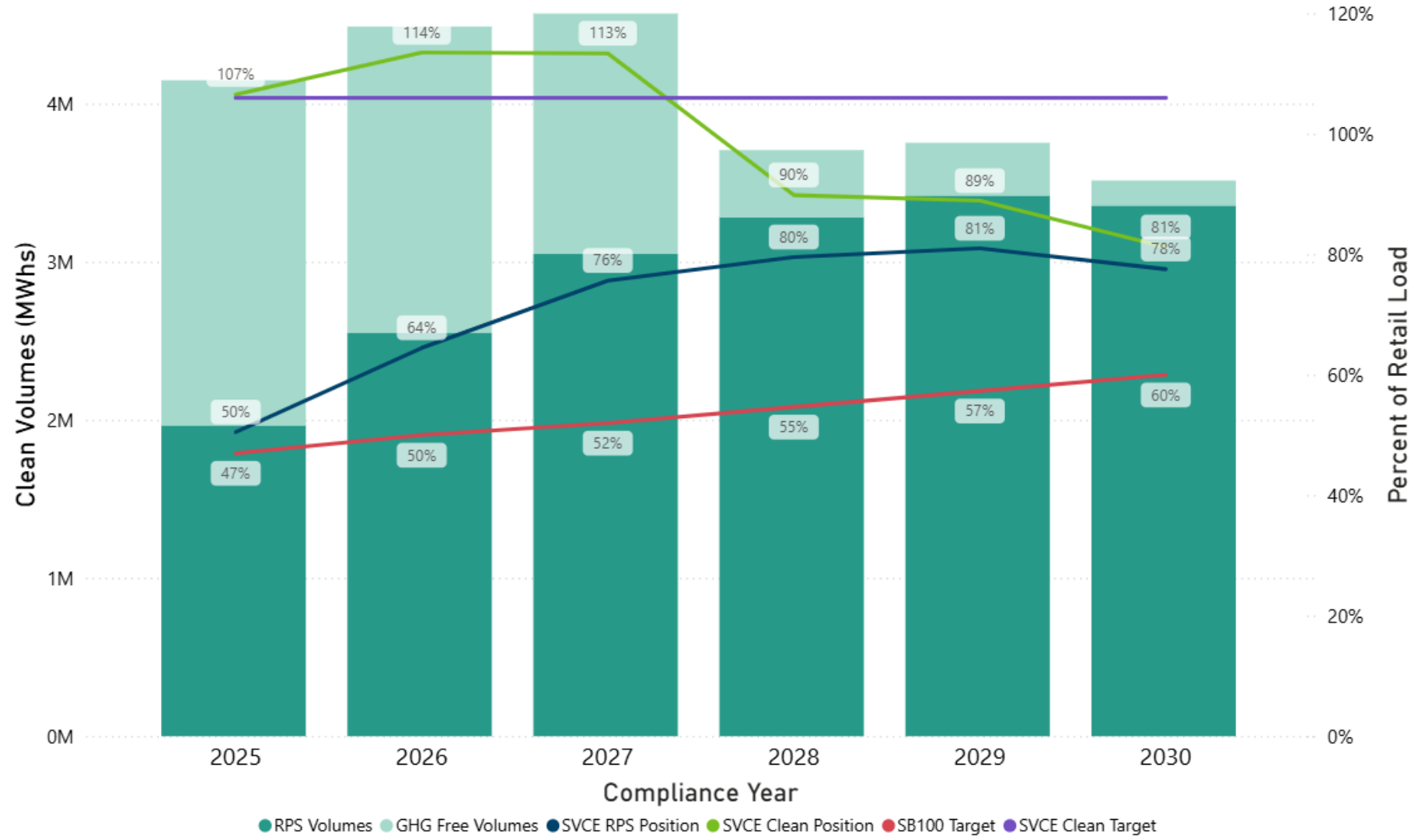
- Mid-Term Reliability
- Established by the CPUC to focus on securing sufficient online resources to meet expected demand in the coming few years

## SVCE BOD

- 100% Clean – annually, with line losses
- 75% Renewable by 2030
- 100% Renewable by 2035 (adopted late 2024)



# SVCE is On Track to Meet SB100 and Agency Goals for Clean and RPS...

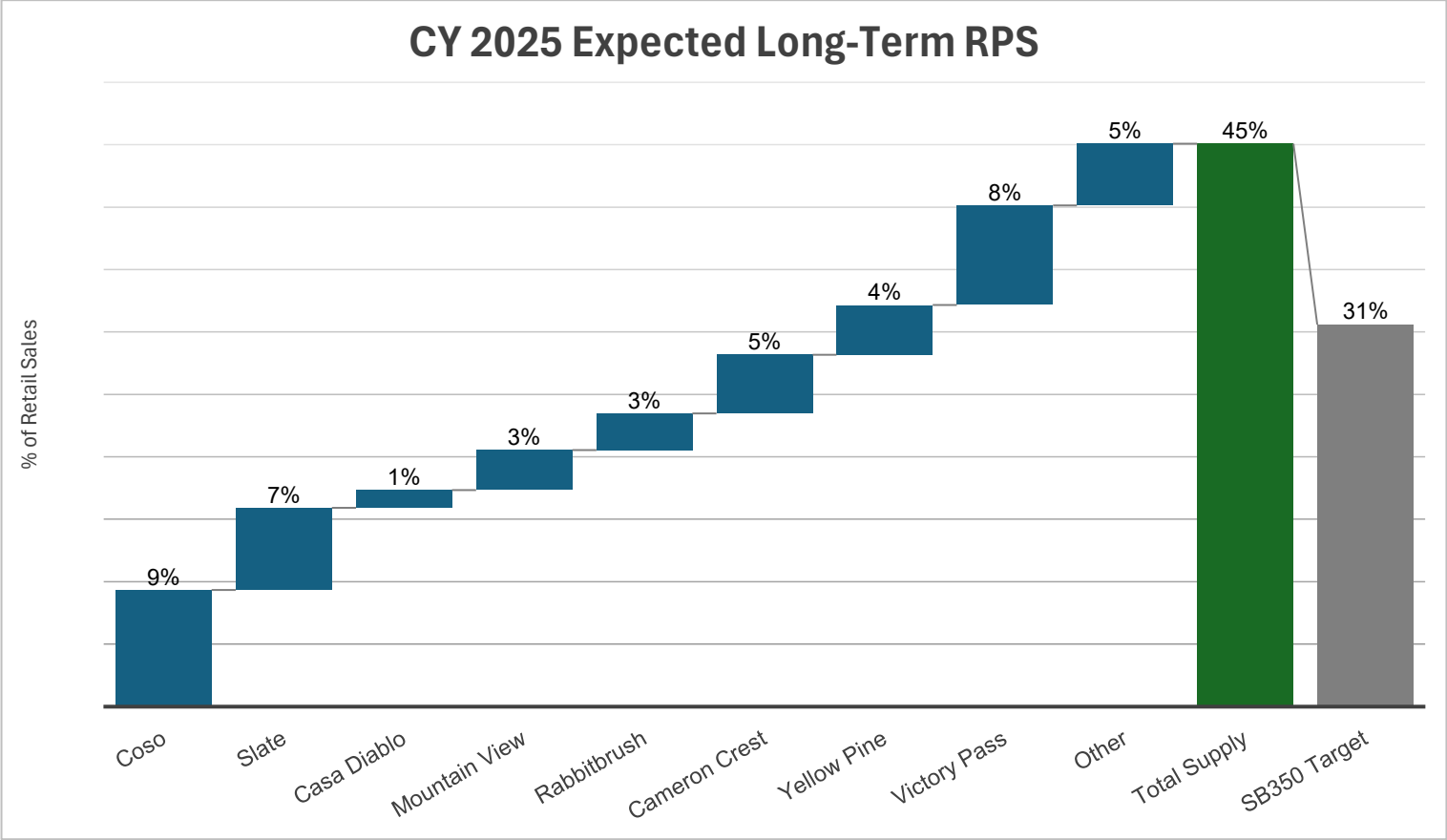






# And Making Significant Progress Toward Meeting Long-Term RPS Targets

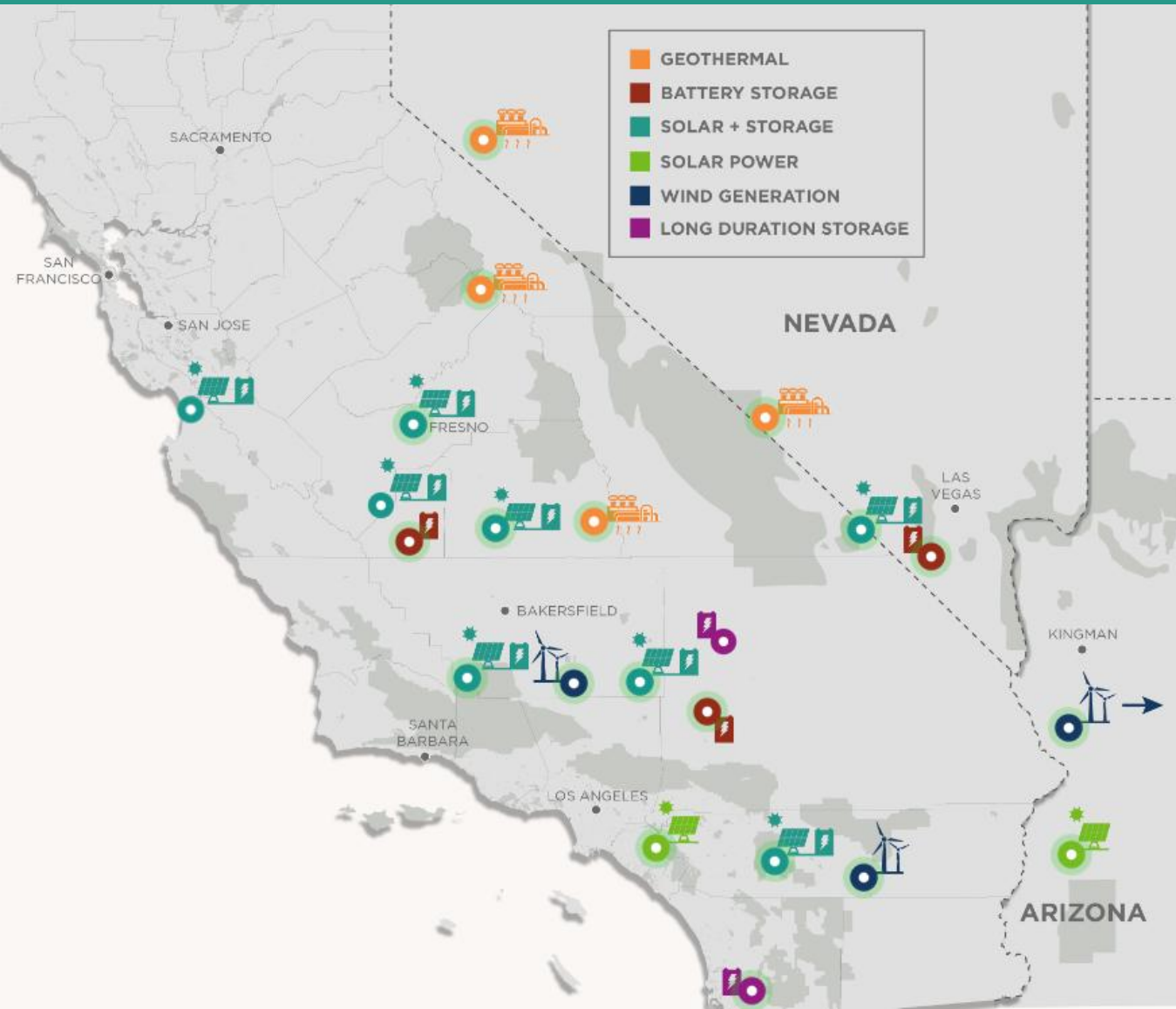
SB350 is a multi-year compliance period obligation, which has interim annual targets



- **Currently in Compliance Period 5: 2025-2027**



# Long-Term Power Purchase Agreements



- \$3.8B+ in commitments
- 24 PPAs signed
  - 21 new build projects
- 970 MW of Renewable Power
- 1,640 MWh of Battery Storage
- 10 Projects now delivering to SVCE:
  - COSO geothermal - January 2022
  - Slate Solar + Storage – January 2022
  - Casa Diablo geothermal – July 2022
  - Mountain View wind – July 2022
  - Rabbitbrush Solar + Storage – October 2022
  - Terra-Gen Wind – January 2023
  - Yellow Pine Solar + Storage – July 2023
  - Victory Pass Solar + Storage – March 2024
  - Baldy Mesa Storage (RA-only) – June 2024
  - Hanford BESS – August 2025

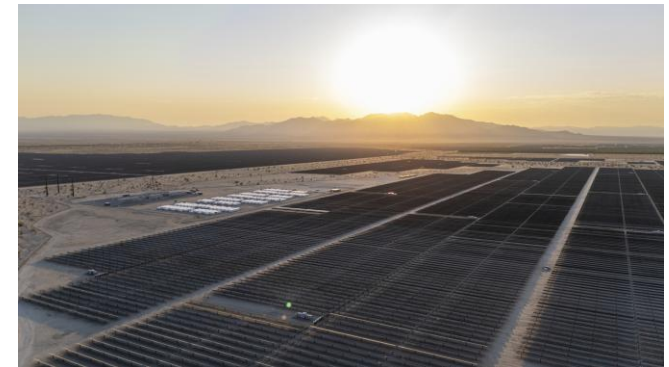


# Long-Term Contracts: Online

	Seller	Project Name	Technology	Generation MW	Storage MW	Storage MWh	Term (years)	SVCE Board Approval
1	MN8	Slate	Solar + Storage	93	46.5	186	17	Oct-18
2	Ormat	Casa Diablo	Geothermal	7			10	Feb-20
3	Atlantica	Coso	Geothermal	43.8			15	Mar-20
4	Leeward	Rabbitbrush	Solar + Storage	40	8	20	15	Apr-20
5	NextEra	Yellow Pine	Solar + Storage	50	26	104	20	May-20
6	AES	Mountain View	Wind	33.3			20	Apr-21
7	Clearway	Victory Pass	Solar + Storage	100	25	100	15	May-21
8	Terra-Gen	Cameron Crest	Wind	77.7			15	May-21
9	AES	Baldy Mesa (RA-only)	Storage	0	75	300	10	Sep-22
10	Middle River Power	Hanford	Thermal + BESS	99.4	131.4	131.4	12	Apr-23



Casa Diablo Geothermal



Victory Pass Solar + Storage



# Long-Term Contracts: In Development

	Seller	Project Name	Technology	Generation MW	Storage MW	Storage MWh	Term (years)	SVCE Board Approval	Status
1	Avantus	Aratina	Solar + Storage	80	50	200	20	Jun-20	Construction
2	SB Energy	Angela	Solar + Storage	20	10	40	15	Mar-21	Construction
3	Origis	San Luis West	Solar + Storage	62.5	15.625	62.5	15	Apr-21	Pre-construction
4	Rev Renewables	Tumbleed	Long Duration Storage		15.9375	127.5	15	Feb-22	Construction
5	Ormat	Geothermal Portfolio	Geothermal	16.75			20	Jun-22	Pre-construction
6	OME	Fish Lake	Geothermal	1.82			20	Jun-22	Pre-construction
8	NextEra	Grace	Solar	120			15	Aug-23	Pre-construction
9	NextEra	Yellow Pine III	Storage	0	24	96	15	Aug-23	Pre-construction
10	NextEra	Yellow Pine III	Long Duration Storage	0	9	72	15	Apr-25	Pre-construction
11	Pattern	SunZia	Wind	100			15	Nov-23	Construction
12	VCI Energy	Garden Green Solar	Solar + Storage	50	50	200	10	Oct-24	Pre-construction
13	Pattern	SunZia Wind South	Wind	17.54			10	May-25	Construction
14	Pattern	SunZia Wind North	Wind	7.46			10	May-25	Construction



SunZia Wind & Transmission



# Clean Energy Resources Online Progress

as of August 27, 2025

2025 – H2

- San Luis West Solar + Storage: *Pre-construction - delayed*

2026 – H1

- Tumbleweed LDS: *Construction mode*
- Aratina Solar + Storage: *Construction mode*

2026 – H2

- Fish Lake Geothermal: *Pre-construction*
- SunZia Wind and SunZia Wind North/South: *Construction mode*
- Angela Solar + Storage: *Construction mode*

2027+

- Grace Solar: *Pre-construction*
- Yellow Pine III Storage: *Pre-construction*
- Yellow Pine III LDS: *Pre-construction*
- Ormat Geothermal Portfolio: *Pre-construction*
- Garden Green Solar: *Pre-construction*



# THANK YOU!





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# SVCE Legislative and Regulatory Update

September 10, 2025



# Policy Updates

## Regulatory Update:

1. Demand Flexibility

## Legislative Update:

1. State Legislation
2. 2025 Legislative Calendar





# Regulatory Update



# Key Regulatory Activities

Activity	Purpose	Status
Demand Flexibility R.22-07-005	To advance demand flexibility through electric rates.	The California Public Utilities Commission adopted a decision with requirements for the investor owned utilities (Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company) to file proposals for a permanent demand flexibility rate, also known as real time pricing rate, in their General Rate Case applications. As part of the requirements, the investor owned utilities are required to coordinate with CCAs such as SVCE on the features of demand flexibility rates to foster customer understanding of demand flexibility rates and ensure that the rates conform with the California Energy Commission's Load Management Standards requirements, which both investor owned utilities and CCAs are subject to. The decision also closed the proceeding. There are several remaining issues, such as how the systems to support demand flexibility rates will be structured and who will maintain and pay for them, yet to be resolved. SVCE will continue to advocate in any future proceedings opened on these matters.





# Legislative Update



# SVCE Bill Positions

Bill Number	Summary	SVCE Position	Position Taken Under which Board-Adopted Legislative Platform Policy
SB 540 (Becker/Stern)	Allows the formation of a new Regional Organization to enable California to participate in energy markets with other western states.	Support	Clean, Reliable Grid
AB 306 (Schultz/Rivas)/AB 130	AB 306 language was amended into AB 130, a Budget Trailer Bill, and will provide a moratorium on state building codes and local reach codes from October 1, 2025 – June 1, 2031, with limited exemptions.	Concerns + amendment suggestions on AB 306 and an Oppose Unless Amended Position on AB 130	Climate Change Mitigation/Fuel Switching



# SVCE Bill Positions

Bill Number	Summary	SVCE Position	Position Taken Under which Board-Adopted Legislative Platform Policy
AB 825 (Petrie-Norris)	Assembly omnibus affordability bill that includes ratepayer programs oversight and reporting language.	Oppose Unless Amended	Competitive Equity/Do No Harm
SB 254 (Becker)	Senate omnibus affordability bill that includes public transmission financing, wildfire mitigation oversight, and local permitting assistance for renewable projects.	Support	Affordability and Rates



# Key 2025 State Legislative Milestones

- ~~• January 6 — Legislature Reconvenes~~
- ~~• February 21 — Last day for bills to be introduced~~
- ~~• May 2 — Last day for policy committees to hear fiscal bills~~
- ~~• May 23 — Last day for fiscal committees to hear bills introduced in that house~~
- ~~• June 6 — Last day for each house to pass bills introduced in that house~~
- ~~• June 15 — Budget bill must pass by midnight~~
- ~~• July 18 — Last day for policy committees to vote on bills~~
- ~~• August 29 — Last day for fiscal committees to vote on bills~~
- September 12 – Last day for each house to pass bills
- October 12 – Last day for Governor to sign bills



### Staff Report – Item 3

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**Item 3:            Approve the Ad Hoc Committee’s Proposed Operating Rules and Regulations (ORR) Amendments and Recommend Changes to the ORR via a Future Resolution**

To:                    Silicon Valley Clean Energy Board of Directors

From:                George Tyson, SVCE Board Chair, on behalf of the Ad Hoc Committee on Operating Rules and Regulations

Prepared by:        Andrea Pizano, Sr. Executive Assistant and Board Clerk

Date:                 9/10/2025

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#### **RECOMMENDATION**

The Ad Hoc Committee on Operating Rules and Regulations (ORR Committee) requests that the Silicon Valley Clean Energy (SVCE) Board of Directors (“Board”) approve proposed changes to SVCE’s Operating Rules and Regulations as provided for in Attachment 1.

#### **EXECUTIVE COMMITTEE RECOMMENDATION**

The Executive Committee met August 29, 2025 and considered the proposed amendments. Three areas of discussion were regarding the removal of the location, date and time of the regular meeting schedule from the Operating Rules and Regulations by staff, the proposal to create an annual Nominating Ad Hoc Committee, and the language regarding Removal of Officers.

Staff explained the removal of the location, time and cadence of regular meetings was due to having the regular meeting schedule set by Resolution before the start of every calendar year. In the event the regular meeting schedule needed to change (which has not happened), the schedule could be changed at one meeting with the adoption of a new resolution rather than needing two readings, and two meetings, to make changes to the Operating Rules and Regulations. Staff assured the Executive Committee there are no plans to change the regular meeting schedule from the second Wednesday of each month at 7:00 p.m., though the location may need to change from time to time. This schedule has remained consistent throughout SVCE’s existence. Special Meetings would be noticed in advance after polling availability of members if the meeting date or time needed to vary from the usual schedule.

The proposal to create an annual Nominating Ad Hoc Committee of the Board was discussed in great detail, as there were concerns that the process may be viewed as being politicized. The purpose of forming the Nominating Committee would be to standardize how the appointments for Chair, Vice Chair, and the Executive Committee (“Officers”) take place and allow for the suggested qualifications (ex: SVCE Board experience, meeting attendance, engagement, leadership, city size, etc.) to be reviewed. Nominations for Officers would continue to be permitted from the floor during meetings in which those appointments are agendaized.

There was also discussion regarding the language in the Removal of Officers section (Section 4), questioning if the cause for removal should be more specific. Generally, the group did not see a concern in leaving the language vague, as it has been that way since first adopted.

The Executive Committee voted unanimously to support the proposed amendments, and encouraged further discussion at the Board level.

**Agenda Item: 3****Agenda Date: 9/10/2025****BACKGROUND**

SVCE's ORR were first adopted in June 2016 as the Authority was in its infancy with the intent that they can be expanded as the board further addressed its operations and policies. Since then, the ORR has been amended numerous times with minor amendments, enhancements, and clarifications with the most recent amendment occurring in May 2023 to amend language that the Executive Committee membership can be up to six Board members.

In May 2025, the SVCE Board approved the formation of an Ad Hoc Committee to review SVCE's Operating Rules and Regulations to propose amendments for adoption by the Board of Directors. Membership included Board Chair George Tyson, Board Vice Chair Larry Klein, and Director Pat Showalter. The scope of the Committee included the following:

- Review SVCE's current ORR;
- Research neighboring CCA bylaws, best practices and operations;
- Identify potential amendments to the ORR;
- Combine with staff-recommended changes and jointly prepare a draft with staff;
- Present a recommendation to the Executive Committee and final to the Board for approval

**ANALYSIS & DISCUSSION**

Since the formation of the ORR Committee, members have met with other neighboring CCAs on best practices, worked with staff on suggested amendments, and met numerous times as a committee. As a result of the review, the following amendments are being suggested:

Suggested Administrative Amendments from Staff:

- Purposes section has been reworded to elaborate on SVCE's mission to provide clean energy for residents and businesses within SVCE's jurisdiction at a fair price;
- Meeting location details have been removed given the most recent need to change venues and the future location change to SVCE's new headquarters;
- Details added to the Finance and Administration Committee and Audit Committee purpose and scope; and
- Addition of parliamentary procedure followed (Rosenburg's Rules of Order).

Suggested Process Changes from Ad Hoc Committee and Staff (high-level):

- Creation of a Nominating Ad Hoc Committee, consisting of three Directors nominated by the Vice Chair to receive proposals for the roles of Officers including the Board Chair, Vice Chair and Executive Committee membership and to recommend candidates for those roles to the Board;
- Implementing randomized votes for any contested positions;
- Addition of Board of Directors Best Practices;
- Board Chair and Vice Chair would be offered automatic positions on the Executive Committee;
- Introduction of a removal process for committee members due to absences from three meetings in a 12-month period; and
- Minimum experience in serving on SVCE's Board for the role of Chair (two years experience), Vice Chair (one year experience), and Executive Committee (one year experience).

If supported by the Board, written notice of the full proposed changes would be sent at the end of September, and adoption of these changes would occur via resolution at the October 2025 Board meeting.

**STRATEGIC PLAN**

Reviewing and amending SVCE's Operating Rules and Regulations supports Goal 9 of SVCE's Strategic Plan to, "Implement industry best practices to enable data-driven decision making across the organization; enhance systems, standards and procedures to streamline business processes and improve operational effectiveness and reliability (aka SVCE 3.0)."



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**Agenda Item: 3****Agenda Date: 9/10/2025**

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**ALTERNATIVES**

The Board can propose alternative or additional amendments to the Operating Rules and Regulations.

**FISCAL IMPACT**

No anticipated fiscal impact as a result of amending the Operating Rules and Regulations.

**ATTACHMENT**

1. Proposed Amendments to SVCE's Operating Rules and Regulations (redline)

# SILICON VALLEY CLEAN ENERGY AUTHORITY

## OPERATING RULES AND REGULATIONS

### ARTICLE I

#### FORMATION

The Silicon Valley Clean Energy Authority (the “Authority”) was established on March 31, 2016 pursuant to the execution of the Silicon Valley Clean Energy Authority Joint Powers Agreement (the “Agreement”) by the County of Santa Clara, the Cities of Campbell, Cupertino, Gilroy, Los Altos, Monte Sereno, Morgan Hill, Mountain View, Saratoga and Sunnyvale and the Towns of Los Altos Hills and Los Gatos. [The City of Milpitas joined the Agreement on November 27, 2017.](#) The members of the Authority are referred to as Party or Parties in these Operating Rules and Regulations. As defined by the Agreement, these Operating Rules and Regulations consist of rules, regulations, policies, bylaws and procedures governing the operation of the Authority.

### ARTICLE II

#### PURPOSES

The Authority is formed to [provide clean energy for our communities at a fair price. This includes](#) study, promote, develop, conduct, operate, [procure energy resources and related products and services](#) and manage energy and energy-related climate change programs [for all residents and businesses within its jurisdiction](#), and to exercise all other powers necessary and incidental to accomplishing this purpose. These programs include but are not limited to the establishment of a Community Choice Aggregation Program known as Silicon Valley Clean Energy in accordance with the terms of the Agreement.

### ARTICLE III

#### NOMINATING COMMITTEE

[In December, the Vice Chair may designate three Directors to serve on an Ad-hoc Nominating Committee \(“Nominating Committee”\) to gather interest in serving as the Board Chair and Vice Chair or on the Executive Committee \(“Officers”\). Directors seeking to be selected for the positions of Chair, Vice Chair, and Executive Committee will submit their names to the Nominating Committee, along with any supporting documents they choose. The Nominating Committee shall consider qualifications such as meeting attendance, engagement, leadership, city size, geography, professional background and present a recommendation for appointments to the Executive Committee to the Board for consideration. The Nominating Committee shall consider it a best practice to recommend the Board Vice Chair to serve as the Chair of the Executive Committee. Final Nomination Committee recommendation for Chair, Vice Chair and Executive Committee shall be provided to the Board Clerk for consideration at the following January Board meeting. Additionally, nominations for Chair, Vice Chair, and Committees will also be permitted from the floor during the meetings in which those appointments are agendized.](#)

## ARTICLE ~~IV~~<sup>H</sup>

### BOARD OF DIRECTORS

Section 1. Appointment of Chair and Vice-Chair. The Board shall appoint from among themselves by majority vote a Chair and Vice-Chair. The Chair and Vice-Chair shall be appointed for one-year terms expiring at the annual meeting held in January of each year. In the event of a contested election for the Chair or Vice-Chair, Directors will vote in a randomized order, with randomization performed for each new vote. Minimum Board service shall be two years for Chair, and one year for Vice Chair. As provided by the Agreement, there are no limits on the number of terms that a Board member may serve as Chair or Vice-Chair.

Section 2. Appointment of Secretary and Treasurer. The Secretary and Treasurer shall be appointed by the Board for one-year terms expiring at the annual meeting held in January of each year.

Section 3. Extension of Term of Office. If for any reason, the appointment of a Board officer is not made in January of any year, such officer shall continue to serve in his or her position until an appointment is made at a meeting of the Board.

Section 4. Removal of Officers. An officer of the ~~B~~board shall be subject to removal as an ~~O~~fficer of the ~~B~~board or a Committee thereof at any time for any reason by a majority vote of the entire Board or the Committee respectively.

Section 5. Removal of Board Members for Cause. A Director may be removed by the Board or a Committee thereof for cause. Cause shall be defined for the purposes of this section as follows:

- a. For removal from the Board, Unexcused absences from three consecutive Board meetings. Board members shall make every effort to notify the Chair and/or Board Clerk no later than 24 hours prior to any regular meeting of ~~his/her~~their absence. The failure to give such notice shall be deemed an unexcused absence unless the failure to give timely notice was due to emergency circumstances.
- ~~a.b.~~b. For removal from a Committee, absences from three meetings of that Committee in a 12-month period regardless of whether they are excused or consecutive.
- ~~b.c.~~c. For removal from any governing body of the Agency, Unauthorized disclosure of confidential information or documents from a closed session or the unauthorized disclosure of information or documents provided to the Director on a confidential basis and whose public disclosure may be harmful to the interests of the Authority.
- d. For removal from any governing body of the Agency, Failure to comply with SVCE's Code of Ethics Policy.

Written notice shall be provided to the Director proposed for removal and the governing body that appointed such Director at least thirty days prior to the meeting at which the proposed removal will be considered by the Board. The notice shall state the grounds for removal, a brief summary of the supporting facts, and the date of the scheduled hearing on the removal. The Director proposed for removal shall be given an opportunity to be heard at the removal hearing and to submit any supporting oral or written evidence. A Director shall not be removed for cause from the Board unless two-thirds of all Directors on the Board (excluding the Director subject to removal) vote in favor of the removal. A simple majority of members of a Committee may remove another member of their Committee for cause (excluding the Director subject to removal).

Following any removal of a Director from the Board, their Alternate, may serve in their place until the governing body of the subject Director appoints a replacement. Following any removal of a Committee member, the Chair will work with the Board Clerk to agendize the appointment of a replacement Committee member by the Board of Directors at a regular or special meeting.

Section 6. Reimbursement of Expenses. Directors may be reimbursed for travel and meeting expenses in the same manner as Authority staff. The Chief Executive Officer ("CEO") shall be responsible for authorizing all Director reimbursements.

Section 7. Board of Directors Best Practices. The following best practices are provided to support the efficient and effective operation of the Board of Directors and the Authority:

- a. Directors and Alternates treat Authority staff, fellow Directors, and the public with respect and courtesy.
- b. Director and Alternate requests for information or support from the staff are directed to and managed by the CEO.
- c. The CEO will inform the Board Chair of any concerns with a Director's or Alternate's actions or requests.
- d. Directors and Alternates are well-prepared for meetings, taking care to review materials and develop a working understanding of the proposals ahead of the meeting. The CEO will be available to support Directors and Alternates with their preparation.
- e. Directors and Alternates communicate as early as possible, ideally two weeks prior to the meeting, regarding attendance at Board meetings. This includes arranging for and supporting the preparation of their Alternates to participate as substitutes and communicating any expected absences or, necessary alternative meeting locations (e.g. remote participation) to the Board Clerk.
- f. In appointing Directors and Alternates, member communities are encouraged to appoint their representatives to serve for consecutive years. This will help the Board of Directors retain expertise related to the highly technical nature of the Authority's work.

## ARTICLE IV

## COMMITTEES

Section 1. Establishment of Committees. The Executive Committee and all other Committees of the Board shall be selected as provided by Sections 4.6 and 4.7 of the Agreement. Each duly established Committee may establish any Standing or Ad Hoc Committees determined to be appropriate or necessary. The duties and authority of all Committees shall be subject to the approval and direction of the Board. The term of office for each Committee established by the Board shall be one year. Directors serving as Committee Chairs are expected to attend a high percentage of planned meetings in person.

The Executive Committee members shall be appointed at the annual meeting in January in accordance with Section 2 with all other standing Committee members appointed in February. In the event of a contested election for Committee appointments, Directors will vote in a randomized order, with randomization performed for each new vote. There are no limits on the number of terms that a Director may serve on a Committee. If for any reason, the appointment of standing Committee members is not made at either the January or February meeting of the Board in any year as provided above, such Committee members shall continue to serve in their positions until an appointment is made at a meeting of the Board. An alternate Director may not attend a Committee meeting on behalf of an absent regular Director. Except for the Executive Committee, alternate Directors may be appointed by the Board to Committees. However, for each Committee, not more than one Committee member shall represent a particular member agency.

Section 2. Executive Committee. There shall be an Executive Committee consisting of up to six Board members. The Board Chair and Vice Chair shall be offered membership- on the Executive Committee. Minimum Board service prior to serving on the Executive Committee shall be one year, except when there are fewer than five qualified and willing Directors. The duties of the Executive Committee shall be to review and provide advice to the Chief Executive Officer and the entire Board on policy, operational and organizational matters and perform such other responsibilities, tasks or activities as delegated to it by the Board.

### Section 3. Finance and Administration Committee.

The Board of Directors appoints the Finance and Administration Committee to primarily provide financial oversight for SVCE and recommend to the Board the approval of budgets, financial plans, reserve policies and certain financial, accounting, internal controls and accountability, administrative and information technology related policies and plans, monitoring adherence to the budget, and present financial reports to the Board of Director. Specific task areas will include budgeting and financial planning, financial reporting and the creation and monitoring of internal controls and accounting policies and investments.

The Finance and Administration Committee shall consist of no fewer than three members and no greater than six members, appointed annually by the Board of Directors. Eligible Members shall be Board members, Alternate Board members, and Member Agency Staff. Committee Membership shall prohibit the appointment of Alternate Finance and Administration Committee Members. No more than one eligible Committee Member shall represent their respective

Member Agency. The Finance and Administration Committee shall designate a chairperson. It is a best practice for new Directors to serve on the Finance and Administration Committee.

The Finance and Administration Committee shall meet no fewer than three times per year. The Finance and Administration Committee will be a Brown-Acted meeting.

#### Section 4. Audit Committee.

The Board of Directors appoints the Audit Committee to, among other things, select an independent auditor, oversee and review the accounting and financial reporting process and the audit of the Agency's financial statements by the independent auditor, recommend the results of the audit for approval by the Board of Directors, and review the annual report for consistency with the audited financial statements; and monitor compliance with SVCE's Conflict of Interest Code. Each member shall be free of any relationship that, in the opinion of the Board of Directors, would interfere with his or her individual exercise of independent judgement.

The Audit Committee shall consist of no fewer than three members and no greater than six members, appointed annually by the Board of Directors. Eligible Members shall be Board members, Alternate Board members, and Member Agency Staff. Committee Membership shall prohibit the appointment of Alternate Audit Committee Members. No more than one eligible Audit Committee Member shall represent their respective Member Agency. The Audit Committee shall designate the chairperson.

The Audit Committee shall meet as often as it determines necessary or appropriate to fulfill its responsibilities, but no fewer than twice annually – once to review the audit plan and once to review the audited financials, and related documents, and to review the audit engagement, special investigations, financial irregularities and internal control failures. The Audit Committee will be a Brown-Acted meeting.

The Audit Committee is not responsible for planning or conducting audits. The independent auditor is responsible for planning and conducting audits. Neither is the Audit Committee responsible for preparing and presenting SVCE's financial statements in accordance with generally accepted accounting principles; maintaining effective internal control over financial reporting; nor ensuring SVCE is in compliance with applicable laws, regulations, and other requirements. These are responsibilities of the Authority, and the independent auditor and the Audit Committee have independent and complementary oversight responsibilities for determining that the related objectives of management's responsibilities, as described, are achieved.

## **ARTICLE VI**

### **MEETINGS**

Section 1. Regular Meetings. The regular meetings of the Board of Directors of Authority shall be ~~fixed by resolution or ordinance of the Board held on the second Wednesday of each month at the hour of 7 p.m. at the Cupertino Community Hall, located at 10350 Torre Avenue, in Cupertino, California.~~ In the event that ~~the regular meeting location Cupertino Community Hall~~ is not available for a regular or adjourned regular meeting, the Chair of the Board may designate an alternative meeting place within the jurisdiction of the Authority after consultation with the ~~Chief Executive Officer~~CEO and Board Clerk on available meeting locations.

Section 2. Special Meetings. Special meetings of the Board may be called at any time and may be held in any location within the jurisdiction of the Authority as provided by the notice for the special meeting.

Section 3. Annual Meeting. The Board shall hold an annual meeting in January of each year at which time it will appoint Board officers and Executive Committee members.

Section 4. Open Meeting Requirements. The meetings of the Board, the Executive Committee and all other committees established by the Board shall be governed by the provisions of the Ralph M. Brown Act (Government Code Section 54950 et seq.). The Authority will follow Rosenberg's Rules of Order for parliamentary procedure.

Section 5. Chair and Vice Chair Vacancies. At any meeting of the Board or a committee where the Chair and Vice Chair are not present, the previous Chair of that body will serve as Interim Chair. If that person is not present, the longest serving member of that body will serve as Interim Chair. If it is a new committee, members will draw lots to determine who will serve as Interim Chair.

## ARTICLE VII

### AMENDMENTS

These Operating Rules and Regulations may be amended by a majority vote of the full membership of the Board but only after such amendment has been proposed at a regular meeting and acted upon at the next or later regular meeting of the Board for final adoption. The proposed amendment shall not be finally acted upon unless each member of the Board has received written notice of the amendment at least 10 days prior to the date of the meeting at which final action on the amendment is to be taken. The notice shall include the full text of the proposed amendment.



## Staff Report – Item 4

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### **Item 4: Adopt the Fiscal Year 2025-26 Recommended Operating Budget, and the Recommendation to Maintain the Current Financial Reserves Targets and Policy**

From: Monica Padilla, CEO

Prepared by: Amrit Singh, CFO  
 Scott Wrigglesworth, Director of Risk and Analytics  
 Karen Chang, Manager of Finance

Date: 9/10/2025

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### **RECOMMENDATION**

Staff recommends that the Silicon Valley Clean Energy (SVCE) Board of Directors ("Board") adopt Resolution 2025-20 approving the fiscal year (FY) 2025-26 Recommended Operating Budget ("Recommended Budget", Attachment 1), which includes, at a high level, the following:

1. Withdraws \$40.1 million from the reserves
2. Maintains an average of four percent (4%) customer discount to comparable PG&E rates through December 2025 and reduces it to one percent (1%) in January 2026
3. Continues to provide additional monthly dollar bill credit to California Alternate Rates for Energy<sup>1</sup> (CARE) and Family Electric Rate Assistance (FERA)<sup>2</sup> customers, which in the aggregate is equivalent to a one percent (1%) discount for all customers
4. Proposes no changes to the current financial reserves targets and policy (Attachment 2)

### **FINANCE AND ADMINISTRATION COMMITTEE AND BOARD REVIEW**

At the June 2, 2025, Finance and Administration Committee ("Committee") meeting, staff presented the methodology, framework, and key assumptions for developing the Recommended Budget. At the same Committee meeting and the Board of Directors' ("Board") June 11, 2025 meeting, staff also provided and discussed the stress test analysis (materials can be found here: [SVCE Board of Directors Meeting June 11, 2025 – Item 4](#)) that provided an assessment of the agency's risks, which staff uses in developing the budget, managing the reserve levels, and proposing any changes to the financial reserves targets and policy.

Staff presented the Recommended Budget to the Finance and Administration Committee on August 4, 2025. After reviewing and discussing the Recommended budget, reserve levels, and the current reserve policy with

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<sup>1</sup> Eligible low-income customers who are enrolled in the CARE program receive a 30-35% discount (not including additional SVCE discount and bill credits) on their total electric bills and a 20% discount on their natural gas bills. Eligible customers are those whose total household income is at or below certain income limits that vary depending on household size. For example, the income limit for households of 4 is \$64,300.

<sup>2</sup> The FERA program offers an 18% discount (not including additional SVCE discount and bill credits) on customers' total electricity bills if the household income slightly exceeds the CARE allowances. For example, the income limit for households of 4 is \$80,375.



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staff, the Committee voted unanimously to recommend that the Board of Directors approve the staff's Recommended Budget and maintain the current reserve policy.

At the August 13th, 2025, Board meeting, staff presented the Recommended Budget and the proposal to maintain the current reserves targets and policy. During the meeting, staff responded to the board members' questions about the proposed budget. One of these questions was about the impact on the budget from offering a 4% discount instead of a 1% discount to customers from October 2025 to December 2025. Staff responded that the variance would be small and recommended not introducing another rate change in the middle of the fiscal year. In this report's Analysis & Discussion section, staff has calculated the impact and provides additional information on the recommendation to maintain the proposed 4% discount during this period. The Board did not suggest any changes to the budget, and the Recommended Budget presented in this report remains the same as that presented at the August Board Meeting.

**BACKGROUND**

SVCE's fiscal year 2025-2026 begins on October 1, 2025, and ends on September 30, 2026. To prepare the budget for adoption in September, SVCE's planning and budgeting process started earlier in the year with the Finance and Administration Committee's review of staff's proposed financial stress tests at its February 26, 2025, meeting. Staff presented stress test analyses to the Committee and the Board in June 2025. Before developing the budget, Staff also discussed the framework for developing it with the Committee at its June 2, 2025, meeting. In line with SVCE's Budget, Adoption, Control, and Reporting policy, which requires presenting the Recommended Budget two months before the fiscal year ends, staff submitted the proposed budget to the Committee and the Board in August 2025.

**ANALYSIS & DISCUSSION**

The FY 26 Recommended Budget is balanced and presents SVCE in a stable financial condition.

Since the recommended budget remains unchanged from what was presented at the August Board meeting, this report highlights its main points. The detailed staff report from that meeting is available here: [August 13, 2025 Board of Directors Meeting, Item 6](#), and the accompanying presentation can also be accessed here: [August 13, 2025 Board of Directors Meeting Presentations, Item 6](#). All previously provided attachments have been reattached to this report for reference.

In line with discussions at the June Board meeting, when staff reviewed the risks to SVCE's financial outlook as part of the stress test analyses, the recommended budget, along with the 5-year outlook (Attachment 3), projects negative margins. The FY 2025-26 is expected to contribute negatively to reserves by \$40.1 million, mainly due to lower revenues from anticipated increases in Power Charge Indifference Adjustment<sup>3</sup> (PCIA) and decreases in PG&E generation rates. These outcomes are highly uncertain and depend on the market price benchmarks (MPBs) issued by the California Public Utilities Commission (CPUC) in the fall.

Staff recommends, as in previous years, adjusting the budget along with customer rates in December 2025 when there is greater certainty about next year's PCIA and PG&E generation rates, especially after the CPUC publishes the MPBs. Staff does not recommend any significant operational changes at this time. SVCE has built reserves to manage risks such as market outcomes that could significantly lower SVCE's margins, which now seem more likely. These reserves position SVCE in a stable financial state and allow the agency to take careful and strategic actions in response to market changes before making major operational adjustments. Staff has begun analyzing financial options that SVCE can implement and expects to present these to the Board at the December 2025 meeting.

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<sup>3</sup> [Public Utility Code Sections 366.1](#) and [366.2](#) require the CPUC to make sure that customers leaving PG&E do not burden remaining PG&E customers with costs that were incurred to serve them. To ensure customer indifference, CCAs and Direct Access or departing load customers are required to pay a power charge indifference adjustment (PCIA).

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Operating expense increases, excluding power supply costs, are relatively small, totaling approximately \$4 million compared to the previous fiscal year's operating budget. These increases mainly stem from updated vendor fees and anticipated legal expenses, including a 3% cost-of-living adjustment for personnel costs, with no additional staffing increases. From the previous fiscal year's operating budget, power supply expenses increased slightly by about \$19 million, mainly from portfolio changes and higher energy costs.

At the August 2025 Board meeting, staff was asked about the budget impact of offering a 4% discount instead of 1% to customers from October 2025 to December 2025. At that time, staff did not have the dollar amount, responded that the variance would be small, and recommended not implementing a rate change in the middle of the fiscal year. The difference between offering a 4% versus a 1% discount during this period is approximately \$4 million. Staff recommends that SVCE change rates in January, when customers' PCIA rates change along with PG&E generation rates, to stay aligned with the message communicated to our customers based on the Board's adoption of the mid-year budget in March 2025. At this meeting, the Board reviewed the projected declines and changes in SVCE's margins and reserves over the five-year outlook. Despite this overall negative outlook, the Board authorized an increase in the average customer discount from 4% to 10% in 2025, which included the expected \$33<sup>4</sup> million in aggregate one-time bill credits to offset customers' August 2025 usage, along with the overall 4% discount for the year. In making this decision, the Board balanced several objectives and goals, including customer affordability, SVCE reserve levels, and financial projections. The Board also noted that customers needed more immediate rate relief given the higher rates in 2025 compared to future years when customer generation rates are expected to decline.

**STRATEGIC PLAN**

The recommendation supports all of the Board's adopted strategic plan goals. Specifically, this budget update supports SVCE Strategic Plan Goal 6 – Maintain healthy financial position; avoid failures in the management of market risk, credit risk, liquidity risk, operational risks, and enterprise risks.”

**ALTERNATIVE**

Staff is open to feedback and suggestions from the Board. At a strategic level, the Board can change the discount to PG&E, reduce the power supply portfolio's carbon-free and/or renewable percentages, and cut the expenditure on the Decarbonization Programs.

Staff does not recommend any specific reductions given a sufficient projected reserve balance that maintains SVCE's stable financial condition.

**FISCAL IMPACT**

The FY 2025-26 Operating Budget includes \$358.4 million in revenues and \$398.5 million in expenses, non-operating revenues, and transfers, reducing reserves by \$40.1 million.

**ATTACHMENT**

1. FY 2025-26 Recommended Operating Budget
2. Financial Reserves Policy
3. Recommended 5-year Financial Forecast
4. FY 2025-2026 Recommended Salary Table
5. FY 2025-2026 Recommended Organization Chart
6. FY 2025-2026 Benefits Table
7. Capital Projects Report
8. Resolution 2025-20, Adopting the FY 2025-26 Operating Budget

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<sup>4</sup> The budgeted amount of the bill credits was \$35 million to account for the fluctuations in customer accounts after the per-account credit was set.

**SILICON VALLEY CLEAN ENERGY**  
**FY25-26 OPERATING BUDGET**  
(\$ in thousands)

DESCRIPTION	FY 2024-25 MID-YEAR ADJUSTED BUDGET	FY25-26 ANNUAL BUDGET	Change	
			\$	%
<b>ENERGY REVENUES</b>				
Energy Sales	521,650	360,057	(161,593)	-31.0%
Green Prime	1,884	2,469	585	31.1%
Customer Bill Relief (Existing CARE/FERA)	0	(4,110)	(4,110)	0.0%
Other Income	0	0	0	0.0%
<b>TOTAL ENERGY REVENUES</b>	<b><u>523,534</u></b>	<b><u>358,416</u></b>	<b><u>(165,118)</u></b>	<b><u>-31.5%</u></b>
<b>ENERGY EXPENSES</b>				
Power Supply	349,478	368,896	19,418	5.6%
<b>OPERATING MARGIN</b>	<b><u>174,056</u></b>	<b><u>(10,480)</u></b>	<b><u>(184,536)</u></b>	<b><u>-106.0%</u></b>
<b>OPERATING EXPENSES</b>				
Data Management	3,549	3,764	215	6.0%
PG&E Fees	1,516	1,569	52	3.4%
Salaries and Retirement	18,805	18,870	66	0.3%
Professional Services	7,797	10,902	3,105	39.8%
Marketing & Promotions	1,885	2,347	462	24.5%
General & Administrative	5,733	5,742	9	0.2%
<b>TOTAL OPERATING EXPENSES</b>	<b><u>39,284</u></b>	<b><u>43,193</u></b>	<b><u>3,909</u></b>	<b><u>9.9%</u></b>
<b>OPERATING INCOME (LOSS)</b>	<b><u>134,771</u></b>	<b><u>(53,673)</u></b>	<b><u>(188,445)</u></b>	<b><u>-139.8%</u></b>
<b>NON-OPERATING REVENUES</b>				
Interest Income	19,756	21,413	1,657	8.4%
<b>TOTAL NON-OPERATING REVENUES</b>	<b><u>19,756</u></b>	<b><u>21,413</u></b>	<b><u>1,657</u></b>	<b><u>8.4%</u></b>
<b>NON-OPERATING EXPENSES</b>				
Financing	12	29	16	129.4%
<b>TOTAL NON-OPERATING EXPENSES</b>	<b><u>12</u></b>	<b><u>29</u></b>	<b><u>16</u></b>	<b><u>129.4%</u></b>
<b>TOTAL NON-OPERATING INCOME (EXPENSES)</b>	<b><u>19,743</u></b>	<b><u>21,384</u></b>	<b><u>1,641</u></b>	<b><u>8.3%</u></b>
<b>CHANGE IN NET POSITION</b>	<b><u>154,515</u></b>	<b><u>(32,289)</u></b>	<b><u>(186,803)</u></b>	<b><u>-120.9%</u></b>
<b>CAPITAL EXPENDITURES, INTERFUND TRANSFERS &amp; OTHER</b>				
Capital Outlay	50	512	462	924.0%
Program Fund	10,530	7,251	(3,279)	-31.1%
Nuclear Allocation	3,708	0	(3,708)	-100.0%
Customer Bill Relief (Existing CARE/FERA)	5,370	0	(5,370)	-100.0%
Additional One-Time Bill Credit for All Customers	35,000	0	(35,000)	-100.0%
Hanford Emissions Mitigation Fund	1,800	0	(1,800)	-100.0%
Other	0	0	0	0.0%
<b>TOTAL CAPITAL EXPENDITURES, INTERFUND TRANSFERS &amp; OTHER</b>	<b><u>56,458</u></b>	<b><u>7,763</u></b>	<b><u>(48,695)</u></b>	<b><u>-86.2%</u></b>
<b>BALANCE AVAILABLE FOR RESERVES</b>	<b><u>98,057</u></b>	<b><u>(40,052)</u></b>	<b><u>(138,109)</u></b>	<b><u>-140.8%</u></b>



## **Finance Policy 9: Financial Reserves**

### **I. Purpose**

This Reserve Policy outlines the appropriate types and levels (minimum, goal, and maximum) of financial reserves as prescribed in the following policy. The primary reason for a reserve policy is to be prepared for contingencies, but other reasons also exist. Seven important purposes of a reserve policy are as follow:

- Plan for contingencies. To maintain sufficient reserves to minimize rate increase due to market volatility (power supply shocks or maintain rate competitiveness), weather impacts on demands, economic downturns, emergencies (such as natural disasters), and regulatory changes.
- Maintain good standing with rating agencies. By maintaining sufficient reserves, SVCE can preserve good credit ratings, allowing it to secure power at lower costs, that is, without posting credit enhancements, in the energy markets.
- Avoid interest expense. To avoid interest expense to cover short-term cash shortfalls by having sufficient reserves to use for this purpose, rather than debt.
- Ensure cash availability when revenue is unavailable. To bridge times of the year that normally see temporary low levels of cash.
- Plan for anticipated future rate increases by gradually raising those rates, using reserves to cushion the full impact on customers over an extended time period. For example, if it is expected that rates are highly likely to increase in 3 to 5 years, higher reserves on hand can cushion those rate increases over a more gradual timeframe by drawing down on the accumulated funds that may be in excess of the reserves' goal.
- Manage the risks identified in the Energy Risk Management Policy, which are:
  - Market price risk,
  - Net revenue risk,
  - Counterparty credit and performance risk,
  - Load and generation volumetric risk,
  - Operational risk,



- Liquidity risk, and
  - Regulatory/legislative risk.
- Establish clear expectations between the Board of Directors and staff. A formal reserve policy creates a shared understanding of the proper level and use of reserves.

## II. Policy

A. Financial reserves shall be set aside as follows:

The Reserve targets cover the operations of SVCE over a number of days in the event of emergencies or other significant unforeseen events. Three levels are defined, with the first being baseline. Given the purposes stated above, the Reserve shall be maintained at no less than the minimum described below. The operating reserve level described below is recommended as the goal. The Maximum reserve level described below would provide solid reserves for significant fluctuations in revenue or unforeseen circumstances. The Board shall review its reserve levels annually in context of SVCE's overall financial condition of the agency, as well as due to changes to the industry and/or risk factors as described in periodic review of targets below.

- **Minimum Operating Reserve (baseline)** shall be the minimum maintained to cover 120 days of operations of the annual operating budget;
- **An Operating Reserve** goal of covering 350 days of operations of the annual operating budget;
- **Maximum Operating Reserve** to cover 500 days of operations of the annual operating budget.



## B. Conditions for Use of Reserves

- For purposes of this policy, use of reserves is defined as a projected or estimated<sup>1</sup> reduction in reserves by fiscal year-end. A temporary reduction in cash consistent with the expected peaks or dips in revenues and expenditures are normal cyclical occurrences to be expected during the fiscal year, and do not constitute a use of reserves.
- The reserves may be drawn down upon by the CEO during the year, up to the lesser of 10% of the year's budgeted cost of power supply, or \$30 million, to:
  - Cover increases in power supply expenses due to spikes in costs and/or due to higher customer demand;
  - Provide necessary funds to make up for unanticipated revenue shortfalls;
  - Meet any margin or collateral posting requirements under energy supply contracts; and,
  - Provide resources to meet emergency expenditures.
- If further use of reserves are needed to manage the operations of the organization, or if the use of reserves would bring the balance below the Minimum Operating Reserve baseline, the CEO must present recommendations to the Board and the Board must authorize any such use.

## C. Replenishment of Reserves

- Should SVCE drawdown reserves below the Minimum Operating Reserve level, SVCE will consider plans to return reserves to their minimum targets within two (2) fiscal years. Such plans will be provided in subsequent budget and rate discussions with the Board.

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<sup>1</sup> It is not practical to wait the formal fiscal year end closing of the accounting records to determine if the reserves have been "used". Therefore, it is appropriate for staff to estimate reserve levels, with the important amount being what is estimated for fiscal year end.



#### D. Excess Reserves

- If reserve funds are projected to exceed the maximum level, the CEO shall present options for consideration by the Board of Directors for proper disposition of those reserves during the next budget cycle. In computing excess reserves, the reserve balance will be reduced for earmarked funds or allocated but unspent funds.

#### E. Reserves between Minimum and Maximum

- To the extent that reserves are above target and below the maximum, no other action by SVCE would be required.

#### F. Periodic Review of Reserve Goals

- Reserve goals shall be periodically reviewed for consistency with industry standards. If significant risk factors are eliminated or significant new risks emerge as a result of changes in the industry, legislation, or economic conditions, the basis of the reserve policy shall be reviewed, and the funding level shall be adjusted accordingly. Unless the Reserves are approaching minimum levels, formal Reserve funding discussions with the Board may await the next budget process.

#### G. Reporting

- Reserve levels will be monitored during the fiscal year and reported in the quarterly financial reports. Reserve target levels (minimum and maximum) will be analyzed annually, and over/under reserve determination shall be made in conjunction with year-end financial results. These results will be reported to the Board of Directors as part of the year-end financial report presentation.

(\$ in Thousands)					
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Operating Revenue	(Forecast)	(Forecast)	(Forecast)	(Forecast)	(Forecast)
Electricity Sales, Net <sup>1</sup>	\$360,057	\$344,870	\$373,562	\$385,869	\$399,386
GreenPrime Electricity Premium	\$2,469	\$2,510	\$2,336	\$2,309	\$2,361
Reduction in Revenue	\$(4,110)	\$0	\$0	\$0	\$0
Other Income	\$0	\$0	\$0	\$0	\$0
<b>Total Operating Revenues</b>	<b>\$358,416</b>	<b>\$347,380</b>	<b>\$375,898</b>	<b>\$388,178</b>	<b>\$401,747</b>
Operating Expense					
Power Supply	\$368,896	\$377,056	\$390,399	\$389,754	\$409,179
<b>Operating Margin</b>	<b>\$(10,480)</b>	<b>\$(29,676)</b>	<b>\$(14,501)</b>	<b>\$(1,576)</b>	<b>\$(7,432)</b>
Data Management	\$3,764	\$3,952	\$4,149	\$4,357	\$4,575
PG&E Service Fees	\$1,569	\$1,647	\$1,729	\$1,816	\$1,907
Salaries and Retirement	\$18,870	\$19,814	\$20,805	\$21,845	\$22,937
Professional Services	\$10,902	\$11,447	\$12,019	\$12,620	\$13,251
Marketing & Promotions	\$2,347	\$2,464	\$2,587	\$2,717	\$2,852
General and Administration	\$5,742	\$5,526	\$5,803	\$6,093	\$6,397
Transfers to Programs Fund	\$7,251	\$6,948	\$7,518	\$7,764	\$8,035
<b>Total Operating Expenses</b>	<b>\$419,340</b>	<b>\$428,854</b>	<b>\$445,009</b>	<b>\$446,965</b>	<b>\$469,134</b>
<b>Operating Income</b>	<b>\$(60,924)</b>	<b>\$(81,475)</b>	<b>\$(69,111)</b>	<b>\$(58,787)</b>	<b>\$(67,387)</b>
Nonoperating Revenue					
Investment Income	\$21,413	\$16,236	\$11,990	\$10,449	\$8,184
Grant Income	\$0	\$0	\$0	\$0	\$0
<b>Total Non-Operating Revenues</b>	<b>\$21,413</b>	<b>\$16,236</b>	<b>\$11,990</b>	<b>\$10,449</b>	<b>\$8,184</b>
Nonoperating Expense					
Financing Cost	\$29	\$29	\$29	\$29	\$29
Capital Outlay	\$512	\$50	\$50	\$50	\$50
<b>Total Non-Operating Expense</b>	<b>\$541</b>	<b>\$79</b>	<b>\$79</b>	<b>\$79</b>	<b>\$79</b>
<b>Non-Operating Income</b>	<b>\$20,872</b>	<b>\$16,157</b>	<b>\$11,911</b>	<b>\$10,371</b>	<b>\$8,106</b>
Change in Net Position/Available for Reserves					
Begin, Net Financial Position	\$593,981	\$523,874	\$434,778	\$360,355	\$296,351
Adjustment for Program Expenditure and Building Fund <sup>2</sup>	\$(30,055)	\$(23,779)	\$(17,224)	\$(15,588)	\$(16,196)
End, Net Financial Position	\$523,874	\$434,778	\$360,355	\$296,351	\$220,873
<p>1. Assumptions: 4% overall discount relative to comparable PG&amp;E rates for calendar year 2025. FY 25-26 includes additional bill credit to low income customers totaling \$4.1 million. 1% discount for 2026-2030.</p> <p>2. Each year the Board transfers funds from the Operating Budget to the Decarbonization Programs Fund as shown in the above forecast under line item Transfers to Programs Fund. The line item Adjustment for Program Expenditure accounts for the difference between forecasted spend for programs versus the amount transferred to the fund. This adjustment is needed because program spending to date has been less than the amount transferred to the programs fund. The \$20 million in building Fund is assumed to be spent between FY24-25 and FY25-26.</p>					
<b>Days Cash On Hand (DCOH) at Year End</b>	<b>\$494,189</b>	<b>\$405,094</b>	<b>\$330,670</b>	<b>\$266,666</b>	<b>\$191,188</b>
Days of cash on hand	430	345	271	218	149



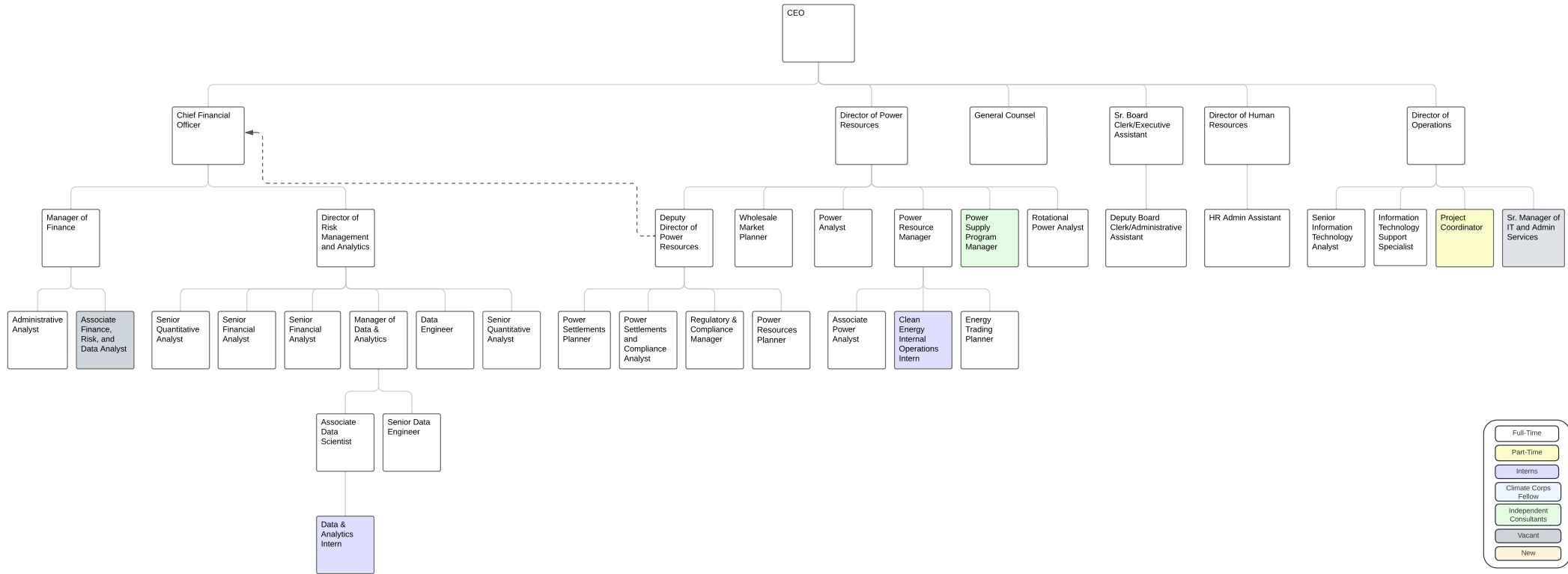
FY25-26 Salary Chart		
Title	Minimum Salary (Annual \$)	Maximum Salary (Annual \$)
Administrative Analyst	\$ 108,355	\$ 185,595
Administrative Assistant	\$ 72,236	\$ 114,648
Associate Data Analyst	\$ 108,355	\$ 170,171
Associate Data Scientist	\$ 129,103	\$ 185,811
Associate Financial Analyst	\$ 94,405	\$ 143,419
Associate Legislative Analyst	\$ 90,294	\$ 146,622
Associate Manager of Decarbonization Programs and Policy	\$ 144,471	\$ 208,108
Associate Power Analyst	\$ 101,898	\$ 158,986
Associate Power Resources Planner	\$ 144,471	\$ 219,593
CFO	\$ 228,746	\$ 381,448
Communication Specialist	\$ 94,405	\$ 143,419
Communications Manager	\$ 144,471	\$ 215,886
Community Outreach Specialist	\$ 78,255	\$ 127,891
Data Analyst	\$ 129,103	\$ 190,592
Data Engineer	\$ 136,296	\$ 198,649
Data Scientist	\$ 144,471	\$ 208,108
Deputy Board Clerk/Administrative Assistant	\$ 108,355	\$ 185,595
Deputy Director of Marketing and Communications Deputy	\$ 185,809	\$ 291,983
Director of Power Resources	\$ 204,202	\$ 320,864
Director of Customer Success	\$ 192,644	\$ 302,702
Director of Decarbonization Policy and Community Strategies	\$ 192,644	\$ 302,702
Director of Energy Services & Community Relations	\$ 192,644	\$ 302,702
Director of Government and Legislative Affairs	\$ 192,644	\$ 302,702
Director of Human Resources	\$ 192,644	\$ 302,702
Director of Operations	\$ 192,644	\$ 302,702
Director of Power Resources	\$ 218,360	\$ 327,540
Director of Regulatory, Policy and Planning	\$ 192,644	\$ 302,702
Director of Risk Management and Analytics	\$ 192,644	\$ 302,702
Director of Strategic Development	\$ 192,644	\$ 302,702
Energy Services Lead	\$ 144,471	\$ 220,555
Energy Services Manager	\$ 181,225	\$ 275,458
Energy Services Principal	\$ 161,808	\$ 245,944
Energy Services Specialist	\$ 94,405	\$ 143,420
Energy Trading Manager	\$ 179,204	\$ 264,330
Energy Trading Planner	\$ 156,511	\$ 245,944
Financial Analyst	\$ 108,355	\$ 185,595
General Counsel	\$ 192,644	\$ 302,702
Human Resources Analyst	\$ 108,355	\$ 185,595
Human Resources Generalist	\$ 132,432	\$ 208,108
Human Resources Manager	\$ 180,590	\$ 245,944
IT Analyst	\$ 132,432	\$ 208,108
IT Support Specialist	\$ 94,405	\$ 143,419
Management Analyst/Admin	\$ 132,432	\$ 208,108

FY25-26 Salary Chart		
Title	Minimum Salary (Annual \$)	Maximum Salary (Annual \$)
Manager of Data and Analytics	\$ 185,227	\$ 275,457
Manager of Decarbonization Programs	\$ 156,511	\$ 245,944
Manager of Finance	\$ 164,337	\$ 249,730
Manager of Technology and Admin Services	\$ 164,337	\$ 249,730
Marketing Lead	\$ 144,471	\$ 220,555
Marketing Specialist	\$ 78,255	\$ 127,891
Policy Analyst	\$ 108,355	\$ 185,595
Power Analyst	\$ 114,125	\$ 178,064
Power Contracts & Settlements Manager	\$ 180,590	\$ 283,783
Power Resources Manager	\$ 180,590	\$ 283,783
Power Resources Planner	\$ 156,511	\$ 245,944
Power Settlements and Compliance Analyst	\$ 132,432	\$ 208,108
Power Settlements Manager	\$ 179,204	\$ 264,330
Power Settlements Planner	\$ 156,511	\$ 245,944
Principal Data Engineer	\$ 156,511	\$ 249,185
Principal Data Scientist	\$ 175,292	\$ 261,051
Principal Policy Analyst	\$ 156,511	\$ 232,810
Principal Power Analyst	\$ 143,158	\$ 223,363
Program Marketing Manager	\$ 144,471	\$ 215,886
Programs Lead	\$ 144,471	\$ 220,555
Programs Specialist	\$ 90,294	\$ 146,622
Rates Manager	\$ 164,337	\$ 245,944
Regulatory & Compliance Manager	\$ 156,511	\$ 245,944
Regulatory Analyst	\$ 126,413	\$ 185,595
Senior Board Clerk/Executive Assistant	\$ 132,432	\$ 220,555
Senior Communications Specialist	\$ 94,405	\$ 160,629
Senior Data Analyst	\$ 144,471	\$ 213,463
Senior Data Engineer	\$ 152,651	\$ 222,486
Senior Data Scientist	\$ 156,511	\$ 233,081
Senior Energy Services Specialist	\$ 108,355	\$ 160,630
Senior Financial Analyst	\$ 144,471	\$ 208,108
Senior Government Affairs Manager	\$ 192,644	\$ 264,330
Senior IT Analyst	\$ 145,675	\$ 228,919
Senior Management Analyst	\$ 144,471	\$ 228,919
Senior Manager of Communications	\$ 165,901	\$ 260,700
Senior Manager of Decarbonization Programs and Policy	\$ 165,901	\$ 260,700
Senior Manager of Power Resources	\$ 192,644	\$ 302,702
Senior Manager of Technology and Administrative Services	\$ 184,057	\$ 278,802
Senior Marketing Specialist	\$ 94,405	\$ 143,419
Senior Policy Analyst	\$ 126,413	\$ 207,866
Senior Power Analyst	\$ 127,820	\$ 199,432
Senior Power Resources Planner	\$ 192,644	\$ 275,458
Senior Programs Specialist	\$ 108,355	\$ 164,217

FY25-26 Salary Chart		
Title	Minimum Salary (Annual \$)	Maximum Salary (Annual \$)
Senior Programs Specialist	\$ 109,558	\$ 179,905
Senior Public Sector Services Manager	\$ 165,901	\$ 260,700
Senior Quantitative Analyst	\$ 144,471	\$ 213,463
Senior Rates Analyst	\$ 144,471	\$ 208,108
Senior Regulatory Advisor	\$ 132,432	\$ 208,108
Senior Regulatory Analyst	\$ 132,432	\$ 208,108
Senior Regulatory Analyst & Associate General Counsel	\$ 144,471	\$ 220,555
Wholesale Energy Markets Manager	\$ 179,204	\$ 264,330
Wholesale Energy Markets Planner	\$ 156,511	\$ 245,944

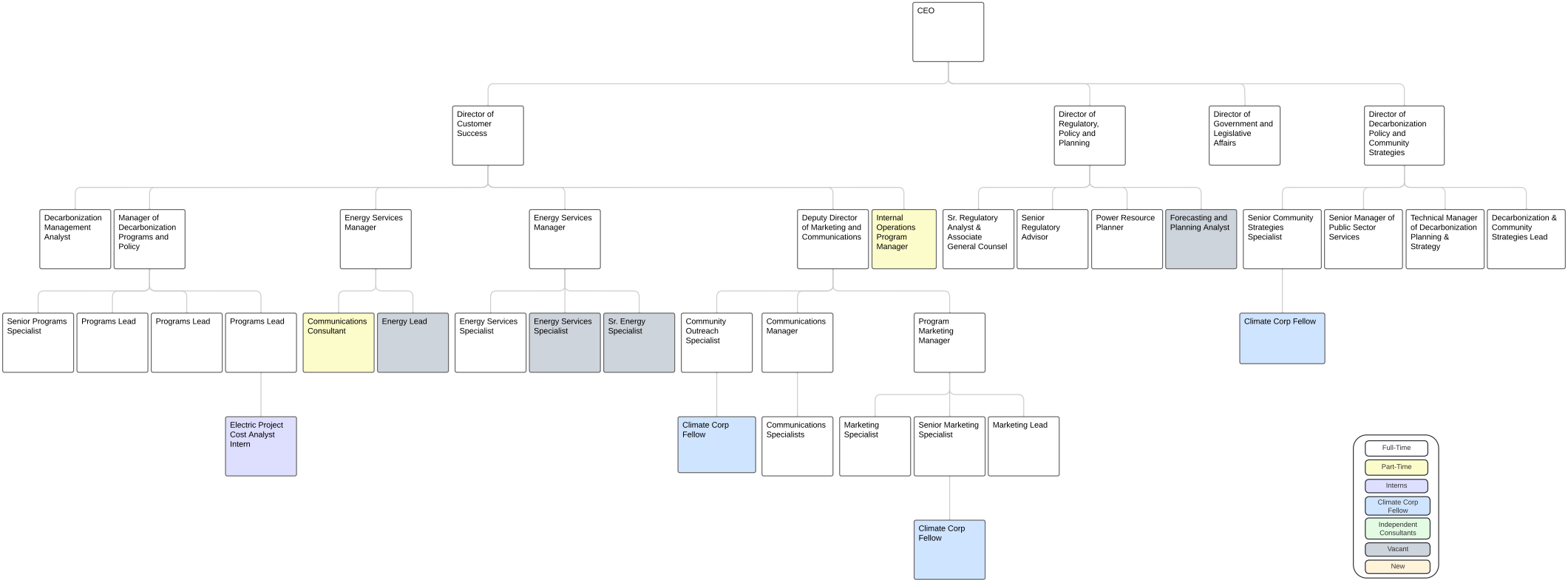
# FY25-26 Organization Chart (Exec, Finance, PRO, Operations)

Item 4  
Attachment 5



# FY25-26 Organization Chart (Exec, CS, RPPL)

Item 4  
Attachment 5





## 2025-26 Benefits Summary

Benefit	Details
<b>Health Insurance</b>	
Employer Premium Contribution	SVCE provides up to \$1,500 per month to cover the employee and dependent medical insurance premiums.
Medical	Coverage is provided through the CalChoice marketplace, and currently includes the following options: Kaiser – HMO plans Sutter Health – HMO plans Anthem Blue Cross – PPO plans Cigna –EPO G
Dental	Delta Dental PPO – 100% Employer Paid
Vision	Vision PPO Plan – 100% Employer Paid
<b>Retirement</b>	
401 (a) Plan	Mandatory 10% employee contribution matched by 10% employer contribution in lieu of Social Security. Fully vested from date of hire.
457 (b) Deferred Compensation	Voluntary pre-tax employee contributions up to annual IRS limits.
<b>HRA -or- HSA</b>	
Health Reimbursement Account	SVCE contributes \$500 / month towards a Health Reimbursement Account that the employee can use for qualified health care expenses. Unused balances can be carried over to the next year.
Health Savings Account (only with eligible High Deductible Health Plans)	SVCE contributes up to \$400 / month towards a Health Savings Account that the employee can use for qualified health care expenses. Balance can be invested and stays with employee after separation.
<b>FSA – Health / Dependent Care / Transportation / Parking</b>	
Employer Contribution	SVCE contributes \$200 / month towards flexible spending accounts that can be used for qualified expenses in the categories below. Employee can contribute additional funds up to the IRS limits.
Health Spending Account	Employee can annually contribute up to \$3,200 pre-tax to their Health FSA. A maximum of \$660 rolls over for 2025.
Dependent (Child / Elder) Care Assistance	Employee can annually contribute up to \$5,000 pre-tax to their Dependent Care account. Funds do not roll over.
Transit / Parking Plan	Non-taxable reimbursement of up to \$315 per month for qualified transit and parking expenses, all funds roll over as long as you remain eligible
<b>Health / Wellness</b>	
Fitness Reimbursement Program	SVCE will reimburse up to \$600 / year for qualified fitness expenses (class / program / equipment) per year. This reimbursement will accrue annually up to \$3000.
<b>Professional Development</b>	
Tuition Reimbursement Program	SVCE will reimburse up to \$5,000 / year for qualified educational advancement that supports the organization's mission.
<b>Employee Rebate Reimbursement</b>	
SVCE Employees are eligible to receive the same rebate benefits as its customers	SVCE rebates are available for single-family homes, accessory dwelling units (ADUs), and multi-family homes (4 dwelling units or fewer) swapping out existing equipment, not for completely new building construction. Each dwelling unit is eligible for one rebate per appliance type.



## 2025-26 Benefits Summary

Miscellaneous	
Short Term Disability Insurance	STD provided at 60% of weekly earnings subject to terms of STD insurance carrier and cap based on salary.
Long Term Disability Insurance	LTD provided at 60% of monthly earnings subject to terms of LTD insurance carrier and cap based on salary.
Term Life Insurance	100% Employer-paid for 1X base salary with minimum guarantee at \$200,000 life and AD&D coverage.
Employee Assistance Program (EAP)	100% Employer-paid confidential counseling for you and your immediate family member and work/life services assistance.
Hybrid Work Set up	One time \$500 reimbursable for home office set up.
Technology Stipend	\$50 monthly stipend for phone and \$70 internet connection costs
Voluntary Term Life and AD&D Rates	
Voluntary term life monthly rate	Voluntary term life rates do not include the AD&D rate. The spouse is charged based upon his/her individual age. Child(ren) monthly rate: \$10,000 of coverage for \$2.00 per family
Voluntary Accidental Death and Dismemberment (AD&D) monthly rate	Employee and spouse \$.039
Leave	
Vacation Leave	SVCE offers 160 hours of Paid Time Off (PTO) that is accrued bi-weekly for the first year. PTO includes vacation, sick, etc.  After the first-year anniversary date, an additional 8 hours will be granted per year up to the tenth year of employment.  All unused PTO at the end of the year can be carried over to a maximum of twice the annual accrual. Exempt employees receive an additional 40 hours of Management Leave at the beginning of each calendar year, which does not carry over to the next year.
Holidays	13 days (104 hours) per year. New Year's Day Martin Luther King Jr.'s Birthday Presidents' Day Cesar Chavez Day Memorial Day Juneteenth Independence Day Labor Day Veteran's Day Thanksgiving (2 days) Christmas Day Floating Holiday (does not accrue, use annually)
Administrative Shut-Down Leave	Christmas Day though New Year's Day
Bereavement Leave	Up to 5 days paid bereavement leave in the event of a death in your immediate family.
Parental Leave	240 hours of paid parental leave, eligibility at the CEO's discretion

Capital Projects Report											
Description	Account	Date	Cost	Life (months)	Depreciation	Operating Cost/Revenue Impact	Effect on Operations/Reliability	Consequence of not funding the Capital Project	Source of Funding	On-going Impact to Operational Budget	
January 2025 - Stage 1 Initial Roof Inspection - Building finalized in February 2025	Construction in Progress	01/31/2025	\$ 3,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast	
January 2025 - deposit for stage 1 initial roof inspection -Building finalized in February 2025	Construction in Progress	01/31/2025	\$ 1,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast	
Office Building on 298 South Sunnyvale Avenue, Sunnyvale CA 94086	Building	02/20/2025	\$ 7,000,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast	
LAND Office Building on 298 South Sunnyvale Avenue, Sunnyvale CA 94086	Land	02/20/2025	\$ 4,500,000	N/A Land	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast	
May 2025 - Sunnyvale HQ - Construction Project Management Services	Construction in Progress	05/31/2025	\$ 20,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast	
New Office Space Expenditures for 298 S Sunnyvale	Fixture	09/01/2026	\$ 462,000	84	not in service yet	Listed in FY25-26 Proposed Budget Capital Expenditure	N/A	Need to fulfill staff office space needs	FY25-26 Proposed Operating Budget	One-time Capital cost in FY25-26 budget	

\*Furniture depreciates at 84 months  
 \*Software / electronics depreciate at 36 month



## SILICON VALLEY CLEAN ENERGY AUTHORITY

### RESOLUTION NO. 2025-20

#### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY TO APPROVE THE FISCAL YEAR 2025-2026 BUDGET FOR SILICON VALLEY CLEAN ENERGY

**WHEREAS**, the Silicon Valley Clean Energy Authority (“Authority”) was formed on March 31, 2016, pursuant to a Joint Powers Agreement to study, promote, develop, conduct, operate, and manage energy programs in Santa Clara County; and

**WHEREAS**, the Authority operates on a fiscal year budget cycle from October 1<sup>st</sup> through September 30<sup>th</sup>;

**WHEREAS**, draft versions of the Authority’s budget for the fiscal year 2025-2026 were presented to the Finance & Administration Committee on August 4, 2025, and the Board of Directors on August 13, 2025 (collectively, the “Prior Presentations”);

**WHEREAS**, staff has incorporated feedback from the Prior Presentations and has prepared a recommended budget, set forth in Exhibit A (the “Recommended Budget”);

**NOW THEREFORE**, the Board of Directors of the Silicon Valley Clean Energy Authority does hereby resolve that:

1. The foregoing recitals are true and correct.
2. The Board of Directors hereby approves and adopts the Recommended Budget, as set forth in Exhibit A, as the Authority’s fiscal year 2025-2026 budget.

**PASSED AND ADOPTED** this 10<sup>th</sup> day of September 2025, by the following vote:

JURISDICTION	NAME	AYE	NO	ABSTAIN	ABSENT
City of Campbell	Director Scozzola				
City of Cupertino	Director Fruen				
City of Gilroy	Director Hilton				
City of Los Altos	Director Meadows				
Town of Los Altos Hills	Director Tyson				
Town of Los Gatos	Director Rennie				
City of Milpitas	Director Barbadillo				
City of Monte Sereno	Director Mekechuk				
City of Morgan Hill	Director Martinez Beltran				
City of Mountain View	Director Showalter				
County of Santa Clara	Director Lee				
City of Saratoga	Director Walia				
City of Sunnyvale	Director Klein				

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Chair

**ATTEST:**

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Andrea Pizano, Board Secretary

**Exhibit A**

<b>SILICON VALLEY CLEAN ENERGY FY25-26 OPERATING BUDGET</b> (\$ in thousands)	
DESCRIPTION	<b>FY25-26 ANNUAL BUDGET</b>
<b>ENERGY REVENUES</b>	
Energy Sales	360,057
Green Prime	2,469
Customer Bill Relief (Existing CARE/FERA)	(4,110)
Other Income	0
<b>TOTAL ENERGY REVENUES</b>	<b><u>358,416</u></b>
<b>ENERGY EXPENSES</b>	
Power Supply	368,896
<b>OPERATING MARGIN</b>	<b><u>(10,480)</u></b>
<b>OPERATING EXPENSES</b>	
Data Management	3,764
PG&E Fees	1,569
Salaries and Retirement	18,870
Professional Services	10,902
Marketing & Promotions	2,347
General & Administrative	5,742
<b>TOTAL OPERATING EXPENSES</b>	<b><u>43,193</u></b>
<b>OPERATING INCOME (LOSS)</b>	<b><u>(53,673)</u></b>
<b>NON-OPERATING REVENUES</b>	
Interest Income	21,413
<b>TOTAL NON-OPERATING REVENUES</b>	<b><u>21,413</u></b>
<b>NON-OPERATING EXPENSES</b>	
Financing	29
<b>TOTAL NON-OPERATING EXPENSES</b>	<b><u>29</u></b>
<b>TOTAL NON-OPERATING INCOME (EXPENSES)</b>	<b><u>21,384</u></b>
<b>CHANGE IN NET POSITION</b>	<b><u>(32,289)</u></b>
<b>CAPITAL EXPENDITURES, INTERFUND TRANSFERS &amp; OTHER</b>	
Capital Outlay	512
Program Fund	7,251
Nuclear Allocation	0
Customer Bill Relief (Existing CARE/FERA)	0
Additional One-Time Bill Credit for All Customers	0
Hanford Emissions Mitigation Fund	0
Other	0
<b>TOTAL CAPITAL EXPENDITURES, INTERFUND TRANSFERS &amp; OTHER</b>	<b><u>7,763</u></b>
<b>BALANCE AVAILABLE FOR RESERVES</b>	<b><u>(40,052)</u></b>



## Staff Report – Item 5

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### **Item 5: Introduction to the Integrated Decarbonization Roadmap**

From: Monica Padilla, CEO

Prepared by: Peter Mustacich, Technical Manager of Decarbonization Planning and Strategy  
Zoe Elizabeth, Director of Decarbonization Policy and Community Strategies

Date: 9/10/2025

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### **RECOMMENDATION**

This item is being presented to the Silicon Valley Clean Energy (SVCE) Board of Directors ("Board") for informational purposes only.

### **BACKGROUND**

In 2018 Silicon Valley Clean Energy (SVCE) published the "Decarbonization Strategy & Programs Roadmap", a public-facing document outlining SVCE's goals, strategic framework, decarbonization strategy, programs roadmap, and reporting and review structure. This guiding document was created with input from the Board of Directors (BOD), Member Agency Working Group (MAWG), stakeholders, and consultants and came together in a public-facing document. Core to this document was the identification of GHG reduction targets on our pathway to statewide carbon neutrality. Additionally, core program initiatives were identified to help us reach these ambitious GHG reduction targets.

Since 2018, the landscape SVCE operates within has changed – California has accelerated its carbon neutrality target, new technology has matured and come to market, and statewide regulatory requirements for Load Serving Entities (LSEs) have evolved. Additionally, SVCE itself has grown and changed as an organization, from increased staff and enhanced analytic capabilities to focusing strategic programmatic efforts on scaling to reach widespread community decarbonization.

### **EXECUTIVE COMMITTEE REVIEW**

On August 29<sup>th</sup>, 2025, staff presented a preview of the Integrated Decarbonization Roadmap to the Executive Committee as an informational item. There was no discussion, and one question listed below with the staff response:

1. Question: Will the Integrated Decarbonization Roadmap effort include scenarios from the Finance & Administration team's risk management modeling?
2. Response: Yes – a primary goal of the roadmap process is to bring different forecasting and modeling efforts together so that SVCE staff are working from a "single source of truth", increasing our consistency and effectiveness.

### **ANALYSIS & DISCUSSION**

#### **Overview**

The Integrated Decarbonization Roadmap (IDR) effort will serve as an update to the original 2018 Decarbonization Strategy & Programs Roadmap by refining goals, milestones, and strategic recommendations. Additionally, the IDR will help build upon our current program reporting and tracking processes to connect more directly to GHG reduction targets. By incorporating power supply goals, constraints, and opportunities

**Agenda Item: 5****Agenda Date: 9/10/2025**

into programmatic decision making, SVCE will be better positioned to make strategic investment decisions aligned with our future decarbonization goals.

**Planned Timing and Approach**

The IDR effort will focus on three key components:

**1. Updated roadmap document**

This document will include refined electrification adoption scenarios, incorporating learnings into strategic guidelines, and strengthened connections between program metrics and GHG targets.

**2. Program decarbonization evaluation framework**

SVCE will develop a customized set of metrics to guide investment and track performance of programs toward our goals. This will also plans to grow capacity for internal reporting and ongoing planning.

**3. Prioritized recommendations**

Guiding principles to help adapt and scale decarbonization efforts over the next 3-5 years.

The IDR is scheduled for completion by Q3 2026. Major milestones include:

- Aug 2025: Presentation to Executive Committee as informational item
- **Sept 2025: Present to Board of Directors as informational item**
- Sep – Dec 2025: Staff strategic working sessions
- Dec 2025 – Feb 2026: Board of Directors Study Sessions
- Jan – Apr 2026: Stakeholder review and feedback
- Q3 2026: Final documents presented to Board of Directors for approval

**STRATEGIC PLAN**

This effort is directly supported by SVCE Strategic Plan Goal 3 – “Create a long-term decarbonization plan that integrates supply and demand changes, opportunities, and challenges”. Additionally, this effort is supported by Goal 8 – “Long-term target for 100% clean energy annually by building a balanced portfolio with consideration for both affordability and reliability while exploring long-term pathways to clean power supply”.

**ALTERNATIVE**

Not pursuing the Integrated Decarbonization Roadmap would lead to SVCE being misaligned with GHG emissions reduction milestones without a clear framework for making strategic decisions better aligned with reaching these milestones. We also assume greater risk of being unprepared for future program cost-effectiveness reporting requirements.

**FISCAL IMPACT**

None.